

**Un audited Financial Statements
of
BRAC EPL Investments Limited**

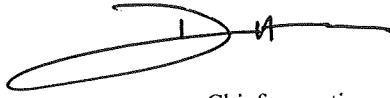
For the period ended 30 June 2018



| | Notes | 30-Jun-18 Taka | 2017 Taka |
|---|-------|----------------------|----------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 10,214,979 | 7,203,370 |
| Investment in associate company | 6 | 15,607,265 | 15,526,676 |
| Deferred tax assets | 7 | 282,647,551 | 282,647,551 |
| | | 308,469,795 | 305,377,597 |
| Current assets | | | |
| Account receivables | 8 | 18,674,498 | 16,528,035 |
| Inter-company receivables | 9 | 1,070,350 | 2,101,350 |
| Other receivables | | 1,037,319 | 3,246,315 |
| Investment in quoted securities | 10 | 1,237,510,537 | 1,356,164,306 |
| Investment in Share-IPO | | 2,105,000 | - |
| Advance income tax | 11 | 16,557,726 | 14,748,510 |
| Loans and advances to customers | 12 | 1,707,353,712 | 1,722,386,221 |
| Accrued interest and management fees receivable | 13 | 313,051,976 | 313,417,017 |
| Advances, deposits and prepayments | 14 | 3,498,210 | 7,180,295 |
| Cash and cash equivalents | 15 | 22,342,722 | 40,721,893 |
| | | 3,323,202,050 | 3,476,493,943 |
| Total assets | | 3,631,671,845 | 3,781,871,540 |
| Equity and Liabilities | | | |
| Shareholders' equity | | | |
| Share capital | 16 | 2,585,000,000 | 2,585,000,000 |
| Share premium | | 436,825,951 | 436,825,951 |
| Retained earnings | | (1,824,199,635) | (1,689,313,634) |
| Shareholders' equity | | 1,197,626,316 | 1,332,512,317 |
| Current liabilities | | | |
| Customer deposits | 17 | 100,839,131 | 343,191,760 |
| Bank overdrafts | 18 | 739,492,198 | 772,117,975 |
| Short term loan | 19 | 500,000,000 | 220,000,000 |
| Account payables | 20 | 16,984,498 | 31,934,404 |
| Other liabilities | 21 | 1,073,475,418 | 1,079,046,889 |
| Provision for taxation | 22 | 2,572,644 | 2,072,644 |
| Inter-company payable to BRAC EPL Stock Brokerage Limited | | 681,640 | 995,551 |
| | | 2,434,045,528 | 2,449,359,223 |
| Total equity and liabilities | | 3,631,671,845 | 3,781,871,540 |

These financial statements should be read in conjunction with annexed notes 1 to 33


Chief financial officer

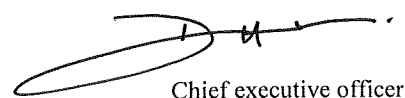

Chief executive officer

BRAC EPL Investments Limited
Statement of Profit or Loss & Other Comprehensive Income
For the period ended 30 June 2018

