

BRAC Bank Limited

**Auditors' Report and Financial Statements as at and
for the year ended 31 December 2011**



S. F. AHMED & CO.
Chartered Accountants

Associate Firm of Ernst & Young

House # 25, Road # 13A, Block # D, Banani, Dhaka -1213, Bangladesh

INDEPENDENT AUDITORS' REPORT

To

The Shareholders of BRAC Bank Limited

We have audited the accompanying consolidated financial statements of BRAC Bank Limited ("the Group") which comprise consolidated balance sheet as at 31 December 2011 and the consolidated profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and also the financial statements of BRAC Bank Limited ("the Bank"), which comprise the balance sheet as at 31 December 2011 and the profit and loss Account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) give a true and fair view of the consolidated financial position of BRAC Bank Limited as of 31 December 2011, and results of its financial performance and its cash flows for the year then ended and comply with the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- iii. the Bank's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns;
- iv. the expenditure incurred was for the purpose of the bank's business;
- v. the financial position of the Bank as at 31 December 2011 and the profit and loss account for the year then ended have been properly reflected in the financial statements and the financial statements have been prepared in accordance with generally accepted accounting principles;
- vi. the financial statements have been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- vii. adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- viii. the financial statements conform to the prescribed standards set in accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- ix. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- x. the information and explanations required by us have been received and found satisfactory;
- xi. we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3380 person hours for the audit of books and accounts of the Bank; and
- xii. regarding capital adequacy ratio (CAR) as required by law, we draw the reader's attention to Note 18.10 to the financial statements.



Dated, Dhaka;
22 February 2012

S. F. Ahmed & Co.
Chartered Accountants

BRAC BANK LIMITED
Consolidated Balance Sheet
As on December 31, 2011

	Note	2011 Taka	2010 Taka
PROPERTY AND ASSETS			
Cash	3.a	11,979,216,569	9,853,046,264
Cash in hand		3,648,779,467	3,578,604,502
(Including foreign currency)			
Balance with Bangladesh Bank and its agent Bank(s)		8,330,437,102	6,274,441,763
(Including foreign currency)			
Balance with other Banks and Financial Institutions	4.a	3,746,866,187	3,887,254,779
Inside Bangladesh		3,138,856,331	3,036,616,263
Outside Bangladesh		608,009,856	850,638,516
Money at call and short notice	5.a	480,000,000	-
Investments	6.a	14,674,983,791	13,125,495,806
Government		10,291,953,253	9,667,938,634
Others		4,383,030,537	3,457,557,172
Loans and advances	7.a	97,478,364,517	86,573,913,596
Loans, cash credit, overdrafts etc.		97,083,550,903	86,329,829,222
Bills purchased & discounted		394,813,615	244,084,374
Fixed assets including premises, furniture and fixtures	8.a	2,599,931,447	1,854,245,194
Other assets	9.a	8,553,122,866	7,195,307,035
Non-banking assets	10	-	-
Goodwill	11.a	1,409,637,597	311,888,515
Total Property and Assets		140,922,122,974	122,801,151,189
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	12.a	5,720,180,188	4,973,920,255
Borrowings from Central Bank	13.a	1,533,371,184	1,828,605,004
Convertible Subordinate Bonds	14.a	3,000,000,000	3,000,000,000
Money at Call and Short notice	15.a	-	550,000,000
Deposits and other accounts	16.a	103,648,725,771	88,154,867,683
Current accounts & other accounts		32,369,590,116	30,290,472,653
Bills payable		768,394,517	1,021,461,002
Savings deposits		18,421,267,314	21,093,422,226
Fixed deposits		51,763,212,319	35,488,954,124
Other deposits		326,261,506	260,557,678
Other liabilities	17.a	16,538,199,960	13,742,438,421
Total Liabilities		130,440,477,104	112,249,831,364
Capital and Shareholders' Equity			
Paid up share capital	18.2	3,212,352,000	2,676,960,000
Preference share capital	18.9	350,000,000	500,000,000
Share premium	18.8.a	1,553,052,103	1,553,052,103
Statutory reserve	19.a	2,536,431,462	1,920,598,872
Revaluation reserve	20.a	163,089,754	1,220,932,131
Share money deposit	20.b	62,333,542	24,851,503
Surplus in profit and loss account/Retained Earnings	21.a	2,282,951,075	1,956,125,242
Total BRAC Bank Limited shareholders' equity		10,160,209,935	9,852,519,851
Minority Interest	22	321,435,935	698,799,975
Total equity		10,481,645,870	10,551,319,825
Total Liabilities and Shareholders' Equity		140,922,122,974	122,801,151,189



BRAC BANK LIMITED
Consolidated Off Balance Sheet Items
As on December 31, 2011

	Note	2011 Taka	2010 Taka
Contingent Liabilities			
Acceptances and endorsements		160,105,738	140,191,600
Letter of guarantees		4,537,278,981	3,818,035,880
Irrevocable letter of credits		16,201,080,847	18,816,476,381
Bills for collection		626,623,955	110,562,929
Tax liability	23.6	115,398,757	249,485,368
Other contingent liabilities		753,151,898	16,596,320
Total Contingent Liabilities	23	22,393,640,175	23,151,348,479
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities	23.a	405,759,290	824,637,000
Undrawn formal standby facilities, credit lines and other		-	-
Commitments- lease hold assets		-	-
Total Other Commitments		405,759,290	824,637,000
Total Off-Balance Sheet items including contingent liabilities		22,799,399,465	23,975,985,479

Managing Director & CEO

Director

Director

Chairman

Dated, Dhaka:
February 22, 2012

S. F. Ahmed & Co.
Chartered Accountants



BRAC BANK LIMITED
Balance Sheet
As on December 31, 2011

	Note	2011 Taka	2010 Taka
PROPERTY AND ASSETS			
Cash	3	11,978,646,295	9,852,975,642
Cash in hand		3,648,209,193	3,578,533,880
(Including foreign currency)			
Balance with Bangladesh Bank and its agent Bank(s)		8,330,437,102	6,274,441,763
(Including foreign currency)			
Balance with other Banks and Financial Institutions	4	3,211,368,001	3,620,894,304
Inside Bangladesh		2,657,897,194	2,760,778,472
Outside Bangladesh		553,470,807	860,115,833
Money at call and short notice	5	480,000,000	-
Investments	6	14,198,827,511	12,855,985,261
Government		10,291,953,253	9,667,938,634
Others		3,906,874,257	3,188,046,627
Loans and advances	7	90,822,174,665	82,461,486,988
Loans, cash credit, overdrafts etc.		90,427,361,050	82,217,402,614
Bills purchased & discounted		394,813,615	244,084,374
Fixed assets including premises, furniture and fixtures	8	2,349,164,755	1,748,905,507
Other assets	9	10,160,867,211	6,757,308,045
Non-banking assets	10	-	-
Total Property and Assets		<u>133,201,048,438</u>	<u>117,297,555,748</u>
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions & agents	12	650,000,000	3,700,000,000
Borrowings from Central Bank	13	461,882,617	-
Convertible Subordinate Bonds	14	3,000,000,000	3,000,000,000
Money at Call and Short notice	15	-	550,000,000
Deposits and other accounts	16	103,725,529,225	88,157,908,331
Current accounts & other accounts		32,339,880,108	30,262,113,123
Bills payable		768,394,517	1,021,461,002
Savings deposits		18,527,780,776	21,124,822,404
Fixed deposits		51,763,212,319	35,488,954,124
Other deposits		326,261,506	260,557,678
Other liabilities	17	15,761,031,757	12,471,755,315
Total Liabilities		<u>123,598,443,600</u>	<u>107,879,663,647</u>
Capital and Shareholders' Equity			
Paid up share capital	18.2	3,212,352,000	2,676,960,000
Preference share capital	18.9	350,000,000	500,000,000
Share premium	18.7	1,406,000,000	1,406,000,000
Statutory reserve	19	2,536,431,462	1,920,598,872
Revaluation reserve	20	163,089,754	1,220,932,131
Surplus in profit and loss account/Retained Earnings	21	1,934,731,623	1,693,401,098
Total shareholders' equity		<u>9,602,604,839</u>	<u>9,417,892,101</u>
Total Liabilities and Shareholders' Equity		<u>133,201,048,438</u>	<u>117,297,555,748</u>



BRAC BANK LIMITED
Off Balance Sheet Items
As on December 31, 2011

	Note	2011 Taka	2010 Taka
Contingent Liabilities			
Acceptances and endorsements		160,105,738	140,191,600
Letter of guarantees		4,537,278,981	3,818,035,880
Irrevocable letter of credits		16,201,080,847	18,816,476,381
Bills for collection		626,623,955	110,562,929
Tax liability	23.6	115,398,757	249,485,368
Other contingent liabilities		753,151,898	16,596,320
Total Contingent Liabilities	23	<u>22,393,640,175</u>	<u>23,151,348,479</u>
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- lease hold assets		-	-
Total Other Commitments		<u>-</u>	<u>-</u>
Total Off-Balance Sheet items including contingent liabilities		<u><u>22,393,640,175</u></u>	<u><u>23,151,348,479</u></u>

Managing Director & CEO

Director

Director

Chairman

Dated, Dhaka;
February 22, 2012

S. F. Ahmed & Co.
Chartered Accountants



BRAC BANK LIMITED
Consolidated Profit and Loss Account
For the year ended 31 December 2011

Particulars	Note	2011	2010
		Taka	Taka
Interest income	25.a	14,283,148,334	11,028,458,556
Interest paid on deposits and borrowing etc.	26.a	8,645,101,681	5,886,828,345
Net interest income		5,638,046,653	5,141,630,210
Investment income	27.a	1,640,318,565	2,259,257,261
Commission, exchange and brokerage	28.a	3,151,441,516	2,771,273,888
Other operating income	29.a	365,980,102	227,314,643
Total operating income		10,795,786,834	10,399,476,002
Salaries and allowances	30.0	2,501,563,705	2,111,594,431
Rent, taxes, insurance, electricity etc.	31.a	629,938,192	553,962,234
Legal expenses	32.0	31,055,680	37,854,350
Postage, stamps, telecommunication etc.	33.a	208,114,022	184,457,390
Stationery, printing, advertisement etc.	34.a	349,075,279	327,490,915
Chief Executive's salary & fees		11,146,417	10,365,818
Directors' fees & expenses	35.a	3,796,156	2,953,907
Auditors' fee	36.a	2,046,680	943,150
Depreciation on and repairs to bank's assets	37.a	838,480,869	607,276,877
Other expenses	38.a	1,021,787,620	1,043,484,084
Total operating expenses		5,597,004,619	4,880,383,156
Profit/(loss) before provisions		5,198,782,215	5,519,092,846
Provision for:			
Loans and advances	39.a	1,536,497,958	1,827,695,989
Diminution in value of investments		444,213,413	56,741,049
Off balance sheet items		4,000,000	168,593,000
Others		-	-
Total provision		1,984,711,371	2,053,030,038
Profit/(loss) before taxes		3,214,070,845	3,466,062,808
Provision for Tax:			
Current tax expense		1,575,650,322	1,558,995,482
Deferred tax expense/ (income)		(174,023,667)	(165,991,757)
Total provision for Tax	40.a	1,401,626,655	1,393,003,726
Total profit/(loss) after taxes		1,812,444,190	2,073,059,083
Appropriations:			
Statutory reserve		615,832,590	583,118,995
General reserve		-	-
Dividend etc.		-	-
		615,832,590	583,118,995
Retained earnings		1,196,611,600	1,489,940,088
Attributable to:			
Equity holders of BRAC Bank Ltd.		1,210,473,401	1,289,710,188
Minority interest		(13,861,801)	200,229,900
		1,196,611,600	1,489,940,088
Basic earnings per share	41.a	5.54	5.68

Managing Director & CEO

Director

Director

Chairman

Dated, Dhaka;
February 22, 2012

S. F. Ahmed & Co.
Chartered Accountants



BRAC BANK LIMITED
Profit and Loss Account
For the year ended 31 December 2011

Particulars	Note	2011	2010
		Taka	Taka
Interest income	25	13,610,278,427	10,807,966,445
Interest paid on deposits and borrowing etc.	26	8,164,158,813	5,756,665,126
Net interest income		5,446,119,614	5,051,301,318
Investment income	27	1,704,955,227	2,145,070,708
Commission, exchange and brokerage	28	2,722,451,074	2,125,645,901
Other operating income	29	261,207,507	205,509,857
Total operating income		10,134,733,422	9,527,527,784
Salaries and allowances		2,335,377,171	1,993,928,028
Rent, taxes, insurance, electricity etc.	31	566,123,413	522,526,674
Legal expenses		21,523,613	27,768,436
Postage, stamps, telecommunication etc.	33	184,315,961	179,428,563
Stationery, printing, advertisement etc.	34	328,303,823	307,601,427
Chief Executive's salary & fees		11,146,417	10,365,818
Directors' fees & expenses	35	925,583	525,350
Auditors' fee	36	867,800	628,200
Depreciation on and repairs to bank's assets	37	792,315,643	588,552,990
Other expenses	38	923,922,846	939,983,756
Total operating expenses		5,164,822,269	4,571,309,242
Profit/(loss) before provisions		4,969,911,152	4,956,218,541
Provision for:			
Loans and advances	39	1,514,315,870	1,809,282,966
Diminution in value of investments		444,213,413	56,741,049
Off balance sheet items		4,000,000	168,593,000
Others	32.00	-	-
Total provision		1,962,529,283	2,034,617,015
Profit/(loss) before taxes		3,007,381,869	2,921,601,526
Provision for Tax:			
Current tax expense		1,460,000,000	1,416,240,000
Deferred tax expense/ (income)		(155,000,000)	(165,000,000)
Total provision for Tax	40.1	1,305,000,000	1,251,240,000
Total profit/(loss) after taxes		1,702,381,869	1,670,361,526
Appropriations:			
Statutory reserve		615,832,590	583,118,995
General reserve		-	-
Dividend etc.		-	-
Retained earnings		615,832,590	583,118,995
Basic earnings per share	41	5.15	5.05

Managing Director & CEO

Director

Director

Chairman

Dated, Dhaka;
February 22, 2012

S. F. Ahmed & Co.
Chartered Accountants



BRAC BANK LIMITED
Consolidated Cash Flow Statement
For the year ended 31 December 2011

	Note	2011 Taka	2010 Taka
A. Cash flows from operating activities			
Interest receipts		15,641,915,477	12,463,132,109
Interest payment		(8,199,547,626)	(5,703,656,787)
Dividends receipts		52,297,592	28,705,742
Fees & commissions receipts		3,091,237,271	2,771,273,888
Cash payments to employees		(2,435,244,405)	(2,025,702,712)
Cash payments to suppliers		(655,371,909)	(568,394,136)
Income tax paid		(1,564,614,901)	(1,314,225,180)
Receipts from other operating activities	43.a	538,478,271	1,088,786,908
Payment for other operating activities	44.a	(1,504,237,212)	(1,066,303,390)
Operating profit/(loss) before changes in operating assets and liabilities (i)		4,964,912,559	5,673,616,442
Increase/decrease in operating assets & liabilities			
Loans and advances		(11,793,368,545)	(22,423,078,437)
Other assets		(1,704,693,078)	(1,258,938,325)
Deposits from customers		15,429,399,774	13,699,189,823
Other liabilities		(1,035,393,072)	410,513,133
Cash utilised in operating assets & liabilities (ii)		895,945,079	(9,572,313,806)
Net cash (used)/flows from operating activities (i+ii)		5,860,857,638	(3,898,697,363)
B. Cash flows from investing activities			
Treasury bills		-	-
Treasury bonds		(1,682,188,797)	234,489,326
Sale/ (Investment) in shares		(983,104,224)	(2,903,283,908)
Investment in debenture		-	-
Investment in bonds		70,000,000	(500,000,000)
Investment in zero coupon bonds		-	-
Investment in prize bond		331,800	(313,500)
Acquisition of fixed assets		(1,363,694,392)	(624,848,899)
Disposal of fixed Assets		12,220,291	10,371,422
Net cash used in investing activities		(3,946,435,322)	(3,783,585,559)
C. Cash flows from financing activities			
Proceeds from issue of ordinary shares		36,738,938	-
Proceeds from issue of preference shares		(150,000,000)	-
Proceeds from issue of right shares		-	-
Share premium		-	-
Payment of dividend on preference share		(47,812,500)	(47,812,500)
Payment for lease finance		(378,240)	(315,200)
Borrowings from other banks		(261,184,958)	2,523,920,255
Proceeds from issue of Subordinate Debts		-	3,000,000,000
Money at call and short notice		(550,000,000)	550,000,000
Borrowings from Bangladesh Bank		1,533,371,184	1,828,605,004
Share money deposit		73,499,295	-
Donor grant received		88,489,123	-
Cash Dividend		(236,222,994)	-
Net cash flows from financing activities		486,499,849	7,854,397,559
Net increase/decrease in cash		2,400,922,165	172,114,637
Cash and cash equivalents at beginning of year		13,805,160,592	13,568,186,406
Cash and cash equivalents at end of year	42.a	16,206,082,756	13,740,301,043
Cash and cash equivalents at end of the year:			
Cash in hand (including foreign currency)		3,648,779,467	3,578,604,502
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		8,330,437,102	6,274,441,763
Balance with other banks and financial institutions		3,746,866,187	3,887,254,779
Money at call and short notice		480,000,000	-
		16,206,082,756	13,740,301,043



BRAC BANK LIMITED
Cash Flow Statement
For the year ended 31 December 2011

	Note	2011 Taka	2010 Taka
A. Cash flows from operating activities			
Interest receipts		14,954,276,178	12,195,807,003
Interest payment		(7,649,000,655)	(5,547,278,223)
Dividends receipts		52,297,592	28,705,742
Fees & commissions receipts		2,722,451,074	2,125,645,901
Cash payments to employees		(2,381,443,791)	(1,961,592,237)
Cash payments to suppliers		(531,170,661)	(543,547,558)
Income tax paid		(1,441,491,782)	(1,198,296,223)
Receipts from other operating activities	43	519,870,729	1,066,982,122
Payment for other operating activities :	44	(1,300,956,644)	(1,607,541,969)
Operating profit/(loss) before changes in operating assets and liabilities (i)		4,944,832,041	4,558,884,558
Increase/decrease in operating assets & liabilities			
Loans and advances		(8,360,687,677)	(18,310,651,829)
Other assets		(1,837,339,966)	(754,359,044)
Deposits from customers		15,567,620,894	12,938,293,176
Other liabilities		(976,121,918)	128,627,512
Cash utilised in operating assets & liabilities (ii)		4,393,471,333	(5,998,090,184)
Net cash (used)/flows from operating activities (i+ii)		9,338,303,374	(1,439,205,626)
B. Cash flows from investing activities			
Treasury bills		-	-
Treasury bonds		(1,682,188,797)	234,489,326
Sale/ (Investment) in shares		(788,827,631)	(2,570,386,299)
Investment in debenture		-	-
Investment in bonds		70,000,000	(500,000,000)
Investment in zero coupon bonds		-	-
Investment in prize bond		331,800	(313,500)
Acquisition of fixed assets		(1,181,195,585)	(525,804,790)
Disposal of Fixed Assets		11,874,065	9,967,732
Net cash used in investing activities		(3,570,006,148)	(3,352,047,530)
C. Cash flows from financing activities			
Proceeds from issue of ordinary shares		(150,000,000)	-
Proceeds from issue of preference shares		-	-
Proceeds from issue of right shares		-	-
Share Premium		-	-
Payment of dividend on preference share		(47,812,500)	(47,812,500)
Payment for lease finance		-	-
Borrowings from other banks		(3,050,000,000)	(578,605,004)
Proceeds from issue of Subordinate Debts		-	3,000,000,000
Money at call and short notice		(550,000,000)	550,000,000
Borrowings from Bangladesh Bank		461,882,617	1,828,605,004
Dividend paid		(236,222,994)	-
Net cash flows from financing activities		(3,572,152,877)	4,752,187,500
Net increase/decrease in cash		2,196,144,350	(39,065,656)
Cash and cash equivalents at beginning of year		13,473,869,947	13,512,935,603
Cash and cash equivalents at end of year	42	15,670,014,296	13,473,869,947
Cash and cash equivalents at end of the year:			
Cash in hand (including foreign currency)		3,648,209,193	3,578,533,880
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		8,330,437,102	6,253,872,744
Balance with other banks and financial institutions		3,211,368,001	3,641,463,324
Money at call and short notice		480,000,000	-
		15,670,014,296	13,473,869,947



BRAC BANK LIMITED

Consolidated Statement of Changes in Equity For the year ended 31 December 2011

Particulars	Paid up share capital	Preference share capital	Share Premium	Statutory Reserve	Revaluation Reserve	Share money deposit	Retained Earnings	Minority Interest	Total
Balance at 01 January 2011	2,676,960,000	500,000,000	1,553,052,103	1,920,598,872	1,220,932,131	24,851,503	1,956,343,641	699,009,809	10,551,748,059
Adjustment for acquisition of EPL shares	-	-	-	-	-	-	-	(259,029,964)	(259,029,964)
Adjustment for acquisition of EPSL shares	-	-	-	-	-	-	-	(140,694,265)	(140,694,265)
Net profit for the year	-	-	-	-	-	-	1,171,826,188	(13,861,801)	1,157,964,387
Share money deposit	-	-	-	-	-	37,482,039	-	-	37,482,039
Share money deposit of B-Kash Ltd.	-	-	-	-	-	-	-	36,012,156	36,012,156
Statutory reserve	-	-	-	615,832,590	-	-	-	-	615,832,590
Revaluation reserve of securities	-	-	-	-	(1,057,842,377)	-	5,681,746	-	(1,052,160,631)
Dividends (Bonus share)	535,392,000	-	-	-	-	-	(535,392,000)	-	-
Cash Dividends	-	-	-	-	-	-	(267,696,000)	-	(267,696,000)
Redemption of preference share	-	(150,000,000)	-	-	-	-	-	-	(150,000,000)
Dividend on preference share	-	-	-	-	-	-	(47,812,500)	-	(47,812,500)
Balance as at 31 December 2011	3,212,352,000	350,000,000	1,553,052,103	2,536,431,462	163,089,754	62,333,542	2,282,951,075	321,435,935	10,481,645,870
Balance as at 31 December 2010	2,676,960,000	500,000,000	1,553,052,103	1,920,598,872	1,220,932,131	24,851,503	1,956,125,242	698,799,975	10,551,319,825



BRAC BANK LIMITED

Statement of Changes in Equity For the year ended 31 December 2011

Particulars	Paid up share capital	Preference share capital	Share Premium	Statutory Reserve	Revaluation Reserve	Retained Earnings	Amount in Taka	
							Total	
Balance at January 01, 2011	2,676,960,000	500,000,000	1,406,000,000	1,920,598,872	1,220,932,131	1,693,401,098	9,417,892,101	
Net profit for the year	-	-	-	-	-	1,086,549,279	1,086,549,279	
Statutory reserve	-	-	-	615,832,590	-	-	615,832,590	
Exchange equalization reserve	-	-	-	-	-	-	-	
Revaluation reserve of securities	-	-	-	-	(1,057,842,377)	5,681,746	(1,052,160,631)	
Dividends (Bonus share)	535,392,000	-	-	-	-	(535,392,000)	-	
Cash Dividends	-	-	-	-	-	(267,696,000)	(267,696,000)	
Redemption of preference share	-	(150,000,000)	-	-	-	-	(150,000,000)	
Dividend on preference share	-	-	-	-	-	(47,812,500)	(47,812,500)	
Balance as at 31 December 2011	3,212,352,000	350,000,000	1,406,000,000	2,536,431,462	163,089,754	1,934,731,623	9,602,604,839	
Balance as at 31 December 2010	2,676,960,000	500,000,000	1,406,000,000	1,920,598,872	1,220,932,131	1,693,401,098	9,417,892,101	



BRAC BANK LIMITED

Consolidated Liquidity Statement (Assets & Liabilities Maturity Analysis)

As on December 31, 2011

	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
Assets						
Cash in hand	4,917,243,948	-	-	-	7,061,972,621	11,979,216,569
Balance with other bank, Other Banks and financial Institutions (Including foreign currencies)	2,536,866,187	-	-	-	-	3,746,866,187
Money at call and on short notice	480,000,000	400,000,000	810,000,000	-	-	480,000,000
Investments	89,823,058	595,901,609	2,458,482,254	3,132,243,044	8,398,533,825	14,674,983,791
Loans and advances	16,431,525,265	13,633,948,598	29,590,835,957	31,946,001,307	5,876,053,391	97,478,364,517
Fixed assets including premises, furniture & fixtures	48,133,567	119,616,790	316,382,107	1,195,522,487	920,276,496	2,599,931,447
Other assets	53,806,253	472,482,952	416,171,085	77,413,915	7,533,248,661	8,553,122,866
Non - banking assets	-	-	-	-	-	-
Goodwill	-	-	-	-	1,409,637,597	1,409,637,597
Total Assets	24,557,398,278	15,221,949,950	33,591,871,403	36,351,180,753	31,199,722,591	140,922,122,974

LIABILITIES

Borrowings from Bangladesh bank, other Banks, financial institutions and agents	6,791,668,755	-	107,298,285	354,584,332	-	7,253,551,372
Convertible subordinated debts	-	-	-	-	3,000,000,000	3,000,000,000
Money at call and on short notice	20,140,543,324	22,512,205,109	28,487,787,052	22,384,456,057	10,123,734,230	103,648,725,771
Deposits & other accounts	-	-	-	-	321,435,935	321,435,935
Minority Interest	1,049,418,730	872,182,400	2,637,674,727	1,373,477,152	10,605,446,952	16,538,199,960
Other liabilities	27,981,630,809	23,384,387,509	31,232,760,064	24,112,517,541	24,050,617,117	130,761,913,039
Total Liabilities	(3,424,232,531)	(8,162,437,559)	2,359,111,339	12,238,663,212	7,149,105,474	10,160,209,935
Amount of net liquidity difference						

Net result of the Liquidity Statement represents the 'Shareholders' Equity' of the Bank.



