

**BRAC Bank Limited**

**Audited Financial Statements as at and for  
the period ended 30 June 2016**

**Auditors' 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 30 June 2016, consolidated and separate Profit and Loss Accounts, consolidated and separate 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 (BFRSs) 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 30 June 2016, and of its consolidated and separate financial performance and cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in note 2.



**Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, the 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 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 three subsidiaries namely, BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited and BRAC IT Services Limited have been audited by us and another two subsidiaries namely, bKash Limited and BRAC SAAJAN Exchange Limited have been audited by Rahman Rahman Huq and Reddy Siddiqui & Kabani respectively 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 spending over 1800 person hours; and
- (xii) Capital Adequacy Ratio (CAR) as required by the Bangladesh Bank has been maintained adequately during the year.

Dated, Dhaka  
09 October 2016

  
**A. Qasem & Co.**  
Chartered Accountants



## BRAC BANK LIMITED Consolidated Balance Sheet As at 30 June 2016

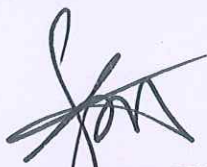
Particulars	Note	30 June 2016 Taka	31 Dec 2015 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3.a	16,147,271,165	16,227,438,475
Cash in hand		6,617,445,861	5,634,556,964
(Including foreign currency)			
Balance with Bangladesh Bank and its agent Bank(s)		9,529,825,304	10,592,881,511
(Including foreign currency)			
<b>Balance with other Banks and Financial Institutions</b>	4.a	35,704,289,506	24,790,485,928
Inside Bangladesh		33,082,090,310	20,030,174,259
Outside Bangladesh		2,622,199,196	4,760,311,669
<b>Money at call and short notice</b>		-	-
<b>Investments</b>	6.a	18,275,128,327	20,017,491,682
Government		13,276,868,966	14,979,456,068
Others		4,998,259,361	5,038,035,614
<b>Loans and advances</b>	7.a	152,726,910,207	149,934,139,696
Loans, cash credit, overdrafts etc.		151,104,784,948	148,646,144,849
Bills purchased & discounted		1,622,125,259	1,287,994,847
<b>Fixed assets including premises, furniture and fixture</b>	8.a	4,065,470,532	4,038,487,515
<b>Other assets</b>	9.a	16,805,752,380	15,338,523,394
<b>Non-banking assets</b>	10	62,230,075	62,230,075
<b>Goodwill</b>	11	1,412,198,710	1,412,198,710
<b>Total Property and Assets</b>		<u>245,199,250,902</u>	<u>231,820,995,475</u>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions &amp; agents</b>	12.a	17,553,074,063	24,671,834,522
<b>Borrowings from Central Bank</b>	13.a	4,228,429,515	4,527,813,643
<b>Convertible Subordinate Bonds</b>	14.a	2,951,079,000	3,000,000,000
<b>Money at Call and Short notice</b>	15.a	5,360,800,000	3,780,000,000
<b>Deposits and other accounts</b>	16.a	161,243,110,017	142,648,188,939
Current accounts & other accounts		61,968,398,656	58,230,154,895
Bills payable	16.4	4,682,631,882	843,532,886
Savings deposits	16	29,820,053,384	29,105,666,315
Fixed deposits		62,867,085,456	53,409,522,433
Other deposits	16.5	1,904,940,639	1,059,312,410
<b>Other liabilities</b>	17.a	30,301,639,991	31,702,429,517
<b>Total Liabilities</b>		<u>221,638,132,586</u>	<u>210,330,266,621</u>
<b>Capital and Shareholders' Equity</b>			
Paid up share capital	18.2	7,104,369,100	7,092,873,210
Share premium	18.8.a	4,819,090,866	4,781,671,715
Statutory reserve	19.a	3,470,350,332	3,470,350,332
Dividend Equalization Fund		355,218,455	-
Revaluation Reserve on Govt. Securities	20.1.a	268,718,753	219,539,410
Assets Revaluation reserve	20.2.a	516,373,535	516,373,535
Share money deposit	20.b	2,023,717,284	23,718,584
Surplus in profit and loss account/Retained Earnings	21.a	3,746,757,895	4,088,724,423
<b>Total shareholders' equity</b>		<u>22,304,596,220</u>	<u>20,193,251,209</u>
<b>Minority Interest</b>	22	1,256,522,096	1,297,477,645
<b>Total equity</b>		<u>23,561,118,315</u>	<u>21,490,728,854</u>
<b>Total Liabilities and Shareholders' Equity</b>		<u>245,199,250,902</u>	<u>231,820,995,475</u>



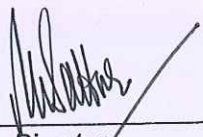
**BRAC BANK LIMITED**  
**Consolidated Balance Sheet**  
**As at 30 June 2016**

	Note	30 June 2016 Taka	31 Dec 2015 Taka
<b>Off Balance Sheet Items</b>			
<b>Contingent liabilities</b>			
Acceptances and endorsements	23	10,454,132,516	12,967,621,606
Irrevocable letter of credits	23	26,856,120,407	20,193,505,068
Letter of guarantees	23.3	6,432,136,056	5,765,094,383
Bills for collection	23.4	876,070,726	1,810,581,090
Tax liability	23.5	43,700,000	43,700,000
Other contingent liabilities	23	14,904,741,733	9,173,220,373
<b>Total Contingent liabilities</b>		<b>59,566,901,438</b>	<b>49,953,722,520</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		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total other commitments</b>		<b>-</b>	<b>-</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>	<b>23.a</b>	<b>59,566,901,438</b>	<b>49,953,722,520</b>

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

  
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Managing Director and CEO

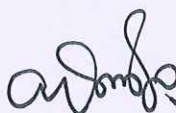
  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chairman

Auditors' report to the shareholders  
See annexed report of date

Dated, Dhaka  
09 October 2016

  
A. Qasem & Co.  
Chartered Accountants



**BRAC BANK LIMITED**  
**Balance Sheet**  
**As at 30 June 2016**

Particulars	Note	30 June 2016 Taka	31 Dec 2015 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3	<b>16,133,259,655</b>	<b>16,206,841,383</b>
Cash in hand		6,603,434,351	5,613,959,872
(Including foreign currency)			
Balance with Bangladesh Bank and its agent Bank(s)		9,529,825,304	10,592,881,511
(Including foreign currency)			
<b>Balance with other Banks and Financial Institutions</b>	4	<b>26,093,214,341</b>	<b>22,319,441,398</b>
Inside Bangladesh		23,586,648,524	17,705,308,414
Outside Bangladesh		2,506,565,817	4,614,132,984
<b>Money at call and short notice</b>	5	-	-
<b>Investments</b>	6	<b>18,058,360,654</b>	<b>19,779,252,144</b>
Government		13,276,868,966	14,979,456,068
Others		4,781,491,688	4,799,796,076
<b>Loans and advances</b>	7	<b>150,632,934,310</b>	<b>147,433,607,286</b>
Loans, cash credit, overdrafts etc.		149,010,809,051	146,145,612,439
Bills purchased & discounted		1,622,125,259	1,287,994,847
<b>Fixed assets including premises, furniture and fixture</b>	8	<b>2,926,670,476</b>	<b>2,937,117,061</b>
<b>Other assets</b>	9	<b>16,446,980,626</b>	<b>15,753,923,195</b>
<b>Non-banking assets</b>	10	<b>62,230,075</b>	<b>62,230,075</b>
<b>Total Property and Assets</b>		<b>230,353,650,136</b>	<b>224,492,412,542</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions &amp; agents</b>	12	<b>15,559,110,750</b>	<b>22,432,693,400</b>
<b>Borrowings from Central Bank</b>	13	<b>4,228,429,515</b>	<b>4,527,813,643</b>
<b>Convertible Subordinate Bonds</b>	14	<b>2,951,079,000</b>	<b>3,000,000,000</b>
<b>Money at Call and Short notice</b>	15	<b>5,360,800,000</b>	<b>3,780,000,000</b>
<b>Deposits and other accounts</b>	16	<b>156,318,318,749</b>	<b>143,320,511,483</b>
Current accounts & other accounts		50,103,640,050	49,153,715,208
Bills payable		4,682,631,882	843,532,886
Savings deposits		29,820,053,384	29,105,666,315
Fixed deposits		69,807,052,794	63,154,460,049
Other deposits		1,904,940,639	1,063,137,025
<b>Other liabilities</b>	17	<b>26,733,666,559</b>	<b>28,615,982,313</b>
<b>Total Liabilities</b>		<b>211,151,404,573</b>	<b>205,677,000,839</b>
<b>Capital and Shareholders' Equity</b>			
Paid up share capital	18.2	7,104,369,100	7,092,873,210
Share premium	18.7	3,659,942,031	3,622,522,880
Statutory reserve	19	3,470,350,332	3,470,350,332
Dividend Equalization Fund		355,218,455	-
Revaluation Reserve on Govt. Securities	20.1	268,718,753	219,539,410
Assets Revaluation reserve	20.2	516,373,535	516,373,535
Surplus in profit and loss account/Retained Earnings	21	3,827,273,357	3,893,752,336
<b>Total shareholders' equity</b>		<b>19,202,245,563</b>	<b>18,815,411,703</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>230,353,650,136</b>	<b>224,492,412,542</b>



**BRAC BANK LIMITED**  
**Balance Sheet**  
**As at 30 June 2016**

**Off Balance Sheet Items**


**Contingent liabilities**

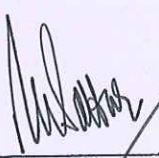
	Note	30 June 2016 Taka	31 Dec 2015 Taka
Acceptances and endorsements	23	10,454,132,516	12,967,621,606
Irrevocable letter of credits	23	26,856,120,407	20,193,505,068
Letter of guarantees	23.3	6,432,136,056	5,765,094,383
Bills for collection	23.4	876,070,726	1,810,581,090
Tax liability	23.5	43,700,000	43,700,000
Other contingent liabilities	23	14,904,741,733	9,173,220,373
<b>Total Contingent liabilities</b>		<b>59,566,901,438</b>	<b>49,953,722,520</b>

**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		-	-
<b>Total Other Commitments</b>		<b>-</b>	<b>-</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>	<b>23.a</b>	<b>59,566,901,438</b>	<b>49,953,722,520</b>

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

  
\_\_\_\_\_  
Managing Director and CEO

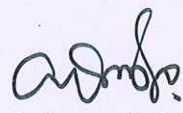
  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chairman

Auditors' report to the shareholders  
See annexed report of date

Dated, Dhaka  
09 October 2016

  
A. Qasem & Co.  
Chartered Accountants




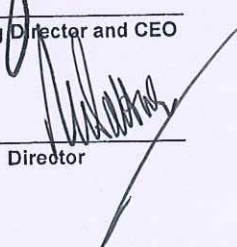


## BRAC BANK LIMITED


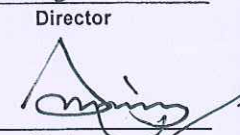
### Consolidated Profit and Loss Account For the period ended 30 June 2016

Particulars	Note	30 June 2016 Taka	30 June 2015 Taka
Interest income	25.a	9,041,946,663	8,540,300,302
Interest paid on deposits and borrowing etc.	26.a	3,286,109,243	4,350,650,568
<b>Net interest income</b>		<b>5,755,837,420</b>	<b>4,189,649,734</b>
Investment income	27.a	1,129,733,745	1,533,709,670
Commission, exchange and brokerage	28.a	2,695,971,508	2,268,597,914
Other operating income	29.a	735,986,670	614,905,871
<b>Total operating income</b>		<b>10,317,529,343</b>	<b>8,606,863,189</b>
Salaries and allowances	30	2,257,313,017	1,915,503,751
Rent, taxes, insurance, electricity etc.	31.a	610,111,326	488,954,384
Legal expenses	32	41,975,177	68,064,013
Postage, stamps, telecommunication etc.	33.a	146,941,527	134,337,888
Stationery, printing, advertisement etc.	34.a	634,907,259	484,383,695
Chief Executive's salary & fees	35	6,922,500	8,275,417
Directors' fees & expenses	36.a	1,624,055	772,383
Auditors' fee	37.a	2,101,877	1,959,545
Depreciation and repairs to bank's assets	38.a	717,165,654	766,892,836
Other expenses	39.a	1,136,939,208	1,207,132,312
<b>Total operating expenses</b>		<b>5,556,001,600</b>	<b>5,076,276,224</b>
<b>Profit/(loss) before provisions</b>		<b>4,761,527,743</b>	<b>3,530,586,965</b>
<b>Provision for:</b>			
Loans and advances		1,498,143,726	1,405,923,546
Diminution in value of investments		-	10,000,000
Off balance sheet items		-	-
Others		-	-
<b>Total provision</b>	40.a	<b>1,498,143,726</b>	<b>1,415,923,546</b>
<b>Profit/(loss) before taxes</b>		<b>3,263,384,017</b>	<b>2,114,663,419</b>
<b>Provision for Tax:</b>			
Current tax expense		1,540,826,159	1,048,281,879
Deferred tax expense/ (income)		(25,830,795)	66,152,570
<b>Total provision for Tax</b>	41.a	<b>1,514,995,364</b>	<b>1,114,434,449</b>
<b>Total profit/(loss) after taxes</b>		<b>1,748,388,653</b>	<b>1,000,228,970</b>
<b>Appropriations:</b>			
Statutory reserve		-	-
General reserve		-	-
Dividend etc.		-	-
<b>Retained earnings</b>		<b>1,748,388,653</b>	<b>1,000,228,970</b>
<b>Attributable to:</b>			
Equity holders of BRAC Bank Ltd.	42.a	1,789,344,202	1,019,892,831
Minority interest		(40,955,549)	(19,663,861)
		<b>1,748,388,653</b>	<b>1,000,228,970</b>
<b>Earning Per Share (EPS)</b>	42.a	<b>2.52</b>	<b>1.44</b>

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

  
 Managing Director and CEO  
  
 Director

Auditors' report to the shareholders  
See annexed report of date

  
 Director  
  
 Chairman

Dated, Dhaka  
09 October 2016

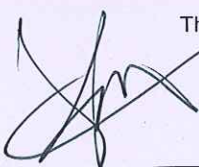
A. Qasem & Co.  
Chartered Accountants




**BRAC BANK LIMITED**  
**Profit and Loss Account**  
**For the period ended 30 June 2016**


Particulars	Note	30 June 2016 Taka	30 June 2015 Taka
Interest income	25	8,936,365,049	8,398,765,788
Interest paid on deposits and borrowing etc.	26	3,559,725,189	4,574,507,605
<b>Net interest income</b>		<b>5,376,639,860</b>	<b>3,824,258,183</b>
Investment income	27	1,115,469,416	1,535,743,347
Commission, exchange and brokerage	28	1,290,209,646	1,297,556,003
Other operating income	29	640,333,703	469,944,703
<b>Total operating income</b>		<b>8,422,652,625</b>	<b>7,127,502,236</b>
Salaries and allowances	30	1,681,306,507	1,415,317,870
Rent, taxes, insurance, electricity etc.	31	553,897,144	442,664,588
Legal expenses	32	40,975,615	57,644,378
Postage, stamps, telecommunication etc.	33	121,878,711	115,178,025
Stationery, printing, advertisement etc.	34	158,429,971	138,122,271
Chief Executive's salary & fees	35	6,922,500	8,275,417
Directors' fees & expenses	36	662,400	287,500
Auditors' fee	37	612,375	543,000
Depreciation and repairs to bank's assets	38	470,381,625	569,854,921
Other expenses	39	848,957,428	880,823,033
<b>Total operating expenses</b>		<b>3,884,024,276</b>	<b>3,628,711,004</b>
<b>Profit/(loss) before provisions</b>		<b>4,538,628,349</b>	<b>3,498,791,232</b>
<b>Provision for:</b>			
Loans and advances		1,114,351,094	1,405,923,546
Diminution in value of investments		-	10,000,000
Off balance sheet items		-	-
Others		-	-
<b>Total provision</b>	40	<b>1,114,351,094</b>	<b>1,415,923,546</b>
<b>Profit/(loss) before taxes</b>		<b>3,424,277,255</b>	<b>2,082,867,686</b>
<b>Provision for Tax:</b>			
Current tax expense		1,370,042,897	1,010,778,586
Deferred tax expense/ (income)		(10,597,393)	-
<b>Total provision for Tax</b>	41	<b>1,359,445,504</b>	<b>1,010,778,586</b>
<b>Total profit/(loss) after taxes</b>		<b>2,064,831,751</b>	<b>1,072,089,100</b>
<b>Appropriations:</b>			
Statutory reserve		-	-
General reserve		-	-
Dividend etc.		-	-
<b>Retained earnings</b>		<b>2,064,831,751</b>	<b>1,072,089,100</b>
<b>Earning Per Share (EPS)</b>	42	<b>2.91</b>	<b>1.51</b>


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


  
Managing Director and CEO

  
Director

Auditors' report to the shareholders  
See annexed report of date

  
Director

  
Chairman

  
A. Qasem & Co.  
Chartered Accountants

Dated, Dhaka  
09 October 2016

**BRAC BANK LIMITED**  
**Consolidated Statement of Changes in Equity**

For the period ended 30 June 2016

Particulars	Paid up share capital	Share Premium	Statutory Reserve	Dividend Equalization Fund	Revaluation Reserve on Govt. Securities	Assets Revaluation reserve	Share money deposit	Retained Earnings	Minority Interest	Total
Balance as at 01 January 2016	7,092,873,210	4,781,671,715	3,470,350,332	-	219,539,410	516,373,535	23,718,584	4,088,724,423	1,297,477,645	21,490,728,854
Net profit for the period	-	-	-	-	-	-	-	1,789,344,202	(40,955,549)	1,748,388,653
Statutory reserve	-	-	-	-	-	-	-	-	-	-
Dividend Equalization Fund	-	-	-	355,218,455	-	-	-	(355,218,455)	-	-
Ordinary Share issue	11,495,890	-	-	-	-	-	-	-	-	11,495,890
Preference share capital of bKash Ltd.	-	37,419,151	-	-	-	-	-	-	-	37,419,151
Share Premium	-	-	-	-	49,179,343	-	-	-	-	49,179,343
Revaluation reserve	-	-	-	-	-	-	1,999,998,700	-	-	1,999,998,700
Share money deposit	-	-	-	-	-	-	-	(1,776,092,275)	-	(1,776,092,275)
Cash Dividends for the year 2015	-	-	-	-	268,718,753	-	2,023,717,284	3,746,757,895	1,256,522,096	23,561,118,316
Balance as at 30 June 2016	7,104,369,100	4,819,090,866	3,470,350,332	355,218,455	219,539,410	516,373,535	23,718,584	4,088,724,423	1,297,477,645	21,490,728,854
Balance as at 31 December 2015	7,092,873,210	4,781,671,715	3,470,350,332	-	-	516,373,535	-	-	-	-

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**BRAC BANK LIMITED**  
**Statement of Changes in Equity**  
**For the period ended 30 June 2016**

Particulars	Paid up share capital	Share Premium	Statutory Reserve	Dividend Equalization Fund	Revaluation Reserve on Govt. Securities	Assets Revaluation reserve	Retained Earnings	Total
Balance as at 01 January 2016	7,092,873,210	3,622,522,880	3,470,350,332	-	219,539,410	516,373,535	3,893,752,336	18,815,411,703
Net profit for the period	-	-	-	-	-	-	2,064,831,751	2,064,831,751
Dividend Equalization Fund	-	-	-	355,218,455	-	-	(355,218,455)	-
Ordinary Share issue	11,495,890	-	-	-	-	-	-	11,495,890
Share Premium	-	37,419,151	-	-	-	-	-	37,419,151
Statutory reserve	-	-	-	-	-	-	-	-
Revaluation reserve	-	-	-	-	49,179,343	-	-	49,179,343
Cash Dividends for the year 2015	-	-	-	-	-	-	(1,776,092,275)	(1,776,092,275)
Balance as at 30 June 2016	7,104,369,100	3,659,942,031	3,470,350,332	355,218,455	268,718,753	516,373,535	3,827,273,357	19,202,245,563
Balance as at 31 December 2015	7,092,873,210	3,622,522,880	3,470,350,332	-	219,539,410	516,373,535	3,893,752,336	18,815,411,703

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**BRAC BANK LIMITED**  
**Consolidated Cash Flow Statement**  
**For the period ended 30 June 2016**

	Note	30 June 2016 Taka	30 June 2015 Taka
<b>A. Cash flows from operating activities</b>			
Interest receipts		9,789,546,177	10,705,629,250
Interest payment		(2,278,034,621)	(4,872,328,430)
Dividends receipts		49,468,931	30,456,540
Fees & commissions receipts		2,359,341,482	5,270,082,850
Recoveries on loans previously written off		570,835,204	415,887,340
Cash payments to employees		(2,403,876,158)	(1,834,048,857)
Cash payments to suppliers		(1,918,735,086)	(4,268,568,776)
Income tax paid		(1,216,776,179)	(734,613,999)
Receipts from other operating activities	44.a	230,761,963	184,599,322
Payment for other operating activities	45.a	(1,897,917,895)	(1,602,679,488)
<b>Operating Cash flow before changes in operating assets and liabilities (i)</b>		<b>3,284,613,818</b>	<b>3,294,415,752</b>
<b>Increase/decrease in operating assets &amp; liabilities</b>			
Loans and advances		(3,109,121,307)	(6,709,096,778)
Other assets		(1,949,677,145)	(397,666,607)
Deposits from other banks/borrowings		(5,523,241,446)	10,540,425,583
Deposits from customers		18,584,506,560	(4,719,473,169)
Other liabilities		(2,055,543,151)	(282,149,378)
Cash utilised in operating assets & liabilities (ii)		5,946,923,511	(1,567,960,349)
<b>Net cash (used)/flows from operating activities (i+ii)</b>		<b>9,231,537,329</b>	<b>1,726,455,403</b>
<b>B. Cash flows from investing activities</b>			
Treasury bills		-	977,394,052
Bangladesh Bank Bills		2,176,290,860	(1,550,437,300)
Treasury bonds		(424,841,215)	4,721,486,607
Encumbered Securities		-	1,896,295,784
Sale/ (Investment) in shares		14,799,260	(945,378,804)
Investment in Bonds		20,000,000	(530,000,000)
Redemption of BBL Bond		(48,921,000)	-
Acquisition of fixed assets		(478,077,885)	(479,372,276)
Disposal of Fixed Assets		66,350,894	830,637
<b>Net cash used in investing activities</b>		<b>1,325,600,914</b>	<b>4,090,818,700</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares		11,495,890	-
Share money deposit		2,000,000,000	-
Share Premium		37,419,151	-
Dividend paid		(1,772,733,816)	(1,317,873,911)
<b>Net cash flows from financing activities</b>		<b>276,181,225</b>	<b>(1,317,873,911)</b>
<b>Net increase/decrease in cash</b>		<b>10,833,319,468</b>	<b>4,499,400,192</b>
Cash and cash equivalents at beginning of the year		41,019,700,403	42,359,234,694
Cash and cash equivalents at end of the year	43.a	<b>51,853,019,871</b>	<b>46,858,634,886</b>
<b>Cash and cash equivalents at end of the year:</b>			
Cash in hand (including foreign currency)		6,617,445,861	10,195,304,773
Balance with Bangladesh Bank and its agents bank(s)		9,529,825,304	9,354,263,797
(including foreign currency)			
Balance with other banks and financial institutions		35,704,289,506	27,056,953,116
Money at call and short notice		-	250,000,000
Prize Bond		1,459,200	2,113,200
		<b>51,853,019,871</b>	<b>46,858,634,886</b>



**BRAC BANK LIMITED**  
**Cash Flow Statement**  
**For the period ended 30 June 2016**

	Note	30 June 2016 Taka	30 June 2015 Taka
<b>A. Cash flows from operating activities</b>			
Interest receipts		9,909,211,443	10,067,268,196
Interest payment		(3,050,412,001)	(4,622,358,682)
Dividends receipts		48,567,787	28,023,596
Fees & commissions receipts		1,290,209,646	1,297,556,003
Recoveries on loans previously written off		570,835,204	415,887,340
Cash payments to employees		(1,810,814,475)	(1,421,096,745)
Cash payments to suppliers		(296,298,150)	(223,268,034)
Income tax paid		(1,147,778,115)	(690,626,592)
Receipts from other operating activities	44	80,700,761	53,065,681
Payment for other operating activities	45	(1,731,668,015)	(1,470,336,493)
Operating Cash flow before changes in operating assets and liabilities (i)		3,862,554,085	3,434,114,270
<b>Increase/decrease in operating assets &amp; liabilities</b>			
Loans and advances to customers		(3,199,318,936)	(6,590,946,763)
Other assets		(1,995,183,200)	(276,075,066)
Deposits from other banks/borrowings		(5,592,166,778)	10,454,215,703
Deposits from customers		12,997,799,179	(6,081,844,665)
Other liabilities		(2,065,197,801)	(515,540,766)
Cash utilised in operating assets & liabilities (ii)		145,932,465	(3,010,191,557)
Net cash (used)/flows from operating activities (i+ii)		4,008,486,550	423,922,713
<b>B. Cash flows from investing activities</b>			
Treasury bills		-	977,394,052
Bangladesh Bank Bills		2,176,290,860	(1,550,437,300)
Treasury bonds		(424,841,215)	4,721,486,607
Encumbered Securities		-	1,896,295,784
Sale/ (Investment) in shares		(1,695,613)	(1,007,809,302)
Investment in Bonds		20,000,000	(530,000,000)
Redemption of BBL Bond		(48,921,000)	-
Acquisition of fixed assets		(371,812,297)	(347,379,923)
Disposal of Fixed Assets		66,185,905	347,637
Net cash used in investing activities		1,415,206,640	4,159,897,555
<b>C. Cash flows from financing activities</b>			
Proceeds from issue of Ordinary shares		11,495,890	-
Share Premium		37,419,151	-
Dividend paid		(1,772,733,816)	(1,311,747,592)
Net cash flows from financing activities		(1,723,818,775)	(1,311,747,592)
Net increase/decrease in cash		3,699,874,415	3,272,072,676
Cash and cash equivalents at beginning of year		38,528,058,781	41,671,281,684
Cash and cash equivalents at end of the year	43	42,227,933,196	44,943,354,360
<b>Cash and cash equivalents at end of the year:</b>			
Cash in hand (including foreign currency)		6,603,434,351	10,187,594,759
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)		9,529,825,304	9,354,263,797
Balance with other banks and financial institutions		26,093,214,341	25,149,382,604
Money at call and short notice		-	250,000,000
Prize Bond		1,459,200	2,113,200
		42,227,933,196	44,943,354,360

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## BRAC BANK LIMITED

Consolidated Liquidity Statement  
(Asset and Liability Maturity Analysis)  
As at 30 June 2016

