

Audited Financial Statements of  
**BRAC Bank Limited**  
For the year ended 31 December 2014

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### Independent Auditor's Report To the Shareholders of BRAC Bank Limited

We have audited the accompanying consolidated financial statements of BRAC Bank Limited and its subsidiaries (together referred to as the "Group") as well as the separate financial statements of BRAC Bank Limited (the "Bank") which comprise the consolidated and separate Balance Sheets as at 31 December 2014, consolidated and separate profit and loss accounts, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Banking Companies Act, 1991 and the local central bank (Bangladesh Bank) regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank 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 about whether the consolidated financial statements of the Group and the separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 consolidated financial statements of the Group and the separate financial statements of the Bank.

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 consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2014, and of its consolidated and separate financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in note 2.

HVC



# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, The Banking Companies Act, 1991 and the rules and regulations issued by Bangladesh Bank, 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) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
  - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2 to the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (iii) financial statements of all subsidiaries of the Bank have been audited by us and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and 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;
- (v) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) the expenditures incurred was for the purpose of the Bank's business;
- (vii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (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 3,750 person hours during the audit; and
- (xii) Capital Adequacy Ratio (CAR) as required by the Bangladesh Bank has been maintained adequately during the year.

*Hoda Vasi Chowdhury*

Hoda Vasi Chowdhury & Co  
Chartered Accountants  
Dhaka, 16 March 2015

National Office : BTMC Bhaban (7<sup>th</sup> & 8<sup>th</sup> Floor), 7-9 Karwan Bazar Commercial Area, Dhaka- 1215, Bangladesh  
Motijheel Office : Ispathani Building (3<sup>rd</sup> Floor), 14-15 Motijheel Commercial Area, Dhaka-1000, Bangladesh  
Chittagong Office : Delwar Bhaban (4<sup>th</sup> Floor), 104 Agrabad Commercial Area, Chittagong-4100, Bangladesh



# Hoda Vasi Chowdhury & Co

BRAC BANK LIMITED  
Consolidated Balance Sheet  
As at 31 December 2014

	Note	2014 Taka	2013 Taka
<b>PROPERTY AND ASSETS</b>			
Cash			
Cash in hand	3.a	17,091,323,727	17,162,778,425
(Including foreign currency)		7,560,169,362	8,526,841,262
Balance with Bangladesh Bank and its agent Bank(s)		9,531,154,365	8,635,937,163
(Including foreign currency)			
Balance with other Banks and Financial Institutions	4.a	25,264,857,467	11,485,717,915
Inside Bangladesh		24,096,693,266	9,197,074,221
Outside Bangladesh		1,168,164,201	2,288,643,694
Money at call and short notice			
Investments	6.a	24,225,504,521	21,483,906,130
Government		20,559,303,620	19,365,124,617
Others		3,666,200,901	2,118,781,513
Loans and advances	7.a	124,299,994,135	119,514,547,936
Loans, cash credit, overdrafts etc.		123,717,849,561	118,683,980,593
Bills purchased & discounted		582,144,574	830,567,343
Fixed assets including premises, furniture and fixtures	8.a	3,552,406,494	2,799,356,898
Other assets	9.a	13,857,269,390	11,660,591,910
Non-banking assets	10		
Goodwill	11	1,442,245,491	1,472,292,272
Total Property and Assets		209,733,601,225	185,579,191,486
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions & agents	12.a	9,354,167,049	15,099,564,380
Borrowings from Central Bank	13.a	2,387,403,892	1,437,826,249
Convertible Subordinate Bonds	14.a	3,000,000,000	3,000,000,000
Money at Call and Short notice	15.a	1,220,000,000	2,847,513,000
Deposits and other accounts	16.a	146,366,349,410	126,679,221,827
Current accounts & other accounts		58,303,386,705	45,686,654,323
Bills payable		1,035,003,537	991,931,890
Savings deposits		25,820,159,618	20,738,609,556
Fixed deposits		60,785,364,555	59,077,741,206
Other deposits		422,434,995	184,284,852
Other liabilities	17.a	26,794,547,893	22,638,507,947
Total Liabilities		189,122,468,244	171,702,633,403
<b>Capital and Shareholders' Equity</b>			
Paid up share capital	18.2	7,092,873,210	4,433,045,760
Share premium	18.8.a	4,781,671,715	2,132,968,292
Statutory reserve	19.a	3,470,350,332	3,281,594,097
Revaluation reserve	20.a	693,004,816	744,701,943
Share money deposit	20.b	23,715,983	23,715,983
Surplus in profit and loss account/Retained Earnings	21.a	3,226,959,721	2,407,550,889
Total shareholders' equity		19,288,575,777	13,023,576,964
Minority Interest	22	1,322,557,204	852,981,119
Total equity		20,611,132,981	13,876,558,083
Total Liabilities and Shareholders' Equity		209,733,601,225	185,579,191,486

HVC

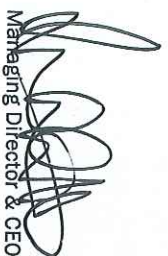


## BRAC BANK LIMITED

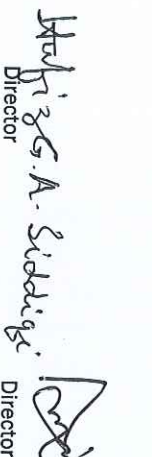
Hoda Vasi  
Chowdhury & CoConsolidated Balance Sheet  
As at 31 December 2014

Off Balance Sheet Items	Note	
	2014 Taka	2013 Taka
<b>Contingent Liabilities</b>		
Acceptances and endorsements	7,433,193,266	6,566,695,163
Letter of guarantees	4,250,216,847	6,383,222,685
Irrevocable letter of credits	17,331,651,842	11,572,885,095
Bills for collection	343,486,634	513,609,666
Tax liability	43,700,000	143,894,928
Other contingent liabilities	8,311,105,241	3,044,281,070
<b>Total Contingent Liabilities</b>	<b>37,713,353,830</b>	<b>28,224,588,607</b>
<b>Other Commitments</b>		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	28,800,000
Undrawn formal standby facilities, credit lines and other commitments	-	-
<b>Total Other Commitments</b>	<b>-</b>	<b>28,800,000</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>	<b>23.a</b> <b>37,713,353,830</b>	<b>28,253,388,607</b>

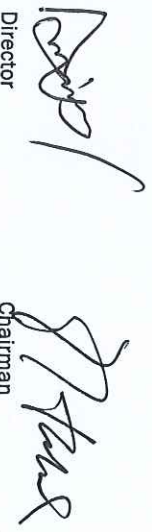
These Financial Statements should be read in conjunction with the annexed notes.



Managing Director & CEO



Habis A. Siddiqi  
Director



Chairman

Auditors' report to the shareholders  
See annexed report of date

Dhaka: 16 March 2015

*Hoda Vasi Chowdhury & Co*  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**BRAC BANK LIMITED**  
**Balance Sheet**

As at 31 December 2014

Note	2014		2013	
	Taka		Taka	
	On-shore	Off-shore	Total	Total
<b>PROPERTY AND ASSETS</b>				
Cash				
Cash in hand	17,066,706,526	22,459,941	17,089,166,467	17,161,415,027
(Including foreign currency)	7,558,012,102	-	7,558,012,102	8,525,477,864
Balance with Bangladesh Bank and its agent Bank(s)	9,508,694,424	22,459,941	9,531,154,365	8,635,937,163
(Including foreign currency)				
3				
Balance with other Banks and Financial Institutions	33,229,372,473	3,210,920,712	24,579,061,716	9,208,271,163
Inside Bangladesh	23,483,319,659	-	23,483,319,659	8,916,887,987
Outside Bangladesh	9,746,052,814	3,210,920,712	1,095,742,057	291,383,176
4				
Money at call and short notice	-	-	-	-
5				
Investments	23,898,595,008	-	23,898,595,008	21,298,625,661
Government	20,559,303,620	-	20,559,303,620	19,365,124,617
Others	3,339,291,388	-	3,339,291,388	1,933,501,044
6				
Loans and advances	104,741,460,561	17,199,092,572	121,940,553,133	117,110,645,783
Loans, cash credit, overdrafts etc.	104,159,315,987	17,199,092,572	121,358,408,559	116,280,078,440
Bills purchased & discounted	582,144,574	-	582,144,574	830,567,343
7				
Fixed assets including premises, furniture and fixtures	2,893,176,476	-	2,893,176,476	2,449,953,340
8				
Other assets	13,946,856,453	258,984,795	14,192,518,925	12,483,828,281
9				
Non-banking assets	-	-	-	-
10				
Total Property and Assets	195,776,167,497	20,691,458,020	204,593,071,725	179,712,739,255
<b>LIABILITIES AND CAPITAL</b>				
Liabilities				
Borrowings from other banks, financial institutions & agents	3,254,991,468	16,081,441,000	7,475,201,000	11,701,711,750
12				
Borrowings from Central Bank	2,387,403,892	-	2,387,403,892	1,437,826,249
13				
Convertible Subordinate Bonds	3,000,000,000	-	3,000,000,000	3,000,000,000
14				
Money at Call and Short notice	1,220,000,000	-	1,220,000,000	2,847,513,000
15				
Deposits and other accounts	144,690,809,127	3,773,295,140	148,464,104,267	127,891,536,310
16				
Current accounts & other accounts	49,378,335,339	3,123,611,066	52,501,946,405	42,216,497,018
Bills payable	1,035,003,538	-	1,035,003,538	991,931,891
Savings deposits	25,820,159,618	-	25,820,159,618	20,832,605,144
Fixed deposits	68,028,291,960	649,684,074	68,677,976,034	63,666,217,405
Other deposits	429,018,672	-	429,018,672	184,284,852
17				
Other liabilities	23,919,964,806	383,323,987	24,289,966,469	20,951,049,374
Total Liabilities	178,473,169,293	20,238,060,127	186,836,675,628	167,829,636,683
Capital and Shareholders' Equity				
Paid up share capital	7,092,873,210	-	7,092,873,210	4,433,045,760
18.2				
Share premium	3,622,522,880	-	3,622,522,880	1,406,000,000
18.8				
Statutory reserve	3,470,350,332	-	3,470,350,332	3,281,594,097
19				
Revaluation reserve	693,004,816	-	693,004,816	744,701,943
20				
Surplus in profit and loss account/Retained Earnings	2,424,246,966	453,397,893	2,877,644,859	2,017,760,772
21				
Total shareholders' equity	17,302,998,204	453,397,893	17,756,396,097	11,883,102,572
Total Liabilities and Shareholders' Equity	195,776,167,497	20,691,458,020	204,593,071,725	179,712,739,255

*HVC*




# Hoda Vasi Chowdhury & Co


BRAC BANK LIMITED  
Balance Sheet  
As at 31 December 2014

	Note	
	2014 Taka	2013 Taka
Off Balance Sheet Items		
Contingent Liabilities		
Acceptances and endorsements	7,433,193,266	6,566,695,163
Letter of guarantees	4,250,216,847	6,383,222,685
Irrevocable letter of credits	17,331,651,842	11,572,885,095
Bills for collection	343,486,634	513,609,666
Tax liability	43,700,000	143,894,928
Other contingent liabilities	8,311,105,241	3,044,281,070
Total Contingent Liabilities	37,713,353,830	28,224,588,607
Other Commitments		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total Other Commitments	-	-
Total Off-Balance Sheet items including contingent liabilities	23 37,713,353,830	28,224,588,607

These Financial Statements should be read in conjunction with the annexed notes.

  
Managing Director & CEO

  
Md. A. Siddiqi  
Director

  
Director

  
Chairman

Auditors' report to the shareholders  
See annexed report of date

Dhaka: 16 March 2015

  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

## BRAC BANK LIMITED

Hoda Vasi  
Chowdhury & CoConsolidated Profit and Loss Account  
For the year ended 31 December 2014

	Note	2014 Taka	2013 Taka
Interest income	25.a	22,269,682,075	18,715,692,063
Interest paid on deposits and borrowing etc.	26.a	13,587,368,694	11,378,701,188
Net interest income		8,682,313,381	7,336,990,875
Investment income	27.a	2,486,217,457	2,766,048,421
Commission, exchange and brokerage	28.a	3,454,502,102	3,567,356,522
Other operating income	29.a	1,543,282,208	736,633,034
Total operating income		16,166,315,148	14,407,028,852
Salaries and allowances	30	3,477,501,367	3,375,600,927
Rent, taxes, insurance, electricity etc.	31.a	983,240,836	910,750,021
Legal expenses	32	161,353,121	87,527,967
Postage, stamps, telecommunication etc.	33.a	251,483,787	259,050,809
Stationery, printing, advertisement etc.	34.a	484,864,049	897,981,495
Chief Executive's salary & fees		13,783,916	12,954,750
Directors' fees & expenses	35.a	2,842,279	3,994,064
Auditors' fee	36.a	4,864,705	3,288,067
Impairment of goodwill		30,046,781	30,046,781
Depreciation on and repairs to bank's assets	37.a	1,314,617,113	1,266,468,354
Other expenses	38.a	2,159,053,553	1,418,161,304
Total operating expenses		8,883,651,507	8,265,824,539
Profit/(loss) before provisions		7,282,663,641	6,141,204,313
Provision for:			
Loans and advances		2,756,498,897	2,865,261,844
Diminution in value of investments		30,000,000	47,500,000
Off balance sheet items		102,732,266	20,941,567
Total provision	39.a	2,889,231,163	2,933,703,411
Profit/(loss) before taxes		4,393,432,478	3,207,500,902
Provision for Tax:			
Current tax expense		2,203,346,998	1,994,013,810
Deferred tax expense/ (income)		88,517,967	(125,864,238)
Total provision for Tax	40.a	2,291,864,965	1,868,149,572
Profit/(loss) after taxes		2,101,567,513	1,339,351,330
Appropriations:			
Statutory reserve		188,756,234	347,576,811
General reserve		-	-
Retained earnings		188,756,234	347,576,811
Attributable to:		1,912,811,279	991,774,519
Equity holders of BRAC Bank Ltd.		1,862,564,479	1,071,808,041
Minority interest		50,246,800	(80,033,522)
Earnings Per Share (EPS)	41.a	1,912,811,279	991,774,519
		3.13	2.51

These Financial Statements should be read in conjunction with the annexed notes.


  
Managing Director & CEO


  
Director


  
Director


  
Chairman
Auditors' report to the shareholders  
See annexed report of date

Dhaka: 16 March 2015


  
Hoda Vasi Chowdhury & Co  
Chartered Accountants



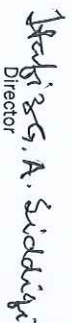
## BRAC BANK LIMITED

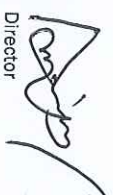
Profit and Loss Account  
For the year ended 31 December 2014**Hoda Vasi  
Chowdhury & Co**

	Note	2014		2013	
		Taka		Taka	
		On-shore	Off-shore	Total	Total
Interest income	25	16,313,450,494	785,062,299	16,794,142,526	18,134,401,924
Interest paid on deposits and borrowing etc.	26	8,979,615,402	516,906,043	9,192,151,178	11,283,195,221
Net Interest income		7,333,835,092	268,156,256	7,601,991,348	6,851,206,703
Investment income	27	2,502,353,232	-	2,502,353,232	2,672,221,040
Commission, exchange and brokerage	28	2,752,676,356	21,031,447	2,773,707,803	2,600,915,515
Other operating income	29	737,560,827	686,043	738,246,870	531,017,393
Total operating income		13,326,425,507	289,873,746	13,616,299,253	12,655,360,651
Salaries and allowances					
Rent, taxes, insurance, electricity etc.	31	2,682,996,970	10,542,956	2,693,539,926	2,809,947,260
Legal expenses		898,093,948	994,121	899,088,069	854,546,531
Postage, stamps, telecommunication etc.	33	140,504,345	-	140,504,345	67,910,910
Stationery, printing, advertisement etc.	34	219,193,903	172,367	219,366,270	200,248,690
Chief Executive's salary & fees		267,166,514	182,280	267,348,794	274,024,811
Directors' fees & expenses	35	13,783,916	-	13,783,916	12,954,750
Auditors' fee	36	671,831	-	671,831	523,862
Depreciation on and repairs to bank's assets	37	955,000	-	955,000	955,000
Other expenses	38	1,026,058,113	4,053,810	1,030,111,923	1,127,039,108
Total operating expenses		1,556,469,739	20,005,410	1,576,475,149	1,200,402,965
Profit/(loss) before provisions		6,805,894,279	35,950,944	6,841,845,223	6,548,553,887
Provision for:		6,520,531,228	253,922,802	6,774,454,030	6,106,806,764
Loans and advances					
Diminution in value of investments		2,449,358,822	28,567,387	2,477,926,209	2,862,636,844
Off balance sheet items		30,000,000	-	30,000,000	47,500,000
Total provision	39	102,732,266	-	102,732,266	20,941,567
Profit/(loss) before taxes		2,582,091,088	28,567,387	2,610,658,475	2,931,078,411
Provision for Tax:		3,938,440,140	225,355,415	4,163,795,555	3,175,728,353
Current tax expense					
Deferred tax expense/ (income)		2,029,868,973	67,606,624	2,097,475,597	1,797,698,269
Total provision for Tax	40	(25,476,009)	-	(25,476,009)	(19,218,128)
Total profit/(loss) after taxes		2,004,392,964	67,606,624	2,071,999,588	1,778,480,141
Appropriations:		1,934,047,176	157,748,791	2,091,795,967	1,397,248,212
Statutory reserve					
General reserve		188,756,234	-	188,756,234	347,576,811
Retained earnings		188,756,234	-	188,756,234	347,576,811
Earnings Per Share (EPS)	41	1,745,290,942	157,748,791	1,903,039,733	1,049,671,401
				3.19	2.47

These Financial Statements should be read in conjunction with the annexed notes.


  
Managing Director & CEO


  
H. A. Siddiqui
  
Director


  
Director


  
Chairman
Auditors' report to the shareholders  
See annexed report of date

Dhaka: 16 March 2015


  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**BRAC BANK LIMITED**  
**Consolidated Cash Flow Statement**  
**For the Year ended 31 December 2014**

	Note	2014 Taka	2013 Taka
<b>A. Cash flows from operating activities</b>			
Interest receipts		19,420,351,790	21,260,173,657
Interest payment		(9,823,848,001)	(11,984,853,512)
Dividends receipts		64,704,573	71,728,547
Fees & commissions receipts		3,325,412,156	6,965,683,562
Recoveries on loans previously written off		627,674,270	454,365,129
Cash payments to employees		(3,321,110,135)	(6,742,347,549)
Cash payments to suppliers		(6,509,665,427)	(677,097,323)
Income tax paid		(1,354,492,187)	(1,754,340,910)
Receipts from other operating activities	43.a	6,769,650,666	496,694,785
Payment for other operating activities		(2,502,893,945)	(2,894,490,886)
<b>Operating Cash flow Before changes in operating assets and liabilities (i)</b>	44.a	6,695,783,759	5,195,515,499
Increase/decrease in operating assets & liabilities		(5,243,730,381)	(5,679,405,609)
Loans and advances		(107,173,089)	1,551,752,179
Other assets		(3,446,483,856)	1,484,434,225
Deposits from other banks/borrowings		13,802,614,148	(6,778,445,393)
Deposits from customers		(2,022,931,550)	(2,655,693,302)
Other liabilities		2,982,295,273	(12,077,357,900)
Cash utilised in operating assets & liabilities (ii)		9,678,079,032	(6,881,842,401)
<b>Net cash (used)/flows from operating activities (i+ii)</b>			
<b>B. Cash flows from investing activities</b>			
Treasury bills		2,716,068,930	(2,417,715,154)
Bangladesh Bank Bills		2,059,520,259	4,908,105,325
Treasury bonds		(4,605,879,414)	(3,698,523,901)
Encumbered Securities		(1,413,994,704)	3,887,179,874
Sale/ (Investment) in shares		(190,124,877)	1,626,270,981
Investment in Bonds		(1,423,425,605)	(7,453,748)
Purchase of intangible assets		-	(581,103,789)
Acquisition of fixed assets		(1,301,339,560)	6,871,331
Disposal of Fixed Assets		18,703,679	3,723,630,919
<b>Net cash used in investing activities</b>		(4,140,471,292)	
<b>C. Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares		2,216,522,880	9,744,900
Proceeds from issue of right shares		4,097,000	-
Proceeds from issue of preference shares		3,063,935,708	919,440,568
Share Premium		(435,247,946)	(214,272)
Dividend paid		4,849,307,642	928,971,196
<b>Net cash flows from financing activities</b>		10,386,915,382	(2,229,240,286)
<b>Net increase/decrease in cash</b>		31,972,319,312	30,879,198,927
<b>Cash and cash equivalents at beginning of the year</b>		42,359,234,694	28,649,958,641
<b>Cash and cash equivalents at end of the year</b>	42.a		
<b>Cash and cash equivalents at end of the year:</b>			
Cash in hand (including foreign currency)		7,560,169,362	8,526,841,263
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		9,531,154,365	8,635,937,163
Balance with other banks and financial institutions		25,264,857,467	11,485,717,915
Money at call and short notice		-	-
Prize Bond		3,053,500	1,462,300
		<u>42,359,234,694</u>	<u>28,649,958,641</u>