BRAC BANK LIMITED

Liquidity Statement (Assets & Liabilities Maturity Analysis) As on December 31, 2011

	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Amount in Taka Total
Assets						
Cash in hand	4,916,934,764	-	-	-	7,061,711,531	11,978,646,295
Balance with other bank, Other Banks and financial institutions (Including foreign currencies)	2,001,368,001	400,000,000	810,000,000	-	-	3,211,368,001
Money at call and on short notice	480,000,000	-	-	-	-	480,000,000
Investments	15,433,096,787	506,078,552	2,161,972,089	3,132,243,044	8,398,533,825	14,198,827,511
Loans and advances	48,133,567	12,302,710,628	27,261,169,508	30,281,953,843	5,543,243,898	90,822,174,665
Fixed assets including premises, furniture & fixtures	575,614,359	119,616,790	316,382,107	1,195,522,487	669,509,804	2,349,164,755
Other assets	-	621,570,982	1,203,931,266	226,501,944	7,533,248,661	10,160,867,211
Non - banking assets	-	-	-	-	-	-
Total Assets	23,455,147,478	13,949,976,951	31,753,454,971	34,836,221,319	29,206,247,720	133,201,048,438
LIABILITIES						
Borrowings from Bangladesh bank, other Banks, financial institutions and agents	650,000,000	-	107,298,285	354,584,332	3,000,000,000	1,111,882,617
Convertible subordinated debts	-	-	-	-	-	3,000,000,000
Money at call and on short notice	20,269,975,702	22,485,890,647	28,461,472,590	22,384,456,057	10,123,734,230	103,725,529,225
Deposits & other accounts	777,411,642	794,466,089	2,287,951,329	1,295,760,841	10,605,441,855	15,761,031,757
Other liabilities	21,697,387,344	23,280,356,736	30,856,722,204	24,034,801,230	23,729,176,086	123,598,443,600
Total Liabilities	1,757,760,134	(9,330,379,785)	896,732,767	10,801,420,089	5,477,071,634	9,602,604,839
Amount of net liquidity difference						

Net result of the Liquidity Statement represents the 'Shareholders' Equity' of the Bank.



BRAC BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2011

SECTION -ONE : CORPORATE PROFILE & SIGNIFICANT ACCOUNTING POLICIES

1 Corporate Information

BRAC Bank Limited is a scheduled commercial bank established under the Bank Companies Act, 1991 and incorporated as a public company limited by shares on 20 May, 1999 under the Companies Act, 1994 in Bangladesh. The primary objective of the Bank is to carry on all kinds of banking businesses. The Bank could not start its operations till 3 June, 2001 since the activity of the Bank was suspended by the High Court of Bangladesh. Subsequently, the judgment of the High Court was set aside and dismissed by the Appellate Division of the Supreme Court on 4 June, 2001 and accordingly, the Bank started its operations from 04 July, 2001. At present the Bank has 81 (eighty one) branches, 70 SME service centers, 140 zonal offices and 315 unit offices of SME.

BRAC Bank acquired 51% shares of Equity Partners Limited and Equity Partners Securities Limited on 31 July 2009. Equity Partners Limited was Incorporated in Bangladesh on 19 April 2000 as a private Limited company under the Companies Act 1994 and Equity Partners Securities Limited was Incorporated in Bangladesh on 16 May 2000 as a private Limited company under the Companies Act 1994. Subsequently the management decided to rename Equity Partners Limited as BRAC EPL Investments Limited and Equity Partners Securities Limited as BRAC EPL Stock Brokerage Limited. During 2011, the Bank acquired further, 25% shares of EPL Investments Limited & 39% shares of EPL Stock Brokerage Limited. As a result, the Bank's control has increased to 76% of EPL Investment Limited & 90% shares of EPL Stock Brokerage Limited.

BRAC Bank acquired 51% shares of bKash Limited, a private Limited company by shares under the Companies Act 1994 Incorporated dated 1 March 2010. Money in motion ULC (a company listed in USA) holds 49% shares of bKash Limited. Also, the bank has invested in 25% shares of BRAC Asset Management Company Limited that was incorporated in Bangladesh on 01 April 2010.

BRAC Bank Limited acquired 75%+1 share (250,001 shares out of the total share 333,333) of "Saajan Worldwide Money Transfer Limited" (SWMTL) in the UK. Bangladesh Bank has provided necessary approval of GBP 500,000 to acquire SWMTL and setting up two other new branches in Luton and Bradford, UK. As per the permission of Bangladesh Bank, SWMTL has already been renamed as "BRAC Saajan Exchange Ltd" (BSE). BRAC Bank would control and monitor all its operations as the Holding Company.

The registered address of the Bank is situated at 1 Gulshan Avenue, Gulshan-1, Dhaka-1212, Bangladesh.

BRAC Bank Limited is listed with Dhaka Stock Exchange & Chittagong Stock Exchange as a publicly traded company from 28 January 2007 and 24 January 2007 respectively.

A fully operational Commercial Bank, BRAC Bank 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 with formal banking. The Bank has 68 SME service centers and 421 regional marketing unit offices offering services in the heart of rural and urban communities and employs about 1,545 business loan officers.

The Bank operates under a "triple bottom line" agenda where profit and social responsibility shake hands as it strives towards a poverty-free, enlightened Bangladesh.

1.1 Principal Activities and Nature of operations BRAC Bank Limited:

The principal activities of the Bank are banking and related activities such as accepting deposits, personal banking, trade financing, SME, Retail & Corporate credit, lease financing, project financing, issuing debit & credit cards, SMS banking, internet banking, phone banking, call center, remittance facilities, dealing in government securities etc. There have been no significant changes in the nature of the principal activities of the Bank during the financial year under review.

BRAC EPL Investments Limited:

BRAC EPL Investments Limited was established to cater to the needs of the fast growing capital markets in Bangladesh. It works as a merchant bank with a full-fledged merchant banking license from the Securities & Exchange Commission, the appropriate Government Regulatory agency. The company's services comprise of lead managing Initial Public Offerings, Domestic and International Placement, Portfolio Management and Project Development and Consultancy.

BRAC EPL Stock Brokerage Limited:

BRAC EPL Stock Brokerage Limited was established to cater to the needs of the stock brokerage business in Bangladesh. It has corporate membership of Dhaka Stock Exchange and Chittagong Stock Exchange.

b-Kash Limited:

b-Kash Limited was established to cater to introduce mobile money transfer service in Bangladesh. The Bank has obtained a licence from Bangladesh Bank for rendering such service.

BRAC SAAJAN Exchange Limited:

BRAC Saajan exchange Limited was established to carry our remittance and exchange business from UK.

BRAC Asset Management Company Limited:

BRAC Asset Management Company Limited was established to include the business of investment and asset management, portfolio management, capital market operation, financial intermediary services, management and launching of mutual funds, fund management and sponsorship, merchant banking activities, etc.

Off Shore Banking Unit:

The Bank obtained the Off-shore Banking Unit permission from Bangladesh Bank during 2010 and commenced operation. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. Separate Financial Statements of Off shore Banking Unit are shown in Annex H. The Principal activities of the Bank are to provide all kinds of commercial banking services to its customers through its branches in Bangladesh.



2 Summary of Significant Accounting Policies & basis of preparation

2.1 A summary of the principle accounting policies which have been applied consistently (Unless otherwise stated), is set out below:

a) Statement of Compliance & basis of preparation

The consolidated financial statements of the Bank are made up to 31 December 2011 and are prepared under the historical cost convention and in accordance with the "First Schedule (sec-38)" of the Bank Companies Act 1991 and amendment in 2007, BRPD Circular # 14 dated 25 June, 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards 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 and other prevailing laws and rules applicable in Bangladesh. The consolidated financial statements were authorized for issue by the board of Directors on 20 February 2012.

b) Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

c) Functional and presentation currency

These financial statements are presented in Taka, which is the Bank's functional currency. Except as indicated, figures have been rounded off to the nearest Taka.

d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The key item which involve these judgments, estimates and assumptions are discussed below:

Impairment losses on loans and advances

In addition to the provision made for loans and advances based on the guideline of Bangladesh Bank, the bank reviews its loans and advances portfolio on a monthly basis to assess whether a further allowance for impairment should be provided in the income statement. The judgments by the management is required in the estimation of these amounts and such estimations are based on assumptions about a number of factors though actual results may differ, resulting in future changes to the provisions.

e) Materiality and aggregation

Each material item considered by management as significant has been displayed separately in the financial statements. No amounts has been set off unless the Bank has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

f) Comparative information

The accounting policies have been consistently applied by the bank and are consistent with those used in the previous year. Comparative information is rearranged wherever necessary to conform with the current presentation.

2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of BRAC Bank Limited and its subsidiaries BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, B-Kash Limited, BRAC Saajan Exchange Limited and its associate BRAC Asset Management Company Limited made up to the end of the reporting period.

The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Consolidated financial statements and accounting for investments in subsidiaries. The consolidated financial statements are prepared to a common reporting year ending 31 December 2011.

Subsidiaries

Subsidiaries are all entities over which the bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. A parent of a subsidiary should present consolidated financial statements according to BAS-27: "Consolidated financial statements and accounting for investments in subsidiaries". The financial statements of subsidiary are included in the consolidated financial statements from the date that control effectively commences until the date that the control effectively ceases.

Inter-company transactions, balances and intra-group gains on transaction between group companies are eliminated.

Associates

An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor (BAS-28: Accounting for Investments in Associates). Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. Investment in associate is accounted for in consolidated financial statements under the "equity method". Under the equity method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognise the investor's share of the profits or losses of the investee after the date of acquisition. Distributions received from an investee reduce the carrying amount of the investment.

2.3 Foreign Currency Translations

(a) Foreign currency transaction are translated into equivalents Taka (Functional currency) currency at spot exchange rate at the date of transaction.

(b) Assets and liabilities in foreign currencies are translated into Taka at mid rates prevailing on the balance sheet date, except bills for collection, stock of travellers cheque and import bills for which the buying rates are used on the date of transactions.

(c) Gains or losses arising from fluctuation of exchange rates are recognised in profit and loss account.



2.4 Accounting for Provisions, Contingent Liabilities and Contingent Assets:

The Bank recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for-

- a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- b) Any present obligation that arises from past events but is not recognized because-

- * It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- * A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statement since this may result in the recognition of income that may never be realized.

2.5 Taxation

Income tax on earnings for the year comprises current and deferred tax and is based on the applicable tax law in Bangladesh. It is recognised in the income statement as tax expense.

2.5.1 Current Tax:

Current tax is the expected tax payable on taxable income for the year, based on tax rates (and tax laws) which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Provision for current income tax has been made @ 42.5% as prescribed in the Finance Act-2011 on the taxable profit.

2.5.2 Deferred Tax:

The Bank accounted for deferred tax as per BAS - 12 "Income Taxes". Deferred tax is accounted for using the comprehensive tax balance sheet method. It is generated by temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base.

Deferred tax assets, including those related to the tax effects of income tax losses and credits available to be carried forward, are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences. They are also recognised for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets associated with these interests are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which to utilise the benefits of the temporary difference.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement reflects the tax consequences that would follow from the manner in which the bank, at the reporting date, recovers or settles the carrying amount of its assets and liabilities.

2.6 Reporting period

These financial statements cover one calendar year from 01 January to 31 December 2011.

2.7 Assets and the basis of their valuation

2.7.1 Cash and cash equivalents

For the purpose of presentation in the Cash flow statements, cash and cash equivalents includes Cash in Hand and Cash at Bank, highly liquid interest bearing investment/Securities with original maturities of less than three months.

Cash flow statement is prepared in accordance with BAS-7 "Cash Flow Statements". Cash flows from operating activities have been presented at "Direct Method".

2.7.2 Investment

All investments securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discount accreted, using the effective yield method and are taken to discount income. The valuation method of Marking to Market for investments used are:

Held to Maturity

Investments which have "fixed or determinable payments" and fixed maturity that the group has the positive intent and ability to hold to maturity, other than those that meet the definition of 'Held at amortized cost others' are classified as held to maturity. These investments are subsequently measured at amortized cost, less any provision for impairment in value. Amortized cost is calculated by taking into account any discount or premium in acquisition. Any gain or loss on such investments is recognized in the statement of income when the investment is derecognized or impaired as per IAS -39 "Financial Instruments: Recognition and Measurement".

Held for Trading

Investment classified in this category are acquired principally for the purpose of selling or repurchasing -in short trading- or if designated as such by the management. After initial recognition, investment are measured at present value and any change in the fair value is recognized in the statement of income for the period in which it arises. Transaction costs, if any, are not added to the value of investments at initial recognition.



Revaluation

According to DOS Circular no.-05, dated 26th May 2008, the HFT securities are revalued once each week using Marking to Market concept and the HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are also revaluated if they are reclassified to HFT category with the Board's approval.

Value of Investments has been shown as under:

Investment Class	Initial Recognition	Measurement after Recognition	Recording of changes
Government Treasury Bills (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss a/c, gain to revaluation reserve through profit and loss account
Government Treasury Bills (HTM)	Cost	Amortized cost	Increased or decreased in value to equity.
Government Treasury Bonds (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss a/c, gain to revaluation reserve through profit and loss account
Government Treasury Bonds (HTM)	Cost	Amortized cost	Amortized Gain/ Loss to Revaluation reserve
Zero Coupon Bond		None	None
Prize Bond & Other Bond	Cost	None	None
Debentures	Cost	At Cost Price	None
Un quoted Shares (ordinary)	Cost	Cost	-
Quoted shares (ordinary)	Cost	Lower of cost or market price at balance sheet date	Loss to profit and loss A/c.

2.7.3 Loans and Advances

- Interest on loans and advances is calculated on daily product basis, but charged and accounted for monthly and quarterly on accrual basis.
- Provision for loans and advances is made based on the arrear in equivalent year and reviewed by the management and instruction contained in Bangladesh Bank BRPD Circulars No. 16 of 6 December 1998, 09 of 14 May 2001, 09 and 10 of 20 August 2005, 05 of 5 June 2006, 8 of August 07, 2007, 10 of 18 September 2007, 05 of 29th April 2008 and 32 of 12 October 2010 respectively.
- Interest is calculated on classified loans and advances as per BRPD circular No. 16 of 1998, 09 of 2001 and 10 of 2005 and recognized as income on realization.

The classification rates are given below:

Consumer	Business Unit	Rate of Provision				
		Un-classified (UC)			Classified	
		Standard	Special Mention Account (SMA)	Substandard (SS)	Doubtful (DF)	Bad loan (BL)
Consumer	House building & professional	2%	5%	20%	50%	100%
	Other than house building & professional	5%	5%	20%	50%	100%
Loans to BHs/ MBs		2%	5%	20%	50%	100%
Small and medium		1%	5%	20%	50%	100%
Short term Agri credit		5%	-	5%	5%	100%
All others		1%	5%	20%	50%	100%
Off Balance Sheet		1%	-	-	-	-

- Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are filed and classified as bad loss as per BRPD Circular 02 dated 13.01.2002. These write off however, will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

2.7.4 Leases

Lease of assets where the group has substantially all the risks and rewards of ownership are classified as finance leases. Leases in which a significant portion of the risk and rewards of ownership are retained by another party, the lessor are classified as operation lease.

The Bank as Lessor

Amount due from lessees under finance lease are recorded as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

The Bank as Lessee

In compliance with the Bangladesh Accounting Standards (BAS) - 17 "Lease", cost of assets acquired under finance lease along with obligation there against have been accounted for as assets & liabilities respectively of the company, and the interest elements has been charged as expenses.

Assets held under finance leases are recognized as non-current assets of the Bank at their fair value at the date of commencement of the lease or lower at the present value of minimum lease payments. The corresponding liabilities to the lessor is included in the Balance Sheet as finance lease obligation. Lease payments are apportioned between finance charges and reduction of lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.



2.7.5.1 Property, plant & equipments

a) Recognition

The cost of an item of property, plant and equipments (Fixed assets) shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipments have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of existing assets are recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Profit & Loss account during the financial period in which they are incurred.

b) Depreciation

Land is not depreciated. Depreciation is charged on straight-line basis. In case of acquisition of fixed assets, Depreciation has been charged from the following month of acquisition, whereas no depreciation on assets disposed off has been charged from the month of disposal. Asset category wise depreciation rates are as follows:

Category of assets:	BRAC Bank Limited	BRAC EPL Investments Limited	BRAC EPL Stock Brokerage Limited	B-Kash Limited	BRAC Saajan Exchange Limited
Furniture & fixture	10%	10% - 20%	12.5%	10%	10%
Office equipments	20%	10% - 20%	20%	20%	
IT equipments - Hardware	20%	25%	25%	20%	10%
IT equipments - Software	33%	33%	33%	20%	
Motor vehicles	20%	20%	20%	20%	
Office Decoration		15%	15%		
Air Cooler & Ceiling Fan		20%	20%		
Building & other construction		5%	2%		

c) Sale of Fixed Assets

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit & loss account as per provision of BAS 16 Property plant & equipments.

d) Revaluation

The fair value of land & building is usually its market value. This value is determined by appraisal, normally undertaken by professionally qualified valuers.

The fair value of items of plant & equipment is usually their market value, this is determined by appraisal.

The frequency of revaluation depends upon the movements in the fair value of the items of property, plant & equipment being revalued.

Increases in the carrying amount as a result of revaluation is credited to shareholders equity under the heading of revaluation surplus. Decreases in the carrying amount as a result of revaluation is recognised as an expense. However, a revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same assets.

e) Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognised as an expenses in the income statement.

f) Others

Useful life and method of depreciation of property plant & equipment are reviewed periodically. As useful lives of assets do not differ significantly from that previously estimated, Bank Management does not consider to revalue its assets by the meantime.

As per Bangladesh Accounting Standards (BAS) - 17 "Lease", all fixed assets taken on lease has been accounted for as finance lease whereas those were being recognized as operating lease in the earlier years.

2.7.5.2 Intangible assets

a) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Acquisitions of Minority interest (Non-controlling interests) are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Subsequently Goodwill is measured at cost less accumulated impairment losses.

b) Softwares

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases future economic benefits embodied in specific asset to which it relates. All expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is three to five years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

c) License

Value of the license is recognised at cost and since it has an indefinite useful life it is not amortized. The value of the license is not measured at fair value.



2.7.6 Other assets

Other assets include all other financial assets and include interest, fees and other unrealised income receivable, Prepaid interest expenses on Interest First Fixed Deposits, advance for operating and capital expenditure, security deposits and stocks of stationery & stamps etc.

2.7.7 Stock

Stocks are valued at lower of cost or net realizable value. Cost is determined by using weighted average method.

2.8 Liabilities & provisions

2.8.1 Borrowings from other banks, financial institutions & agents

Borrowings from other banks, financial institutions and agents include interest-bearing borrowings redeemable at call, on-demand and short-term deposits lodged for periods of less than 6 months. These items are brought to account at the gross value of the outstanding balance.

2.8.2 Deposits

Deposits include non interest-bearing current deposit redeemable at call, interest bearing on-demand and short-term deposits, savings deposit and term deposit lodged for periods from 3 months to 12 years. These items are brought to account at the gross value of the outstanding balance.

2.8.3 Other Liabilities

Other liabilities comprise items such as provision for loans and advances, provision for taxes, interest payable, interest suspense, accrued expenses. Other liability is recognised in the balance sheet according to the guideline of Bangladesh bank and Income Tax Ordinance-1984 and internal policies of the bank. Provisions and accrued expenses are recognized in the financial statement when the bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.9 Capital and Shareholders' Equity

Capital Management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve four major objectives: exceed regulatory thresholds and meet longer-term internal capital targets, maintain strong credit ratings, manage capital levels commensurate with the risk profile of the Bank and provide the Bank's shareholders with acceptable returns.

