

BRAC Bank Limited

**Condensed Interim Financial Report
as at and for the half year ended 30 June 2019**

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

Particulars	30 June 2019 Taka	31 December 2018 Taka
PROPERTY AND ASSETS		
Cash	21,014,456,178	22,394,474,142
Cash in hand	6,493,868,961	6,674,699,654
(Including foreign currency)		
Balance with Bangladesh Bank and its agent bank(s)	14,520,587,216	15,719,774,488
(Including foreign currency)		
Balance with other banks and financial institutions	44,952,659,608	44,651,943,921
Inside Bangladesh	42,929,817,864	41,918,719,170
Outside Bangladesh	2,022,841,744	2,733,224,751
Money at call and short notice	2,000,000,000	-
Investments	44,716,961,777	35,133,273,327
Government	37,873,040,490	27,925,905,144
Others	6,843,921,286	7,207,368,183
Loans and advances	251,994,455,213	238,400,399,660
Loans, cash credit, overdrafts etc.	166,165,943,752	139,883,617,667
Small and medium enterprises	82,519,203,762	80,422,409,963
Bills purchased and discounted	3,309,307,700	18,094,372,030
Fixed assets including premises, furniture and fixture	6,385,927,321	6,265,160,203
Other assets	10,631,827,707	9,665,434,144
Non-banking assets	66,471,775	66,471,775
Goodwill	1,427,468,911	1,427,468,911
Total property and assets	383,190,228,489	358,004,626,083
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	22,089,870,874	22,958,478,616
Borrowings from Bangladesh Bank	12,827,142,529	8,344,796,525
Money at call and short notice	1,014,000,000	-
Deposits and other accounts	270,189,758,762	255,073,828,613
Current accounts and other accounts	85,601,277,356	80,225,826,007
Bills payable	1,094,523,420	1,528,433,733
Savings deposits	41,061,894,615	38,320,761,103
Fixed deposits	141,341,156,155	133,388,177,229
Other deposits	1,090,907,216	1,610,630,541
Other liabilities	32,826,246,671	29,927,337,027
Total liabilities	338,947,018,836	316,304,440,781
Capital and shareholders' equity		
Paid up share capital	12,333,753,270	10,725,002,850
Share premium	3,853,767,032	3,853,767,032
Statutory reserve	6,428,088,086	6,428,088,086
Dividend equalization fund	355,218,455	355,218,455
Revaluation reserve on govt. securities	29,473,063	5,593,264
Assets revaluation reserve	478,558,600	478,558,600
Fair value reserve	78,920,073	78,920,073
Translation reserve	(25,682,408)	(17,674,822)
Surplus in profit and loss account/Retained earnings	14,268,097,350	13,342,589,185
Total shareholders' equity	37,800,193,522	35,250,062,723
Non controlling interest	6,443,016,131	6,450,122,579
Total equity	44,243,209,653	41,700,185,302
Total liabilities and shareholders' equity	383,190,228,489	358,004,626,083

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

Particulars	30 June 2019 Taka	31 December 2018 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	26,459,371,387	31,170,526,059
Irrevocable letter of credits	14,949,700,816	16,394,979,800
Letter of guarantees	13,808,057,381	10,218,069,408
Bills for collection	15,497,658,055	5,092,871,749
Other contingent liabilities	22,646,157,962	16,666,535,551
Total contingent liabilities	93,360,945,601	79,542,982,567
Other commitments		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total other commitments	-	-
Total Off-Balance sheet items including contingent liabilities	93,360,945,601	79,542,982,567
Net Assets Value (NAV) Per Share, Note: 3.1	30.65	28.58

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



Chief Financial Officer



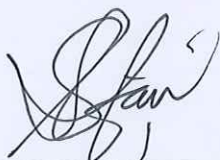
Company Secretary



Managing Director and CEO



Director



Director



Chairman

Date: 22 July 2019


BRAC BANK LIMITED
Condensed Consolidated Profit and Loss Account (Unaudited)
For the half year ended 30 June 2019