	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 BB	7,004,559,228	-	-	-	9,142,711,937	16,147,271,165
Balance with other banks and financial Institutions (including foreign currencies)	17,423,971,395	12,620,676,662	5,429,201,526	230,439,923	-	35,704,289,506
Money at call and short notice	-	-	-	-	-	-
Investments	1,742,727,828	156,787,395	2,088,885,893	3,260,489,624	11,026,237,587	18,275,128,327
Loans and advances	12,402,613,405	24,949,874,714	48,072,699,457	55,416,446,416	11,885,276,215	152,726,910,207
Fixed assets including premises, furniture & fixtures	43,900,057	58,533,410	321,933,752	1,914,367,732	1,726,735,581	4,065,470,532
Other assets	662,413,444	2,553,076,294	3,409,243,093	8,139,660,835	2,041,358,714	16,805,752,380
Non - banking assets	-	-	-	-	62,230,075	62,230,075
Goodwill	-	-	-	-	1,412,198,710	1,412,198,710
<b>Total Assets</b>	<b>39,280,185,357</b>	<b>40,338,948,475</b>	<b>59,321,963,721</b>	<b>68,961,404,530</b>	<b>37,296,748,819</b>	<b>245,199,250,902</b>
<b>LIABILITIES</b>						
Borrowings from Bangladesh bank, other Banks, financial institutions and agents	3,607,046,174	5,099,634,811	9,164,117,221	3,910,705,372	-	21,781,503,578
Convertible subordinated debts	-	-	-	2,951,079,000	-	2,951,079,000
Money at call and short notice	5,360,800,000	-	-	-	-	5,360,800,000
Deposits & other accounts	31,043,671,375	27,117,648,983	49,340,322,404	36,195,053,212	17,546,414,043	161,243,110,017
Other liabilities	1,655,791,128	2,621,353,222	4,143,552,095	13,368,832,546	8,512,111,000	30,301,639,991
Minority Interest	-	-	-	-	1,256,522,096	1,256,522,096
<b>Total Liabilities</b>	<b>41,667,308,677</b>	<b>34,838,637,016</b>	<b>62,647,991,720</b>	<b>56,425,670,130</b>	<b>27,315,047,139</b>	<b>222,894,654,682</b>
<b>Amount of net liquidity difference</b>	<b>(2,387,123,320)</b>	<b>5,500,311,459</b>	<b>(3,326,027,999)</b>	<b>12,535,734,400</b>	<b>9,981,701,680</b>	<b>22,304,596,220</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 30 June 2016**

	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 BB	6,990,547,718	-	-	-	9,142,711,937	16,133,259,655
Balance with other banks and financial Institutions (Including foreign currencies)	7,770,236,966	12,841,600,000	5,481,377,375	-	-	26,093,214,341
Money at call and short notice	-	-	-	-	-	-
Investments	1,683,401,639	156,787,395	1,988,481,904	3,260,489,624	10,969,200,092	18,058,360,654
Loans and advances	12,402,613,405	24,949,874,714	46,075,010,932	55,320,159,044	11,885,276,215	150,632,934,310
Fixed assets including premises, furniture & fixture	43,900,057	58,533,410	321,933,752	775,567,676	1,726,735,581	2,926,670,476
Other assets	504,628,920	1,855,871,910	1,308,933,756	8,390,870,541	4,386,675,498	16,446,980,625
Non - banking assets	-	-	-	-	62,230,075	62,230,075
<b>Total Assets</b>	<b>29,395,328,705</b>	<b>39,862,667,429</b>	<b>55,175,737,719</b>	<b>67,747,086,885</b>	<b>38,172,829,398</b>	<b>230,353,650,136</b>
<b>LIABILITIES</b>						
Borrowings from Bangladesh bank, other Banks, financial institutions and agents	5,366,132,614	5,099,634,811	5,499,772,840	3,822,000,000	-	19,787,540,265
Convertible subordinated debts	-	-	-	2,951,079,000	-	2,951,079,000
Money at call and short notice	5,360,800,000	-	-	-	-	5,360,800,000
Deposits & other accounts	23,624,414,109	29,612,114,981	49,340,322,404	36,195,053,213	17,546,414,043	156,318,318,750
Other liabilities	1,376,282,959	1,722,743,360	2,455,860,730	12,666,668,509	8,512,111,000	26,733,666,558
<b>Total Liabilities</b>	<b>35,727,629,682</b>	<b>36,434,493,152</b>	<b>57,295,955,974</b>	<b>55,634,800,722</b>	<b>26,058,525,043</b>	<b>211,151,404,573</b>
<b>Amount of net liquidity difference</b>	<b>(6,332,300,977)</b>	<b>3,428,174,277</b>	<b>(2,120,218,255)</b>	<b>12,112,286,163</b>	<b>12,114,304,355</b>	<b>19,202,245,563</b>

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

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**BRAC BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at and for the period ended 30 June 2016**

**SECTION -ONE : CORPORATE PROFILE AND 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 107 (One hundred and seven) branches, 69 SME service centers, 112 zonal offices and 475 unit offices of SME.

BRAC Bank Limited 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 and 39% shares of EPL Stock Brokerage Limited. As a result, the Bank's control has increased to 76% of EPL Investment Limited and 90% shares of EPL Stock Brokerage Limited. BRAC Bank Limited 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 limited formed bKash Limited, a private Limited company by shares under the Companies Act 1994 Incorporated on 1 March 2010. BRAC Bank limited sponsored 51% shares of the company and Money in motion ULC (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.

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" (BSE). BRAC Bank Limited shall 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 and Chittagong Stock Exchange as a publicly traded company from 28 January 2007 and 24 January 2007 respectively.

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 with formal banking. With the view to reaching clients, the Bank has established 69 SME service centers and 479 regional marketing unit offices offering services in the heart of rural and urban communities and employed about 2,197 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 and Corporate credit, lease financing, project financing, issuing debit and 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 commenced its off-shore banking operation after obtaining permission from Bangladesh Bank in 2010. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. Apart from the reporting of Off shore Banking Unit with SOLO financial statements a separate Financial Statements of Off shore Banking Unit is shown in Annex H. The Principal activities of OBU are to provide all kinds of commercial banking services to its customers in Bangladesh.



**1.2 The Bank has 5 (Five) Subsidiaries details of which are given at note from 1.2.1 to 1.2.5****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 and 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 both 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 license from Bangladesh Bank for rendering such service.

**1.2.4 BRAC SAAJAN 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.

**2 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:****2.1.1 Statement of Compliance and basis of preparation**

The financial statements of the Bank have been prepared in accordance with the "First Schedule (sec-38)" of the Banking Companies Act 1991 and amendment therein 2007 and 2013, 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), etc.

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

- i) The Banking Companies Act, 1991
- ii) The Companies Act, 1994
- iii) Rules and Regulations Issued by Bangladesh Bank.
- iv) Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange ordinance 1969, Bangladesh Securities and Exchange Act 1993, Bangladesh Securities and Exchange Commission IPO Rules 2006.
- v) The Income Tax ordinance, 1984
- vi) The Value Added Tax Act, 1991
- vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange limited (CSE) and Central Depository Bangladesh Limited

As such the Group and the Bank has departed 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 Financial Instruments: Recognition and Measurement, 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 Financial Instruments: Recognition and Measurement, 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 other reserve as a part of equity.

### iii) Provision on loans and advances

BAS/BFRS: As per BAS 39 Financial Instruments: an entity should start the impairment assessment by considering whether 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. Also, 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. Moreover, 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 Presentation of Financial Statements: 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 other comprehensive income (OCI) statements. As such the bank does not prepare the other comprehensive income statement.

### v) Financial Instruments – presentations and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in BAS 39 Financial Instruments. As such some disclosure and presentation requirements of BFRS 7 Financial Instruments: Disclosures and BAS 32 Financial Instruments: Presentation, 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 Instruments: Recognition and Measurement, 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 is 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, dated 25 June 2003, financial guarantees such as Letter of Credit, Letter of Guarantee should be treated as off balance items. no liability is recognized for the guarantee except the cash margin.

### viii) Cash and Cash equivalents

"BAS/BFRS: Cash and cash equivalents items should be reported as cash item as per BAS 7 Statement of Cash Flows.

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 Bangladesh Bank and other banks.



**ix) non banking assets**

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

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, there must exist a face item named non banking assets.

**x) Cash flow statement**

BAS/BFRS: As per BAS 7 Statement of Cash Flows, 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.

**xi) Balance with Bangladesh Bank:**

BAS/BFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7 Statement of Cash Flows.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

**xii) Presentation of intangible asset**

BAS/BFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per BAS 38 Intangible Assets.

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD circular 14, dated 25 June 2003.

**xiii) 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. Letter of Credit, Letter of Guarantee, Acceptance should be disclosed separately on the face of balance sheet.

**xiv) Disclosure of appropriation of profit**

BAS/BFRS: There is no requirement to show appropriation of profit on the face of statement of Profit and Loss Account.

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.

**xv) 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 provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

[Also refer to (note 2.14) Compliance of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)]

**2.1.2 Going Concern**

The accompanying financial statements have been prepared on a going concern assumption that the Bank is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Bank has neither the intention nor the need to liquidate or curtail materially the scale of its operation. The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

**2.1.3 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.

**2.1.4 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.

#### 2.1.5 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.

#### 2.1.6 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 as those of a single economic entity.

The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard (BAS) 27: Consolidated and Separate financial statements and Bangladesh Financial Reporting Standard (BFRS) 10: Consolidated Financial Statements. The consolidated financial statements are prepared to a common reporting year ended 31 December 2015.

#### 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 and Separate financial statements and BFRS 10: Consolidated Financial Statements. 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: 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 the 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. The investor's share of the investee's profit or loss is recognised in the investor's profit and loss account. Distributions received from an investee reduce the carrying amount of the investment.

#### 2.3 Foreign Currency Translations

##### Monetary Items:

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

##### Non-monetary Items:

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.

##### Gain and Losses:

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



**Commitments:**

Commitments for outstanding forward foreign exchange have included in the profit and loss statement, except those arising on the translation of net investment in foreign subsidiaries

**Foreign operations**

The results of financial statements of the Bank whose functional currency is not Bangladesh Taka are translated into Bangladesh taka

- a. assets and liabilities for each statement of balance sheet have been translated at the closing rate on the date of balance sheet
- b. income and expenses for the profit and Loss account have been translated at monthly average rate.

**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 @ 40% as prescribed in the Finance Act-2015 on the taxable income.

**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 30 June 2016.

## 2.7 Significant Accounting Policies:

The accounting policies set out below have applied consistently to all the periods presented in these financial statements and have been applied consistently by the bank.

### 2.7.1 Assets and the basis of their valuation

#### 2.7.1.1 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". However cash flows from operating activities have been presented according to the format mentioned in BRPD circular 14, dated 25 June 2003.

#### 2.7.1.2 Investments

All investments securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discount accredited, 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 26 May 2008, DOS Circular no.-05, dated 28 January 2009, DOS Circular no.-02, dated 19 January 2012, 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 revalued if they are reclassified to HFT category with the Board's approval.

Value of Investments has been shown as under:

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

##### 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.



#### Investment in quoted securities

These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income which are reported at cost. Unrealized gains are not recognized in the profit and loss statement. But required provision kept for diminution in value of investment.

#### Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

#### Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting and presented in the Bank's consolidated financial statements as that of a single economic entity in accordance with the BAS 27 "Consolidated and Separate Financial Statements" and BFRS 10 "Consolidated Financial Statements".

#### 2.7.1.3 Loans and Advances

- Interest on loans and advances is calculated daily on product basis but charged and accounted monthly and quarterly on accrual basis.
- Classification and provisioning for loans and advances is created based on the period of arrears by following Bangladesh Bank BRPD circulars no. 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.
- Interest on classified loans and advances is calculated as per BRPD circular no. 27, dated August 31, 2010 and recognized as income on realization as per BRPD circular no. 14 and 15, dated September 23, 2012.

The classification rates are given below:

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

- Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are filed and classified as bad loss as per BRPD circular no. 02 dated 13 January 2003 and 13 dated 07 november 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.

#### 2.7.1.4 Impairment of Financial Assets

At each balance sheet date, BRAC Bank Limited assesses whether there is objective evidence that a financial asset or a group of financial assets ie, loans and advances, off balance sheet items and investments are impaired. A financial asset or groups of financial assets are impaired and impairment losses are incurred if there is objective evidence of impairment as a result of a loss event that occur after the initial recognition of the asset up to the balance sheet date; the loss event had an impact on the estimated future cash flows of the financial assets or the group of financial assets; and a reliable estimate of the loss amount can be made.

In the event of impairment loss, the bank reviews whether a further allowance for impairment should be provided in the profit and loss

#### 2.7.1.5 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 and 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.

### 2.7.1.6 Property, plant and equipment

#### a) Recognition and Measurement

All fixed assets are stated at cost less accumulated depreciation as per BAS 16 "Property Plant and Equipment". Land is measured at cost.

#### Subsequent costs

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 and 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	BRAC EPL	BRAC EPL	B-Kash	BRAC IT	BRAC Saajan
Furniture and fixture	10%	10% -20%	12.5%	10%	10%	10%
Leasehold Building	2.5%	-	-	-	-	-
Office equipment	20%	10% -20%	20%	20%	10%	-
IT equipment - Hardware	20%	25%	25%	20%	33%	10%
IT equipment - PC, Laptop,	33.33%	33.33%	33.33%	20%	-	-
IT equipment - Software	20%	-	-	-	-	-
Motor vehicles	20%	20%	20%	20%	20%	-
Office Decoration	-	15%	15%	-	-	-
Air Cooler and Ceiling Fan	-	20%	20%	-	20%	-
Building and other construction	-	5%	2%	-	-	-
Generator and Multimedia	-	-	-	-	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 and loss account as per provision of BAS 16 Property plant and equipment.

#### d) Revaluation

The fair value of land and 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 and 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 and 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 of Property, Plant and Equipment**

At each balance sheet date, the bank assesses whether there is any indication that the carrying amount of the asset exceeds its recoverable amount. If any such indication exist, the bank should estimate the recoverable amount of the asset. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and impairment loss is recognized as an expense in the profit and loss account unless the asset is carried at revalued amount in accordance with Bangladesh Accounting Standard (BAS) 16 property plant and equipment, in which case in any impairment loss of a revalued assets should be treated as revolution decrease under the accounting standard. no impairment loss was recognized up to the reporting period as there were no such indication existed as on balance sheet date.

**2.7.1.7 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) Software**

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

**c) License**

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

**2.7.1.8 Other assets**

Other assets include mainly advance office rent, payment of advance income tax has not been closed yet and all other financial assets, fees and other unrealized income receivable, advance for operating and capital expenditure and stocks of stationery and stamps etc.

**2.7.1.9 Inventories**

Inventories are measured at lower of cost and net realisable value.

**2.7.2 Liabilities****2.7.2.1 Borrowings from other banks, financial institutions and 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.

**2.7.2.2 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.

**2.7.2..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 and 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.



**2.7.3 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.

**2.7.3.1 Capital / Shareholders equity****a. Authorized Capital**

Authorized capital is the maximum amount of share capital that the bank is authorized by its Memorandum and Articles of Association

**b. 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.

**2.7.3.2 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.

**2.7.3.3 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 Bangladesh Securities and Exchange Commission in this respect.

**2.7.3.4 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.

**2.7.3.5 Revaluation reserve****Revaluation Reserve on Govt. Securities**

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

**Assets Revaluation Reserve**

Other reserve comprises Investment revaluation reserve and fixed assets revaluation reserve. Where carrying amount of an item of property, plant and equipment is increased as a result of valuation, the increased amount is credited directly to equity under the heading of assets revaluation reserve as per BAS 16: property, plant and equipment.

**2.7.3.6 Minority (non-controlling) interest**

Minority interest (non-controlling interest) in business is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. The magnitude of the minority interest in BRAC EPL Investments Limited, BRAC EPL Stock Brokerage Limited, bkash Limited, BRAC Saajan Exchange Limited and BRAC IT Services Limited are 24%, 10%, 49%, 12.5% and 49% respectively.



**2.8 Employee Benefits****2.8.1 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 of the fund. The bank also contributes equal amount of the employees' contribution to the fund. Interest earned from the investments is credited to the members' account on half yearly basis.

**2.8.2 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.

**2.8.3 Worker's 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.

**2.8.4 Other Employee Benefits****Life Insurance**

The objective of the scheme is 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.

**Welfare Fund**

The objective of the Employees' Welfare Fund is to provide regular category employees from Officer grade 1 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 3 (three) members Management Committee to manage the fund. The Managing Director and CEO of the Bank will be the chairperson of this committee and other 2 (two) 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 an 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 LFA will be given in this leave period.

**Subsidized Scheme - Staff Loan**

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



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

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

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

## **2.9 Revenue Recognition**

### **Interest Income**

In terms of provision of Bangladesh Accounting Standard (BAS -18 Revenue) 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 realisation 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 and discounted**

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

### **Interest and fees receivable on credit cards**

Interest and 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 and fees is in arrear for over three months. Thereafter, interest and fees are accounted for on realisation basis.

### **Fees and Commission Income**

The Bank earn fees and commission from a diverse range of services provided to its customers. This include fees and 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 and commission income arises on services rendered by the Bank are recognized on a realization basis.

### **Dividend income on Shares**

As per BAS 18 Revenue, Dividend income from investment in shares is recognized when the Banks right to receive the dividend is established. It recognised when:

- a. It is probable that the economic benefit associated with the transaction will flow to the entity; and
- b. The amount of the revenue can be measured reliably.

### **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.

## **2.10 Earnings Per Share**

Earnings Per Share (EPS) has been computed by dividing the basic earning by the weighted average number of ordinary Shares outstanding as at 31 December, 2015 as per Bangladesh Accounting Standard (BAS) - 33 "Earnings 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 2015 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**

The objective of diluted earnings per share is consistent with that of basic earnings per share; that is, to provide a measure of the interest of each ordinary share in the performance of an entity taking into account dilutive potential ordinary shares outstanding during the period. In BRAC Bank Limited potential ordinary shares is in convertible subordinate Bond that may entitle their holders to ordinary shares.

**2.11 Statement of Liquidity**

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

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

**2.12 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.

**2.13 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.



**2.14 Compliance of Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standard (BFRS)**

Name of the standards	Ref.	Status
First-time adoption of International financial Reporting Standards	BFRS-1	Not applicable
Share-based Payment	BFRS-2	Not applicable
Business Combinations	BFRS-3	Not applicable
Insurance Contracts	BFRS-4	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
Financial Instruments	BFRS-9	Applied
Consolidated Financial Statements	BFRS-10	Applied
Joint Arrangements	BFRS-11	Not applicable
Disclosure of Interests in Other Entities	BFRS-12	Not applicable
Fair Value Measurement	BFRS-13	Not applicable
Regulatory Deferral Accounts	BFRS-14	Not applicable
Revenue from Contracts with Customers	BFRS-15	Not applicable
Presentation of Financial Statements	BAS-1	Applied
Inventories	BAS-2	Applied
Statement of Cash Flows	BAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contracts	BAS-11	Not applicable
Income taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenues	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 Rates.	BAS-21	Applied
Borrowing Cost	BAS-23	Applied
Related party Disclosures	BAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	Applied
Consolidated and Separate Financial Statements	BAS-27	Applied
Investment in Associates	BAS-28	Applied
Financial Reporting in Hyperinflationary Economies	BAS-29	Not applicable
Interest in Joint Ventures	BAS-31	Not applicable
Financial Instruments: Presentation	BAS-32	Applied
Earnings Per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairment of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied
Financial Instruments: Recognition and Measurement	BAS-39	Applied
Investment Property	BAS-40	Not applicable
Agriculture	BAS-41	Not applicable

**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.

A number of new standards amendments to standards and interpretation are effective for annual periods beginning from 1 January 2016 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 Accounting Standards Board (IASB) has issued a new standard (IFRS 9) along with related amendments to existing standards (IAS/BAS 32,39). The ICAB has adopted IFRS 9; however it will be applicable on and after 1 January 2018. Therefore, we did not considering possible impact for the amendment or adoption of such BAS/BFRS.

**2.15 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, d. Prevention of Money Laundering and e. Internal Control and Compliance as per BRPD circular no. 17 of 07 October, 2003.

#### **2.15.1 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 and CEO through their line; the Credit Division reports to the Managing Director and 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.

#### **2.15.2 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 Bangladesh Bank 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.

#### **2.15.3 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 and yield on Advance, F.E. Gap, Market Interest Rate, Loan loss provision adequacy and deposit and lending pricing strategy.

#### **2.15.4 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.



### 2.15.5 Internal Control and 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 and 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:

Internal audit team undertakes periodical comprehensive, special, spot and surprise audit and inspection on branches, SME unit offices and departments at Head Office. Monitoring and Compliance team ensures monitoring, compliance of internal and statutory requirement as well as conducts investigation. Internal Control and 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 and monitoring reports periodically.

### 2.15.6 Information and communication technology

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

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

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

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

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

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

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

### 2.15.7 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 Limited 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, lapses 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.

### 2.15.8 Fraud and Forgery

now a day's fraud and forgery appears in diverse form. To prevent fraud and forgery, BRAC Bank Limited established a department namely "Investigation, Monitoring and 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 and external fraud and forgery incidences are investigated and reviewed. To protect the bank and its stakeholder's interest, "Investigation, Monitoring and Compliance" Unit performs thorough investigation to identify the perpetrator and 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 and forgery which were identified in 2015 are also duly reported to the Central Bank on a quarterly basis.



### 2.15.9 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 Committee has fourteen members. Managing Director & CEO (Chair), Deputy Managing Director, Deputy Managing Director, Chief Risk Officer, Company Secretary & Head of Legal & Regulatory Affairs, Head of Operation, Head of Corporate Banking, Chief Financial Officer, Head of Retail Banking, Head of Treasury & Financial Institutions, Head of ICC, Head of Small Business, Head of Technology and Head of HR.

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

The ERM Committee 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 minute, which is reviewed by the Board Audit Committee on quarterly basis.

#### Outcome of ERM Committee:

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

### 2.16 Implementation of BASEL-II and III

To cope up with the international best practices and to make the bank's capital shock absorbent Guidelines on Risk Based Capital Adequacy (RBCA) for banks' (Revised regulatory capital framework in line with Basel II) was introduced from 01 January 2009 as a parallel run with BRPD circular no. 10, dated 25 November 2002 (Basel I). At the end of parallel run, Basel II regime started from 01 January 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. 9, dated 31 December 2008 and subsequent updates on BRPD circular no. 10, 12, 24, 35 dated 10 March 2010, 29 March 2010, 3 August 2010, 29 December 2010 and BRPD circular no. 8, dated 23 July 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 spill over 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.



**2.17 Off Balance Sheet Items**

Provision for off balance sheet items is made as per BRPD circular no. 14 of September 23, 2012.

**2.18 Accounting for Changes in Accounting Estimates**

BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors, 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

As per BAS - 16 "Property plant and 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 Accounting Policies, Changes in Accounting Estimates and Errors.

During the year, BRAC Bank Limited changed its depreciation rate for depreciating the leasehold building (Annex - D). Management takes the view that this estimate 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.

**2.19 Events after reporting period**

As per BAS - 10 "Events after the Reporting Period" events after the reporting period are those events, favourable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified:

**2.20 Related party disclosures**

Related Party A party is related to an entity if:

**2.21 Director's responsibilities on statement**

The board of directors takes the responsibilities for the preparation and presentation of these financial statements.