Capital is managed in accordance with the Board-approved Capital Management Planning from time to time. Senior management develop the capital strategy and oversee the capital management planning of the Bank. The Bank's Finance, Treasury and Risk Management department are key in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal matrix.

2.9.1 Paid up share capital

Paid up share capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.9.2 Preference Share Capital

Preference Shares are those share which give their holders an entitlement to a fixed dividend but which do not usually carry voting rights.

2.9.3 Share Premium

Share premium is the capital that the bank raises upon issuing shares that is in excess of the nominal value of the shares. The Share Premium shall be utilized in accordance with provisions of section 57 of the Companies Act, 1994 and as directed by the Securities and Exchange Commission in this respect.

2.9.4 Statutory reserve

Transfer to the Statutory reserve has been maintained @ 20% of Profit Before Tax in accordance with provisions of section 24 of the Bank Companies Act, 1991. This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account, after this its optional.

2.9.5 Revaluation reserve

Revaluation reserve represents revaluation on Treasury bond (HFT & HTM) in accordance with the DOS Circular no.-05, dated 26th May 2008.

2.10.1 Employee Benefits

Provident Fund (Defined Contribution Plan)

A "Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident fund benefits are given to the staff of the bank in accordance with the registered Provident fund rules. The commissioner of Income Tax, Large Tax Payers Unit, Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from 1st January 2003. The fund is operated by a Board of Trustees consisting of 11 (eleven) members of the bank. All confirmed employees of the bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount of the employees' contribution to the fund. Interest earned from the investments is credited to the members' account on half yearly basis. Members are eligible to get both the contributions after 03 (three) years of continuous service from the date of their membership.

Gratuity Fund (Defined Benefit Plan)

Gratuity fund benefits are given to the staff of the bank in accordance with the approved Gratuity fund rules. National Board of Revenue has approved the Gratuity fund as a recognized Gratuity fund on 6th March 2006. The fund is operated by a Board of Trustees consisting of 7 (seven) members of the bank. Employees are entitled to Gratuity benefit after completion of minimum 05 (five) years of service in the Company. The Gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service. Gratuity fund is a "Defined Benefit Plan" and contribution to Gratuity Fund is measured through the result of actuarial valuation of the fund. "BRAC Bank Employee Gratuity Fund" is a funded Gratuity Fund.



2.10.2 Other Employee Benefits

Security Fund

The objective of the fund to provide death or permanent disability benefits to its confirmed employees and on their families with a sum equal to 36 times of the last drawn basic salary to the nominee. The Bank contributes to this fund at a predetermined rate which equals to Tk.5 for each Taka one thousand of last basic salary per staff per year. There shall be at least 7 seven members of Management Committee to manage the fund. The Managing Director & CEO of the Bank will be the chairperson of this committee and other 6 members are nominated from the regular category staff.

Welfare Fund

The objective of the Employees' Welfare Fund is to provide regular category employees from Junior Officer to Senior Principal Officer of the BRAC Bank incurring severe accidents during official job, extended illness (not less than 3 months), Education for Children; Marriage of Children which costs would not be affordable by the employee and which are not covered by any other means. All regular confirmed employees of the bank shall contribute monthly to the Fund according to the designation. The sum subscribed monthly from salaries of employees shall be credited separately in an "Employee Welfare Fund" as a liability of the Bank. There shall be at least 7 (seven) Members Management Committee to manage the fund. The Managing Director & CEO of the Bank will be the chairperson of this committee and other 6 members are nominated from the regular category staff.

Hospitalization Insurance

The Bank has introduced a health insurance scheme to its confirmed employees and their respective dependants at rates provided in the health insurance coverage policy.

Incentive bonus

BRAC bank started a incentive bonus scheme for its employees. 3% of net profit before tax is given to the employees in every year as incentive bonus. This bonus amount is being distributed among the employees based on their performance. The bonus amount is paid annually, normally 1st quarter of the every following year and the costs are accounted for in the period to which it relates.

Annual leave

The provision for leave fare represents the current outstanding liability to employees at the Balance Sheet date. Leave Fare Assistance is a non-recurring benefit for all permanent employees of the Bank who are entitled to annual leave. According to Bangladesh Bank policy all permanent employees have to avail 15 consecutive days of mandatory leave and LFA will be given in this leave period.

Subsidized Scheme - Staff Loan

Personal, House building and car loan is provided to the permanent staff at a subsidized rate. Criteria and details of types wise staff loan is given below:

Personal Loan: A permanent staff completing 1 year of service can avail personal loan taking approval from department head and head of HR.

House building Loan: A permanent staff completing 5 year of service can avail house building loan taking approval from department head and head of HR.

Car Loan: All staff at job grade from PO can avail staff car loan taking approval from department head and head of Credit.

2.11 Revenue Recognition

Interest Income

In terms of provision of Bangladesh Accounting Standard (BAS -18) on revenue and disclosures in the financial statements of the Bank, the interest receivable is recognized on an accruals basis. Interest on loans and advances ceases to be taken into income when such advances are classified, kept in interest suspense account. Interest on classified advances is accounted for on a receipt basis.

Investment Income

Income on investments is recognized on an accruals basis. Investment income includes interest on Treasury bills, treasury bonds, zero coupon, shares, debentures and fixed deposit with other banks.

Income on Bills purchased & Discounted

Income on Bills purchased & Discounted is recognised upon realization since there is no uncertainty as to its realization and accrued on a monthly basis.

Interest & fees receivable on credit cards

Interest & fees receivable on credit cards are recognized on an accruals basis. Interest and fees cease to be taken into income when the recovery of interest & fees is in arrear for over three months. Thereafter, interest & fees are accounted for on a cash basis.

Fees & Commission Income

The Bank earn fees & commission from a diverse range of services provided to its customers. This include fees & commission income arising on financial and other services provided by the bank including trade finance, credit cards, debit cards, passport endorsement, visa processing, student service, loan processing, loan syndication, locker facilities and SMS banking etc. Fees & commission income arises on services rendered by the Bank are recognized on a realization basis.

Dividend Income on Shares

Dividend income from shares is recognized when our right to receive the payment is established.

Gain or loss on sale of property, plant and equipment

The gain or loss on the disposal of premises and equipment is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal, and is recognized as an item of other income in the year in which the significant risks and rewards of ownership are transferred to the buyer.

Interest Paid and other expenses

In terms of provision of the Bangladesh Accounting Standard (BAS) -1 "Presentation of Financial Statements", interest paid and other expenses are recognized on an accruals basis.



2.12 Earning Per Share

Earning per Share (EPS) has been computed by dividing the basic earning by the weighted average number of Ordinary Shares outstanding as on 31st December, 2011 as per Bangladesh Accounting Standard (BAS) - 33 "Earning Per Share".

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax less preference dividend has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

The basis of computation of number of shares is in line with the provisions of BAS 33 "Earnings per share". The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings. In contrast, other shares were issued against consideration in cash or in kind, and accordingly there is an increase in resources generating new earnings. Therefore, the total number of shares issued in 2011 has been multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

Diluted earnings per share

No diluted earning per share is required to be calculated for the year as there was no scope for dilution during the year under review.

2.13 Statement of Liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis:

- a) Balances with other bank & financial institutions, money at call & short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their residual maturity term.
- c) Loans & advances are on the basis of their repayment/ maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their adjustment.
- f) Borrowing from other banks, financial institutions and agents as per their maturity/ repayment term
- g) Deposits & other accounts are on the basis of their maturity term and behavioral past trend.
- h) Other long term liability on the basis of their maturity term.
- i) Provisions & other liabilities are on the basis of their settlement.

2.14 Dividend

Dividend on ordinary shares are recognised as a liability and deducted from retained earnings when they are approved by the shareholders in the annual general meeting.

Dividend on ordinary shares for the year that are recommended by the directors after the balance sheet date for approval of the shareholders at the Annual General meeting are disclosed in note- 45.6 (b) to the Financial statements.

2.15 Reconciliation of Inter-bank/Inter-branch account

Books of accounts with regard to interbank (in Bangladesh and outside Bangladesh) are reconciled on a monthly basis and there are no material differences which may affect the financial statements significantly.

Un-reconciled entries in case of Inter-branch transactions as on the reporting date are not material.

2.16 Compliance of Bangladesh Accounting standard (BAS) and Bangladesh Financial Reporting Standard (BFRS)

Bangladesh Accounting Standard (BAS)	Ref.	Status
Presentation of Financial Statements	BAS-1	Applied
Inventories	BAS-2	Applied
Cash Flow Statements	BAS-7	Applied
Net profit or loss for the period, Errors and Changes in Accounting Policies	BAS-8	Applied
Events after Balance Sheet date.	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income taxes	BAS-12	Applied
Segment Reporting	BAS-14	Applied
Property Plant & Equipments	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effect of Changes in Foreign Exchanges Rate.	BAS-21	Applied
Business combination	BAS-22	Not Applicable
Borrowing Cost	BAS-23	Applied
Related party Disclosures	BAS-24	Applied
Accounting for Investment	BAS-25	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	Applied
Consolidated Financial Statements and Accounting for Investments in subsidiaries	BAS-27	Applied
Accounting for Investment in Associates	BAS-28	Applied
Financial Reporting of Interest in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied
Earning Per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairments of Assets	BAS-36	Applied
Provision, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied
Financial Instruments: Recognition & Measurement	BAS-39	Applied
Investment property	BAS-40	Applied
Agriculture	BAS-41	Not Applicable



Bangladesh Financial Reporting Standard (BFRS)	Ref.	Status
First-time adoption of International financial Reporting Standards	BFRS-1	Not applicable
Shares Based Payment	BFRS-2	Not applicable
Business combination	BFRS-3	Not applicable
Non-current assets Held for Sale and Discounted operations	BFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not applicable
Financial Instruments: Disclosures	BFRS-7	Applied
Operating Segments	BFRS-8	Not applicable

Reason for departure of BAS / BFRS:

The Bank management has followed the principles of BAS & BFRS consistently in preparation of the financial statements to that extend as applicable to the bank. Some of these standards have not been complied with, as it is considered not applicable to us or about which Bangladesh Bank has special guideline.

2.17 Regulatory & Legal Compliance

The Bank complied with the requirements of following regulatory & legal authorities:

- The Bank Companies Act, 1991
- The Companies Act, 1994
- Rules & Regulations Issued by Bangladesh Bank.
- Securities and Exchange Rules 1987, Securities & Exchange Ordinance 1969, Securities & Exchange Act 1993, Securities and Exchange Commission IPO Rules 2006
- The Income Tax Ordinance, 1984
- The Value Added Tax Act, 1991

2.18 Risk Management

The possibility of losses, financial or otherwise is defined as risk. The assets and liabilities of BRAC Bank Limited is managed so as to minimize, to the degree prudently possible, the Bank's exposure to risk, while at the same time attempting to provide a stable and steadily increasing flow of net interest income, an attractive rate of return on an appropriate level of capital and a level of liquidity adequate to respond to the needs of depositors and borrowers and earnings enhancement opportunities.

These objectives are accomplished by setting in place a planning, control and reporting process, the key objective of which is the coordinated management of the Bank's assets and liabilities, current banking laws and regulations, as well as prudent and generally acceptable banking practices.

The risk management of the bank covers 5 (five) Core risk areas of banking i.e. a. Credit Risk Management, b. Foreign Exchange Risk Management, c. Asset Liability Management, and d. Prevention of Money Laundering and e. Internal Control & Compliance as per BRPD circular No. 17 of 07 October, 2003.

2.18.1 Credit Risk Management

Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms and conditions. The goal of credit risk management is to maximize a bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

Considering the key elements of Credit Risk the bank has segregated duties of the officers/ executives involved in credit related activities. Separate division for Corporate, SME, Retail and Credit Cards have been formed which are entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities etc. For transparency in the operations during the entire credit year i. Credit Approval Team, ii. Asset Operations Department, iii. Recovery Unit, and iv. Impaired Asset Management have been set up.

In credit management process, Sales Teams of the above-mentioned business units book the customers; the Credit Division does thorough assessment before approving the credit facility; the risk assessment included borrower risk analysis, financial analysis, industry analysis, and historical performance of the customer. Asset Operations Department ensures compliance of all legal formalities, completion of all documentation, security of the proposed credit facility and finally disburses the amount. The Sales Team reports to the Managing Director & CEO through their line; the Credit Division reports to the Managing Director & CEO, while the Asset Operations Department reports to the Deputy Managing Director & COO. The above arrangement has not only ensured segregation of duties and accountability but also helps in minimizing the risk of compromise with quality of the credit portfolio.

2.18.2 Foreign Exchange Risk Management

Foreign exchange risk is defined as the potential change in profit/loss due to change in market prices. Today's financial institutions engage in activities starting from imports, exports and remittances involving basic foreign exchange and money market to complex structured products. Within the Bank, the Treasury department is vested with the responsibility to measure and minimize the risk associated with bank's assets and liabilities.

All treasury functions are clearly demarcated between treasury front office and back office. The front office is involved only in dealing activities and the back office is responsible for all related support and monitoring functions. Treasury front and back office personnel are guided as per BB core risk management and their job description. They are barred from performing each other's job. As mentioned in the previous section, 'Treasury Front Office' and 'Treasury Back Office' has separate and independent reporting lines to ensure segregation of duties and accountability but also helps minimize the risk of compromise.

Dealing room is equipped with Reuter's information, a voice screens recorder for recording deals taking place over the telephone. Counter party limit is set by the Credit Committee and monitored by Head of treasury. Trigger levels are set for the dealers, Chief Dealer and head of Treasury. Any increase to trigger limit of the head of Treasury requires approval from the MANCOM.

Before entering into any deal with a counter party, a dealer ensures they have knowledge about the counter party's dealing style, product mix and assess whether the customer is dealing in an appropriate manner.

2.18.3 Asset Liability Management

Changes in market liquidity and or interest rate exposes Bank's business to the risk of loss, which may, in extreme cases, threaten the survival of the institution. Thus it is essential that the level of balance sheet risks are effectively managed, appropriate policies and procedures are established to control and limit these risks and proper resources are available for evaluating and controlling these risks. The Asset Liability Committee (ALCO) of the bank monitors Balance Sheet risk and liquidity risks of the Bank.



Asset liability Committee (ALCO) reviews the country's overall economic position, Bank's Liquidity position, ALM Ratios, Interest Rate Risk, Capital Adequacy, Deposit Advanced Growth, Cost of Deposit & yield on Advance, F.E. Gap, Market Interest Rate, Loan loss provision adequacy and deposit and lending pricing strategy.

2.18.4 Prevention of Money Laundering

In recognition of the fact that financial institutions are particularly vulnerable to be used by money launderers. BRAC Bank has established a Anti Money Laundering Policy. The purpose of the Anti Money Laundering Policy is to provide a guideline within which to comply with the laws and regulations regarding money laundering both at country and international levels and thereby to safeguard the bank from potential compliance, financial and reputational risks. KYC procedures have been set up with address verification. As apart of monitoring account transaction-the estimated transaction profile and high value transactions are being reviewed electronically. Training has been taken as a continuous process for creating/developing awareness among the officers.

2.18.5 Internal Control & Compliance

Internal Control is the mechanism in place on a permanent basis to control the activities in an organization, both at a central and at a departmental/divisional level. Management through Risk Management Department controls operational procedure of the bank. Internal Audit & Inspection team under Risk Management undertakes periodical and special audit of the branches, SME Unit Offices and Departments at Head Office for review of the operation and compliance of statutory requirement. In addition to the Internal Audit & Inspection team the Monitoring team conducts surprise inspection at the Branch, SME Unit and the Departments had Head Office. The Board Audit Committee reviews the reports of the Risk Management Department periodically.

2.18.6 Information and communication technology

BRAC Bank follows the guideline stated in BRPD Circular No. 14 dated 23 October 2005 regarding "Guideline on Information and Communication Technology for Scheduled Banks" and BRPD Circular No. 21 dated 20 May 2010 "Guideline on ICT Security:

IT management deals with IT policy documentation, internal IT audit, training and insurance.

IT operation management covers the dynamics of technology operation management including change management, asset management, operating environment procedures management. The objective is to achieve the highest levels of technology service quality by minimum operational risk.

Physical security involves providing environmental safeguards as well as controlling physical access to equipment and data.

In order to ensure that information assets are protected against risk, there are controls over:

- a) Password control
- b) User ID maintenance
- c) Input control
- d) Network security
- e) Data encryption
- f) Virus protection
- g) Internet and e-mail

The Business Continuity Plan (BCP) is formulated to cover operational risks and taking into account the potential for wide area disasters, data center disasters and the recovery plan. The BCP takes into account the backup and recovery process. Keeping this into consideration this covers BCP, Disaster Recovery Plan and Backup/Restore Plan.

2.18.7 Enterprise Risk Management (ERM)

BRAC Bank Limited, the fastest growing bank in Bangladesh, is concerned regarding risky areas, which are being identified by the Risk Management department.

The Management under the guidance of the Board of Directors has developed an Enterprise Risk Management Policy for submission of a formal report to the Board Audit Committee on quarterly basis.

Primary Objectives:

- Maximize earnings and return on capital within acceptable and controllable levels of the key risk areas.
- Provide for growth that is sound, profitable and balanced without sacrificing the quality of service.

Manage and maintain a policy and procedures that are consistent with the short and long term strategic goals of the Board of Directors.

Development of ERM policy

The MANCOM approved the ERM policy, which contains the guidelines for reporting to the Risk Management Committee. The ERM has twelve members. Head of Risk Management, the Managing Director, COO, Head of Retail, Head of SME, Head of Credit, Head of Treasury, Head of Financial Administration, Head of HR, Head of Corporate Banking, Head of SRS, Head of External Affairs and Head of Impaired Assets Management. Head of Risk Management chairs the committee.

The policy provides guidelines & templates to the respective departments and units for producing the information on risky and vulnerable areas for the organization. ERM scrutinize and analyze the information and parameterize it according to the sensitivity and vulnerability.

The ERM meet on 15th of every month. The committee discuss the various issues raised relating to the previous month and updates the same provided by units reported to Risk Management department in the prescribed formats by 7th of the current month. The units qualify the specific risk according to the matrix provided by Bangladesh Bank. The meeting is minuted, which is reviewed by the Board Audit Committee on quarterly basis.

Outcome of ERM:

- Vulnerable areas of the Bank are being identified
- Appropriate plan and initiatives are taken to mitigate and minimize the risk.
- Follow up and monitoring are being done on the overall position of the bank regarding mitigation and minimization of risky areas.
- Upgrading the "Leading Key Risk Indicator" and DCFCLs are developing gradually through inclusion and exclusion item.

2.19 Implementation of BASEL-II

To comply with international best practices and to make the Bank's capital more risk-sensitive as well as to make the Banking Industry more shock absorbent and stable, Bangladesh Bank provided revised regulatory capital framework "Risk Based Capital Adequacy for Banks" which is effective from January 2009. According to the BRPD circular no-09 dated 31st December 2008 and subsequent updates on BRPD circular no-10, 12, 24, 35 dated 10th March 2010, 29th March 2010, 3rd August 2010 and 29th December 2010 following specific approaches are suggested for implementing BASEL-II:



- a) Standardized Approach for calculating Risk Weighted Assets (RWA) against Credit Risk;
 - b) Standardized (Rule Based) Approach for calculating RWA against Market Risk ; and
 - c) Basic Indicator Approach for calculating RWA against Operational Risk.
- Under the Standardized Approach of the Risk Based Capital Adequacy Framework (Basel II), credit rating is to be determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs) duly recognized by BB.

BASEL - II is to be calculated both on separate financial statements (SOLO) basis and Consolidated basis and both are submitted to Bangladesh Bank accordingly. Details are disclosed in note 18.10.

As per BRPD Circular no - 13 dated 21 April 2010 "Guideline of Supervisory Review Evaluation Process (SREP)" the bank has initiated to establish their own supervisory review process to ensure maintenance of sufficient capital to fully cover their risk exposure.

BRAC Bank management is aware about guideline of Bangladesh Bank and prepared for implementing new capital Accord-BASEL-II. BASEL-II implementation committee is formed headed by Head of Operations. Adequate training from home & abroad to the concerned staff on BASEL-II is given for better understanding and smooth implementation of the New Capital Accord-BASEL-II.

2.20 Off Balance Sheet Items

Under general banking transactions, liabilities against acceptance, endorsements, and other obligations and bills against which acceptance has been given and claims exists there against, have been shown as Off Balance Sheet items. Provision for off balance sheet items is made as per BRPD circular No. 8 of 7th August 2007 and 10 of September 18, 2007.

2.21 Accounting for Changes in Accounting Estimates

BAS - 8 states that the effect of a change in an accounting estimate is to be applied prospectively by inclusion in the current accounting period and, if relevant, in future accounting period. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change.

As per BAS - 16 "Property plant & equipment" (para 61) any changes in the depreciation method shall be accounted for as a changes in an accounting estimate in accordance with BAS - 8.

During the year, BRAC Bank Limited changed its depreciation method for depreciating Property, plant & equipment (Annex - D). Management takes the view that this policy provides reliable and more relevant information because it deals more accurately with the components of Property, plant and equipment and is based on up-to-date values.

2.22 General:

- a) Figures appearing in the financial statements have been rounded off to the nearest Taka.
- b) Figures of previous year have been rearranged wherever considered necessary to conform to the current year's presentation. Separate Financial Statements regarding "Off shore banking unit" is disclosed under "Annex - H" and prior year numbers were restated accordingly.
- c) The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the accounts.