Particulars	Quarter ended April to June 2019 Taka	Quarter ended April to June 2018 Taka	Cumulative Jan to June 2019 Taka	Cumulative Jan to June 2018 Taka
Interest income	7,538,207,100	6,867,908,175	14,911,143,673	12,945,837,608
Interest paid on deposits and borrowing etc.	3,521,030,616	2,916,721,689	6,841,608,094	5,444,834,636
Net interest income	4,017,176,484	3,951,186,486	8,069,535,579	7,501,002,972
Investment income	534,524,679	656,153,181	1,287,601,990	1,379,447,915
Commission, exchange and brokerage	2,507,802,357	1,824,877,370	5,061,826,746	3,598,918,857
Other operating income	35,076,841	47,647,082	72,737,923	94,000,821
Total operating income	7,094,580,360	6,479,864,119	14,491,702,237	12,573,370,565
Salaries and allowances	1,960,363,140	1,554,151,160	3,788,475,532	3,217,338,234
Rent, taxes, insurance, electricity etc.	511,519,290	379,154,822	916,880,319	751,180,615
Legal expenses	10,126,131	16,532,975	28,994,038	36,054,850
Postage, stamps, telecommunication etc.	83,334,674	76,877,047	162,438,552	152,653,607
Stationery, printing, advertisement etc.	749,917,147	681,001,769	1,401,192,027	1,014,344,699
Chief Executive's salary and fees	5,575,000	4,174,000	9,100,000	6,574,000
Directors' fees and expenses	937,374	953,483	1,787,781	1,657,007
Auditors' fee	1,877,077	1,146,409	3,708,060	2,327,148
Depreciation and repairs to bank's assets	645,077,149	491,266,025	1,213,015,151	919,410,811
Other expenses	963,275,532	995,214,638	1,932,262,654	1,868,997,055
Total operating expenses	4,932,002,514	4,200,472,328	9,457,854,114	7,970,538,027
Operating profit	2,162,577,846	2,279,391,791	5,033,848,123	4,602,832,538
Share of profit/(loss) of associates	(15,865,264)	(7,887,168)	(38,616,862)	(19,062,481)
Profit/(loss) before provisions	2,146,712,582	2,271,504,623	5,000,232,940	4,583,770,057
Provision for:				
Loans and advances	(62,802,261)	429,378,567	594,112,531	381,497,365
Diminution in value of investments	120,000,000	-	240,000,000	-
Off balance sheet items	(53,000,000)	(60,000,000)	(192,000,000)	(35,000,000)
Others	4,195,498	-	5,190,187	326,500
Total provision	8,393,237	369,378,567	647,302,718	346,823,865
Profit/(loss) before taxes	2,138,319,345	1,902,126,056	4,352,930,222	4,236,946,192
Provision for Tax:				
Current tax expense	973,022,299	271,337,128	2,084,441,085	1,241,583,049
Deferred tax expense/(income)	(40,789,356)	252,124,529	(258,067,523)	122,936,014
Total provision for Tax	932,232,943	523,461,657	1,826,373,562	1,364,519,063
Total profit/(loss) after taxes	1,206,086,402	1,378,664,399	2,526,556,660	2,872,427,129
Attributable to:				
Equity holders of BRAC Bank Ltd.	1,228,221,494	1,302,165,137	2,534,258,586	2,678,430,223
Non controlling interest	(22,135,092)	76,499,262	(7,701,926)	193,996,905
	1,206,086,402	1,378,664,399	2,526,556,660	2,872,427,128
Retained earnings brought forward from previous period/year	14,648,626,277	9,983,141,964	13,342,589,185	8,606,876,878
Net profit attributable to the equity holders of the Bank	1,228,221,494	1,302,165,137	2,534,258,586	2,678,430,223
Net effect of all items directly recognized in Equity (Note: 2.6)	-	1,873,358,775	-	1,873,358,775
Profit available for appropriation	15,876,847,771	13,158,665,876	15,876,847,771	13,158,665,876
Appropriations:				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividend	1,608,750,420	2,145,000,570	1,608,750,420	2,145,000,570
Dividend equalization fund	-	-	-	-
	1,608,750,420	2,145,000,570	1,608,750,420	2,145,000,570
Retained surplus	14,268,097,351	11,013,665,306	14,268,097,351	11,013,665,306
Earnings Per Share (EPS), Note: 4.1	1.00	1.06	2.05	2.17


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



Chief Financial Officer


Company Secretary


Managing Director and CEO


Director


Director


Chairman

Date: 22 July 2019

BRAC BANK LIMITED
Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the half year ended 30 June 2019

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Assets revaluation reserve	Fair value reserve	Translation reserve	Retained earnings	Non-controlling interest	Total
Balance as at 01 January 2019	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	78,920,073	(17,674,822)	13,342,589,185	6,450,122,579	41,700,185,302
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Restated balance	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	78,920,073	(17,674,822)	13,342,589,185	6,450,122,579	41,700,185,302
Surplus/deficit on account of revaluation of assets	-	-	-	-	23,879,799	-	-	-	-	-	23,879,799
Effect of change of shareholding in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Changes in translation reserve	-	-	-	-	-	-	-	(8,007,586)	-	585,479	(7,412,107)
Net gains and losses not recognized in the income statement	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	29,473,063	478,558,600	78,920,073	(25,682,407)	13,342,589,185	6,450,718,038	41,716,652,995
Net profit for the period	-	-	-	-	-	-	-	-	2,534,258,586	(7,701,926)	2,526,556,660
Dividend for the year 2018:	-	-	-	-	-	-	-	-	-	-	-
Stock dividend	1,608,750,420	-	-	-	-	-	-	-	(1,608,750,420)	-	-
Cash dividend	-	-	-	-	-	-	-	-	-	-	-
Ordinary share issue against bond conversion	-	-	-	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-	-	-	-
Dividend equalization fund	-	-	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	-	-	-	-	-
Cash dividend distributed by BRAC Saajan Ltd.	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2019	12,333,753,270	3,853,767,032	6,428,088,086	355,218,455	29,473,063	478,558,600	78,920,073	(25,682,407)	14,268,087,351	6,443,016,131	44,243,209,654
Balance as at 31 December 2018	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	78,920,073	(17,674,822)	13,342,589,185	6,450,122,579	41,700,185,302
Balance as at 30 June 2018	10,725,002,850	3,853,767,032	4,813,606,868	355,218,455	5,208,888	516,373,535	-	(9,127,730)	11,013,665,306	4,842,325,060	36,116,040,264