**2.22 Segment reporting**

As per BFRS 8 "Operating Segments", an operating segment is a component of an entity:  
**We refer to note 46 for details segment report.**

**2.23 Approval of the financial statements**

The financial statements were approved by the board of directors on October 09, 2016

**2.24 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

Particulars				30 June 2016 Taka	31 Dec 2015 Taka
	On-Shore	Off-shore		Total	
<b>3 Cash</b>					
<b>A. Cash in hand:</b>					
Local currency	6,532,792,388	-		6,532,792,388	5,487,799,070
Foreign currency	70,641,963	-		70,641,963	126,160,802
	<u>6,603,434,351</u>	<u>-</u>		<u>6,603,434,351</u>	<u>5,613,959,872</u>
<b>B. Balance with Bangladesh Bank and its agent Bank(s):</b>					
Local currency	8,722,562,186	-		8,722,562,186	9,371,605,669
Foreign currency	58,673,142	130,878,040		189,551,181	307,145,098
	<u>8,781,235,328</u>	<u>130,878,040</u>		<u>8,912,113,367</u>	<u>9,678,750,767</u>
Sonali Bank as agent of Bangladesh Bank (local currency)	617,711,937	-		617,711,937	914,130,744
	<u>9,398,947,264</u>	<u>130,878,040</u>		<u>9,529,825,304</u>	<u>10,592,881,511</u>
	<u>16,002,381,615</u>	<u>130,878,040</u>		<u>16,133,259,655</u>	<u>16,205,841,383</u>
<b>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 MPD circular no. 02, dated December 10, 2013 and MPD circular no. 01, dated June 23, 2014.</b>					
The statutory Cash Reserve Requirement on the Bank's 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:					
<b>3.1.1 Cash Reserve Requirement (CRR) :</b>					
Required reserve				8,525,046,588	8,956,595,436
Actual reserve maintained (as per Bangladesh Bank statement)				9,350,049,471	9,501,040,973
Surplus/ (deficit)				<u>825,002,883</u>	<u>544,445,537</u>
<b>3.1.2 Statutory Liquidity Ratio (SLR) :</b>					
Required reserve (Including CRR)				26,995,980,862	28,362,552,214
Actual reserve maintained (Including CRR) (note: 3.1.3)				29,699,312,853	30,895,889,792
Surplus/ (Deficit)				<u>2,703,331,991</u>	<u>2,533,337,578</u>
<b>3.1.3 Held for Statutory Liquidity Ratio</b>			(note: 3)		
Cash in hand				6,603,434,351	5,613,959,872
Balance with Bangladesh Bank as per statement				9,350,049,471	9,501,040,973
Balance with Sonali Bank as per statement				468,960,066	801,432,879
TT in Transit				-	-
Government securities				13,276,868,966	14,979,456,068
FC used in BDT				-	-
				<u>29,699,312,854</u>	<u>30,895,889,792</u>
<b>3.a Consolidated Cash</b>					
<b>A. Cash in hand:</b>					
BRAC Bank Limited				6,603,434,351	5,613,959,872
BRAC EPL Investments Limited				26,071	130,843
BRAC EPL Stock Brokerage Limited				52,322	142,611
bKash Limited				13,188,973	20,036,318
BRAC Saajan Exchange Limited				696,677	233,864
BRAC IT Services Limited				47,467	53,456
				<u>6,617,445,861</u>	<u>5,634,556,964</u>
<b>B. Balance with Bangladesh Bank and its agent Bank(s):</b>					
BRAC Bank Limited				9,529,825,304	10,592,881,511
BRAC EPL Investments Limited				-	-
BRAC EPL Stock Brokerage Limited				-	-
bKash Limited				-	-
BRAC Saajan Exchange Limited				-	-
BRAC IT Services Limited				-	-
				<u>9,529,825,304</u>	<u>10,592,881,511</u>
				<u>16,147,271,165</u>	<u>16,227,438,475</u>
<b>4 Balance with Other Banks and Financial Institutions</b>					
	On-Shore	Off-shore		Total	
A. Inside Bangladesh (note: 4.1)	23,586,648,524	-		23,586,648,524	17,705,308,414
B. Outside Bangladesh (note: 4.2)	5,037,029,883	2,706,655,934		7,743,685,817	16,647,931,349
	<u>28,623,678,407</u>	<u>2,706,655,934</u>		<u>31,330,334,341</u>	<u>34,353,239,763</u>
Less: On-shore to BBL Off-shore placement				5,237,120,000	7,034,048,000
Less: BBL Off-shore to On-shore placement				-	4,999,750,365
				<u>26,093,214,341</u>	<u>22,319,441,398</u>



Particulars	30 June 2016 Taka	31 Dec 2015 Taka
<b>4.1 Balance with Other Banks and Financial Institutions ( Inside Bangladesh )</b>		
<b>Current Accounts</b>		
Standard Chartered Bank	99,531,209	35,290,431
Southeast Bank Limited	45,842	46,198
Al-Arafa Bank Limited	(16,215,846)	(5,634,029)
Jamuna Bank Limited	955,032	(147,497)
Prime Bank Limited	34,958,233	20,648,936
NRB Global Bank Limited	500,000	500,000
Midland Bank Limited	1,000,000	1,000,000
Mutual Trust Bank Limited	2,245,025	2,939,073
Pubali Bank Limited	160,725,104	150,406,676
Janata Bank Limited	349,284,527	288,252,327
Banqladesh Krishi Bank Limited	136,108,903	138,521,910
The City Bank Limited	3,761,322	4,565,637
Aqrani Bank Limited	200,801,156	182,324,984
Islami Bank Bangladesh Limited	101,875,675	46,219,417
United Commercial Bank Limited	579,288	3,627,121
National Bank Limited	21,301,434	20,518,919
Sonali Bank Limited	13,323,470	41,627,562
ICB Islamic Bank Limited	23,810	24,152
IFIC Bank Limited	7,489,410	-
AB Bank Limited	98,855,437	103,037,639
Rupali Bank Limited	214,951,478	173,364,070
Social Islami Bank Limited	(8,337,221)	(5,094,053)
First Security Islami Bank Limited	4,357,326	6,747,279
EXIM Bank Limited	13,644,613	12,830,352
BASIC Bank Limited	1,360,861	1,333,619
Bank Asia Limited	4,977,515	5,892,056
Standard Bank Limited	1,992,678	1,737,195
Meghna Bank Limited	4,052,244	2,228,440
Mercantile Bank Limited	2,500,000	2,500,000
	<b>1,456,648,524</b>	<b>1,235,308,414</b>
<b>Fixed Deposit with Banks</b>		
<b>Local currency:</b>		
AB Bank Limited	-	1,000,000,000
National Bank Limited	1,500,000,000	-
Jamuna Bank Limited	1,150,000,000	-
Midland Bank Limited	700,000,000	500,000,000
National Bank of Pakistan Limited	100,000,000	100,000,000
ONE Bank Limited	1,250,000,000	-
Standard Bank Limited	500,000,000	1,000,000,000
The City Bank Limited	1,000,000,000	-
NRB Bank Limited	-	300,000,000
Commercial Bank of Ceylon PLC	-	400,000,000
	<b>6,200,000,000</b>	<b>3,300,000,000</b>
<b>Foreign currency:</b>	-	-
	<b>6,200,000,000</b>	<b>3,300,000,000</b>
<b>Fixed Deposit with Financial Institutions</b>		
Industrial and Infrastructure Development Finance Co. Limited	450,000,000	160,000,000
International Leasing and Financial Services Limited	800,000,000	800,000,000
Uttara Finance and Investment Limited	-	300,000,000
Fareast Finance and Investment Limited	250,000,000	100,000,000
Industrial Promotion and Development company	1,200,000,000	-
GSP Finance Company (Bangladesh) Limited	-	250,000,000
IDLC Finance Limited	2,750,000,000	2,200,000,000
Union Capital Limited	500,000,000	400,000,000
National Housing Finance and Investment Limited	460,000,000	260,000,000
Prime Finance and Investment Limited	-	750,000,000
Premier Leasing and Finance Limited	250,000,000	350,000,000
Phoenix Finance and Investments Limited	600,000,000	400,000,000
Bangladesh Finance and Investment Co. Limited	300,000,000	250,000,000
Bangladesh Industrial Finance Company Limited	-	100,000,000
United Leasing Company Limited	100,000,000	-
Investment Corporation Of Bangladesh (ICB)	4,000,000,000	3,500,000,000
Delta Brac Housing Finance Corporation Limited	1,600,000,000	1,300,000,000
Reliance Finance Limited	200,000,000	200,000,000
Peoples Leasing and Financial Services Limited	300,000,000	300,000,000
Lanka Bangla Finance Co. Limited	1,570,000,000	1,050,000,000
United Finance Limited	400,000,000	200,000,000
Bay Leasing and Investment Limited	200,000,000	200,000,000
First Finance Limited	-	100,000,000
	<b>15,930,000,000</b>	<b>13,170,000,000</b>
	<b>23,586,648,524</b>	<b>17,705,308,414</b>



Particulars	30 June 2016 Taka	31 Dec 2015 Taka
<b>4.2 Balance with other banks and financial institutions ( Outside Bangladesh)</b>		
<b>Current Accounts</b>		
Standard Chartered Bank-New York, USA	23,090,301	8,804,584
Standard Chartered Bank, United Kingdom	(413,651,274)	50,604,488
Standard Chartered Bank, Frankfurt, Germany	279,151	922,332
Mashreq Bank, New York, USA	1,965,046	1,148,230
The Bank of nova Scotia- Canada	-	-
ICICI Bank Limited, Mumbai, India	2,082,152	771,958
HSBC Bank, Australia	-	-
Habib Bank Limited, Pakistan	961,316	332,932
U.B.A.F, Japan	4,656,822	3,894,760
Zuercher Kantonal Bank, Switzerland	5,698,963	591,103
ING Belgium NV/SA, Belgium	185,465	10,188,147
Unicredito Italiano SPA, Italy	29,157	15,086,835
Commerz Bank AG, Germany (USD)	30,723,927	20,175,582
Commerz Bank AG, Germany (EURO)	1,310,664	51,294,581
United Bank of India, Kolkata, India	64,768,163	3,224,678
Westpack Banking Corporation, Australia	12,539,512	2,266,172
JP Morgan Chase Bank, New York, USA	25,814,581	161,241,336
HDFC Bank Limited, India	22,343,497	11,925,037
Deutsche Bank Trust Company Americas	4,540,766	20,609,644
Sonali Bank Limited, United Kindom (USD)	10,471,104	10,485,128
Sonali Bank Limited, United Kindom (GBP)	37,985	8,648
AB Bank Limited, Mumbai, India	2,004,232	2,006,916
HypoVereinsbank, Germany	58,354	231,301
<b>Details are shown in Annex-B</b>	<b>(200,090,117)</b>	<b>375,814,392</b>
<b>Total On Shore to Off Shore placement</b>	<b>5,237,120,000</b>	<b>11,194,813,000</b>
	<b>5,037,029,883</b>	<b>11,570,627,392</b>
<b>Off Shore Banking Unit</b>		
Standard Chartered Bank, New York	318,028,052	38,944,948
Commerz Bank, Germany	12,016,112	26,889,932
ICICI Bank Limited, Mumbai, India	2,321,862	445,102
Habib Bank Limited, Pakistan	1,090,637	11,273,610
Standard Chartered Bank, UK	423,021,896	-
BBL Off-shore to On-shore placement	-	4,999,750,365
BBL Treasury OBU to Other Bank OBU placement	1,950,177,375	-
	<b>2,706,655,934</b>	<b>5,077,303,957</b>
	<b>7,743,685,817</b>	<b>16,647,931,349</b>
<b>4.3 Maturity grouping of balance with other banks and financial institutions</b>		
Up to 1 month	7,770,236,966	4,666,251,398
not more than 3 months	12,841,600,000	16,037,675,000
More than 3 months but not more than 1 Year	5,481,377,375	1,615,515,000
More than 1 year but not more than 5 years	-	-
More than 5 years	-	-
	<b>26,093,214,341</b>	<b>22,319,441,398</b>
<b>4.a Consolidated Balance with Other Banks and Financial Institutions</b>		
<b>A. In Bangladesh</b>		
BRAC Bank Limited	23,586,648,524	17,705,308,414
BRAC EPL Investments Limited	2,059,079,650	59,932,025
BRAC EPL Stock Brokerage Limited	555,798,626	803,574,893
bKash Limited	20,340,121,912	12,927,973,918
BRAC Saajan Exchange Limited	158,808,465	157,642,631
BRAC IT Services Limited	4,985,028	9,402,184
	<b>46,705,442,205</b>	<b>31,663,834,065</b>
<b>Less: Intra-company transactions:</b>		
Subsidiary wise balance with BRAC Bank Limited:		
BRAC EPL Investments Limited	2,041,696,376	11,901,293
BRAC EPL Stock Brokerage Limited	136,520,109	85,804,316
bKash Limited	11,363,120,642	11,457,913,286
BRAC Saajan Exchange Limited	77,029,741	68,638,727
BRAC IT Services Limited	4,985,027	9,402,184
	<b>13,623,351,895</b>	<b>11,633,659,806</b>
	<b>33,082,090,310</b>	<b>20,030,174,259</b>
<b>B. Outside Bangladesh</b>		
BRAC Bank Limited	2,506,565,817	4,614,132,984
BRAC EPL Investments Limited	-	-
BRAC EPL Stock Brokerage Limited	-	-
bKash Limited	115,633,379	146,178,685
BRAC Saajan Exchange Limited	-	-
BRAC IT Services Limited	-	-
	<b>2,622,199,196</b>	<b>4,760,311,669</b>
<b>Less: Intra-company transactions:</b>		
BRAC EPL Investments Limited	-	-
BRAC EPL Stock Brokerage Limited	-	-
bKash Limited	-	-
BRAC Saajan Exchange Limited	-	-
BRAC IT Services Limited	-	-
	<b>2,622,199,196</b>	<b>4,760,311,669</b>
	<b>35,704,289,506</b>	<b>24,790,485,928</b>



Particulars		30 June 2016 Taka	31 Dec 2015 Taka		
5	Money at Call and Short notice				
	There was no investment in money at Call and Short notice at the end of the period June 30, 2016.	-	-		
6	Investments				
		On-Shore	Off-shore	Total	
	Government Securities (note: 6.1)	13,276,868,966	-	13,276,868,966	14,979,456,068
	Other Investments (note: 6.2)	4,781,491,688	-	4,781,491,688	4,799,796,076
		<u>18,058,360,654</u>	<u>-</u>	<u>18,058,360,654</u>	<u>19,779,252,144</u>
	Investment in securities are classified as follows:				
	Held for trading (Treasury Bill, Bond and BB-Bill)			1,983,122,101	2,830,616,283
	Held to maturity (Treasury Bond)			11,292,287,665	12,147,063,785
	Other Investments			4,782,950,888	4,801,572,076
				<u>18,058,360,654</u>	<u>19,779,252,144</u>
6.1	Government Securities				
	Treasury Bills		(note: 6.1.1)	-	-
	Bangladesh Bank Bills		(note: 6.1.2)	-	2,176,290,860
	Treasury Bonds		(note: 6.1.3)	13,275,409,766	12,801,389,208
	Encumbered Securities			-	-
	Prize Bond			1,459,200	1,776,000
				<u>13,276,868,966</u>	<u>14,979,456,068</u>
6.1.1	Treasury Bills				
	91 Days Treasury bills			-	-
	182 Days Treasury Bills			-	-
	364 Days Treasury Bills			-	-
6.1.2	Bangladesh Bank Bills				
	30 Days Bangladesh Bank Bills			-	2,176,290,860
				<u>-</u>	<u>2,176,290,860</u>
6.1.3	Treasury Bonds				
	Treasury Bonds (2 years BGTB)			72,187,355	73,443,780
	Treasury Bonds (5 years BGTB)			1,376,565,470	1,376,565,470
	Treasury Bonds (10 years BGTB)			5,283,302,982	5,158,620,359
	Treasury Bonds (15 years BGTB)			2,152,636,507	2,155,953,485
	Treasury Bonds (20 years BGTB)			4,039,681,605	4,036,806,114
	Reverse REPO			351,035,847	-
				<u>13,275,409,766</u>	<u>12,801,389,208</u>
6.2	Other Investments				
	Ordinary shares (Unquoted):				
	Industrial and Infrastructure Development Finance Co. Limited			19,683,820	19,683,820
	Bangladesh Rating Agency of Bangladesh Limited			12,497,600	12,497,600
	Central Depository Bangladesh Limited			16,277,770	16,277,770
				48,459,190	48,459,190
	Investment in Secondary market			1,330,906,592	1,280,304,986
				<u>1,330,906,592</u>	<u>1,280,304,986</u>
	Investment in Commercial Papers				
	RFL Plastics Limited			250,000,000	250,000,000
	Anwara Mannan Textile Mills Limited			-	150,000,000
	Avant Garde Fashion Limited			-	39,252,500
				<u>250,000,000</u>	<u>439,252,500</u>
	Preference Shares				
	Summit Uttaranchal Power Co Ltd			14,194,800	14,194,800
	Summit Purbanchal Power Co Ltd			21,584,600	21,584,600
	Union Capital Preference Share			40,000,000	50,000,000
				<u>75,779,400</u>	<u>85,779,400</u>
	(Details are shown in Annex - C)				
	Zero Coupon Bond				
	Impress Newtex Composite Textiles Limited			150,346,506	-
				<u>150,346,506</u>	<u>-</u>
	Bonds				
	First Security Islami Bank Limited Mudaraba Subordinated Bond			60,000,000	80,000,000
	Trust Bank unsecured, non Convertible Subordinated Bond			18,000,000	18,000,000
	UCBL Variable rate Subordinated Bond			100,000,000	100,000,000
	MBL Variable rate Subordinated Bond			1,000,000,000	1,000,000,000
	AB Bank Floating Rate Subordinated Bond			100,000,000	100,000,000
	City Bank Floating Rate Subordinated Bond			548,000,000	548,000,000
	Bank Asia Floating Rate Subordinated Bond			100,000,000	100,000,000
	EBL Floating Rate Subordinated Bond			100,000,000	100,000,000
	Prime Bank Floating Rate Subordinated Bond			100,000,000	100,000,000
	EXIM Bank Mudaraba Subordinated Floating Rate Bond			250,000,000	250,000,000
	AB Bank Floating Rate Subordinated Bond II			300,000,000	300,000,000
	MTBL Floating Rate Subordinated Bond			250,000,000	250,000,000
				<u>2,926,000,000</u>	<u>2,946,000,000</u>



Particulars		30 June 2016 Taka	31 Dec 2015 Taka		
Private Placement and Pre IPO United Power Generation and Distribution Co. Limited		-	-		
		<u>4,781,491,688</u>	<u>4,799,796,076</u>		
6.3	Maturity Wise Grouping of Investment				
	Up to 1 month	1,683,401,639	3,458,371,846		
	not more than 3 months	156,787,395	-		
	More than 3 months but not more than 1 Year	1,988,481,904	1,991,615,091		
	More than 1 year but not more than 5 years	3,260,489,624	3,339,082,371		
	More than 5 years	<u>10,969,200,092</u>	<u>10,990,182,836</u>		
		<u>18,058,360,654</u>	<u>19,779,252,144</u>		
6.a	Consolidated Investments				
	BRAC Bank Limited:				
	Government Securities	13,276,868,966	14,979,456,068		
	Other Investments	<u>4,781,491,688</u>	<u>4,799,796,076</u>		
		<u>18,058,360,654</u>	<u>19,779,252,144</u>		
	BRAC EPL Investments Limited	59,326,189	61,762,282		
	BRAC EPL Stock Brokerage Limited	157,441,484	176,477,256		
	bKash Limited	-	-		
	BRAC Saajan Exchange Limited	-	-		
	BRAC IT Services Limited	-	-		
		<u>18,275,128,327</u>	<u>20,017,491,682</u>		
7	Loans and Advances				
		On-Shore	Off-shore	Total	
	Overdrafts	3,624,484,208	155,037,059	3,779,521,267	4,042,663,721
	Demand loans	30,600,991,654	1,341,061,837	31,942,053,491	40,525,260,123
	Term loans	36,810,052,019	17,625,993,149	54,436,045,168	45,237,856,876
	Lease receivables (note - 7.3)	773,392,136	-	773,392,136	160,906,409
	Small and medium enterprises	54,368,780,410	-	54,368,780,410	52,884,165,867
	Credit Cards	3,058,468,491	-	3,058,468,491	2,717,537,726
	Staff loans (note - 7.7)	652,548,088	-	652,548,088	577,221,717
		<u>129,888,717,006</u>	<u>19,122,092,045</u>	<u>149,010,809,051</u>	<u>146,145,612,439</u>
	Bills purchased and discounted (note - 7.17)	858,755,296	763,369,963	1,622,125,259	1,287,994,847
		<u>130,747,472,302</u>	<u>19,885,462,008</u>	<u>150,632,934,310</u>	<u>147,433,607,286</u>
7.1	Net Loans and Advances				
	Gross loans and advances			150,632,934,310	147,433,607,286
	Less: Interest suspense			772,085,355	833,053,798
	Provision for loans and advances			6,919,849,214	8,417,328,266
				<u>7,691,934,569</u>	<u>9,250,382,064</u>
				<u>142,940,999,741</u>	<u>138,183,225,222</u>
7.2	Maturity Wise Grouping of Loans and Advances				
	Repayable on demand			12,402,613,405	12,221,952,427
	not more than 3 months			24,949,874,714	18,367,331,412
	More than 3 months but not more than 1 Year			46,075,010,932	44,391,158,342
	More than 1 year but not more than 5 years			55,320,159,044	62,621,508,994
	More than 5 years			<u>11,885,276,215</u>	<u>9,831,656,111</u>
				<u>150,632,934,310</u>	<u>147,433,607,286</u>
7.3	Maturity Wise Grouping of Lease receivables				
	Receivable on demand			11,952,438	-
	not more than 3 months			48,231,747	-
	More than 3 months but not more than 1 Year			125,818,090	-
	More than 1 year but not more than 5 years			587,389,861	160,906,409
	More than 5 years			-	-
				<u>773,392,136</u>	<u>160,906,409</u>
7.4	Loans and Advances under the following broad categories				
		On-Shore	Off-shore	Total	
	Inside Bangladesh:				
	Loans	118,392,600,120	19,730,424,949	138,123,025,069	133,954,833,793
	Cash Credits	12,354,872,181	155,037,059	12,509,909,241	13,478,773,493
	Overdrafts	<u>130,747,472,302</u>	<u>19,885,462,008</u>	<u>150,632,934,310</u>	<u>147,433,607,286</u>
	Outside Bangladesh:				
	Loans	-	-	-	-
	Cash credits	-	-	-	-
	Overdrafts	-	-	-	-
		<u>130,747,472,302</u>	<u>19,885,462,008</u>	<u>150,632,934,310</u>	<u>147,433,607,286</u>
7.5	Geographical Location Wise Portfolio Grouping				
		On-Shore	Off-shore	Total	
	Inside Bangladesh:				
	Dhaka Division	96,304,877,387	19,885,462,008	116,190,339,395	116,416,876,225
	Chittagong Division	17,858,613,759	-	17,858,613,759	16,764,815,776
	Khulna Division	4,710,234,231	-	4,710,234,231	4,118,496,803
	Sylhet Division	2,171,680,504	-	2,171,680,504	1,794,992,730
	Barisal Division	2,008,308,831	-	2,008,308,831	1,749,764,111
	Rajshahi Division	5,584,362,508	-	5,584,362,508	4,760,531,045
	Rangpur Division	2,109,395,082	-	2,109,395,082	1,828,130,596
		<u>130,747,472,302</u>	<u>19,885,462,008</u>	<u>150,632,934,310</u>	<u>147,433,607,286</u>
	Outside Bangladesh:				
		<u>130,747,472,302</u>	<u>19,885,462,008</u>	<u>150,632,934,310</u>	<u>147,433,607,286</u>



Particulars	30 June 2016 Taka	31 Dec 2015 Taka		
<b>Significant Concentration wise Grouping</b>				
	<b>On-Shore</b>	<b>Off-shore</b>	<b>Total</b>	
Directors and others	99,429	-	99,429	130,060
Staff:				
Managing Director and CEO	-	-	-	-
Senior Executives	43,350,304	-	43,350,304	453,798,725
Others	609,197,784	-	609,197,784	123,422,991
	<b>652,548,088</b>	<b>-</b>	<b>652,548,088</b>	<b>577,221,716</b>
Industries:				
Agricultural	3,711,944,134	-	3,711,944,134	3,221,204,187
Large and Medium	47,795,267,332	19,885,462,008	67,680,729,340	63,892,622,387
Small and Cottage	47,950,259,253	-	47,950,259,253	7,599,839,656
	<b>99,457,470,719</b>	<b>19,885,462,008</b>	<b>119,342,932,727</b>	<b>74,713,666,229</b>
Consumers	20,873,761,387	-	20,873,761,387	21,815,906,601
Trade and Commercial	9,763,592,679	-	9,763,592,679	50,326,682,679
	<b>130,747,472,302</b>	<b>19,885,462,008</b>	<b>150,632,934,310</b>	<b>147,433,607,286</b>
<b>Staff Loan</b>				
Personal Loan			83,724,520	79,247,559
Car and motorcycle Loan			214,307,085	195,096,629
House building Loan			354,516,482	302,877,528
			<b>652,548,088</b>	<b>577,221,716</b>
<b>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 23,300.59 million on Consolidated basis and Taka 20,355.92 million on Solo basis as at 30 June 2016 ( Taka 21,713.66 million and 20,375.18 million as at 31 December 2015 respectively ). (Details are shown in Annex - E)				
<b>Grouping as per Classification Rules</b>				
	<b>On-Shore</b>	<b>Off-shore</b>	<b>Total</b>	
Unclassified				
Standard including staff loan	122,743,042,248	19,853,716,778	142,596,759,026	137,214,666,829
Special Mention Account (SMA)	1,713,611,624	31,745,230	1,745,356,854	1,380,299,743
	<b>124,456,653,872</b>	<b>19,885,462,008</b>	<b>144,342,115,880</b>	<b>138,594,966,572</b>
Classified				
Sub standard	1,346,353,447	-	1,346,353,447	1,062,194,274
Doubtful	588,081,842	-	588,081,842	673,482,710
Bad / Loss	4,356,383,140	-	4,356,383,140	7,102,963,730
	<b>6,290,818,430</b>	<b>-</b>	<b>6,290,818,430</b>	<b>8,838,640,714</b>
	<b>130,747,472,302</b>	<b>19,885,462,008</b>	<b>150,632,934,310</b>	<b>147,433,607,286</b>
<b>Loan type wise classified loan</b>				
	<b>On-Shore</b>	<b>Off-shore</b>	<b>Total</b>	
Overdraft	817,457,120	-	817,457,120	680,136,746
Demand Loan	706,310,916	-	706,310,916	931,522,978
Term Loan	935,189,767	-	935,189,767	6,927,962,576
Lease Finance	773,392,136	-	773,392,136	155,060,385
Credit Cards	3,058,468,491	-	3,058,468,491	143,958,029
	<b>6,290,818,430</b>	<b>-</b>	<b>6,290,818,430</b>	<b>8,838,640,714</b>
<b>Sector-wise Allocation of Loans and Advances</b>				
	<b>On-Shore</b>	<b>Off-shore</b>	<b>Total</b>	
Government:				
Private:				
Agriculture	3,711,944,134	-	3,711,944,134	4,018,289,145
Industry	23,456,226,959	16,600,123,753	40,056,350,712	37,256,384,803
Service Industry	8,705,699,981	1,378,163,736	10,083,863,717	13,028,458,664
Agro-based Industry	7,423,397,015	1,433,163,052	8,856,560,067	14,847,915,680
Commerce & Trade	65,919,139,157	474,011,467	66,393,150,624	58,583,631,868
Consumer Credit	21,531,065,056	-	21,531,065,056	19,698,927,126
	<b>130,747,472,302</b>	<b>19,885,462,008</b>	<b>150,632,934,310</b>	<b>147,433,607,286</b>
	<b>130,747,472,302</b>	<b>19,885,462,008</b>	<b>150,632,934,310</b>	<b>147,433,607,286</b>
<b>Securities against loans/advances including bills purchased and discounted</b>				
	<b>On-Shore</b>	<b>Off-shore</b>	<b>Total</b>	
Collateral of moveable/immovable assets	87,983,332,843	-	87,983,332,843	26,077,611,564
Local banks and financial institutions guarantee	-	-	-	-
Government guarantee	-	-	-	-
Foreign banks guarantee	-	-	-	-
Export documents	-	-	-	-
Fixed deposit receipts (FDR)	2,683,131,714	-	2,683,131,714	4,022,667,829
FDR of other banks	-	-	-	-
Government bonds	-	-	-	-
Personal guarantee and other securities	4,352,729	-	4,352,729	4,142,051
Other securities	40,076,655,016	19,885,462,008	59,962,117,024	117,329,185,842
	<b>130,747,472,302</b>	<b>19,885,462,008</b>	<b>150,632,934,310</b>	<b>147,433,607,286</b>



Particulars	30 June 2016 Taka	31 Dec 2015 Taka
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## 7.13 Particulars of required provisions for loans and advances

Status	Outstanding	Base for provision	Percentage (%) of required provision	Required provision June 30, 2016	Required provision 2015
<b>Loans and advances June 30, 2016</b>					
<b>Unclassified</b>					
All unclassified loans (Other than Small and Medium enterprise Financing, Consumer Financing, BHs/MBs/SDs, Housing and loans for	37,858,796,250	57,091,710,170	1%	570,917,102	680,765,033
Small and Medium enterprise financing	52,614,891,601	52,614,891,601	0.25%	131,537,229	121,628,025
Loans to BHs/MBs/SDs against share etc.	2,191,289,414	2,191,289,414	2%	43,825,788	35,377,738
Housing and loan for professional	14,938,011,847	14,938,011,847	2%	298,760,237	197,125,628
Loans for professionals to Set up business (LP)	310,512,864	310,512,864	2%	6,210,257	6,992,349
Consumer finance	14,342,097,537	14,342,097,537	5%	717,104,877	411,332,953
Short Term Agricultural and Micro Credit	2,201,054,359	2,201,054,359	2.50%	55,026,359	27,214,668
				<b>1,823,381,849</b>	<b>1,480,436,394</b>
<b>Classified - Specific provision</b>					
Sub-standard (Short Term Agricultural Credit)	32,167	32,167	5%	1,608	21,093
Sub-standard	1,346,321,280	905,962,533	20%	181,192,507	151,510,706
Doubtful	588,081,842	359,377,942	50%	179,278,668	218,852,797
Bad/Loss	4,356,383,140	2,706,231,975	100%	2,706,231,975	5,640,956,869
				<b>3,066,704,757</b>	<b>6,011,341,465</b>
				<b>4,890,086,607</b>	<b>7,491,777,860</b>
				<b>6,919,849,214</b>	<b>8,417,328,266</b>
				<b>2,029,762,607</b>	<b>925,550,407</b>
Required provision for loans and advances					
Total provision maintained (note 17.1)					
Excess/(Short) provision					