Section -Two : Notes to the Balance Sheet

Section – Two : Notes to the Financial Statements

Particulars		2011 Taka	2010 Taka	
3	Cash			
A.	Cash in hand:			
	Local currency	3,596,335,512	3,529,995,570	
	Foreign currency	51,873,681	48,538,309	
		3,648,209,193	3,578,533,880	
B.	Balance with Bangladesh Bank and its agent Bank(s):			
	Local currency	6,119,957,584	5,216,976,848	
	Foreign currency	1,268,745,831	497,381,612	
		7,388,703,415	5,714,358,460	
		941,733,687	560,083,303	
	Sonali Bank as agent of Bangladesh Bank (local currency)	8,330,437,102	6,274,441,763	
		11,978,646,295	9,852,975,642	
3.1	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and BRPD circular no. 11 and 12, dated August 25, 2005, MPD circular no. 1 and 2, dated May 4, 2010 and MDP circular no. 4 and 5, dated December 1, 2010.			
	The statutory Cash Reserve Requirement on the Bank's time and demand liabilities at the rate 6% has been calculated and maintained with Bangladesh Bank in current account and 19% Statutory Liquidity Ratio, including CRR, on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. Both the reserves are maintained by the Bank, as shown below:			
3.1.1	Cash Reserve Requirement (CRR) :			
	6% of Average Demand and Time Liabilities :			
	Required reserve	5,857,421,669	5,054,091,375	
	Actual reserve held (as per Bangladesh Bank statement)	6,179,983,553	5,224,964,418	
	Surplus/ (deficit)	322,561,884	170,873,043	
3.1.2	Statutory Liquidity Ratio (SLR) :			
	13% of Average Demand and Time Liabilities :			
	Required reserve	14,377,307,733	10,950,531,313	
	Actual reserve held	14,882,029,763	13,806,491,541	
	Surplus/ (Deficit)	504,722,031	2,855,960,229	
	Total Surplus/(deficit)	(3.1.1 + 3.1.2)	827,283,914	3,026,833,271
3.1.3	Held for Statutory Liquidity Ratio			
	Cash in hand	(Note: 3)	3,648,209,193	3,578,533,880
	Balance with Bangladesh Bank as per statement		6,112,983,553	5,224,964,418
	Balance with Sonali Bank as per statement		941,867,317	560,019,028
	TT in Transit		67,000,000	-
	Government securities	(Note: 6.1)	10,291,953,253	9,667,938,634
	FC used in BDT		-	-
			21,062,013,316	19,031,455,959
3.a	Consolidated Cash			
	A. Cash in hand:			
	BRAC Bank Limited	3,648,209,193	3,578,533,880	
	Off Shore Banking Unit	-	-	
	BRAC EPL Investments Ltd.	58,299	48,821	
	BRAC EPL Stock Brokerage Ltd.	46,677	16,782	
	B-Kash Ltd.	428,593	5,019	
	BRAC Saajan Exchange Ltd.	36,705	-	
		3,648,779,467	3,578,604,502	
	B. Balance with Bangladesh Bank and its agent Bank(s):			
	BRAC Bank Limited	8,330,437,102	6,274,441,763	
	Off Shore Banking Unit	-	-	
	BRAC EPL Investments Ltd.	-	-	
	BRAC EPL Stock Brokerage Ltd.	-	-	
	B-Kash Ltd.	-	-	
	BRAC Saajan Exchange Ltd.	-	-	
		8,330,437,102	6,274,441,763	
		11,979,216,569	9,853,046,264	
4	Balance with Other Banks and Financial Institutions			
	A. Inside Bangladesh	(Note: 4.1)	2,657,897,194	2,760,778,472
	B. Outside Bangladesh	(Note: 4.2)	553,470,807	860,115,833
			3,211,368,001	3,620,894,304



Particulars	2011 Taka	2010 Taka
4.1 Balance with Other Banks and Financial Institutions (Inside Bangladesh)		
On Demand Deposit Accounts		
Standard Chartered Bank – Current Account	37,947,678	33,884,095
	<u>37,947,678</u>	<u>33,884,095</u>
On Short Term Deposit (STD) Accounts		
Southeast Bank Limited	281,781	858,026
Prime Bank Limited	-	1,000
Pubali Bank Limited	194,614,111	391,296,362
Janata Bank Limited	324,447,035	435,124,509
Bangladesh Krishi Bank Limited	132,818,934	188,559,041
The City Bank Limited	13,292,199	8,204,488
Agrani Bank Limited	277,609,235	303,200,109
Islami Bank Bangladesh Limited	160,100,226	75,053,440
United Commercial Bank Limited	14,700,308	4,885,728
National Bank Limited	9,306,246	9,963,069
Sonali Bank Limited	153,191,455	160,816,054
ICB Islamic Bank Limited	20,751	1,311,822
Rupali Bank Limited	115,850,996	151,851,100
First Security Islami Bank Limited	3,037,229	2,241,416
EXIM Bank Limited	9,591,254	3,054,939
BASIC Bank Limited	1,087,755	1,042,294
	<u>1,409,949,517</u>	<u>1,737,463,396</u>
On Fixed Deposit with Financial Institutions		
International Leasing & Financial Services Limited	300,000,000	200,000,000
Uttara Finance & Investment Limited	100,000,000	50,000,000
Far East Finance & Investment Limited	100,000,000	60,000,000
National Housing Finance Company Limited	100,000,000	50,000,000
Phoenix Finance & Investments Limited	200,000,000	-
Bangladesh Industrial Finance Company Limited	-	200,000,000
Lanka Bangla Finance Co. Limited	280,000,000	250,000,000
Reliance Finance Limited	-	200,000,000
	<u>130,000,000</u>	<u>-</u>
	<u>1,210,000,000</u>	<u>1,010,000,000</u>
	<u>2,657,897,194</u>	<u>2,781,347,491</u>
4.2 Balance with other banks and financial institutions (Outside Bangladesh)		
On Demand Deposit Accounts (Non Interest bearing) with:		
Standard Chartered Bank-NY (USD)	16,393,927	11,192,077
Mashreq Bank PSCNY (USD)	571,589	433,885
The Bank of Nova Scotia- Canada (CAD)	2,584,463	9,687,855
ICICI Mumbai (ACU Dollar)	2,236,129	3,039,137
Standard Chartered Bank-UK (GBP)	2,711,009	316,347
Hypo Vereins Bank Germany (EURO)	720,247	13,499,516
HSBC – NewYork (USD)	106,933,192	35,160,370
HSBC – United Kindom (GBP)	21,678,415	24,759,159
HSBC – Australia (AUD)	605,191	678,153
HSBC Pakistan (ACU Dollar)	940,232	527,649
HSBC – India (ACU Dollar)	-	433,300
Zuercher Kantonal Bank, Zurich (CHF)	2,337,514	1,278,624
ING Belgium NV/SA (EURO)	214,113	1,021,446
Unicredito Italiano SPA (EURO)	1,541,979	9,368,504
Commerz Bank AG Germany (EURO)	10,647,589	3,836,719
Standard Chartered Bank – Frakfut (EURO)	385,881	700,789
Union DE Banques Arabes ET Francaises (JPY)	1,913,858	1,310,235
United Bank of India, Calcutta (ACU)	77,781	4,149,291
Westpack Banking Corporation, (AUD)	4,815,750	8,795,749
JP Morgan Chase Bank (USD)	6,286,887	5,177,269
Sonali Bank Limited (UK)	30,370	-
HDFC Bank Limited	2,178,654	-
Deutsche Bank Trust Company	1,414,115	-
	<u>187,218,886</u>	<u>135,366,073</u>
On Demand Deposit Accounts (Interest bearing) with:		
CITI Bank NA (USD)	30,653,306	20,339,913
AB Bank Mumbai (ACU Dollar)	85,048	8,604,842
	<u>30,738,354</u>	<u>28,944,755</u>
	<u>217,957,240</u>	<u>164,310,828</u>
Details are shown in Annex-B		
On Fixed Deposit with On Shore to Off Shore placement		
On Shore to Off Shore placement	335,513,567	695,805,004
	<u>553,470,807</u>	<u>860,115,833</u>



Particulars	2011 Taka	2010 Taka
4.3 Maturity grouping of balance with other banks and financial institutions		
Up to 1 months	2,001,368,001	2,710,894,304
More than 1 months to 3 months	400,000,000	600,000,000
More than 3 months to 1 Year	810,000,000	310,000,000
More than 1 year to 5 years	-	-
More than 5 years	-	-
	<u>3,211,368,001</u>	<u>3,620,894,304</u>
4.a Consolidated Balance with Other Banks and Financial Institutions		
A. In Bangladesh		
BRAC Bank Limited	2,657,897,194	2,781,347,491
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	37,566,148	29,960,180
BRAC EPL Stock Brokerage Ltd.	513,961,451	256,732,288
B-Kash Ltd.	81,419,169	33,034,618
BRAC Saajan Exchange Ltd.	-	-
	<u>3,290,843,962</u>	<u>3,101,074,577</u>
Less: Inter Company Transaction with:		
BRAC EPL Investments Ltd.	20,658,044	13,596,782
BRAC EPL Stock Brokerage Ltd.	85,855,418	17,826,914
B-Kash Ltd.	45,474,169	33,034,618
BRAC Saajan Exchange Ltd.	-	-
	<u>3,138,856,331</u>	<u>3,036,616,263</u>
B. Outside Bangladesh		
BRAC Bank Limited	553,470,807	860,115,833
Off Shore Banking Unit	8,289,885	(9,477,317)
BRAC EPL Investments Ltd.	-	-
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
	<u>46,249,164</u>	<u>-</u>
	<u>608,009,856</u>	<u>850,638,516</u>
	<u>3,746,866,187</u>	<u>3,887,254,779</u>
5 Money at Call and Short Notice		
Banking Company:		
Uttara Bank Limited	180,000,000	-
Jamuna Bank Limited	250,000,000	-
National Credit & Commerce Bank Limited	50,000,000	-
	<u>480,000,000</u>	<u>-</u>
5.1 Maturity grouping of Money at Call and Short Notice		
Up to 1 month	480,000,000	-
More than 1 month to 3 month	-	-
More than 3 month to 1 Year	-	-
More than 1 year to 5 years	-	-
More than 5 years	-	-
	<u>480,000,000</u>	<u>-</u>
5.a Consolidated Money at Call and Short Notice		
BRAC Bank Limited	480,000,000	-
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	-	-
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
	<u>480,000,000</u>	<u>-</u>
6 Investments		
Government Securities	(Note: 6.1) 10,291,953,253	9,667,938,634
Other Investments	(Note: 6.2) 3,906,874,257	3,188,046,627
	<u>14,198,827,511</u>	<u>12,855,985,261</u>
Investment in securities are classified as follows:		
Held for trading (Treasury Bond)	4,463,454,136	6,951,016,085
Held to maturity (Treasury Bond)	5,827,247,117	2,715,338,749
Other Investments	3,908,126,257	3,189,630,427
	<u>14,198,827,511</u>	<u>12,855,985,261</u>
6.1 Government Securities		
Treasury Bills	(Note: 6.1.1) 10,290,701,253	9,666,354,834
Treasury Bonds	1,252,000	1,583,800
Prize Bond	-	-
	<u>10,291,953,253</u>	<u>9,667,938,634</u>



Particulars	2011 Taka	2010 Taka
6.1.1 Treasury Bonds		
Treasury Bonds (3 years TNT)	-	-
Treasury Bonds (5 years BGTB)	49,981,400	100,421,100
Treasury Bonds (10 years BGTB)	4,283,736,533	4,304,464,284
Treasury Bonds (15 years BGTB)	1,498,074,561	1,612,490,015
Treasury Bonds (20 years BGTB)	3,420,972,970	3,648,979,435
Reverse REPO	1,037,935,789	-
	<u>10,290,701,253</u>	<u>9,666,354,834</u>

6.2 Other Investments

Ordinary shares:

Industrial and Infrastructure Development Finance Co. Ltd.
Dun & Bradstreet Rating Agency og Bangladesh Limited
Central Depository Bangladesh Ltd.

20,345,700	10,000,000
12,497,600	12,497,600
6,277,770	4,000,000
<u>39,121,070</u>	<u>26,497,600</u>

Capital market investment

Balance with subsidiary BRAC EPSP Stock Brokerage Ltd.
Managed by BRAC Bank Ltd.

-	71,357,846
<u>2,964,302,187</u>	<u>2,256,072,281</u>
<u>2,964,302,187</u>	<u>2,327,430,127</u>

Preference Shares

STS Holdings Limited
Summit Uttaranchal Power Co Ltd
Summit Purbanchal Power Co Ltd

10,000,000	30,000,000
99,360,800	120,652,300
151,090,200	183,466,600
<u>260,451,000</u>	<u>334,118,900</u>

(Details are shown in Annex - C)

Bonds

Orascom
Trust Bond

400,000,000	500,000,000
30,000,000	-
<u>430,000,000</u>	<u>500,000,000</u>

Private Placement & Pre IPO
Exim Bank First Mutual fund
Prime Finance Second Mutual fund
NLI First Mutual Fund
Unique Hotel & Resorts
Bengal Windsor Thermoplastics Ltd.
Generation Next Fashion Ltd.

50,000,000	-
30,000,000	-
10,000,000	-
48,000,000	-
40,000,000	-
35,000,000	-
<u>213,000,000</u>	<u>-</u>

<u>3,906,874,257</u>	<u>3,188,046,627</u>
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6.3 Maturity Wise Grouping of Investment

Up to 1 month
More than 1 month to 3 month
More than 3 month to 1 Year
More than 1 year to 5 years
More than 5 years

-	88,703,840
506,079,092	1,181,410,037
2,161,971,992	343,450,546
3,132,242,924	3,079,099,621
8,398,533,502	8,163,321,216
<u>14,198,827,511</u>	<u>12,855,985,261</u>

6.4 Disclosure regarding outstanding Repo as on 31 December 2011:

Sl.no	Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
	NIL	N/A	N/A	NIL

6.4.1 Disclosure regarding outstanding Reverse Repo as on 31 December 2011:

Sl.no	Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1	Uttara Bank Limited	12/27/2011	1/3/2012	1,053,946,095

6.4.2 Disclosure regarding overall transaction of Repo and Reverse repo during the year 2011:

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	93,357,599	631,523,335	49,454,925
ii) with other banks & Fis	164,223,680	1,064,664,904	68,984,893
Securities purchased under reverse repo:			
i) with Bangladesh Bank	-	-	-
ii) with other banks & Fis	250,358,702	2,445,362,107	73,838,993



Particulars	2011 Taka	2010 Taka
6.a Consolidated Investments		
BRAC Bank Limited:		
Government Securities	10,291,953,253	9,667,938,634
Other Investments	3,906,874,257	3,188,046,627
	<u>14,198,827,511</u>	<u>12,855,985,261</u>
Less:		
Inter-company transaction	-	71,357,846
Balance with EPSL (Capital market investment)	<u>14,198,827,511</u>	<u>12,784,627,415</u>
Add:		
Off Shore Banking Unit	-	-
Investment of subsidiaries		
BRAC EPL Investments Ltd.	434,119,992	272,409,345
BRAC EPL Stock Brokerage Ltd.	42,036,288	68,459,046
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	<u>14,674,983,791</u>	<u>13,125,495,806</u>
7 Loans and Advances		
Overdrafts	2,909,965,460	1,730,900,521
Demand loans	17,613,379,489	17,169,080,223
Term loans	16,466,589,497	18,437,554,537
Lease receivables	462,641,045	585,324,602
Small & medium enterprises	(Note - 7.3) 50,038,618,545	41,738,916,647
Credit Cards	2,313,839,408	1,958,244,108
Staff loans	(Note - 7.7) 622,327,607	597,381,976
	<u>90,427,361,050</u>	<u>82,217,402,614</u>
Bills purchased & discounted	(Note - 7.17) 394,813,615	244,084,374
	<u>90,822,174,665</u>	<u>82,461,486,988</u>
7.1 Net Loans and Advances	90,822,174,665	82,461,486,988
Gross loans and advances		
Less:		
Interest suspense	624,136,298	766,411,557
Provision for loans & advances	4,949,801,968	4,338,090,170
	<u>5,573,938,266</u>	<u>5,104,501,727</u>
	<u>85,248,236,399</u>	<u>77,356,985,261</u>
7.2 Maturity Wise Grouping of Loans and Advances		
Repayable on demand	15,433,072,461	13,766,769,491
More than 1 months to 3 months	12,302,710,628	12,742,044,689
More than 3 months to 1 Year	27,261,169,508	28,553,902,534
More than 1 year to 5 years	30,281,978,169	22,582,277,888
More than 5 years	5,543,243,898	4,816,492,386
	<u>90,822,174,665</u>	<u>82,461,486,988</u>
7.3 Lease receivables		
Lease finance on demand	50,244,839	-
Lease finance receivables More than 1 months to 3 months	96,389,338	11,706,492
Lease finance receivables More than 3 months to 1 Year	67,707,586	40,972,722
Lease finance receivables More than 1 year to 5 years	248,299,282	438,993,452
Lease finance receivables More than 5 years	-	93,651,936
Total Lease finance receivable	<u>462,641,045</u>	<u>585,324,602</u>
7.4 Loans and Advances under the following broad categories		
Inside Bangladesh:	87,912,209,204	80,730,586,467
Loans	-	-
Cash Credits	2,909,965,460	1,730,900,521
Overdrafts	<u>90,822,174,665</u>	<u>82,461,486,988</u>
Outside Bangladesh:	-	-
Loans	-	-
Cash credits	-	-
Overdrafts	<u>90,822,174,665</u>	<u>82,461,486,988</u>
7.5 Geographical Location Wise Portfolio Grouping		
Inside Bangladesh:		
Dhaka Division	59,549,684,448	52,749,642,404
Chittagong Division	15,159,731,933	15,285,231,632
Khulna Division	4,688,598,033	4,550,064,791
Sylhet Division	1,737,391,914	1,846,434,206
Barisal Division	2,740,452,721	2,419,399,745
Rajshahi Division	4,760,969,055	4,305,781,789
Rangpur Division	2,185,346,560	1,304,932,420
	<u>90,822,174,665</u>	<u>82,461,486,988</u>
Outside Bangladesh:	<u>90,822,174,665</u>	<u>82,461,486,988</u>



Particulars	2011 Taka	2010 Taka
7.6 Significant Concentration wise Grouping		
Directors & others		
Staff:		
Managing Director & CEO	8,182,785	7,817,344
Senior Executives	73,286,413	83,117,354
Others	540,858,408	506,447,278
	622,327,607	597,381,976
Industries:		
Agricultural	3,454,456,128	2,741,148,965
Large & Medium	12,993,611,459	12,368,784,039
Small & Cottage	2,070,659,552	2,984,039,019
	18,518,727,139	18,093,972,023
Consumers	12,459,605,704	23,873,984,012
Trade & Commercial	59,221,514,215	39,896,148,977
	90,822,174,665	82,461,486,988
7.7 Staff Loan		
Personal Loan	97,262,118	114,911,452
Car and motorcycle Loan	229,219,582	230,514,624
House building Loan	295,845,907	251,955,900
	622,327,607	597,381,976
7.8 Detail of Large Loan		
Number of clients with amount outstanding and classification status to whom loans and advances sanctioned exceeds 10% of the total capital of the Bank. Total capital of the Bank was Taka 12,093.87 million on Consolidated basis and Taka 12,783.64 million on Solo basis as at 31 December 2011 (Taka 13,775.19 million and Taka 12,010.93 million as at 31 December 2010 respectively). (Details are shown in Annex - E)		
7.9 Grouping as per Classification Rules		
Unclassified	83,364,964,314	75,320,786,541
Standard including staff loan	2,217,667,800	2,211,142,271
Special Mention Account (SMA)	85,582,632,114	77,531,928,812
Classified	1,584,001,808	1,142,795,194
Sub standard	1,288,798,013	1,430,876,989
Doubtful	2,366,742,729	2,355,885,993
Bad / Loss	5,239,542,550	4,929,558,176
	90,822,174,665	82,461,486,988
7.10 Loan type wise classified loan		
Overdraft	28,260,858	46,225,937
Demand Loan	192,062,108	167,233,737
Term Loan	4,833,509,523	4,573,261,828
Lease Finance	39,115,299	16,867,752
Credit Cards	146,594,763	125,968,922
	5,239,542,550	4,929,558,176
7.11 Sector-wise Allocation of Loans and Advances		
Government		
Private:		
Agriculture, fishing, forestry and dairy firm	3,454,456,128	2,741,148,965
Industry (jute, textile, garments, chemicals, cements etc.)	12,993,611,459	12,368,784,039
Working capital financing	5,257,710,388	3,204,671,998
Export credit	11,543,611	283,307,004
Commercial credit	53,952,260,216	36,408,169,975
Small and cottage industries	2,070,659,552	2,984,039,019
Miscellaneous	13,081,933,311	24,471,365,988
	90,822,174,665	82,461,486,988
7.12 Securities against loans/advances including bills purchased and discounted		
Collateral of moveable/immoveable assets	37,745,386,133	28,873,505,451
Local banks & financial institutions guarantee	-	-
Government guarantee	-	-
Foreign banks guarantee	-	-
Export documents	6,632,709,069	5,290,717,865
Fixed deposit receipts (FDR)	-	-
FDR of other banks	-	-
Government bonds	46,444,079,462	48,297,263,672
Personal guarantee & other securities	-	-
Other securities	90,822,174,665	82,461,486,988



7.13 Particulars of required provisions for loans and advances

Status	Outstanding Loans & advances 2011	Base for provision	Percentage (%) of required provision	Required provision December 2011	Required provision December 2010
Unclassified					
All unclassified loans (Other than Small & Medium enterprise Financing, Consumer Financing, BHs/MBs/SDs, Housing & loans for professional)	30,565,449,712	30,565,449,712	1%	305,654,497	340,045,096
Small & Medium enterprise financing	38,492,457,365	38,492,457,365	1%	384,924,574	320,184,255
Loans to BHs/MBs/SDs against share etc	1,878,011,687	1,878,011,687	2%	37,560,234	21,643,181
Housing & loan for professional	8,336,135,696	8,336,135,696	2%	166,722,714	119,669,534
Consumer finance	3,470,582,247	3,470,582,247	5%	173,529,112	173,807,801
Special Mentioned Account (SMA)	2,217,667,800	2,135,621,062	5%	105,781,053	103,731,276
				1,175,172,184	1,079,081,143
Classified – Specific provision					
Sub-standard	1,584,001,808	1,507,812,065	20%	301,562,413	211,136,901
Doubtful	1,288,798,013	1,190,032,778	50%	595,016,389	631,455,309
Bad/Loss	2,366,742,729	2,166,401,989	100%	2,166,401,989	1,958,287,007
				3,062,980,791	2,800,879,217
				4,238,152,975	3,879,960,360
				4,949,801,968	4,356,503,193
				711,648,993	476,542,833
Required provision for loans and advances					
Total provision maintained (Note 17.1)					
Excess/(Short) provision at 31 December 2011					

* BHs = Brokerage Houses, MBs = Merchant Banks, SDs = Stock Dealers Against Shares

Particulars	2011 Taka	2010 Taka
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7.14 Particulars of required provisions for off balance sheet items – General Provision

Name of Exposure	Outstanding	Percentage (%) of required provision	Required provision December 2011	Required provision December 2010
Acceptances and endorsements	160,105,738	1%	1,601,057	1,401,916
Letter of guarantees	4,537,278,981	1%	45,372,790	38,180,359
Irrevocable letter of credits	16,201,080,847	1%	162,010,808	188,164,764
Bills for collection	626,623,955	1%	6,266,240	1,105,629
Total required provision			215,250,895	228,852,668
Total provision maintained (note 17.2)			234,000,000	230,000,000
Excess/(Short) provision at 31 December 2011			18,749,105	1,147,332

7.15 Particulars of Loans and Advances

i)	Debts considered good in respect of which Bank is fully secured	44,378,095,203	34,164,223,316
ii)	Debts considered good for which Bank holds no other security than the debtor's personal security	2,411,101,526	2,073,155,560
iii)	Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors .	44,032,977,936	46,224,108,112
iv)	Debts considered doubtful or bad, not provided for	90,822,174,665	82,461,486,988
v)	Debts due by directors or officers of the banking company or any of these either separately or jointly with any other persons;	622,327,607	597,381,976
vi)	Debts due by companies or firms in which the directors or officers of the bank are interested as directors, partners or managing agents or in case of private companies as members;	54,672,820	122,239,860
vii)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	622,327,607	597,381,976
viii)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies, as members;	54,672,820	122,239,860



ix) Due from banking companies	-	-
x) Amount of Classified loans on which interest has not been charged should be mentioned as follows:	-	-
a) Increase/decrease of provision (specific)	539,873,497	409,304,958
amount of debts written off	993,872,448	1,022,907,402
amount realized against loan previously written off.	224,876,871	162,449,488
b) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the	2,366,742,729	2,355,885,993
c) Interest creditable to the Interest Suspense a/c.	624,136,298	766,411,557
xi) Cumulative amount of the written off loan and the amount written off during the current year should be shown separately. The amount of written off loan for which lawsuit has been filed should also be mentioned.		
- Current year	993,872,448	1,022,907,402
- Cumulative to date	3,188,412,742	2,194,540,294
The amount of written off loans for which law suit filed	3,188,412,742	2,194,540,294

7.16 The directors of the Bank have not taken any loan from the Bank during the year or there is no outstanding loan balances with any director of the Bank.

