

Financial Statements

For the period ended 30 September 2014 (Unaudited)



BRAC BANK

BRAC Bank Limited
1 Gulshan Avenue, Gulshan-1, Dhaka-1212

Consolidated Statement of Financial Position as at 30 September 2014 (Unaudited)

	September 2014 Taka	December 2013 Taka
PROPERTY AND ASSETS		
Cash	15,704,490,354	17,145,674,282
Cash in hand (Including foreign currency)	6,766,674,335	8,526,841,262
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currency)	8,937,816,019	8,618,833,020
Balance with other Banks and Financial Institutions	15,424,263,700	11,502,822,058
Inside Bangladesh	14,431,800,774	9,214,178,364
Outside Bangladesh	992,462,926	2,288,643,694
Money at call and short notice	670,000,000	-
Investments	25,978,417,071	21,483,906,130
Government	22,735,204,156	19,365,124,617
Others	3,243,212,915	2,118,781,513
Loans and advances	115,835,005,202	119,514,547,936
Loans, cash credit, overdrafts etc.	115,190,906,824	118,683,980,593
Bills purchased & discounted	644,098,378	830,567,343
Fixed assets including premises, furniture and fixtures	3,120,631,985	2,792,707,112
Other assets	14,005,098,541	11,664,448,733
Non-banking assets	-	-
Goodwill	1,472,292,272	1,472,292,272
Total Property and Assets	192,210,199,125	185,576,398,523
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions & agents	8,769,681,927	15,099,564,380
Borrowings from Central Bank	1,150,214,148	1,437,826,249
Convertible Subordinate Bonds	3,000,000,000	3,000,000,000
Money at Call and Short notice	5,520,000,000	2,847,513,000
Deposits and other accounts	126,567,545,188	126,679,221,827
Current accounts & other accounts	49,892,771,486	45,686,654,322
Bills payable	1,187,551,190	991,931,891
Savings deposits	24,509,448,825	20,738,609,556
Fixed deposits	50,406,337,436	59,077,741,206
Other deposits	571,436,251	184,284,852
Other liabilities	26,710,950,333	22,635,237,004
Total Liabilities	171,718,391,596	171,699,362,460
Capital and Shareholders' Equity		
Paid up share capital	7,092,873,210	4,433,045,760
Preference share capital	851,510,000	-
Share premium	4,349,969,152	2,133,446,272
Statutory reserve	3,470,350,331	3,281,594,097
Revaluation reserve	723,022,401	744,701,943
Share money deposit	23,715,983	23,715,983
Surplus in profit and loss account/Retained Earnings	3,047,100,168	2,407,550,889
Total shareholders' equity	19,558,541,245	13,024,054,944
Minority Interest	933,266,284	852,981,119
Total equity	20,491,807,530	13,877,036,063
Total Liabilities and Shareholders' Equity	192,210,199,125	185,576,398,523

Consolidated Off Balance Sheet Items as at 30 September 2014 (Unaudited)

	September 2014 Taka	December 2013 Taka
Contingent Liabilities		
Acceptances and endorsements	12,912,350,159	6,566,695,163
Letter of guarantees	6,258,011,564	6,383,222,685
Irrevocable letter of credits	14,214,540,414	11,572,885,095
Bills for collection	384,791,722	513,609,666
Tax liability	125,466,661	143,894,928
Other contingent liabilities	6,827,286,394	3,044,281,070
Total Contingent Liabilities	40,722,446,914	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	28,800,000	28,800,000
Undrawn formal standby facilities, credit lines and other	-	-
Commitments- lease hold assets	-	-
Total Other Commitments	28,800,000	28,800,000
Total Off-Balance Sheet Items including contingent liabilities	40,751,246,914	28,253,388,607

Chief Financial Officer

Managing Director & CEO

Statement of Financial Position as at 30 September 2014 (Unaudited)