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

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

Name of Exposure	Outstanding	Percentage (%) of required provision	Required provision June 30, 2016	Required provision 2015
Acceptances and endorsements	10,454,132,516	1%	104,541,325	129,676,216
Letter of guarantees	6,432,136,056	1%	64,321,361	57,650,944
Irrevocable letter of credits	26,856,120,407	1%	268,561,204	201,935,051
Bills for collection	876,070,726	1%	8,760,707	18,105,811
Total required provision			446,184,597	407,368,021
Total provision maintained (note 17.2)			427,347,170	427,347,170
Excess/(Short) provision			(18,837,428)	19,979,148

## 7.15 Particulars of Loans and Advances

	On-Shore	Off-shore	Total	
i) Debts considered good in respect of which Bank is fully secured	33,920,640,620	-	33,920,640,620	30,100,279,393
ii) Debts considered good for which Bank holds no other security than the debtor's personal security	4,352,729	-	4,352,729	308,911,259
iii) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	96,822,478,952	19,885,462,008	116,707,940,960	117,024,416,634
iv) Debts considered doubtful or bad, not provided for	-	-	-	-
	<b>130,747,472,302</b>	<b>19,885,462,008</b>	<b>150,632,934,310</b>	<b>147,433,607,286</b>
v) Debts due by directors or officers of the banking company or any of these either separately or jointly with any other persons;	652,647,517	-	652,647,517	577,351,777
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;	-	-	-	-
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;	652,647,517	-	652,647,517	577,351,777
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;	-	-	-	-
ix) Due from banking companies	-	-	-	-
x) Amount of Classified loans on which interest has not been charged should be mentioned as follows:	-	-	-	-
a) Increase/decrease of provision (specific)	(1,701,151,272)	-	(1,701,151,272)	916,256,095
Amount of debts written off	2,807,074,131	-	2,807,074,131	2,099,321,390
Amount realized against loan previously written off.	570,835,204	-	570,835,204	963,528,967
b) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet	4,723,727,788	-	4,723,727,788	6,500,587,838
c) Interest creditable to the Interest Suspense a/c.	902,085,355	-	902,085,355	833,053,798



Particulars	30 June 2016 Taka	31 Dec 2015 Taka
xii) Cumulative amount of the written off loan and the amount written off during the current year should be shown separately. The amount of written off loan for which lawsuit has been filed should also be mentioned.		
- Current year	2,807,074,131	2,807,074,131
- Cumulative to date	14,898,317,678	12,091,243,547
The amount of written off loans for which law suit filed	14,848,839,340	12,045,099,820
<b>7.16 Bill Purchased and Discounted under the following broad categories</b>		
Inside Bangladesh	1,622,125,259	1,287,994,847
Outside Bangladesh	-	-
	<u>1,622,125,259</u>	<u>1,287,994,847</u>
<b>7.17 Maturity Wise Grouping of Bill Purchased and Discounted</b>		
Payable within 1 month	334,970,619	353,636,864
Over 1 month but less than 3 months	800,696,221	634,042,476
Over 3 month but less than 6 months	246,298,379	56,104,304
6 months or more	240,160,040	244,211,203
	<u>1,622,125,259</u>	<u>1,287,994,847</u>
<b>7.18 Write off of Loans and advances</b>		
Balance at the beginning of the year	9,319,143,903	8,183,351,481
Add: Write off during the period	2,807,074,131	2,099,321,390
	<u>12,126,218,035</u>	<u>10,282,672,871</u>
Less: Recovery of Write off loans	570,835,204	963,528,967
Balance at the end of the year	<u>11,555,382,830</u>	<u>9,319,143,903</u>
<b>7.a Consolidated Loans and Advances</b>		
BRAC Bank Limited	150,632,934,310	147,433,607,286
BRAC EPL Investments Limited	3,756,774,965	3,825,562,832
BRAC EPL Stock Brokerage Limited	96,287,372	118,200,928
bKash Limited	-	-
BRAC Saajan Exchange Limited	-	-
BRAC IT Services Limited	-	-
Less: Intra-company transaction:		
Borrowing from BRAC Bank Limited by BRAC EPL Investments Limited	1,759,086,440	1,443,231,350
	<u>152,726,910,207</u>	<u>149,934,139,696</u>
<b>8 Fixed assets including premises, furnitures and fixtures</b>		
<b>Cost</b>		
<b>Property plant and equipment:</b>		
Land	527,275,400	527,275,400
Cost	516,373,535	516,373,535
Revaluation*	1,043,648,935	1,043,648,935
Total	4,034,334	4,034,334
Leasehold Building	1,768,776,047	1,654,557,812
Furnitures and fixtures	1,302,315,830	1,252,196,360
Office equipment	2,010,221,486	1,917,986,050
IT Hardwares	108,371,172	108,567,646
Motor vehicles	6,237,367,804	5,980,991,137
	<u>6,237,367,804</u>	<u>5,980,991,137</u>
<b>Intangible Assets:</b>		
License (Indefinite useful live)	50,000	50,000
IT Software (Finite useful live)	992,023,909	960,040,540
	<u>992,073,909</u>	<u>960,090,540</u>
<b>Total Cost</b>	<u>7,229,441,713</u>	<u>6,941,081,677</u>
Less: Accumulated depreciation	4,302,771,237	4,003,964,616
	<u>2,926,670,476</u>	<u>2,937,117,061</u>
<b>Net Book value at the end of the year</b>		
(Details are shown in Annex - D)		
*In the year 2012, BRAC Bank revalued a land measuring 96.4 Katha situated at Gazipura, in Gazipur district by a professional valuer M/s. Khan Ayub & Co. Chartered Accountants. We booked the land in our books as per the valuation report in accordance with BAS 16 Property, Plant and Equipment.*		
<b>8.a Consolidated Fixed Assets including Premises, Furnitures and Fixtures</b>		
BRAC Bank Limited	2,926,670,476	2,937,117,061
BRAC EPL Investments Limited	10,542,069	14,819,840
BRAC EPL Stock Brokerage Limited	28,865,534	37,182,803
bKash Limited	756,715,582	739,908,919
BRAC Saajan Exchange Limited	23,741,871	14,925,617
BRAC IT Services Limited	318,935,000	294,533,275
	<u>4,065,470,532</u>	<u>4,038,487,515</u>



Particulars		30 June 2016 Taka		31 Dec 2015 Taka
9	Other Assets			
9.1	Income Generating Other Assets	On-Shore	Off-shore	Total
	Interest receivables (note - 9.1.1)	1,149,184,674	257,146,795	1,406,331,469
	Prepaid Interest Expenses on IFFD	51,124,180	-	51,124,180
	Receivables against sanchayapatra	502,483,366	-	502,483,366
	Receivables from Omnibus	1,235,200	-	1,235,200
	Penal charges Receivable	-	-	-
	Receivables against travellers cheque	-	-	-
	Investment in subsidiary (note - 9.1.2)	2,356,397,625	-	2,356,397,625
	Advance for equity investment in EPIL	1,999,998,700	-	1,999,998,700
	Investment in associate (note - 9.1.3)	12,500,000	-	12,500,000
	Balance with BRAC EPL Stock Brokerage Limited	15,667,105	-	15,667,105
		<u>6,088,590,851</u>	<u>257,146,795</u>	<u>6,345,737,646</u>
				<u>4,570,069,960</u>
9.1.1	Interest Receivables			
	Interest Receivables consists of interest receivable on loans, investments etc.	On-Shore	Off-shore	Total
	Receivable against Govt. securities	438,027,265	-	438,027,265
	Receivable against other securities	66,062,160	-	66,062,160
	Receivable against balance with other bank	163,145,566	-	163,145,566
	Receivable against loans and advances	453,658,448	171,831,703	625,490,150
	Receivable against term deposit	28,291,237	85,315,092	113,606,329
		<u>1,149,184,674</u>	<u>257,146,795</u>	<u>1,406,331,469</u>
				<u>1,419,679,764</u>
9.1.2	Investment in subsidiaries			
	BRAC EPL Investments Limited			752,715,794
	BRAC EPL Stock Brokerage Limited			1,344,147,500
	bKash Limited			168,921,800
	BRAC Saajan Exchange Limited			59,388,531
	BRAC IT Services Limited			31,224,000
				<u>2,356,397,625</u>
				<u>2,356,397,625</u>
9.1.3	Investment in associate			
	BRAC Asset Management Company Limited			12,500,000
				<u>12,500,000</u>
				<u>12,500,000</u>
9.2	non Income Generating Other Assets	On-Shore	Off-shore	Total
	Stock of stamps	8,455,236	-	8,455,236
	Other receivables (note - 9.2.1)	941,756,455	-	941,756,455
	Stock of security stationery	22,343,947	-	22,343,947
	Stock of printing stationery	19,883,134	-	19,883,134
	Stock of furniture	1,243,940	-	1,243,940
	Advance to staff	5,571,232	-	5,571,232
	Advance to supplier	2,105,255	-	2,105,255
	Advance for ELDORADO	852,066	-	852,066
	Deferred revenue expenditure	86,216,335	65,773,946	151,990,281
	Advance payment of income tax	7,210,618,513	-	7,210,618,513
	Advance Value Added Tax	4,370,000	-	4,370,000
	Deferred tax asset (note - 9.2.2)	1,079,946,750	-	1,079,946,750
	Advance to SME unit offices	1,312,690	-	1,312,690
	Advance against fixed assets	13,409,174	-	13,409,174
	Advance against office rent	541,215,310	-	541,215,310
	Advance security deposit	8,817,093	-	8,817,093
	Advance for software migration	83,394,233	-	83,394,233
	Receivable from Off-Shore	528,709,102	-	528,709,102
	Receivable in proxy account	3,407,179	426,705	3,833,884
	Interbranch Account (note-9.2.4)	123,785	-	123,785
		<u>10,563,751,430</u>	<u>66,200,650</u>	<u>10,629,952,080</u>
		<u>16,652,342,280</u>	<u>323,347,445</u>	<u>16,975,689,726</u>
				<u>16,016,241,010</u>
	Less: On-shore to Off-shore (note 9.1 + 9.2)			<u>528,709,100</u>
				<u>262,317,814</u>
				<u>16,446,980,626</u>
				<u>15,753,923,196</u>
9.2.1	Other Receivables			
	Remittance in transit			33,839,374
	Receivable against remittance			20,201,817
	Receivable against bills pay			10,484
	Receivable against DD			65,800,000
	Receivable against Cheques			5,419,725
	Receivable against Cards			8,003,488
	Receivable from Merchant			74,494,367
	Account receivable-FCY(Unclaimed)			-
	Receivable from Partners			273,857,336
	Receivable from CO-BRAND ATM			84,989,312
	Receivable against fraud and forgery			20,494,611
	Receivable from Member Bank - ELDORADO			12,626,263
	Sundry debtors			348,214,765
	Receivable from BACH			5,025,500
	VAT current account			8,991,714
				<u>941,756,455</u>
				<u>815,397,739</u>



Particulars					30 June 2016 Taka	31 Dec 2015 Taka
9.2.2	Deferred Tax asset/ (Liability)	Book Value	Tax Base	Deductible/ (Taxable) Temporary Difference	Deferred Tax Asset/ (Liability)	
	Balance as at 31 December 2015				1,012,728,917	
	Deferred Tax Asset				(55,471,770)	
	Deferred Tax Liability				957,257,146	
	Net Deferred Tax Asset 2015					
	Balance as at 30 June 2016				1,044,051,580	
	Loan loss provision (note - 9.2.3)	6,919,849,214		2,610,128,951	35,895,169	
	Provision against Capital market	358,951,693	-	358,951,693	-	
	Provision against off balance sheet items	-	-	-	1,079,946,750	
	Deferred tax asset (a)				(201,635,770)	
	Interest receivable from treasury bills and bonds	504,089,425	-	(504,089,425)	89,543,559	
	Fixed assets excluding Vehicle (Annex-D)	2,926,670,477	3,150,529,375	223,858,898	(112,092,211)	
	Deferred Tax Liability (b)				967,854,539	
	Net Deferred Tax Asset 30 June 2016 (a+b)				67,217,833	
	Increase of deferred tax asset recognized into Profit and Loss statement as Income				(56,620,440)	
	Increase of deferred tax liability recognized into Profit and Loss statement as expense				10,597,393	
	Total Deferred tax income recognized into Profit and Loss statement during the period June 30, 2016					
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 1,044,051,580) 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.					
9.2.4	Interbranch Account					
	Inter Branch Account - BDT				-	-
	Inter Branch Account - FCY				123,785	123,785
	Cost Center Account				123,785	123,785
9.a	Consolidated Other Assets					
	BRAC Bank Limited				16,446,980,626	15,753,923,196
	BRAC EPL Investments Limited				879,482,617	893,818,375
	BRAC EPL Stock Brokerage Limited				712,062,534	345,494,421
	bKash Limited				1,223,457,624	811,906,971
	BRAC Saajan Exchange Limited				168,865,364	132,866,305
	BRAC IT Services Limited				21,870,638	41,083,023
					19,452,719,402	17,979,092,291
	Add: Share of profit/(loss) of equity in associate company					
	Opening Balance				(818,197)	-
	Current Year Balance				107,811	(818,197)
					(710,386)	(818,197)
	Less: Investment in subsidiaries					
	BRAC EPL Investments Limited				752,715,794	752,715,794
	BRAC EPL Stock Brokerage Limited				1,344,147,500	1,344,147,500
	bKash Limited				168,921,800	168,921,800
	BRAC Saajan Exchange Limited				59,388,531	59,388,531
	BRAC IT Services Limited				31,224,000	31,224,000
					2,356,397,625	2,356,397,625
	Less: Intra-company transactions:					
	BRAC Bank Limited				282,051,281	270,170,969
	BRAC EPL Investments Limited				2,524,838	2,165,292
	BRAC EPL Stock Brokerage Limited				3,638,679	4,368,916
	bKash Limited				106,066	-
	BRAC Saajan Exchange Limited				-	-
	BRAC IT Services Limited				1,538,148	6,647,894
					289,859,012	283,353,071
					16,805,752,380	15,338,523,398
10	Non Banking assets				62,230,075	62,230,075
					62,230,075	62,230,075
	A mortgaged property against loan of Bank at Fatullah Narayanganj acquired as per Court order no. 85 dated 23/04/2015 (Artho Rin Adalot, Dhaka) in 2015 and recognised it as Non Banking Assets in accordance with Banking Companies Act 1991 and BRPD circular 14 of 2003.					
11	Consolidated Goodwill					
	BRAC EPL Investments Limited				246,289,821	246,289,821
	BRAC EPL Stock Brokerage Limited				1,126,273,572	1,126,273,572
	bKash Limited				73,393,751	73,393,751
	BRAC Saajan Exchange Limited				54,905,518	54,905,518
	BRAC IT Services Limited				1,476,391	1,476,391
	Less: Impairment of Goodwill				(90,140,343)	(90,140,343)
					1,412,198,710	1,412,198,710



Particulars	30 June 2016 Taka	31 Dec 2015 Taka
<b>12 Borrowing from other Banks, Financial Institutions and Agents:</b>		
<b>Inside Bangladesh:</b>		
	<b>On-Shore</b>	<b>Off-shore</b>
		<b>Total</b>
Eastern Bank Ltd. OBU	-	392,000,000
Farmers Bank	40,000,000	-
MEGHNA BANK LTD.	-	156,800,000
BANK ALFALAH	-	117,600,000
NCC BANK LTD.	-	392,000,000
National Bank Limited	-	-
Ultara Bank Limited	-	-
Prime Bank Limited	-	-
Basic Bank Limited	-	-
Bangladesh Krishi Bank Limited	-	-
Jamuna Bank Ltd.	-	-
Commercial Bank of Ceylon	150,000,000	313,600,000
Dhaka Bank Limited	-	784,000,000
Dutch-Bangla Bank Limited	-	392,000,000
BBL Off Shore to On Shore	-	-
On Shore to BBL Off Shore	-	5,237,120,000
	<b>190,000,000</b>	<b>8,098,720,000</b>
		<b>8,288,720,000</b>
<b>Outside Bangladesh:</b>		
Sonali Bank UK Ltd	-	367,270,750
Habib Bank Brussels Bel	-	-
Asian Development Bank	-	831,040,000
Emirates NBD	-	627,200,000
SCB Singapore	-	784,000,000
The National Bank of Ras Al-Khaimah	-	-
NORFUND	-	784,000,000
Borrowing from IFC	-	3,136,000,000
Borrowing from FMO	-	5,978,000,000
	<b>190,000,000</b>	<b>12,507,510,750</b>
		<b>12,507,510,750</b>
		<b>13,020,533,400</b>
		<b>34,466,491,765</b>
Less: BBL Off-shore to On-shore placement		4,999,750,365
Less: On-shore to BBL Off-shore placement		7,034,048,000
		<b>15,559,110,750</b>
		<b>22,432,693,400</b>
<b>12.1 Security against borrowings from other banks, financial institutions and agents:</b>		
Secured (Treasury bills)		-
Unsecured		15,559,110,750
		<b>15,559,110,750</b>
		<b>22,432,693,400</b>
<b>12.2 Maturity Wise Grouping of Borrowing from Other Bank and Financial Institutions</b>		
Repayable on demand		4,359,840,000
not more than 3 months		9,019,635,000
More than 3 months but not more than 1 Year		4,153,070,750
More than 1 year but not more than 5 years		1,250,522,000
More than 5 years		3,224,200,000
		5,293,348,900
		3,822,000,000
		6,869,187,500
		-
		<b>15,559,110,750</b>
		<b>22,432,693,400</b>
<b>12.a Consolidated Borrowing from other Banks, Financial Institutions and Agents</b>		
BRAC Bank Limited		15,559,110,750
BRAC EPL Investments Limited		22,432,693,400
BRAC EPL Stock Brokerage Limited		3,664,344,381
bKash Limited		-
BRAC Saajan Exchange Limited		-
BRAC IT Services Limited		88,705,372
Less: Intra-company transaction:		36,249,000
Borrowing from BRAC Bank Limited by BRAC EPL Investments Limited		1,759,086,440
		<b>1,759,086,440</b>
		<b>1,415,110,659</b>
		<b>17,553,074,063</b>
		<b>24,671,834,522</b>
<b>13 Borrowings from Central Bank</b>		
Bangladesh Bank Refinance		824,415,990
Bangladesh Bank EDF FUND		3,399,663,525
Bangladesh Bank REPO		-
Bangladesh Bank SME FOUNDATION		4,350,000
		<b>4,228,429,515</b>
		<b>4,527,813,643</b>
<b>13.1 Maturity Wise Grouping of Borrowing from Central Bank</b>		
Repayable on demand		1,006,292,614
not more than 3 months		851,591,598
More than 3 months but not more than 1 Year		946,564,061
More than 1 year but not more than 5 years		1,186,703,751
More than 5 years		2,275,572,840
		1,661,055,465
		828,462,829
		-
		<b>4,228,429,515</b>
		<b>4,527,813,643</b>
<b>13.a Consolidated Borrowings from Central Bank</b>		
BRAC Bank Limited		4,228,429,515
BRAC EPL Investments Limited		4,527,813,643
BRAC EPL Stock Brokerage Limited		-
bKash Limited		-
BRAC Saajan Exchange Limited		-
BRAC IT Services Limited		-
		<b>4,228,429,515</b>
		<b>4,527,813,643</b>



Particulars		30 June 2016 Taka	31 Dec 2015 Taka
<b>14 Subordinated Convertible Bonds</b>			
Private Placement	(note - 14.1)	2,651,375,000	2,700,000,000
Public Subscription	(note - 14.2)	299,704,000	300,000,000
		<u>2,951,079,000</u>	<u>3,000,000,000</u>
<b>14.1 Private Placement details</b>			
	no. of Unit		
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	525,000	525,000,000	525,000,000
Triodos Fair Share Fund	175,000	175,000,000	175,000,000
Triodos Microfinance Fund	175,000	175,000,000	175,000,000
norwegian Investment Fund for Developing Countries	465,500	465,500,000	490,000,000
Agrani Bank Limited	750,000	750,000,000	750,000,000
BRAC Employee Provident Fund	458,375	458,375,000	482,500,000
Delta Life Insurance Company Limited	20,000	20,000,000	20,000,000
RACE Asset Management *	82,500	82,500,000	82,500,000
* PHP 1st Mutual Fund, Popular Life 1st Mutual Fund			
<b>Total Private Placement</b>		<u>2,651,375,000</u>	<u>2,700,000,000</u>
<b>14.2 Public Subscription details</b>			
	no. of Unit		
Other than non-resident Bangladeshis	212,479	212,479,000	212,775,000
non-resident Bangladeshis	2,285	2,285,000	2,285,000
Mutual Funds	84,940	84,940,000	84,940,000
<b>Total Subscription received</b>		<u>299,704,000</u>	<u>300,000,000</u>
Less: Refundable against excess subscription		<u>2,951,079,000</u>	<u>300,000,000</u>
<b>14.3 Maturity Wise Grouping of Subordinated Convertible Bonds</b>			
Up to 1 month		-	-
not more than 3 months		-	-
More than 3 months but not more than 1 Year		2,951,079,000	3,000,000,000
More than 1 year but not more than 5 years		-	-
More than 5 years		<u>2,951,079,000</u>	<u>3,000,000,000</u>
<b>14.a Consolidated Subordinated Convertible Bonds</b>			
BRAC Bank Limited		2,951,079,000	3,000,000,000
BRAC EPL Investments Limited		-	-
BRAC EPL Stock Brokerage Limited		-	-
bKash Limited		-	-
BRAC Saajan Exchange Limited		-	-
BRAC IT Services Limited		<u>2,951,079,000</u>	<u>3,000,000,000</u>
<b>15 Money at call and short notice</b>			
<b>Banking Company:</b>			
Bank Alfalah		300,000,000	-
Basic Bank Limited		600,000,000	-
AB Bank Limited		400,000,000	-
Bank Asia Limited		600,000,000	-
Prime Bank Limited		435,200,000	-
IFIC Bank Limited		210,000,000	-
National Bank Ltd.		313,600,000	-
National Credit and Commerce Bank Ltd.		392,000,000	-
Rupali Bank Limited		-	500,000,000
Hong Kong Shanghai Banking Corporation, Dhaka		500,000,000	100,000,000
One Bank Limited		-	350,000,000
Janata Bank Limited		-	550,000,000
National Bank Limited		-	500,000,000
Sonali Bank Limited		1,300,000,000	310,000,000
State Bank of India		310,000,000	370,000,000
Dutch Bangla Bank Limited		-	1,100,000,000
		<u>5,360,800,000</u>	<u>3,780,000,000</u>
<b>15.1 Maturity Wise Grouping of Money at call and short notice</b>			
Up to 1 month		5,360,800,000	3,780,000,000
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		<u>5,360,800,000</u>	<u>3,780,000,000</u>
<b>15.a Consolidated Money at Call and Short notice</b>			
BRAC Bank Limited		5,360,800,000	3,780,000,000
BRAC EPL Investments Limited		-	-
BRAC EPL Stock Brokerage Limited		-	-
bKash Limited		-	-
BRAC Saajan Exchange Limited		-	-
BRAC IT Services Limited		<u>5,360,800,000</u>	<u>3,780,000,000</u>



Particulars		30 June 2016 Taka	31 Dec 2015 Taka
<b>16 Deposits and Other Accounts</b>			
	<b>On-Shore</b>	<b>Off-shore</b>	<b>Total</b>
<b>Local Currency:</b>			
Current and other accounts	48,460,950,852	-	48,460,950,852
Bills payable (note-16.4)	4,682,631,882	-	4,682,631,882
Saving deposits	29,820,053,384	-	29,820,053,384
Fixed deposits	68,560,543,144	-	68,560,543,144
Other deposits (note-16.5)	576,121,416	-	576,121,416
	<b>152,100,300,678</b>	<b>-</b>	<b>152,100,300,678</b>
<b>Foreign Currency:</b>			
Current and other accounts	1,607,757,198	34,932,000	1,642,689,198
Bills payable	-	-	-
Saving deposits	-	-	-
Fixed deposits (note-16.5)	628,282,112	618,227,538	1,246,509,650
Other deposits	1,328,819,224	-	1,328,819,224
	<b>3,564,858,534</b>	<b>653,159,538</b>	<b>4,218,018,072</b>
<b>Total Deposit and other accounts</b>	<b>155,665,159,212</b>	<b>653,159,538</b>	<b>156,318,318,750</b>
			<b>143,320,511,483</b>
<b>16.1 Deposits details concentrating liquidity nature</b>			
	<b>On-Shore</b>	<b>Off-shore</b>	<b>Total</b>
<b>i) Demand deposit</b>			
Current deposits	42,619,233,013	-	42,619,233,013
Saving deposits (10%)	2,982,005,338	-	2,982,005,338
Foreign currency deposits	2,936,576,421	34,932,000	2,971,508,421
Sundry deposits (note-16.6)	558,913,692	-	558,913,692
Bills payable	4,682,631,882	-	4,682,631,882
	<b>53,779,360,346</b>	<b>34,932,000</b>	<b>53,814,292,347</b>
<b>ii) Time deposit</b>			
Saving deposits (90%)	26,838,048,046	-	26,838,048,046
Foreign currency deposits	628,282,112	618,227,538	1,246,509,650
Fixed deposits	56,023,088,752	-	56,023,088,752
Short term deposits	5,841,717,840	-	5,841,717,840
Deposit pension schemes	12,537,454,391	-	12,537,454,391
Security deposits	1,021,000	-	1,021,000
Other Deposits	16,186,724	-	16,186,724
	<b>101,885,798,865</b>	<b>618,227,538</b>	<b>102,504,026,403</b>
	<b>155,665,159,212</b>	<b>653,159,538</b>	<b>156,318,318,750</b>
			<b>143,320,511,483</b>
<b>16.2 Deposits and Other Accounts</b>			
Deposits from Banks			48,138,244
Deposits from Customers			102,561,967
			<b>156,270,180,505</b>
			<b>143,217,949,516</b>
			<b>156,318,318,749</b>
			<b>143,320,511,483</b>
<b>16.3 Maturity Wise Grouping of Deposits</b>			
Repayable on demand			3,675,923,069
Repayable within 1 month			2,358,755,434
Over 1 month but within 6 months			19,948,491,040
Over 6 month but within 1 year			18,039,957,124
Over 1 year but within 5 years			57,474,378,517
Over 5 years but within 10 years			39,836,996,708
Over 10 years			21,478,058,868
Unclaimed deposits for 10 years or more			27,000,519,414
			36,195,053,213
			39,796,255,191
			17,543,511,312
			16,285,983,078
			2,902,731
			2,044,534
			<b>156,318,318,749</b>
			<b>143,320,511,483</b>
Unclaimed deposit outstanding for 10 years and above BDT 7,76,047.90 (PO no-BR 0356179) has been deposited to Bangladesh Bank at February 02, 2016, as per section 35 of Bank companies act 1991.			
<b>16.4 Bills payable</b>			
Local Drafts Issued and Payable			2,171,349,127
Payment Order Issued			80,723,009
			<b>2,511,282,755</b>
			<b>762,809,877</b>
			<b>4,682,631,882</b>
			<b>843,532,886</b>
<b>16.5 Other Deposits</b>			
Foreign currency			1,328,819,224
Local Currency			520,072,621
Security Deposits			1,021,000
Security Deposit from Retail Loan clients			1,048,000
Lease Deposits			16,186,724
Payable against Staff, Clients Loan account and others			4,711,600
			<b>554,202,092</b>
			<b>521,258,580</b>
			<b>576,121,416</b>
			<b>543,064,404</b>
<b>Total other deposits</b>			<b>1,904,940,639</b>
			<b>1,063,137,025</b>
<b>16.6 Sundry deposit</b>			
Lease Deposits			4,711,600
Payable against customers, Clients Loan account and others			4,571,100
			<b>554,202,092</b>
			<b>521,258,580</b>
			<b>558,913,692</b>
			<b>525,829,680</b>