BRAC BANK LIMITED
Condensed Consolidated Cash Flow Statement (Unaudited)
For the half year ended 30 June 2019

Particulars	30 June 2019 Taka	30 June 2018 Taka
A. Cash flows from operating activities		
Interest receipts	15,649,365,076	13,230,263,196
Interest payment	(6,940,400,697)	(4,605,066,139)
Dividend receipts	90,263,746	66,151,985
Fees and commission receipts	6,490,693,896	3,610,036,934
Recoveries on loans previously written off	375,992,447	356,979,725
Cash payments to employees	(3,833,164,695)	(3,302,416,794)
Cash payments to suppliers	(1,542,881,488)	(2,028,060,213)
Income tax paid	(3,346,451,992)	(1,838,098,544)
Receipts from other operating activities	523,209,441	198,290,720
Payment for other operating activities	(2,226,275,759)	(2,308,000,940)
Operating cash flow before changes in operating assets and liabilities (i)	5,240,349,975	3,380,079,930
Increase/decrease in operating assets & liabilities		
Loans and advances	(13,252,757,199)	(14,516,504,970)
Other assets	(273,898,393)	(3,056,151,122)
Deposits from other banks/borrowings	5,785,901,734	5,845,077,626
Deposits from customers	13,209,742,769	11,444,539,328
Other liabilities	876,675,045	1,547,517,899
Cash utilized in operating assets and liabilities (ii)	6,345,663,956	1,264,478,761
Net cash (used)/flows from operating activities (i+ii) (a)	11,586,013,931	4,644,558,691
B. Cash flows from investing activities		
Treasury bills	(8,089,525,262)	(2,948,090,081)
Bangladesh Bank Bills	-	2,497,936,800
Treasury bonds	(1,855,098,185)	(831,911,193)
Sale/ (Investment) in shares	131,614,032	(32,082,747)
Investment in bonds	242,897,540	130,000,000
Redemption of BBL Bond	-	(2,706,965,700)
Acquisition of fixed assets	(1,101,450,874)	(445,618,185)
Disposal of fixed assets	427,497	2,857,658
Net cash used in investing activities (b)	(10,671,135,252)	(4,333,873,448)
C. Cash flows from financing activities		
Proceeds from issue of convertible preference shares	-	4,693,088,333
Dividend paid	(84,715)	(347,296)
Net cash flows from financing activities (c)	(84,715)	4,692,741,037
Net increase/decrease in cash (a+b+c)	914,793,964	5,003,426,280
Cash and cash equivalents at beginning of the year	67,047,515,664	61,659,571,597
Effect of exchange rate changes on cash and cash equivalent	8,415,657	(5,444,312)
Cash and cash equivalents at end of the year	67,970,725,285	66,657,553,565
Cash and cash equivalents at end of the year:		
Cash in hand (including foreign currency)	6,493,868,961	7,057,451,291
Balance with Bangladesh Bank and its agents bank(s)	14,520,587,216	12,046,202,473
Balance with other banks and financial institutions	44,952,659,608	47,552,602,501
Money at call and short notice	2,000,000,000	-
Prize bond	3,609,500	1,297,300
	67,970,725,285	66,657,553,565
Net Operating Cash Flow Per Share (NOCFPS), Note: 5.1	9.39	3.77