	September 2014 Taka	December 2013 Taka
PROPERTY AND ASSETS		
Cash	15,699,819,936	17,144,310,884
Cash in hand (Including foreign currency)	6,762,003,917	8,525,477,864
Balance with Bangladesh Bank and its agent Bank(s) (Including foreign currency)	8,937,816,019	8,618,833,020
Balance with other Banks and Financial Institutions	19,525,196,960	15,838,931,243
Inside Bangladesh	13,960,616,292	8,916,887,987
Outside Bangladesh	5,564,580,668	6,922,043,256
Money at call and short notice	670,000,000	-
Investments	25,643,310,760	21,298,625,661
Government	22,735,204,156	19,365,124,617
Others	2,908,106,604	1,933,501,044
Loans and advances	100,424,082,760	102,728,920,850
Loans, cash credit, overdrafts etc.	99,779,984,382	101,898,353,507
Bills purchased & discounted	644,098,378	830,567,343
Fixed assets including premises, furniture and fixtures	2,505,301,695	2,443,303,555
Other assets	14,114,727,955	12,447,577,446
Non-banking assets	-	-
Total Property and Assets	178,582,440,065	171,901,669,638
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions & agents	2,768,155,536	7,479,234,422
Borrowings from Central Bank	1,150,214,148	1,437,826,249
Convertible Subordinate Bonds	3,000,000,000	3,000,000,000
Money at Call and Short notice	5,520,000,000	2,847,513,000
Deposits and other accounts	124,934,021,488	124,746,344,037
Current accounts & other accounts	41,736,111,151	39,125,148,916
Bills payable	1,187,551,190	991,931,891
Savings deposits	24,509,448,825	20,738,609,556
Fixed deposits	56,922,723,647	63,612,373,233
Other deposits	578,186,673	184,284,852
Other liabilities	24,300,872,306	20,803,298,461
Total Liabilities	161,673,263,475	160,314,216,168
Capital and Shareholders' Equity		
Paid up share capital	7,092,873,210	4,433,045,760
Preference share capital	851,510,000	-
Share premium	3,622,522,880	1,406,000,000
Statutory reserve	3,470,350,331	3,281,594,097
Revaluation reserve	723,022,401	744,701,943
Surplus in profit and loss account/Retained Earnings	2,000,407,768	1,722,111,670
Total shareholders' equity	16,909,176,590	11,587,453,470
Total Liabilities and Shareholders' Equity	178,582,440,065	171,901,669,638

Off Balance Sheet Items as at 30 September 2014 (Unaudited)

	September 2014 Taka	December 2013 Taka
Contingent Liabilities		
Acceptances and endorsements	12,912,350,159	6,566,695,163
Letter of guarantees	6,258,011,564	6,383,222,685
Irrevocable letter of credits	14,214,540,414	11,572,885,095
Bills for collection	384,791,722	513,609,666
Tax liability	125,466,661	143,894,928
Other contingent liabilities	6,827,286,394	3,044,281,070
Total Contingent Liabilities	40,722,446,914	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- lease hold assets	-	-
Total Other Commitments	-	-
Total Off-Balance Sheet Items including contingent liabilities	40,722,446,914	28,224,588,607

Chief Financial Officer

Managing Director & CEO

Consolidated Statement of Changes in Equity for the period ended 30 September 2014 (Unaudited)

								Amount in Taka
Particulars	Paid up share capital	Preference share capital	Share Premium	Statutory Reserve	Revaluation Reserve	Share money Deposit	Retained Earnings	Minority Interest
Balance at 01 January 2014	4,433,045,760	-	2,133,446,272	3,281,594,097	744,701,943	23,715,983	2,407,550,889	852,981,119
Net profit for the period	-	-	-	-	-	-	1,526,158,425	80,285,165
Statutory reserve	-	-	-	188,756,234	-	-	-	-
Right share issue	2,216,522,880	-	-	-	-	-	-	-
Bonus Share issue	443,304,570	-	-	-	-	-	-	-
Preference share capital of B-Kash Ltd.	-	851,510,000	-	-	-	-	-	-
Share Premium	-	-	2,216,522,880	-	-	-	-	-
Revaluation reserve	-	-	-	-	(21,679,542)	-	-	-
Cash Dividends	-	-	-	-	-	-	-	-
Balance as at 30 September 2014	7,092,873,210	851,510,000	4,349,969,152	3,470,350,331	723,022,401	23,715,983	3,047,100,168	933,266,284
Balance as at 31 December 2013	4,433,045,760	-	2,133,446,272	3,281,594,097	744,701,943	23,715,983	2,407,550,889	852,981,119

Statement of Changes in Equity for the period ended 30 September 2014 (Unaudited)

								Amount in Taka
Particulars	Paid up share Capital	Preference share Capital	Share Premium	Statutory Reserve	Revaluation Reserve	Retained Earnings	Minority Interest	Total
Balance at January 01, 2014	4,433,045,760	-	1,406,000,000	3,281,594,097	744,701,943	1,722,111,670	-	11,587,453,470
Net profit for the period	-	-	-	-	-	1,164,905,245	-	1,164,905,245
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	-	-	-	188,756,234	-	-	-	188,756,234
Revaluation reserve	-	-	-	-	(21,679,542)	-	-	(21,679,542)
Cash Dividends	-	-	-	-	-	-	-	-
Balance as at 30 September 2014	7,092,873,210	-	3,622,522,880	3,470,350,331	723,022,401	2,000,407,768	-	16,909,176,590
Balance as at 31 December 2013	4,433,045,760	-	1,406,000,000	3,281,594,097	744,701,943	1,722,111,670	-	11,587,453,470

Selective notes to the Interim Financial Statements for the period ended 30 September 2014

Selective Notes To The Interim Financial Statements

1 Accounting Policies:

1.1 Accounting policies in the quarterly financial statements are same as that were applied in its last annual financial statements of 31 December 2013. Consolidated financial statements include the position of BRAC Bank Limited and its all subsidiaries (BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, b-Kash Limited, BRAC SAAJAN Exchange Limited, BRAC IT Services Limited) as well as Off-shore banking Units of BRAC Bank Limited.