Particulars		30 June 2016 Taka	31 Dec 2015 Taka		
<b>16.a Consolidated Deposit and Other Accounts</b>					
BRAC Bank Limited		156,318,318,749	143,320,511,483		
BRAC EPL Investments Limited		-	-		
BRAC EPL Stock Brokerage Limited		-	-		
bKash Limited		18,548,143,163	10,961,337,262		
BRAC Saajan Exchange Limited		-	-		
BRAC IT Services Limited		-	-		
		<u>174,866,461,912</u>	<u>154,281,848,745</u>		
Less: Intra-company transactions:					
BRAC EPL Investments Limited		2,041,696,376	11,901,293		
BRAC EPL Stock Brokerage Limited		136,520,109	85,804,316		
bKash Limited		11,363,120,642	11,457,913,286		
BRAC Saajan Exchange Limited		77,029,741	68,638,727		
BRAC IT Services Limited		4,985,027	9,402,184		
		<u>13,623,351,895</u>	<u>11,633,659,806</u>		
		<u>161,243,110,017</u>	<u>142,648,188,939</u>		
<b>17 Other Liabilities</b>					
		<b>On-Shore</b>	<b>Off-shore</b>	<b>Total</b>	
Provisions for loans and advances	(note - 17.1)	6,685,043,234	234,805,980	6,919,849,214	8,417,328,266
Provisions for Off Balance Sheet Items	(note - 17.2)	427,347,170	-	427,347,170	427,347,170
Provisions for Others		538,731	-	538,731	538,731
Interest suspense	(note - 17.4)	772,085,355	-	772,085,355	833,053,798
Withholding tax payable	(note - 17.5)	206,677,321	-	206,677,321	232,969,342
VAT payable	(note - 17.6)	185,186,348	-	185,186,348	157,813,453
Provision for taxation	(note - 17.7)	10,634,226,913	67,606,624	10,701,833,537	11,779,971,279
Deferred tax liability	(note - 9.2.2)	112,092,210	-	112,092,210	55,471,770
Interest payable		1,951,247,966	202,808,469	2,154,056,435	1,738,794,446
Accrued expenses		2,313,581,967	-	2,313,581,967	2,586,561,378
Provision for diminution in value of Investments	(note - 17.3)	358,951,693	-	358,951,693	358,951,693
Excise duty Payable		133,314,783	-	133,314,783	85,096,907
Share subscription - IPO (refund warrant)		209,933	-	209,933	210,030
Right Share subscription		657,174	-	657,174	657,174
Payable to On-shore Banking Unit		-	528,709,100	528,709,100	262,317,814
Cheque clearing accounts		338,425	-	338,425	-
Margin on Letter of Credits		805,400,159	-	805,400,159	597,925,676
Margin on Letter of Guarantees		196,162,456	-	196,162,456	100,995,055
Cash Dividend payable		50,639,290	-	50,639,290	50,802,973
Unclaimed dividend		3,522,142	-	3,522,142	3,523,517
Suppliers payable		69,566,176	-	69,566,176	77,655,128
Payable against exchange houses		3,876,846	-	3,876,846	4,015,686
Payable against insurances		23,403,309	-	23,403,309	29,373,553
Payable to Omnibus		-	-	-	1,023,300
Others		1,294,305,013	70,874	1,294,375,887	1,075,901,988
		<u>26,228,374,612</u>	<u>1,034,001,047</u>	<u>27,262,375,659</u>	<u>28,878,300,127</u>
				<u>528,709,100</u>	<u>262,317,814</u>
Less: Off-shore to On-shore				<u>26,733,666,559</u>	<u>28,615,982,313</u>
<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 and interest suspense from the amount outstanding.					
		<b>On-Shore</b>	<b>Off-shore</b>	<b>Total</b>	
<b>A. General</b>					
Balance at the beginning of the year		1,266,967,354	260,676,400	1,527,643,754	1,208,316,756
Add: Exchange difference in Off-shore book		-	(292,623)	(292,623)	982,045
Add: Provision made during the period		231,373,972	(27,409,129)	203,964,843	318,344,953
Balance at the end of the period		<u>1,498,341,326</u>	<u>232,974,648</u>	<u>1,731,315,974</u>	<u>1,527,643,754</u>
<b>B. Specific</b>					
Balance at the beginning of the year		6,875,286,987	14,397,525	6,889,684,512	5,973,428,417
Add: Exchange difference in Off-shore book		-	(20,494)	(20,494)	-
Add: Provision made during the period		922,931,950	(12,545,699)	910,386,251	2,749,110,611
		<u>7,798,218,937</u>	<u>1,831,332</u>	<u>7,800,050,269</u>	<u>8,722,539,028</u>
Less: Write off during the period		2,611,517,029	-	2,611,517,029	1,832,854,516
Balance at the end of the period		<u>5,186,701,908</u>	<u>1,831,332</u>	<u>5,188,533,240</u>	<u>6,889,684,512</u>
Net actual provision at the end of the period (A+B)		<u>6,685,043,234</u>	<u>234,805,980</u>	<u>6,919,849,214</u>	<u>8,417,328,266</u>
<b>17.2 Provisions for Off Balance Sheet Items</b>					
Provision for off balance sheet items is made as per BRPD circular no. 14 of September 2012 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				427,347,170	357,673,833
Add: Provision made during the period				-	69,673,337
Balance at the end of the period				<u>427,347,170</u>	<u>427,347,170</u>
<b>17.3 Provision for diminution in value of Investments</b>					
Balance at the beginning of the year				358,951,693	326,035,394
Add: Provision made during the period				-	40,000,000
Less: Reversal made during the period				-	7,083,701
Balance at the end of the period				<u>358,951,693</u>	<u>358,951,693</u>



Particulars	30 June 2016 Taka	31 Dec 2015 Taka
<b>17.4 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 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	833,053,798	766,084,298
Add: Amount transferred to "Interest Suspense" Account during the period	193,847,672	595,686,198
	<u>1,026,901,470</u>	<u>1,361,770,496</u>
Less: Amount recovered in "Interest Suspense" Account during the period	26,678,088	240,190,475
Less: Amount written off during the period	214,832,075	266,466,874
Less: Interest waiver during the period	13,305,952	22,059,349
Balance at the end of the period	<u>772,085,355</u>	<u>833,053,798</u>
<b>17.5 Withholding Tax Payable</b>		
Payable on Interest	92,064,735	182,880,812
Payable (Suppliers)	14,855,378	17,762,381
Payable (Contractors and Consultants)	-	152,018
Payable (Staff Salaries and Allowance)	-	4,085,051
Payable (Rent)	3,206,744	3,072,948
Payable (Export)	12,033,628	11,910,245
Payable on Commission Paid	21,016,381	8,306,768
Payable on Profession Services	57,419	-
Payable on Dividend	22,349,007	-
Payable on Others	41,094,029	4,799,119
	<u>206,677,321</u>	<u>232,969,342</u>
<b>17.6 VAT Payable</b>		
Payable on Letter of Credit Commission	2,829,161	3,382,481
Payable on Commission for Remittances	13,122,256	2,861,251
Payable on Loan Processing Fees	5,277,761	10,052,609
Payable - Credit Cards	6,500,563	7,466,104
Payable - Supplier	24,767,095	18,216,735
Payable - Rent	6,911,103	5,283,675
Payable - DESA and DESCO	16,993,948	11,496,539
Payable - BPDB	28,423,881	24,061,315
Payable - DPDC	73,643,193	66,423,309
Payable - Others	6,717,387	8,569,435
	<u>185,186,348</u>	<u>157,813,453</u>
<b>17.7 Provision for current taxation</b>		
Balance at the beginning of the year	11,779,971,279	9,529,948,684
Add: Provision made during the period	1,370,042,897	2,250,022,595
	<u>13,150,014,176</u>	<u>11,779,971,279</u>
Less: Adjustment of tax provision for previous years	2,448,180,639	-
Balance at the end of the period	<u>10,701,833,537</u>	<u>11,779,971,279</u>
Corporate tax position of the Bank has been shown in Annex F.		
<b>17.a Consolidated Other Liabilities</b>		
BRAC Bank Limited	26,733,666,559	28,615,982,313
BRAC EPL Investments Limited	890,926,912	514,885,986
BRAC EPL Stock Brokerage Limited	878,650,831	846,750,147
bKash Limited	1,340,280,130	1,281,676,794
BRAC Saajan Exchange Limited	330,994,138	313,728,913
BRAC IT Services Limited	416,980,434	440,879,130
	<u>30,591,499,004</u>	<u>32,013,903,282</u>
Less: Intra-company transactions:		
BRAC Bank Limited	106,066	-
BRAC EPL Investment Limited	22,855,924	33,250,304
BRAC EPL Stock Brokerage Limited	15,563,738	22,084,259
bKash Limited	296,078	266,840
BRAC Saajan Exchange Limited	2,275,197	9,882,335
BRAC IT Services Limited	248,762,010	245,990,027
	<u>289,859,013</u>	<u>311,473,765</u>
	<u>30,301,639,991</u>	<u>31,702,429,517</u>
<b>18 Share Capital</b>		
<b>18.1 Authorized Capital</b>		
Authorized Capital is the maximum amount of share capital that the bank is authorised by its Memorandum and Article of Association to issue to shareholders.		
1,200,000,000 ordinary shares of Tk. 10 each	<u>12,000,000,000</u>	<u>12,000,000,000</u>
<b>18.2 Issued, Subscribed and Paid up Capital</b>		
The issued share capital of the bank is the total nominal value of the shares of the bank which have been issued to shareholders and which remain outstanding.		
100,000,000 ordinary Share of Tk. 10/- each issued for cash	1,000,000,000	1,000,000,000
361,235,033 ordinary Share of Tk. 10/- each issued as bonus share	3,612,350,330	3,612,350,330
26,400,000 Right Share of Tk. 10/- each issued in the year 2008	264,000,000	264,000,000
221,652,288 Right Share of Tk. 10/- each issued in the year 2014	2,216,522,880	2,216,522,880
1,149,589 ordinary Share of Tk. 10/- each issued as bond converted share in the year 2016	11,495,890	-
	<u>7,104,369,100</u>	<u>7,092,873,210</u>



Particulars	30 June 2016 Taka	31 Dec 2015 Taka
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## 18.2.1 Issued, Subscribed and Paid up Capital

Balance at the beginning of the year	7,092,873,210	7,092,873,210
Add: Bond converted ordinary share issued	11,495,890	-
Add: Right share issued	-	-
Closing at the end of the period	<u>7,104,369,100</u>	<u>7,092,873,210</u>

## 18.3 Initial Public Offering (IPO)

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

## 18.4 Cash Dividend/Bonus Issue

On 2nd June 2016 Cash Dividend @25% (Tk. 2.5 per Share of Tk. 10 each) amounting to Taka 1,776,092,275.00 was approved by the shareholders in 17th Annual General Meeting and the cash dividend was paid accordingly.

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

## 18.5 Ordinary Shares

	No. of Shares.	% of shareholding		
<b>Sponsor</b>				
BRAC	316,598,451	44.56%	3,165,984,510	3,165,984,510
Others	34,802	0.01%	348,020	476,940
<b>Non Sponsor</b>				
Non Resident Bangladeshis	877,034	0.12%	8,770,340	8,462,010
Mutual Funds	17,313,841	2.44%	173,138,410	185,058,480
Institutions and General Public	375,612,782	52.87%	3,756,127,820	3,732,891,270
	<u>710,436,910</u>	<u>100%</u>	<u>7,104,369,100</u>	<u>7,092,873,210</u>

As per Listing rules 2015 of DSE, International Finance Corporation (IFC) is not considered as Sponsor and accordingly shareholding changes and placed in (Non-Sponsor) category of Institutions and General Public.

## 18.6 Classification of Shareholding

### Range of Holding of Shares

	no. of Shareholders	no. of Shares	Percentage of Holding of Shares
Less than 500	7,007	1,247,077	0.18%
500 to 5,000	7,938	15,118,631	2.13%
5,001 to 10,000	729	5,119,551	0.72%
10,001 to 20,000	441	6,132,008	0.86%
20,001 to 30,000	129	3,185,781	0.45%
30,001 to 40,000	70	2,473,921	0.35%
40,001 to 50,000	34	1,573,846	0.22%
50,001 to 100,000	66	4,906,463	0.69%
100,001 to 1,000,000	110	39,659,835	5.58%
Over 1000000	58	631,019,797	88.82%
<b>Total</b>	<u>16,582</u>	<u>710,436,910</u>	<u>100%</u>

## 18.7 Share Premium

5,000,000 ordinary shares @ Tk. 70 per share in the year 2006	350,000,000	350,000,000
2,640,000 ordinary shares @ Tk. 400 per share in the year 2008	1,056,000,000	1,056,000,000
221,652,288 ordinary shares @ Tk. 10 per share in the year 2014	2,216,522,880	2,216,522,880
1,149,589 ordinary shares @ Tk. 32.55 per share in the year 2016	37,419,151	-
	<u>3,659,942,031</u>	<u>3,622,522,880</u>

## 18.8 Particulars of Share Premium

	no. of Shares.		
<b>Sponsor:</b>			
BRAC	316,598,451	1,324,534,000	1,324,534,000
ShoreCap International Limited	-	92,473,920	92,473,920
International Finance Corporation (IFC)	38,002,483	219,056,640	219,056,640
Others	47,694	192,580	192,580
<b>non Sponsor:</b>			
non Resident Bangladeshis	1,096,669	91,555,530	91,555,530
Mutual Funds	45,196,879	189,254,190	189,254,190
General Public	309,494,734	1,742,875,171	1,705,456,020
	<u>710,436,910</u>	<u>3,659,942,031</u>	<u>3,622,522,880</u>

## 18.8.a Consolidated Share Premium

BRAC Bank Limited	3,659,942,031	3,622,522,880
BRAC EPL Investments Limited	147,052,103	147,052,103
BRAC EPL Stock Brokerage Limited	-	-
bKash Limited	1,012,096,732	1,012,096,732
BRAC Saajan Exchange Limited	-	-
BRAC IT Services Limited	-	-
	<u>4,819,090,866</u>	<u>4,781,671,715</u>



Particulars	30 June 2016 Taka	30 June 2016 Taka	31 Dec 2015 Taka	31 Dec 2015 Taka
<b>18.09 Capital Adequacy Ratio - As per BASEL-II and III</b>				
<b>Common Equity Tier-1 (Going Concern Capital)</b>		<b>SOLO Basis</b>	<b>Consolidated basis</b>	<b>SOLO Basis</b>
Fully Paid -up capital/funds from Head office for the purpose of meeting the capital adequacy	7,104,369,100	7,104,369,100	7,092,873,210	7,092,873,210
Non-Repayable Share Premium account	4,819,090,866	3,659,942,031	4,781,671,715	3,622,522,880
Statutory Reserve	3,470,350,332	3,470,350,332	3,470,350,332	3,470,350,332
General reserve	3,745,002,712	3,827,273,358	4,088,724,423	3,892,934,140
Retained Earnings	355,218,455	355,218,455	-	-
Dividend Equalization Reserve	1,256,271,356	-	1,297,477,645	-
Minority Interests in Subsidiaries	-	-	-	-
Actuarial gain/loss (Actuarial gain/loss kept in books in Bangladesh for foreign banks)	-	-	-	-
Non-repayable interest free funds from Head Office for the purpose of acquisition of property and held in a separate account and have the ability to absorb Losses regardless of their losses. (Applicable for foreign banks)	-	-	-	-
others (if any item approved by Bangladesh Bank)	2,023,717,284	-	23,718,584	-
<b>Sub-total</b>	<b>22,774,020,105</b>	<b>18,417,153,276</b>	<b>20,754,815,909</b>	<b>18,078,680,562</b>
<b>Regulatory Adjustments</b>				
Shortfall in Provision required against Non-performing Loans(NPLs)	-	-	-	-
Shortfall in Provision required against Investment in shares(Result of the cell No. F262)	-	-	-	-
Remaining deficit on account of revocation of investments in Securities after netting off from any other surplus of the securities.	-	-	-	-
Goodwill and all other intangible assets	1,412,198,710	-	1,412,198,710	-
Deferred Tax Assets (DTA)	1,027,744,171	1,027,744,171	963,887,229	963,887,229
Defined benefit pension fund assets	-	-	-	-
Gain on sale related to securitization Transactions	-	-	-	-
Investment in Own CET-1 Instruments/shares(as per Para 3.4.7 of Basel III Guidelines)	-	-	-	-
Reciprocal Crossholdings in The CET-1 Capital of Banking, financing and insurance entities.	-	-	-	-
Any investment exceeding the approved limit under section 26(2) of the Bank Company Act, 1991(50% of investment)	-	-	-	-
Investment of subsidiaries which are not Consolidated(50% of investment)	-	-	-	-
Others if any	2,439,942,881	1,027,744,171	2,376,085,939	963,887,229
<b>Sub-total</b>	<b>20,334,077,224</b>	<b>17,389,409,105</b>	<b>18,378,729,970</b>	<b>17,114,793,333</b>
<b>Total common equity Tier-1 capital</b>				
<b>Additional Tier-1 Capital</b>				
Non-Cumulative irredeemable Preference Shares	-	-	-	-
Instruments issued By the Banks that meet the qualifying Criteria For AT1( As specified in Annex-4 of Basel III Guidelines)	-	-	-	-
Minority Interest i.e AT1 issued by Consolidated subsidiaries to third parties as specified in Annex-4 of Basel III Guidelines( For Consolidated Reporting)	-	-	-	-
Head Office Borrowing in foreign currency by Foreign Banks' operation in Bangladesh for inclusion In Additional tier-1 capital which comply with the regulatory requirements as specified in Annex-4 of Basel III Guidelines(Applicable for foreign banks)	-	-	-	-
Any other item especially allowed by Bangladesh Bank from time to time for inclusion in Additional Tier-1 capital ( applicable for foreign banks).	-	-	-	-
Others(If any item approved by Bangladesh Bank)	-	-	-	-
<b>Subtotal</b>				



Particulars	30 June 2016 Taka	30 June 2016 Taka	31 Dec 2015 Taka	31 Dec 2015 Taka
<b>Regulatory Adjustments:</b>				
Investment in own AT-1 instrument/shares(as per para 3.4.7 of Basel III Guidelines)	-	-	-	-
Reciprocal Crossholdings in The AT-1 Capital of Banking, financing and insurance entities.	-	-	-	-
Others(if any)	-	-	-	-
Total Additional Tier-1 Capital Available	-	-	-	-
Maximum limit of Additional Tier-1 Capital(AT-1 Capital can be maximum Up to 1.5% Of the Total RWA or 33.33% of CET1, Whichever is higher)	-	-	-	-
Excess amount over maximum limit Of AT-1	-	-	-	-
<b>Subtotal</b>	<b>20,334,077,224</b>	<b>17,389,409,105</b>	<b>18,378,729,970</b>	<b>17,114,793,333</b>
<b>Total Admissible Additional Tier-1 Capital</b>				
<b>Tier-2 Capital (Gone-Concern Capital)</b>				
General Provision ( Eligible For inclusion in Tier 2 will be limited to 1 maximum 1.25 percentage points of Credit Risk Weighted Assets calculated under the Standardised Approach)	2,158,613,577	2,158,613,577	1,857,726,067	1,783,186,562
All other preference shares	-	-	-	-
Subordinated debt/instruments issued by the Banks that meet the qualifying criteria for tier-2 Capital (as per Annex 4 of Basel III Guidelines)	600,000,000	600,000,000	1,200,000,000	1,200,000,000
Minority interest i.e. Tier 2 issued by Consolidated Subsidiaries to third Parties( For Consolidated Reporting Only)	-	-	-	-
Head Office(HO) borrowings in foreign Currency Received that meet the Criteria Of tier 2 Debt Capital (Applicable For Foreign banks).	-	-	-	-
Revaluations Reserve as on 30th June, 2015(50% Of Fixed Assets And Securities and 10% of equities)	346,502,408	346,502,408	346,502,408	346,502,408
<b>Others ( If any item approved by Bangladesh Bank)</b>				
<b>Sub-total</b>	<b>3,105,115,985</b>	<b>3,105,115,985</b>	<b>3,404,228,475</b>	<b>3,329,688,970</b>
<b>Regulatory Adjustments</b>				
Revaluation Reserve for Fixed Assets and Security and equity securities( Follow Phase-in deduction as per Basel (III) guidelines)	138,600,963	138,600,963	69,300,482	69,300,482
Investment in OWN T2 Instruments/shares(as Per para 3.4.7 of Basel III Guidelines)	-	-	-	-
Reciprocal Crossholdings in The AT-2 Capital of Banking, financing and insurance entities.	-	-	-	-
Any investment exceeding the approved limit under section 26(2) of the Banking Companies Act, 1991(50% of investment)	-	-	-	-
Investment of subsidiaries which are not Consolidated(50% of investment)	-	-	-	-
Others if any	-	-	-	-
Total Tier-2 Capital Available	2,966,515,022	2,966,515,022	3,334,927,993	3,260,388,488
Maximum limit of Tier-2 Capital(Tier-2 Capital can be maximum Up to 4% Of the Total RWA or 88.89% of CET1, Whichever is higher)	16,041,957,396	14,717,636,047	16,041,957,396	14,717,636,047
Excess amount over maximum limit of T-2	-	-	-	-
<b>Total Admissible Tier-2 capital</b>	<b>2,966,515,022</b>	<b>2,966,515,022</b>	<b>3,334,927,993</b>	<b>3,260,388,488</b>
<b>Total Capital</b>	<b>23,300,592,247</b>	<b>20,355,924,128</b>	<b>21,713,657,963</b>	<b>20,375,181,821</b>
<b>Total Risk Weighted Assets</b>	<b>180,744,212,492</b>	<b>171,220,002,691</b>	<b>176,714,095,576</b>	<b>166,622,161,980</b>
Required capital based on Risk Weighted Assets (10%)	18,074,421,249	17,122,000,269	17,671,409,558	16,662,216,198
Surplus/( Deficiency)	5,226,170,997	3,233,923,859	4,042,248,405	3,712,965,623
<b>Capital Adequacy Ratio:</b>				
On core capital (against standard of minimum 5%)	11.25%	10.16%	10.40%	10.27%
On actual capital (against standard of minimum 10%)	12.89%	11.89%	12.29%	12.23%



Particulars	30 June 2016 Taka	31 Dec 2015 Taka
<b>19 Statutory Reserve</b>		
Balance at the beginning of the year	3,470,350,332	3,470,350,332
Add: Transferred from profit during the year	<u>3,470,350,332</u>	<u>3,470,350,332</u>
Refer to the section no-24 of The Banking Companies Act 1991, there is no requisite to transfer fund from profit into the statutory reserve during the period because the sum of share premium and statutory reserve exceeded the paid up capital.		
<b>19.a Consolidated Statutory Reserve</b>		
BRAC Bank Limited	3,470,350,332	3,470,350,332
BRAC EPL Investments Limited	-	-
BRAC EPL Stock Brokerage Limited	-	-
bKash Limited	-	-
BRAC Saajan Exchange Limited	-	-
BRAC IT Services Limited	<u>3,470,350,332</u>	<u>3,470,350,332</u>
<b>20 Revaluation Reserve</b>		
Revaluation Reserve on Govt. Securities (note - 20.1)	268,718,753	219,539,410
Assets Revaluation Reserve (note - 20.2)	<u>516,373,535</u>	<u>516,373,535</u>
	<u>785,092,288</u>	<u>735,912,945</u>
<b>20.1 Revaluation Reserve on Govt. Securities</b>		
Balance at the beginning of the year	219,539,410	176,631,281
Add: Addition during the year	357,815,941	757,748,003
Less: Adjustment during the year	<u>308,636,598</u>	<u>714,839,874</u>
	<u>268,718,753</u>	<u>219,539,410</u>
<b>20.2 Assets Revaluation Reserve</b>		
Balance at the beginning of the year	516,373,535	516,373,535
Add: Reserve made during the year	<u>516,373,535</u>	<u>516,373,535</u>
<b>20.1.a Consolidated Revaluation Reserve on Govt. Securities</b>		
BRAC Bank Limited	268,718,753	219,539,410
BRAC EPL Investments Limited	-	-
BRAC EPL Stock Brokerage Limited	-	-
bKash Limited	-	-
BRAC Saajan Exchange Limited	-	-
BRAC IT Services Limited	<u>268,718,753</u>	<u>219,539,410</u>
<b>20.2.a Consolidated Assets Revaluation Reserve</b>		
BRAC Bank Limited	516,373,535	516,373,535
BRAC EPL Investments Limited	-	-
BRAC EPL Stock Brokerage Limited	-	-
bKash Limited	-	-
BRAC Saajan Exchange Limited	-	-
BRAC IT Services Limited	<u>516,373,535</u>	<u>516,373,535</u>
<b>20.b Share money deposit</b>		
<b>20.b.1 Share money deposit in bKash Ltd</b>		
Share money deposit in bKash	505,162	505,162
Share of BRAC Bank (as Parent) on Share money deposit (51%) (I)	<u>505,162</u>	<u>505,162</u>
	<u>257,633</u>	<u>257,633</u>
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.		
<b>20.b.2 Share money deposit in BRAC Saajan Ltd</b>		
Share money deposited by BRAC Saajan Limited	26,812,516	26,812,516
Exchange difference on translation	<u>26,812,516</u>	<u>26,812,516</u>
Share of BRAC Bank (as Parent) on Share money deposit (87.5%+1) (II)	<u>23,460,951</u>	<u>23,460,951</u>
<b>20.b.3 Share money deposit in BRAC EPL Investment Ltd</b>		
Share money deposited in BRAC EPL Investment Ltd. (III)	1,999,998,700	2,371,584
Total share of BRAC Bank (as Parent) on Share money deposit (I+II+III)	<u>2,023,717,284</u>	<u>2,371,584</u>