| | Notes | 30 June | |
|--|-------|----------------------|----------------------|
| | | 2018 | 2017 |
| Revenue | | | |
| Interest income from margin loan | | 50,237,154 | 12,902,496 |
| Interest expenses | 23 | (48,180,702) | (39,756,896) |
| Net interest income (A) | | 2,056,452 | (26,854,400) |
| Fee and commission income | 24 | 18,943,393 | 31,608,841 |
| Fee and commission expenses | 25 | (4,445,858) | (13,029,511) |
| Net fee and commission income (B) | | 14,497,535 | 18,579,330 |
| (Loss)/gain from investment in securities | 26 | (129,891,164) | 62,155,491 |
| Other operating income/(loss) | 27 | 8,307,167 | 1,358,789 |
| Net (loss)/gain from investment in securities (C) | | (121,583,997) | 63,514,280 |
| Total operating income/(loss) (A+B+C) | | (105,030,010) | 55,239,210 |
| Operating expenses | 28 | (27,895,645) | (32,860,200) |
| Depreciation & amortization | 5 | (835,631) | (1,058,642) |
| Operating profit/(loss) (D) | | (133,761,286) | 21,320,368 |
| Finance income | | 74,789 | 76,256 |
| Financial expenses | 29 | (377,493) | (430,609) |
| Net finance income (E) | | (302,704) | (354,353) |
| Share of profit of equity in associate company (F) | | 80,589 | |
| Impairment loss on investment in unquoted securities (G) | | | |
| Profit/(loss) before provisions (D+E+F+G) | | (133,983,400) | 20,966,015 |
| Provision for loans and advances | 21.1 | | (354,000,000) |
| Loss before tax | | (133,983,400) | (333,033,985) |
| Tax expenses | 30 | 902,600 | 11,719,836 |
| Net loss after tax | | (134,886,000) | (344,753,821) |
| Other comprehensive Income | | | |
| Total loss | | (134,886,000) | (344,753,821) |

These financial statements should be read in conjunction with annexed notes 1 to 33


Chief financial officer


Chief executive officer

BRAC EPL Investments Limited
Statement of Changes in Equity
For the period ended 30 June 2018

| Particulars | Amount in Taka | | | |
|--|----------------------|--------------------|------------------------|----------------------|
| | Share capital | Share premium | Retained earnings | Total |
| Balance as on 1 January 2016 | 585,000,000 | 436,825,951 | (1,199,451,558) | 1,822,374,393 |
| Increase of share capital | 2,000,000,000 | | | 2,000,000,000 |
| Total comprehensive income for the year 2016 | - | - | (489,862,076) | (489,862,076) |
| Balance as on 31 December 2017 | 2,585,000,000 | 436,825,951 | (1,689,313,634) | 1,332,512,317 |
| Total comprehensive income for the period | - | - | (134,886,000) | (134,886,000) |
| Balance as on 30 June 2018 | 2,585,000,000 | 436,825,951 | (1,824,199,635) | 1,197,626,316 |


Chief financial officer


Chief executive officer

BRAC EPL Investments Limited
Statement of Cash Flows
For the period ended 30 June 2018