BRAC BANK LIMITED  
Cash Flow Statement  
For the year ended 31 December 2014

	Note	2014		2013	
		Taka		Taka	
		On-shore	Off-shore	Total	Total
<b>A. Cash flows from operating activities</b>					
Interest receipts		18,547,128,746	745,949,258	18,988,707,738	20,550,286,228
Interest payment		(9,208,838,744)	(438,367,777)	(9,342,836,255)	(11,490,052,872)
Dividends receipts		63,201,789	-	63,201,789	70,514,316
Fees & commissions receipts		2,752,676,356	21,031,447	2,773,707,803	2,600,915,515
Recoveries on loans previously written off		627,674,270	-	627,674,270	454,365,129
Cash payments to employees		(2,519,569,223)	(10,542,956)	(2,530,112,179)	(2,732,890,078)
Cash payments to suppliers		(533,721,593)	(354,647)	(534,076,240)	(427,325,932)
Income tax paid		(1,191,087,716)	-	(1,191,087,716)	(1,680,639,996)
Receipts from other operating activities	43	74,562,767	686,043	75,248,810	254,128,212
Payment for other operating activities	44	(2,262,244,088)	(25,053,342)	(2,287,297,430)	(2,705,050,983)
Operating Cash flow before changes in operating assets and liabilities (i)		6,349,782,563	293,348,026	6,643,130,589	4,894,249,539
Increase/decrease in operating assets & liabilities					
Loans and advances to customers		(2,012,539,712)	(2,817,367,639)	(4,829,907,350)	(5,236,002,174)
Other assets		(47,034,668)	(179,764,096)	(213,476,441)	1,289,094,477
Deposits from other banks/borrowings		(4,860,962,063)	3,297,293,482	(4,863,229,859)	1,367,587,673
Deposits from customers		19,903,248,842	628,102,866	20,531,351,708	(6,794,454,412)
Other liabilities		(2,368,886,668)	63,653,761	(2,318,555,230)	(1,946,214,421)
Cash utilised in operating assets & liabilities (ii)		10,613,825,732	991,918,374	8,306,182,828	(11,319,988,857)
Net cash (used)/flows from operating activities (i+ii)		16,963,608,295	1,285,266,400	14,949,313,417	(6,425,739,318)
<b>B. Cash flows from investing activities</b>					
Treasury bills		2,716,068,930	-	2,716,068,930	(2,417,715,154)
Bangladesh Bank Bills		2,059,520,257	-	2,059,520,257	4,908,105,325
Treasury bonds		(4,605,879,413)	-	(4,605,879,413)	(3,698,523,901)
Encumbrured Securities		(1,413,994,704)	-	(1,413,994,704)	3,887,179,874
Sale/ (Investment) in shares		36,209,656	-	36,209,656	1,580,714,494
Investment in Bonds		(1,442,000,000)	-	(1,442,000,000)	-
Acquisition of fixed assets		(1,015,586,443)	-	(1,015,586,443)	(441,279,366)
Disposal of Fixed Assets		18,683,679	-	18,683,679	3,571,331
Net cash used in investing activities		(3,646,978,038)	-	(3,646,978,038)	3,822,052,603
<b>C. Cash flows from financing activities</b>					
Cash flows from financing activities					
Proceeds from issue of right shares		2,216,522,880	-	2,216,522,880	-
Share Premium		2,216,522,880	-	2,216,522,880	-
Dividend paid		(435,247,946)	-	(435,247,946)	(214,272)
Net cash flows from financing activities		3,997,797,814	-	3,997,797,814	(214,272)
Net Increase/decrease in cash		17,314,428,071	1,285,266,400	15,300,133,193	(2,603,900,987)
Cash and cash equivalents at beginning of the year		32,984,704,427	1,948,114,253	26,371,148,490	28,975,049,477
Cash and cash equivalents at end of the year	42	50,299,132,498	3,233,380,653	41,671,281,683	26,371,148,490
Cash and cash equivalents at end of the year:					
Cash in hand (including foreign currency)		7,558,012,102	-	7,558,012,102	8,525,477,864
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		9,508,694,424	22,459,941	9,531,154,365	8,635,937,163
Balance with other banks and financial institutions		33,229,372,472	3,210,920,712	24,579,061,716	9,208,271,163
Money at call and short notice					
Prize Bond		3,053,500	-	3,053,500	1,462,300
		50,299,132,498	3,233,380,653	41,671,281,683	26,371,148,490

BRAC BANK LIMITED  
Consolidated Statement of Changes in Equity  
For the year ended 31 December 2014

Amount in Taka								
Particulars	Paid up share capital	Share Premium	Statutory Reserve	Revaluation Reserve	Share money deposit	Retained Earnings	Minority Interest	Total
Balance as at 01 January 2014	4,433,045,760	2,132,968,292	3,281,594,097	744,701,943	23,715,983	2,407,550,889	852,981,119	13,876,558,083
Adjustment for prior year (Note-21)	-	-	-	-	-	(156,546,494)	-	(156,546,494)
Adjusted opening balance	4,433,045,760	2,132,968,292	3,281,594,097	744,701,943	23,715,983	2,251,004,395	852,981,119	13,720,011,589
Net profit for the year	-	-	-	-	-	1,862,564,479	50,246,800	1,912,811,279
Statutory reserve	-	-	188,756,235	-	-	-	-	188,756,235
Right share issue	2,216,522,880	-	-	-	-	-	-	2,216,522,880
Bonus Share issue	443,304,570	-	-	-	-	(443,304,570)	-	-
Preference share capital of bKash Ltd.	-	-	-	-	-	-	419,329,285	419,329,285
Share Premium	-	2,648,703,423	-	-	-	-	-	2,648,703,423
Revaluation reserve	-	-	-	(51,697,127)	-	-	-	(51,697,127)
Cash Dividends for the year 2013	-	-	-	-	-	(443,304,582)	-	(443,304,582)
Balance as at 31 December 2014	7,092,873,210	4,781,671,715	3,470,350,332	693,004,816	23,715,983	3,226,959,721	1,322,557,204	20,611,132,981
Balance as at 31 December 2013	4,433,045,760	2,132,968,292	3,281,594,097	744,701,943	23,715,983	2,407,550,889	852,981,119	13,876,558,083



BRAC BANK LIMITED  
Statement of Changes in Equity  
For the year ended 31 December 2014

Amount in Taka

Particulars	Paid up share capital	Share Premium	Statutory Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 January 2014	4,433,045,760	1,406,000,000	3,281,594,097	744,701,943	2,017,760,772	11,883,102,572
Adjustment for prior year (Note-21)	-	-	-	-	(156,546,494)	(156,546,494)
<b>Adjusted opening balance</b>	<b>4,433,045,760</b>	<b>1,406,000,000</b>	<b>3,281,594,097</b>	<b>744,701,943</b>	<b>1,861,214,278</b>	<b>11,726,556,078</b>
Net profit for the year	-	-	-	-	1,903,039,733	1,903,039,733
Right share issue	2,216,522,880	-	-	-	-	2,216,522,880
Bonus Share issue	443,304,570	-	-	-	(443,304,570)	-
Share Premium	-	2,216,522,880	-	-	-	2,216,522,880
Statutory reserve	-	-	188,756,235	-	-	188,756,235
Revaluation reserve	-	-	-	(51,697,127)	-	(51,697,127)
Cash Dividends for the year 2013	-	-	-	-	(443,304,582)	(443,304,582)
<b>Balance as at 31 December 2014</b>	<b>7,092,873,210</b>	<b>3,622,522,880</b>	<b>3,470,350,332</b>	<b>693,004,816</b>	<b>2,877,644,859</b>	<b>17,756,396,097</b>
<b>Balance as at 31 December 2013</b>	<b>4,433,045,760</b>	<b>1,406,000,000</b>	<b>3,281,594,097</b>	<b>744,701,943</b>	<b>2,017,760,772</b>	<b>11,883,102,572</b>

**BRAC BANK LIMITED**  
**Consolidated Liquidity Statement**  
**(Asset and Liability Maturity Analysis)**  
**As at 31 December 2014**

	Amount in Taka					
	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
<b>Assets</b>						
Cash in hand and Balance with Bangladesh Bank	7,633,331,828	-	-	-	9,457,991,900	17,091,323,727
Balance with other banks and financial Institutions (Including foreign currencies)	8,337,677,741	14,614,886,083	2,312,293,642	-	-	25,264,857,466
Money at call and short notice	-	-	-	-	-	-
Investments	3,897,877,724	68,239,970	2,457,775,573	7,316,766,439	10,484,844,815	24,225,504,521
Loans and advances	11,687,131,282	18,656,660,165	36,271,624,882	44,991,291,469	12,693,286,336	124,299,994,135
Fixed assets including premises, furniture & fixtures	17,590,258	23,453,678	286,227,115	812,759,357	2,412,376,086	3,552,406,495
Other assets	697,020,054	1,545,675,950	2,181,604,699	1,095,570,560	8,337,398,127	13,857,269,390
Non - banking assets	-	-	-	-	-	-
Goodwill	-	-	-	-	1,442,245,491	1,442,245,491
<b>Total Assets</b>	<b>32,270,628,887</b>	<b>34,908,915,846</b>	<b>43,509,525,911</b>	<b>54,216,387,825</b>	<b>44,828,142,755</b>	<b>209,733,601,225</b>
<b>LIABILITIES</b>						
Borrowings from Bangladesh Bank, other banks and financial institutions and agents	3,756,767,200	485,285,600	6,294,469,141	1,205,049,000	-	11,741,570,941
Convertible subordinated debts	-	-	-	3,000,000,000	-	3,000,000,000
Money at call and short notice	1,220,000,000	-	-	-	-	1,220,000,000
Deposits & other accounts	27,928,415,302	36,036,796,239	28,470,244,407	32,449,754,647	21,481,138,815	146,366,349,410
Minority Interest	-	-	-	-	1,322,557,204	1,322,557,204
Other Liabilities	2,544,823,180	2,728,015,632	5,347,776,179	8,437,047,845	7,736,885,055	26,794,547,892
<b>Total Liabilities</b>	<b>35,450,005,682</b>	<b>39,250,097,471</b>	<b>40,112,489,727</b>	<b>45,091,851,492</b>	<b>30,540,581,076</b>	<b>190,445,025,450</b>
<b>Amount of net liquidity difference</b>	<b>(3,179,376,795)</b>	<b>(4,341,181,625)</b>	<b>3,397,036,184</b>	<b>9,124,536,333</b>	<b>14,287,561,679</b>	<b>19,288,575,777</b>

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



**BRAC BANK LIMITED**  
**Liquidity Statement**  
**(Asset and Liability Maturity Analysis)**  
**As at 31 December 2014**

	Amount in Taka					
	0 - 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Above 5 Years	Total
<b>Assets</b>						
Cash in hand and Balance with Bangladesh Bank	7,631,174,567	-	-	-	9,457,991,900	17,089,166,467
Balance with other banks and financial Institutions (Including foreign currencies)	8,239,861,717	14,680,000,000	1,659,200,000	-	-	24,579,061,716
Money at call and short notice	-	-	-	-	-	-
Investments	3,897,877,724	68,239,970	2,220,670,147	7,226,962,352	10,484,844,815	23,898,595,008
Loans and advances	11,687,131,282	20,188,462,640	32,380,381,405	44,991,291,469	12,693,286,336	121,940,553,133
Fixed assets including premises, furniture & fixtures	17,590,258	23,453,678	128,995,226	310,761,227	2,412,376,086	2,893,176,476
Other assets	718,999,406	1,567,810,617	1,126,679,982	89,104,113	10,689,924,808	14,192,518,925
Non - banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>32,192,634,954</b>	<b>36,527,966,905</b>	<b>37,515,926,760</b>	<b>52,618,119,161</b>	<b>45,738,423,945</b>	<b>204,593,071,725</b>
<b>LIABILITIES</b>						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	3,756,767,200	485,285,600	4,451,752,092	1,168,800,000	-	9,862,604,892
Convertible subordinated debts	-	-	-	3,000,000,000	-	3,000,000,000
Money at call and short notice	1,220,000,000	-	-	-	-	1,220,000,000
Deposits & other accounts	24,596,385,506	34,680,123,361	35,256,701,937	32,449,754,647	21,481,138,815	148,464,104,266
Other Liabilities	2,382,291,596	2,715,028,978	3,123,980,269	8,331,780,569	7,736,885,057	24,289,966,470
<b>Total Liabilities</b>	<b>31,955,444,302</b>	<b>37,880,437,939</b>	<b>42,832,434,298</b>	<b>44,950,335,216</b>	<b>29,218,023,872</b>	<b>186,836,675,628</b>
<b>Amount of net liquidity difference</b>	<b>237,190,652</b>	<b>(1,352,471,034)</b>	<b>(5,316,507,538)</b>	<b>7,667,783,945</b>	<b>16,520,400,073</b>	<b>17,756,396,097</b>

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

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2014

## SECTION -ONE : CORPORATE PROFILE &amp; SIGNIFICANT ACCOUNTING POLICIES

## 1.1 BRAC Bank Limited

BRAC Bank Limited (the "Bank" or "Brac Bank") is a scheduled commercial bank established under the Banking Companies Act, 1991 and incorporated as a public company limited by shares on 20 May, 1999 under the Companies Act, 1994 in Bangladesh. The 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 honourable 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 97 (ninety seven) branches, 69 SME service centers, 145 zonal offices and 458 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. In the year 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 BRAC IT Services Limited a private limited company by shares under the Companies Act 1994 incorporated 9 April 2013.

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 ULQ (a company listed in USA) holds 49% shares of bkash Limited. The bank has invested in 25% shares of BRAC Asset Management Company Limited that was incorporated in Bangladesh on 01 April 2010. And also invested in 24% shares of BRAC Impact Ventures Limited that was incorporated on 18th June 2012.

BRAC Bank Limited acquired 87.5%+1 share (291,667 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" (BSEL). BRAC Bank would control and monitor all its operations as a 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 69 SME service centers and 458 regional marketing unit offices offering services in the heart of rural and urban communities and employs about 1,528 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.

## 1.1.1 Principal Activities and Nature of operations of 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.

## 1.1.2 Off Shore Banking Unit:

The Bank obtained the Off-shore Banking Unit permission from Bangladesh Bank in 2010 and commenced operation. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. A 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 in Bangladesh.

## 1.2 The Bank has 5 (Five) Subsidiaries and 2 (Two) Associates details of which are given at note from 1.2.1 to 1.2.7

## 1.2.1 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 Bangladesh Securities & Exchange Commission (BSEC). The company's services comprise of lead managing Initial Public Offerings, Domestic and International Placement, Portfolio Management and Project Development and Consultancy.

## 1.2.2 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.

## 1.2.3 bkash Limited:

bkash 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.

## 1.2.4 BRAC SAJAN Exchange Limited:

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

## 1.2.5 BRAC IT Services Limited :

BRAC IT Services Ltd. (bITS) was initially founded as Documenta™ Ltd, a Digital Archiving Firm in 1999. BRAC IT Services Ltd. (bITS) was then formed in April, 2013 through the merger of Documenta™ Ltd and the IT Division of BRAC Bank. It is currently performing as an IT Solution and Services company and is a subsidiary jointly owned by BRAC Bank Limited and BRAC.

## 1.2.6 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 etc.



## 1.2.7 BRAC Impact Ventures Limited

BRAC Impact Ventures Ltd (the Company) was incorporated in Bangladesh on 18th June 2012 as a private company, limited by shares wide certificate of incorporation no. C-102567/12. The principal activities of the Company for which it was established to serve people who are living in the Base of the Pyramid (commonly known as BoP), BVL aims to Provide services in Climate Change, Agriculture, Water, Housing, Education, Health, Energy, and Financial Sector by Creating Job, Reducing GHG emission, Bringing energy efficiency, facilitating asset accumulation, and utilizing suppliers living in the Base of the financial pyramid.

## 2 Summary of Significant Accounting Policies & basis of preparation of Financial Statements.

2.1 A summary of accounting principle and 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 2014 and are prepared under the historical cost convention and in accordance with the "First Schedule (sec-38)" of the Banking 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 (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Companies Act 1994, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987 and other prevailing laws and rules applicable in Bangladesh. The consolidated financial statements were authorized for issue by the board of Directors on 16 March 2015.

As such the Group and the Bank has department from those contradictory of BFRS in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

#### i) Investment in shares and securities

BAS/BFRS: As per requirements of BAS 39 investments in shares and securities generally fall either under "at fair value through Profit or Loss Account" or under "available for sale" where any change in fair value at the year end is taken to Profit or Loss Account or Revaluation Reserve Account respectively.

Bangladesh Bank: As per BRPD Circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investments (portfolio basis), otherwise investments are recognised at cost.

#### ii) Revaluation gain/loss on Government securities

BAS/BFRS: As per requirement of BAS 39, T-bills and T-bonds fall under the category of "held for trading (HFT)" and "held to maturity (HTM)" where any change in the fair value of held for trading is recognised in Profit or loss Account and amortised cost method is applicable for held to maturity using an effective interest rate.

Bangladesh Bank: According to DOS Circular no. 05 dated 26 May 2008 and subsequent clarification in DOS Circular 05 dated 28 January 2009, loss on revaluation of Government securities (T-bills/corded under RT-bonds) which are categorised as held for trading should be charged through profit or loss account, but any gain on such revaluation should be recorded under Revaluation Reserve Account. However, at the revaluation loss for that, particular held for trading T-bills/T-bonds, T-bills designated as held to maturity are measured at amortised cost method but interest income/gain should be recognised through reserve.

#### iii) Provision on loans and advances

BAS/BFRS: As per BAS 39 an entity should start the impairment assessment by considering wheather objective evidence of impairment exist for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD Circular no. 14 dated 23 September 2012, BRPD Circular no. 19 dated 27 December 2012, BRPD Circular no. 05 dated 29 May 2013 and BRPD Circular no. 16 dated 18 November 2014 a general provision at 0.25%-5% under different categories of unclassified (standard/SMA loans) should be maintained regardless of objective evidence of impairment. And, specific provision for sub-standard loan, doubtful loans and losses should be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Also a general provision at 1% should be provided for all off balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

#### iv) Other comprehensive income:

BAS/BFRS: As per BAS 1, Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in Single Comprehensive Income statements.

\*Bangladesh Bank: Bangladesh Bank has issued financial templates for the financial statements which would be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in Single Comprehensive Income Statements. As such the company does not prepare the other comprehensive income statements of changes in equity.

#### v) Financial Instruments – presentations and disclosure

In several cases Bangladesh bank guidelines categorizes, recognize, measure and present financial instruments differently from those prescribed in BAS 39.As such some disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the accounts.

#### vi) REPO transactions

BAS/BFRS: When an entity sells a financial asset, and simultaneously enters into an agreement to repurchase the asset (or similar assets) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per circulars/guidelines, when a bank sells a financial asset, and simultaneously enters in to an agreement to repurchase the asset (or similar assets) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transactions and the financial assets should be derecognized in the sellers book and recognized in the buyers book.

#### vii) Financial guarantees:

BAS/BFRS: as per BAS 39 financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the term of debt instruments. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value in amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment under the guarantee has become probable. Financial guarantees are prescribed to be included within other liabilities.

Bangladesh Bank: As per BRPD circular 14, 2003, financial guarantees such as L/G, L/G should be treated as off balance items. No Liability is recognized for the guarantee except the cash margin.

#### viii) Cash & Cash equivalents

\*BAS/BFRS: Cash & cash equivalents items should be reported as cash item as per BAS 7.

Bangladesh Bank : Some highly liquid assets such as money at call and short notice, T-bills, prize bonds are not prescribed to be shown as cash and cash equivalents rather shown as face item in the balance sheet. However, in the cash flow Statement, Money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with BB and other banks.

#### ix) Non banking assets

BAS/BFRS: No indication of non banking assets is found in BFRSs.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25 June 2003, there should exist a face item named non banking assets.



x) Cash flow statement

BAS/BFRS: As per BAS 7 Cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, cash flow should be a mixture of direct and indirect method.

x) BAS/BFRS: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

xii) Off Balance Sheet Items

BAS/BFRS: No requirement of disclosure for off balance sheet items in any BFRS; hence there is no requirement of disclosure of off balance sheet items.

Bangladesh Bank: As per BRPD circular No. 14 dated 25 June 2003, off balance sheet items e.g. L/C, L/G, Acceptance should be disclosed separately on the face of balance sheet.

xiii) Disclosure of appropriation of profit

BAS/BFRS: There is no requirement to show appropriation of profit on the face of statement or comprehensive income.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25 June 2003, an appropriation of profit should be disclosed on the face of profit and Loss Account.

xiv) Loans and Advance Net of Provision

BAS/BFRS: Loans and advances should be presented net of provision.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25 June 2003, an appropriation of profit should be presented separately as liability and cannot be netted off against loans and advances.

[Also refer to Note 2A(i) Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)]

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, bKash Limited, BRAC Saajan Exchange Limited and BRAC IT Services 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 2014.

### 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.

Intra-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 (on monetary items) 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 profit 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-2014 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 2014.

## 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 month.

Cash flow statement is prepared in accordance with BAS-7 "Statement of Cash Flows". 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 held to maturity, other than those that meet the definition of Held at amortized cost others' are classified as held to maturity. These investment 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
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
Government Treasury Bonds (HTM)	Cost	Amortized cost	Amortized Gain/ Loss to Revaluation reserve
Zero Coupon Bond	Cost	None	None
Prize Bond & Other Bond	Cost	At Cost Price	None
Debentures	Cost	Cost	None
Un quoted Shares (ordinary)	Cost	Lower of cost or market price at balance sheet date	Loss to profit and loss a/c.
Quoted shares (ordinary)	Cost		

#### Available for sales

Available for sales investments are non-derivative investments that are designated as available for sale or are not classified as another category of financial assets. Unquoted securities whose fair value cannot reliably be measured are carried at cost. All other available for sale investments are carried at fair value.