Particulars	30 June 2016 Taka	31 Dec 2015 Taka			
<b>21 Surplus in Profit and Loss Account/ Retained Earnings</b>					
	<b>On-Shore</b>	<b>off-shore</b>	<b>Total</b>		
Balance at the beginning of the year	3,334,045,876	559,706,460	3,893,752,336	2,876,737,432	
Less: Dividend equalisation Fund	355,218,455	-	355,218,455	-	
Less: Issue of Bonus Share (10%)	-	-	-	-	
Less: Cash Dividend	1,776,092,275	-	1,776,092,275	1,418,574,642	
Add: Retained Surplus for the year	1,871,586,119	193,245,632	2,064,831,751	2,435,589,546	
	<u>3,074,321,265</u>	<u>752,952,092</u>	<u>3,827,273,357</u>	<u>3,893,752,336</u>	
<b>21.a Consolidated Surplus in Profit and Loss Account/ Retained Earnings</b>					
BRAC Bank Limited			3,827,273,357	3,893,752,336	
Less: Impairment of Goodwill			(90,140,343)	(90,140,343)	
Add: Retained Surplus from BRAC EPL Investments Limited (Opening)			(103,893,628)	151,584,437	
Add: Retained Surplus from BRAC EPL Investments Limited (During the period)			(390,013,656)	(255,478,065)	
Add: Retained Surplus from BRAC EPL Stock Brokerage Limited (Opening)			353,016,561	281,708,185	
Add: Retained Surplus from BRAC EPL Stock Brokerage Limited (During the period)			33,780,850	71,308,376	
Add: Retained Surplus from bKash Limited (Opening)			41,002,272	(80,154,207)	
Add: Retained Surplus from bKash Limited (During the period)			96,006,852	121,156,479	
Add: Retained Surplus from BRAC Saajan Limited (Opening)			92,901,687	80,585,135	
Add: Retained Surplus from BRAC Saajan Limited (During the period)			(1,195,749)	17,677,081	
Less: Dividend distributed by BRAC Saajan Limited			-	(5,360,529)	
Add: Retained Surplus from BRAC IT Services Limited (Opening)			(97,096,266)	(61,012,092)	
Add: Retained Surplus from BRAC IT Services Limited (During the period)			(14,173,657)	(36,084,174)	
Add: Share of profit/(loss) of equity in associate company (Opening)			(818,197)	-	
Add: Share of profit/(loss) of equity in associate company (During the period)			107,811	(818,197)	
			<u>3,746,757,895</u>	<u>4,088,724,423</u>	
<b>22 Minority Interest (Detail in note - 22.1)</b>					
BRAC EPL Investments Limited			50,390,776	173,552,983	
BRAC EPL Stock Brokerage Limited			67,185,704	63,432,276	
bKash Limited			1,200,169,261	1,107,927,383	
BRAC Saajan Exchange Limited			17,101,716	17,272,537	
BRAC IT Services Limited			(78,325,361)	(64,707,534)	
			<u>1,256,522,096</u>	<u>1,297,477,645</u>	
<b>22.1 Calculation of Minority Interest</b>					
	<b>BRAC EPL Investments Limited</b>	<b>BRAC EPL Stock Stock Brokerage Limited</b>	<b>bKash Limited</b>	<b>BRAC Saajan Exchange Limited</b>	<b>BRAC IT Services Limited</b>
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	(811,864,384)	220,357,041	268,645,339	67,111,453	(222,008,890)
Total net assets as at 30 June 2016	<u>209,961,567</u>	<u>671,857,041</u>	<u>2,445,060,797</u>	<u>136,813,726</u>	<u>(159,847,675)</u>
Minority Interest as at 30 June 2016	<u>50,390,776</u>	<u>67,185,704</u>	<u>1,200,169,261</u>	<u>17,101,716</u>	<u>(78,325,360.90)</u>
Total net assets as at 31 December 2015	<u>723,137,430</u>	<u>634,322,764</u>	<u>2,256,812,068</u>	<u>139,130,142</u>	<u>(132,056,192)</u>
Minority Interest as at 31 December 2015	<u>173,552,983</u>	<u>63,432,276</u>	<u>1,107,927,383</u>	<u>17,272,537</u>	<u>(64,707,534)</u>
<b>23 Contingent Liabilities</b>					
Acceptances and endorsements				10,454,132,516	12,967,621,606
Import Letter of Credits - Sight				9,820,742,562	9,493,957,028
Import Letter of Credits - Usance				14,951,245,867	8,314,887,899
Import Letter of Credits - Back to Back				2,084,131,978	2,384,660,141
Total Letter of Credits and Acceptances and endorsements:			(Note 23.2)	37,310,252,923	33,161,126,674
Guarantees Issued			(Note 23.3)	6,432,136,056	5,765,094,383
Bills for collection			(Note 23.4)	876,070,726	1,810,581,090
Tax Liability			(Note 23.5)	43,700,000	43,700,000
Contingent Assets - FX deals				13,223,055,373	7,175,468,134
Forward contract				1,677,539,000	1,993,599,324
Stock of Travellers Cheques (TC)				4,147,360	4,152,915
				<u>59,566,901,438</u>	<u>49,953,722,520</u>
<b>23.1 Significant concentration wise grouping</b>					
i) Documentary credits and short term trade related transactions;				44,618,459,705	40,736,802,147
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;				14,904,741,733	9,173,220,373
v) Other exchange contracts				43,700,000	43,700,000
vi) Others				<u>59,566,901,438</u>	<u>49,953,722,520</u>

Particulars	30 June 2016 Taka	31 Dec 2015 Taka
<b>23.2 Irrevocable Letter of Credit including Acceptances and endorsements</b>		
Letter of Credit (Inland)	429,666,903	122,870,363
Letter of Credit (General)	28,780,239,431	22,854,193,985
Back to Back L/C	2,084,131,978	2,384,660,141
Back to Back Bills	2,999,099,590	4,118,849,941
Back to Back Bills (EDF)	3,017,115,022	3,680,552,243
	<u>37,310,252,924</u>	<u>33,161,126,673</u>
Less: Margin	805,400,159	597,925,676
	<u>36,504,852,765</u>	<u>32,563,200,997</u>
<b>23.3 Letter of Guarantee</b>		
Letter of Guarantee (Local)	5,648,037,276	5,627,174,341
Letter of Guarantee (Foreign)	784,098,780	137,920,042
Foreign counter Guarantee	-	-
	<u>6,432,136,056</u>	<u>5,765,094,383</u>
Less: margin	196,162,456	100,995,055
	<u>6,235,973,600</u>	<u>5,664,099,328</u>
Balance for which the Bank is contingently liable in respect of guarantee issued favoring:		
Directors	2,821,518,322	2,110,734,256
Government	171,934,638	177,231,458
Bank and other financial institution	3,438,683,096	3,477,128,669
Others	6,432,136,056	5,765,094,383
	<u>196,162,456</u>	<u>100,995,055</u>
Less : Margin	<u>6,235,973,600</u>	<u>5,664,099,328</u>
<b>23.4 Bills for collection</b>		
Outward local bills for collection	665,152,638	1,513,429,660
Outward foreign bills for collection	210,918,088	297,151,430
Inward local bills for collection	-	-
Inward foreign bills for collection	-	-
	<u>876,070,726</u>	<u>1,810,581,090</u>
<b>23.5 Contingent Liabilities (Taxation)</b>		
Large Tax Payers (VAT) office has issued a Demand Order of BDT 2,37,00,000 against VAT audit for the Income year 2009 and BDT 2,00,00,000 against VAT audit for the Income year 2010. The Bank has filed appeal before the Honorable High Court Division against the order no. VAT- 123/2013 dated 05 August 2013 and VAT-44/2014 dated 08 May 2014 respectively of the Customs, Excise and VAT Appellate Tribunal on the said demand.		
<b>23.6 Suit filed by the Bank</b>		
No law suit filed by the bank against contingent liabilities.		
<b>23.a Consolidated Contingent liabilities</b>		
BRAC Bank Limited	59,566,901,438	49,953,722,520
BRAC EPL Investments Limited	-	-
BRAC EPL Stock Brokerage Limited	-	-
bKash Limited	-	-
BRAC Saajan Exchange Limited	-	-
BRAC IT Services Limited	-	-
	<u>59,566,901,438</u>	<u>49,953,722,520</u>



Particulars	30 June 2016 Taka	30 June 2015 Taka		
Section -Three: Notes to Profit and loss Account				
Income statement				
Income:				
Interest, discount and similar income (Note-24.1)	10,174,546,950	9,578,695,463		
Dividend income (Note-27)	15,278,621	18,326,970		
Fees, commission and brokerage (Note-24.2)	992,848,863	953,983,304		
Gains less losses arising from investment securities	13,352,331	(1,116,925)		
Gains less losses arising from dealing from foreign currencies (Note-28)	297,360,783	343,572,699		
Gain less losses arising from REPO	71,100,137	201,219,797		
Income from non-banking assets	-	-		
Other operating income (Note-29)	640,333,703	469,944,703		
	<u>12,204,821,388</u>	<u>11,564,626,011</u>		
Expenses:				
Interest, fees and commission (Note-26)	3,653,776,388	4,608,619,819		
Losses arising from dealing securities	128,392,375	(171,496,044)		
Administrative expenses (Note-24.3)	2,716,843,802	2,451,452,983		
Other operating expenses (Note-39)	848,957,428	880,823,033		
Depreciation on banking assets (Note-38)	318,223,046	296,434,988		
	<u>7,666,193,039</u>	<u>8,065,834,779</u>		
	<u>4,538,628,349</u>	<u>3,498,791,232</u>		
Operating Profit				
Interest, discount and similar income				
Interest on loans and advances	8,427,576,678	7,541,707,378		
Interest on money at call and short notice	1,135,703	9,740,055		
Interest on balance with other banks	4,886,603	5,198,778		
Interest on treasury bills and bonds	944,109,650	1,014,074,422		
Interest on fixed deposits with other banks	596,817,264	876,231,792		
Interest on coupon bearing bond	168,798,614	131,510,162		
Interest on commercial paper	31,222,437	232,877		
	<u>10,174,546,950</u>	<u>9,578,695,463</u>		
Fees, commission and brokerage				
Fees	818,827,711	756,603,633		
Commission	174,021,152	197,379,671		
	<u>992,848,863</u>	<u>953,983,304</u>		
Administrative expenses				
Salaries and allowances	1,681,306,507	1,415,317,870		
Rent, taxes, insurance, electricity etc.	553,897,144	442,664,588		
Legal expenses	40,975,615	57,644,378		
Postage, stamps, telecommunication etc.	121,878,711	115,178,025		
Stationery, printing, advertisement etc.	158,429,971	138,122,271		
Chief Executive's salary and fees	6,922,500	8,275,417		
Directors' fees and expenses	662,400	287,500		
Auditors' fee	612,375	543,000		
Repairs and maintenance of fixed assets	152,158,579	273,419,933		
	<u>2,716,843,802</u>	<u>2,451,452,983</u>		
Interest Income				
Interest on loans and advances -				
	On-Shore	off-shore	Total	
Retail	1,507,358,116	-	1,507,358,116	1,182,277,687
Corporate	2,457,929,899	642,066,427	3,099,996,326	2,280,983,150
SME	60,837,147	-	60,837,147	103,223,559
Lease Finance	3,486,129,476	-	3,486,129,476	3,698,575,989
Credit Cards	262,254,741	-	262,254,741	265,619,661
Staff	11,000,873	-	11,000,873	11,027,331
	<u>7,785,510,251</u>	<u>642,066,427</u>	<u>8,427,576,678</u>	<u>7,541,707,378</u>
Interest on money at call and short notice	1,135,703	-	1,135,703	9,740,055
Interest on balance with other banks	4,886,603	-	4,886,603	5,198,778
Interest on fixed deposits with other banks	596,817,264	-	596,817,264	876,231,792
	<u>8,388,349,821</u>	<u>642,066,427</u>	<u>9,030,416,248</u>	<u>8,432,878,003</u>
Less: Interest Income from OBU			94,051,199	31,740,055
Less: Interest Income from BBL			-	2,372,159
			<u>8,936,365,049</u>	<u>8,398,765,788</u>
Consolidated Interest Income				
BRAC Bank Limited			8,936,365,049	8,398,765,788
BRAC EPL Investments Limited			55,743,002	158,598,920
BRAC EPL Stock Brokerage Limited			19,217,739	9,934,112
bKash Limited			511,629,741	431,259,953
BRAC Saajan Exchange Limited			1,174,129	1,269,906
BRAC IT Services Limited			-	-
Less: Intra-company transactions:			<u>482,182,997</u>	<u>459,528,377</u>
			<u>9,041,946,663</u>	<u>8,540,300,302</u>

Particulars		30 June 2016 Taka	30 June 2015 Taka
<b>26</b>	<b>Interest Paid on Deposits and Borrowing etc.</b>		
A. Interest paid on deposits:			
Current	332,268,055	332,268,055	587,142,656
STD	81,549,937	81,549,937	219,385,778
Savings	330,199,366	330,199,366	377,207,989
Term	1,990,974,942	1,992,164,119	2,554,640,545
	2,734,992,299	2,736,181,476	3,738,376,968
B. Interest paid for borrowings:			
Interest on money at call and short notice	68,140,846	68,140,846	103,413,153
Interest on local bank accounts	134,022,514	604,527,788	297,694,135
Bangladesh Bank-refinance	19,814,154	19,814,154	18,930,684
Interest on Repurchase agreement (REPO)	36,081,230	36,081,230	225,731,196
Interest on BBL Bond	189,030,896	189,030,896	224,473,684
	447,089,639	917,594,912	870,242,852
	3,182,081,938	3,653,776,388	4,608,619,819
Less: Interest pay to OBU		94,051,199	31,740,055
Less: Interest pay to BBL		3,559,725,189	4,574,507,605
<b>26.a</b>	<b>Consolidated Interest Paid on Deposits and Borrowing etc.</b>		
BRAC Bank Limited		3,559,725,189	4,574,507,605
BRAC EPL Investments Limited		178,701,455	235,671,341
BRAC EPL Stock Brokerage Limited		3,372,581	-
bKash Limited		26,493,016	-
BRAC Saajan Exchange Limited		-	-
BRAC IT Services Limited		482,182,998	459,528,377
Less: Intra-company transactions:		3,286,109,243	4,350,650,568
<b>27</b>	<b>Investment Income</b>		
Interest on treasury bills and bonds	944,109,650	944,109,650	1,014,074,422
Gain/ (Loss) on dealing of securities - HFT Instruments	(128,392,375)	(128,392,375)	171,496,044
Gain/ (Loss) on reverse REPO	71,100,137	71,100,137	201,219,797
Dividend on preference shares	4,601,819	4,601,819	6,080,999
Dividend from subsidiary	-	-	5,251,565
Interest on coupon bearing bond	168,798,614	168,798,614	131,510,162
Interest on commercial paper	30,570,615	651,822	232,877
Capital gain on coupon bearing bond	-	-	-
Gain on trading shares (Realized)	13,352,331	13,352,331	(1,116,925)
Dividend on ordinary shares	10,676,803	10,676,803	6,994,406
	1,114,817,594	1,115,469,416	1,535,743,347
<b>27.a</b>	<b>Consolidated Investment Income</b>		
BRAC Bank Limited		1,115,469,416	1,535,743,347
BRAC EPL Investments Limited		5,290,836	(5,128,082)
BRAC EPL Stock Brokerage Limited		8,865,681	1,447,713
bKash Limited		-	-
BRAC Saajan Exchange Limited		-	1,271,081
BRAC IT Services Limited		107,811	375,611
Share of profit/(loss) of equity in associate company		1,129,733,745	1,533,709,670
<b>28</b>	<b>Commission, Exchange and Brokerage</b>		
Commission from sale of sanchaya patra	4,719,576	4,719,576	46,692
Commission from issue of payment orders, DD and TT	8,910,758	8,910,758	11,818,441
Commission from issue of letter of guarantee	20,547,291	20,547,291	16,601,153
Commission from issue of letters of credit (Import and Export)	134,382,123	4,035,302	140,968,679
Commission on visa processing	-	-	5,973,500
Commission on Travellers Cheques	1,127	1,127	-
Other commission	1,424,975	1,424,975	230,975
Gain or (Loss) on Foreign currency dealings	297,360,783	297,360,783	365,312,930
Loan processing fees	255,363,722	255,363,722	206,222,650
Account activity fees	164,430,484	164,430,484	158,465,359
Import and export related fees	33,480,200	6,801,862	26,394,855
Fees and Commission-Cards	187,871,389	187,871,389	174,570,949
Relationship Fees	3,978,734	3,978,734	4,399,645
Loan Early Settlement Fees	32,481,368	32,481,368	29,961,541
Service Charges for ATM Card	113,046,412	113,046,412	124,910,218
Fund Collection/ Transfer Fees	103,100	103,100	233,800
Student Service Center Fees	981,000	981,000	856,000
Cancellation fees	56,400	56,400	74,315
Cheque collection fees	140,949	140,949	171,850
Trade Finance Charges	1,044,930	1,044,930	99,967
Other fees (Note : 28.1)	12,216,558	19,047,160	30,242,484
	1,272,541,880	1,290,209,646	1,297,556,003



Particulars			30 June 2016 Taka	30 June 2015 Taka
<b>28.1</b>	<b>Other fees</b>	<b>On-Shore</b> <b>off-shore</b> <b>Total</b>		
	Passport Endorsement Fees	951,882	-	951,882
	Locker fees	2,683,290	-	2,683,290
	Service fees - ATM	594,258	-	594,258
	DPS Early Settlement Fees	-	-	200
	Service fees - BIT	547,515	-	547,515
	IOM Service Fees	438,294	-	438,294
	Annual Membership Fees-Premium Banking	11,800	-	11,800
	Membership Fees-ELDORADO	1,176,385	-	1,176,385
	Annual Fees-SMS Banking	3,774,687	-	3,774,687
	Annual Fees-Internet Banking	1,970,950	-	1,970,950
	Syndication Fees	-	6,830,602	6,830,602
	Valuation fees	3,335	-	3,335
	Omnibus settlement fees	64,163	-	64,163
		<b>12,216,558</b>	<b>6,830,602</b>	<b>19,047,160</b>
<b>28.a</b>	<b>Consolidated Commission, Exchange and Brokerage</b>			
	BRAC Bank Limited		1,290,209,646	1,297,556,003
	BRAC EPL Investments Limited		31,215,591	27,385,864
	BRAC EPL Stock Brokerage Limited		174,600,209	139,224,747
	bKash Limited*		1,069,401,017	709,771,956
	BRAC Saajan Exchange Limited		134,690,514	97,205,132
	BRAC IT Services Limited		-	-
	Less: Intra-company transactions:		<b>4,145,469</b>	<b>2,545,788</b>
			<b>2,695,971,508</b>	<b>2,268,597,914</b>
	<b>* Commission income of bKash Limited</b>			
	Commission net off VAT		5,821,176,615	3,986,448,455
	Less: Cost of service		4,751,775,598	3,276,676,499
	Net commission income		<b>1,069,401,017</b>	<b>709,771,956</b>
<b>29</b>	<b>Other operating income</b>			
	Recovery of written off bad debts		570,835,204	415,887,340
	Profit on sale of assets		2,150,069	(125,245)
	Profit share from other bank		18,492,479	10,428,917
	Loan penal interest		6,611,950	11,991,682
	Miscellaneous income		42,244,000	31,762,008
			<b>640,333,703</b>	<b>469,944,703</b>
<b>29.a</b>	<b>Consolidated Other operating income</b>			
	BRAC Bank Limited		640,333,703	469,944,703
	BRAC EPL Investments Limited		1,752,633	1,800,271
	BRAC EPL Stock Brokerage Limited		27,634,618	250,772
	bKash Limited		28,388,209	29,220,662
	BRAC Saajan Exchange Limited		2,490,305	2,202,397
	BRAC IT Services Limited		92,803,470	111,487,066
	Less: Intra-company transactions		<b>57,416,268</b>	<b>-</b>
			<b>735,986,670</b>	<b>614,905,871</b>
<b>30</b>	<b>Consolidated Salaries and allowances</b>			
	BRAC Bank Limited		1,681,306,507	1,415,317,870
	BRAC EPL Investments Limited		22,559,572	35,708,785
	BRAC EPL Stock Brokerage Limited		61,828,202	50,719,568
	bKash Limited		390,651,694	264,952,038
	BRAC Saajan Exchange Limited		25,545,508	27,134,552
	BRAC IT Services Limited		75,421,534	121,670,939
			<b>2,257,313,017</b>	<b>1,915,503,751</b>
<b>31</b>	<b>Rent, Taxes, Insurance, Electricity etc.</b>	<b>On-Shore</b> <b>off-shore</b> <b>Total</b>		
	Rent, rates and taxes	418,445,038	813,890	419,258,928
	Insurance	45,064,416	27,360	45,091,776
	Power and electricity	83,486,420	153,501	83,639,921
	WASA and Sewerage	5,899,766	6,753	5,906,519
		<b>552,895,640</b>	<b>1,001,504</b>	<b>553,897,144</b>
<b>31.a</b>	<b>Consolidated Rent, Taxes, Insurance, Electricity etc.</b>			
	BRAC Bank Limited		553,897,144	442,664,588
	BRAC EPL Investments Limited		12,090,007	13,277,830
	BRAC EPL Stock Brokerage Limited		12,663,775	12,424,749
	bKash Limited		14,431,578	5,026,829
	BRAC Saajan Exchange Limited		8,369,030	8,713,023
	BRAC IT Services Limited		8,659,792	6,847,366
			<b>610,111,326</b>	<b>488,954,384</b>

Particulars	30 June 2016 Taka	30 June 2015 Taka		
<b>32 Consolidated Legal expenses</b>				
BRAC Bank Limited	40,975,615	57,644,378		
BRAC EPL Investments Limited	305,588	1,705,105		
BRAC EPL Stock Brokerage Limited	16,000	-		
bKash Limited	12,021	6,546,977		
BRAC Saajan Exchange Limited	665,953	2,167,553		
BRAC IT Services Limited	-	-		
	<u>41,975,177</u>	<u>68,064,013</u>		
<b>33 Postage, Stamp, Telecommunication etc.</b>				
	<b>On-Shore</b>	<b>off-shore</b>	<b>Total</b>	
Postage and courier	20,845,912	344	20,846,256	16,943,254
Telegram, telex, fax and Network	45,580,469	56	45,580,525	40,352,479
Court fees and stamps	25,478,463	-	25,478,463	17,038,596
Telephone	29,893,376	80,091	29,973,467	40,843,696
	<u>121,798,220</u>	<u>80,491</u>	<u>121,878,711</u>	<u>115,178,025</u>
<b>33.a Consolidated Postage, Stamp, Telecommunication etc.</b>				
BRAC Bank Limited			121,878,711	115,178,025
BRAC EPL Investments Limited			-	-
BRAC EPL Stock Brokerage Limited			1,054,319	818,299
bKash Limited			15,687,025	9,231,463
BRAC Saajan Exchange Limited			2,632,570	2,496,816
BRAC IT Services Limited			5,688,902	6,613,285
			<u>146,941,527</u>	<u>134,337,888</u>
<b>34 Stationery, Printing, Advertisement etc.</b>				
	<b>On-Shore</b>	<b>off-shore</b>	<b>Total</b>	
Stationery and Printing	62,718,977	-	62,718,977	46,394,222
Security Stationery	14,136,112	16,874	14,152,986	21,339,865
Advertisement	80,967,883	590,125	81,558,008	70,388,184
	<u>157,822,972</u>	<u>606,999</u>	<u>158,429,971</u>	<u>138,122,271</u>
<b>34.a Consolidated Stationery, Printing, Advertisement etc.</b>				
BRAC Bank Limited			158,429,971	138,122,271
BRAC EPL Investments Limited			393,199	795,863
BRAC EPL Stock Brokerage Limited			2,481,724	2,439,694
bKash Limited			472,422,718	338,837,364
BRAC Saajan Exchange Limited			914,407	3,068,625
BRAC IT Services Limited			265,240	1,119,878
			<u>634,907,259</u>	<u>484,383,695</u>
<b>35 Chief Executive's salary and fees</b>				
Basic salary			4,935,000	4,935,000
Bonus and others (Note-35.1)			1,822,500	3,133,750
House rent allowance			150,000	150,000
Medical/ other allowance			15,000	56,667
			<u>6,922,500</u>	<u>8,275,417</u>
<b>35.1 Bonus and others</b>				
Festival Bonus			822,500	883,500
Performance Bonus			1,000,000	1,000,000
Leave Fair Assistance			-	1,250,250
			<u>1,822,500</u>	<u>3,133,750</u>
<b>36 Directors' Fees and Expenses</b>				
Director's fees represent fees paid for attending board meeting, board audit committee meeting @ Tk. 7,200 (After deducting Tax & VAT) from January to June 2016 per director per meeting.				
Breakup of Directors fees and expenses are given below:				
Directors Fees			468,000	287,500
Others			194,400	-
			<u>662,400</u>	<u>287,500</u>
<b>36.a Consolidated Director's Fees and Expenses</b>				
BRAC Bank Limited			662,400	287,500
BRAC EPL Investments Limited			-	-
BRAC EPL Stock Brokerage Limited			225,000	150,000
bKash Limited			599,155	196,883
BRAC Saajan Exchange Limited			-	-
BRAC IT Services Limited			137,500	138,000
			<u>1,624,055</u>	<u>772,383</u>
<b>37 Auditors' Fee</b>				
			612,375	543,000
			<u>612,375</u>	<u>543,000</u>
Yearly auditors' fee is BDT 915,000 (excluding VAT) and out of pocket expenses are BDT 150,000.				