| | 2018 Taka | 2017 Taka |
|---|----------------------|----------------------|
| A. Operating activities | | |
| Net profit before tax | (133,983,400) | (367,774,125) |
| <i>Add: Items not involving in movement of cash:</i> | | |
| Depreciation on property, plant and equipment | 796,529 | 1,045,610 |
| Amortization of intangible asset | 39,102 | 13,032 |
| Gain on disposal of property, plant and equipment | (2,842,200) | |
| Bad debt expenses | | |
| Fair value adjustments for fall in values of investment in securities | 133,895,276 | (21,800,181) |
| Share of profit of equity in associate company | (80,589) | |
| | <u>131,808,118</u> | <u>(20,741,539)</u> |
| Income tax paid | (2,211,816) | 4,272,942 |
| <i>Operating (loss)/profit before changes in working capital</i> | <u>(4,387,098)</u> | <u>(384,242,722)</u> |
| Changes in working capital : | | |
| (Increase)/decrease in loan and advances to customers | 15,032,509 | 816,261,119 |
| (Increase)/decrease in accrued interest and mgt. fees receivable | 365,041 | 415,150,243 |
| (Increase)/decrease in account receivables | (2,146,463) | 593,687 |
| (Increase)/decrease in advance, deposits and prepayments | 3,682,086 | (571,360) |
| (Increase)/decrease in inter-company receivable | 1,031,000 | (69,000) |
| (Increase)/decrease in other receivables | 2,208,996 | (1,747,619) |
| Increase/(decrease) in customer deposits | (242,352,629) | 168,537,283 |
| Increase/(decrease) in account payables | (14,949,907) | (20,236,983) |
| Increase/(decrease) in inter-company payable | (313,911) | 1,082,748 |
| Increase/(decrease) in other liabilities | (5,571,471) | 356,004,243 |
| | <u>(243,014,749)</u> | <u>1,735,004,361</u> |
| <i>Net cash (used)/from operating activities (A)</i> | <u>(247,401,848)</u> | <u>1,350,761,639</u> |
| B. Cash flows from Investing activities: | | |
| Acquisition of property, plant and equipment | (3,847,240) | (281,568) |
| Disposal of property, plant and equipment | 2,842,200 | |
| Sale/(purchase) of investment securities | (17,346,507) | (906,132,932) |
| <i>Net cash used in investing activities (B)</i> | <u>(18,351,547)</u> | <u>(906,414,501)</u> |
| C. Cash flows from Financing activities | | |
| Receipt/(repayment) of bank overdraft | (32,625,777) | (124,396,213) |
| Receipt/(repayment) of short term loans | 280,000,000 | (449,211,617) |
| Receipt/(repayment) of revolving time loan | | - |
| Capital lease obligation paid | | - |
| Share Capital Increased | | - |
| <i>Net cash from/(used) in financing activities (C)</i> | <u>247,374,223</u> | <u>(573,607,830)</u> |
| Net decrease in cash and cash equivalents (A+B+C) | <u>(18,379,171)</u> | <u>(129,260,691)</u> |
| Cash and cash equivalents at the beginning of the year | 40,721,893 | 187,455,271 |
| Cash and cash equivalents at the end of the year | <u>22,342,722</u> | <u>58,194,580</u> |


Chief financial officer


Chief executive officer

5 Property, plant and equipment- at cost less accumulated depreciation

| Assets | Cost | | | | Rate of depreciation | Depreciation | | | | Amount in I aka | |
|-------------------------|---------------------------|---------------------------|----------------------------|-------------------------|----------------------|---------------------------|----------------------------|-------------------------|------------------------------------|--|--|
| | Balance on 1 January 2018 | Additions during the year | Adjustment during the year | Balance on 30 June 2018 | | Charged during the Period | Adjustment during the year | Balance on 30 June 2018 | Written down value at 30 June 2018 | Written down value at 31 December 2017 | |
| Furniture & fittings | 4,394,050 | - | - | 4,394,050 | 10%-33.33% | 3,500 | | 4,335,268 | 58,782 | 62,282 | |
| Office floor space | 6,348,797 | - | - | 6,348,797 | 5%-20% | 153,692 | | 2,562,038 | 3,786,759 | 3,940,451 | |
| Motor vehicles | 14,577,281 | 3,847,240 | 6,347,746 | 12,076,775 | 20% | 538,938 | 6,347,746 | 5,982,153 | 6,094,622 | 2,786,320 | |
| Leasehold improvement | 600,940 | - | - | 600,940 | 15%-33.33% | - | | 600,940 | - | - | |
| IT equipment | 14,233,271 | - | - | 14,233,271 | 10%-50% | 88,484 | | 14,165,993 | 67,278 | 155,761 | |
| Office equipment Jun-18 | 9,857,480 | - | - | 9,857,480 | 10%-50% | 11,917 | | 9,793,315 | 64,165 | 76,081 | |
| | <u>50,011,819</u> | <u>3,847,240</u> | <u>-</u> | <u>47,511,313</u> | | <u>796,529</u> | <u>6,347,746</u> | <u>37,439,708</u> | <u>10,071,606</u> | <u>7,020,895</u> | |
| Total 2017 | <u>97,857,754</u> | <u>203,718</u> | <u>48,049,653</u> | <u>50,011,819</u> | | <u>2,178,341</u> | <u>48,049,653</u> | <u>42,990,924</u> | <u>7,020,895</u> | | |