### 2.7.3 Loans and Advances

a) Interest on loans and advances is calculated daily on product basis but charged and accounted monthly and quarterly on accrual basis.

b) Classification and provisioning for loans and advances is created based on the period of arrears by following Bangladeshi 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, 32 of 27 October 2010, 14 of 23 September 2012, 15 of 23 September 2012, 19 of 27 December 2012 and 05 of 29 May 2013 respectively. This is also reviewed by the management.

c) Interest on classified loans and advances is calculated 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:

Business Unit	Un-classified (UC)		Rates of Provision		
	Standard	Special Mention Account (SMA)	Substandard (SS)	Doubtful (DF)	Bad loan (BL)
Consumer	House building & loans for professionals	2%	20%	50%	100%
	Other than house building & professionals	5%	20%	50%	100%
	Loans to BHS/ MBs against	2%	20%	50%	100%
	Small and medium enterprise	0.25%	20%	50%	100%
	Short term Agr/Micro credit	2.5%	5%	50%	100%
All others	1%	1%	20%	50%	100%
Off balance Sheet	1%	-	-	-	-

d) 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 January 13, 2002 and 13 dated November 07, 2013. 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 IT Services Limited	BRAC Saajan Exchange Limited
Furniture & fixture	10%	10%-20%	12.5%	10%	10%	10%
Leasehold Building	2.5%	-	-	-	10%	-
Office equipments	20%	10%-20%	20%	20%	10%	-
IT equipments - Hardware	20%	25%	25%	20%	33%	10%
IT equipments - Software	33%	33%	33%	20%	-	-
Motor vehicles	20%	20%	20%	20%	20%	-
Office Decoration	-	15%	15%	-	-	-
Air Cooler & Ceiling Fan	-	20%	20%	-	-	-
Building & other construction	-	5%	2%	-	-	-
Generator & Multimedia Projector	-	-	-	-	20%	-
Server	-	-	-	-	20%	-

**c) Gain or Loss on disposal 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, 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 straightline 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, BAS & BFRs, 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 Banking Companies Act, 1991. This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account.

### 2.9.5 Revaluation reserve

Revaluation reserve represents revaluation on Treasury bond (HTF and 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 09 (nine) members of the bank. All confirmed employees of the bank are contributing 10% of their basic salary as subscription to 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 05 (five) 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 8 (eight) 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.

### Workers Profit Participation Fund (WPPF)

Consistent with the industry practice and in accordance with the Banking Companies Act, 1991, no provision has been made for WPPF.

## 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 (six) 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 (six) 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. 4% 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 by the 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 LRA 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 realization 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 realisation 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 realisation 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 dividend 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, 2014 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 2014 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:

- Balances with other bank & financial institutions, money at call & short notice etc. are on the basis of their maturity term.
- Investments are on the basis of their residual maturity term.
- Loans & advances are on the basis of their repayment/ maturity schedule.
- Fixed assets are on the basis of their useful life.
- Other assets are on the basis of their adjustment.
- Borrowing from other banks, financial institutions and agents as per their maturity/ repayment term
- Deposits & other accounts are on the basis of their maturity term and behavioral past trend.
- Other long term liability on the basis of their maturity term.
- 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-45.5 (a) 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) and Bangladesh Financial Reporting Standard (BFRS)	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
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
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	Applied

**Reason for departure of BAS / BFRS:**

The central Bank of Bangladesh ("Bangladesh Bank") as regulator to the Banking Industry has issued a number of circulars/directives which are not consistent with the requirements specified in the BAS/BFRS as referred above.IN such cases the bank has followed the regulatory requirements specified by the Bangladesh Bank.

New and amended standards and interpretations not yet adapted by the group and the company  
A number of new standards amendments to standards and interpretation are effective for annual periods beginning from 1 January 2015 or later, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group and the Bank. Although International Accountn Standards Board (IASB) has issued a new standard (IFRS 9) along with related amendments to existing standards (IAS/BAS 32,39) but none of these has been adopted and/or endorsed locally a BAS/BFRS and such any possible impact could not be determined.



## 2.17 Regulatory & Legal Compliance

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

- a) The Banking Companies Act, 1991
- b) The Companies Act, 1994
- c) Rules & Regulations issued by Bangladesh Bank.
- d) Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities & Exchange Act 1993, Bangladesh Securities and Exchange Commission IPO Rules 2006.
- e) The Income Tax Ordinance, 1984
- f) 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. 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 BR 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 to ensure smooth operations of the Bank on an ongoing basis based on compliance with applicable rules and regulations. The primary objective of Internal Control & Compliance is to help the Bank perform better and add value through use of its resources. Through Internal Control system, Bank identifies its weaknesses associated with the process and adopts appropriate measures to overcome that. It objectively examines:

- Efficiency and effectiveness of activities (performance objectives).
- Reliability, completeness and timeliness of financial and management information (information objectives).
- Compliance with applicable laws and regulations (compliance objectives).



Internal audit team undertakes periodical comprehensive, special, spot and surprise audit & inspection on branches, SME unit offices and departments at Head Office. Monitoring & Compliance team ensures monitoring, compliance of internal and statutory requirement as well as conducts investigation. Internal Control & Compliance also reviews financial, operational activities of the bank to ensure the correctness of the financial information maintained in various systems.

The Board Audit Committee reviews the Audit, Inspection, Investigation and compliance & monitoring reports 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:

- Password control
- User ID maintenance
- Input control
- Network security
- Data encryption
- Virus protection
- 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 Internal Audit

Internal audit function plays a crucial role in ongoing assessment and maintenance of internal control, risk management and governance in banks. BRAC Bank has a strong Internal Audit team comprised of four units to carry out audit activities, namely - Head Office Audit, Retail Audit, SME Audit and Technology Audit. Internal Audit team conducts comprehensive, spot, surprise audits in various Branches, SME Service Centres, SME Krishi Branches, SME Unit Offices, Departments, Divisions of Head Office and subsidiaries of BRAC Bank Limited. Internal auditors use standard approach to determine their respective work, plans and actions. Various issues, observations, losses are identified and shared with the respective stakeholders on regular basis. Board Audit Committee periodically reviews the audit reports. Audit team also monitors the audit observations and ensures recommendations are implemented against agreed time line. Internal Audit works with the process team to update the processes and helps to prevent fraud and operational losses. Internal Audit works closely with regulators and external auditor to ensure compliance with applicable rules and regulations.

## 2.18.8 Fraud & Forgery

Now a day's fraud and forgery appears in diverse form. To prevent fraud & forgery, BRAC Bank Limited established a department namely "Investigation, Monitoring & Compliance" to deal with such kind of incidences. This wing exclusively deals with all kinds of fraud and forgery and act independently as the first contact point/ information unit where internal & external fraud & forgery incidences are investigated and reviewed. To protect the bank and its stakeholder's interest, "Investigation, Monitoring & Compliance" unit performs thorough investigation to identify the perpetrator & the root cause of the reported incident. As a counteractive course of action, preventive and corrective measures are recommended to the business/functional unit to take necessary action relating to process improvement, recovery of misappropriated amount, adjustment of the operational loss and to take appropriate action against the perpetrator. The investigation reports are also place to the Board Audit Committee for their direction and guidance. This wing also makes sure of the implementation of the recommendations as made in the investigation report by performing follow up audit quarterly. All fraud & forgery which were identified in 2014 are also duly reported to the Central Bank on a quarterly basis.

## 2.18.9 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, 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 SNS, 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 ERMIC:**

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 DCCQs are developing gradually through inclusion and exclusion item.

**2.19 Implementation of BASEL-II & III**

To cope up with the international best practices and to make the bank's capital snook absorbent. Guidelines on Risk Based Capital Adequacy (RBCA) for banks' (Revised regulatory capital framework in line with Basel II) was introduced from January 01, 2009 as a parallel run with BRPD Circular No. 10, dated November 25, 2002 (Basel I). At the end of parallel run, Basel II regime started from January 01, 2010 and the guidelines on RBCA came fully into force with its subsequent supplements/revisions. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital and Disclosure requirement as stated in the guidelines had to be followed by all scheduled banks for the purpose of statutory compliance. 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, 29th December 2010 and BRPD circular letter no-08, dated July 23, 2012 Basel-II framework has three main components referred to as pillars:

- i. Pillar I addresses minimum capital requirement.
- ii. Pillar II elaborates the process for assessing the overall capital adequacy aligned with risk profile of a bank as well as capital growth plan.
- iii. Finally, Pillar III gives a Framework of public disclosure on the position of a bank's risk profiles, capital adequacy, and risk management system.

Basel - II is to be calculated both on separate financial statements (SOLO) basis and Consolidated basis and both are submitted to Bangladesh Bank accordingly.

We have fully complied to all the directives provided by the Central bank from time to time, starting from Pillar I, II and III reporting requirements to periodic Stress Testing activity etc. Formation of Basel Steering Committee chaired by the Deputy Managing Director of the bank help us to ensure supreme governance and strict regimentation at execution level.

Nonetheless, in December 2014 Bangladesh Bank issued "Revised Regulatory Capital Framework for banks in line with Basel III". Here the reforms are the response of Basel Committee on Banking Supervision (BCBS) to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. To ensure smooth transition to Basel III, appropriate transitional arrangements have been provided for meeting the minimum Basel III capital ratios, full regulatory adjustments to the components of capital etc. Consequently, Basel III capital regulations would be fully implemented as on January 1, 2019.

**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.
- 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 190 - Income to the shareholders		2014	2013
Particulars		Taka	Taka
3	Cash		
A.	Cash in hand:		
	Local currency	7,430,892,480	8,472,453,170
	Foreign currency	127,119,622	53,024,694
		7,558,012,102	8,525,477,864
B.	Balance with Bangladesh Bank and its agent Bank(s):		
	Local currency	8,673,326,399	7,427,040,066
	Foreign currency	50,702,525	297,412,664
		8,724,028,924	7,724,452,730
	Surat Bank as agent of Bangladesh Bank (local currency)	784,665,500	911,484,433
		9,508,694,424	8,635,937,163
		17,066,706,526	17,161,415,027
3.1	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of The Banking Companies Act, 1991 and BRPD circular no. 11 and 12, dated August 25, 2005, MPD circular no. 1 and 2, dated May 4, 2010, MPD circular no. 4 and 5, dated December 1, 2010 and MPD circular no. 1, dated June 23, 2014.		
	The statutory Cash Reserve Requirement on the Banks time and demand liabilities at the rate 6.5% has been calculated and maintained with Bangladesh Bank in current account and 19.5% 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) :		
	Required reserve	8,539,816,532	7,658,090,904
	Actual reserve maintained (as per Bangladesh Bank statement)	8,751,332,167	7,649,494,483
	Surplus/ (deficit)	211,515,635	(8,596,421)
3.1.2	Statutory Liquidity Ratio (SLR) :		
	Required reserve (including CRR)	25,619,449,592	24,250,621,196
	Actual reserve maintained (including CRR) (Note: 3.1.3)	35,727,127,105	35,939,300,199
	Surplus/ (Deficit)	10,107,677,513	11,688,679,003
3.1.3	Held for Statutory Liquidity Ratio		
	Cash in hand	7,558,012,102	8,525,477,864
	Balance with Bangladesh Bank as per statement	8,751,332,167	7,649,494,483
	Balance with Sonali Bank as per statement	754,775,000	881,504,316
	TT in Transit	-	-
	Government securities	18,663,007,836	18,882,823,537
	FC used in BDT	35,727,127,105	35,939,300,200
3.a	Consolidated Cash		
A.	Cash in hand:		
	BRAC Bank Limited	7,558,012,102	8,525,477,863
	BRAC EPL Investments Ltd.	60,580	43,965
	BRAC EPL Stock Brokerage Ltd.	948,703	161,996
	bkash Limited	1,019,801	1,068,537
	BRAC Saajan Exchange Ltd.	103,923	84,150
	BRAC IT Services Limited	24,253	3,751
		7,560,169,362	8,526,841,262
B.	Balance with Bangladesh Bank and its agent Bank(s):		
	BRAC Bank Limited	9,531,154,365	8,635,937,163
	BRAC EPL Investments Ltd.	-	-
	BRAC EPL Stock Brokerage Ltd.	-	-
	bkash Limited	-	-
	BRAC Saajan Exchange Ltd.	-	-
	BRAC IT Services Limited	-	-
		9,531,154,365	8,635,937,163
		17,094,323,727	17,162,778,425
4	Balance with Other Banks and Financial Institutions		
A.	Inside Bangladesh		
		23,483,319,659	8,916,887,987
B.	Outside Bangladesh		
		9,746,052,814	8,853,053,366
		33,229,372,473	17,769,941,353
		3,210,920,712	17,632,435,768
		3,210,920,712	1,929,234,422
		24,579,061,716	9,208,271,163
		23,483,319,659	8,916,887,987
		12,956,973,526	8,853,053,366
		36,440,293,184	17,769,941,353
		9,506,240,000	6,632,435,768
		2,354,991,468	1,929,234,422
		24,579,061,716	9,208,271,163



Particulars	2014 Taka	2013 Taka
<b>4.1. Balance with Other Banks and Financial Institutions ( Inside Bangladesh )</b>		
On Demand Deposit Accounts	26,078,087	41,574,039
Standard Chartered Bank - Current Account	-	-
Southeast Bank Ltd- Current Account	-	-
On Short Term Deposit (STD) Accounts	26,078,087	41,574,039
Southeast Bank Limited	75,264	2,973,370
Al-Arafat Bank Limited	(10,895,412)	-
Jamuna Bank Limited	2,280,138	2,217,601
Prime Bank Limited	22,286,195	-
Mutual Trust Limited	3,284,019	-
Pubail Bank Limited	154,318,511	167,489,822
Jarriata Bank Limited	272,030,132	269,486,124
Bangladesh Krishi Bank Limited	154,162,883	161,659,289
The City Bank Limited	4,147,190	8,874,122
Agrani Bank Limited	149,982,568	316,118,629
Islami Bank Bangladesh Limited	74,891,392	114,109,524
United Commercial Bank Limited	4,128,516	18,843,733
National Bank Limited	21,421,007	34,432,214
Sonali Bank Limited	17,371,285	69,188,923
ICB Islamic Bank Limited	24,600	24,522
AB Bank Limited	86,341,564	-
Rupail Bank Limited	118,800,568	124,490,615
Social Islami Bank Limited	(8,589,946)	2,161,286
First Security Islami Bank Limited	6,612,716	5,924,945
EXIM Bank Limited	11,528,413	9,724,857
BASIC Bank Limited	1,270,325	1,205,723
Bank Asia Limited	5,764,552	-
Standard Bank Limited	1,634,435	-
Meghna Bank Limited	1,870,657	-
Mercantile Bank Limited	2,500,000	-
On Fixed Deposit with Banks	1,097,241,572	1,308,925,298
Local currency:		
AB Bank Limited	1,000,000,000	-
Dhaka Bank Limited	500,000,000	150,000,000
IFIC Bank Limited	1,000,000,000	-
Jamuna Bank Limited	2,500,000,000	-
Jamuna Bank Limited	200,000,000	-
Midland Bank Limited	1,000,000,000	-
Modhumoti Bank Limited	100,000,000	-
National Bank of Pakistan Limited	2,500,000,000	-
ONE Bank Limited	1,500,000,000	-
Standard Bank Limited	1,000,000,000	-
The City Bank Limited	800,000,000	-
Southeast Bank Limited	12,100,000,000	150,000,000
Foreign currency:		
The City Bank Limited	-	816,388,650
	-	816,388,650
	12,100,000,000	966,388,650
On Fixed Deposit with Financial Institutions		
Industrial & Infrastructure Development Finance Co. Ltd.	350,000,000	200,000,000
International Leasing & Financial Services Limited	500,000,000	400,000,000
Uttara Finance & Investment Limited	550,000,000	500,000,000
Far East Finance & Investment Limited	100,000,000	350,000,000
First Lease Finance and Investment Limited	100,000,000	-
GSP Finance Company (Bangladesh) Limited	250,000,000	-
IDLC Finance Limited	1,700,000,000	500,000,000
Union Capital Limited	100,000,000	300,000,000
National Housing Finance Company Limited	160,000,000	200,000,000
Prime Finance & Investment Co. Limited	600,000,000	-
Premier Leasing & Financial Services Limited	290,000,000	300,000,000
Phoenix Finance & Investments Limited	400,000,000	400,000,000
Bangladesh Finance & Investment Co. Ltd.	150,000,000	200,000,000
Bangladesh Industrial Finance Company Limited	100,000,000	250,000,000
United Leasing Company Ltd.	500,000,000	-
Investment Corporation Of Bangladesh (ICS)	3,000,000,000	2,500,000,000
Delta Grace Housing Finance Corporation Ltd.	400,000,000	-
Reliance Finance Limited	200,000,000	200,000,000
Peoples Leasing Company Ltd.	300,000,000	300,000,000
Lanka Bangla Finance Co. Limited	450,000,000	-
	10,260,000,000	6,600,000,000
	23,483,319,659	8,916,887,987

Particulars	2014 Taka	2013 Taka
<b>4.2 Balance with other banks and financial institutions ( Outside Bangladesh)</b>		
On Demand Deposit Accounts ( Non interest bearing) with:		
Standard Chartered Bank-NY (USD)	12,806,736	2,806,721
Mastreq Bank PSCNY (USD)	-	795,362
The Bank of Nova Scotia- Canada (CAD)	475,895	2,703,228
ICICI Mumbai (ACU Dollar)	5,765,373	223,018
Standard Chartered Bank-UK (GBP)	5,020,701	4,073,792
HSSC - NewYork (USD)	-	60,955,279
HSSC - United Kindom (GBP)	-	2,914,966
HSSC - Australia (AUD)	65,190	703,232
HSSC Pakistan (ACU Dollar)	-	938,459
Habib Bank Pakistan	6,000,685	-
U.B.A.F. - Japan	2,544,840	-
Zuercher Kantonal Bank, Zurich (CHF)	5,657,736	492,171
ING Belgium NY/SA (EURO)	2,062,288	2,975,651
Unicredit Italiano SPA (EURO)	1,563,728	1,499,597
Commerz Bank AG Germany (USD)	2,828,304	166,927
Commerz Bank AG Germany (EURO)	5,409,074	22,448,485
Standard Chartered Bank - Frankfurt (EURO)	388,010	43,338
Union DE Banques Arabes ET Francaises (JPR)	-	4,605,406
United Bank of India, Calcutta (ACU)	5,581,660	36,904,835
Westpack Banking Corporation, (AUD)	4,586,251	5,024,809
JP Morgan Chase Bank (USD)	134,244,385	103,627,061
Sonali Bank Limited (UK)	3,443,160	1,797,686
HDFC Bank Limited	25,702,039	3,857,705
Deutsche Bank Trust Company	10,894,134	16,397,476
Commerz Bank - Frankfurt (GBP)	-	11,222
Bank of America N.A New York	346,588	1,167,617
AB Bank Mumbai, India (ACU)	850,006	161,948
Unicredit Bank AG (Hypovertensbank), Germany	3,576,031	449,214
Mashreq Bank -New York	239,812,814	11,862,265
On Demand Deposit Accounts ( interest bearing) with:		
CITI Bank NA (USD)	-	-
AB Bank Mumbai (ACU Dollar)	-	-
Details are shown in Annex-B		
On Shore to Off Shore placement		
On Shore to Off Shore placement	239,812,814	289,607,488
Off Shore Banking Unit		
Standard Chartered Bank-NY	9,506,240,000	6,632,435,768
Commerz Bank	9,746,052,814	6,922,043,256
ICICI Bank		
Habib Bank	14,243,052	-
Islami Bank Bangladesh Limited	61,762,290	-
Off-shore to On-shore placement	441,287	-
	282,615	-
	779,200,000	-
	2,354,991,468	1,931,010,110
	3,210,920,712	1,931,010,110
	12,956,973,526	8,853,053,566
<b>4.3 Maturity grouping of balance with other banks and financial institutions</b>		
Up to 1 months	8,239,861,716	4,108,271,163
Not more than 3 months	14,680,000,000	3,070,000,000
More than 3 months but not more than 1 Year	1,659,200,000	2,030,000,000
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
<b>4.a Consolidated Balance with Other Banks and Financial Institutions</b>		
<b>A. In Bangladesh</b>		
BRAC Bank Limited	23,483,319,659	8,916,887,987
BRAC EPL Investments Ltd.	19,470,807	30,400,824
BRAC EPL Stock Brokerage Ltd.	682,239,712	492,513,333
bkash Limited	8,724,765,056	4,908,333,304
BRAC Saajan Exchange Ltd.	99,391,748	82,954,063
BRAC IT Services Limited	7,848,618	17,002,120
Less: Intra-company transaction:	33,017,055,600	14,448,091,631
BRAC EPL Investments Ltd.		
BRAC EPL Stock Brokerage Ltd.	3,039,957	4,639,519
bkash Limited	118,302,685	262,878,123
BRAC Saajan Exchange Ltd.	8,724,713,545	4,908,333,304
BRAC IT Services Limited	66,457,529	75,166,464
	7,848,618	-
	24,096,693,266	9,197,074,221
<b>B. Outside Bangladesh</b>		
BRAC Bank Limited	1,095,742,057	2,220,617,598
BRAC EPL Investments Ltd.	-	-
BRAC EPL Stock Brokerage Ltd.	-	-
bkash Limited	-	-
BRAC Saajan Exchange Ltd.	72,422,144	66,026,096
BRAC IT Services Limited	-	-
	1,168,164,201	2,286,643,694