Particulars	2011 Taka	2010 Taka
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7.17 Bill Purchased & Discounted under the following broad categories

Inside Bangladesh	394,813,615	244,084,374
Outside Bangladesh	-	-
	<u>394,813,615</u>	<u>244,084,374</u>

7.18 Maturity Wise Grouping of Bill Purchased & Discounted

Up to 1 months	201,711,847	152,692,756
More than 1 months to 3 months	138,321,266	83,841,477
More than 3 months to 1 Year	54,780,502	7,550,141
More than 1 year to 5 years	-	-
More than 5 years	-	-
	<u>394,813,615</u>	<u>244,084,374</u>

7.19 Write off of Loans & advances

Balance at the beginning of the year	1,938,375,302	1,100,951,429
Add: Write off during the year	993,872,448	1,022,907,402
	<u>2,932,247,750</u>	<u>2,123,858,831</u>
Less: Recovery of Write off loans	224,876,871	185,483,529
Balance at the end of the year	<u>2,707,370,879</u>	<u>1,938,375,302</u>

7.a Consolidated Loans & Advances

BRAC Bank Limited	90,822,174,665	82,461,486,988
Off Shore Banking Unit	4,344,938,926	1,841,302,329
BRAC EPL Investments Ltd.	3,924,682,337	3,070,981,586
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
Less: Inter-company transaction	1,613,431,410	799,857,307
Borrowing from BRAC Bank by BRAC EPL Investments Ltd.	<u>97,478,364,517</u>	<u>86,573,913,596</u>

8 Fixed assets including premises, furniture and fixtures

Cost

Property plant and equipments:

Land	87,940,465	87,940,465
Furniture & fixture	1,060,711,794	855,005,485
Office equipments **	872,013,588	642,337,023
IT Hardwares *	1,196,248,215	774,431,818
Motor vehicles	83,865,588	89,109,429
	<u>3,300,779,649</u>	<u>2,448,824,219</u>

Intangible Assets:

License (Indefinite useful live)	50,000	50,000
IT Softwares (Finite useful live)	726,572,647	460,913,388
	<u>4,027,402,296</u>	<u>2,909,787,607</u>

Less: Accumulated depreciation

Net Book value at the end of the year

(Details are shown in Annex - D)

1,678,237,541	1,160,882,100
<u>2,349,164,755</u>	<u>1,748,905,507</u>



Particulars	2011 Taka	2010 Taka
8.a Consolidated Fixed Assets including Premises, Furniture & Fixtures		
BRAC Bank Limited	2,349,164,755	1,748,905,507
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	76,777,723	42,457,852
BRAC EPL Stock Brokerage Ltd.	72,348,051	60,167,704
B-Kash Ltd.	99,322,987	2,714,131
BRAC Saajan Exchange Ltd.	2,317,931	-
	<u>2,599,931,447</u>	<u>1,854,245,194</u>
9 Other Assets		
9.1 Income Generating Other Assets		
Interest receivables (Note - 9.1.1)	754,054,062	704,057,402
Prepaid Interest Expenses on Interest First Fixed Deposit (IFFD)	80,468,181	58,479,712
Receivables against sanchayapatra	161,622,019	118,255,325
Receivables from Omnibus	28,952,943	44,088,979
Receivables against travelers cheque	3,077,798	1,701,664
Investment in subsidiary (Note - 9.1.2)	2,138,505,445	598,648,294
Investment in associate (Note - 9.1.3)	12,500,000	12,500,000
Balance with EPSL (Advance)	116,864,049	-
	<u>3,296,044,498</u>	<u>1,537,731,375</u>
9.1.1 Interest Receivables		
Interest Receivables consists of interest receivable on loans, investments etc.		
Receivable against Govt. securities	248,453,694	223,934,826
Receivable against other securities	31,145,759	63,750
Receivable against balance with other bank	45,148,379	62,441,675
Receivable against loans and advances	428,295,859	408,455,719
Receivable against term deposit - OBU	1,010,370	9,161,432
	<u>754,054,062</u>	<u>704,057,402</u>
9.1.2 Investment in subsidiaries		
BRAC EPL Investments Ltd.	752,715,794	494,340,794
BRAC EPSL Stock Brokerage Ltd.	1,344,147,500	102,522,500
B-Kash Ltd.	1,785,000	1,785,000
BRAC Saajan Exchange Ltd.	39,857,151	-
	<u>2,138,505,445</u>	<u>598,648,294</u>
9.1.3 Investment in associate		
BRAC Asset Management Company Ltd.	12,500,000	12,500,000
9.2 Non Income Generating Other Assets		
Stock of stamps (Note - 9.2.1)	1,159,714	2,924,977
Other receivables	367,164,803	198,201,897
Stock of security stationery	13,564,599	11,124,733
Stock of printing stationery	26,677,406	17,845,902
Stock of furniture	25,795,237	388,322
Advance to staff & supplier	4,757,913	11,049,290
Advance for ELDORADO	45,568,391	66,413,583
Deferred revenue expenditure	44,790,113	17,607,598
Advance payment of income tax	4,241,797,685	2,842,441,954
Deferred tax asset (Note - 9.2.2)	1,152,939,348	710,917,786
Advance to staff for motor cycle purchase	-	87,836,251
Advance to SME unit offices	1,317,550	1,326,550
Advance against fixed assets	89,044,599	247,455,038
Advance against office rent	547,912,927	527,100,427
Advance security deposit	9,259,026	183,609,378
Advance for Data Center Project	-	125,056,364
Advance for software migration	38,886,827	132,765,956
Advance for ANIK tower project	112,112	31,396,924
Advance to B-Kash	5,100	-
Advance against Pre-IPO (First Bangladesh Fixed Income Fund)	250,000,000	-
* Lease assets (Note-9.2.4)	3,945,579	3,989,956
Interbranch Account	123,785	123,785
	<u>6,864,822,714</u>	<u>5,219,576,670</u>
(Note 9.1 + 9.2)	<u>10,160,867,211</u>	<u>6,757,308,045</u>
The bank has taken lease an office premises under operating lease for a period of 99 years started from 2002 with an option to renew the lease after that date. Lease rentals paid Tk. 4,389,000 at the time of lease (2002) are amortised over the term of the lease.		
9.2.1 Other Receivables		
Receivable against remittance	163,767,002	21,290,841
Receivable against DD	27,500,000	29,269,823
Receivable against Cheques	19,725	545,353
Receivable against Cards	12,003,959	4,985,934
Account receivable-FCY(Unclaimed)	116,116	7,080
Receivable from Merchant	63,917,101	68,935,388
Receivable from Partners	32,234,050	53,191,766
Receivable in Cash Shortage	15,978,000	6,713,000
Receivable from Member Bank - ELDORADO	49,247,775	4,456,365
Sundry debtors	459,725	8,806,349
Receivable from Branch	1,921,349	-
	<u>367,164,803</u>	<u>198,201,897</u>



9.2.2 Deferred Tax asset/ (Liability)

	Book Value	Tax Base	Deductable/ (Taxable) Temporary Difference	Deferred Tax Asset/ (Liability)
Balance as at 31 December 2010				
Deferred Tax Asset				935,606,179
Deferred Tax Liability				(224,688,393)
Net Deferred Tax Asset 2010				710,917,786
Balance as at 31 December 2011				
Loan loss provision (Note - 9.2.3)	4,949,801,968	-	2,004,203,263	851,786,387
Provision against Capital market	474,595,202	-	474,595,202	201,702,961
Provision against off balance sheet items	234,000,000	-	234,000,000	99,450,000
Deferred tax asset (a)				1,152,939,348
Interest receivable from treasury bills & bonds	248,453,694	-	(248,453,694)	(105,592,820)
Fixed assets (Annex-D)	2,261,174,290	1,834,283,134	(426,891,156)	(181,428,741)
Deferred Tax Liability (b)				(287,021,562)
Net Deferred Tax Asset 2011 (a+b)				865,917,786
Increase of deferred tax asset recognized into P&L as income				217,333,168
Decrease of deferred tax liability recognized into P&L as income				(62,333,168)
Total Deferred tax income recognized into P&L during the year 2011				155,000,000

9.2.3 A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Temporary difference arising from loan loss provision is recognized to the extent it is probable that taxable profit will be available in foreseeable future against which it can be utilized. According to the requirement of Bangladesh Bank BRPD Circular No. 11 dated 12 December 2011, Deferred tax asset can be created against "Loan Loss Provision" according to the requirement of BAS - 12 but such amount (i.e. BDT 811,786,387) should be excluded from Regulatory Capital (i.e. Tier - 1 Capital). Expected time to adjust the above loan loss provision through write off is 5 years.

Particulars	2011 Taka	2010 Taka
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9.2.4 Interbranch Account

Inter Branch Account - BDT	-	-
Inter Branch Account - FCY	-	-
Cost Center Account	123,785	123,785
Spot Exchange - BDT	-	-
Spot Exchange - FCY	-	-
Forward Exchange - BDT	-	-
Asset for Distribution	-	-
Liability for Distribution	-	-
Merchant POS Settlement Account	-	-
	123,785	123,785

9.a Consolidated Other Assets

BRAC Bank Limited	10,160,867,211	6,757,308,045
Off Shore Banking Unit	133,221,192	138,185
BRAC EPL Investments Ltd.	135,634,733	292,912,906
BRAC EPL Stock Brokerage Ltd.	316,025,638	742,258,144
B-Kash Ltd.	27,204,574	1,476,013
BRAC Saajan Exchange Ltd.	54,864,877	-
Less:		
Investment in subsidiaries		
BRAC EPL Investments Ltd.	752,715,794	494,340,794
BRAC EPL Stock Brokerage Ltd.	1,344,147,500	102,522,500
B-Kash Ltd.	1,785,000	1,785,000
BRAC Saajan Exchange Ltd.	39,857,151	-
	2,138,505,445	598,648,294
Investment in associate		
BRAC Asset Management Company Ltd.	12,500,000	12,500,000
Less: Inter-company transaction		
Payable to BRAC EPL Investment Ltd.	92,437	80,000
Advance to B-Kash	5,100	-
Receivable from B-Kash Ltd.	19,606,650	101,873
Balance with EPSL (Advance)	116,864,049	-
Payable to BRAC EPSL Stock Brokerage Ltd by BRAC EPL Investment Ltd.	252,989	27,742
	136,821,225	209,615
Add:		
Investment of associate		
BRAC Asset Management Company Ltd.	13,131,311	12,571,651
	8,553,122,866	7,195,307,035

(Note - 9.a.1)

9.a.1 Investment in associate

BRAC Asset Management Company Ltd.		
Opening balance	12,571,651	-
Investment made during the period	-	12,500,000
Add: Share of post acquisition profit	559,660	71,651
Less: Dividend receivable	-	-
Total carrying amount of investment in associate	13,131,311	12,571,651

10 Non Banking assets

No non-banking assets is under the possession of the bank which acquired as claims. BRAC Bank limited was not acquired any such assets as on 31 December 2011.



Particulars	2011 Taka	2010 Taka
11.a Consolidated Goodwill		
BRAC Bank Limited	246,289,822	257,500,382
BRAC EPL Investments Ltd.	1,126,273,573	54,388,133
BRAC EPL Stock Brokerage Ltd.		
B-Kash Ltd.	37,074,202	
BRAC Saajan Exchange Ltd.		
Less: Impairment of Goodwill	<u>1,409,637,597</u>	<u>311,888,515</u>

11.a.1 Calculation of Goodwill

	BRAC EPL	BRAC EPSL Stock Brokerage	B- Kash Limited	BRAC Saajan Exchange	Total
	Investments Limited	Limited		Limited	
Cost of investment	494,340,794	102,522,500	1,785,000	-	598,648,294
Less:					
Share of Share Capital	153,000,000	25,500,000	1,785,000	-	180,285,000
Share of Share Premium	75,729,133	-	-	-	75,729,133
Share of Pre-acquisition profit	8,111,279	22,634,367	-	-	30,745,646
	<u>236,840,412</u>	<u>48,134,367</u>	<u>1,785,000</u>	<u>-</u>	<u>286,759,779</u>
Opening Balance	<u>257,500,382</u>	<u>54,388,133</u>	<u>-</u>	<u>-</u>	<u>311,888,515</u>

Cost of investment	258,375,000	1,241,625,000	-	39,857,151	1,539,857,151
Less:					
Share of Share Capital	97,500,000	136,500,000	-	26,808,331	260,808,331
Share of Share Premium	109,206,488	-	-	-	109,206,488
Share of Pre-acquisition profit	62,879,072	33,239,560	-	(24,025,382)	72,093,251
	<u>269,585,560</u>	<u>169,739,560</u>	<u>-</u>	<u>2,782,949</u>	<u>442,108,069</u>
	<u>(11,210,560)</u>	<u>1,071,885,440</u>	<u>-</u>	<u>37,074,202</u>	<u>1,097,749,082</u>
Closing Balance	<u>246,289,822</u>	<u>1,126,273,573</u>	<u>-</u>	<u>37,074,202</u>	<u>1,409,637,597</u>

12 Borrowing from other Banks, Financial Institutions and Agents:

In Bangladesh, secured and repayable on demand

Term Borrowing:

Banking company:

One Bank Limited

BASIC Bank Limited

Sonali Bank Limited

ICB Islamic Bank Ltd.

Uttara Bank Limited

-	500,000,000
-	300,000,000
-	2,500,000,000
-	400,000,000
650,000,000	-
650,000,000	3,700,000,000

Non-bank financial institutions:

650,000,000	3,700,000,000
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Outside Bangladesh

650,000,000	3,700,000,000
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12.1 Maturity Wise Grouping of Borrowing from Other Bank & Financial Institutions

Up to 1 months
More than 1 months to 3 months
More than 3 months to 1 Year
More than 1 year to 5 years
More than 5 years

650,000,000	3,700,000,000
-	-
-	-
-	-
-	-
650,000,000	3,700,000,000

12.a Consolidated Borrowing from other Banks, Financial Institutions and Agents

BRAC Bank Limited
Off Shore Banking Unit
BRAC EPL Investments Ltd.
BRAC EPL Stock Brokerage Ltd.
B-Kash Ltd.
BRAC Saajan Exchange Ltd.
Less: Borrowing from BRAC Bank by BRAC EPL Investments Ltd. (Inter-Company)

650,000,000	3,700,000,000
3,271,000,000	-
3,412,611,598	2,073,777,562
-	-
-	-
1,613,431,410	799,857,307
<u>5,720,180,188</u>	<u>4,973,920,255</u>

13 Borrowings from Central Bank

Bangladesh Bank Refinance

461,882,617	-
<u>461,882,617</u>	<u>-</u>

13.1 Maturity Wise Grouping of Borrowing from Central Bank

Up to 1 months
More than 1 months to 3 months
More than 3 months to 1 Year
More than 1 year to 5 years
More than 5 years

-	-
461,882,617	-
-	-
-	-
-	-
<u>461,882,617</u>	<u>-</u>



Particulars	2011 Taka	2010 Taka
13.a Consolidated Borrowings from Central Bank		
BRAC Bank Limited	461,882,617	-
Off Shore Banking	1,071,488,567	1,828,605,004
BRAC EPL Investments Ltd.	-	-
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
	<u>1,533,371,184</u>	<u>1,828,605,004</u>
14 Subordinated Convertible Bonds		
Private Placement (Note - 14.1)	2,700,000,000	2,700,000,000
Public Subscription (Note - 14.2)	300,000,000	300,000,000
	<u>3,000,000,000</u>	<u>3,000,000,000</u>
14.1 Private Placement details		
	No. of Unit	
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	525,000	525,000,000
Triodos Fair Share Fund	175,000	175,000,000
Triodos Microfinance Fund	175,000	175,000,000
Norwegian Investment Fund for Developing Countries	490,000	490,000,000
Agrani Bank Limited	750,000	750,000,000
BRAC Employee Providend Fund	482,500	482,500,000
Delta Life Insurance Company Ltd.	20,000	20,000,000
RACE Asset Management *	82,500	82,500,000
* PHP 1st Mutual Fund, Popular Life 1st Mutual Fund		
Total Private Placement		<u>2,700,000,000</u>
14.2 Public Subscription details		
	No. of Unit	
Other than Non-resident Bangladeshies	212,775	212,775,000
Non-resident Bangladeshies	2,285	2,285,000
Mutual Funds	84,940	84,940,000
Total Subscription received		<u>300,000,000</u>
Less: Refundable against excess subscription		<u>130,425,000</u>
		<u>300,000,000</u>
14.3 Maturity Wise Grouping of Subordinated Convertible Bonds		
Up to 1 months	-	-
More than 1 months to 3 months	-	-
More than 3 months to 1 Year	-	-
More than 1 year to 5 years	-	-
More than 5 years	-	-
	<u>3,000,000,000</u>	<u>3,000,000,000</u>
14.a Consolidated Subordinated Convertible Bonds		
BRAC Bank Limited	3,000,000,000	3,000,000,000
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	-	-
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
	<u>3,000,000,000</u>	<u>3,000,000,000</u>
15 Money at call and short notice		
Banking Company:		
Citibank NA	-	50,000,000
Bank Al-Falah Ltd.	-	150,000,000
Premiur Bank Ltd.	-	100,000,000
United Commercial Bank Ltd.	-	100,000,000
Dutch Bangla Bank Limited	-	150,000,000
		<u>550,000,000</u>
15.1 Maturity Wise Grouping of Money at call and short notice		
Up to 1 months	-	550,000,000
More than 1 months to 3 months	-	-
More than 3 months to 1 Year	-	-
More than 1 year to 5 years	-	-
More than 5 years	-	-
		<u>550,000,000</u>
15.a Consolidated Money at Call and Short Notice		
BRAC Bank Limited	-	550,000,000
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	-	-
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
		<u>550,000,000</u>



Particulars	2011 Taka	2010 Taka
16 Deposit and Other Accounts		
Local Currency:		
Current & other accounts (Note-16.3)	31,301,338,253	30,053,221,947
Bills payable	768,394,517	1,021,461,002
Saving deposits	18,527,780,776	21,124,822,404
Fixed deposits (Note-16.4.1)	51,053,796,908	34,985,281,765
Other deposits	120,935,996	106,646,405
	<u>101,772,246,449</u>	<u>87,291,433,523</u>
Foreign Currency:		
Current & other accounts	1,038,541,855	208,891,177
Bills payable	-	-
Saving deposits	709,415,411	503,672,359
Fixed deposits (Note-16.4)	205,325,510	153,911,273
Other deposits	1,953,282,776	866,474,808
	<u>103,725,529,225</u>	<u>88,157,908,331</u>
Total Deposit and other accounts		
16.1 Deposit details concentrating liquidity nature		
<i>i) Demand deposit</i>	27,411,912,388	19,785,006,146
Current deposit	23,468,441,498	16,241,125,502
Saving deposit (10%)	1,852,778,078	2,112,482,240
Foreign currency deposit	1,243,867,366	362,802,450
Sundry deposit	78,430,930	47,134,952
Bills payable	768,394,517	1,021,461,002
<i>ii) Time deposit</i>	76,313,616,837	68,372,902,185
Saving deposit (90%)	16,675,002,699	19,012,340,163
Foreign currency deposit	709,415,411	503,672,359
Fixed deposit	46,804,112,552	32,234,178,511
Short term deposit	7,832,896,754	13,812,096,444
Deposit pension scheme	4,249,684,356	2,751,103,255
Security deposit	21,655,406	20,749,180
Other Deposit	20,849,659	38,762,273
	<u>103,725,529,225</u>	<u>88,157,908,331</u>
16.2 Maturity Wise Grouping of Deposits		
Payable on demand	3,405,641,785	7,735,278,521
Payable within 1 month	16,864,309,592	9,454,334,520
Over 1 month but within 6 months	35,613,753,504	17,618,579,795
Over 6 month but within 1 year	15,333,634,058	7,633,263,605
Over 1 year but within 5 years	22,384,456,057	43,803,081,315
Over 5 years but within 10 years	7,449,759,015	1,913,370,576
Over 10 years	2,673,975,215	-
	<u>103,725,529,225</u>	<u>88,157,908,331</u>
16.3 Bills payable		
Local Drafts Issued and Payable	146,208	127,075,197
Stamp Charges payable for Loan Clients	7,842,270	5,346,058
Insurance Premium payable for SME Loan Clients	83,667,169	109,629,129
Payment Order Issued	582,205,279	709,337,834
Sundry Creditors	20,004,562	31,605,564
Payment Order To Be Issued	5,948,107	6,039,807
Cards Settlement account	68,580,921	32,427,413
	<u>768,394,517</u>	<u>1,021,461,002</u>
16.4 Other Deposits		
Foreign currency	205,325,510	153,911,273
Local Currency: (Note-16.4.1)	-	-
Sundry deposit	120,935,996	106,646,405
	<u>326,261,506</u>	<u>260,557,678</u>
16.4.1 Sundry deposit		
Security Deposits	21,655,406	20,749,180
Security Deposit from SME Loan client	602,244	17,202,964
Security Deposit from Retail Loan client	20,247,415	21,559,309
Merchant POS settlement account	-	-
Lease Deposit	3,014,215	3,014,215
Payable against Staff, Clients Loan account and others	75,416,715	44,120,737
	<u>120,935,996</u>	<u>106,646,405</u>
16.a Consolidated Deposit and Other Accounts		
BRAC Bank Limited	103,725,529,225	88,157,908,331
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	31,813,178	61,417,666
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	43,370,999	-
BRAC Saajan Exchange Ltd.	-	-
	<u>103,800,713,402</u>	<u>88,219,325,997</u>
Less: Inter Company Transaction		
BRAC EPL Investments Ltd.	20,658,044	13,596,782
BRAC EPL Stock Brokerage Ltd.	85,855,418	17,826,914
B-Kash Ltd.	45,474,169	33,034,618
	<u>103,648,725,771</u>	<u>88,154,867,683</u>



Particulars		2011 Taka	2010 Taka
17 Other Liabilities			
Provisions for loans & advances	(Note - 17.1)	4,949,801,968	4,338,090,170
Provisions for Off Balance Sheet Items	(Note - 17.2)	234,000,000	230,000,000
Provisions for Others		61,777	61,777
Interest suspense	(Note - 17.3)	624,136,298	766,411,557
Withholding tax payable	(Note - 17.4)	238,412,929	91,780,943
VAT payable	(Note - 17.5)	157,140,078	88,406,306
Provision for taxation	(Note - 17.6)	5,421,639,560	4,003,775,611
Deferred tax liability	(Note - 9.2.2)	287,021,562	-
Interest payable		1,745,688,487	1,230,530,329
Accrued expenses		600,099,835	620,968,799
Provision for diminution in value of Investments		474,595,202	56,741,049
Excise duty Payable		175,440,618	214,817,835
Share subscription - IPO (refund warrant)		9,107,461	3,896,705
Right Share subscription		1,027,375	1,062,405
Cheque clearing account		30,248,226	128,199,771
Margin on L/C		421,780,586	398,901,746
Margin on L/G		60,666,852	54,343,427
Cash Dividend payable		31,473,006	-
Refundable against excess subscription of BONDS		-	130,232,521
Unclaimed dividend		3,492,714	3,511,479
Payable against exchange house		18,199,453	4,452,292
Payable to ELDORADO member banks		3,728,600	-
Payable against insurance		25,163,622	-
Payable against freez account		105,952,195	-
Others		142,153,356	105,570,594
		<u>15,761,031,757</u>	<u>12,471,755,315</u>

17.1 Provision for Loans and Advances :

Provision for loans and advances is created for covering the bank for possible loan losses in the future. General provision is made on outstanding loan and advance without considering the quality of loans and advances according to the prescribed rate of Bangladesh Bank. Classified loans and advances of the banks are categorised as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank. Specific provision is required to be made on the shortfall in security value over the amount outstanding (net of unearned interest and interest suspense) for accounts which are classified as sub-standard, doubtful or bad/loss.