5.1 Intangible assets

| Assets | Cost | | | | Rate of depreciation | Amortization | | | | Amount in I aka | |
|-----------------|---------------------------|---------------------------|----------------------------|-------------------------|----------------------|---------------------------|----------------------------|-------------------------|---------------------------------|--|--|
| | Balance on 1 January 2018 | Additions during the year | Adjustment during the year | Balance on 30 June 2018 | | Charged during the Period | Adjustment during the year | Balance on 30 June 2018 | Written down value on June 2018 | Written down value at 31 December 2017 | |
| Software Jun-18 | 234,610 | - | - | 234,610 | 33.33% | 39,102 | | 91,237 | 143,373 | | |
| | <u>234,610</u> | <u>-</u> | <u>-</u> | <u>234,610</u> | | <u>39,102</u> | | <u>91,237</u> | <u>143,373</u> | | |

| Balance as at 30 June 2018 Taka | Balance as at 31 Dec 2017 Taka |
|---------------------------------------|--------------------------------------|
|---------------------------------------|--------------------------------------|

6 Investment in associate company

| | | |
|---------------------------------------|-------------------|-------------------|
| BRAC Asset Management Company Limited | 15,526,676 | 15,369,427 |
| Profit for the period | 80,589 | 157,249 |
| | <u>15,607,265</u> | <u>15,526,676</u> |

In 2010, the company along with other BRAC entities, invested Taka 12,500,000 in BRAC Asset Management Company Limited which represents 25% of the paid up capital of the company. BRAC Asset Management did not start operation during the year 2011 to 31 December 2017 due to pending regulatory

7 Deferred tax assets

| | |
|--------------------|--------------------|
| <u>282,647,551</u> | <u>282,647,551</u> |
|--------------------|--------------------|

Deferred tax has been recognized in accordance with the provision of BAS 12 based on temporary differences arising due to difference in the carrying amount of the assets or liabilities and their tax base. Related tax income / expense has been recognised in the Profit and Loss account.

7.1 Deferred tax on temporary differences

| | | |
|---------------------------------------|------------------|------------------|
| (i) Deductible temporary differences | | |
| Property, plant and equipment | (3,917,263) | (3,917,263) |
| (ii) Taxable temporary difference | | |
| Finance lease obligations | (3,917,263) | (3,917,263) |
| Net taxable temporary differences | | |
| Deferred tax asset | (1,468,974) | (1,468,974) |
| Net taxable temporary differences | (3,917,263) | (3,917,263) |
| Tax rate | 37.50% | 37.50% |
| Deferred tax asset as at 31 December | (1,468,974) | (1,468,974) |
| Less: opening balance as at 1 January | 9,318,000 | 9,318,000 |
| Deferred tax expense /(income) | <u>7,849,026</u> | <u>7,849,026</u> |

7.2 Net Operating loss carry forwards

| | | |
|--|----------------------|----------------------|
| Operation income/(loss) before provision | (749,809,540) | (749,809,540) |
| Tax rate | 37.50% | 37.50% |
| Deferred tax asset as at 31 December | (281,178,577) | (281,178,577) |
| Less: opening balance as at 1 January | - | - |
| Deferred tax expense /(income) from operating loss | (281,178,577) | (281,178,577) |
| Total deferred tax expense /(income) | <u>(273,329,551)</u> | <u>(273,329,551)</u> |

8 Account receivables

| | | |
|--|-------------------|-------------------|
| Portfolio Management Department (PMD) (Note-8.1) | 4,827,801 | 3,656,338 |
| Investment Banking Department (IBD) (Note-8.2) | - | - |
| Structured Finance Department (SFD) (Note-8.3) | 13,846,697 | 12,871,697 |
| | <u>18,674,498</u> | <u>16,528,035</u> |

8.1 Portfolio Management Department (PMD)

| | | |
|--|------------------|------------------|
| Receivable from brokerage for client trading | 4,827,800.75 | 3,656,338 |
| Receivable from brokerage for own investment | - | - |
| | <u>4,827,801</u> | <u>3,656,338</u> |

PMD's receivables consist mainly of net receivables from brokers for daily sale and buy transactions of clients. These are cleared every 3 working days. Dividend income receivable represents approved dividends declared by listed entities which have not yet been credited to the company's account through the Central Depository Bangladesh Limited. These receivables are considered good at the reporting date.