Particulars	2014 Taka	2013 Taka
Less: Intra-company transaction:		
BRAC EPL Investments Ltd.	-	-
BRAC EPL Stock Brokerage Ltd.	-	-
bkash Limited	-	-
BRAC Saajan Exchange Ltd.	-	-
BRAC IT Services Limited	-	-
	1,168,164,201	2,288,643,694
	25,264,857,467	11,485,717,915
	-	-
	-	-
	-	-
	-	-
5 Money at Call and Short Notice	-	-
There was no investment in money at Call and Short Notice at the end of the year 2014.		
6 Investments		
Government Securities	(Note: 6.1)	
Other Investments	(Note: 6.2)	
Investment in securities are classified as follows:		
Held for trading (Treasury Bill, Bond & BS-III)	8,646,513,082	5,994,864,249
Held to maturity (Treasury Bond)	11,909,737,038	13,368,798,068
Other Investments	3,342,344,888	1,934,953,344
	23,898,595,008	21,298,625,661
6.1 Government Securities		
Treasury Bills	(Note: 6.1.1)	
Bangladesh Bank Bills	(Note: 6.1.2)	
Treasury Bonds		
Encumbered Securities		
Prize Bond		
	977,394,052	3,693,462,982
	-	2,059,520,257
	17,682,560,284	13,128,377,998
	1,896,295,784	482,301,080
	3,053,500	1,462,300
	20,559,303,620	19,365,124,617
6.1.1 Treasury Bills		
91 Days Treasury bills	6,080,104	127,666,760
182 Days Treasury Bills	605,912,445	1,125,959,655
364 Days Treasury Bills	365,401,503	2,439,836,567
	977,394,052	3,693,462,982
6.1.2 Bangladesh Bank Bills		
30 Days Bangladesh Bank Bills	-	2,059,520,257
6.1.3 Treasury Bonds		
Treasury Bonds (2 years BGTB)	1,722,962,085	228,234,503
Treasury Bonds (5 years BGTB)	3,905,126,263	1,923,372,083
Treasury Bonds (10 years BGTB)	6,432,944,118	5,660,700,858
Treasury Bonds (15 years BGTB)	1,930,758,074	1,698,372,636
Treasury Bonds (20 years BGTB)	3,690,769,744	3,617,697,918
Reverse REPO	-	-
6 months Reverse REPO	17,682,560,284	13,128,377,998
6.2 Other Investments		
Ordinary shares ( Unquoted):		
Industrial and Infrastructure Development Finance Co. Ltd.	9,338,120	9,338,120
Bangladesh Rating Agency of Bangladesh Limited	12,497,600	12,497,600
Central Depository Bangladesh Ltd.	26,623,470	26,623,470
	48,459,190	48,459,190
Investment in Secondary market:		
Preference Shares	1,319,880,898	1,311,926,654
Summit Uttranchal Power Co Ltd	35,486,300	56,777,800
Summit Pubanchal Power Co Ltd	53,961,000	86,337,400
	89,447,300	143,115,200
(Details are shown in Annex - C)		
Bonds		
First Security Islami Bank Limited Mudaraba Subordinated Bond	100,000,000	200,000,000
Trust Bank unsecured ,Non Convertible ,Subordinated Bond	24,000,000	30,000,000
UCBL Variable rate Subordinated Bond	100,000,000	100,000,000
MBL Variable rate Subordinated Bond	1,000,000,000	-
AB Bank Floating Rate Subordinated Bond	100,000,000	-
City Bank Floating Rate Subordinated Bond	548,000,000	100,000,000
	1,872,000,000	430,000,000
Private Placement & Pre IPO		
*United Power Generation & Distribution Co. Ltd.	9,504,000	-
	9,504,000	-
	3,339,291,388	1,933,501,044
*BBL applied for private placement of UPGD for BDT 31,999,824 by paying advance of BDT 9,504,000. However BBL awarded for share of full amount and deposited the remaining amount subsequently.		
6.3 Maturity Wise Grouping of Investment		
Up to 1 months	3,897,877,724	4,224,694,328
Not more than 3 months	65,239,970	1,163,587,594
More than 3 months but not more than 1 Year	2,220,670,147	3,138,850,542
More than 1 year but not more than 5 years	7,226,962,352	5,952,584,660
More than 5 years	10,484,844,815	6,818,908,537
	23,898,595,008	21,298,625,661

Particulars	2014 Taka	2013 Taka
<b>6.a Consolidated Investments</b>		
BRAC Bank Limited:		
Government Securities	20,559,303,620	19,365,124,617
Other Investments	3,339,291,388	1,933,501,044
	<b>23,898,595,008</b>	<b>21,298,625,661</b>
BRAC EPL Investments Ltd.		
BRAC EPL Stock Brokerage Ltd.	192,698,440	51,556,876
bkash Limited	134,211,073	122,454,140
BRAC Saajan Exchange Ltd.		
BRAC IT Services Limited		11,289,453
	<b>24,225,504,521</b>	<b>21,483,906,130</b>
<b>7 Loans and Advances</b>		
Overdrafts	On-Shore	Off-shore
Demand loans	5,916,385,434	82,402,251
Term loans	20,068,801,636	9,658,230,884
Lease receivables	27,105,733,307	7,458,459,437
Small & medium enterprises	208,864,579	-
Credit Cards	47,624,640,310	-
Staff loans	2,690,916,088	-
	(Note - 7.7)	-
	543,974,633	-
Bills purchased & discounted	104,159,315,987	17,199,092,572
	(Note - 7.17)	-
	582,144,574	-
	<b>104,741,460,561</b>	<b>17,199,092,572</b>
		<b>121,940,553,133</b>
<b>7.1 Net Loans and Advances</b>	<b>121,940,553,133</b>	<b>117,110,645,783</b>
Gross loans and advances	766,084,298	662,483,056
Less:	7,181,745,173	7,132,258,152
Interest suspense	7,947,829,471	7,794,741,208
Provision for loans & advances	113,992,723,662	109,315,904,575
<b>7.2 Maturity Wise Grouping of Loans and Advances</b>		
Repayable on demand	11,687,131,282	11,043,913,247
Not more than 3 months	20,188,462,640	18,397,967,504
More than 3 months but not more than 1 Year	32,380,381,405	34,191,073,033
More than 1 year but not more than 5 years	44,994,291,469	36,988,911,873
More than 5 years	12,693,286,337	16,488,780,126
	<b>121,940,553,133</b>	<b>117,110,645,783</b>
<b>7.3 Maturity Wise Grouping of Lease receivables</b>		
Receivable on demand	-	7,744,487
Not more than 3 months	-	16,031,255
More than 3 months but not more than 1 Year	187,782,346	48,921,532
More than 1 year but not more than 5 years	21,082,233	122,756,179
More than 5 years	208,864,579	28,315,272
		<b>223,768,725</b>
<b>7.4 Loans and Advances under the following broad categories</b>		
Inside Bangladesh:	On-Shore	Off-shore
Loans	98,825,075,128	17,116,690,321
Cash Credits	5,916,385,433	82,402,251
Overdrafts	104,741,460,561	17,199,092,572
		<b>121,940,553,133</b>
Outside Bangladesh:		
Loans	-	-
Cash credits	-	-
Overdrafts	-	-
		<b>117,110,645,783</b>
<b>7.5 Geographical Location Wise Portfolio Grouping</b>		
Inside Bangladesh:	On-Shore	Off-shore
Dhaka Division	73,545,577,056	17,199,092,572
Chittagong Division	18,379,553,058	-
Khulna Division	3,511,258,628	-
Sylhet Division	1,627,176,741	-
Barisal Division	1,678,368,825	-
Rajshahi Division	4,343,213,015	-
Rangpur Division	1,656,313,238	-
	104,741,460,561	17,199,092,572
		<b>121,940,553,133</b>
Outside Bangladesh:		
	104,741,460,561	17,199,092,572
		<b>121,940,553,133</b>
		<b>117,110,645,783</b>



Particulars	2014 Taka	2013 Taka
<b>7.6 Significant Concentration wise Grouping</b>		
Directors & others	On-Shore 80,794	Off-shore -
Staff:		
Managing Director & CEO	4,753,857	4,753,857
Senior Executives	430,680,661	488,169,405
Others	108,540,116	119,512,514
	543,974,634	613,281,824
Industries:		
Agricultural	2,296,012,532	2,296,012,532
Large & Medium	16,932,867,373	26,966,671,139
Small & Cottage	4,143,764,103	4,316,397,125
	23,372,644,008	33,579,080,766
Consumers	26,395,074,281	26,395,074,281
Trade & Commercial	54,429,686,844	61,422,342,628
	104,741,460,561	121,940,553,133
<b>7.7 Staff Loan</b>		
Personal Loan	77,725,887	98,354,194
Car and motorcycle Loan	162,061,134	196,985,314
House building Loan	304,187,612	317,942,316
	543,974,633	613,281,824
<b>7.8 Detail of Large Loan</b>		
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 21,130.99 million on Consolidated basis and Taka 19,718.50 million on Solo basis as at 31 December 2014 (Taka 14,845.92 million and 14,324.76 million as at 31 December 2013 respectively). (Details are shown in Annex - E)		
<b>7.9 Grouping as per Classification Rules</b>		
Unclassified	On-Shore	Off-shore
Standard including staff loan	95,842,125,821	17,199,092,572
Special Mention Account (SMA)	1,918,949,870	-
	97,761,075,691	17,199,092,572
Classified		
Sub standard	1,429,490,706	-
Doubtful	1,000,810,614	-
Bad / Loss	4,550,083,550	-
	6,980,384,870	-
	104,741,460,561	17,199,092,572
		121,940,553,133
<b>7.10 Loan type wise classified loan</b>		
Overdraft	On-Shore	Off-shore
Demand Loan	394,632,303	-
Term Loan	624,492,703	-
Lease Finance	5,662,981,573	-
Credit Cards	157,745,980	-
	140,532,311	-
	6,980,384,870	-
		6,980,384,870
		7,600,698,577
<b>7.11 Sector-wise Allocation of Loans and Advances</b>		
Government:	On-Shore	Off-shore
Private:		
Agriculture, fishing, forestry and dairy firm	2,296,012,532	10,033,803,766
Industry (Jute, textile, garments, chemicals, cements etc.)	8,433,868,983	-
Working capital financing	15,192,062,574	-
Export credit	591,538,890	-
Commercial credit	51,280,213,612	1,137,165,943
Small and cottage industries	1,772,936,668	172,633,022
Miscellaneous	25,174,827,302	5,855,489,841
	104,741,460,561	17,199,092,572
		121,940,553,133
<b>7.12 Securities against loans/advances including bills purchased and discounted</b>		
Collateral of moveable/immoveable assets	On-Shore	Off-shore
Local banks & financial institutions guarantee	20,389,561,577	-
Government guarantee	-	-
Foreign banks guarantee	-	-
Export documents	-	-
Fixed deposit receipts (FDR)	4,209,493,339	-
FDR of other banks	-	-
Government bonds	-	-
Personal guarantee & other securities	80,142,405,645	17,199,092,572
	104,741,460,561	17,199,092,572
		121,940,553,133
		117,110,645,783
		38,042,513,053
		73,418,312,268
		117,110,645,783

**7.13 Particulars of required provisions for loans and advances**

Particulars	2014 Take	2013 Take
Unclassified		
All unclassified loans (Other than Small & Medium enterprise Financing, Consumer Financing, BHS/ MBS/SDs, Housing & loans for professional)	53,627,861,273	493,859,717
Small & Medium enterprise financing	43,474,863,102	108,887,158
Loans to BHS/ MBS/SDs against share etc	1,909,900,054	33,957,485
Housing & loan for professional	7,881,274,365	144,790,066
Loans for professionals to Set up business (LP)	175,773,136	3,515,463
Consumer finance	7,133,939,597	356,696,980
Short Term Agricultural & Micro Credit	212,582,103	12,612,010
	1,206,316,254	1,226,807,905

Classified - Specific provision  
Sub-standard (Short Term Agricultural Credit)  
Doubtful  
Bad Loss

783,470  
1,428,707,237  
1,000,810,613  
4,550,083,550

783,470  
937,301,051  
733,856,398  
3,744,584,813

5%  
20%  
50%  
100%

Required provision for loans and advances  
Total provision maintained (Note 17.1)  
Excess/(Short) provision at 31 December 2014

39,173  
187,460,210  
344,928,199  
3,744,584,813  
4,299,012,395  
5,505,328,649  
7,181,745,173  
1,676,416,524

343,893,649  
625,752,869  
3,675,985,192  
4,645,631,710  
5,872,439,615  
7,132,258,152  
1,259,818,537

**7.14 Particulars of required provisions for off balance sheet items - General Provision**

Name of Exposure	Outstanding	Percentage (%) of required provision	Required provision 2014	Required provision 2013
Acceptances and endorsements	7,433,193,266	1%	74,331,933	65,666,952
Letter of guarantees	4,250,216,847	1%	42,502,168	63,832,227
Irrevocable letter of credits	17,331,651,842	1%	173,316,518	115,728,851
Bills for collection	343,486,634	1%	3,434,867	5,136,096
Total required provision			293,585,486	250,364,126
Total provision maintained (note 17.2)			357,673,833	254,941,567
Excess/(Short) provision at 31 December 2014			64,088,347	4,577,441

**7.15 Particulars of Loans and Advances**

	On-Shore	Off-shore	Total	
i) Debts considered good in respect of which Bank is fully secured	49,147,130,143	-	49,147,130,143	43,692,333,515
ii) Debts considered good for which Bank holds no other security than the debtor's personal security	22,795,264,637	-	22,795,264,637	2,889,611,505
iii) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors.	32,799,065,781	17,199,092,572	49,998,158,353	70,528,700,763
iv) Debts considered doubtful or bad, not provided for	104,741,460,561	17,199,092,572	121,940,553,133	117,110,645,783
v) Debts due by directors or officers of the banking company or any of these either separately or jointly with any other persons.	543,974,634	-	543,974,634	613,281,824
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;	-	-	-	80,794
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;	543,974,634	-	543,974,634	613,281,824
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;	-	-	-	80,794
ix) Amount of Classified loans on which interest has not been charged should be mentioned as follows:	-	-	-	-
a) Increase/decrease of provision (specific)	87,668,573	-	87,668,573	369,165,929
amount of debts written off	2,616,476,048	-	2,616,476,048	2,695,588,743
b) Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet	627,674,270	-	627,674,270	454,365,129
c) Interest creditable to the interest Suspense a/c.	5,247,767,069	-	5,247,767,069	4,162,597,050
x) 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.	766,084,298	-	766,084,298	662,483,056
- Current year	2,610,282,169	-	2,610,282,169	2,695,588,743
- Cumulative to date	9,991,922,157	-	9,991,922,157	7,381,639,988
The amount of written off loans for which law suit filed	9,991,922,157	-	9,991,922,157	7,381,639,988



Particulars	2014 Taka	2013 Taka
<b>7.16 Bill Purchased &amp; Discounted under the following broad categories</b>		
Inside Bangladesh	582,144,574	830,567,343
Outside Bangladesh	-	-
	<b>582,144,574</b>	<b>830,567,343</b>
<b>7.17 Maturity Wise Grouping of Bill Purchased &amp; Discounted</b>		
Payable within 1 month	265,903,828	252,269,193
Over 1 month but less than 3 months	171,079,475	313,928,996
Over 3 month but less than 6 months	57,610,923	171,149,452
6 months or more	87,550,348	93,219,702
	<b>582,144,574</b>	<b>830,567,343</b>
<b>7.18 Write off of Loans &amp; advances</b>		
Balance at the beginning of the year	6,194,449,703	3,953,326,089
Add: Write off during the year	2,616,476,048	2,695,588,743
	<b>8,811,025,751</b>	<b>6,648,914,832</b>
Less: Recovery of Write off loans	627,674,270	454,355,129
Balance at the end of the year	<b>8,183,351,481</b>	<b>6,194,549,703</b>
<b>7.a Consolidated Loans &amp; Advances</b>		
BRAC Bank Limited	121,940,553,133	117,110,645,783
BRAC EPL Investments Ltd.	3,772,066,772	3,669,777,230
BRAC EPL Stock Brokerage Ltd.	119,176,705	86,626,587
bkash Limited	-	-
BRAC Saajan Exchange Ltd.	-	-
BRAC IT Services Limited	-	-
Less: Intra-company Transaction: Borrowing from BRAC Bank by BRAC EPL Investments Ltd.	<b>1,531,802,475</b>	<b>1,354,501,664</b>
	<b>124,299,994,135</b>	<b>119,514,547,936</b>
<b>8 Fixed assets including premises, furniture and fixtures</b>		
Cost:		
Property plant and equipments:		
Land	1,043,298,935	604,314,000
Leasehold Building	4,034,334	4,034,334
Furniture & fixture	1,511,066,158	1,271,106,995
Office equipments	1,115,077,098	1,054,544,705
IT Hardwares	1,622,069,125	1,447,211,155
Motor vehicles	95,775,700	97,278,957
	<b>5,391,321,350</b>	<b>4,478,490,146</b>
Intangible Assets:		
License (Indefinite useful live)	50,000	50,000
IT Softwares (Finite useful live)	933,057,739	876,861,753
	<b>933,107,739</b>	<b>876,911,753</b>
Total Cost	<b>6,324,429,089</b>	<b>5,355,401,899</b>
Less: Accumulated depreciation	<b>3,431,262,613</b>	<b>2,905,448,559</b>
Net Book value at the end of the year (Details are shown in Annex - D)	<b>2,893,176,476</b>	<b>2,449,953,340</b>
<b>8.a Consolidated Fixed Assets including Premises, Furniture &amp; Fixtures</b>		
BRAC Bank Limited	2,893,176,476	2,449,953,340
BRAC EPL Investments Ltd.	21,284,245	37,283,242
BRAC EPL Stock Brokerage Ltd.	55,203,214	74,788,596
bkash Limited	350,267,517	193,035,628
BRAC Saajan Exchange Ltd.	15,433,880	12,797,973
BRAC IT Services Limited	217,041,162	31,496,119
	<b>3,552,406,494</b>	<b>2,799,356,898</b>
<b>9 Other Assets</b>		
<b>9.1 Income Generating Other Assets</b>		
Interest receivables	1,295,531,439	1,158,200,806
Prepaid Interest Expenses on IFFD	117,281,991	228,079,973
Receivables against sanchayapatra	160,892,425	83,549,035
Receivables from Omnibus	38,334,200	-
Investment in subsidiary	2,356,397,625	2,356,397,625
Investment in associate	17,300,000	17,300,000
Balance with EPSL	53,806,202	1,793,579
	<b>4,039,543,882</b>	<b>4,180,863,726</b>
	<b>141,319,844</b>	<b>3,845,321,017</b>

**Particulars**

**2014**  
Take

**2013**  
Take

**9.1.1 Interest Receivables**

Interest Receivables consists of interest receivable on loans, investments etc.

Receivable against Govt. securities  
Receivable against other securities  
Receivable against balance with other bank  
Receivable against loans and advances  
Receivable against term deposit

485,260,600	355,910,517
42,206,439	47,690,483
225,221,121	168,863,413
563,392,675	426,189,578
120,765,448	159,546,815
<b>1,436,851,283</b>	<b>1,158,200,806</b>

**9.1.2 Investment in subsidiaries**

BRAC EPL Investments Ltd.  
BRAC EPL Stock Brokerage Ltd.  
bkash Limited  
BRAC Saajan Exchange Ltd.  
BRAC IT Services Limited

752,715,794	752,715,794
1,344,147,500	1,344,147,500
168,921,800	168,921,800
59,388,531	59,388,531
31,224,000	31,224,000
<b>2,356,397,625</b>	<b>2,356,397,625</b>

**9.1.3 Investment in associate**

BRAC Asset Management Company Ltd.  
BRAC Impact Ventures Limited

12,500,000	12,500,000
4,800,000	4,800,000
<b>17,300,000</b>	<b>17,300,000</b>

**9.2 Non Income Generating Other Assets**

Stock of stamps  
Other receivables  
Stock of security stationery  
Stock of printing stationery  
Stock of furniture  
Advance to staff  
Advance to supplier  
Deferred revenue expenditure  
Advance payment of income tax  
Advance Value Added Tax  
Deferred tax asset  
Advance to SME unit offices  
Advance against fixed assets  
Advance against office rent  
Advance security deposit  
Advance for software migration  
Receivable from On-Shore Interbranch Account  
Less: On-shore to Off-shore

	On-Shore	Off-shore	Total
(Note - 9.2.1)	447,162	-	447,162
	812,455,525	-	812,455,525
	19,349,685	-	19,349,685
	17,582,583	-	17,582,583
	-	-	-
	3,593,951	-	3,593,951
	4,279,722	-	4,279,722
	27,079,854	104,342,628	131,422,482
	7,221,865,968	-	7,221,865,968
(Note - 9.2.2)	4,370,000	-	4,370,000
	1,089,991,215	-	1,089,991,215
	1,312,690	-	1,312,690
	35,297,910	-	35,297,910
	653,189,212	-	653,189,212
	16,269,953	-	16,269,953
	103,356	-	103,356
(Note-9.2.4)	-	13,322,323	13,322,323
	123,785	-	123,785
(Note 9.1 + 9.2)	9,907,312,571	117,664,951	10,011,655,199
	13,946,856,453	258,984,795	14,192,518,925
			<b>8,638,501,265</b>
			<b>12,483,828,281</b>

**9.2.1 Other Receivables**

Remittance in transit  
Receivable against remittance  
Receivable against bills pay  
Receivable against DD  
Receivable against Cheques  
Receivable against Cards  
Account receivable-FCY(Unclaimed)  
Receivable from Merchant  
Receivable from Partners  
Receivable from CO-BRAND ATM  
Receivable against fraud & forgery  
Receivable from Member Bank - ELDORADO  
Sundry debtors  
Receivable from BACH  
VAT current account

15,347,518	14,389,027
4,164	52,380,875
39,000,000	47,523,574
19,725	19,725
7,729,345	10,178,879
-	236,830
35,008,929	37,236,205
399,258,521	213,270,810
68,793,400	-
25,086,998	9,158,027
16,609,552	45,044,002
200,097,573	199,780,189
5,000,000	5,000,000
500,000	2,500,000
<b>812,455,525</b>	<b>636,718,443</b>

**9.2.2 Deferred Tax Asset/ (Liability)**

Balance as at 31 December 2013  
Deferred Tax Asset  
Deferred Tax Liability  
Net Deferred Tax Asset 2013  
Balance as at 31 December 2014  
Loan loss provision (Note - 9.2.3)  
Provision against Capital market  
Provision against off balance sheet items  
Deferred tax asset (a)  
Interest receivable from treasury bills & bonds  
Fixed assets excluding Vehicle (Annex-C)  
Deferred Tax Liability (b)  
Net Deferred Tax Asset 31 December 2014 (a+b)  
Increase of deferred tax asset recognized into P&L as income  
Increase of deferred tax liability recognized into P&L as expense  
Total Deferred tax income recognized into P&L during the year 2014

Book Value	Tax Base	Deductible/ (Taxable) Temporary Difference	Deferred Tax Asset/ (Liability)
			1,117,407,249
			(249,819,365)
			<b>867,587,884</b>
7,181,745,173		2,487,970,999	1,057,387,675
326,035,394		326,035,394	32,603,539
			<b>1,089,991,214</b>
485,260,600		(485,260,600)	(206,235,757)
2,880,864,833	2,902,767,031	21,902,198	9,308,434
			(196,927,321)
			<b>893,063,893</b>
			(27,416,035)
			<b>52,892,044</b>
			<b>25,476,009</b>

**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 1,057,387,675) 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.