A. General		1,342,261,003	866,067,510
Balance at the beginning of the year		71,838,300	476,193,493
Add: Provision made during the year		<u>1,414,099,303</u>	<u>1,342,261,003</u>
Balance at the end of the year			
B. Specific		2,995,829,167	2,586,524,209
Balance at the beginning of the year		1,442,477,570	1,333,089,473
Add: Provision made during the year		<u>4,438,306,737</u>	<u>3,919,613,682</u>
		-	62,361,108
Less: Interest waiver during the year		902,604,073	861,423,407
Less: Write off during the year		<u>3,535,702,665</u>	<u>2,995,829,167</u>
Balance at the end of the year		<u>4,949,801,968</u>	<u>4,338,090,170</u>
Net actual provision at the end of year (A+B)			

17.2 Provisions for Off Balance Sheet Items

Provision for off balance sheet items is made as per BRPD circular No. 8 of 7th August 2007 and 10 of September 18, 2007 for covering the bank for possible losses on off balance sheet items in the future. Details movement of Provision for Off Balance Sheet items is as follows:

	230,000,000	61,407,000
Balance at the beginning of the year	4,000,000	168,593,000
Add: Provision made during the year	<u>234,000,000</u>	<u>230,000,000</u>
Balance at the end of the year		

17.3 Interest suspense

Classified loans and advances of the banks are categorised as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank. Interest accrued on SMA, sub-standard, doubtful and bad/loss loans is recorded as 'interest suspense' and not taken to income. This interest is recognized as income as and when it is realized in cash by the bank.

	766,411,557	556,464,712
Balance at the beginning of the year	1,194,933,560	1,500,847,812
Add: Provision made during the year	<u>1,961,345,116</u>	<u>2,057,312,525</u>
	1,105,527,799	1,070,481,025
Less: Amount of interest suspense recovered	91,268,375	161,483,995
Less: Write off during the year	<u>140,412,645</u>	<u>58,935,948</u>
Less: Interest waiver during the year	<u>624,136,298</u>	<u>766,411,557</u>
Balance at the end of the year		

17.4 Withholding Tax Payable

	223,397,445	69,509,312
Pavable On Interest	4,315,852	9,139,763
Pavable (Suppliers)	8,695,644	9,358,662
Pavable (Staff Salaries & Allowance)	127,163	1,501,010
Pavable (Rent)	625,417	313,349
Pavable (Export)	1,228,124	1,942,893
Pavable on Commission Paid	-	-
Pavable on Export Cash Subsidy	-	-
Withholding Tax Payable on Profession Services	<u>23,284</u>	<u>15,954</u>
Withholding Tax Payable - Others	<u>238,412,929</u>	<u>91,780,943</u>



Particulars	2011 Taka	2010 Taka
17.5 VAT Payable		
Payable On L/C Commission	3,895,107	1,111,160
Payable on Commission for Remittances	1,734,478	622,761
Payable on Loan Processing Fees	23,713,188	13,990,173
Payable – Credit Cards	16,139,119	6,302,795
Payable – Supplier	1,837,506	4,757,287
Payable – Rent	20,917,833	14,072,933
Payable – DESA & DESCO	5,281,317	4,330,509
Payable – BPDDB	11,768,624	7,031,065
Payable – DPDC	55,912,106	32,366,761
Payable – Others	15,940,800	3,820,863
	<u>157,140,078</u>	<u>88,406,306</u>

17.6 Provision for current taxation

Balance at the beginning of the year	4,003,775,611	3,096,447,274
Add: Provision made during the year	<u>1,460,000,000</u>	<u>1,416,240,000</u>
	5,463,775,611	4,512,687,274
Less: Adjustment of tax provision for previous years	<u>42,136,051</u>	<u>508,911,663</u>
Balance at the end of the year	<u>5,421,639,560</u>	<u>4,003,775,611</u>

Assessment for the year 2001 (assessment year 2002–2003) is under appeal with the High Court preferred by the bank against tax department's demand for additional tax of Tk. 3,367,206 which has been shown as contingent liability.

Assessment for the year 2009 (Assessment year 2010–2011) is under review with the Deputy Commissioner of Taxes.

17.a Consolidated Other Liabilities

BRAC Bank Limited	15,761,031,757	12,471,755,315
Off Shore Banking	71,051,518	29,933,756
BRAC EPL Investments Ltd.	170,680,695	537,455,607
BRAC EPL Stock Brokerage Ltd.	486,188,675	766,879,436
B-Kash Ltd.	96,117,147	7,981,767
BRAC Saajan Exchange Ltd.	89,946,294	-
	<u>16,675,016,086</u>	<u>13,814,005,882</u>
Less: Inter Company Transaction		
Payable to BRAC EPL Investment Ltd.	92,437	80,000
Receivable from B-Kash Ltd.	19,606,650	101,873
Payable to BRAC EPSL Stock Brokerage Ltd by BRAC EPL Investment Ltd.	252,989	27,742
Balance with BRAC EPL Stock Brokerage Ltd. (Advance)	116,864,049	71,357,846
	<u>136,816,125</u>	<u>71,567,461</u>
	<u>16,538,199,960</u>	<u>13,742,438,421</u>

18 Share Capital

18.1 Authorized Capital

Authorized Capital is the maximum amount of share capital that the bank is authorised by its Memorandum & article of association to issue to shareholders.

1,200,000,000 ordinary shares of Tk. 10 each	<u>12,000,000,000</u>	<u>4,800,000,000</u>
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18.2 Issued, Subscribed and Paid up Capital

The issued share capital of the bank is the total nominal value of the shares of the bank which have been issued to shareholders and which remain outstanding.

100,000,000 ordinary Share of Tk. 10/- each issued for cash	1,000,000,000	1,000,000,000
194,835,200 ordinary Share of Tk. 10/- each issued as bonus share	1,948,352,000	1,412,960,000
26,400,000 Right Share of Tk. 10/- each issued as right share	264,000,000	264,000,000
	<u>3,212,352,000</u>	<u>2,676,960,000</u>

18.2.1 Issued, Subscribed and Paid up Capital

Balance at the beginning of the year	2,676,960,000	2,059,200,000
Add: Bonus share issued	535,392,000	617,760,000
Closing at the end of the year	<u>3,212,352,000</u>	<u>2,676,960,000</u>

18.3 Initial Public Offering (IPO)

According to IPO rules 2006 "Initial public offering (IPO)" means first offering of security by an issuer to the general public. Out of the total issued, subscribed, and fully paid up capital of the bank 5,000,000 ordinary shares of Tk. 100.00 each amounting to Taka 500,000,000 was raised through Initial public offering of shares held in 2006.

18.4 Bonus Issue

On 24th March 2011 a bonus share at the ratio of 2:10 (two bonus shares for every ten shares held) amounting to Taka 535,392,000 was approved by the shareholders in Annual General Meeting and the shares was issued accordingly.

18.4.a The Bank held its 8th EGM on November 03, 2011 and changed the face value of share from Tk. 100 per share to Tk. 10 per share and market lot of shares from 50 shares to 500 shares in each lot. The maximum limit for Authorized Share capital was increased to BDT 12,000,000,000.



Particulars	2011 Taka	2010 Taka
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18.5 Ordinary Shares

	No. of Shares.	% of shareholding		
Sponsor				
BRAC	140,612,780	43.77%	1,406,127,800	1,171,773,200
ShoreCap International Ltd.	2,774,200	0.86%	27,742,000	23,118,400
International Finance Corporation	17,211,270	5.36%	172,112,700	143,427,300
Others	24,330	0.01%	243,300	203,000
Non Sponsor				
Non Resident Bangladeshis	1,318,610	0.41%	13,186,100	11,597,500
Mutual Funds	15,132,410	4.71%	151,324,100	86,095,900
Institutions & General Public	144,161,600	44.88%	1,441,616,000	1,240,744,700
	321,235,200	100%	3,212,352,000	2,676,960,000

18.6 Classification of Shareholding

Range of Holding of Shares	No. of Shareholders	No. of Shares	Shares
Less than 500	10,568	2,204,810	0.69%
500 to 5,000	17,779	28,709,360	8.94%
5,001 to 10,000	1,470	10,465,080	3.26%
10,001 to 20,000	725	10,066,740	3.13%
20,001 to 30,000	199	4,891,390	1.52%
30,001 to 40,000	91	3,238,300	1.01%
40,001 to 50,000	59	2,699,470	0.84%
50,001 to 100,000	113	7,917,920	2.46%
100,001 to 1,000,000	137	38,786,180	12.07%
Over 1000000	25	212,255,950	66.07%
Total	31,166	321,235,200	100.00%

18.7 Share Premium

5,000,000 ordinary shares @ Tk. 70 per share	350,000,000	350,000,000
2,640,000 ordinary shares @ Tk. 400 per share	1,056,000,000	1,056,000,000
	1,406,000,000	1,406,000,000

18.8 Particulars of Share Premium

	No. of Shares.		
Sponsor:			
BRAC	140,612,780	335,163,840	335,163,840
ShoreCap International Ltd.	2,774,200	92,473,920	92,473,920
International Finance Corporation (IFC)	17,211,270	100,298,880	100,298,880
Others	24,330	63,360	63,360
Non Sponsor:			
Non Resident Bangladeshis	1,318,610	87,800,000	87,800,000
Mutual Funds	15,132,410	87,800,000	87,800,000
General Public	144,161,600	702,400,000	702,400,000
	321,235,200	1,406,000,000	1,406,000,000

18.8.a Consolidated Share Premium

BRAC Bank Limited	1,406,000,000	1,406,000,000
BRAC EPL Investments Ltd.	147,052,103	147,052,103
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
	1,553,052,103	1,553,052,103

18.9 Preference Shares

Preference Shares are those share which give their holders an entitlement to a fixed dividend but which do not usually carry voting rights.
3,500,000 preference shares (9%, 5 years cumulative redeemable) of Tk. 100 each.

Breakup of Shareholders are given below:

IDLC Finance Ltd.	-	-	50,000,000
United Leasing Company Ltd.	-	-	50,000,000
Green Delta Insurance Co. Ltd.	-	-	50,000,000
Trust Bank Limited	1,000,000	100,000,000	100,000,000
Prime Bank Limited	1,000,000	100,000,000	100,000,000
Bank Al-Falah Ltd.	1,000,000	100,000,000	100,000,000
Bangladesh Shilpa Bank	500,000	50,000,000	50,000,000
	3,500,000	350,000,000	500,000,000



Particulars	2011 Taka	2011 Taka	2010 Taka	2010 Taka
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18.10 Capital Adequacy Ratio - As per BASEL-II

	Consolidated basis	SOLO Basis	Consolidated basis	SOLO Basis
Tier - I (Core Capital)				
Fully paid up capital/ Capital deposited with BB	3,212,352,000	3,212,352,000	2,676,960,000	2,676,960,000
Statutory reserve	2,536,431,462	2,536,431,462	1,920,598,872	1,920,598,872
Non-repayable share premium account	1,553,052,103	1,406,000,000	1,553,052,103	1,406,000,000
General reserve	-	-	-	-
Retained Earnings	2,282,951,075	1,934,731,623	1,956,125,243	1,687,394,554
Minority interest in subsidiaries	321,435,935	-	698,799,975	-
Share money deposit	62,333,542	-	24,851,503	-
Non-cumulative irredeemable preference shares	-	-	-	-
Dividend equalization accounts	-	-	-	-
Sub-total	9,968,556,117	9,089,515,085	8,830,387,694	7,690,953,426
Deductible from Tier - I (Core Capital)				
Book value of Goodwill	1,409,637,597	-	311,888,515	-
Shortfall in provision required against classified assets irrespective of any relaxation allowed	-	-	-	-
Deficit on account of revaluation of investment in AFS category	-	-	-	-
Any increase in equity capital resulting from a securitization transaction	-	-	-	-
Deferred tax income arising from "Loan loss provision"	851,786,387	851,786,387	-	-
Investment in subsidiary	-	-	-	299,324,147
Other if any	-	-	-	-
Sub-total	2,261,423,983	851,786,387	311,888,515	299,324,147
Total eligible Tier - 1 Capital	7,707,132,133	8,237,728,699	8,518,499,179	7,391,629,279
Tier - II (Supplementary Capital)				
General Provision	1,648,099,303	1,648,099,303	1,590,674,026	1,590,674,026
Asset revaluation reserve	81,544,877	81,544,877	610,466,065	610,466,065
Preference Share	350,000,000	350,000,000	500,000,000	500,000,000
Perpetual Subordinated debt	2,312,139,640	2,471,318,610	2,555,549,754	2,217,488,784
Exchange Equalization Fund	-	-	-	-
Sub-total	4,391,783,820	4,550,962,790	5,256,689,845	4,918,628,875
Deduction (Investment in subsidiary)	-	-	-	299,324,147
Total eligible Tier - 2 Capital (a)	4,391,783,820	4,550,962,790	5,256,689,845	4,619,304,728
Tier-3 (eligible for market risk only)				
Short term sub-ordinated debt (b)	-	-	-	-
Total Supplementary Capital	4,391,783,820	4,550,962,790	5,256,689,845	4,619,304,728
Total Capital	12,098,915,954	12,788,691,488	13,775,189,024	12,010,934,007
Total Risk Weighted Assets	117,156,393,038	110,285,639,993	103,809,527,957	99,508,446,419
Required capital based on Risk Weighted Assets (10.00%)	11,715,639,304	11,028,563,999	10,380,952,796	9,950,844,642
Surplus/ (Deficiency)	383,276,650	1,760,127,489	3,394,236,228	2,060,089,365
Capital Adequacy Ratio:				
On core capital (against standard of minimum 5%)	6.58%	7.47%	8.21%	7.43%
On actual capital (against standard of minimum 10.00%)	10.33%	11.60%	13.27%	12.07%
19 Statutory Reserve				
Balance at the beginning of the year			1,920,598,872	1,337,479,877
Add: Transferred from profit during the year			615,832,590	583,118,995
			2,536,431,462	1,920,598,872
19.a Consolidated Statutory Reserve				
BRAC Bank Limited			2,536,431,462	1,920,598,872
Off Shore Banking Unit			-	-
BRAC EPL Investments Ltd.			-	-
BRAC EPL Stock Brokerage Ltd.			-	-
B-Kash Ltd.			-	-
BRAC Saajan Exchange Ltd.			-	-
			2,536,431,462	1,920,598,872



Particulars		2011 Taka	2010 Taka		
20	Revaluation Reserve				
	HTM	HFT	Total		
	16,757,984	1,204,174,146	1,220,932,130		
Balance at the beginning of the year	1,366,651	-	1,366,651		
Add: Addition during the year	-	(1,059,209,027)	(1,059,209,027)		
Less: Adjustment during the year	18,124,635	144,965,119	163,089,754		
			1,220,932,131		
Revaluation reserve is made according to DOS Circular no.-05, dated 26th May 2008.					
20.a	Consolidated Revaluation Reserve	163,089,754	1,220,932,131		
	BRAC Bank Limited	-	-		
	Off Shore Banking Unit	-	-		
	BRAC EPL Investments Ltd.	-	-		
	BRAC EPL Stock Brokerage Ltd.	-	-		
	B-Kash Ltd.	-	-		
	BRAC Saajan Exchange Ltd.	163,089,754	1,220,932,131		
20.b	Share money deposit	122,227,732	48,728,437		
	Share money deposited by Money in motion	(5,100)	-		
	Less: Share money deposited by BBL	122,222,632	48,728,437		
	Net Share money deposit in B-Kash	62,333,542	24,851,503		
	Share of BRAC Bank (as Parent) on Share money deposit (51%)				
In accordance with the memorandum of understanding with "Money in motion" (Minority shareholder with 49% share of B-Kash Ltd.) the banks share of "share money deposit" is disclosed.					
21	Surplus in Profit and Loss Account/ Retained Earnings	1,693,401,098	1,271,731,067		
	Balance at the beginning of the year	535,392,000	617,760,000		
	Less: Issue of Bonus Share (20%)	267,696,000	-		
	Less: Cash Dividend (10%)	47,812,500	47,812,500		
	Less: Dividend on Preference Share	5,681,746	-		
	Add: HTM Loss adjustment (Prior year)	1,086,549,279	1,087,242,532		
	Add: Retained Surplus for the year	1,934,731,623	1,693,401,098		
21.a	Consolidated Surplus in Profit and Loss Account/ Retained Earnings	1,934,731,623	1,693,401,098		
	BRAC Bank Limited	(6,006,545)	-		
	Add: Retained Surplus from Off Shore Banking (Opening)	78,916,462	(6,006,545)		
	Add: Retained Surplus from Off Shore Banking (During the year)	144,528,611	45,190,492		
	Add: Retained Surplus from BRAC EPL	(42,961,300)	99,338,120		
	Add: Retained Surplus from BRAC EPL Investments Ltd. (During the year)	135,850,442	15,065,998		
	Add: Retained Surplus from BRAC EPL Stock Brokerage Ltd. (Opening)	58,909,806	120,784,444		
	Add: Retained Surplus from BRAC EPL Stock Brokerage Ltd. (During the year)	(11,501,616)	-		
	Add: Retained Surplus from B-Kash Ltd. (Opening)	(17,487,065)	(11,720,015)		
	Add: Retained Surplus from B-Kash Ltd. (During the year)	-	-		
	Add: Retained Surplus from BRAC Saajan Ltd. (Opening)	7,339,346	-		
	Add: Retained Surplus from BRAC Saajan Ltd. (During the year)	71,650	71,650		
	Add: Share of profit from investment in BRAC Asset Management Company Ltd. (Opening)	559,661	-		
	Add: Share of profit from investment in BRAC Asset Management Company Ltd. (During the year)	2,282,951,075	1,956,125,242		
22	Minority Interest	238,435,385	507,698,729		
	BRAC EPL Investments Ltd.	45,848,242	176,769,718		
	BRAC EPL Stock Brokerage Ltd.	33,752,220	14,331,527		
	B-Kash Ltd.	3,400,088	-		
	BRAC Saajan Exchange Ltd.	321,435,935	698,799,975		
22.1	Calculation of Minority Interest				
	BRACEPL Investments Ltd.	BRAC EPL Stock Brokerage Ltd.	B-Kash Ltd.	BRAC Saajan Exchange Ltd.	Total
	390,000,000	350,000,000	3,500,000	36,749,963	780,249,963
Share Capital	436,825,951	-	-	-	436,825,951
Share Premium	-	-	122,222,634	-	122,222,634
Share money deposit	-	108,482,417	(56,840,553)	(23,149,447)	195,147,238
Retained Earnings	166,654,820	458,482,417	68,882,081	13,600,516	1,534,445,785
	993,480,771				
Total net assets as at 31 December 2011					
Minority Interest at 31 December 2011	238,435,385	45,848,242	33,752,220	3,400,088	321,435,935
	1,036,119,856	360,754,527	29,248,015	-	1,426,122,398
Total net assets as at 31 December 2010					
Minority Interest as at 31 December 2010	507,698,730	176,769,718	14,331,527	-	698,799,976