Particulars		30 June 2016 Taka	30 June 2015 Taka		
37.a	Consolidated Auditors' fee				
	BRAC Bank Limited	612,375	543,000		
	BRAC EPL Investments Limited	126,500	-		
	BRAC EPL Stock Brokerage Limited	86,969	-		
	bKash Limited	-	-		
	BRAC Saajan Exchange Limited	1,214,783	1,316,545		
	BRAC IT Services Limited	61,250	100,000		
		<u>2,101,877</u>	<u>1,959,545</u>		
38	Depreciation and repairs to bank's assets				
	Depreciation of Property plant and equipment	On-Shore	off-shore	Total	
	Furniture and fixtures	83,128,308	28,899	83,157,208	76,809,935
	Leasehold Building	50,429	-	50,429	45,722
	Office equipment	63,006,799	20,129	63,026,928	63,722,055
	IT hardware	118,839,179	148,094	118,987,272	103,774,268
	Motor vehicles	4,683,772	169,874	4,853,646	5,598,099
	Amortization of Intangible assets				
	IT software	47,915,862	231,702	48,147,564	46,484,909
		<u>317,624,349</u>	<u>598,698</u>	<u>318,223,046</u>	<u>296,434,988</u>
	Repairs and Maintenance expenses				
	Transportation cost	66,093,592	851,509	66,945,101	62,078,755
	Equipment repairing	22,096,350	19,299	22,115,649	26,680,097
	Hardware and Software Maintenance	44,971,417	88,689	45,060,106	166,119,091
	Premises Maintenance	17,980,900	56,823	18,037,723	18,541,991
		<u>151,142,259</u>	<u>1,016,320</u>	<u>152,158,579</u>	<u>273,419,933</u>
		<u>468,766,608</u>	<u>1,615,017</u>	<u>470,381,625</u>	<u>569,854,921</u>
38.a	Consolidated Depreciation on and repairs to bank's assets				
	BRAC Bank Limited			470,381,625	569,854,921
	BRAC EPL Investments Limited			4,381,672	5,909,959
	BRAC EPL Stock Brokerage Limited			15,957,729	12,351,384
	bKash Limited			205,534,215	150,144,263
	BRAC Saajan Exchange Limited			1,601,205	1,177,463
	BRAC IT Services Limited			19,309,208	27,454,845
				<u>717,165,654</u>	<u>766,892,836</u>
39	Other Expenses	On-Shore	off-shore	Total	
	Conveyance expense	52,671,446	76,500	52,747,946	47,074,687
	Fuel expenses	10,014,320	106,666	10,120,986	10,167,364
	Traveling cost	35,790,256	133,630	35,923,886	32,307,062
	Professional fees	18,296,125	22,009,298	40,305,423	97,442,875
	Entertainment	34,472,211	115,957	34,588,168	22,612,913
	SWIFT cost	2,200,526	198,070	2,398,596	3,000,000
	Business promotion and development	27,034	296,287	323,321	144,268,102
	Books, news papers and periodicals	450,745	1,932	452,677	406,852
	Donation and subscription	14,153,397	193,559	14,346,956	12,871,125
	Government Levy, VAT and excise duty	11,756,388	8,475	11,764,863	62,676,373
	Fraud and forgeries	1,924,776	75,474	2,000,250	26,160,000
	Staff training and development	37,895,970	300,961	38,196,931	27,678,829
	Staff liveries	1,227,386	3,114	1,230,500	1,030,374
	Staff recruitment	1,985,805	20,922	2,006,727	834,285
	Salaries and allowance -outsourcing staff	59,898,925	39,506	59,938,431	60,307,639
	Staff Sales Incentives	166,943,117	-	166,943,117	93,414,433
	Bank charges	8,301,487	38,106	8,339,593	6,936,810
	Crockeries	775,771	1,310	777,081	521,776
	IPO Expenses	-	-	-	1,650,000
	Documentation Charges - CIB	8,006,574	23,738	8,030,312	4,338,654
	IT enabled services	148,258,045	452,715	148,710,760	60,000,000
	AGM expenses	2,900,000	-	2,900,000	3,600,000
	Right issue expenses	-	-	-	6,363,000
	Bond issue expenses	1,907,045	-	1,907,045	2,515,744
	Security guard cost	118,642,169	21,502	118,663,671	113,206,005
	Commission paid- Vendor	4,445,051	-	4,445,051	3,226,391
	Cash carrying charges	53,931,979	-	53,931,979	31,236,073
	Miscellaneous	27,894,911	68,247	27,963,158	4,975,668
		<u>824,771,459</u>	<u>24,185,969</u>	<u>848,957,428</u>	<u>880,823,034</u>
39.a	Consolidated Other Expenses				
	BRAC Bank Limited			848,957,428	880,823,033
	BRAC EPL Investments Limited			3,324,492	12,799,696
	BRAC EPL Stock Brokerage Limited			64,203,949	24,129,254
	bKash Limited			172,592,422	237,934,185
	BRAC Saajan Exchange Limited			98,371,125	40,092,236
	BRAC IT Services Limited			11,051,528	13,899,696
	Less: Intra-company transactions:			61,561,736	2,545,788
				<u>1,136,939,208</u>	<u>1,207,132,312</u>

Particulars			30 June 2016 Taka	30 June 2015 Taka
40	Provisions			
		On-Shore	off-shore	Total
	For Loans and Advances:			
	For classified loans and advances	922,931,950	(12,545,699)	910,386,251
	For unclassified loans and advances	231,373,972	(27,409,129)	203,964,843
		1,154,305,922	(39,954,828)	1,114,351,094
	For off Balance Sheet items	-	-	-
	For diminution in value of Investments	-	-	10,000,000
		1,154,305,922	(39,954,828)	1,114,351,094
40.a	Consolidated Provisions			
	BRAC Bank Limited			1,114,351,094
	BRAC EPL Investments Limited			383,792,632
	BRAC EPL Stock Brokerage Limited			-
	bKash Limited			-
	BRAC Saajan Exchange Limited			-
	BRAC IT Services Limited			-
				1,498,143,726
41	Provision for Tax			
	Current Tax			
	Provision for Income Tax has been made according to the Income Tax Ordinance, 1984. During the period, an amount of Tk. 1,370,042,897 (June 30, 2015: 1,010,778,586) has been provided for current Income Tax.			
	Deferred Tax			
	Deferred tax is provided using the liability method for timing differences arising between the tax base of assets and liabilities and their carrying values for reporting purposes as per Bangladesh Accounting Standard (BAS) - 12. During the period net amount of Tk. 10,597,393 (June 30, 2015 : NIL) 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 @ 40%		1,370,042,897	1,010,778,586
	Adjustment - prior year		-	-
			1,370,042,897	1,010,778,586
			(10,597,393)	-
	Net deferred tax liability/(asset) originated for temporary differences		1,359,445,504	1,010,778,586
	Income Tax on Profit			
41.a	Consolidated Provision for Income Tax			
	Current Tax:		1,370,042,897	1,010,778,586
	BRAC Bank Limited		471,212	-
	BRAC EPL Investments Limited		30,893,721	20,989,192
	BRAC EPL Stock Brokerage Limited		139,011,394	13,350,260
	bKash Limited		406,936	3,163,840
	BRAC Saajan Exchange Limited		-	-
	BRAC IT Services Limited		-	-
			1,540,826,159	1,048,281,879
	Deferred Tax:		(10,597,393)	-
	BRAC Bank Limited		1,031,597	-
	BRAC EPL Investments Limited		-	-
	BRAC EPL Stock Brokerage Limited		(16,264,999)	66,152,570
	bKash Limited		-	-
	BRAC Saajan Exchange Limited		-	-
	BRAC IT Services Limited		-	-
			(25,830,795)	66,152,570
			1,514,995,364	1,114,434,449
42	Earnings Per Share			
	Profit after taxation		2,064,831,751	1,072,089,100
	Less: Preference dividend		-	-
	Profit attributable for distribution to ordinary shareholders		2,064,831,751	1,072,089,100
	Weighted average number of shares		710,277,245	709,287,321
	Weighted average Earnings Per Share (Taka)		2.91	1.51
	Weighted average Earnings Per Share (EPS) of June 30, 2015 has been restated as per BAS-33 "Earnings Per Share".			
42.a	Consolidated Earnings Per Share			
	Profit after taxation		1,748,388,653	1,000,228,970
	Less: Preference dividend		(40,955,549)	(19,663,861)
	Profit attributable to Minority		1,789,344,202	1,019,892,831
	Profit attributable for distribution to ordinary shareholders of parent		710,277,245	709,287,321
	Weighted average number of shares		2.52	1.44
	Weighted average Earnings Per Share (Taka)			
	Weighted average Earnings Per Share (EPS) of June 30, 2015 has been restated as per BAS-33 "Earnings Per Share".			

As per BAS-33 "Earnings Per Share", the calculation of diluted earning per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti dilutive effect on earning per share. There is an antidilutive effect on earning per share of BRAC Bank convertible bond. That is why we are not considering the diluted earning per share.



Particulars	30 June 2016 Taka	30 June 2015 Taka		
Section -Four : Notes to Cash Flow Statement				
Cash and Cash Equivalents				
Cash in hand (including foreign currency)	6,603,434,351	10,187,594,759		
Balance with Bangladesh Bank and its agents banks ( including foreign currency)	9,529,825,304	9,354,263,797		
Balance with other banks and financial institutions	26,093,214,341	25,149,382,603		
Money at call and on short notice	-	250,000,000		
Prize Bond	1,459,200	2,113,200		
	<u>42,227,933,196</u>	<u>44,943,354,360</u>		
Consolidated Cash and Cash Equivalents				
BRAC Bank Limited	42,227,933,196	44,943,354,360		
BRAC EPL Investments Limited	2,059,105,721	20,222,941		
BRAC EPL Stock Brokerage Limited	555,850,948	430,093,350		
bKash Limited	20,353,310,886	11,323,748,241		
BRAC Saajan Exchange Limited	275,138,520	272,041,247		
BRAC IT Services Limited	5,032,495	4,257,870		
Less: Intra-company transactions:	<u>13,623,351,895</u>	<u>10,135,083,122</u>		
	<u>51,853,019,871</u>	<u>46,858,634,886</u>		
Receipts from other operating activities				
Loan Penal Interest	6,611,950	11,991,682		
Miscellaneous Income	42,244,000	31,762,008		
Gain on trading shares	13,352,331	(1,116,925)		
Profit share from other banks	18,492,479	10,428,916		
	<u>80,700,761</u>	<u>53,065,681</u>		
Consolidated Receipts from other operating activities				
BRAC Bank Limited	80,700,761	53,065,681		
BRAC EPL Investments Limited	(151,157)	(14,053,203)		
BRAC EPL Stock Brokerage Limited	7,508,167	5,512,164		
bKash Limited	29,831,023	15,269,503		
BRAC Saajan Exchange Limited	2,490,304	4,743,384		
BRAC IT Services Limited	110,382,865	120,061,793		
	<u>230,761,963</u>	<u>184,599,322</u>		
Payment for other operating activities				
	On-Shore	off-shore	Total	
Rent, taxes, insurance, electricity etc.	552,733,655	1,001,504	553,735,159	425,535,482
Audit fees	955,000	-	955,000	(195,750)
Directors fees and expenses	662,400	-	662,400	287,500
Repair and maintenance	192,289,364	1,615,017	193,904,381	38,352,250
Other expenses	883,527,873	24,191,577	907,719,450	971,195,173
Legal expenses	74,686,776	4,849	74,691,625	35,161,838
	<u>1,704,855,068</u>	<u>26,812,947</u>	<u>1,731,668,015</u>	<u>1,470,336,493</u>
Consolidated Payment for other operating activities				
BRAC Bank Limited			1,731,668,015	1,470,336,493
BRAC EPL Investments Limited			240,924	8,584,444
BRAC EPL Stock Brokerage Limited			19,493,131	41,563,229
bKash Limited			-	-
BRAC Saajan Exchange Limited			146,515,825	82,195,322
BRAC IT Services Limited			-	-
			<u>1,897,917,895</u>	<u>1,602,679,488</u>

## Section -Six : General Disclosures

### 46 General Disclosure

#### 46.1 Audit Committee

An audit committee was constituted by the Board of Directors of BRAC Bank Limited 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. Hafiz G.A Siddiqi	Director	Chairman	Ph.D (Manchester Business School), UK, MBA, (Graduate School of Business, Indiana University), USA
02	Mr. Shib Narayan Kairi	Director	Member	M.Com (Accounting)
03	Mr. Kazi Mahmud Sattar	Director	Member	M.Com (Accounting), B. Com (Honours) Finance

During the period ended 30 June 2016, the Audit Committee of the Board conducted 03 (Three) meeting in which among others, the following issues were discussed:



Particulars	30 June 2016 Taka	30 June 2015 Taka
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## Facts Discussed

- Discussed the audit report of different Head office departments, Branches and SME Sales and 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 and operational loss report
- Discussed technology incidents
- Reviewed service quality report of the Bank.
- Reviewed the ERM policy of the Bank.

## 46.2 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 30 June 2016, 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 with BBL	Nature of Transaction	Balance at the end of period
BRAC and Its associated organization	Parent Company	Deposits made with us	5,208,653,443
BRAC EPL Investments Limited	Subsidiary	Deposits made with us	2,038,139,036
BRAC EPL Stock Brokerage Limited	Subsidiary	Deposits made with us	90,218,466
bKash Limited	Subsidiary	Deposits made with us	11,407,295,351
BRAC IT Services Limited (biTS)	Subsidiary	Deposits made with us	5,356,931
BRAC Saajan Exchange Limited	Subsidiary	Deposits made with us	77,414,052
BRAC Asset Management Company Limited	Associates	Deposits made with us	67,710,476
Industrial and Infrastructure Dev. Finance Co Limited	Sponsor Shareholder	Deposits made with us	1,013,271
Sajida Foundation	Common board member	Deposits made with us	41,655,545
Industrial and Infrastructure Dev. Finance Co Limited	Sponsor Shareholder	Loans and Advances	150,000,000
Sajida Foundation	Common board member	Loans and Advances	500,000,000
BRAC EPL Investments Limited	Subsidiary	Loans and Advances	1,774,395,065
BRAC	Parent Company	Loans and Advances	2,494,594,207
BRAC EPL Stock Brokerage Limited	Subsidiary	Bank Guarantee	500,000,000

ii) Name of Directors and the entities in which they have interest as on 30 June 2016

Sl No	Name of Director	Status with The Bank	Name of the firms/companies in which	Educational
01	Sir Fazle Hasan Abed	Chairman	BRAC Industries Limited BRAC Kodala Tea Estate BRAC Kaiyacherra Tea Company Limited BRAC Karnafuli Tea Company Limited BRAC Banskhal Tea Company Limited BRAC Foundation	FCMA, London
02	Mr. Kazi Mahmud Sattar	Director	Unique Hotel and Resorts Limited BRAC Saajan Exchange Limited bKash Limited	M.Com (Accounting) B. Com (Honours) Finance
03	MS. Zahida Ispahani (Independent Director)	Director	Ispahani Islamia Eye Institute and Hospital BRAC EPL Stock Brokerage Limited	Graduate
04	Ms. Nihad Kabir (Nominated Director)	Director	Kedarpur Tea Company Limited Shaistaganj CNG Co. Limited Sathgao Tea Estate Limited Infrastructure Development Company Limited	L.L.B., L.L.M.,(UK) (Barrister at Law)
05	Mr. Hafiz G.A Siddiqi (Independent Director)	Director	BRAC EPL Investments Limited BRAC IT Services Limited	Ph.D (Manchester Business School), UK,
06	Mr. Kaiser Kabir (Nominated by BRAC)	Director	Micro Industries Development Assistance Services Limited Asia-Pacific General Insurance Co. Limited Renata Limited Renata Agro Industries Limited Purnava Limited Renata Oncology Limited Sajida Foundation	MBA, (Graduate School of Business University), USA MPhil in Economics, University of Oxford, UK, Postgraduate Diploma in Economics with Distinction, University of East Anglia, UK, Bachelor of Arts in Economics and International Relations, Claremont McKenna College.
07	Shib Narayan Kairi (Nominated Director)	Director	Bangladesh Netting Factory Limited BRAC Services Limited BRAC IT Services Limited BRAC Impact Ventures Limited BRAC Environmental Enterprises Limited BRAC Probashbandhu Limited BRAC Karnafuli Tea Co. Limited BRAC Kaiyacherra Tea Co. Limited BRAC Banskhal Tea Co. Limited BRAC Kodala Tea Estate BRAC Industries Limited	Master of Commerce in Accounting University of Dhaka
08	Mr. Selim RF Hussain	Managing Director & CEO	IIDFC BRAC EPL Investments Ltd. BRAC EPL Stock Brokerage Ltd. bKash biTS BRAC Saajan	MBA (IBA)



Particulars	30 June 2016 Taka	30 June 2015 Taka
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iii) Significant contracts where bank is a party and wherein Directors have interest:

Nil  
Nil

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

v) Lending Policies to related parties:

Nil

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

vi) Loan and advances to Directors:

99,429  
Unclassified

Classification Status

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

Nil  
Nil

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

## 46.3 Claim not Acknowledged as Debt

There was no claim against the bank not acknowledged as debt as on 30.06.2016.

## 46.4 Number of Employees

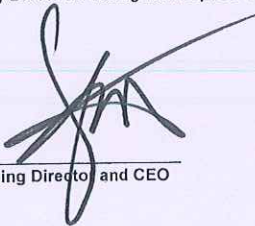
The number of employees including contractual engaged for the whole period or part there of who received a total yearly remuneration of Tk. 36,000 or above were 6,567 (2015: 7,700).

## 46.5 Coverage of External Audit:

The external auditor of the Bank, M/s A.Qasem & Co., Chartered Accountants worked about in excess of 2000 man hour at head office. During their audit, they audited above 80% of the Bank's riskA weighted assets as on the Balance Sheet date.

## 46.6 Share trading

The bank traded its ordinary shares in Central Depository Bangladesh Limited (CDBL) through Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 31 January 2007. The closing market price on 30 June 2016 was Tk. 53.00 at Dhaka Stock Exchange (DSE) and Tk. 53.50 at Chittagong Stock Exchange (CSE).

  
Managing Director and CEO

  
Director

  
Director

  
Chairman

## Annexure - A

**BRAC Bank Ltd.**  
**Highlights on the overall Activities**  
**As at 30 June 2016**

Particulars	Amount in Taka	
	June 2016	Dec. 2015
Paid-up capital	7,104,369,100	7,092,873,210
Total capital including general provisions	20,355,924,128	20,375,181,821
Capital surplus/(deficit)	3,233,923,859	3,712,965,623
Total assets	230,353,650,136	224,493,440,200
Total deposits	156,318,318,749	143,320,511,483
Total loans & advances	150,632,934,310	147,433,607,286
Total contingent liabilities & commitments	59,566,901,438	49,953,722,520
Credit deposit ratio (Loans & advances/Deposits)*	78.89%	82.24%
Percentage of classified loans against total loans & advances	4.18%	5.99%
Income from investments	1,115,469,416	2,452,727,186
Profit after tax & provisions	2,064,831,751	2,434,771,350
Amount of classified loans during the current year	6,290,818,430	8,838,640,714
Provision kept against classified loans	5,188,533,240	6,889,684,512
Provisions surplus/deficit	2,029,762,607	925,550,407
Interest earning assets	210,979,999,034	210,372,469,903
Non-Interest earning assets	19,373,651,102	14,120,970,297
Cost of fund **	5.47%	6.64%
Return on Investment (ROI) [PAT/(Shareholders equity+Borrowings)]**	8.63%	6.13%
Return on assets (ROA) [PAT/Average assets]**	1.75%	1.13%
Return on Equity (ROE) [PAT/Average shareholders equity]**	20.02%	13.32%
Weighted average earning per share	2.91	3.43
Net income per share [(PAT-Dividend on preference share/No. of Ordinary Shares)]	2.91	3.43
Price earning ratio (Market price per share/EPS)	18.23	14.19
Net Asset Value per Share (NAV) [(Shareholders equity- Preference Share)/No. of Ordinary Share]	27.03	26.53

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

\*\* Cost of fund, ROA, ROI and ROE are annualized figure.



**BRAC BANK LIMITED**  
**Balance with other bank and financial institutions ( Outside Bangladesh on Current Accounts )**  
**As at 30 June 2016**

Name of Bank	A/C Type	June 2016		Equivalent Taka	December 2015	
		FC Amount	Exchange Rate		FC Amount	Exchange Rate
Standard Chartered Bank-New York, USA	CD	294,519.14	78.40	23,090,301	112,153.16	78.51
Standard Chartered Bank, United Kindom	CD	(3,941,995)	104.93	(413,651,274)	434,866	116.37
Standard Chartered Bank, Frankfurt, Germany	CD	3,219.79	86.70	279,151	10,740.20	85.88
Mashreq Bank, New York, USA	CD	25,064.36	78.40	1,965,046	14,626.21	78.51
The Bank of Nova Scotia- Canada	CD	-	-	-	-	-
ICICI Bank Limited, Mumbai, India	CD	26,558.06	78.40	2,082,152	9,833.24	78.51
HSBC Bank, Australia	CD	-	-	-	-	-
Habib Bank Limited, Pakistan	CD	12,261.68	78.40	961,316	4,240.90	78.51
Union DE Banques Arabes ET Francaises (U.B.A.F) , Japa	CD	6,089,719.95	0.76	4,656,822	5,975,391.00	0.65
Zuercher Kantonal Bank, Switzerland	CD	71,251.55	79.98	5,698,963	7,469.26	79.14
ING Belgium NV/SA, Belgium	CD	2,139.19	86.70	185,465	118,637.06	85.88
Unicredito Italiano SPA, Italy	CD	336.30	86.70	29,157	175,680.39	85.88
Commerz Bank AG, Germany (USD)	CD	391,886.83	78.40	30,723,927	256,997.42	78.51
Commerz Bank AG, Germany (EURO)	CD	15,117.48	86.70	1,310,664	597,305.68	85.88
United Bank of India, Kolkata, India	CD	826,124.53	78.40	64,768,163	41,076.09	78.51
Westpack Banking Corporation, Australia	CD	215,541.82	58.18	12,539,512	39,298.30	57.67
JP Morgan Chase Bank, New York, USA	CD	329,267.62	78.40	25,814,581	2,053,898.93	78.51
Sonali Bank Limited, United Kindom (USD)	CD	133,560.00	78.40	10,471,104	133,560.00	78.51
Sonali Bank Limited, United Kindom (GBP)	CD	-	-	-	74.32	116.37
HDFC Bank Limited, India	CD	284,993.58	78.40	22,343,497	151,901.62	78.51
Deutsche Bank Trust Company Americas	CD	57,918	78.40	4,540,766	262,527	78.51
AB Bank Limited, Mumbai, India	CD	25,564	78.40	2,004,232	25,564	78.51
HypoVereinsbank, Germany	CD	673	86.70	58,354	2,693	85.88
<b>Total</b>				<b>(200,128,102)</b>		
						<b>375,814,391</b>

**BRAC BANK LIMITED**  
Investment in Shares  
As at 30 June 2016

Sl. no	Name of the company	Face value	No. of shares	Cost of holding	Average cost	Quoted rate per share as on 30/Jun/16	Total market value at 30/Jun/16
<b>Quoted</b>							
<b>Ordinary shares</b>							
1	The ACME Laboratories Limited	10.00	100,000	8,520,000	85.20	116.40	11,640,000
2	Active Fine Chemicals Ltd.	10.00	1,300,000	74,722,544	57.48	47.90	62,270,000
3	Bata Shoe	10.00	10,000	13,188,652	1,318.87	1,205.40	12,054,000
4	British American Tobacco Bangladesh	10.00	20,000	49,991,685	2,499.58	2,700.00	54,000,000
5	EBL NRB MUTUAL FUND	10.00	5,417,172	42,710,189	7.88	4.80	26,002,426
6	Envoy Textiles Ltd.	10.00	372,376	17,320,265	46.51	35.00	13,033,160
7	EXIM Bank 1st Mutual Fund	10.00	5,906,165	50,000,000	8.47	5.40	31,893,291
8	First Bangladesh Fixed Income Fund	10.00	32,231,632	249,497,685	7.74	7.10	228,844,587
9	GlaxoSmithKline Bangladesh Ltd	10.00	6,000	10,706,177	1,784.36	1,724.10	10,344,600
10	Grameenphone Ltd.	10.00	635,387	170,098,728	267.71	254.70	161,833,089
11	Linde Bangladesh Mutual Fund One	10.00	9,000	12,399,543	1,377.73	1,437.00	12,933,000
12	LR Global Bangladesh Mutual Fund One	10.00	31,038,090	297,596,596	9.59	6.10	189,332,349
13	Matin Spinning Mills Ltd.	10.00	1,150,000	49,699,005	43.22	39.30	45,195,000
14	Olympic Industries Ltd.	10.00	140,922	39,638,009	281.28	345.30	48,660,367
15	Square Textiles Ltd.	10.00	594,485	45,512,846	76.56	70.80	42,089,538
16	Square Pharmaceuticals Ltd.	10.00	675,300	169,882,851	251.57	265.70	179,427,210
17	Unique Hotel & Resorts Limited	10.00	300,000	29,421,816	98.07	46.70	14,010,000
				<b>1,330,906,592</b>			<b>1,143,562,596</b>

**Unquoted**

1	Industrial and Infrastructure Development Finance Co. Limited	10.00	7,329,110	19,683,820	-	-	-
2	Central Depository Bangladesh Limited	10.00	2,284,721	16,277,770	-	-	-
3	Bangladesh Rating Agency of Bangladesh Limited	100.00	124,976	12,497,600	-	-	-
4	BRAC EPL Investments Limited	10.00	44,459,962	752,715,794	-	-	-
5	BRAC EPL Stock Brokerage Limited	100.00	4,063,498	1,344,147,500	-	-	-
6	bKash Limited	100.00	194,800	168,921,800	-	-	-
7	BRAC Saajan Exchange Limited	100.00	291,616	59,388,531	-	-	-
8	BRAC IT Service Limited	1,000.00	31,224	31,224,000	-	-	-
9	BRAC Asset Management Company Limited	100.00	125,000	12,500,000	-	-	-
<b>Preference shares</b>							
1	Summit Uttaranchal Power Co Limited	100.00	141,948	14,194,800	-	-	-
2	Summit Purbanchal Power Co Limited	100.00	215,846	21,584,600	-	-	-
3	Union Capital Preference Share	10,000,000.00	4	40,000,000	-	-	-
				<b>2,493,136,215</b>			



Annexure - D

**BRAC Bank Limited**  
**Schedule of Fixed assets including premises, furniture and fixtures**  
**As at 30 June 2016**

Particulars	C O S T			Rate of Dep. %	D E P R E C I A T I O N			Written down value 30.06.2016
	Balance as on 01.01.2016	Addition during the year	Adjustment during the year		Balance as on 01.01.2016	Charged during the year	Balance as on 30.06.2016	
<b>Property, plant &amp; equipments</b>								
Land	1,043,648,935	-	-		-	-	-	1,043,648,935
Leasehold Building	4,034,334	-	-	2.5	318,040	50,430	368,470	3,665,864
Furniture & fixture	1,654,557,812	119,233,045	5,014,809	10	778,546,942	83,177,583	857,555,815	911,220,232
Office equipments	1,252,196,360	59,418,151	9,298,680	20	949,175,398	63,043,895	1,003,821,518	298,494,312
IT Hardwares *	1,917,986,050	96,027,220	3,791,784	20	1,396,009,337	119,086,739	1,511,609,326	498,612,160
Motor vehicles	108,567,646	3,333,526	3,530,000	20	74,788,577	4,970,574	76,142,223	32,228,949
	<u>5,980,991,137</u>	<u>278,011,941</u>	<u>21,635,274</u>		<u>3,198,838,293</u>	<u>270,329,220</u>	<u>3,449,497,351</u>	<u>2,787,870,453</u>
<b>Intangible assets:</b>								
With Indefinite useful lives:	50,000	-	-		-	-	-	50,000
License								
With definite useful lives				20	805,126,322	48,306,914	853,273,886	138,750,023
IT Softwares	960,040,540	31,983,369	-		<u>805,126,322</u>	<u>48,306,914</u>	<u>853,273,886</u>	<u>138,800,023</u>
	<u>960,090,540</u>	<u>31,983,369</u>	<u>-</u>		<u>4,003,964,615</u>	<u>318,636,134</u>	<u>4,302,771,237</u>	<u>2,926,670,476</u>
As at 30 June 2016	<u>6,941,081,677</u>	<u>309,995,310</u>	<u>21,635,274</u>		<u>3,431,252,613</u>	<u>602,534,650</u>	<u>4,003,964,615</u>	<u>2,937,117,061</u>
As at 31 Dec. 2015	<u>6,324,429,089</u>	<u>656,722,683</u>	<u>40,070,095</u>					

\* IT Hardware includes Computers/ PCs which were depreciated @ 33.33%.