# Hoda Vasi Chowdhury & Co

Particulars	2014 Taka	2013 Taka
<b>9.2.4 Interbranch Account</b>		
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
<b>9.a Consolidated Other Assets</b>		
BRAC Bank Limited	14,192,518.925	12,483,828.281
BRAC EPL Investments Ltd.	952,030.029	699,302.519
BRAC EPL Stock Brokerage Ltd.	595,388.855	251,696.942
bkash Limited	467,898.548	355,235.760
BRAC IT Services Limited	158,688.789	129,803.327
BRAC Saajan Exchange Ltd.	54,220.248	124,784.742
	16,420,745.394	14,044,651.571
Less:		
Investment in subsidiaries		
BRAC EPL Investments Ltd.	752,715.794	752,715.794
BRAC EPL Stock Brokerage Ltd.	1,344,147.500	1,344,147.500
bkash Limited	168,921.800	168,921.800
BRAC Saajan Exchange Ltd.	59,388.531	59,388.531
BRAC IT Services Limited	31,224.000	31,224.000
	2,356,397.625	2,356,397.625
Investment in associate		
BRAC Asset Management Company Ltd.	12,500.000	12,500.000
BRAC Impact Ventures Limited	4,800.000	4,800.000
Less: Intra-company transaction:		
BRAC Bank Ltd.	193,961.103	1,090,414
BRAC EPL Investments Ltd.	2,040.932	-
BRAC EPL Stock Brokerage Ltd.	2,804.595	7,555.246
bkash Limited	2,700.000	1,793.579
BRAC Saajan Exchange Ltd.	-	17,544.040
BRAC IT Services Limited	4,985.562	-
	206,492.192	27,983.279
Add:		
Carrying amount of investment in associate	14,879.943	14,341,770
BRAC Asset Management Company Ltd.	1,833.870	3,279,471
BRAC Impact Ventures Limited		
9.a.1 Carrying amount of investment in associate	13,857,269.390	11,660,591.910
BRAC Asset Management Company Ltd.		
Opening balance	14,341,770	13,718,063
Investment made during the year	-	-
Add: Share of post acquisition profit	538,173	623,707
Less: Dividend receivable	-	-
Total carrying amount of investment in associate	14,879,943	14,341,770
9.a.2 Carrying amount of investment in associate		
BRAC Impact Ventures Limited		
Opening balance	3,279,471	4,266,844
Investment made during the year	-	-
Add: Share of post acquisition profit	(1,445,601)	(987,373)
Less: Dividend receivable	-	-
Total carrying amount of investment in associate	1,833,870	3,279,471
<b>10 Non Banking assets</b>		
No non-banking assets is under the possession of the bank which acquired as claims. BRAC Bank limited did not acquire any such assets as on 31 December 2014.		
<b>11 Consolidated Goodwill</b>		
BRAC Bank Limited	246,289,821	246,289,821
BRAC EPL Investments Ltd.	1,126,273,572	1,126,273,572
BRAC EPL Stock Brokerage Ltd.	73,393,751	73,393,751
bkash Limited	54,905,518	54,905,518
BRAC Saajan Exchange Ltd.	1,476,391	1,476,391
BRAC IT Services Limited	(60,093,562)	(30,046,781)
Less: Impairment of Goodwill	1,442,245,491	1,472,292,272

Particulars	2014 Taka	2013 Taka
-------------	--------------	--------------

**12 Borrowing from other Banks, Financial Institutions and Agents:**

	On Shore	Off-shore	Total
<b>Inside Bangladesh:</b>			
State Bank of India	-	-	150,000,000
Rupali Bank Ltd	-	-	2,000,000,000
The Hong Kong & Shanghai Banking Corporation Ltd	-	-	300,000,000
Bangladesh Krishi Bank Limited	-	-	700,000,000
IFIC Bank Limited	900,000,000	-	900,000,000
The Premier Bank Ltd	-	-	1,000,000,000
ICB Islamic Bank Ltd.	-	-	400,000,000
Uttara Bank Limited	-	-	550,000,000
IDCOL	-	109,088,000	450,000,000
Asian Development Bank	-	481,935,200	777,513,000
Dutch-Bangla Bank Limited	-	-	388,756,500
The Premier Bank Ltd	2,354,991,468	-	2,354,991,468
Off Shore to On Shore	-	-	1,929,234,422
On Shore to Off Shore	-	9,506,240,000	6,632,435,768
	3,254,991,468	10,097,263,200	13,352,254,668
			15,277,939,690
<b>Outside Bangladesh:</b>			
Sonali Bank UK Ltd	-	849,249,800	320,364,250
United Bank Ltd, Dubai	-	-	388,756,500
United Bank Ltd, Bahrain	-	849,328,000	-
Borrowing from IFC	-	3,116,800,000	1,166,269,500
Borrowing from FMO	-	1,168,800,000	3,110,052,000
	-	5,984,177,800	4,985,442,250
	3,254,991,468	16,081,441,000	19,336,432,468
			20,263,381,940
Less: Off-shore to On-shore placement			9,506,240,000
Less: On-shore to Off-shore placement			2,354,991,468
			6,632,435,768
			1,929,234,422
			11,701,711,751

**12.1 Security against borrowings from other banks, financial institutions and agents:**

Secured (Treasury bills)  
Unsecured

7,475,201,000	11,701,711,751
7,475,201,000	11,701,711,751

**12.2 Maturity Wise Grouping of Borrowing from Other Bank & Financial Institutions**

Repayable on demand  
Not more than 3 months  
More than 3 months but not more than 1 Year  
More than 1 year but not more than 5 years  
More than 5 years

2,113,292,200	5,105,026,000
485,285,600	320,364,251
3,707,823,200	5,110,052,000
1,168,800,000	1,166,269,500
7,475,201,000	11,701,711,751

**12.3 Disclosure regarding outstanding Repo as on 31 December 2014 :**

Sl. no	Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
I	IFIC Bank Limited	30/12/2014	1/01/2015	485,444,673
II	Sonali Bank Limited.	30/12/2014	1/01/2015	1,960,434,382
				2,445,879,055

**12.3.1 Disclosure regarding outstanding Reverse Repo as on 31 December 2014 :**

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

**12.3.2 Disclosure regarding overall transaction of Repo and Reverse repo during the year 2014 :**

Particulars	Minimum outstanding	Maximum outstanding	Daily average outstanding
<b>Securities sold under repo:</b>			
i) with Bangladesh Bank	172,973,712	3,549,543,167	550,638,444
ii) with other banks & FIs	-	-	-
<b>Securities purchased under reverse repo:</b>			
i) with Bangladesh Bank	190,000,800	3,648,280,224	82,972,652
ii) with other banks & FIs	1,500,000,000	500,000,000	18,219,178
<b>12.a Consolidated Borrowing from other Banks, Financial Institutions and Agents</b>			
BRAC Bank Limited			7,475,201,000
BRAC EPL Investments Ltd.			3,374,519,524
BRAC EPL Stock Brokerage Ltd.			-
Bkash Limited			-
BRAC Saajan Exchange Ltd.			-
BRAC IT Services Limited			36,249,000
Less: Borrowing from BRAC Bank by BRAC EPL Investments Ltd. (Intra Company)			1,531,802,475
			9,354,167,049
			15,099,564,380

**13 Borrowings from Central Bank**

Bangladesh Bank Refinance  
Bangladesh Bank REPO

743,928,892	1,012,826,249
1,643,475,000	425,000,000
2,387,403,892	1,437,826,249

**13.1 Maturity Wise Grouping of Borrowing from Central Bank**

Repayable on demand  
Not more than 3 months  
More than 3 months but not more than 1 Year  
More than 1 year but not more than 5 years  
More than 5 years

1,643,475,000	425,000,000
743,928,892	1,012,826,249
-	-
2,387,403,892	1,437,826,249



Particulars	2014 Taka	2013 Taka
<b>13.a Consolidated Borrowings from Central Bank</b>		
BRAC Bank Limited	2,387,403,892	1,437,826,249
BRAC EPL Investments Ltd.	-	-
BRAC EPL Stock Brokerage Ltd.	-	-
bkash Limited	-	-
BRAC Saajan Exchange Ltd.	-	-
BRAC IT Services Limited	-	-
<b>14 Subordinated Convertible Bonds</b>	<b>2,387,403,892</b>	<b>1,437,826,249</b>
Private Placement	2,700,000,000	2,700,000,000
Public Subscription	300,000,000	300,000,000
(Note - 14.1) (Note - 14.2)	3,000,000,000	3,000,000,000
<b>14.1 Private Placement details</b>		
Nederlandsche Financierings-Maatschappij voor Ontwikkelingslanden N.V.	No. of Unit	
Triodos Fair Share Fund	525,000	525,000,000
Triodos Microfinance Fund	175,000	175,000,000
Norwegian Investment Fund for Developing Countries	175,000,000	175,000,000
Agrani Bank Limited	490,000,000	490,000,000
BRAC Employee Provident Fund	750,000	750,000,000
Delta Life Insurance Company Ltd.	482,500	482,500,000
RACE Asset Management *	20,000	20,000,000
* PIP 1st Mutual Fund, Popular Life 1st Mutual Fund	82,500	82,500,000
Total Private Placement	2,700,000,000	2,700,000,000
<b>14.2 Public Subscription details</b>	No. of Unit	
Other than Non-resident Bangladeshes	212,775	212,775,000
Non-resident Bangladeshes	2,285	2,285,000
Mutual Funds	84,940	84,940,000
Total Subscription received	300,000,000	300,000,000
Less: Refundable against excess subscription	-	-
<b>14.3 Maturity Wise Grouping of Subordinated Convertible Bonds</b>		
Up to 1 month	300,000,000	300,000,000
Not more than 3 months	-	-
More than 3 months but not more than 1 Year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
<b>14.a Consolidated Subordinated Convertible Bonds</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>
BRAC Bank Limited	400,000,000	2,000,000,000
BRAC EPL Investments Ltd.	-	70,000,000
BRAC EPL Stock Brokerage Ltd.	-	777,513,000
bkash Limited	120,000,000	-
BRAC Saajan Exchange Ltd.	700,000,000	-
BRAC IT Services Limited	1,220,000,000	2,847,513,000
<b>15 Money at call and short notice</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>
Banking Company:		
Rupail Bank Ltd.	400,000,000	2,000,000,000
One Bank Ltd.	-	70,000,000
United Commercial Bank Ltd.	-	777,513,000
State Bank of India	120,000,000	-
Dutch Bangla Bank Limited	700,000,000	-
<b>15.1 Maturity Wise Grouping of Money at call and short notice</b>	<b>1,220,000,000</b>	<b>2,847,513,000</b>
Up to 1 month	1,220,000,000	2,847,513,000
Not more than 3 months	-	-
More than 3 months but not more than 1 Year	-	-
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
<b>15.a Consolidated Money at Call and Short Notice</b>	<b>1,220,000,000</b>	<b>2,847,513,000</b>
BRAC Bank Limited	1,220,000,000	2,847,513,000
BRAC EPL Investments Ltd.	-	-
BRAC EPL Stock Brokerage Ltd.	-	-
bkash Limited	-	-
BRAC Saajan Exchange Ltd.	-	-
BRAC IT Services Limited	-	-
<b>16 Deposits and Other Accounts</b>	<b>1,220,000,000</b>	<b>2,847,513,000</b>
Local Currency:	On-Shore	Off-shore
Current & other accounts	47,677,856,550	47,677,856,550
Bills payable	1,035,003,538	991,931,891
Saving deposits	25,820,159,617	25,820,159,617
Fixed deposits	67,330,045,958	67,330,045,958
Other deposits	119,732,050	111,650,229
(Note-16.4)	144,982,797,713	144,982,797,713
Foreign Currency:		
Current & other accounts	1,700,478,790	3,123,611,066
Bills payable	-	-
Saving deposits	698,246,002	649,684,074
Fixed deposits	309,286,622	-
Other deposits	2,708,011,414	3,773,295,140
(Note-16.5)	144,690,809,127	148,464,104,267
<b>Total Deposit and other accounts</b>	<b>144,690,809,127</b>	<b>127,881,536,310</b>

Particulars	2014 Taka	2013 Taka
<b>16.1 Deposits details concentrating liquidity nature</b>		
	<b>On Shore</b>	<b>Off-shore</b>
i) Demand deposit	44,975,640,913	3,123,611,066
Current deposit	39,268,386,803	-
Saving deposit (10%)	2,582,015,962	-
Foreign currency deposit	2,009,765,411	3,123,611,066
Sundry deposit	80,469,199	-
Bills payable	1,035,003,538	-
(Note-16.6)		
ii) Time deposit	99,715,168,214	649,684,074
Saving deposit (90%)	23,238,143,656	-
Foreign currency deposit	698,246,002	649,684,074
Fixed deposit	59,164,553,564	-
Short term deposit	8,409,469,747	-
Deposit pension scheme	8,165,492,394	-
Security deposit	23,037,846	-
Other deposit	16,225,005	-
	<b>144,690,809,127</b>	<b>3,773,295,140</b>
		<b>Total</b>
	48,099,251,979	38,790,897,418
	39,268,386,803	31,185,395,566
	2,582,015,962	2,083,109,914
	5,133,376,477	4,453,667,218
	80,469,199	76,792,829
	1,035,003,538	991,931,891
	100,364,852,288	89,100,638,892
	23,238,143,656	18,749,344,630
	1,347,930,476	723,106,830
	59,164,553,564	55,440,398,319
	8,409,469,747	6,650,068,857
	8,165,492,394	7,502,712,256
	23,037,846	18,175,130
	16,225,005	16,832,870
	<b>148,464,104,267</b>	<b>127,891,536,310</b>
<b>16.2 Deposits and Other Accounts</b>		
Deposits from Banks	88,710,795	47,494,547
Deposits from Customers	148,375,393,472	127,844,041,763
	<b>148,464,104,267</b>	<b>127,891,536,310</b>
<b>16.3 Maturity Wise Grouping of Deposits</b>		
Repayable on demand	1,695,070,477	275,044,237
Repayable within 1 month	22,901,315,329	20,171,070,504
Over 1 month but within 6 months	48,989,917,816	44,077,505,038
Over 6 month but within 1 year	20,946,907,482	18,854,846,158
Over 1 year but within 5 years	32,449,754,647	27,798,688,896
Over 5 years but within 10 years	13,417,016,768	9,324,875,897
Over 10 years	8,064,122,048	7,389,504,580
	<b>148,464,104,267</b>	<b>127,891,536,310</b>
<b>16.4 Bills payable</b>		
Local Drafts issued and Payable	10,783	12,558
Stamp Charges payable for Loan Clients	31,117,239	8,696,594
Insurance Premium payable for SME Loan Clients	126,339,380	85,871,490
Payment Order Issued	711,342,378	691,231,496
Sundry Creditors	3,283,709	18,146,430
Payment Order To Be Issued	5,738,212	5,790,107
Cards Settlement account	157,161,837	182,183,216
	<b>1,035,003,538</b>	<b>991,931,891</b>
<b>16.5 Other Deposits</b>		
Foreign currency	309,286,622	72,634,623
Local Currency		
Security Deposits	23,037,847	18,175,131
Security Deposit from SME Loan client	38,280	495,546
Security Deposit from Retail Loan client	16,186,724	16,186,724
Merchant POS settlement account	-	-
Lease Deposit	5,998,579	3,086,778
Payable against Staff, Clients Loan account and others	74,470,620	73,706,050
	119,732,050	111,650,229
Total other deposits	<b>429,018,672</b>	<b>184,284,852</b>
<b>16.6 Sundry deposit</b>		
Lease Deposit	5,998,579	3,086,779
Payable against Staff, Clients Loan account and others	74,470,620	73,706,050
	<b>80,469,199</b>	<b>76,792,829</b>
<b>16.a Consolidated Deposit and Other Accounts</b>		
BRAC Bank Limited	148,464,104,267	127,891,536,310
BRAC EPL Investments Ltd.	-	39,421,278
BRAC EPL Stock Brokerage Ltd.	6,822,607,478	3,999,575,268
bkash Limited	-	-
BRAC Saajan Exchange Ltd.	-	-
BRAC IT Services Limited	-	-
	<b>155,286,711,745</b>	<b>131,930,532,856</b>
Less: Intra-company transaction:		
BRAC EPL Investments Ltd.	3,039,957	4,639,519
BRAC EPL Stock Brokerage Ltd.	118,302,685	264,035,200
bkash Limited	8,724,713,545	4,907,176,227
BRAC Saajan Exchange Ltd.	66,457,529	75,460,083
BRAC IT Services Limited	7,848,619	-
	<b>8,920,362,335</b>	<b>5,281,311,029</b>
	<b>146,366,349,410</b>	<b>126,679,221,827</b>



Particulars	2014 Take	2013 Take
<b>17 Other Liabilities</b>		
Provisions for loans & advances		
Provisions for Off Balance Sheet Items	(Note - 17.1) 7,009,048,492	7,132,258,152
Provisions for Others	(Note - 17.2) 357,673,833	254,941,567
Interest suspense	538,731	61,777
Withholding tax payable	766,084,298	662,483,056
VAT payable	122,390,590	152,112,096
Provision for taxation	(Note - 17.4) 9,462,342,060	94,874,106
Deferred tax liability	(Note - 17.5) 196,927,321	7,432,473,086
Interest payable	(Note - 17.6) 1,338,267,917	2,49,813,965
Accrued expenses	(Note - 9.2.2) 2,263,041,418	1,631,926,923
Provision for diminution in value of investments	326,035,394	1,194,574,074
Excise duty Payable	185,018,831	299,743,075
Share subscription - IPO (refund warrant)	123,995,454	156,655,041
Right Share subscription	675,015	92,297,241
Payable to Off-shore Banking Unit	13,322,320	1,020,775
Cheque clearing account	241,035,193	-
Margin on L/C	649,785,755	110,438,034
Cash Dividend payable	68,935,311	1,135,489,689
Unclaimed dividend	38,471,949	64,575,237
Supplier payable	3,523,517	30,445,319
Payable against exchange house	77,188,900	3,523,517
Payable against insurance	3,968,902	3,912,704
Payable against freeze account	27,245,315	13,845,386
Others	360,351,049	306,597,073
	94,001,359	72,997,929
Less: Off-shore to On-shore	46,752	(72,997,929)
	23,919,964,806	94,048,111
	383,323,987	24,303,286,792
	13,322,323	24,303,286,792
	24,289,966,469	20,951,049,374
<b>17.1 Provision for Loans and Advances :</b>		
Provision for loans and advances is created for covering the bank from possible loan losses in the future. General provision is made on the outstanding amount of loans and advances without considering the classification status following the prescribed rate of Bangladesh Bank. Classified loans and advances of the banks are categorised as Sub-Standard, Doubtful and Bad/Loss as per Bangladesh Bank circulars. For loans which are classified as sub-standard, doubtful or bad/loss, specific provision is created netting off security value from the amount outstanding (net of unearned interest and interest suspense).		
	On-Shore	Off-shore
<b>A. General</b>		
Balance at the beginning of the year	1,102,681,060	1,43,817,247
Add: Provision made during the year	(67,060,985)	28,879,434
Balance at the end of the year	1,035,620,075	172,696,681
<b>B. Specific</b>		
Balance at the beginning of the year	5,885,759,844	-
Add: Provision made during the year	2,516,419,807	-
Less: Write off during the year	8,402,179,651	-
Balance at the end of the year	2,428,751,234	-
Less: Write off during the year	5,973,428,417	-
Net actual provision at the end of the year (A+B)	7,009,048,492	172,696,681
<b>17.2 Provisions for Off Balance Sheet Items (Note - 17.2)</b>		
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:		
Balance at the beginning of the year		254,941,567
Add: Provision made during the year		102,732,266
Balance at the end of the year		357,673,833
<b>17.3 Interest suspense</b>		
Classified loans and advances of the banks are categorised as sub-standard, doubtful and bad/loss as per guidelines of Bangladesh Bank. Interest accrued on SMA, Sub-Standard, Doubtful and Bad/Loss loans is transferred to interest suspense account and not considered as interest income. This interest is recognized as interest income when it is realized in cash by the bank.		
Balance at the beginning of the year		662,483,056
Add: Amount transferred to "Interest Suspense" Account during the year		979,423,783
Less: Amount recovered in "Interest Suspense" Account during the year		1,641,906,839
Less: Amount written off during the year		645,305,142
Less: Interest waiver during the year		188,630,178
Balance at the end of the year		38,887,221
<b>17.4 Withholding Tax Payable</b>		
Payable On Interest		165,833,887
Payable (Suppliers)		9,046,404
Payable (Contractors & Consultants)		27,641
Payable (Staff Salaries & Allowance)		3,251,126
Payable (Rent)		2,573,132
Payable (Export)		3,260,638
Payable on Commission Paid		4,555,368
Payable on Others		1,547,686
		190,095,862

Particulars	2014 Taka	2013 Taka
-------------	--------------	--------------

17.5 VAT Payable

Payable On L/C Commission  
Payable on Commission for Remittances  
Payable on Loan Processing Fees  
Payable - Credit Cards  
Payable - Supplier  
Payable - Rent  
Payable - DESA & DESCO  
Payable - BPDC  
Payable - DPDC  
Payable - Others

2,398,678	5,053,737
239,698	3,102,882
6,978,335	3,757,678
6,363,137	6,310,237
11,482,477	8,991,931
4,373,462	4,409,151
9,192,499	5,153,159
20,080,220	19,697,800
51,989,898	28,312,039
9,292,186	10,085,492
122,390,590	94,874,106

17.6 Provision for current taxation

Balance at the beginning of the year  
Add: Provision made during the year  
  
Less: Adjustment of tax provision for previous years  
Balance at the end of the year

7,432,473,086	6,951,639,560
2,097,475,597	1,797,698,269
9,529,948,684	8,749,337,829
9,529,948,684	1,316,864,743
	7,432,473,086

Corporate tax position of the Bank has been shown in Annex F.