8.2 Investment Banking Department (IBD)

Corporate advisory fees

| | |
|---|---|
| - | - |
| - | - |

8.3 Structured Finance Department (SFD)

Debt arrangement fees

10,968,072 10,568,072

Corporate advisory fees

2,878,625 2,303,625

13,846,697 12,871,697

9 Inter-company receivables

BRAC EPL Stock Brokerage Limited

103,500 34,500

BRAC Asset Management Company Limited

966,850 966,850

BRAC Impact Ventures Limited

- 1,100,000

1,070,350 2,101,350

10 Investment in quoted securities

1,237,510,537 1,356,164,306

The company invests in quoted securities, traded on the secondary capital market in Bangladesh. At the reporting date these are recognized at market value on aggregate basis. As per BAS 39 Financial Instruments: Recognition and Measurement, these have been classified as fair value through profit or loss where gains or losses arising from a change in the fair value of such financial assets are recognized in the statement of comprehensive income.

11 Advance income tax

Opening balance

14,748,510 16,514,787

Add: paid during the year

1,809,216 3,469,492

16,557,726.36 19,984,279

Less: adjusted during the year

- 5,235,769

16,557,726 14,748,510

12 Loans and advances to customers

Opening balance

1,722,386,221 3,616,388,219

Increase / (decrease) during the year

(15,032,509) (1,894,001,998)

1,707,353,712 1,722,386,221

At reporting date, the aggregate market value of stocks held in customer portfolios amounted to Tk.2,239,795,624 which exceeded the total margin loans of Tk.1,722,386,221 resulting in an overall surplus of Tk.517,974,099,403. Management has successfully taken efforts to attract fresh deposits from accountholders and realized outstanding charges.

13 Accrued interest and management fees receivable

Accrued interest receivable

298,897,369 290,386,010

Accrued management fees receivable

14,154,608 23,031,008

313,051,976 313,417,017

Accrued interest receivable and accrued portfolio management fee is deducted from client's account on every calendar quarter and adjusted with client's purchase power accordingly.

14 Advances, deposits and prepayments

Advances

73,423 28,423

Staff loans

213,258 318,823

General suppliers

286,681 347,246

Deposits

314,500 314,500

Regulators

1,259,317 4,713,400

Pre- IPO

1,573,817 5,027,900

Prepayments

1,637,712 1,805,150

Office rent

3,498,210 7,180,295

15 Cash and cash equivalents

| | | |
|--------------------------------|-------------------|-------------------|
| Cash in hand | 82,703 | 71,882 |
| Balance with Banks | | |
| BRAC Bank Limited | 9,809,016 | 5,801,776 |
| Standard Chartered Bank | 10,222,512 | 32,034,288 |
| NRB Commercial Bank Limited | 508,225 | 509,053 |
| NRB Bank Limited | 602,742 | 603,317 |
| One Bank Limited | 1,014,765 | 1,597,554 |
| United Commercial Bank Limited | - | - |
| Standard Bank Limited | 5,964 | 6,539 |
| IFIC Bank Limited | - | - |
| Midland Bank | 96,795 | 97,485 |
| | <u>22,342,722</u> | <u>40,721,893</u> |

16 Share capital**16.1 Authorized share capital**

| | | |
|---|----------------------|----------------------|
| 300,000,000 ordinary shares of Taka 10 each | <u>3,000,000,000</u> | <u>3,000,000,000</u> |
|---|----------------------|----------------------|