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

Particulars	30 June 2019 Taka	31 December 2018 Taka
PROPERTY AND ASSETS		
Cash	20,986,495,316	22,374,550,269
Cash in hand	6,465,908,100	6,654,775,781
(Including foreign currency)		
Balance with Bangladesh Bank and its agent bank(s)	14,520,587,216	15,719,774,488
(Including foreign currency)		
Balance with other banks and financial institutions	15,952,122,084	14,878,545,136
Inside Bangladesh	14,161,455,426	12,484,067,930
Outside Bangladesh	1,790,666,659	2,394,477,206
Money at call and short notice	2,000,000,000	-
Investments	34,890,350,223	25,765,118,241
Government	29,825,293,887	20,341,016,406
Others	5,065,056,335	5,424,101,835
Loans and advances	251,239,278,497	238,008,103,268
Loans, cash credit, overdrafts etc.	165,410,767,035	139,491,321,275
Small and medium enterprises	82,519,203,762	80,422,409,963
Bills purchased and discounted	3,309,307,700	18,094,372,030
Fixed assets including premises, furniture and fixture	4,276,962,269	4,300,651,117
Other assets	10,329,354,514	10,023,235,468
Non-banking assets	66,471,775	66,471,775
Total property and assets	339,741,034,678	315,416,675,274
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	21,643,214,207	22,958,478,616
Borrowings from Bangladesh Bank	12,827,142,529	8,344,796,525
Money at call and short notice	1,014,000,000	-
Deposits and other accounts	244,174,276,619	228,622,409,702
Current accounts and other accounts	57,573,730,087	53,562,341,970
Bills payable	1,094,523,420	1,528,433,733
Savings deposits	41,061,894,615	38,320,761,103
Fixed deposits	143,353,221,280	133,600,242,355
Other deposits	1,090,907,216	1,610,630,541
Other liabilities	25,866,337,440	23,853,038,592
Total liabilities	305,524,970,795	283,778,723,435
Capital and shareholders' equity		
Paid up share capital	12,333,753,270	10,725,002,850
Share premium	3,853,767,032	3,853,767,032
Statutory reserve	6,428,088,086	6,428,088,086
Dividend equalization fund	355,218,455	355,218,455
Revaluation reserve on govt. securities	29,473,063	5,593,264
Assets revaluation reserve	478,558,600	478,558,600
Translation reserve	(12,795,444)	(3,001,421)
Surplus in profit and loss account/Retained earnings	10,750,000,821	9,794,724,973
Total shareholders' equity	34,216,063,883	31,637,951,839
Total liabilities and shareholders' equity	339,741,034,678	315,416,675,274

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

Particulars	30 June 2019 Taka	31 December 2018 Taka
Off Balance Sheet Items		
Contingent liabilities		
Acceptances and endorsements	26,459,371,387	31,170,526,059
Irrevocable letter of credits	14,949,700,816	16,394,979,800
Letter of guarantees	13,808,057,381	10,218,069,408
Bills for collection	15,497,658,055	5,092,871,749
Other contingent liabilities	22,646,157,962	16,666,535,551
Total Contingent liabilities	93,360,945,601	79,542,982,567
Other Commitments		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total Other Commitments	-	-
Total Off-Balance sheet items including contingent liabilities	93,360,945,601	79,542,982,567
Net Assets Value (NAV) Per Share, Note: 3.2	27.74	25.66

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



Chief Financial Officer



Company Secretary



Managing Director and CEO



Director



Director



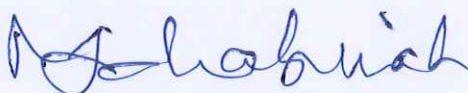
Chairman

Date: 22 July 2019

BRAC BANK LIMITED
Condensed Profit and Loss Account (Unaudited)
For the half year ended 30 June 2019

Particulars	Quarter ended April to June 2019 Taka	Quarter ended April to June 2018 Taka	Cumulative Jan to June 2019 Taka	Cumulative Jan to June 2018 Taka
Interest income	7,385,632,066	6,295,540,784	14,565,547,840	11,904,256,685
Interest paid on deposits and borrowing etc.	3,562,857,878	2,902,788,882	6,887,859,725	5,408,462,789
Net interest income	3,822,774,188	3,392,751,902	7,677,688,115	6,495,793,896
Investment income	526,667,440	698,391,273	1,211,719,041	1,471,512,041
Commission, exchange and brokerage	656,196,295	592,759,607	1,562,618,832	1,187,285,745
Other operating income	23,727,209	17,959,821	53,260,635	39,514,559
Total operating income	5,029,365,132	4,701,862,603	10,505,286,623	9,194,106,241
Salaries and allowances	1,336,063,738	1,177,038,050	2,645,132,545	2,378,156,328
Rent, taxes, insurance, electricity etc.	377,724,820	344,861,030	748,332,176	690,366,239
Legal expenses	8,193,041	15,589,095	20,619,321	34,110,451
Postage, stamps, telecommunication etc.	62,954,973	62,496,664	122,958,627	125,527,016
Stationery, printing, advertisement etc.	79,385,995	93,684,728	152,651,431	156,935,847
Chief Executive's salary and fees	5,575,000	4,174,000	9,100,000	6,574,000
Directors' fees and expenses	340,400	410,000	662,400	732,000
Auditors' fee	469,667	411,125	969,667	822,250
Depreciation and repairs to bank's assets	336,074,378	270,011,384	656,707,498	538,255,027
Other expenses	642,486,272	633,669,617	1,229,420,938	1,242,301,695
Total operating expenses	2,849,268,286	2,602,345,693	5,586,554,605	5,173,780,853
Profit/(loss) before provisions	2,180,096,847	2,099,516,910	4,918,732,019	4,020,325,388
Provision for:				
Loans and advances	(62,802,261)	429,378,567	594,112,531	381,497,365
Diminution in value of investments	120,000,000	-	240,000,000	-
Off balance sheet items	(53,000,000)	(60,000,000)	(192,000,000)	(35,000,000)
Others	3,227,674	-	3,227,674	326,500
Total provision	7,425,414	369,378,567	645,340,206	346,823,865
Profit/(loss) before taxes	2,172,671,433	1,730,138,343	4,273,391,813	3,673,501,523
Provision for Tax:				
Current tax expense	914,859,181	191,579,686	1,968,226,378	994,493,760
Deferred tax expense/(income)	(39,144,114)	234,327,282	(258,860,833)	127,725,909
Total provision for Tax	875,715,067	425,906,968	1,709,365,545	1,122,219,669
Total profit/(loss) after taxes	1,296,956,366	1,304,231,375	2,564,026,268	2,551,281,854
Retained earnings brought forward from previous period/year	11,061,794,875	9,238,764,027	9,794,724,973	7,991,713,548
Profit available for appropriation	12,358,751,241	10,542,995,402	12,358,751,241	10,542,995,402
Appropriations:				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividend	1,608,750,420	2,145,000,570	1,608,750,420	2,145,000,570
Dividend equalization fund	-	-	-	-
	1,608,750,420	2,145,000,570	1,608,750,420	2,145,000,570
Retained surplus	10,750,000,821	8,397,994,832	10,750,000,821	8,397,994,832
Earnings Per Share (EPS), Note: 4.2	1.05	1.06	2.08	2.07