17.a Consolidated Other Liabilities

BRAC Bank Limited  
BRAC EPL Investments Ltd.  
BRAC EPL Stock Brokerage Ltd.  
bkash Limited  
BRAC Saajan Exchange Ltd.  
BRAC IT Services Limited

24,289,966,469	20,951,049,374
523,798,570	372,747,989
1,032,077,027	527,309,597
702,115,699	478,896,975
221,998,355	194,525,878
231,083,965	141,483,431
27,001,040,085	22,666,013,244

Less: Intra-company transaction:

BRAC Bank Limited  
BRAC EPL Investment Ltd.  
BRAC EPL Stock Brokerage Ltd.  
bkash Limited  
BRAC Saajan Exchange Ltd.  
BRAC IT Services Limited

2,700,000	1,090,414
3,559,838	7,555,246
21,301,467	1,793,579
3,288,515	17,066,058
3,815,936	-
171,826,436	-
206,492,192	27,505,297
26,794,547,893	22,638,507,947

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

12,000,000,000	12,000,000,000
----------------	----------------

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  
361,235,033 ordinary Share of Tk. 10/- each issued as bonus share  
26,400,000 Right Share of Tk. 10/- each issued as right share  
221,652,288 Right Share of Tk. 10/- each issued as right share

1,000,000,000	1,000,000,000
3,612,350,330	3,169,045,760
264,000,000	264,000,000
2,216,522,880	
7,092,873,210	4,433,045,760

18.2.1 Issued, Subscribed and Paid up Capital

Balance at the beginning of the year  
Add: Bonus share issued  
Add: Right share issued  
Closing at the end of the year

4,433,045,760	3,854,822,400
443,304,570	578,223,360
2,216,522,880	-
7,092,873,210	4,433,045,760

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 10th April 2014, the bonus share @10% (Ten bonus shares for every Hundred shares held) amounting to Taka 443,304,570 was approved by the shareholders in 15th Annual General Meeting and the shares was issued accordingly.



Particulars

2014  
Taka

2013  
Taka

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.

18.5 Ordinary Shares

Sponsor	No. of Shares.	% of shareholding
BRAC	316,598,451	44.64%
ShoreCap International Ltd.	-	0.00%
International Finance Corporation	38,002,483	5.36%
Others	47,694	0.01%
Non Sponsor	1,096,669	0.15%
Non Resident Bangladeshis	45,196,879	6.37%
Mutual Funds	308,345,145	43.47%
Institutions & General Public	709,287,321	100%

18.6 Classification of Shareholding

Range of Holding of Shares	No. of Shareholders	No. of Shares	Percentage of Holding of Shares
Less than 500	11,425	2,146,375	0.30%
500 to 5,000	12,568	23,725,064	3.34%
5,001 to 10,000	1,419	9,953,058	1.40%
10,001 to 20,000	768	10,777,446	1.52%
20,001 to 30,000	242	5,962,270	0.84%
30,001 to 40,000	120	4,220,599	0.60%
40,001 to 50,000	64	2,989,915	0.42%
50,001 to 100,000	141	10,118,302	1.43%
100,001 to 1,000,000	151	46,860,828	6.61%
Over 1000000	54	592,533,464	83.54%
Total	26,952	709,287,321	100.00%

18.7 Share Premium

5,000,000 ordinary shares @ Tk. 70 per share  
2,640,000 ordinary shares @ Tk. 400 per share  
221,652,288 ordinary shares @ Tk. 10 per share

350,000,000	350,000,000
1,056,000,000	1,056,000,000
2,216,522,880	-
3,622,522,880	1,406,000,000

18.8 Particulars of Share Premium

Sponsor:	No. of Shares.		
BRAC	316,598,451	1,324,534,000	335,163,840
ShoreCap International Ltd.	-	92,473,920	92,473,920
International Finance Corporation (IFC)	38,002,483	219,056,640	100,298,860
Others	47,694	192,580	63,360
Non Sponsor:			
Non Resident Bangladeshis	1,096,669	91,555,530	87,800,000
Mutual Funds	45,196,879	189,254,190	87,800,000
General Public	308,345,145	1,705,456,020	702,400,000
	709,287,321	3,622,522,880	1,406,000,000

18.8.a Consolidated Share Premium

BRAC Bank Limited	3,622,522,880	1,406,000,000
BRAC EPL Investments Ltd.	147,052,103	147,052,102
BRAC EPL Stock Brokerage Ltd.	-	-
bkash Limited	1,012,096,732	579,916,190
BRAC Sealan Exchange Ltd.	-	-
BRAC IT Services Limited	4,781,671,715	2,132,968,292

## 18.9 Capital Adequacy Ratio - As per BASEL-II

Particulars	2014 Taka	2014 Taka	2013 Taka	2013 Taka
	Consolidated basis		Consolidated basis	
Tier - I (Core Capital)				
Fully paid up capital/ Capital deposited with BB	7,092,873,210	7,092,873,210	4,433,045,760	4,433,045,760
Statutory reserve	3,470,350,332	3,470,350,332	3,281,594,097	3,281,594,097
Non-repayable share premium account	4,781,671,715	3,622,522,880	2,132,968,292	1,406,000,000
General reserve		-	-	-
Retained Earnings	3,226,959,721	2,877,644,859	2,407,550,889	2,017,760,772
Minority interest in subsidiaries	1,322,557,204	-	852,981,119	-
Share money deposit	23,715,983	-	23,715,983	-
Non-cumulative irredeemable preference shares	-	-	-	-
Dividend equalization accounts	-	-	-	-
Sub-total	19,918,128,165	17,063,391,281	13,131,856,140	11,138,400,629
	SOLO Basis		SOLO Basis	
Deductible from Tier - I (Core Capital)				
Book value of Goodwill	1,442,245,491	-	1,472,292,272	-
Shortfall in provision required against classified assets irrespective of any relaxation allowed	-	-	-	-
Deficit on account of evaluation of investment in AFS category	-	-	-	-
Any increase in equity capital resulting from a securitization transaction	1,057,387,675	1,057,387,675	1,087,432,941	1,087,432,941
Deferred tax income arising from "Loan loss provision"	-	-	-	-
Investment in subsidiary	-	-	-	-
Other if any	-	-	-	-
Sub-total	2,499,633,166	1,057,387,675	2,559,725,213	1,087,432,941
Total eligible Tier - I Capital	17,418,494,999	16,006,003,606	10,572,130,927	10,050,967,688
	Tier - II (Supplementary Capital)		Tier - II (Supplementary Capital)	
General Provision	1,565,990,590	1,565,990,590	1,501,439,875	1,501,439,875
Asset revaluation reserve	346,502,407	346,502,407	372,350,971	372,350,971
Preference Share	-	-	-	-
Perpetual Subordinated debt	1,800,000,000	1,800,000,000	2,400,000,000	2,400,000,000
Exchange Equalization Fund	-	-	-	-
Sub-total	3,712,492,997	3,712,492,997	4,273,790,846	4,273,790,846
Deduction (Investment in subsidiary)	-	-	-	-
Total eligible Tier - II Capital (a)	3,712,492,997	3,712,492,997	4,273,790,846	4,273,790,846
	Tier-III (eligible for market risk only)		Tier-III (eligible for market risk only)	
Short term subordinated debt (b)	-	-	-	-
Total Supplementary Capital	3,712,492,997	3,712,492,997	4,273,790,846	4,273,790,846
Total Capital	21,130,987,996	19,718,496,603	14,845,921,773	14,324,758,534
Total Risk Weighted Assets	139,434,245,859	134,035,358,478	129,990,140,242	126,391,496,366
Required capital based on Risk Weighted Assets (10.00%)	13,943,424,586	13,403,535,848	12,999,014,024	12,639,149,637
Surplus/ (Deficiency)	7,187,563,411	6,314,960,756	1,846,907,749	1,685,608,898
Capital Adequacy Ratio:				
On core capital (against standard of minimum 5%)	12.49%	11.94%	8.13%	7.95%
On actual capital (against standard of minimum 10.00%)	15.15%	14.71%	11.42%	11.33%
	19 Statutory Reserve		19 Statutory Reserve	
Balance at the beginning of the year			3,281,594,098	2,934,017,286
Add: Transferred from profit during the year			188,756,234	347,576,811
			3,470,350,332	3,281,594,097
	19.a Consolidated Statutory Reserve		19.a Consolidated Statutory Reserve	
BRAC Bank Limited			3,470,350,332	3,281,594,097
BRAC EPL Investments Ltd.			-	-
BRAC EPL Stock Brokerage Ltd.			-	-
bkash Limited			-	-
BRAC Saajan Exchange Ltd.			-	-
BRAC IT Services Limited			-	-
	20 Revaluation Reserve		20 Revaluation Reserve	
Revaluation Reserve			3,470,350,332	3,281,594,097
Revaluation Reserve on Govt. Securities (note - 20.1)			176,631,281	228,328,408
Assets Revaluation Reserve (note - 20.2)			516,373,535	516,373,535
			693,004,816	744,701,943
	20.1 Revaluation Reserve on Govt. Securities		20.1 Revaluation Reserve on Govt. Securities	
Revaluation reserve is made according to DOS Circular no-05, dated 26th May 2008.				
	20.2 Assets Revaluation Reserve		20.2 Assets Revaluation Reserve	
Balance at the beginning of the year			516,373,535	516,373,535
Add: Reserve made during the year			516,373,535	516,373,535
	20.a Consolidated Revaluation Reserve		20.a Consolidated Revaluation Reserve	
BRAC Bank Limited			693,004,816	744,701,943
BRAC EPL Investments Ltd.			-	-
BRAC EPL Stock Brokerage Ltd.			-	-
bkash Limited			-	-
BRAC Saajan Exchange Ltd.			-	-
BRAC IT Services Limited			-	-
			693,004,816	744,701,943



Particulars

2014  
Taka

2013  
Taka

20.b Share money deposit

20.b.1 Share money deposit in Bkash Ltd

Share money deposited by Money in motion	500,062	500,030
Less: Share money deposited by BBL	-	32
Less: Share money transfer to Share	-	-
Net Share money deposit in Bkash	500,062	500,062
Share of BRAC Bank (as Parent) on Share money deposit (51%)	255,032	255,032

In accordance with the memorandum of understanding with 'Money in motion' (Minority shareholder with 49% share of Bkash Limited) the banks share of 'share money deposit' is disclosed.

20.b.2 Share money deposit in BRAC Saajan Ltd

Share money deposited by BRAC Saajan Ltd.	26,812,516	26,841,814
Exchange difference on translation	-	(29,298)
Less: Share money deposited by BBL	-	-
Share money deposit in BRAC Saajan Ltd.	26,812,516	26,812,516
Share of BRAC Bank (as Parent) on Share money deposit (87.5%)	23,460,951	23,460,951
	23,715,983	23,715,983

21 Surplus in Profit and Loss Account/ Retained Earnings

	On-Shore	Off-shore	Total
Balance at the beginning of the year	1,722,111,670	295,649,102	2,017,760,772
Adjustment for prior year*	156,546,494	-	156,546,494
Adjusted opening balance	1,565,565,176	295,649,102	1,861,214,278
Less: Issue of Bonus Share (10%)	443,304,570	-	443,304,570
Less: Cash Dividend	443,304,582	-	443,304,582
Add: Retained Surplus for the year	1,745,290,942	157,748,791	1,903,039,733
	2,424,246,956	453,397,893	2,877,644,859

\*There was an error while calculating deferred tax assets due to tax rate difference originated in 2010. Since this has been identified in current period, this is adjusted against opening retained earnings as prior period adjustment.

21.a Consolidated Surplus in Profit and Loss Account/ Retained Earnings

BRAC Bank Limited	2,877,644,859	2,017,760,772
Less: Impairment of Goodwill	(60,093,562)	(30,046,781)
Add: Retained Surplus from BRAC EPL Investments Ltd. (Opening)	326,408,559	193,946,381
Add: Retained Surplus from BRAC EPL Investments Ltd. (During the year)	(174,824,122)	132,462,178
Add: Retained Surplus from BRAC EPL Stock Brokerage Ltd. (Opening)	234,746,870	203,382,703
Add: Retained Surplus from BRAC EPL Stock Brokerage Ltd. (During the year)	46,961,315	31,364,167
Add: Retained Surplus from Bkash Limited (Opening)	(176,308,859)	(71,456,741)
Add: Retained Surplus from Bkash Limited (During the year)	96,154,652	(104,852,118)
Add: Retained Surplus from BRAC Saajan Ltd. (Opening)	64,123,503	41,586,993
Add: Retained Surplus from BRAC Saajan Ltd. (During the year)	16,461,632	22,556,510
Add: Retained Surplus from BRAC IT Services Ltd. (Opening)	(29,454,417)	(29,454,418)
Add: Retained Surplus from BRAC IT Services Ltd. (During the year)	5,725,479	1,218,064
Add: Retained Surplus from BRAC IT Services Ltd. (Opening)	1,841,770	623,706
Add: Share of profit from investment in BRAC Asset Management Company Ltd. (Opening)	538,173	(533,157)
Add: Share of profit from investment in BRAC Asset Management Company Ltd. (During the year)	(1,520,530)	(533,157)
Add: Share of profit from investment in BRAC Impact Ventures Limited (Opening)	(1,445,601)	(987,373)
Add: Share of profit from investment in BRAC Impact Ventures Limited (During the year)	3,226,959,721	2,407,550,889

22 Minority Interest (Detail in note - 22.1)

BRAC EPL Investments Ltd.	254,230,267	309,437,884
BRAC EPL Stock Brokerage Ltd.	55,509,123	50,291,200
Bkash Limited	991,522,140	479,808,973
BRAC IT Services Ltd.	5,782,645	281,694
BRAC Saajan Exchange Ltd.	15,513,029	13,161,368
	1,322,557,204	892,981,119

22.1 Calculation of Minority Interest

	BRACEPL Investments Ltd.	BRAC EPL Stock Brokerage Ltd.	Bkash Limited	BRAC Saajan Exchange Ltd.	BRAC IT Services Ltd.
Share Capital	585,000,000	451,500,000	38,194,900	42,889,757	61,224,000
Preference share	-	-	4,097,000	-	-
Share Premium	436,825,951	-	2,133,618,396	-	937,215
Share money deposit	-	-	505,162	26,812,516	-
Retained Earnings	37,466,827	103,591,234	(157,166,111)	54,401,963	(50,359,899)
Total net assets as at 31. December 2014	1,059,292,778	555,091,234	2,019,250,347	124,104,236	11,801,316
Minority Interest at 31. December 2014	254,230,267	55,509,123	991,522,140	15,513,029	5,782,645
Total net assets as at 31. December 2013	1,289,324,517	502,911,997	979,201,986	105,290,942	574,886
Minority Interest as at 31. December 2013	309,437,884	50,291,200	479,808,973	13,161,368	281,694

Particulars	2014 Taka	2013 Taka
<b>23 Contingent Liabilities</b>		
Acceptances and endorsements	144,012,428	-
Import Letters Of Credit - Sight	7,752,643,652	3,421,341,644
Import Letters Of Credit - Usance	15,319,671,959	13,624,203,874
Import Letters Of Credit - Back to Back	1,548,517,070	1,094,034,739
Guarantees Issued	4,250,216,847	6,383,222,685
Tax Liability	43,700,000	143,894,928
Bills for collection	343,486,634	513,609,666
Contingent Assets - FX deals	8,294,132,273	3,027,317,026
Stock of Travelers Cheques (TC)	4,121,968	4,113,045
Stock of Govt. Sanchaya Patra	12,851,000	12,851,000
	<b>37,713,353,830</b>	<b>28,224,588,607</b>
<b>23.1 Significant concentration wise grouping</b>		
i) Documentary credits and short term trade related transactions;	29,358,548,589	25,036,412,609
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:	-	-
iv) Spot and forward foreign exchange rate contracts;	8,311,105,241	3,044,281,070
v) Other exchange contracts	43,700,000	143,894,928
vi) Others	37,713,353,830	28,224,588,607
<b>23.2 Letter of Guarantee</b>		
Letter of Guarantee (Local)	3,501,218,399	5,387,532,796
Letter of Guarantee (Foreign)	644,685,333	995,689,889
Foreign counter Guarantee	104,313,114	-
	4,250,216,847	6,383,222,685
Less: Margin	68,935,311	64,575,237
	4,181,281,536	6,318,647,449
Balance for which the Bank is contingently liable in respect of guarantee issued favoring:		
Directors	-	-
Government	2,550,569,911	2,234,128,002
Bank and other financial Institution	198,624,346	1,277,800,000
Others	1,501,022,590	2,871,294,863
Less: Margin	4,250,216,847	6,383,222,685
	68,935,311	64,575,237
	4,181,281,536	6,318,647,449
<b>23.3 Irrevocable Letter of Credit</b>		
Letter of Credit (Inland)	518,982,881	271,196,676
Letter of Credit (General)	19,897,874,438	11,021,917,444
Back to Back L/C	1,548,517,070	279,770,975
Back to Back Bills	8,737,489	1,329,623,703
Back to Back Bills (EDF)	2,790,733,430	1,171,678,343
Banks' liabilities - PAD (DEF)	-	-
Less: Margin	24,764,845,108	14,074,167,141
	649,785,755	759,827,987
	24,115,059,353	13,314,359,154
<b>23.4 Bills for collection</b>		
Outward local bills for collection	304,368,704	513,609,666
Outward foreign bills for collection	39,117,931	-
Inward local bills for collection	-	-
Inward foreign bills for collection	-	-
	343,486,634	513,609,666
<b>23.5 Suit filed by the Bank</b>		
No law suit filed by the bank against contingent liabilities.		
<b>23.6 Contingent Liabilities (Taxation)</b>		
Large Tax Payers (VAT) Office has issued a demand order of BDT 2,37,00,00,000 against VAT audit for the income year 2009 and BDT 2,00,00,00,000 against VAT audit for the income year 2010. The Bank has filed appeal before Appellate Tribunal Customs, Excise and VAT against the said demand. File numbers are VAT- 123/2013 dated 05 August, 2013 and VAT- 44/2014 dated 08 May, 2014, respectively.		
<b>23.a Consolidated Contingent liabilities</b>		
BRAC Bank Limited	37,713,353,830	28,224,588,607
BRAC EPL Investments Ltd.	-	28,800,000
BRAC EPL Stock Brokerage Ltd.	-	-
bkash Limited	-	-
BRAC Saajan Exchange Ltd.	-	-
BRAC IT Services Limited	-	-
	<b>37,713,353,830</b>	<b>28,253,388,607</b>



Particulars	2014 Taka	2013 Taka
<b>Section -Three: Notes to Profit and loss Account</b>		
<b>24 Income statement</b>		
<b>Income:</b>		
Interest, discount and similar income (Note-24.1)	19,533,667,453	20,439,150,880
Dividend income (Note-27)	55,552,839	77,964,797
Fees, commission and brokerage (Note-24.2)	2,148,420,423	2,215,185,741
Gains less losses arising from investment securities (34,064,247)		172,906,284
Gains less losses arising from dealing from foreign currencies (Note-28)	625,287,380	385,729,774
Gain less losses arising from REPO	107,648,878	232,271,533
Income from non-banking assets	-	-
Other operating income (Note-29)	738,246,871	531,017,393
	<b>23,174,959,297</b>	<b>24,054,216,401</b>
<b>Expenses:</b>		
Interest, fees and commission (Note-26)	9,496,521,445	11,371,009,958
Losses arising from dealing securities	62,138,597	27,845,793
Administrative expenses (Note-24.3)	4,711,897,771	4,766,864,226
Other operating expenses (Note-38)	1,576,475,150	1,200,402,965
Depreciation on banking assets (Note-37)	553,472,304	581,286,895
	<b>16,400,505,267</b>	<b>17,947,409,637</b>
<b>Operating Profit</b>	<b>6,774,454,030</b>	<b>6,106,806,764</b>
<b>24.1 Interest, discount and similar income</b>		
Interest on loans and advances	15,882,581,243	17,351,145,784
Interest on money at call and short notice	57,205,225	50,202,400
Interest on balance with other banks	10,835,732	12,662,018
Interest on treasury bills & bonds	2,311,567,786	2,154,572,610
Interest on fixed deposits with other banks	1,447,890,593	808,206,459
Interest on coupon bearing bond	123,786,574	62,361,609
	<b>19,533,867,153</b>	<b>20,439,150,880</b>
<b>24.2 Fees, commission and brokerage</b>		
Fees	1,717,545,245	1,703,989,937
Commission	430,875,178	511,195,804
	<b>2,148,420,423</b>	<b>2,215,185,741</b>
<b>24.3 Administrative expenses</b>		
Salaries and allowances	2,693,539,925	2,809,947,260
Rent, taxes, insurance, electricity etc.	899,088,069	854,546,531
Legal expenses	140,504,345	67,910,910
Postage, stamps, telecommunication etc.	213,366,270	200,248,690
Stationery, printing, advertisement etc.	267,246,795	274,024,811
Chief Executive's salary & fees	13,783,916	12,954,750
Directors' fees & expenses	671,831	523,862
Auditors' fee	955,000	955,000
Repairs & maintenance of fixed assets	476,639,620	545,752,412
	<b>4,711,897,771</b>	<b>4,766,864,226</b>
<b>25 Interest income</b>		
Interest on loans and advances -		
On-Shore	9,013,822,515	2,720,401,206
Retail	123,786,574	5,540,559,501
Corporate	266,097,395	216,030,859
Lease Finance	-	-
SME	5,096,300,400	8,303,131,048
Credit Cards	544,418,374	547,689,344
Staff	53,093,686	23,333,826
Off-shore	785,062,299	17,351,145,784
Interest on money at call and short notice	57,205,225	50,202,400
Interest on balance with other banks	10,835,732	12,662,018
Interest on fixed deposits with other banks	1,147,890,593	808,206,459
	<b>16,313,450,494</b>	<b>18,222,216,661</b>
Less: Interest income from OBU	-	-
Less: Interest income from BBL	-	-
	<b>253,250,641</b>	<b>68,994,493</b>
	<b>51,119,626</b>	<b>18,820,244</b>
	<b>16,794,142,526</b>	<b>18,134,401,924</b>
<b>25.a Consolidated Interest Income</b>		
BRAC Bank Limited	16,794,142,526	18,134,401,924
BRAC EPL Investments Ltd.	614,643,530	701,673,200
BRAC EPL Stock Brokerage Ltd.	60,708,914	-
Bkash Limited	5,656,414,051	340,723,584
BRAC Saajan Exchange Ltd.	-	1,933,644
BRAC IT Services Limited	-	-
Less: Intra-company Transaction:	856,226,946	463,040,289
	<b>22,269,682,075</b>	<b>18,715,692,063</b>