1.2 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.

1.3 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 Finance Act-2014 and the Income Tax Ordinance 1984.

1.4 The consolidated financial statements of the Bank are made up to 30 September 2014 and are prepared under the historical cost convention and in accordance with the "First Schedule (sec-38)" of the Bank Companies Act 1991 and amendment in 2007, BRPD Circular # 14 dated 25 June, 2003, other Bangladesh Bank Circulars, International Accounting Standards (IAS) and International Financial Reporting Standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Companies Act 1994, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 1987 and other prevailing laws and rules applicable in Bangladesh.

Consolidated Statement of Comprehensive Income for the period ended 30 September 2014 (Unaudited)

Particulars	Quarter ended July to Sep 2014 Taka	Quarter ended July to Sep 2013 Taka	Cumulative Jan to Sep 2014 Taka	Cumulative Jan to Sep 2013 Taka
Interest income	5,792,277,657	4,644,516,746	16,980,894,637	13,905,565,375
Interest paid on deposits and borrowing etc.	3,356,020,421	2,697,933,783	10,546,408,827	8,607,723,430
Net Interest Income	2,436,257,236	1,946,582,963	6,434,485,810	5,297,841,945
Investment income	594,362,607	648,301,245	1,924,091,416	2,312,176,676
Commission, exchange and brokerage	904,452,218	982,043,408	2,593,486,857	2,560,926,727
Other operating income	371,542,589	60,364,018	1,099,343,246	546,585,337
Total operating Income	4,306,614,650	3,637,291,634	12,051,407,329	10,717,530,685
Salaries and allowances	888,957,771	813,584,662	2,598,858,799	2,414,553,598
Rent, taxes, insurance, electricity etc.	244,758,484	263,429,216	732,792,215	728,440,328
Legal expenses	39,586,873	20,539,501	125,325,291	47,486,949
Postage, stamps, telecommunication etc.	64,940,600	86,136,348	187,175,075	203,033,280
Stationery, printing, advertisement etc.	117,441,989	402,552,059	350,607,473	523,768,032
Chief Executive's salary & fees	2,550,000	2,400,000	7,391,666	6,812,500
Directors' fees & expenses	579,431	261,209	1,352,212	2,327,995
Auditors' fee	1,381,953	227,546	2,759,333	1,621,465
Depreciation on and repairs to bank's assets	301,552,893	297,455,833	971,899,334	911,454,767
Other expenses	632,251,833	126,935,908	1,618,066,046	979,619,313
Total operating expenses	2,294,001,827	2,013,522,283	6,596,227,444	5,819,118,228
Profit/(loss) before provisions	2,012,612,823	1,623,769,351	5,455,179,885	4,898,412,457
Provision for:				
Loans and advances	551,289,974	706,998,059	1,791,936,444	2,028,627,441
Diminution in value of investments	(266,914)	-	(266,914)	77,500,000
Off balance sheet items	20,000,000	50,000,000	134,623,812	50,000,000
Others	-	-	-	-
Total provision	571,023,060	756,998,059	1,926,293,342	2,156,127,441
Profit/(loss) before taxes	1,441,589,763	866,771,292	3,528,886,543	2,742,285,016
Provision for Tax:				
Current tax expense	602,229,953	514,111,599	1,680,233,298	1,438,845,680
Deferred tax expense/(income)	10,929,716	(32,554,990)	53,453,422	(32,554,990)
Total provision for Tax	613,159,669	481,556,609	1,733,686,720	1,406,290,690
Total profit/(loss) after taxes	828,430,094	385,214,682	1,795,199,823	1,335,994,326
Appropriations:				
Statutory reserve	-	191,347,202	188,756,233	538,924,013
General reserve	-	-	-	-
Dividend etc.	-	-	-	-
	-	191,347,202	188,756,233	538,924,013
Retained earnings	828,430,094	193,867,480	1,606,443,590	797,070,313
Attributable to:				
Equity holders of BRAC Bank Ltd.	755,670,925	203,003,928	1,526,158,425	825,866,062
Minority Interest	72,759,169	(9,136,448)	80,285,165	(28,795,750)
	828,430,094	193,867,480	1,606,443,590	797,070,312
Earnings per share (EPS)	1.07	0.81	2.87	2.80