16.2 Issued, subscribed and paid-up share capital

| | | |
|---|----------------------|----------------------|
| 258,500,000 ordinary shares of Taka 10 each | <u>2,585,000,000</u> | <u>2,585,000,000</u> |
|---|----------------------|----------------------|

The company's shareholding position as at 31 December was as follows:

| Name of shareholders | Nationality/ Incorporated in | No of shares | Face value per share (Taka) | Amount |
|-------------------------------|------------------------------------|--------------------|--------------------------------|----------------------|
| | | | | Taka |
| BRAC Bank Ltd. | Bangladesh | 258,100,078 | 10 | 2,581,000,780 |
| Other individual shareholders | Various | 399,922 | | 3,999,220 |
| | | <u>258,500,000</u> | | <u>2,585,000,000</u> |

As per Form-117, BRAC Bank Limited (hereinafter called the "said Transferee") acquired shares from the minority shareholders on 19th November 2017. Now BRAC Bank Limited currently holding 99.85% of shares of BEIL's total subscribed shares.

17 Customer deposits

| | | |
|------------------------|-----------------------|--------------------|
| Opening balance | 343,191,760 | 66,633,683 |
| Change during the year | (242,352,629) | 276,558,077 |
| | <u>100,839,130.80</u> | <u>343,191,760</u> |

Customer deposits represent un invested funds lying in the company's account at the reporting date.

18 Bank overdrafts

| | | |
|--------------------------------|--------------------|--------------------|
| BRAC Bank Limited | 739,492,198 | 772,117,975 |
| IFIC Bank Limited | | |
| One Bank Limited | | |
| Standard Bank Limited | | - |
| United Commercial Bank Limited | | |
| NRB Commercial Bank Limited | | |
| | <u>739,492,198</u> | <u>772,117,975</u> |

The terms and conditions of the bank overdraft are as follows:

BRAC Bank Limited

| | |
|----------------------|--|
| Type of facility | : Overdraft 1- renewal |
| Facility limit | : BDT 800,000,000 (BDT eight hundred million) only. |
| Repayment procedures | : From operational cash flow/or own sources of borrower. |
| Maximum tenor | : On demand |
| Purpose | : To meet day to day operational activities. |
| Expiry | : 29 March 2018 |

BRAC Bank Limited

| | |
|----------------------|--|
| Type of facility | : Overdraft 2- renewal |
| Loan limit | : BDT 50,000,000 (BDT fifty million) only. |
| Repayment procedures | : From operational cash flow/or own sources of borrower. |
| Maximum tenor | : On demand. |
| Purpose | : To meet day to day operational activities. |
| Expiry | : 29 March 2018 |

| | | |
|-------------------------------|--------------------|----------------------|
| 19 Short term loan | 500,000,000 | 220,000,000 |
| 19.1 Opening balance | 220,000,000 | 680,000,000 |
| Add: received during the year | 500,000,000 | 690,000,000 |
| | <u>720,000,000</u> | <u>1,370,000,000</u> |
| Less: payment during the year | 220,000,000 | 1,150,000,000 |
| | <u>500,000,000</u> | <u>220,000,000</u> |

The terms and conditions of the loan taken from BRAC Bank Limited are as follows:

| | |
|----------------------|--|
| Loan limit | : BDT 700,000,000 (BDT seven hundred million) only. |
| Repayment procedures | : From operational cash flow/or own sources of borrower. |
| Maximum tenor | : 180 days (maximum from date of each disbursement) |
| Purpose | : To meet funding requirement for margin lending. |
| Expiry | : 29 March 2018 |

| | |
|-------------------------------|-------------------|
| 19.2 Short term loan | |
| Opening balance | 99,211,617 |
| Add: Received during the year | - |
| | <u>99,211,617</u> |
| Less: Payment during the year | 99,211,617 |
| | <u>-</u> |