Particulars	2014 Take	2013 Take
26 Interest Paid on Deposits and Borrowing etc.		
Interest on deposits		
Current	1,317,798,697	1,216,645,213
STTD	465,124,293	319,877,356
Savings	768,395,591	745,925,102
Term	5,367,521,215	7,474,617,283
Interest on money at call and short notice	7,918,839,796	9,757,064,954
Interest on local bank accounts	244,864,882	354,199,379
Interest on dealing of securities - HFI Instruments	337,798,449	695,217,846
Interest on Off shore banking	-	-
Interest on REPO	-	-
Interest on Bond	-	-
Less: Interest pay to OBU	478,112,575	564,527,779
Less: Interest pay to BBL	8,979,615,402	11,371,009,958
26.a Consolidated Interest Paid on Deposits and Borrowing etc.	516,906,043	11,283,195,221
BRAC Bank Limited		
BRAC EPL Investments Ltd.	9,192,151,178	11,283,195,221
BRAC EPL Stock Brokerage Ltd.	481,011,747	494,800,641
bkash Limited	20,294,179	20,294,179
BRAC Saajan Exchange Ltd.	4,773,163,109	39,645,294
BRAC IT Services Limited	-	3,806,142
Less: Intra-company transaction:	858,957,340	463,040,289
	13,587,368,694	11,378,701,188
27 Investment Income		
Interest on treasury bills & bonds	2,311,567,786	2,154,572,610
Gain/(Loss) on dealing of securities - HFI Instruments	(62,138,598)	(27,845,793)
Gain on reverse REPO	107,648,878	232,271,533
Dividend on preference shares	14,510,291	19,951,620
Interest on coupon bearing bond	123,786,574	62,361,609
Gain on trading shares (Realized)	(34,064,247)	172,906,284
Dividend on ordinary shares	41,042,548	58,003,177
	2,502,353,232	2,672,221,040
27.a Consolidated Investment Income		
BRAC Bank Limited	2,502,353,232	2,672,221,040
BRAC EPL Investments Ltd.	(23,170,107)	90,935,769
BRAC EPL Stock Brokerage Ltd.	7,929,178	3,255,278
bkash Limited	2,742,976	-
BRAC Saajan Exchange Ltd.	-	-
BRAC IT Services Limited	(907,428)	(363,666)
Share of profit/(loss) from associate	2,730,394	-
Less: Intra-company transaction:	2,486,217,457	2,766,048,421
28 Commission, Exchange and Brokerage		
Commission from sale of sandhaya patra	14,322,789	4,826,981
Commission from issue of payment orders, DD & TT	22,443,338	20,297,146
Commission from issue of letter of guarantee	44,510,150	51,452,055
Commission from issue of letters of credit (Import & Export)	275,260,796	315,669,629
Commission on visa processing	12,103,649	10,856,119
Commission on Travelers Cheques	495	163
Other commission	3,347,613	2,743,321
Gain or (Loss) on Foreign currency dealings	681,714,216	491,080,163
Loan processing fees	398,640,721	510,963,624
Account activity fees	275,188,626	266,026,670
Import & export related fees	35,148,756	23,594,308
Fees & Commission-Cards	573,123,476	520,573,579
Relationship Fees	9,725,842	12,058,714
Loan Early Settlement Fees	46,554,330	30,520,775
Service Charges for ATM Card	251,124,897	231,373,158
Fund Collection/ Transfer Fees	115,000	7,500
Student Service Center Fees	2,071,500	2,528,200
Cancellation fees	131,800	120,100
Cheque collection fees	448,879	431,527
Trade Finance Charges	717,063	1,677,437
Other fees (Note : 28.1)	105,982,422	104,116,345
	2,752,676,356	2,600,915,515
	15,814,521	104,116,345
	21,031,447	2,705,031,860



Particulars	2014 Taka	2013 Taka
<b>28.1 Other fees</b>		
Passport Endorsement Fees	4,131,700	4,179,710
Locker fees	6,576,480	5,810,430
Service fees - ATM	245,952	49,761
DPS Early Settlement Fees	-	-
Merchant Service Fee	-	-
Service fees - BIT	876,615	927,170
ICM Service Fees	2,138,731	1,713,511
Annual Membership Fees-Premium	96,860	169,200
Membership Fees-ELDORADO	3,069,278	5,349,362
Annual Fees-SMS Banking	70,990,978	62,959,657
Annual Fees-Internet Banking	2,674,673	-
Cash withdrawal from Branch POS	-	50
Syndication Fees	-	-
Valuation fees	6,691,250	17,707,732
Ombuds settlement fees	8,489,905	5,253,762
	105,982,422	-
	15,814,521	104,116,345
	121,796,943	-
<b>28.a Consolidated Commission, Exchange and Brokerage</b>		
BRAC Bank Limited	2,773,707,803	2,600,915,515
BRAC EPL Investments Ltd.	128,183,763	137,603,218
BRAC EPL Stock Brokerage Ltd.	307,653,023	231,978,370
bkash Limited	75,091,655	361,117,874
BRAC Saajan Exchange Ltd.	172,165,862	146,086,090
BRAC IT Services Limited	-	89,655,455
Less: Intra-company transaction:	2,300,004	-
	3,454,502,102	3,567,356,522
<b>29 Other operating income</b>		
Recovery of written off bad debts	627,674,270	454,365,129
Profit on sale of assets	1,259,544	(4,569,664)
Profit share from other bank	29,386,275	20,847,371
Loan Penal Interest	25,586,056	23,869,078
Miscellaneous income	53,654,682	36,505,479
	737,560,827	531,017,393
<b>29.a Consolidated Other operating income</b>		
BRAC Bank Limited	738,246,870	531,017,393
BRAC EPL Investments Ltd.	5,046,186	3,495,399
BRAC EPL Stock Brokerage Ltd.	516,644	59,376,030
bkash Limited	662,712,084	132,246,591
BRAC Saajan Exchange Ltd.	13,160,360	10,497,621
BRAC IT Services Limited	240,795,916	-
Less: Intra-company transaction:	117,195,892	-
	1,543,282,208	736,633,034
<b>30 Consolidated Salaries and allowances</b>		
BRAC Bank Limited	2,693,539,926	2,809,947,260
BRAC EPL Investments Ltd.	70,079,943	91,010,949
BRAC EPL Stock Brokerage Ltd.	104,261,266	91,577,149
bkash Limited	408,099,295	257,452,032
BRAC Saajan Exchange Ltd.	56,320,472	47,114,230
BRAC IT Services Limited	145,200,465	78,499,307
	3,477,501,367	3,375,600,927
<b>31 Rent, Taxes, Insurance, Electricity etc.</b>		
Rent, rates & taxes	On-Shore	Total
Insurance	664,646,746	665,321,706
Power & electricity	81,151,694	81,202,610
WASA & Sewerage	142,066,224	142,327,193
	10,229,284	10,236,560
	898,093,948	899,086,069
	Off-shore	
	674,960	641,832,355
	50,916	73,891,874
	260,969	128,715,063
	7,276	10,107,219
	994,121	854,546,531
<b>31.a Consolidated Rent, Taxes, Insurance, Electricity etc.</b>		
BRAC Bank Limited	899,086,069	854,546,531
BRAC EPL Investments Ltd.	27,646,504	24,528,834
BRAC EPL Stock Brokerage Ltd.	24,996,291	19,191,600
bkash Limited	5,545,248	5,959,260
BRAC Saajan Exchange Ltd.	14,841,631	6,523,796
BRAC IT Services Limited	11,123,093	-
	983,240,836	910,750,021

Particulars	2014 Taka	2013 Taka	
<b>32 Consolidated Legal expenses</b>			
BRAC Bank Limited	140,504,345	67,910,910	
BRAC EPL Investments Ltd.	2,219,983	4,654,575	
BRAC EPL Stock Brokerage Ltd.	-	-	
bkash Limited	15,349,206	12,791,572	
BRAC Saajan Exchange Ltd.	3,279,587	2,170,910	
BRAC IT Services Limited	-	-	
	161,353,121	87,527,967	
<b>33 Postage, Stamp, Telecommunication etc</b>			
	On-Shore	Off-shore	Total
Postage & courier	35,660,726	3,046	35,663,772
Telegram, telex, fax & Network	76,990,181	-	76,990,181
Court fees & stamps	24,756,545	2,700	24,759,245
Telephone	81,786,451	166,621	81,953,072
	219,193,903	172,367	219,366,270
<b>33.a Consolidated Postage, Stamp, Telecommunication etc</b>			
BRAC Bank Limited	219,366,270	200,248,690	11,318,578
BRAC EPL Investments Ltd.	-	19,949,318	19,482,864
BRAC EPL Stock Brokerage Ltd.	2,985,988	14,335,484	4,425,065
bkash Limited	4,425,065	10,370,980	251,483,787
BRAC Saajan Exchange Ltd.	10,370,980	-	-
BRAC IT Services Limited	-	-	-
	251,483,787	259,050,809	274,024,811
<b>34 Stationery, Printing, Advertisement etc.</b>			
	On-Shore	Off-shore	Total
Stationery & Printing	99,942,968	178,129	100,121,097
Security Stationery	33,227,514	4,151	33,231,665
Advertisement	133,996,032	-	133,996,032
Billboard Rent	30,875,715	-	30,875,715
Printing	19,199,363	-	19,199,363
Publications	42,989,426	-	42,989,426
Campaign	40,931,528	-	40,931,528
	267,166,514	182,280	267,348,794
<b>34.a Consolidated Stationery, Printing, Advertisement etc.</b>			
BRAC Bank Limited	267,348,795	274,024,811	3,423,355
BRAC EPL Investments Ltd.	3,423,355	2,496,296	6,934,870
BRAC EPL Stock Brokerage Ltd.	6,934,870	1,625,890	201,999,191
bkash Limited	201,999,191	611,980,518	4,232,309
BRAC Saajan Exchange Ltd.	4,232,309	7,853,980	925,529
BRAC IT Services Limited	925,529	-	-
	484,864,049	897,961,495	274,024,811
<b>35 Directors' Fees &amp; Expenses</b>			
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:			
Directors Fees	540,000	360,000	131,831
Traveling & Others	131,831	163,862	671,831
	671,831	523,862	671,831
<b>35.a Consolidated Director's Fees &amp; Expenses</b>			
BRAC Bank Limited	671,831	523,862	623,250
BRAC EPL Investments Ltd.	623,250	931,500	315,000
BRAC EPL Stock Brokerage Ltd.	315,000	615,000	1,082,198
bkash Limited	1,082,198	1,923,702	-
BRAC Saajan Exchange Ltd.	-	-	-
BRAC IT Services Limited	-	-	-
	150,000	3,994,064	2,842,279
<b>36 Auditors' Fee</b>			
Auditors' fee is BDT 700,000 (Excluding VAT) and out of pocket expenses are BDT 150,000.	955,000	955,000	955,000
	955,000	955,000	955,000
<b>36.a Consolidated Auditors' fee</b>			
BRAC Bank Limited	955,000	955,000	253,000
BRAC EPL Investments Ltd.	253,000	115,500	137,500
BRAC EPL Stock Brokerage Ltd.	137,500	405,094	2,813,705
bkash Limited	655,500	1,559,473	50,000
BRAC Saajan Exchange Ltd.	2,813,705	-	-
BRAC IT Services Limited	50,000	-	-
	4,864,705	3,288,067	4,864,705



Particulars

2014  
Taka

2013  
Taka

37

Depreciation on and repairs to bank's assets

Furniture & fixtures  
Depreciation on Leasehold Building  
Office equipments  
IT hardware  
Motor vehicles  
Amortization of intangible assets  
IT software  
Repairs & Maintenance expenses  
Transportation cost  
Equipment repairing  
Hardware & Software Maintenance  
Premises Maintenance

On-Shore	Off-shore	Total
140,804,385	45,297	140,849,682
44,378	-	44,378
127,231,856	78,872	127,310,728
182,927,781	343,976	183,271,757
12,419,867	177,188	12,597,055
88,717,943	690,761	89,398,704
552,146,210	1,326,094	553,472,304
120,942,111	1,578,879	122,520,990
53,096,175	34,737	53,130,912
263,894,212	1,070,571	264,964,783
35,979,405	43,528	36,022,934
473,911,903	2,727,746	476,639,649
1,026,058,113	4,053,810	1,030,111,923

37 a Consolidated Depreciation on and repairs to bank's assets

BRAC Bank Limited  
BRAC EPL Investments Ltd.  
BRAC EPL Stock Brokerage Ltd.  
bkash Limited  
BRAC Saajan Exchange Ltd.  
BRAC IT Services Limited

1,030,111,923	1,127,039,108
16,154,198	20,900,973
30,553,241	21,570,991
189,752,985	94,301,674
3,619,852	2,655,608
44,424,914	-
1,314,617,113	1,266,468,354

38 Other Expenses

Conveyance expense  
Fuel expenses  
Traveling cost  
Professional fees  
Entertainment  
Staff welfare  
SWIFT  
Business development  
Books, news papers and periodicals  
Donation and subscription  
VAT & excise duty  
Fraud and forgeries  
Staff training  
Staff liveries  
Staff recruitment  
Salaries and allowance -outsourcing staff  
Bank charges  
Crockeries  
IPO Expenses  
Documentation Charges - CIB  
IT enabled services  
Credit card expenses  
AGM expenses  
Right issue expenses  
Bond issue expenses  
Security Guard cost  
Commission paid  
Cash carrying charges  
Miscellaneous

On-Shore	Off-shore	Total
54,495,656	132,071	54,627,727
75,149,821	121,361	75,271,172
47,851,592	58,764	47,910,356
56,274,135	17,563,589	73,837,734
16,226,347	82,702	16,309,049
88,495,063	-	88,495,063
8,821,962	-	8,821,962
73,765,749	1,204,987	74,970,736
816,834	35,746	852,580
29,703,429	-	29,703,429
18,679,881	-	18,679,881
66,383,508	-	66,383,508
44,983,076	453,766	45,436,842
1,621,150	4,200	1,625,350
1,032,637	262,044	1,294,681
225,158,545	-	225,158,545
119,245,366	35,287	119,280,673
1,140,234	-	1,140,234
14,405,000	-	14,405,000
8,169,742	-	8,169,742
122,000,000	-	122,000,000
207,111,024	-	207,111,024
3,650,000	-	3,650,000
12,149,732	-	12,149,732
5,280,921	-	5,280,921
189,517,589	3,528	189,521,117
5,226,674	-	5,226,674
57,667,278	-	57,667,278
1,446,774	47,365	1,494,139
1,556,469,739	20,005,410	1,576,475,149

38 a Consolidated Other Expenses

BRAC Bank Limited  
BRAC EPL Investments Ltd.  
BRAC EPL Stock Brokerage Ltd.  
bkash Limited  
BRAC Saajan Exchange Ltd.  
BRAC IT Services Limited  
Less: Intra-company transaction:

1,576,475,149	1,200,402,965
61,798,767	8,585,209
91,474,568	26,551,418
458,272,086	117,862,918
73,204,333	9,384,567
17,324,506	55,374,227
119,495,856	-
2,159,053,553	1,418,161,304

39 Provisions

For Loans & Advances:  
For classified loans & advances  
For unclassified loans & advances  
For Off Balance Sheet Items  
For diminution in value of Investments

On-Shore	Off-shore	Total
2,516,419,807	-	2,516,419,807
(67,060,985)	28,567,387	110,223,172
2,449,358,822	28,567,387	2,477,926,209
102,732,266	-	20,941,567
30,000,000	-	30,000,000
2,582,091,088	28,567,387	2,610,658,475
		2,931,078,411

Particulars	2014 Taka	2013 Taka
<b>39.a Consolidated Provisions</b>		
BRAC Bank Limited	2,610,658,475	2,931,078,411
BRAC EPL Investments Ltd.	278,572,688	-
BRAC EPL Stock Brokerage Ltd.	-	-
bkash Limited	-	-
BRAC Saajan Exchange Ltd.	-	2,625,000
BRAC IT Services Limited	-	2,933,703,411
	<u>2,889,231,163</u>	<u>2,933,703,411</u>
<b>40 Provision for Tax</b>		
<b>Current Tax</b>		
Provision for Income Tax has been made according to the Income Tax Ordinance, 1984. During the year, an amount of Tk. 2,097,475,597 (2013 : 1,797,698,269) has been provided for current Income Tax.		
<b>Deferred Tax</b>		
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 period net amount of Tk. 25,476,009 (2013 : 19,218,128) 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%	2,097,475,597	1,797,698,269
Adjustment - prior year	2,097,475,597	1,797,698,269
	(25,476,009)	(19,218,128)
Net deferred Tax liability/(asset) originated for temporary income Tax on Profit	<u>2,071,999,588</u>	<u>1,778,480,141</u>
<b>40.a Consolidated Provision for Income Tax</b>		
<b>Current Tax:</b>		
BRAC Bank Limited	2,097,475,597	1,797,698,269
BRAC EPL Investments Ltd.	17,200,000	99,934,693
BRAC EPL Stock Brokerage Ltd.	62,969,796	66,853,004
bkash Limited	19,182,653	(84,920,393)
BRAC Saajan Exchange Ltd.	6,518,952	7,802,126
BRAC IT Services Limited	-	-
	<u>2,203,346,998</u>	<u>1,887,367,700</u>
<b>Deferred Tax:</b>		
BRAC Bank Limited	(25,476,009)	(19,218,128)
BRAC EPL Investments Ltd.	(4,248,325)	-
BRAC EPL Stock Brokerage Ltd.	-	-
bkash Limited	118,242,301	-
BRAC Saajan Exchange Ltd.	-	-
BRAC IT Services Limited	-	-
	<u>88,517,967</u>	<u>(19,218,128)</u>
	<u>2,291,864,965</u>	<u>1,868,149,572</u>
<b>41 Weighted Average Earnings Per Share</b>		
Profit after taxation	2,091,795,966	1,397,248,212
Less: Preference dividend	-	-
Profit attributable for distribution to ordinary shareholders	2,091,795,966	1,397,248,212
Weighted average number of shares	655,302,051	565,326,601
Weighted average/adjusted earnings per share (Taka)	<u>3.19</u>	<u>2.47</u>
Weighted average earnings per share (EPS) of 2013 has been restated as per BAS-33 "Earnings per Share".		
<b>41.a Consolidated Weighted Average Earnings Per Share</b>		
Profit after taxation	2,101,567,513	1,339,351,330
Less: Preference dividend	-	-
Profit attributable to Minority	50,246,800	(80,033,522)
Profit attributable for distribution to ordinary shareholders	2,051,320,713	1,419,384,852
Weighted average number of shares	655,302,051	565,326,601
Weighted average/adjusted earnings per share (Taka)	<u>3.13</u>	<u>2.51</u>
Weighted average earnings per share (EPS) of 2013 has been restated as per BAS-33 "Earnings per Share".		
As the Bank issued eight share during the year required adjustments has been made to the weighted average number of shares to reflect Theoretical Ex Right Share price for both 2014 and 2013, as per BAS 33.		
<b>Section -Four : Notes to Cash Flow Statement</b>		
<b>42 Cash &amp; Cash Equivalent</b>		
Cash in hand (including foreign currency)	7,558,012,102	8,525,477,864
Balance with Bangladesh Bank and its agents banks ( including foreign currency)	9,531,154,365	8,635,937,163
Money at call and on short notice	24,579,061,716	9,208,271,163
Prize Bond	-	-
	<u>3,053,500</u>	<u>1,462,300</u>
	<u>41,671,281,683</u>	<u>26,371,148,490</u>
<b>42.a Consolidated Cash &amp; Cash Equivalent</b>		
BRAC Bank Limited	41,671,281,683	26,371,148,490
BRAC EPL Investments Ltd.	19,531,387	30,444,789
BRAC EPL Stock Brokerage Ltd.	683,188,415	492,675,329
bkash Limited	8,725,804,857	4,909,402,841
BRAC Saajan Exchange Ltd.	171,917,816	151,064,309
BRAC IT Services Limited	7,872,872	17,005,871
Less: Intra-company transaction:	8,920,362,336	3,321,782,988
	<u>42,359,234,694</u>	<u>28,649,958,641</u>



Particulars	2014 Taka	2013 Taka
<b>43 Receipts from other operating activities</b>		
Loan Penal Interest	25,586,056	26,272,099
Miscellaneous Interest	53,654,682	53,654,478
Gain on trading shares	(34,064,247)	(34,064,247)
Profit share from other bank	29,386,276	29,386,276
	<b>74,562,767</b>	<b>75,248,810</b>

<b>43.a Consolidated Receipts from other operating activities</b>		
BRAC Bank Limited		75,248,810
BRAC EPL Investments Ltd.		769,601
BRAC EPL Stock Brokerage Ltd.		21,579,314
bkash Limited		6,394,217,790
BRAC Saajan Exchange Ltd.		15,903,336
BRAC IT Services Limited		261,931,815
		<b>6,769,650,666</b>