Particulars	2011 Taka	2010 Taka
23 Contingent Liabilities		
Acceptances and endorsements	160,105,738	140,191,600
Import Letters Of Credit - Sight	9,773,346,190	15,765,154,380
Import Letters Of Credit - Usance	6,031,452,875	2,882,467,405
Import Letters Of Credit - Back to Back	396,281,783	168,854,596
Guarantees Issued	4,537,278,981	3,818,035,880
Tax Liability	115,398,757	249,485,368
Bills for collection	626,623,955	110,562,929
Contingent Assets - FX deals	735,975,000	-
Stock of Travelers Cheques (TC)	4,325,898	3,745,320
Stock of Govt. Sanchaya Patra	12,851,000	12,851,000
Securities under repo with other bank	-	-
	<u>22,393,640,175</u>	<u>23,151,348,479</u>
23.1 Significant concentration wise grouping		
i) Documentary credits and short term trade related transactions:	21,525,089,520	22,885,266,791
ii) Forward asset purchased and forward deposits placed	-	-
iii) Undrawn formal standby facilities, credit lines and commitments to lend	-	-
Under one year	-	-
One year and over	753,151,898	16,596,320
iv) Other exchange contracts	115,398,757	249,485,368
iv) Others	<u>22,393,640,175</u>	<u>23,151,348,479</u>
23.2 Letter of Guarantee		
Letter of Guarantee (Local)	4,247,384,458	3,374,788,441
Letter of Guarantee (Foreign)	289,894,523	443,247,439
Foreign counter Guarantee	-	-
	<u>4,537,278,981</u>	<u>3,818,035,880</u>
Less margin	60,666,852	54,343,427
	<u>4,476,612,129</u>	<u>3,763,692,453</u>
Balance for which the Bank is contingently liable in respect of guarantee issued favoring:		
Directors	1,588,500,200	1,322,446,380
Government	501,277,500	761,546,800
Bank and other financial institution	2,447,501,281	1,734,042,700
Others	4,537,278,981	3,818,035,880
	60,666,852	54,343,427
Less : Margin	<u>4,476,612,129</u>	<u>3,763,692,453</u>
23.3 Irrevocable Letter of Credit		
Letter of Credit (Inland)	1,049,358,505	742,588,541
Letter of Credit (General)	14,755,440,560	17,905,033,244
Back to Back L/C	396,281,783	168,854,596
Back to Back Bills	-	-
Back to Back Bills (EDF)	-	-
Bank's Liabilities - PAD (DEF)	-	-
	<u>16,201,080,847</u>	<u>18,816,476,381</u>
Less: Margin	421,780,586	398,901,746
	<u>15,779,300,262</u>	<u>18,417,574,635</u>
23.4 Bills for collection		
Outward local bills for collection	626,623,955	110,562,929
Outward foreign bills for collection	-	-
Inward local bills for collection	-	-
Inward foreign bills for collection	-	-
	<u>626,623,955</u>	<u>110,562,929</u>
23.5 Suit filed by the Bank		
No law suit filed by the bank against contingent liabilities.		
23.6 Contingent Liabilities (Taxation)		
Pre-operating expenses were shown as allowable expenses in the return for the Income year 2001 (assessment year 2002-2003). After filing of the return, the Tax Authority disallowed these expenses. BRAC Bank Ltd. Filed an appeal against order of the Tax Authority to the Additional Commissioner of Taxes (Appeal) who allowed these expenses. In response, the Tax Authority filed a further appeal against the order of the Additional Commissioner of Taxes (Appeal) to the Taxes Appellate Tribunal who again disallowed these expenses. BRAC Bank Ltd. filled an appeal to The Supreme Court of Bangladesh, High Court Division for revision in this matter (BDT 3,367,206) and it is under process. Further, Local & Revenue Audit Office has issued a demand of BDT 55,165,078 against VAT audit for the Income year 2006 and the Bank has filed a writ petition to high court against the said demand. Similarly, LTU VAT has issued demand notice of BDT 56,866,473 after auditing income year 2009 and the Bank has filed an appeal at appellate Tribunal.		
23.a Consolidated Contingent liabilities		
BRAC Bank Limited	22,393,640,175	23,151,348,479
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	405,759,290	824,637,000
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
	<u>22,799,399,465</u>	<u>23,975,985,479</u>



Particulars	2011 Taka	2010 Taka
Section -Three: Notes to Profit & loss Account		
24 Income statement		
Income:		
Interest, discount and similar income (Note-24.1)	14,651,576,981	11,930,599,385
Dividend income (Note-27)	52,255,092	25,069,496
Fees, commission and brokerage (Note-24.2)	2,027,122,972	1,826,002,566
Gains less losses arising from dealing securities	-	35,182,727
Gains less losses arising from investment securities	258,663,223	861,472,265
Gains less losses arising from dealing from foreign currencies (Note-28)	695,328,102	299,643,334
Gain less losses arising from REPO	439,861,373	100,713,279
Income from non-banking assets	-	-
Other operating income (Note-29)	261,207,507	205,509,857
Profit less losses on interest rate changes	-	-
Nominal value of bonus share received	-	-
	<u>18,386,015,250</u>	<u>15,284,192,910</u>
Expenses:		
Interest, fees and commission (Note-26)	8,164,158,814	5,756,665,126
Losses arising from dealing securities	87,123,015	-
Administrative expenses (Note-24.3)	3,690,683,523	3,222,796,911
Other operating expenses (Note-38)	923,922,846	939,983,756
Depreciation on banking assets (Note-37)	550,215,900	408,528,576
	<u>13,416,104,098</u>	<u>10,327,974,369</u>
Operating Profit	<u>4,969,911,152</u>	<u>4,956,218,541</u>
24.1 Interest, discount and similar income		
Interest on loans and advances	13,278,524,579	10,397,206,848
Interest on money at call and short notice	91,965,814	67,547,209
Interest on balance with other banks	21,324,284	106,662,249
Interest on treasury bills & bonds	977,911,739	1,071,115,440
Interest on fixed deposits with other banks	218,463,750	236,550,139
Interest on coupon bearing bond	63,386,815	51,517,500
Interest on zero coupon bond	-	-
	<u>14,651,576,981</u>	<u>11,930,599,385</u>
24.2 Fees, commission and brokerage		
Fees	1,627,663,573	1,445,304,691
Commission	399,459,399	380,697,876
	<u>2,027,122,972</u>	<u>1,826,002,566</u>
24.3 Administrative expenses		
Salaries and allowances	2,335,377,171	1,993,928,028
Rent, taxes, insurance, electricity etc.	566,123,413	522,526,674
Legal expenses	21,523,613	27,768,436
Postage, stamps, telecommunication etc.	184,315,961	179,428,563
Stationery, printing, advertisement etc.	328,303,823	307,601,427
Chief Executive's salary & fees	11,146,417	10,365,818
Directors' fees & expenses	925,583	525,350
Auditors' fee	867,800	628,200
Repairs & maintenance of fixed assets	242,099,743	180,024,414
	<u>3,690,683,523</u>	<u>3,222,796,910</u>
25 Interest Income		
Interest on loans and advances -		
Retail	2,563,066,476	1,970,316,539
Corporate	3,613,294,051	2,085,502,654
Lease Finance	338,988,612	190,499,908
SME	6,301,618,732	5,762,593,457
Credit Cards	438,917,371	367,045,039
Staff	22,639,338	21,249,250
	<u>13,278,524,579</u>	<u>10,397,206,848</u>
Interest on money at call and short notice	91,965,814	67,547,209
Interest on balance with other banks	21,324,284	106,662,249
Interest on fixed deposits with other banks	218,463,750	236,550,139
	<u>13,610,278,427</u>	<u>10,807,966,445</u>
25.a Consolidated Interest Income		
BRAC Bank Limited	13,610,278,427	10,807,966,445
Off Shore Banking Unit	194,125,146	33,404,529
BRAC EPL Investments Ltd.	566,439,281	224,823,660
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
Less: Inter-company transaction:		
Interest income from BRAC EPL	87,694,520	37,736,078
	<u>14,283,148,334</u>	<u>11,028,458,556</u>



Particulars	2011 Taka	2010 Taka
26 Interest Paid on Deposits and Borrowing etc.		
Interest on deposits		
Current	1,105,541,478	273,306,290
STD	750,840,992	1,539,790,782
Savings	913,101,587	211,412,782
Term	4,618,848,886	3,296,551,671
	<u>7,388,332,943</u>	<u>5,321,061,526</u>
Interest on money at call and short notice	82,168,375	108,447,744
Interest on local bank accounts	279,537,125	229,978,355
Interest on dealing of securities – HFT Instruments	-	97,177,501
Interest on BBL bond issue	414,120,370	-
	<u>8,164,158,813</u>	<u>5,756,665,126</u>
26.a Consolidated Interest Paid on Deposits and Borrowing etc.		
BRAC Bank Limited	8,164,158,813	5,756,665,126
Off Shore Banking Unit	86,732,803	20,998,050
BRAC EPL Investments Ltd.	481,904,585	146,901,247
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
Less: Inter-company transaction:		
Interest income from BRAC EPL	<u>87,694,520</u>	<u>37,736,078</u>
	<u>8,645,101,681</u>	<u>5,886,828,345</u>
27 Investment Income		
Interest on treasury bills & bonds	977,911,739	1,071,115,440
Gain/ (Loss) on dealing of securities – HFT	(87,123,015)	35,182,727
Gain on reverse REPO	439,861,373	100,713,279
Dividend on preference shares	33,979,277	19,813,951
Interest on coupon bearing bond	63,386,815	51,517,500
Capital gain on coupon bearing bond	-	-
Gain on trading shares (Realized)	258,663,223	861,472,265
Dividend on ordinary shares	18,275,815	5,255,545
	<u>1,704,955,227</u>	<u>2,145,070,708</u>
27.a Consolidated Investment Income		
BRAC Bank Limited	1,704,955,227	2,145,070,708
Off Shore Banking Unit	-	-
Subsidiaries:		
BRAC EPL Investments Ltd.	(127,050,104)	104,951,451
BRAC EPL Stock Brokerage Ltd.	61,853,782	9,163,452
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
Associate:		
Share of profit/ (loss) from associate	<u>559,660</u>	<u>71,651</u>
	<u>1,640,318,565</u>	<u>2,259,257,261</u>
28 Commission, Exchange and Brokerage		
Commission from sale of sanchaya patra	1,873,571	9,763,231
Commission from issue of payment orders, DD & TT	22,931,683	12,599,250
Commission from issue of letter of guarantee	36,908,678	27,099,261
Commission from issue of letters of credit (Import & Export)	176,693,425	115,752,629
Commission on visa processing	8,235,005	6,852,846
Commission on Travellers Cheques	4,480,141	8,726,343
Commission on remittance	144,561,895	195,758,675
Other commission	3,775,002	4,145,641
Foreign exchange earnings	695,328,102	299,643,334
Loan processing fees	751,779,479	798,355,866
Account activity fees	136,694,333	97,370,862
Import & export related fees	11,001,390	7,527,800
Fees & Commission-Cards	347,717,588	260,579,394
Relationship Fees	16,682,786	19,392,750
Loan Early Settlement Fees	38,100,612	55,683,929
Loan Penal Fees	3,984,854	2,975,369
Service Charges for ATM Card	220,138,299	168,067,442
Fund Collection/ Transfer Fees	288,635	744,790
Student Service Center Fees	4,442,100	5,056,500
Cancellation fees	97,900	87,970
Cheque collection fees	2,924,294	1,947,022
Trade Finance Charges	1,900,000	-
Other fees (Note : 28.1)	91,911,302	27,514,995
	<u>2,722,451,074</u>	<u>2,125,645,901</u>



Particulars	2011 Taka	2010 Taka
28.1 Other fees		
Passport Endorsement Fees	6,536,074	9,222,707
Locker fees	4,247,880	4,062,310
DPS Early Settlement Fees	-	459
Merchant Service Fee	864,000	230,005
Service fees - BIT	1,088,172	919,838
IOM Service Fees	1,485,650	2,402,600
Annual Membership Fees-Premium Banking	211,515	253,700
Membership Fees-ELDORADO	3,095,581	5,131,555
Annual Fees-SMS Banking	46,781,908	-
Cash withdrawal from branch POS	1,858	8,950
Syndication Fees	26,286,712	3,227,441
Valuation fees	1,311,953	1,888,725
Omnibus settlement fees	-	166,705
	<u>91,911,302</u>	<u>27,514,995</u>
28.a Consolidated Commission, Exchange and Brokerage		
BRAC Bank Limited	2,722,451,074	2,125,645,901
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	157,271,233	176,079,850
BRAC EPL Stock Brokerage Ltd.	223,078,105	469,548,137
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	48,641,103	-
	<u>3,151,441,516</u>	<u>2,771,273,888</u>
29 Other operating income		
Recovery of written off bad debts	224,876,871	185,483,529
Profit on sale of assets	5,645,899	3,399,269
Rebate income from other bank	7,716,425	3,193,292
Miscellaneous Income	22,968,311	13,433,767
	<u>261,207,507</u>	<u>205,509,857</u>
29.a Consolidated Other operating income		
BRAC Bank Limited	261,207,507	205,509,857
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	11,265,512	18,981,155
BRAC EPL Stock Brokerage Ltd.	37,395,494	2,823,631.00
B-Kash Ltd.	56,111,589	-
BRAC Saajan Exchange Ltd.	-	-
	<u>365,980,102</u>	<u>227,314,643</u>
30 Consolidated Salaries and allowances		
BRAC Bank Limited	2,335,377,171	1,993,928,028
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	46,869,882	26,899,643
BRAC EPL Stock Brokerage Ltd.	72,658,155	83,310,406
B-Kash Ltd.	30,536,646	7,456,354
BRAC Saajan Exchange Ltd.	16,121,851	-
	<u>2,501,563,705</u>	<u>2,111,594,431</u>
31 Rent, Taxes, Insurance, Electricity etc.		
Rent, rates & taxes	447,085,819	395,536,510
Insurance	42,293,989	62,939,583
Power & electricity	71,978,170	59,848,557
WASA & Sewerage	4,765,435	4,202,024
	<u>566,123,413</u>	<u>522,526,674</u>
31.a Consolidated Rent, Taxes, Insurance, Electricity etc.		
BRAC Bank Limited	566,123,413	522,526,674
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	20,549,457	11,282,934
BRAC EPL Stock Brokerage Ltd.	35,295,506	18,600,126
B-Kash Ltd.	5,728,759	1,552,500
BRAC Saajan Exchange Ltd.	2,241,056	-
	<u>629,938,192</u>	<u>553,962,234</u>
32 Consolidated Legal expenses		
BRAC Bank Limited	21,523,613	27,768,436
Off Shore Banking Unit	6,271,488	-
BRAC EPL Investments Ltd.	605,928	2,267,775
BRAC EPL Stock Brokerage Ltd.	1,525,673	7,818,139.00
B-Kash Ltd.	357,691	-
BRAC Saajan Exchange Ltd.	771,287	-
	<u>31,055,680</u>	<u>37,854,350</u>
33 Postage, Stamp, Telecommunication etc		
Postage & courier	43,775,264	32,515,362
Telegram, telex, fax & Network	68,512,612	53,697,945
Court fees & stamps	2,852,622	5,409,784
Telephone-Office	69,175,463	87,805,472
Telephone-Residence	-	-
	<u>184,315,961</u>	<u>179,428,563</u>



Particulars	2011 Taka	2010 Taka
33.a Consolidated Postage, Stamp, Telecommunication etc	184,315,961	179,428,563
BRAC Bank Limited	-	-
Off Shore Banking Unit	7,563,284	3,744,641
BRAC EPL Investments Ltd.	14,968,921	1,151,559
BRAC EPL Stock Brokerage Ltd.	496,470	132,627
B-Kash Ltd.	769,387	-
BRAC Saajan Exchange Ltd.	208,114,022	184,457,390
34 Stationery, Printing, Advertisement etc.	103,508,373	99,351,897
Stationery & Printing	27,804,513	35,240,541
Security Stationery	196,990,936	173,008,989
Advertisement	37,370,969	17,078,835
Billboard Rent	38,383,129	27,133,928
Printing	105,201,631	117,335,564
Publications	16,035,208	11,460,662
Campaign	328,303,823	307,601,427
34.a Consolidated Stationery, Printing, Advertisement etc.	328,303,823	307,601,427
BRAC Bank Limited	-	-
Off Shore Banking Unit	10,197,033	5,977,802
BRAC EPL Investments Ltd.	7,866,055	13,667,377
BRAC EPL Stock Brokerage Ltd.	1,168,169	244,310
B-Kash Ltd.	1,540,199	-
BRAC Saajan Exchange Ltd.	349,075,279	327,490,915
35 Directors' Fees & Expenses		
Director's fees represent fees paid for attending board meeting, board audit committee meeting, board recruitment committee meeting @ Tk. 5,000 per director per meeting and travel & accommodation expenses of foreign Director for attending the Board meeting.		
Breakup of Directors fees & expenses are given below:		
	390,000	355,000
Directors Fees	535,583	170,350
Traveling & Others	925,583	525,350
35.a Consolidated Director's Fees & Expenses	925,583	525,350
BRAC Bank Limited	-	-
Off Shore Banking Unit	1,129,410	1,006,500
BRAC EPL Investments Ltd.	750,000	690,000
BRAC EPL Stock Brokerage Ltd.	991,163	732,057
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	3,796,156	2,953,907
	867,800	628,200
36 Auditors' Fee		
Auditors' fee is BDT 650,000 (Excluding VAT) and out of pocket expenses are BDT 100,000.		
36.a Consolidated Auditors' fee	867,800	628,200
BRAC Bank Limited	-	-
Off Shore Banking Unit	182,875	182,950
BRAC EPL Investments Ltd.	384,250	92,000
BRAC EPL Stock Brokerage Ltd.	40,000	40,000.00
B-Kash Ltd.	571,755	-
BRAC Saajan Exchange Ltd.	2,046,680	943,150
37 Depreciation on and repairs to bank's assets		
Depreciation of Property plant and equipments		
	95,080,015	76,950,956
Furniture & fixtures	142,140,228	108,651,820
Office equipments	194,230,484	121,777,411
IT hardware	16,355,279	14,271,409
Motor vehicles		
Amortization of Intangible assets		
	102,409,894	86,876,979
IT software	550,215,900	408,528,576
Repairs & Maintenance expenses		
	95,569,993	69,355,478
Transport Maintenance	42,374,285	27,335,607
Equipment Maintenance	84,273,149	69,615,722
Hardware & Software Maintenance	19,882,317	13,717,609
Premises Maintenance	242,099,743	180,024,414
	792,315,643	588,552,990



Particulars	2011 Taka	2010 Taka
37.a Consolidated Depreciation on and repairs to bank's assets		
BRAC Bank Limited	792,315,643	588,552,990
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	17,179,388	8,776,306
BRAC EPL Stock Brokerage Ltd.	15,562,234	8,608,677
B-Kash Ltd.	11,971,650	1,338,903.67
BRAC Saajan Exchange Ltd.	1,451,954	-
	<u>838,480,869</u>	<u>607,276,877</u>
38 Other Expenses		
Transportation & conveyance	74,053,785	73,854,555
Fuel expenses	18,018,981	22,655,456
Traveling	40,770,769	39,041,532
Professional fees	17,596,431	18,472,656
Entertainment	3,728,171	3,175,959
Staff welfare	29,687,865	31,037,352
SWIFT	3,435,443	4,736,687
Business development	2,159,498	16,047,053
Books, news papers and periodicals	1,621,284	1,597,555
Donation and subscription	4,262,667	10,678,311
VAT & excise duty	25,410,804	1,445,228
Fraud, forgeries & operating loss	(1,600,000)	12,500,000
Staff training	7,093,322	3,246,878
Staff liveries	1,023,578	1,266,000
Staff recruitment	362,080	762,808
Payment to outsourcing staff	287,890,891	251,328,360
Bank charges	187,745,295	296,565,309
Crockery's	500,293	488,772
IPO Expenses	3,400,000	76,725
Documentation Charges - CIB	11,863,050	10,000,000
Credit card expenses	75,074,917	41,632,638
AGM expenses	4,796,242	8,202,508
Bond Issue expenses	16,496,447	15,729,500
Outsource agency fees	50,950,045	8,611,725
Commission paid	11,368,643	12,874,240
Cash carrying charges	45,852,411	53,757,543
Miscellaneous	359,935	198,407
	<u>923,922,846</u>	<u>939,983,756</u>
38.a Consolidated Other Expenses		
BRAC Bank Limited	923,922,846	939,983,756
Off Shore Banking Unit	22,305	-
BRAC EPL Investments Ltd.	18,874,070	51,545,972
BRAC EPL Stock Brokerage Ltd.	5,450,149	40,474,684
B-Kash Ltd.	58,130,392	11,479,671.30
BRAC Saajan Exchange Ltd.	15,387,858	-
	<u>1,021,787,620</u>	<u>1,043,484,084</u>
39 Provisions		
For Loans & Advances:		
For classified loans & advances	1,442,477,570	1,333,089,473
For unclassified loans & advances	71,838,300	476,193,493
	<u>1,514,315,870</u>	<u>1,809,282,966</u>
For Off Balance Sheet items	4,000,000	168,593,000
For diminution in value of Investments	444,213,413	56,741,049
	<u>1,962,529,283</u>	<u>2,034,617,015</u>
39.a Consolidated Provisions		
BRAC Bank Limited	1,962,529,283	2,034,617,015
Off Shore Banking Unit	22,182,088	18,413,023
BRAC EPL Investments Ltd.	-	-
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	-	-
BRAC Saajan Exchange Ltd.	-	-
	<u>1,984,711,371</u>	<u>2,053,030,038</u>
40 Income Tax		
40.1 Provision for Income Tax		
Current Tax		
Provision for Income Tax has been made according to the Income Tax Ordinance, 1984. During the year, an amount of Tk. 1460,000,000 (2010 : 1416,240,000) has been provided for current Income Tax.		
Deferred Tax		
Deferred tax is provided using the liability method for timing differences arising between the tax base of assets and liabilities and their carrying values for reporting purposes as per Bangladesh Accounting Standard (BAS) - 12. During the year net amount of Tk. 155,000,000 (2010 : 165,000,000) has been provided as deferred Tax income.		
The charge for taxation is based upon the profit for the year comprises:		
Current tax on taxable income @ 42.5%	1,460,000,000	1,416,240,000
Adjustment - prior year	-	-
	<u>1,460,000,000</u>	<u>1,416,240,000</u>
Net deferred Tax liability/(asset) originated for temporary differences	(155,000,000)	(165,000,000)
Income Tax on Profit	<u>1,305,000,000</u>	<u>1,251,240,000</u>



Particulars	2011 Taka	2010 Taka
40.a Consolidated Provision for Income Tax		
Current Tax:		
BRAC Bank Limited	1,460,000,000	1,416,240,000
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	45,509,095	72,461,474
BRAC EPL Stock Brokerage Ltd.	70,138,548	70,290,008
B-Kash Ltd.	2,679	4,000
BRAC Saajan Exchange Ltd.	-	-
	<u>1,575,650,322</u>	<u>1,558,995,482</u>
Deferred Tax:		
BRAC Bank Limited	(155,000,000)	(165,000,000)
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	-	(991,756.50)
BRAC EPL Stock Brokerage Ltd.	-	-
B-Kash Ltd.	(19,023,667)	-
BRAC Saajan Exchange Ltd.	-	-
	<u>(174,023,667)</u>	<u>(165,991,757)</u>
	<u>1,401,626,655</u>	<u>1,393,003,726</u>

41 Weighted Average Earnings Per Share

Profit after taxation	1,702,381,869	1,670,361,527
Less: Preference dividend	47,812,500	47,812,500
Profit attributable for distribution to ordinary	<u>1,654,569,369</u>	<u>1,622,549,027</u>
Weighted average number of shares	321,235,200	321,235,200
Weighted average/ adjusted earnings per share (Taka)	5.15	5.05

Weighted average earnings per share (EPS) of 2011 has been restated as per BAS-33 "Earnings per Share".

41.a Consolidated Weighted Average Earnings Per Share

Profit after taxation	1,812,444,190	2,073,059,083
Less:		
Preference dividend	47,812,500	47,812,500
Profit attributable to Minority	(13,861,801)	200,229,900
Profit attributable for distribution to ordinary shareholders	<u>1,778,493,491</u>	<u>1,825,016,683</u>
Weighted average number of shares	321,235,200	321,235,200
Weighted average/ adjusted earnings per share (Taka)	5.54	5.68

Weighted average earnings per share (EPS) of 2011 has been restated as per BAS-33 "Earnings per Share".