20 Account payables

| | | |
|---|-------------------|-------------------|
| Broker for client trading | 10,016,988 | 3,408,549 |
| VAT on fee income | 4,422,986 | 4,287,986 |
| Payable for other PMD activities | 592,342 | 6,061 |
| Broker for Own Investment | - | 23,393,695 |
| Tax deducted at source from salaries and allowances | 1,397,254 | 337,451 |
| Tax deducted at source from suppliers | 60,859 | 83,126 |
| Withholding VAT on office rent | 89,300 | |
| Withholding VAT on suppliers' payments | 319,272 | 378,728 |
| Tax deducted at source from office rent | 85,498 | 38,808 |
| | 16,984,498 | 31,934,404 |

21 Other liabilities

| | | |
|--|----------------------|----------------------|
| Provision for loans and advances (Note 21.1) | 1,059,064,609 | 1,059,064,609 |
| Interest payable | | - |
| Sales receivable in transit | 8,685,272 | 7,403,908 |
| Salaries & Other payable | - | 6,500,000 |
| CDBL charges | 26,256 | 59,414 |
| Office maintenance | 5,068,920 | 5,357,730 |
| Audit fees | 126,500 | 198,000 |
| IT expenses | 211,386 | 211,386 |
| Telephone and mobile expenses | 61,731 | 21,099 |
| Rent | 55,813 | 55,813 |
| Security services | (4,644) | (4,644) |
| Legal and professional fees | 170,574 | 170,574 |
| Repair and maintenance | - | - |
| Printing- Postage & Stationery | 9,001 | 9,001 |
| Advertisement | | - |
| Other payable | | |
| | 1,073,475,418 | 1,079,046,889 |

21.1 Provision for loans and advances

| | | |
|------------------------------------|----------------------|----------------------|
| Opening balance | 1,059,064,609 | 1,059,064,609 |
| Provision made during the year | - | - |
| Provision released during the year | - | - |
| Closing balance | 1,059,064,609 | 1,059,064,609 |

22 Provision for taxation

| | | |
|--------------------------------------|------------------|------------------|
| Opening balance | 2,072,644 | 624,709 |
| Add : provision made during the year | 500,000 | 2,072,644 |
| | 2,572,644 | 2,697,353 |
| Less: paid/adjusted during the year | | 624,709 |
| | 2,572,644 | 2,072,644 |

| From Jan- June 2018 Taka | From Jan- June 2017 Taka |
|--------------------------------|--------------------------------|
|--------------------------------|--------------------------------|

23 Interest expenses

| | | |
|--------------------------------------|-------------------|-------------------|
| BRAC Bank Limited | 48,180,702 | 38,586,419 |
| United Commercial Bank Limited | | |
| IFIC Bank Limited | | |
| Standard Bank Limited | - | 1,170,477 |
| ONE Bank Limited | | |
| NRB Commercial Bank Limited | | |
| NRB Bank Limited | | |
| Investment Corporation of Bangladesh | | |
| | 48,180,702 | 39,756,896 |

24 Fee and commission income

| | | |
|---|-------------------|-------------------|
| Portfolio Management Department (PMD) (note-24.1) | 15,098,393 | 29,608,841 |
| Investment Banking Department (IBD) (note-24.2) | - | - |
| Structured Finance Department (SFD) (note-24.3) | 3,845,000 | 2,000,000 |
| | <u>18,943,393</u> | <u>31,608,841</u> |

24.1 Portfolio Management Department (PMD)

| | | |
|----------------------------|-------------------|-------------------|
| Settlement fees | 8,240,570 | 26,705,992 |
| Management fees | 6,835,108 | 2,874,059 |
| BO maintenance fees | 3,150 | 3,600 |
| Documentation fees | 7,900 | 19,400 |
| Commission income from IPO | 11,665 | 5,790 |
| | <u>15,098,393</u> | <u>29,608,841</u> |

24.2 Investment Banking Department (IBD)

| | | |
|-------------------------|---|---|
| Corporate advisory fees | - | - |
|-------------------------|---|---|