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



Chief Financial Officer



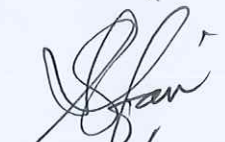
Company Secretary



Managing Director and CEO



Director



Director



Chairman

Date: 22 July 2019

BRAC BANK LIMITED
Condensed Statement of Changes in Equity (Unaudited)
For the half year ended 30 June 2019

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization fund	Revaluation reserve on govt. securities	Assets revaluation reserve	Translation reserve	Retained earnings	Total
Balance as at 01 January 2019	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	(3,001,421)	9,794,724,973	31,637,951,839
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	(3,001,421)	9,794,724,973	31,637,951,839
Surplus/deficit on account of revaluation of assets	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	23,879,799	-	-	-	23,879,799
Currency translation difference	-	-	-	-	-	-	(9,794,023)	-	(9,794,023)
Net gains and losses not recognized in the income statement	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	29,473,063	478,558,600	(12,795,444)	9,794,724,973	31,652,037,616
Net profit for the period	-	-	-	-	-	-	-	2,564,026,268	2,564,026,268
Dividends for the year 2018:	-	-	-	-	-	-	-	-	-
Stock dividend	1,608,750,420	-	-	-	-	-	-	(1,608,750,420)	-
Cash dividend	-	-	-	-	-	-	-	-	-
Ordinary share issue against bond conversion	-	-	-	-	-	-	-	-	-
Share premium against bond conversion	-	-	-	-	-	-	-	-	-
Dividend equalization fund	-	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2019	12,333,753,270	3,853,767,032	6,428,088,086	355,218,455	29,473,063	478,558,600	(12,795,444)	10,750,000,821	34,216,063,883
Balance as at 31 December 2018	10,725,002,850	3,853,767,032	6,428,088,086	355,218,455	5,593,264	478,558,600	(3,001,421)	9,794,724,973	31,637,951,839
Balance as at 30 June 2018	10,725,002,850	3,853,767,032	4,813,606,868	355,218,455	5,208,888	516,373,535	-	8,397,994,832	28,667,172,460

BRAC BANK LIMITED
Condensed Cash Flow Statement (Unaudited)
For the half year ended 30 June 2019

Particulars	30 June 2019 Taka	30 June 2018 Taka
A. Cash flows from operating activities		
Interest receipts	15,385,528,344	12,724,022,727
Interest payment	(7,070,228,932)	(4,646,036,722)
Dividend receipts	82,668,867	61,724,337
Fees and commission receipts	1,502,899,121	1,187,285,745
Recoveries on loans previously written off	375,992,447	356,979,725
Cash payments to employees	(2,680,855,085)	(2,437,252,165)
Cash payments to suppliers	(273,487,042)	(261,552,549)
Income tax paid	(1,493,487,667)	(1,691,313,430)
Receipts from other operating activities	365,759,942	125,220,145
Payment for other operating activities	(2,060,031,681)	(2,000,252,933)
Operating Cash flow before changes in operating assets and liabilities (i)	4,134,758,315	3,418,824,880
Increase/decrease in operating assets & liabilities		
Loans and advances to customers	(13,231,175,228)	(14,638,346,806)
Other assets	(428,459,160)	(3,043,480,573)
Deposits from other banks/borrowings	4,181,081,595	2,295,979,514
Deposits from customers	15,551,866,917	11,142,848,078
Other liabilities	1,021,867,658	1,546,228,233
Cash utilized in operating assets and liabilities (ii)	7,095,181,782	(2,696,771,554)
Net cash (used)/flows from operating activities (i+ii) (a)	11,229,940,097	722,053,326
B. Cash flows from investing activities		
Treasury bills	(7,626,667,397)	(2,948,090,081)
Bangladesh Bank Bills	-	2,497,936,800
Treasury bonds	(1,855,098,185)	(831,911,193)
Sale/ (Investment) in shares	116,147,960	8,699,533
Investment in bonds	242,897,540	130,000,000
Redemption of BBL Bond	-	(2,706,965,700)
Acquisition of fixed assets	(419,504,902)	(204,141,832)
Disposal of fixed assets	403,497	15,458
Net cash used in investing activities (b)	(9,541,821,486)	(4,054,457,015)
C. Cash flows from financing activities		
Cash dividend paid	(84,715)	(347,296)
Net cash flows from financing activities (c)	(84,715)	(347,296)
Net increase/decrease in cash (a+b+c)	1,688,033,896	(3,332,750,985)
Cash and cash equivalents at beginning of year	37,254,193,005	37,682,669,776
Cash and cash equivalents at end of the year	38,942,226,901	34,349,918,791
Cash in hand (including foreign currency)	6,465,908,100	7,047,459,146
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)	14,520,587,216	12,046,202,473
Balance with other banks and financial institutions	15,952,122,084	15,254,959,872
Money at call and short notice	-	-
Prize bond	3,609,500	1,297,300
	36,942,226,901	34,349,918,791
Net Operating Cash Flow Per Share (NOCFPS) (Note: 5.2)	9.11	0.59