Section -Four : Notes to Cash Flow Statement

42 Cash & Cash Equivalent

Cash in hand (including foreign currency)	3,648,209,193	3,578,533,880
Balance with Bangladesh Bank and its agents banks (including foreign currency)	8,330,437,102	6,253,872,744
Balance with other banks and financial institutions	3,211,368,001	3,641,463,324
Money at call and on short notice	480,000,000	-
	<u>15,670,014,296</u>	<u>13,473,869,947</u>

42.a Consolidated Cash & Cash Equivalent

BRAC Bank Limited	15,670,014,296	13,473,869,947
Off Shore Banking Unit	8,289,885	11,091,702
BRAC EPL Investments Ltd.	16,966,403	16,412,219
BRAC EPL Stock Brokerage Ltd.	428,152,710	238,922,156
B-Kash Ltd.	36,373,593	5,019.00
BRAC Saajan Exchange Ltd.	46,285,869	-
	<u>16,206,082,756</u>	<u>13,740,301,043</u>

43 Receipts from other operating activities

Recovery of written off bad debts	224,876,871	185,483,529
Profit on sale of assets	5,645,899	3,399,269
Misc. Income	22,968,311	13,433,767
Capital gain on coupon bearing bond	-	-
Gain on trading shares	258,663,223	861,472,265
Rebate income from other bank	7,716,425	3,193,292
	<u>519,870,729</u>	<u>1,066,982,122</u>

43.a Consolidated Receipts from other operating activities

BRAC Bank Limited	519,870,729	1,066,982,122
Off Shore Banking Unit	-	-
BRAC EPL Investments Ltd.	367,899	18,981,155
BRAC EPL Stock Brokerage Ltd.	11,490,512	2,823,631
B-Kash Ltd.	1,403,409	-
BRAC Saajan Exchange Ltd.	5,345,722	-
	<u>538,478,271</u>	<u>1,088,786,908</u>



Particulars	2011 Taka	2010 Taka
44 Payment for other operating activities		
Rent, taxes, insurance, electricity etc.	572,773,858	524,491,305
Audit fees	935,300	1,169,325
Directors fees & expenses	925,583	525,350
Repair & maintenance	222,587,686	181,254,808
Other expenses	484,066,293	876,175,091
Legal expenses	19,667,924	23,926,090
	<u>1,300,956,644</u>	<u>1,607,541,969</u>
44.a Consolidated Payment for other operating activities		
BRAC Bank Limited	1,300,956,644	1,607,541,969
Off Shore Banking Unit	6,293,793	-
BRAC EPL Investments Ltd.	31,032,852	(174,144,767)
BRAC EPL Stock Brokerage Ltd.	159,284,437	(374,259,178)
B-Kash Ltd.	(422,224)	7,165,366
BRAC Saaan Exchange Ltd.	7,091,710	-
	<u>1,504,237,212</u>	<u>1,066,303,390</u>

Section -Five : General Disclosures

45 General Disclosure

45.1 Audit Committee

An audit committee was constituted by the Board of Directors of BRAC Bank in its 23rd meeting held on March 02, 2003. Subsequently, the Board of directors in its 91st meeting held on May 14, 2008 reconstituted the Audit Committee as under:

Sl No	Name of Director	Status with The Bank	Status with the Committee	Educational Qualification
01	Mr. Shib Narayan Kairay	Director	Chairman	M.Com (Accounting)
02	Mr. Muhammad A (Rume) Ali	Chairman	Member	MA (Economics)
03	Ms. Nihad Kabir	Director	Member	L.L.B., L.L.M., (UK), (Barrister at Law)

During the year, the Audit Committee of the Board conducted 6 (Six) meetings in which among others, the following issues were discussed:

Facts Discussed

- Discuss the Inspection report of Bangladesh Bank on Foreign trade & foreign exchange of Gulshan Branch.
- Discuss the audit report of different Head Office departments, Branches and SME Sales & service centers conducted by the Bank's internal audit team from time to time.
- Discuss the Enterprise Risk Management Report that prepared and conducted by ERM team
- Discuss the fraud/forgeries & operational loss report
- Review the position of reconciliation with other bank and Nostro Account
- Review the status of the SMA and Bad/Loss loan
- Review the position of reconciliation with other bank and Nostro Account
- Reviewing the Impaired Asset Management Policy - SME & Retail Banking.
- Reviewing the Anti money laundering policy of the Bank.

45.2 Related Party/(ies) Transactions

i) The bank carried out transactions with related parties in the normal course of business on an arm length basis. As on 31 December 2011, the bank had following transactions with the 'Related Party/(ies)' as defined in the BRPD Circulars No. 14 issued by the Bangladesh Bank on 25 June 2003.

Name of the Related Parties	Relationship	Nature of Transaction	Balance at year end
BRAC & its associated organization	Director	Deposits made with us	7,350,355,662
Delta Brac Housing Finance Corporation Ltd.	Director	Deposits made with us	2,259,501
Industrial & Infrastructure Development Finance Co. Ltd.	Director	Loans & advances	54,672,820
BRAC EPL Investments Ltd.	Subsidiary	Loans & advances	1,615,706,347
BRAC EPL Investments Ltd.	Subsidiary	Deposits made with us	21,124,709
BRAC EPL Stock Brokerage Ltd.	Subsidiary	Deposits made with us	85,993,781
BRAC EPL Stock Brokerage Ltd.	Subsidiary	Portfolio Investments	-

ii) Name of Directors and the entities in which they have interest as on 31 December 2011

Sl No	Name of Director	Status with The Bank	Name of the firms/companies in which they	Educational
01	Mr. Muhammad A (Rume) Ali	Chairman	BRAC BD Mail Network Limited Delta Brac Housing Finance Corp. Ltd. BRAC Karnaphuli Tea Co. Ltd. BRAC Kayachora Tea Co. Ltd. BRAC Bashkhali Tea Co. Ltd., Square Informatics Limited BRAC Kodala Tea Estate BRAC Services Ltd. Bangladesh Netting Factory Ltd. BRAC EPL Investments Ltd. BRAC EPL Stock Brokerage Ltd. BRAC Afghanistan Bank, bKash Ltd. Documenta Ltd.	MA (Economics)
02	Mr. Quazi Md. Shariful Ala, FCA	Director	Delta Brac Housing Finance Corp. Ltd. MJL Bangladesh Limited Mobil Jamuna Lubricants Limited	Graduate in Economics from LSE, UK. FCA



Sl No	Name of Director	Status with The Bank	Name of the firms/companies in which they	Educational
03	Ms. Nihad Kabir (Independent and Depositor Director)	Director	Kedarpur Tea Company Ltd. Shaistaganj CNG Co. Ltd. Sathgao Tea Estate Ltd. Infrastructure Development Company Ltd. (IDCOL)	L.L.B., L.L.M., (UK) (Barrister at Law)
04	Ms. Tamara Hasan Abed	Director	BRAC Dairy Food Project, Ayesha Abed Foundation (AAF)	MBA (Finance), USA
05	Mr. Shib Narayan Kairiy	Director	BRAC Services Ltd. BRAC Industries Ltd. Documenta TM Ltd. BRAC Karnafuli Tea Co. Ltd. BRAC Banskhali Tea Company Ltd. BRAC Kaiyacherra Tea Company Ltd. BRAC Kodala Tea state Ltd. Bangladesh Netting Factory Ltd.	M.Com (Accounting)
06	Mr. Hafiz G.A Siddiqi (Depositor Director)	Director	North South University	Ph.D (Manchester Business School), UK, MBA, (Graduate School of Buisness Indiana University), USA
07	Mr. Syed Mahbubur Rahman	Managing Director & CEO	BRAC EPL Investments Limited BRAC EPL Stock Brokerage Limited Industrial and Infrastructure Development Finance Company Limited (IIDFC) Dun & Bradstreet Bangladesh Limited bKash Limited BRAC Saajan Exchange Limited	MBA (IBA)

- iii) Significant contracts where bank is a party and wherein Directors have interest: Nil
- iv) Shares issued to Directors and executives without consideration or exercisable at discount Nil
- v) Lending Policies to related parties: Nil
- Lending to related parties is effected as per requirement of section 27(1) of the Bank Companies Act -1991.
- vi) Loan and advances to Directors and their related concern: 54,672,820
Industrial & Infrastructure Development Finance Co. Ltd. Unclassified
Classification Status
- vii) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991. Nil
- viii) Investment in the Securities of Directors and their related concern: Nil

45.3 Claim not Acknowledged as Debt

There was no claim against the bank not acknowledged as debt as on 31.12.2011.

45.4 Number of Employees

The number of Employees including contractual engaged for the whole year or part there of who received a total yearly remuneration of Tk. 36,000 or above were 6,619 (2010: 7,151).

45.5 Post Balance Sheet Events:

- a) The Board of Directors in its 140th Board meeting held on 22 February, 2012 has proposed dividend of 20% Stock Dividend (i.e. Bonus Share at Ratio 1:5) subject to the approval of the Shareholders at the next Annual General Meeting.
- b) The Bank is going to acquire a further share of 12.4997% of BRAC Saajan Exchange Limited. After completion of all legal process the control of the Bank on this new subsidiary will be increased to 87.5%.

45.6 Coverage of External Audit:

The external auditor of the Bank, M/s S. F. Ahmed & Co. Chartered Accountants worked about in excess of 3380 man hour at head office, 20 Branches and 20 SME Unit Offices and 20 SME Sales and Service Centre. During their audit, they audited above 80% of the Bank's risk weighted assets as on the Balance Sheet date.

45.7 Share trading

The bank traded its ordinary shares in CDBL through DSE and CSE on 31 January 2007. The closing market price on 31 December 2011 was Tk.45.70 at DSE and Tk. 46.00 at CSE.



BRAC Bank Ltd.
Highlights on the overall Activities
As on December 31, 2011

Particulars	Amount in Taka	
	2011	2010
Paid-up capital	3,212,352,000	2,676,960,000
Total capital including general provisions	12,788,691,488	12,010,934,007
Capital surplus/(deficit)	1,760,127,489	2,060,089,365
Total assets	133,201,048,438	117,297,555,748
Total deposits	103,725,529,225	88,157,908,331
Total loans & advances	90,822,174,665	82,461,486,988
Total contingent liabilities & commitments	22,393,640,175	23,151,348,479
Credit deposit ratio (Loans & advances/Deposits)	84.82%	95.63%
Percentage of classified loans against total loans & advances	5.47%	5.85%
Profit after tax & provisions	1,702,381,869	1,670,361,526
Amount of classified loans during the current year	5,239,542,550	4,929,558,176
Provision kept against classified loans	3,535,702,665	2,995,829,167
Provisions surplus/deficit	711,648,993	476,542,833
Cost of fund	8.66%	8.54%
Interest earning assets	123,987,060,969	112,181,605,786
Non-Interest earning assets	9,213,987,469	6,968,482,177
Return on Investment (ROI) [PAT/(Shareholders equity+Borrowings)]	12.41%	9.00%
Return on assets (ROA) [PAT/Average assets]	1.36%	1.55%
Return on Equity (ROE) [PAT/Average shareholders equity]	17.90%	18.95%
Income from investments	1,704,955,227	2,145,070,708
Weighted average earning per share	5.15	5.05
Net income per share [(PAT-Dividend on preference share/No. of Ordinary Shares)]	5.15	5.05
Price earning ratio (Market price per share/EPS)	8.87	16.95
Net Asset Value per Share (NAV) [(Shareholders equity- Preference Share)/No. of Ordinary Share]	28.80	33.29



BRAC Bank Limited
Balance with other bank and financial institutions (Outside Bangladesh on Demand Deposit Accounts)
As on December 31, 2011

Name of Bank	A/C Type	December 2011			December 2010		
		FC Amount	Exchange Rate	Equivalent Taka	FC Amount	Exchange Rate	Equivalent Taka
Standard Chartered Bank-NY (USD)	CD	200,476.03	81.78	16,393,927	158,080.18	70.800	11,192,077
Mashreq Bank PSCNY (USD)	CD	6,989.78	81.78	571,589	6,128.32	70.800	433,885
The Bank of Nova Scotia- USA (USD)	CD	-	81.78	-	-	70.800	-
The Bank of Nova Scotia- Canada (CAD)	CD	32,216.10	80.22	2,584,463	136,581.01	70.931	9,687,855
CITI Bank NA (USD)	CD	374,849.36	81.78	30,653,306	287,286.90	70.800	20,339,913
AB Bank Mumbai (ACU Dollar)	CD	1,040.02	81.78	85,048	121,537.32	70.800	8,604,842
ICICI Mumbai (ACU Dollar)	CD	27,344.90	81.78	2,236,129	42,925.66	70.800	3,039,137
Standard Chartered Bank-UK (GBP)	CD	21,156.39	128.14	2,711,009	2,905.56	108.876	316,347
Hypo Vereins Bank Germany (EURO)	CD	6,739.87	106.86	720,247	145,206.83	92.968	13,499,516
HSBC - NY (USD)	CD	1,307,651.39	81.78	106,933,192	496,615.40	70.800	35,160,370
HSBC - UK (GBP)	CD	169,175.73	128.14	21,678,415	227,406.67	108.876	24,759,158
HSBC - AUS (AUD)	CD	7,279.48	83.14	605,191	9,454.11	71.731	678,153
Standard Chartered Bank - UK (EURO)	CD	-	106.86	-	-	92.968	-
Union DE Banques Arabes ET Francaises (JPY)	CD	1,819,603.00	1.05	1,913,858	1,521,229.00	0.861	1,310,235
Westpack Banking Corporation, (AUD)	CD	57,925.75	83.14	4,815,750	122,621.31	71.731	8,795,749
HSBC - Pakistan (ACU Dollar)	CD	11,497.79	81.78	940,232	7,452.67	70.800	527,649
HSBC - India (ACU Dollar)	CD	-	81.78	-	6,120.06	70.800	433,300
Mashreq Bank - UK (GBP)	CD	-	128.14	-	-	108.876	-
Mashreq Bank - UK (EURO)	CD	-	106.86	-	-	92.968	-
Zuercher Kantonal Bank, Zurich (CHF)	CD	26,716.70	87.49	2,337,514	17,207.25	74.307	1,278,624
ING Belgium NV/SA (EURO)	CD	2,003.61	106.86	214,113	10,987.13	92.968	1,021,446
Commerz Bank AG Germany (EURO)	CD	99,637.19	106.86	10,647,589	41,269.46	92.968	3,836,719
JP Morgan Chase Bank (USD)	CD	76,880.31	81.78	6,286,887	73,125.27	70.800	5,177,269
Unicredito Italiano SPA (EURO)	CD	14,429.41	106.86	1,541,979	100,771.82	92.968	9,368,504
SCB Frankfurt (EURO)	CD	3,610.97	106.86	385,881	7,538.00	92.968	700,789
United Bank of India (USD)	CD	951.16	81.78	77,781	58,605.81	70.800	4,149,291
Commerz Bank, AG Germany (USD)	CD	-	81.78	-	-	-	-
Sonali Bank Limited (UK)	CD	237	128.14	30,370	-	-	-
HDFC Bank Limited (ACU)	CD	26,642	81.78	2,178,654	-	-	-
Deutsche Bank Trust Company (USD)	CD	17,293	81.78	1,414,115	-	-	-
Total				217,957,240			164,310,828



BRAC Bank Limited
Investment in Shares
As on December 31, 2011

Sl. no	Name of the company	Face value	No. of shares	Cost of holding	Average cost	Quoted rate per share as on 31/Dec/11	Total market value at 31/Dec/11
Quoted							
Ordinary shares							
1	8THICB	10.00	130,000	8,479,510	65.23	59.40	7,722,000
2	ACI ZC BOND	1,000.00	88,664	68,243,378	769.69	828.00	73,413,792
3	AL ARAFA BANK Limited	10.00	9,520,610	462,789,162	48.61	37.80	359,879,058
4	BAT BC	10.00	238,050	169,432,980	711.75	626.30	149,090,715
5	BEXIMCO	10.00	1,853,400	363,647,497	196.21	113.00	209,434,200
6	BSRM STEEL	10.00	3,068,300	509,197,956	165.95	118.70	364,207,210
7	CITY BANK Limited	10.00	204,000	3,895,757	19.10	52.60	10,730,400
8	CONFIDCEM	10.00	57,500	7,259,380	126.25	124.50	7,158,750
9	Dhaka Bank Limited	10.00	6,248,650	318,531,994	50.98	44.50	278,064,925
10	EASTLAND	10.00	670,400	74,573,156	111.24	91.70	61,475,680
11	EBLNRBMF	10.00	5,001,000	50,010,200	10.00	10.50	52,510,500
12	GP	10.00	54,600	8,922,513	163.42	163.50	8,927,100
13	GREEN DEL MF	10.00	1,000,500	8,695,109	8.69	6.80	6,803,400
14	ISLAMIBANK	10.00	2,711,300	138,339,562	51.02	54.50	147,765,850
15	MBL1STMF	10.00	1,429,500	14,110,048	9.87	9.20	13,151,400
16	PHP MFI	10.00	1,000,500	8,370,868	8.37	6.80	6,803,400
17	Prime Bank Limited	10.00	370,000	10,944,695	29.58	44.50	16,465,000
18	Pubali Bank Limited	10.00	3,962,350	228,227,147	57.60	50.40	199,702,440
19	RELIANC INSURANCE	10.00	92,500	5,330,472	57.63	102.10	9,444,250
20	Sqr Pharma	10.00	251,880	61,348,023	243.56	237.10	59,720,748
21	TITASGAS	10.00	1,765,000	132,833,629	75.26	67.60	119,314,000
22	SEBL1STMF	10.00	1,187,000	11,722,650	9.88	8.90	10,564,300
23	LRGLOBMF1	10.00	29,939,500	299,396,500	10.00	10.60	317,358,700
				2,964,302,188			2,489,707,818



BRAC Bank Limited
Investment in Shares
As on December 31, 2011

<u>Unquoted</u>					
1	Industrial and Infrastructure Development Finance Co. Ltd.	100.00	422,237	20,345,700	48.19
2	Central Depository Bangladesh Ltd.	10.00	800,000	6,277,770	7.85
3	BRAC EPL Investments Ltd.	10.00	29,640,000	752,715,794	25.40
4	BRAC EPSL Stock Brokerage Ltd.	100.00	3,150,000	1,344,147,500	426.71
5	B-Kash Ltd.	100.00	17,850	1,785,000	-
6	BRAC Asset Management Company Ltd.	100.00	125,000	12,500,000	-
7	BRAC Saaan Exchange Limited	100.00	124,976	12,497,600	100.00
3	Dun & Bradstreet Rating Agency og Bangladesh Limited	100.00	124,976	12,497,600	100.00
Preference shares					
1	STS Holdings Ltd.	10.00	1,000,000	10,000,000	10.00
2	Summit Purbanchal & Uttaranchal Power Co Ltd	10.00	25,045,100	250,451,000	10.00
			60,450,139	2,423,217,964	-



BRAC Bank Limited
Schedule of Fixed assets including premises, furniture and fixtures
As on December 31, 2011

Particulars	C O S T			Rate of Dep. %	D E P R E C I A T I O N			Written down value 31.12.2011
	Balance as on 01.01.2011	Addition during the period	Adjustment during the period		Balance as on 01.01.2011	Charged during the period	Adjustment during the period	
Property, plant & equipments								
Land	87,940,465	-	-		87,940,465	-	-	87,940,465
Furniture & fixture	855,005,485	243,697,152	37,990,843	10	1,060,711,794	95,080,015	18,586,303	799,028,169
Office equipments **	642,337,023	240,012,756	10,336,191	20	872,013,588	142,140,228	3,340,851	456,529,947
IT Hardwares *	774,431,818	431,826,418	10,010,021	20	1,196,248,215	194,230,484	6,392,201	608,291,450
Motor vehicles	89,109,429	-	5,243,841	20	83,865,588	16,355,279	4,541,104	42,766,433
	<u>2,448,824,219</u>	<u>915,536,326</u>	<u>63,580,896</u>		<u>891,277,638</u>	<u>447,806,006</u>	<u>32,860,459</u>	<u>1,994,556,464</u>

Intangible assets

with Indefinite useful lives:								
License	50,000	-	-		50,000	-	-	50,000
with definite useful lives								
IT Softwares	460,913,388	265,659,259	-	20	269,604,461	102,409,894	-	354,558,291
	<u>460,963,388</u>	<u>265,659,259</u>	<u>-</u>		<u>269,604,461</u>	<u>102,409,894</u>	<u>-</u>	<u>354,608,291</u>
Total	<u>2,909,787,607</u>	<u>1,181,195,585</u>	<u>63,580,896</u>		<u>1,160,882,100</u>	<u>550,215,900</u>	<u>32,860,459</u>	<u>2,349,164,755</u>
As at 31 Dec. 2010	<u>2,396,140,404</u>	<u>532,752,467</u>	<u>19,105,264</u>		<u>758,242,341</u>	<u>408,528,576</u>	<u>5,888,817</u>	<u>1,748,905,507</u>

* IT Hardware includes Computers/ PC's which were depreciated @ 33.33%.

** Office equipment includes telephone sets which were depreciated @50% instead of 20% on other office equipment.



BRAC Bank Ltd.
Detail of Large Loan
As on December 31, 2011

Number of Clients
Amount of outstanding advances
Amount of classified advances
Measures taken for recovery

8
20,324,251,724
NIL
NIL

Client wise break-up is as follows:

Name of Clients	Outstanding (Taka)			December 2011	December 2010
	Funded	Non Funded	Total		Total
ACORN INFRASTRUCTURE SERVICES LIMITED	4,870,310,822	2,106,232,516	6,976,543,338		4,702,483,501
SUMMIT NARAYANGANJ POWER LIMITED			-		3,100,883,705
CITY SUGAR INDUSTRIES LTD.	131,629,845	1,852,598,396	1,984,228,241		2,358,614,319
CITY SEED CRUSHING INDUSTRIES LTD.	369,786,550	2,967,962,494	3,337,749,044		1,860,359,056
UNITED EDIBLE OILS LIMITED	-	-	-		1,385,029,868
AKIJ JUTE MILLS LIMITED	-	-	-		1,280,341,478
TALHA FABRICS LTD	-	-	-		1,232,477,881
BIMAN BANGLADESH AIR LINES LTD.	-	-	-		1,145,497,324
SMILE FOOD PRODUCTS LTD.	-	-	-		1,000,000,000
WESTERN MARINE SHIPYARD LTD.	-	-	-		942,150,129
BSRM STEELS LIMITED	-	-	-		836,979,271
ABUL KHAIR STEEL LIMITED	590,185,748	1,438,135,854	2,028,321,602		-
SHAH CEMENT INDUSTRIES LTD	957,290,542	727,878,485	1,685,169,027		-
M/S AMAN TRADING CORPORATION	557,362,243	801,510,528	1,358,872,771		-
MEGHNA SEEDS CRUSHING MILLS LTD	320,467,436	1,017,193,918	1,337,661,353		-
BRAC EPL INVESTMENTS LIMITED	1,615,706,347		1,615,706,347		-
Total	9,412,739,533	10,911,512,191	20,324,251,724		19,844,816,534