**Annexure - E**

**BRAC BANK LIMITED**  
**Detail of Large Loan**  
**As at 30 June 2016**

Number of Clients	15
Amount of outstanding advances	41,715,923,000
Amount of classified advances	NIL
Measures taken for recovery	NIL

Client wise break-up is as follows:

Name of Clients	Outstanding (BDT)		
	Funded	Non Funded	Total
Meghna Group	1,693,114,000	3,650,127,000	5,343,241,000
Standard Group	2,210,291,000	1,455,930,000	3,666,221,000
PRAN-RFL Group	2,059,550,000	1,547,262,000	3,606,812,000
Shah Cement Group	2,113,319,000	1,248,528,000	3,361,847,000
Bangla Trac Group	1,063,736,000	1,785,938,000	2,849,674,000
SM Group	1,360,744,000	1,275,714,000	2,636,458,000
BRAC	2,494,594,000	-	2,494,594,000
Energypac Group	1,602,993,000	741,045,000	2,344,038,000
Raquef Apparels Washing & Packaging Ind Ltd	1,497,163,000	799,943,000	2,297,106,000
BRAC EPL (Subsidiary)	1,774,395,000	500,000,000	2,274,395,000
Grameenphone Ltd	2,000,002,000	245,094,000	2,245,096,000
City Sugar Group	1,016,611,000	1,170,329,000	2,186,940,000
Ha-meem Group	646,970,000	1,526,766,000	2,173,736,000
Walton Group	570,751,000	1,583,314,000	2,154,065,000
Summit Group	-	2,081,700,000	2,081,700,000
<b>Total</b>	<b>22,104,233,000</b>	<b>19,611,690,000</b>	<b>41,715,923,000</b>



**BRAC Bank Ltd.**  
**Statement of Tax position**  
**As at 30 June 2016**

Accounting Year	Assessment Year	Tax Provision in Financial Statements	Tax as per assessment	(Short)/Excess provision	Advance Tax as per assessment order	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)	742,600,000	Completed
2009	2010-2011	1,140,000,000	1,226,332,530	(86,332,530)	1,225,978,580	Appealed before Honorable High Court against the Order of The Taxes Appellate Tribunal
2010	2011-2012	1,416,240,000	1,214,434,429	201,805,571	1,228,668,951	Assessment Order Received from DCT and appealed against the Order before Commissioner of Taxes
2011	2012-2013	1,460,000,000	1,271,413,654	188,586,346	1,256,758,569	Assessment Order Received from DCT and appealed against the Order before Commissioner of Taxes
2012	2013-2014	1,530,000,000	1,452,886,168	77,113,832	1,304,653,579	Assessment Order Received from DCT and appealed against the Order before Commissioner of Taxes
2013	2014-2015	1,797,698,269	1,101,920,583	695,777,686	1,088,661,543	Tax return submitted for the assessment
2014	2015-2016	2,097,475,598	1,338,429,288	759,046,310	1,250,930,480	Tax return submitted for the assessment
2015	2016-2017	2,250,022,595	1,759,473,049	490,549,546	1,540,453,195	Tax return submitted for the assessment

**BRAC Bank Limited**  
**Statement of outstanding unreconciled entries**  
**As at 30 June 2016**

(Amount in USD)

SL No	Period of Unreconciliation	As per Local Book			As per Correspondents' Book		
		Debit Entries		No.	Credit Entries		No.
		Amount	No.		Amount	Amount	
01	Up-to 3 months	420,633	49	13	15,851,969	270,280	330
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>420,633</b>	<b>49</b>	<b>13</b>	<b>15,851,969</b>	<b>270,280</b>	<b>330</b>
							<b>5,996,757</b>



**Auditors' Report**  
**To the Shareholders of BRAC Bank Limited**  
**Offshore Banking Unit, Bangladesh**

We have audited the accompanying financial statements of the offshore Banking Unit, Bangladesh (the "Unit") of BRAC Bank Limited (the "Bank") which comprise the balance sheet as at 30 June 2016, profit and loss account and cash flow statement 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 the financial statements of the Unit in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in Note 2, the Banking Companies Act, 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, and for such internal control as management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2, give a true and fair view of the financial position of the Unit as at 30 June 2016, and the results of its financial performance and cash flows for the year then ended comply with the applicable sections of the Banking Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Unit so far as it appeared from our examination of those books;
- (iii) the Unit balance sheet and profit and loss account dealt with by the report are in agreement with the books of accounts and returns;
- (iv) the expenditure incurred was for the purpose of the Unit's business;
- (v) the financial statements of the Unit have been drawn up in conformity with the Banking Companies Act, 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- (vi) adequate provisions have been made for advance which are in our opinion, doubtful of recovery;
- (vii) the financial statements of the Unit conform to the prescribed standards set in accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) the information and explanations required by us have been received and found satisfactory; and
- (ix) we have reviewed over 80% of the risk weighted assets of the Unit and we have spent around 150 person hours during the audit.

Dated, Dhaka  
09 October 2016

  
A. Qasem & Co.  
Chartered Accountants





## Annex - H

## Off-shore Banking Units

## Balance Sheet

As at 30 June 2016

	Note	30 June 2016		31 Dec 2015	
		USD	Taka	USD	Taka
<b>PROPERTY AND ASSETS</b>					
<b>Cash</b>	3	1,669,363	130,878,040	2,043,215	160,402,586
Cash in hand					
(Including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agent Bank(s)		1,669,363	130,878,040	2,043,215	160,402,586
(Including foreign currency)					
<b>Balance with other Banks and Financial Institutions</b>	4	34,523,673	2,706,655,934	64,674,912	5,077,303,957
Inside Bangladesh		-	-	-	-
Outside Bangladesh		34,523,673	2,706,655,934	64,674,912	5,077,303,957
<b>Money at call and short notice</b>		-	-	-	-
<b>Investments</b>	5	-	-	500,000	39,252,500
Government		-	-	-	-
Others		-	-	500,000	39,252,500
<b>Loans and advances</b>	6	253,641,097	19,885,462,008	284,703,489	22,350,647,424
Loans, cash credit, overdrafts etc.		243,904,235	19,122,092,045	279,667,740	21,955,315,964
Bills purchased and discounted		9,736,862	763,369,963	5,035,749	395,331,460
<b>Fixed assets including premises, furniture and fixtures</b>		-	-	-	-
<b>Other assets</b>	7	4,124,329	323,347,445	3,073,752	241,304,922
<b>Total Property and Assets</b>		<u>293,958,462</u>	<u>23,046,343,427</u>	<u>354,995,368</u>	<u>27,868,911,389</u>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
<b>Borrowings from other banks, financial institutions and agents</b>	8	262,834,576	20,606,230,750	287,456,103	22,566,741,400
<b>Borrowings from Central Bank</b>	9	-	-	-	-
<b>Deposits and other accounts</b>	10	8,331,116	653,159,538	50,327,962	3,950,996,689
Current accounts and other accounts		445,561	34,932,000	39,998,400	3,140,074,417
Bills payable		-	-	-	-
Savings deposits		-	-	-	-
Fixed deposits		7,885,555	618,227,538	10,329,562	810,922,272
Other deposits		-	-	-	-
<b>Other liabilities</b>	11	13,188,789	1,034,001,047	10,081,739	791,466,840
<b>Total Liabilities</b>		<u>284,354,481</u>	<u>22,293,391,335</u>	<u>347,865,804</u>	<u>27,309,204,929</u>
<b>Capital and Shareholders' Equity</b>					
Paid up share capital		-	-	-	-
Statutory reserve		-	-	-	-
Revaluation reserve		-	-	-	-
Surplus in profit and loss account/Retained Earnings	12	9,603,981	752,952,092	7,129,564	559,706,460
<b>Total shareholders' equity</b>		<u>9,603,981</u>	<u>752,952,092</u>	<u>7,129,564</u>	<u>559,706,460</u>
<b>Total Liabilities and Shareholders' Equity</b>		<u>293,958,462</u>	<u>23,046,343,427</u>	<u>354,995,368</u>	<u>27,868,911,389</u>

## Off-shore Banking Units

### Balance Sheet As at 30 June 2016

Off Balance Sheet Items	Note	30 June 2016		31 Dec 2015	
		USD	Taka	USD	Taka
<b>Contingent Liabilities</b>					
Acceptances and endorsements		-	-	-	-
Letter of guarantees		-	-	-	-
Irrevocable letter of credits		12,218,133	957,901,644	11,579,384	909,039,566
Bills for collection		2,690,282	210,918,088	3,785,127	297,151,430
Tax liability		-	-	-	-
Other contingent liabilities		-	-	-	-
<b>Total Contingent Liabilities</b>		<b>14,908,415</b>	<b>1,168,819,732</b>	<b>15,364,511</b>	<b>1,206,190,996</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		-	-	-	-
Undrawn formal standby facilities, credit lines and other		-	-	-	-
Commitments- lease hold assets		-	-	-	-
<b>Total Other Commitments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>14,908,415</b>	<b>1,168,819,732</b>	<b>15,364,511</b>	<b>1,206,190,996</b>

Managing Director and CEO

Director

Director

Chairman

Auditors' report to the shareholders  
See annexed report of date

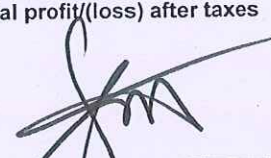
Dated, Dhaka  
09 October 2016

A. Qasem & Co.  
Chartered Accountants



## Off-shore Banking Units Profit and Loss Account For the period ended 30 June 2016

	Note	30 June 2016		30 June 2015	
		USD	Taka	USD	Taka
Interest income	13	8,189,623	642,066,427	5,128,979	399,034,543
Interest paid on deposits and borrowing etc.	14	6,016,511	471,694,450	3,890,634	302,691,341
<b>Net interest income</b>		<b>2,173,112</b>	<b>170,371,977</b>	<b>1,238,345</b>	<b>96,343,202</b>
Investment income	15	8,314	651,822	-	-
Commission, exchange and brokerage	16	225,354	17,667,766	226,619	17,630,987
Other operating income	17	-	-	3,429	266,789
<b>Total operating income</b>		<b>2,406,780</b>	<b>188,691,565</b>	<b>1,468,393</b>	<b>114,240,978</b>
Salaries and allowances		100,841	7,905,930	81,667	6,353,721
Rent, taxes, insurance, electricity etc.	18	12,774	1,001,504	5,404	420,426
Legal expenses		62	4,849	3,050	237,255
Postage, stamps, telecommunication etc.	19	1,027	80,491	1,233	95,881
Stationery, printing, advertisement etc.	20	7,742	607,000	1,529	118,953
Chief Executive's salary and fees		-	-	-	-
Directors' fees and expenses		-	-	-	-
Auditors' fee		-	-	-	-
Depreciation and repairs to bank's assets	21	20,600	1,615,017	25,269	1,965,961
Other expenses	22	308,495	24,185,970	283,364	22,045,640
<b>Total operating expenses</b>		<b>451,540</b>	<b>35,400,761</b>	<b>401,515</b>	<b>31,237,837</b>
<b>Profit/(loss) before provisions</b>		<b>1,955,240</b>	<b>153,290,804</b>	<b>1,066,878</b>	<b>83,003,141</b>
<b>Provision for:</b>					
Loans and advances		(509,628)	(39,954,828)	1,455,658	113,250,209
Off balance sheet items		-	-	-	-
Others		-	-	-	-
<b>Total provision</b>	23	<b>(509,628)</b>	<b>(39,954,828)</b>	<b>1,455,658</b>	<b>113,250,209</b>
<b>Profit/(loss) before taxes</b>		<b>2,464,868</b>	<b>193,245,632</b>	<b>(388,780)</b>	<b>(30,247,068)</b>
<b>Provision for Tax:</b>					
Current tax expense		-	-	-	-
Deferred tax expense/ (income)		-	-	-	-
<b>Total provision for Tax</b>	24	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total profit/(loss) after taxes</b>		<b>2,464,868</b>	<b>193,245,632</b>	<b>(388,780)</b>	<b>(30,247,068)</b>

  
Managing Director and CEO

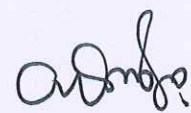
  
Director

  
Director

  
Chairman

Auditors' report to the shareholders  
See annexed report of date

Dated, Dhaka  
09 October 2016

  
A. Qasem & Co.  
Chartered Accountants

*AQC*

**Off-shore Banking Units**  
**Cash Flow Statement**  
**For the period ended 30 June 2016**

**A. Cash flows from operating activities**

Interest receipts in cash  
Interest payment  
Fees and commissions receipts  
Cash payments to employees  
Cash payments to suppliers  
Receipts from other operating activities  
Payment for other operating activities :  
Operating Cash flow before changes in operating assets and liabilities (i)

30 June 2016		30 June 2015	
USD	Taka	USD	Taka
7,006,074	549,276,169	5,878,365	457,336,776
(5,805,324)	(455,137,436)	(3,824,194)	(297,522,302)
225,354	17,667,766	226,619	17,630,987
(101,345)	(7,945,436)	(81,667)	(6,353,721)
(8,194)	(642,379)	(2,761)	(214,834)
-	-	3,429	266,789
(342,002)	(26,812,947)	(314,036)	(24,432,027)
<b>974,563</b>	<b>76,405,739</b>	<b>1,885,754</b>	<b>146,711,669</b>

**Increase/decrease in operating assets and liabilities**

Loans and advances to customers  
Other assets  
Deposits from other banks/borrowings  
Deposits from customers  
Other liabilities  
Cash utilised in operating assets and liabilities (ii)

31,443,691	2,465,185,416	8,458,472	658,069,139
145,403	11,399,557	388,664	30,238,074
51,073,487	4,004,161,350	(21,041,537)	(1,637,031,577)
(42,064,249)	(3,297,837,151)	(139,783)	(10,875,081)
3,892,660	305,184,520	504,769	39,270,990
<b>44,490,992</b>	<b>3,488,093,692</b>	<b>(11,829,415)</b>	<b>(920,328,455)</b>

**Net cash (used)/flows from operating activities (i+ii)**

<b>45,465,555</b>	<b>3,564,499,431</b>	<b>(9,943,661)</b>	<b>(773,616,786)</b>
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**B. Cash flows from investing activities**

Investment in commercial paper  
Net cash used in investing activities

-	-	-	-
-	-	-	-

**C. Cash flows from financing activities**
**D. Net increase/decrease in cash (A+B+C)**

<b>45,465,555</b>	<b>3,564,499,431</b>	<b>(9,943,661)</b>	<b>(773,616,786)</b>
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**E. Cash and cash equivalents at beginning of year**

66,807,481	5,237,706,543	41,560,163	3,233,380,653
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**Cash and cash equivalents at end of year (D+E)**

<b>112,273,036</b>	<b>8,802,205,974</b>	<b>31,616,502</b>	<b>2,459,763,867</b>
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**Cash and cash equivalents at end of the year:**

Cash in hand (including foreign currency)  
Balance with Bangladesh Bank and its agents bank(s) (including foreign currency)  
Balance with other banks and financial institutions

-	-	-	-
1,669,363	130,878,040	1,738,377	135,245,719
110,603,673	8,671,327,934	29,878,125	2,324,518,148
<b>112,273,036</b>	<b>8,802,205,974</b>	<b>31,616,502</b>	<b>2,459,763,867</b>



**Off-shore Banking Units  
NOTES TO THE FINANCIAL STATEMENTS  
As at and for the period ended 30 June 2016**

**1.1 Status of the units**

Off-shore Banking Units of BRAC Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The bank commenced the operation of its Off-shore banking Unit from 2010 after obtaining necessary approval from Bangladesh Bank.

**1.1.1 Principal Activities**

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its off-shore Banking units in Bangladesh.

**2 Summary of Significant Accounting Policies and basis of preparation**

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

**a) Basis of accounting**

The Off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Companies Act 1991, Bangladesh Accounting Standards and other applicable directives issued by Bangladesh Bank.

**b) 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. Revision of accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**c) Foreign currency transaction**

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS -21" The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

Commitments for outstanding forward foreign exchange contracts disclosed in the financials are translated at contracted rates. Contingent liabilities/ commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

**2.2 Reporting period**

These financial statements cover one calendar year from 01 January to 30 June 2016.

**2.3 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.

As per BAS 7 Statement of Cash Flows, 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. As per BRPD 14 dated 25 June 2003, cash flow should be a mixture of direct and indirect method.

**2.4 Loans and Advances / investment**

a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

## 2.5 Provision for liabilities

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

## 2.6 Revenue and Exepnse recognition

As per the BAS - 18 "Revenue", revenue and expenses are recognized on accrual basis.

## 2.7 General

a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka and rearranged wherever necessary.

b) Assests and liabilities and income and expenses have been converted into Taka currency @ US \$ 1 = Taka 78.40 (Closing rate as at 30 June 2016).

	30 June 2016		31 Dec 2015	
	USD	Taka	USD	Taka
<b>3</b> Balance with Bangladesh Bank	1,669,363	130,878,040	2,043,215	160,402,586
	<u>1,669,363</u>	<u>130,878,040</u>	<u>2,043,215</u>	<u>160,402,586</u>
<b>4</b> Balance with Other Banks and Financial Institutions				
Standard Chartered Bank New York, USA	4,056,480	318,028,052	496,082	38,944,948
Commerz Bank Germany	153,267	12,016,112	342,525	26,889,932
ICICI Bank Mumbai, India	29,616	2,321,862	5,670	445,102
HABIB Bank Limited, Pakistan	13,911	1,090,637	143,604	11,273,610
Standard Chartered Bank, UK	5,395,687	423,021,896	-	-
BBL Off-shore to On-shore placement	24,874,711	1,950,177,375	63,687,031	4,999,750,365
	<u>34,523,673</u>	<u>2,706,655,934</u>	<u>64,674,912</u>	<u>5,077,303,957</u>
<b>5</b> Investments in Commercial Paper:				
Avant Garde Fashion Limited	-	-	500,000	39,252,500
	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>39,252,500</u>
<b>6</b> Loans and Advances				
Overdrafts	1,977,513	155,037,059	1,869,614	146,774,079
Demand loans	17,105,381	1,341,061,837	83,320,987	6,541,114,066
Term loans	224,821,341	17,625,993,149	194,477,139	15,267,427,819
Lease receivables	-	-	-	-
Small and medium enterprises	-	-	-	-
Credit Cards	-	-	-	-
	<u>243,904,235</u>	<u>19,122,092,045</u>	<u>279,667,740</u>	<u>21,955,315,964</u>
Bills purchased and discounted	9,736,862	763,369,963	5,035,749	395,331,460
	<u>253,641,097</u>	<u>19,885,462,008</u>	<u>284,703,489</u>	<u>22,350,647,424</u>
<b>7</b> Other Assets				
Interest receivables	3,279,933	257,146,795	2,085,277	163,704,715
Deferred revenue expenditure	838,953	65,773,945	980,435	76,969,045
Receivables from On-shore	-	-	-	-
Receivable against freez account	5,443	426,705	8,040	631,162
	<u>4,124,329</u>	<u>323,347,445</u>	<u>3,073,752</u>	<u>241,304,922</u>



## 8 Borrowing from other Banks, Financial Institutions and Agents:

### Inside Bangladesh:

	30 June 2016		31 Dec 2015	
	USD	Taka	USD	Taka
On-shore to BBL Off-shore placement	66,800,000	5,237,120,000	89,600,000	7,034,048,000
Basic Bank Limited	-	-	4,000,000	314,020,000
Bangladesh Krishi Bank Limited	-	-	3,000,000	235,515,000
Commercial Bank of Ceylon	4,000,000	313,600,000	5,000,000	392,525,000
Dhaka Bank Ltd.	10,000,000	784,000,000	5,000,000	392,525,000
Uttara Bank Ltd.	-	-	5,000,000	392,525,000
Dutch-Bangla Bank Limited	5,000,000	392,000,000	10,000,000	785,050,000
Jamuna Bank Ltd.	4,000,000	313,600,000	9,480,000	744,227,400
Eastern Bank Ltd. OBU	5,000,000	392,000,000	-	-
MEGHNA BANK LTD.	2,000,000	156,800,000	-	-
BANK ALFALAH	1,500,000	117,600,000	-	-
NCC BANK LTD.	5,000,000	392,000,000	-	-
	<u>103,300,000</u>	<u>8,098,720,000</u>	<u>131,080,000</u>	<u>10,290,435,400</u>

### Outside Bangladesh:

IFC	40,000,000	3,136,000,000	40,000,000	3,140,200,000
FMO	76,250,000	5,978,000,000	85,000,000	6,672,925,000
NORFUND	10,000,000	784,000,000	10,000,000	785,050,000
Asian Development Bank	10,600,000	831,040,000	-	-
Habib Bank Brussels Bel	-	-	5,000,000	392,525,000
The National Bank of Ras Al-Khaimah	-	-	6,000,000	471,030,000
Emirates NBD	8,000,000	627,200,000	-	-
SCB Singapore	10,000,000	784,000,000	-	-
Sonali Bank Ltd. UK	4,684,576	367,270,750	10,376,103	814,576,000
	<u>159,534,576</u>	<u>12,507,510,750</u>	<u>156,376,103</u>	<u>12,276,306,000</u>
	<u>262,834,576</u>	<u>20,606,230,750</u>	<u>287,456,103</u>	<u>22,566,741,400</u>

## 9 Borrowings from Central Bank

Borrowings from Central Bank  
(Bangladesh Bank)

-	-	-	-
-	-	-	-

## 10 Deposit and Other Accounts

### Local Currency:

Current and other accounts  
Bills payable  
Saving deposits  
Fixed deposits  
Other deposits

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

### Foreign Currency:

Current and other accounts  
Bills payable  
Saving deposits  
Fixed deposits  
Other deposits

445,561	34,932,000	39,998,400	3,140,074,417
-	-	-	-
-	-	-	-
7,885,555	618,227,538	10,329,562	810,922,272
-	-	-	-
<u>8,331,116</u>	<u>653,159,538</u>	<u>50,327,962</u>	<u>3,950,996,689</u>
<u>8,331,116</u>	<u>653,159,538</u>	<u>50,327,962</u>	<u>3,950,996,689</u>

Total Deposit and other accounts

		30 June 2016		31 Dec 2015	
		USD	Taka	USD	Taka
<b>11</b>	<b>Other Liabilities</b>				
	Provisions for loans and advances	2,994,974	234,805,980	3,503,904	275,073,925
	Interest payable	2,586,843	202,808,469	2,372,479	186,251,455
	Provision for taxation	862,329	67,606,624	861,177	67,606,624
	Interest suspense-classified-OBU	-	-	2,764	217,022
	Stamp charge realisation from loan clients-OBU	904	70,874	-	-
	Payable to On-shore	6,743,739	528,709,100	3,341,415	262,317,814
		<u>13,188,789</u>	<u>1,034,001,047</u>	<u>10,081,739</u>	<u>791,466,840</u>
<b>12</b>	<b>Surplus in Profit and Loss Account/ Retained Earnings</b>				
	Balance at the beginning of the year	7,139,113	559,706,460	5,775,401	453,397,893
	Add: Retained Surplus for the year	2,464,868	193,245,632	1,354,163	106,308,567
		<u>9,603,981</u>	<u>752,952,092</u>	<u>7,129,564</u>	<u>559,706,460</u>
<b>13</b>	<b>Interest Income</b>				
	Interest on loans and advances	4,338,262	340,119,740	2,983,743	232,135,226
	Interest on bill discounted	3,851,361	301,946,687	2,145,235	166,899,317
		<u>8,189,623</u>	<u>642,066,427</u>	<u>5,128,979</u>	<u>399,034,543</u>
<b>14</b>	<b>Interest Paid on Deposits and Borrowing etc.</b>				
	Interest on deposits	15,168	1,189,177	17,006	1,323,076
	Interest on local bank borrowing	6,001,343	470,505,274	3,873,628	301,368,266
	Interest on Bangladesh Bank borrowing	-	-	-	-
		<u>6,016,511</u>	<u>471,694,450</u>	<u>3,890,634</u>	<u>302,691,341</u>
<b>15</b>	<b>Interest on commercial paper</b>				
	Interest Income - Commercial Paper (OBU)	8,314	651,822	-	-
		<u>8,314</u>	<u>651,822</u>	<u>-</u>	<u>-</u>
<b>16</b>	<b>Commission, Exchange and Brokerage</b>				
	Commission from letters of credit-foreign	51,471	4,035,302	23,276	1,810,884
	Import and export related fees	86,758	6,801,862	23,837	1,854,540
	Syndication fees	87,125	6,830,602	116,589	9,070,586
	Other fees	-	-	62,917	4,894,977
		<u>225,354</u>	<u>17,667,766</u>	<u>226,619</u>	<u>17,630,987</u>
<b>17</b>	<b>Other operating Income</b>				
	Loan Penal Interest	-	-	3,429	266,789
	Miscellaneous Income	-	-	-	-
		<u>-</u>	<u>-</u>	<u>3,429</u>	<u>266,789</u>
<b>18</b>	<b>Rent, Taxes, Insurance, Electricity etc.</b>				
	Rent, rates and taxes	10,381	813,890	3,487	271,260
	Insurance	349	27,360	374	29,122
	Power and electricity	1,958	153,501	1,508	117,312
	WASA and Sewerage	86	6,753	35	2,732
		<u>12,774</u>	<u>1,001,504</u>	<u>5,404</u>	<u>420,426</u>
<b>19</b>	<b>Postage, Stamp, Telecommunication etc</b>				
	Postage and courier	4	344	211	16,410
	Court fees and stamps	1	56	-	-
	Telephone-Office	1,022	80,091	1,021	79,471
		<u>1,027</u>	<u>80,491</u>	<u>1,232</u>	<u>95,881</u>



		30 June 2016		31 Dec 2015	
		USD	Taka	USD	Taka
20	Stationery, Printing, Advertisement etc.				
	Stationery and Printing	7,742	607,000	1,932	150,277
	Security Stationery	-	-	(403)	(31,325)
		<u>7,742</u>	<u>607,000</u>	<u>1,529</u>	<u>118,953</u>
21	Depreciation on and repairs to bank's assets				
	Depreciation of Property plant and equipments	7,636	598,697	7,566	588,664
	Repairs and Maintenance expenses	12,963	1,016,320	17,703	1,377,297
		<u>20,600</u>	<u>1,615,017</u>	<u>25,269</u>	<u>1,965,961</u>
22	Other Expenses	<u>308,495</u>	<u>24,185,970</u>	<u>283,364</u>	<u>22,045,640</u>
		<u>308,495</u>	<u>24,185,970</u>	<u>283,364</u>	<u>22,045,640</u>
23	Provisions for Loans and Advances:				
	For classified loans and advances	(160,022)	(12,545,699)	-	-
	For unclassified loans and advances	(349,606)	(27,409,129)	1,455,658	113,250,209
		<u>(509,628)</u>	<u>(39,954,828)</u>	<u>1,455,658</u>	<u>113,250,209</u>
24	Provisions for taxes				
	Corporate Tax-current	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>