BRAC BANK LIMITED
Selective notes to the Condensed Interim Financial Report
As at and for the half year ended 30 June 2019

1 Legal status and nature of the Bank

BRAC Bank Limited (the "Bank" or "BRAC Bank") is a scheduled commercial bank established under the Banking Companies Act, 1991 and incorporated as a public company limited by shares on 20 May, 1999 under the Companies Act, 1994 in Bangladesh. The registered address of the Bank is situated at Anik Tower, 220/B Tejgaon Gulshan Link Road, Tejgaon, Dhaka-1208. BRAC Bank Limited is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly traded company from 28 January 2007 and 24 January 2007 respectively. The primary objective of the Bank is to carry out all kinds of banking businesses. As a fully operational commercial bank, BRAC Bank Limited focuses on pursuing unexplored market niches in the Small and Medium Enterprises business, which hitherto has remained largely untapped within the country. Significant percentage of BRAC Banks clients had no prior experience of formal banking.

1.1 Nature of business activities

The principal activities of the Bank are to provide all types of commercial banking services, within the stipulations laid down by Bank Companies Act 1991 as amended and directives as received from Bangladesh Bank time to time, through its branches, SME centre and alternative delivery channels like ATM Booths, Mobile and Internet Banking etc.

2 Accounting Policies

2.1 Accounting policies in the interim financial reports as at and for the half year ended 30 June 2019 are same as that were applied in its last annual financial statements of 31 December 2018. Consolidated financial statements include the position of BRAC Bank Limited and its all subsidiaries (BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, bKash Limited, BRAC SAAJAN Exchange Limited).

2.2 Adequate provision has been made against loans and advances, off balance sheet items, investments and other assets as per Bangladesh Bank's circulars in force. Recovery from any previously written-off loans have been adjusted with Provision for loans as per Bangladesh Bank circular.

2.3 Provision for Income tax has been made on the accounting profit made by the Bank after considering some taxable income add back and disallowances of expenditures in accordance with the provision of the Income Tax Ordinance 1984. Deferred tax has been reviewed and recognised in quarterly financial statements with due compliance with Income Tax Laws and International Accounting Standard - 12 "Income Taxes".

2.4 Business of Off-shore Banking Unit (OBU) have been reported with solo Financial Statements. Comparative information is rearranged wherever necessary to conform with the current year's/period's presentation.

2.5 The consolidated financial statements of the Bank are made up to 30 June 2019 and prepared under the historical cost convention and in accordance with the "First Schedule (sec-38)" of the Bank Companies Act 1991 as amended, BRPD Circular # 14 dated 25 June, 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Companies Act 1994, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987, Financial Reporting Act 2012 and other prevailing laws and rules applicable in Bangladesh.

2.6 With reference to the annual report 2018 (note no. 38.1) regarding the reversal of impairment of goodwill, we have restated the comparative figures of goodwill as on 30 June 2018.

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

2.8 These interim condensed financial reports were approved by the Board of Directors on July 22, 2019.

	30 June 2019 Taka	31 Dec 2018 Taka	30 June 2018 Taka
3 Net Assets Value			
Previous period's/year's NAV have been restated due to issuance of stock dividend for 2018.			
3.1 Consolidated Net Assets Value (NAV) per share			
Net Assets Value at the end of the reporting period/year	37,800,193,522	35,250,062,723	31,273,715,204
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,168,904	1,233,168,904
	<u>30.65</u>	<u>28.58</u>	<u>25.36</u>
3.2 Separate/Standalone Net Assets Value (NAV) per share			
Net Assets Value at the end of the reporting period/year	34,216,063,883	31,637,951,839	28,667,172,460
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,168,904	1,233,168,904
	<u>27.74</u>	<u>25.66</u>	<u>23.25</u>