44	Payment for other operating activities				
		On-shore	Off-shore	Total	
	Rent, taxes, insurance, electricity etc.	875,138,722	994,121	876,132,843	837,737,208
	Audit fees	-	-	-	847,500
	Directors fees & expenses	671,831	-	671,831	523,862
	Repair & maintenance	350,605,797	4,053,810	354,659,607	385,076,525
	Other expenses	980,946,367	20,005,411	1,000,951,778	1,439,609,003
	Legal expenses	54,881,371	-	54,881,371	41,286,885
		2,262,244,088	25,053,342	2,287,297,430	2,705,050,983
44.a	Consolidated Payment for other operating activities				
	BRAC Bank Limited			2,287,297,430	2,705,050,983
	BRAC EPL Investments Ltd.			35,007,733	66,557,088
	BRAC EPL Stock Brokerage Ltd.			20,041,502	2,512,849
	bkash Limited			-	-
	BRAC Saajan Exchange Ltd.			160,547,280	120,369,966
	BRAC IT Services Limited			-	-
				2,502,893,945	2,894,490,886

**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, in the 53rd Audit Committee Meeting held on April 15, 2014, reconstituted the Audit Committee as under:

Sl No	Name of Director	Status with The Bank	Status with the Committee	Educational Qualification
01	Mr. Haifz G.A Siddiqi	Director	Chairman	Ph.D (Manchester Business School), UK,
02	Mr. Shih Nazeem Karir	Director	Member	MBA, (Graduate School of Business, Indiana University), USA
03	Mr. Muhammad A (Runee) Ali	Director	Member	MA (Economics)
04	Ms. Nihad Kabir	Director	Member	L.L.B., L.L.M.(UK), (Barrister at Law)

During the period ended 31 December 2014, the Audit Committee of the Board conducted 06 (Six) meeting in which among others, the following issues were discussed:

**Facts Discussed**

- Discussed the audit report of different Head Office departments, Branches and SME Sales & service centers, IT conducted by the Bank's internal audit team from time to time.
- Discussed the Enterprise Risk Management Report prepared and conducted by ERM team
- Discussed the fraud/forgeries & operational loss report
- Discussed technology incidents
- Reviewed service quality report of the Bank.
- Reviewed the ERM 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 arms length basis. As on 31 December 2014, 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 the end of period
BRAC & its Associated Organization	Sponsor Shareholder	Deposits made with us	7,764,009,717
BRAC EPL Investments Ltd.	Subsidiary	Deposits made with us	5,606,524
BRAC EPL Stock Brokerage Ltd.	Subsidiary	Deposits made with us	1,19,815,544
bkash	Subsidiary	Deposits made with us	8,736,849,852
BRAC IT Services Limited (b)TS	Subsidiary	Deposits made with us	15,424,172
BRAC Saajan Exchange Limited	Subsidiary	Deposits made with us	66,457,529
BRAC Impact Ventures Limited	Associates	Deposits made with us	14,528,266
BRAC Asset Management Company Ltd	Associates	Deposits made with us	64,353,125
BRAC EPL Stock Brokerage Ltd.	Subsidiary	Loans (Non funded)	500,000,000
BRAC EPL Investments Ltd.	Subsidiary	Loans & Advances	1,531,802,475
BRAC	Sponsor Shareholder	Loans & Advances	2,594,829,056

ii) Name of Directors and the entities in which they have interest as on 31 December 2014

Sl no	Name of Director	Status with The Bank	Name of the firms/companies in which they have interest	Educational Qualification
01	Sir Fazle Hasan Abed (Nominated Director)	Chairman	BRAC BRAC Industries Limited BRAC Kodala Tea Estate BRAC Kalycherra Tea Company Limited BRAC Kamatuli Tea Company Limited BRAC Banskhal Tea Company Limited BRAC Foundation	FCMA, London
02	Mr. Muhammad A (Rumee) Ali (Nominated Director)	Director	BRAC Environmental Enterprises Limited BRAC Lanka Finance Ltd BRAC Foundation BRAC Myanmar Microfinance Co. Ltd. Alliance for Bangladesh Worker Safety BRAC SAJAN Exchange Ltd. BRAC Services Ltd. BRAC EPL Investments Ltd. BRAC EPL Stock Brokerage Ltd. bkash Ltd. BRAC IT Services Ltd.	MA (Economics)
03	MS. Zahida Ispahani (Independent Director)	Director	Isphani Islamia Eye Institute & Hospital BRAC EPL Stock Brokerage Ltd.	Graduate
04	Ms. Nilad Kabir (Independent Director)	Director	Kedarpur Tea Company Ltd. Shastaganj CNG Co. Ltd. Sathgo Tea Estate Ltd. Infrastructure Development Company Ltd. (IDCOL)	L.L.B., L.L.M.,(UK) (Barister at Law)
05	Mr. Hafiz G.A Siddiqi (Independent Director)	Director	BRAC EPL Investments Ltd. BRAC IT Services Ltd.	Ph.D (Manchester Business School), UK, MBA, (Graduate School of Business Indiana University), USA
06	Tamara Hasan Abed (Nominated Director)	Director	BRAC Services Ltd. Solv IT Limited BRAC Industries Limited Bangladesh Netting Factory Ltd. Ayesta Abed Foundation Board of Trustees, BRAC University BRAC Kamatuli Tea Company Limited BRAC Kalycherra Tea Company Limited BRAC Banskhal Tea Company Limited BRAC Kodala Tea Estate BRAC Environmental Enterprises Ltd.	MBA in Finance (Columbia Business School, Columbie University, NY, USA)  Bsc in Economics (London School of Economics, London, UK)
07	Shib Narayan Kaity (Nominated Director)	Director	Bkash Limited BRAC IT Services Ltd. BRAC Impact Ventures Ltd. BRAC Environmental Enterprises Ltd. BRAC Probashbandhu Ltd. BRAC Kamatuli Tea Company Limited BRAC Kalycherra Tea Company Limited BRAC Banskhal Tea Company Limited BRAC Kodala Tea Estate BRAC Services Ltd.	Master of Commerce in Accounting University of Dhaka
08	Mr. Syed Mahbubur Rahman	Managing Director & CEO	BRAC EPL Investments Limited BRAC EPL Stock Brokerage Limited Industrial and Infrastructure Development Finance Company Limited (IIDFC) Bangladesh Rating Agency Limited bkash Limited BRAC IT Services Ltd. BRAC Sajjan Exchange Ltd.	MBA (IBA)

iii) Significant contracts where bank is a party and wherein Directors have interest

NII

iv) Shares issued to Directors and executives without consideration or exercisable at discount

NII

v) Lending Policies to related parties:

Lending to related parties is effected as per requirement of section 27(1) of the The Banking Companies Act -1991.

NII

vi) Loan and advances to Directors:  
Classification Status

80,794  
Unclassified

vii) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the The Banking Companies Act-1991.

NII

viii) Investment in the Securities of Directors and their related concern:

NII



45.3 Claim not Acknowledged as Debt

There was no claim against the bank not acknowledged as debt as on 31.12.2014.

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 6,886(2013: 6,624 ).

45.5 Post Balance Sheet Events:

- a) The Board of Directors in its 183rd Board meeting held on 16 March 2015 has proposed 20% cash dividend subject to the approval of the Shareholders at the next Annual General Meeting.

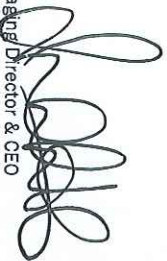
45.6 Coverage of External Audit:

The external auditor of the Bank, M/s Hoda Vasi Chowdhury & Co. Chartered Accountants worked about in excess of 3750 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.

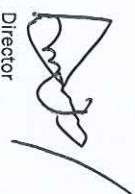
45.7 Share trading

The bank traded its ordinary shares in CDBL through DSE and CSE on 31 January 2007. The closing market price on 31 December 2014 was Tk.37.20 at DSE and Tk. 37.30 at CSE.

Managing Director & CEO



Md. G. A. Siddiqui  
Director



Director



Chairman

BRAC BANK LIMITED  
Highlights on the overall Activities  
As at 31 December 2014

Particulars	2014	2013	Amount in Taka
Paid-up capital	7,092,873,210	4,433,045,760	
Total capital including general provisions	19,718,496,603	13,963,547,278	
Capital surplus/(deficit)	6,314,960,756	1,685,608,898	
Total assets	204,593,071,725	179,712,739,256	
Total deposits	148,464,104,266	127,891,536,311	
Total loans & advances	121,940,553,133	117,110,645,783	
Total contingent liabilities & commitments	37,713,353,830	28,224,588,607	
Credit deposit ratio (Loans & advances/Deposits)*	72.13%	77.80%	
Percentage of classified loans against total loans & advances	5.72%	6.49%	
Profit after tax & provisions	2,091,795,966	1,397,248,212	
Amount of classified loans during the current year	6,980,384,870	7,600,698,577	
Provision kept against classified loans	5,973,428,417	5,885,759,844	
Provisions surplus/deficit	1,676,416,524	1,259,818,537	
Cost of fund	7.43%	8.13%	
Interest earning assets	191,688,240,050	168,624,278,651	
Non-Interest earning assets	12,904,831,675	11,088,460,605	
Return on Investment (ROI) [PAT/(Shareholders equity+Borrowings)]	7.13%	5.70%	
Return on assets (ROA) [PAT/Average assets]	1.09%	0.78%	
Return on Equity (ROE) [PAT/Average shareholders equity]	14.11%	12.60%	
Income from investments	2,502,353,232	2,672,221,040	
Weighted average earning per share	3.19	2.47	
Net income per share [(PAT-Dividend on preference share/No. of Ordinary Shares)]	3.19	2.47	
Price earning ratio (Market price per share/EPS)	11.14	10.34	
Net Asset Value per Share (NAV) [(Shareholders equity- Preference Share)/No. of Ordinary Share]	25.03	26.81	

\* Credit deposit ratio has been computed as per Bangladesh Bank guideline.



## BRAC BANK LIMITED

Balance with other bank and financial institutions ( Outside Bangladesh on Demand Deposit Accounts )

As at 31 December 2014

Name of Bank	A/C Type	December 2014			December 2013		
		FC Amount	Exchange Rate	Equivalent Taka	FC Amount	Exchange Rate	Equivalent Taka
Standard Chartered Bank-NY (USD)	CD	164,357.50	77.92	12,806,736	36,098.70	77.75	2,806,721
Mashreq Bank PSCNY (USD)	CD	45,894	77.92	3,576,030	162,797	77.75	12,657,647
The Bank of Nova Scotia- Canada (CAD)	CD	7,098.73	67.04	475,895	37,218.75	72.63	2,703,228
AB Bank Mumbai (ACU Dollar)	CD	4,448.00	77.92	346,588	2,082.90	77.75	161,948
ICICI Mumbai (ACU Dollar)	CD	73,990.93	77.92	5,765,373	2,868.35	77.75	223,018
Standard Chartered Bank-UK (GBP)	CD	41,383.47	121.32	5,020,701	31,790.31	128.15	4,073,792
Hypo Vereins Bank Germany (EURO)	CD	8,948.52	94.99	850,006	4,204.32	106.85	449,214
HSBC - NY (USD)	CD	-	-	-	783,977.62	77.75	60,955,279
HSBC - UK (GBP)	CD	-	-	-	22,747.28	128.15	2,914,966
HSBC - AUS (AUD)	CD	1,026.54	63.50	65,190	10,198.04	68.96	703,232
Habib Bank Pakistan	CD	77,010.84	77.92	6,000,685	-	-	-
Union DE Banques Arabes ET Francaises (JPY)	CD	3,931,469.40	0.65	2,544,840	6,229,414.00	0.74	4,605,406
Westpack Banking Corporation, (AUD)	CD	72,218.97	63.50	4,586,251	72,868.09	68.96	5,024,809
HSBC - Pakistan (ACU Dollar)	CD	-	-	-	12,070.01	77.75	938,459
Zuercher Kantonal Bank, Zurich (CHF)	CD	71,665.58	78.95	5,657,736	5,643.89	87.20	492,171
ING Belgium NV/SA (EURO)	CD	21,710.95	94.99	2,062,288	27,849.96	106.85	2,975,651
Commerz Bank AG Germany (EURO)	CD	56,944.57	94.99	5,409,074	210,101.71	106.85	22,448,485
JP Morgan Chase Bank (USD)	CD	1,722,848.88	77.92	134,244,385	1,332,801.65	77.75	103,627,061
Unicredito Italiano SPA (EURO)	CD	16,462.31	94.99	1,563,728	14,035.15	106.85	1,499,597
SCB Frankfurt (EURO)	CD	4,084.81	94.99	388,010	405.61	106.85	43,338
United Bank of India (USD)	CD	71,633.21	77.92	5,581,660	474,652.32	77.75	36,904,835
Commerz Bank, AG Germany (USD)	CD	36,298	77.92	2,828,304	2,147	77.75	166,927
Sonali Bank Limited (UK)	CD	44,188	77.92	3,443,160	14,028	128.15	1,797,686
HDFC Bank Limited (ACU)	CD	329,852	77.92	25,702,039	49,616	77.75	3,857,705
Deutsche Bank Trust Company (USD)	CD	139,812	77.92	10,894,134	210,896	77.75	16,397,476
Commerz Bank - Frankfurt (USD)	CD	-	-	-	88	128.15	11,222
Bank of America N.A New York	CD	-	-	-	15,017	77.75	1,167,617
<b>Total</b>				<b>239,812,814</b>			<b>289,607,488</b>

BRAC BANK LIMITED  
Investment in Shares  
As at 31 December 2014

Sl. no	Name of the company	Face value	No. of shares	Cost of holding	Average cost	Quoted rate per share as on 31/Dec/14	Total market value at 31/Dec/14
<u>Quoted</u>							
Ordinary shares							
1	ACTIVEFINE	10.00	351,000	23,741,293	67.64	73.90	25,938,900
2	ARGONDENIM	10.00	356,057	28,638,440	80.43	41.20	14,669,548
3	BATASHOE	10.00	11,500	14,234,781	1,237.81	1,172.10	13,479,150
4	BATBC	10.00	20,350	46,897,340	2,304.54	2,650.30	53,933,605
5	EBL	10.00	743,060	20,037,946	26.97	27.20	20,211,232
6	EBLN RBMF	10.00	5,143,347	42,710,189	8.30	4.90	25,202,400
7	ENVOYTEX	10.00	509,644	24,890,220	48.84	51.60	26,297,630
8	EXIM1STMF	10.00	5,522,648	50,000,000	9.05	7.00	38,658,536
9	FBFIF	10.00	29,934,022	249,506,021	8.34	7.40	221,511,763
10	LRGLOBMF1	10.00	31,038,090	297,596,597	9.59	5.00	155,190,450
11	MATINSPINN	10.00	1,053,600	46,118,204	43.77	41.90	44,145,840
12	Olympic	10.00	308,475	49,690,880	161.09	227.30	70,116,368
13	PREMIERCEM	10.00	279,149	32,139,468	115.13	80.90	22,583,154
14	SQUARETEXT	10.00	481,350	40,769,290	84.70	91.00	43,802,850
15	TITASGAS	10.00	3,642,000	322,860,747	88.65	79.70	290,267,400
16	UNIQUEHRL		306,400	30,049,482	98.07	65.90	20,191,760
				<u>1,319,880,898</u>			<u>1,086,200,587</u>
<u>Unquoted</u>							
1	Industrial and Infrastructure Development Finance Co. Ltd.	10.00	732,911	9,338,120	12.74	-	-
2	Central Depository Bangladesh Ltd.	10.00	2,284,721	26,623,470	11.65	-	-
3	Bangladesh Rating Agency of Bangladesh Limited	100.00	124,976	12,497,600	100.00	-	-
Preference shares							
1	Summit Purbanchal & Uttaranchal Power Co Ltd	100.00	894,473	89,447,300	100.00	-	-
				<u>137,906,490</u>		-	-



BRAC BANK LIMITED  
Schedule of Fixed assets including premises, furniture and fixtures  
As at 31 December 2014

Particulars	C O S T				Rate of Dep. %	D E P R E C I A T I O N				Writ- down value 31.12.2014
	Balance as on 01.01.2014	Addition during the year	Adjustment during the year	Balance as on 31.12.2014		Balance as on 01.01.2014	Charged during the year	Adjustment during the year	Balance as on 31.12.2014	
<u>Property, plant &amp; equipments</u>										
Land	604,314,000	438,984,935	-	1,043,298,935		-	-	-	-	1,043,298,935
Leasehold Building	4,034,334	-	-	4,034,334	2.5	177,511	44,378	-	221,889	3,812,445
Furniture & fixture	1,271,106,995	247,884,237	7,925,074	1,511,066,158	10	485,521,175	140,899,915	1,167,308	625,253,783	885,812,373
Office equipments **	1,054,544,705	92,537,903	32,005,510	1,115,077,098	20	713,450,346	135,837,025	21,081,775	828,205,596	286,871,502
IT Hardwares *	1,447,211,155	182,125,101	7,267,131	1,622,069,125	20	1,013,200,600	183,615,732	6,666,547	1,190,149,785	431,919,340
Motor vehicles	97,278,957	6,169,868	7,673,125	95,775,700	20	71,106,794	12,774,243	7,850,313	76,030,724	19,744,976
	<u>4,478,490,146</u>	<u>967,702,044</u>	<u>54,870,841</u>	<u>5,391,321,350</u>		<u>2,283,456,426</u>	<u>473,171,293</u>	<u>36,765,943</u>	<u>2,719,861,777</u>	<u>2,671,459,573</u>
<u>Intangible assets</u>										
with Indefinite useful lives:										
License	50,000	-	-	50,000		-	-	-	-	50,000
with definite useful lives										
IT Softwares	876,861,753	56,195,986	-	933,057,739	33	621,992,132	90,079,467	680,762	711,390,837	221,666,902
	<u>876,911,753</u>	<u>56,195,986</u>	<u>-</u>	<u>933,107,739</u>		<u>621,992,132</u>	<u>90,079,467</u>	<u>680,762</u>	<u>711,390,837</u>	<u>221,716,899</u>
Total	<u>5,355,401,899</u>	<u>1,023,898,030</u>	<u>54,870,841</u>	<u>6,324,429,089</u>		<u>2,905,448,558</u>	<u>563,250,760</u>	<u>37,446,705</u>	<u>3,431,252,613</u>	<u>2,893,176,476</u>
As at 31 Dec. 2013	<u>4,947,810,737</u>	<u>440,680,696</u>	<u>33,089,534</u>	<u>5,355,401,899</u>		<u>2,345,396,600</u>	<u>585,000,497</u>	<u>24,948,539</u>	<u>2,905,448,559</u>	<u>2,449,953,340</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 LIMITED****Detail of Large Loan****As at 31 December 2014**

Number of Clients	8
Amount of outstanding advances	22,444,381,000
Amount of classified advances	NIL
Measures taken for recovery	NIL

Client wise break-up is as follows:

Name of Clients	Outstanding (Taka)		
	Funded	Non Funded	Total
BANGLA TRAC GROUP	1,851,038,170	2,694,128,577	4,545,166,747
SUMMIT GROUP	12,846,312	2,393,562,567	2,406,408,879
AUGERE WIRELESS BROADBAND BANGLADESH LIMITED	3,586,406,651	18,583,333	3,604,989,984
BRAC	2,594,829,056	-	2,594,829,056
CITY SUGER GROUP	1,525,319,576	483,629,380	2,008,948,956
BRAC BANK GROUP	1,531,802,475	500,000,000	2,031,802,475
PRAN GROUP	1,848,222,576	304,622,149	2,152,844,725
SHAH CEMENT GROUP	2,721,148,772	378,241,406	3,099,390,178
<b>Total</b>	<b>15,671,613,588</b>	<b>6,772,767,412</b>	<b>22,444,381,000</b>



**BRAC BANK LIMITED**  
Statement of Tax position  
As at 31 December 2014

Accounting Year	Assessment Year	Tax Provision in Financial Statements	Tax as per assessment	(Short)/Excess provision	Advance Tax as per Tax return	Present Status
2001	2002-2003	-	1,056,739	(1,056,739)	1,107,927	Completed
2002	2003-2004	-	375,000	(375,000)	375,000	Completed
2003	2004-2005	-	2,411,653	(2,411,653)	1,587,297	Completed
2004	2005-2006	111,000,000	82,779,311	28,220,689	78,337,409	Completed
2005	2006-2007	139,777,786	150,891,910	(11,114,124)	143,306,036	Completed
2006	2007-2008	334,920,000	385,558,644	(50,638,644)	145,000,000	Completed
2007	2008-2009	766,000,000	799,810,239	(33,810,239)	395,000,000	Completed
2008	2009-2010	1,220,000,000	1,254,976,871	(34,976,871)	742,800,000	Completed
2009	2010-2011	1,140,000,000	1,226,332,530	(86,332,530)	1,225,978,580	Assessment Order Received & appealed against the C
2010	2011-2012	1,416,240,000	1,214,434,429	201,805,571	1,228,668,951	Tax return submitted under section 82BB, 78
2011	2012-2013	1,460,000,000	1,271,413,654	188,586,346	1,256,758,569	Tax return submitted under section 82BB, 78
2012	2013-2014	1,530,000,000	1,452,886,168	77,113,832	1,304,653,579	Tax return submitted under section 82BB, 78
2013	2014-2015	1,797,698,269	1,101,920,583	695,777,687	1,088,661,543	Tax return submitted under section 82BB
2014	2015-2016	2,097,475,597	-	-	-	Not yet Due

**BRAC BANK LIMITED**  
**Statement of outstanding unreconciled entries**  
**As at 31 December 2014**

(Amount in U

SL No	Period of Unreconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
01	Up-to 3 months	30	11,665,829	103	12,591,590	227	11,599,271	426	60,98
02	More than 03 months but less than 06 months	-	-	-	-	-	-	-	-
03	More than 06 months but less than 09 months	-	-	-	-	-	-	-	-
04	More than 09 months but less than 12 months	-	-	-	-	-	-	-	-
05	More than 12 months	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>30</b>	<b>11,665,829</b>	<b>103</b>	<b>12,591,590</b>	<b>227</b>	<b>11,599,271</b>	<b>426</b>	<b>60,9</b>