24.3 Structured Finance Department (SFD)

| | | |
|-------------------------|------------------|------------------|
| Debt arrangement fees | 2,000,000 | 500,000 |
| Corporate advisory fees | 1,845,000 | 1,500,000 |
| | <u>3,845,000</u> | <u>2,000,000</u> |

25 Fee and commission expenses

| | | |
|---------------------------|------------------|-------------------|
| Brokerage commission cost | 4,445,858 | 13,029,511 |
| | <u>4,445,858</u> | <u>13,029,511</u> |

26 (Loss)/Income from investment in securities

| | | |
|---|----------------------|-------------------|
| Realized (loss)/ gain during the year | 4,004,112 | 17,335,006 |
| Fair value adjustment at reporting date | (133,895,276) | 44,820,485 |
| | <u>(129,891,164)</u> | <u>62,155,491</u> |

27 Other operating income/(loss)

| | | |
|---|------------------|------------------|
| Dividend income | 5,464,967 | 1,352,408 |
| Interest income on staff loan | - | 6,381 |
| Gain on disposal of property, plant and equipment | 2,842,200 | - |
| Unrealized Interest and fees from negative equities customers written-off during the year | - | - |
| Others | - | - |
| | <u>8,307,167</u> | <u>1,358,789</u> |

28 Operating expenses

| | | |
|---|-------------------|-------------------|
| Salaries and allowances | 17,115,291 | 16,983,327 |
| Other personnel expenses | - | 2,190,266 |
| Rental expenses | 4,163,670 | 4,586,527 |
| Utilities, maintenance and running expenses | 3,646,516 | 3,258,625 |
| CDBL expenses | 253,211 | 1,018,478 |
| Legal and professional fees | 697,200 | 1,075,200 |
| Telephone, communication and IT expenses | 504,260 | 1,052,562 |
| Bad debt expenses | - | - |
| Printing and stationery | 79,614 | 144,840 |
| Travelling and conveyance | 110,306 | 131,661 |
| Vehicle maintenance expenses | 195,354 | 567,963 |
| Entertainment expenses | 181,598 | 424,492 |
| Training and development expenses | | 72,950 |
| Meeting expenses | 155,000 | 208,750 |
| License and renewal fees | | - |
| Advertisement expenses | | - |
| Audit fees | 126,500 | 126,500 |
| Regulatory fees | 200,000 | 157,500 |
| Insurance | 467,125 | 860,559 |
| | 27,895,645 | 32,860,200 |

29 Financial expenses

| | | |
|-----------------------------|----------------|----------------|
| Bank charges and commission | 377,493 | 430,609 |
| | 377,493 | 430,609 |

30 Tax expenses

| | | |
|-------------------------------|----------------|-------------------|
| Prior year taxes | | 11,309,444 |
| Current year taxes | 902,600 | 410,392 |
| Deferred tax (income)/expense | | - |
| | 902,600 | 11,719,836 |

31 Number of employees

During the period 34 permanent employees were in the employment with the company whose earning was Taka 36,000 or more per annum.

32 Related party transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business. In accordance with the provisions of BAS 24 : Related party disclosure, these are detailed

| Name of party | Nature of transactions | Jun-18 Taka |
|------------------------------------|------------------------|----------------|
| Brac Bank Limited | Interest payable | - |
| | Loans and borrowings | 1,239,492,198 |
| | Interest Expense | 48,180,702 |
| BRAC EPL Stock Brokerage Limited | Expenses payable | 681,640 |
| BRAC EPL Stock Brokerage Limited | Receivable | 103,500 |
| BRAC Asset Management Company Ltd. | Reimbursable expenses | 966,850 |
| BRAC IT Services Limited | Internet exp payable | - |

33 Events after the reporting date

No subsequent events were noted for which adjustments or disclosures are required in accordance with BAS 10.