3.3 Explanation regarding significant change in quarterly financial statements:

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

4 Earnings Per Share (EPS)

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

4.1 Consolidated Earning Per Share

	Jan-June 2019 Taka	Jan-June 2018 Taka
Net profit/(loss) after taxes attributable to equity holders of the Bank	2,534,258,586	2,678,430,223
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,168,904
	<u>2.05</u>	<u>2.17</u>

4.2 Separate/Standalone Earnings Per Share

	Jan-June 2019 Taka	Jan-June 2018 Taka
Net profit/(loss) after taxes	2,564,026,268	2,551,281,854
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,168,904
	<u>2.08</u>	<u>2.07</u>

4.1a Consolidated Earning Per Share

	April-June 2019 Taka	April-June 2018 Taka
Net profit/(loss) after taxes attributable to equity holders of the Bank	1,228,221,494	1,302,165,137
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,375,327
	<u>1.00</u>	<u>1.06</u>

4.2a Separate/Standalone Earnings Per Share

	April-June 2019 Taka	April-June 2018 Taka
Net profit/(loss) after taxes	1,296,956,366	1,304,231,375
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,375,327
	<u>1.05</u>	<u>1.06</u>

4.3 Explanation regarding significant change in quarterly financial statements:

The consolidated and standalone Bank's EPS remain mostly stable though increased in operating income (15% on consolidated basis and 14% on solo basis) but offsetting by increased in operating expense (19% on consolidated basis and 8% on solo basis), provision for loans and advances, diminution of investment in shares and others (87% on consolidated basis and 86% on solo basis) and provision for tax (34% on consolidated basis and 52% on solo basis).

	Jan-June 2019 Taka	Jan-June 2018 Taka
5 Net Operating Cash Flow per Share (NOCFPS)		
Previous period's/year's NOCFPS have been restated due to issuance of stock dividend for 2018.		
5.1 Consolidated Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	11,586,013,931	4,644,558,691
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,168,904
	<u>9.39</u>	<u>3.77</u>
5.2 Separate/Standalone Net Operating Cash Flow per Share (NOCFPS)		
Net cash (used in)/flows from operating activities	11,229,940,097	722,053,326
Weighted average number of outstanding ordinary shares during the period/year	1,233,375,327	1,233,168,904
	<u>9.11</u>	<u>0.59</u>

5.3 **Explanation regarding significant change quarterly basis financial statements:**

Net operating cash flow per share on standalone BRAC Bank basis increased primarily due to lower disbursement of loans and advances over mobilization of deposit from customers in first half of 2019 over same period of 2018. On consolidated basis the increase in NOCFPS was due to increase in fees and commission receipts mainly by bKash in addition to the above.

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

6.1 **Key Financial indicators (Standalone basis) :**

SI no.	Particulars	30 June 2019	31 December 2018
1	Deposits	244,174,276,619	228,622,409,702
2	Loans and advances	251,239,278,497	238,008,103,268
3	Capital Fund:	34,119,191,876	31,937,287,194
4	Core Capital	31,018,803,263	28,779,980,403
5	Supplementary Capital	3,100,388,613	3,157,306,791
6	CRAR	15.05%	13.67%
7	No. of Branches	187	186
8	No. of Full Time Employees	7,330	6,835
9	Statutory Reserves	6,428,088,086	6,428,088,086
10	Shareholders' Equity	34,216,063,883	31,637,951,839

6.2 **Key Financial indicators (Consolidated basis) :**

SI no.	Particulars	30 June 2019	31 December 2018
1	Deposits	270,189,758,762	255,073,828,613
2	Loans and advances	251,994,455,213	238,400,399,660
3	Capital Fund:	41,337,708,417	39,451,759,342
4	Core Capital	38,237,319,804	36,294,452,551
5	Supplementary Capital	3,100,388,613	3,157,306,791
6	CRAR	16.81%	15.70%
7	Shareholders' Equity	37,800,193,522	35,250,062,723

6.3 **Key Financial Ratios (Solo basis):**

SI no.	Particulars	30 June 2019	31 December 2018
1	AD Ratio	82.83%	82.78%
2	ROE*	15.57%	19.25%
3	ROA*	1.57%	1.87%

* Figures are annualized.

6.4 **Key Financial Ratios (Consolidated basis):**

SI no.	Particulars	30 June 2019	31 December 2018
1	ROE*	13.88%	17.94%
2	ROA*	1.37%	1.66%

* Figures are annualized.

7 **Credit Rating Information**

Rating agency	Long-term rating	Short-term rating	Outlook	Valid up to
CRAB	AA1	ST-1	Stable	June, 2020
CRISL	AA+	ST-1	Stable	June, 2020
ECRL	AA+	ST-1	Stable	June, 2020
S&P	B+	B	Stable	December, 2019
Moody's	Ba3	NP	Stable	December, 2019

BRAC Bank Limited
As at 30 June 2019

Particulars	Cost			Depreciation				Written down value as at 30.06.2019
	Opening balance as on 01.01.2019	Addition/Revaluation during the year	Disposals/Transfer/Adjustments during the year	Total balance as at 30.06.2019	Opening balance as on 01.01.2019	Charge during the year	Disposals/Adjustments during the year	
Property, plant & equipments								
Land	1,047,743,750	-	-	1,047,743,750	-	-	-	1,047,743,750
Leasehold Building	4,034,334	-	-	4,034,334	620,615	50,429	-	671,044
Furniture & fixture	2,206,895,912	35,396,316	5,208,179	2,237,084,049	1,305,123,043	89,598,221	5,078,050	1,389,643,214
Office equipments	1,600,079,746	27,185,312	1,805,967	1,625,459,091	1,290,139,284	61,041,783	1,805,967	1,349,375,100
IT Hardware	2,774,382,706	190,780,648	55,469,524	2,909,693,830	2,059,158,590	159,288,774	55,469,524	2,162,977,840
Motor vehicles	321,040,060	5,678,836	-	326,718,896	106,338,615	31,127,431	-	137,466,046
Capital expenditure work in progress	222,254,800	155,960,994	169,047,402	209,168,392	-	-	-	209,168,392
Sub-total	8,176,431,308	415,002,106	231,531,072	8,359,902,342	4,761,380,147	341,106,638	62,353,541	5,040,133,244
Intangible assets:								
With Indefinite useful lives:								
License	50,000	-	-	50,000	-	-	-	50,000
With definite useful lives:								
IT Software	1,941,732,424	173,550,198	281,591	2,115,001,030	1,056,182,468	101,956,982	281,591	1,157,857,859
Sub-total	1,941,782,424	173,550,198	281,591	2,115,051,030	1,056,182,468	101,956,982	281,591	1,157,857,859
As at 30 June 2019	10,118,213,732	588,552,303	231,812,663	10,474,953,372	5,817,562,615	443,063,620	62,635,132	6,197,991,103
As at 31 December 2018	9,328,924,987	1,892,169,572	1,102,880,827	10,118,213,732	5,053,744,127	779,233,451	15,414,963	5,817,562,615
								4,300,651,117

9. Segmental operating profit and loss

There are 8 (eight) operating segments including subsidiaries as on 30 June 2019. Out of 8 (eight) operating segments only 5 (five) are reportable as per latest evaluation as on 31 December 2018 in accordance with IFRS 8: Operating segments. A segment is considered reportable only when its revenue, profit or loss and assets contributes 10% or more of the combined revenue, reported profit or loss and assets of all operating segments in accordance with IFRS 8. Hence other non-reportable segments have been shown under 'Others'. Comparative figures have been disclosed accordingly.

Particulars	BRAC Bank Limited					Consolidation				Amount in Taka
	SME	Retail	Corporate	Treasury	Total	bKash	Others	Inter company elimination	Total	
Interest income	7,026,984,963	2,478,469,728	4,193,050,158	867,042,991	14,565,547,840	443,223,823	26,047,593	(123,675,583)	14,911,143,673	
Interest Expense on Deposits	586,863,393	3,038,898,529	2,147,389,500	382,094,529	6,155,245,951	-	-	(123,675,583)	6,031,570,368	
Interest Expense on Borrowings	58,357,790	-	42,202,377	632,053,608	732,613,774	-	77,423,952	-	810,037,727	
Inter segment income /(expenses)	(3,564,626,513)	3,400,800,913	(377,032,511)	540,858,111	-	-	-	-	-	
Net interest income	2,817,137,268	2,840,372,113	1,626,425,770	393,752,964	7,677,688,114	443,223,823	(51,376,360)	-	8,069,535,578	
Investment income		-	-	1,211,719,041	1,211,719,041	-	75,882,949	-	1,287,601,990	
Commission, fees and others	203,126,242	636,467,425	542,699,401	180,325,764	1,562,618,832	2,880,599,778	621,864,194	(3,256,059)	5,061,826,746	
Other operating income	6,482,087	2,962,233	9,052,908	34,763,409	53,260,635	886,171	23,264,036	-	72,737,923	
Total Segment Revenue	3,026,745,596	3,479,801,770	2,178,178,079	1,820,561,178	10,505,286,623	3,324,709,772	669,634,820	(3,256,059)	14,491,702,237	
Staff costs	1,317,488,063	972,122,305	297,766,524	57,755,653	2,645,132,545	974,767,712	168,575,275	-	3,788,475,532	
Other operating costs	1,168,007,863	1,329,157,508	362,078,926	82,177,761	2,941,422,059	2,306,855,433	424,357,149	(3,256,059)	5,669,378,582	
Total segment expenditure	2,485,495,926	2,301,279,813	659,845,450	139,933,414	5,586,554,603	3,281,623,145	592,932,424	(3,256,059)	9,457,854,114	
Reportable segment operating profit	541,249,670	1,178,521,957	1,518,332,629	1,680,627,764	4,918,732,019	43,086,627	76,702,395	-	5,033,848,123	