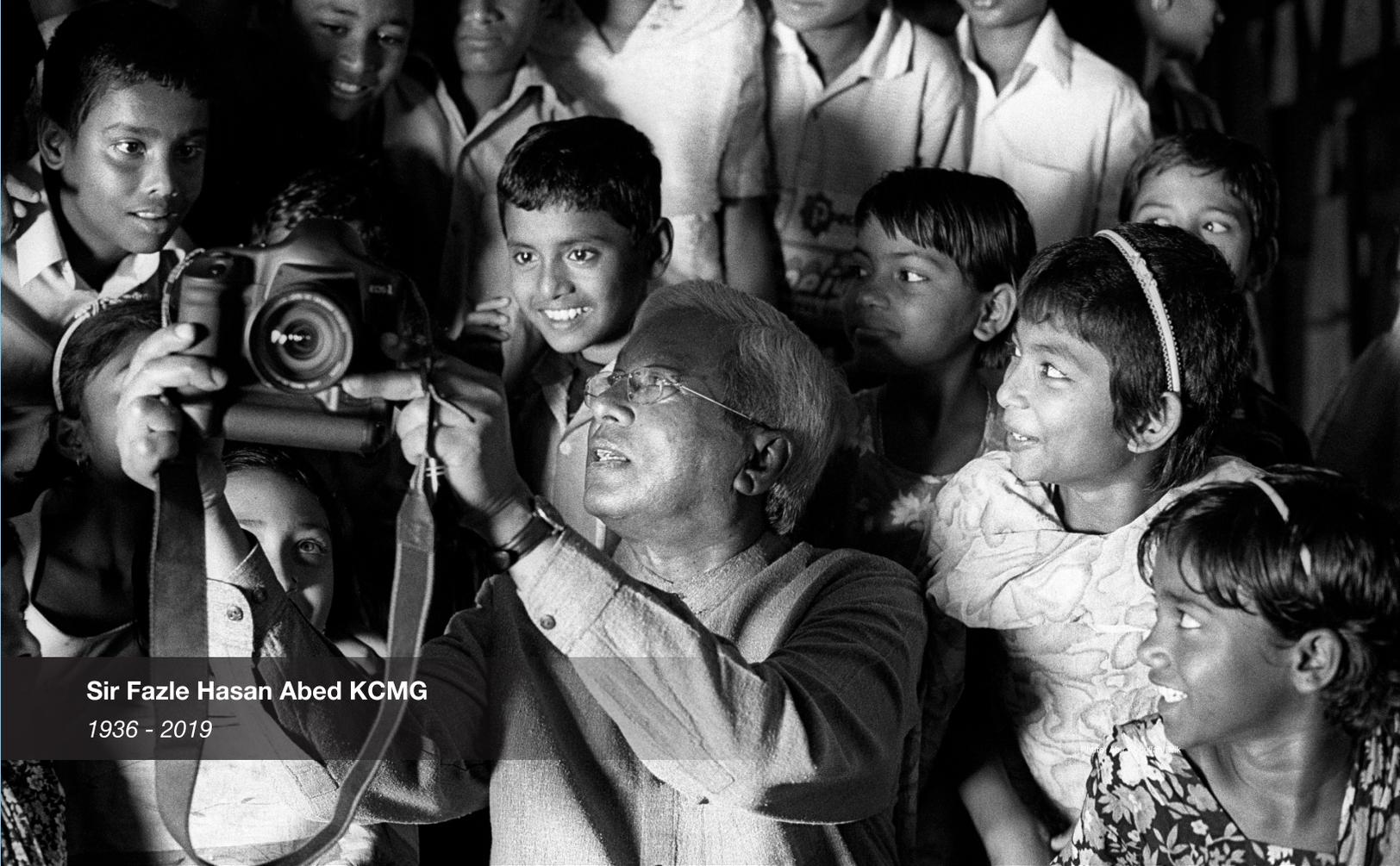




ANNUAL
REPORT 2019

 brac
মানবাধিকার ও আইন সহায়তা কর্মসূচি



Sir Fazle Hasan Abed KCMG

1936 - 2019

We will not say 'rest' in peace.

Thank you, Abed bhai.

Thank you for showing us how meaningful one's life can be.

Thank you for instilling the courage in us to take on the impossible.

Thank you for showing us how to listen and learn,
to fail and to get up again in the service of others.

Thank you for making us see that no one is ordinary and
to seek potential in everyone.

We will not say 'rest' in peace.

The Abed bhai we know would not rest until we build an equal world.

We know you would not want us to lament your loss for long.

You would want us to tirelessly fight poverty and inequality,
like you did the last 47 years.

We promise to rise to that responsibility.

We promise to be worthy of your legacy.

A message from the BRAC Family

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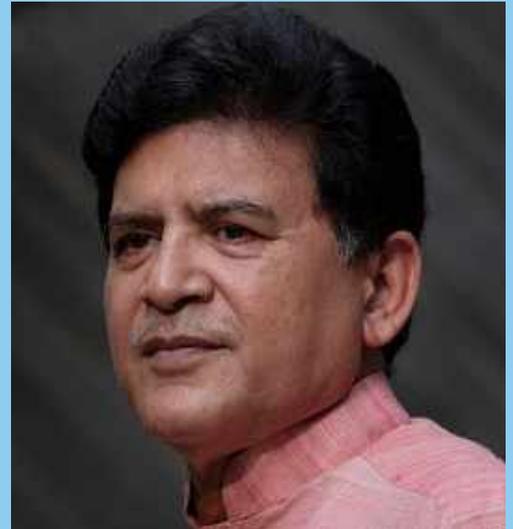
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Note:

All USD figures in this report are based on the exchange rate of 31 Dec 2019.

CHAIRPERSON'S FOREWORD

READY TO RISE TO ANY CHALLENGE



Our world has never felt more different and more threatened in the short span of time that the COVID-19 pandemic has ravaged lives, economies and governments alike. In addressing the fall-outs, governments, policy makers, business leaders, non-state actors and citizens all have had to grapple with the simultaneous challenges of lives and livelihoods. For BRAC, responding was particularly urgent. The reach of this virus is global, but its impact has been disproportionate on people living in poverty and those on the margins of society - precisely the groups BRAC exists for.

The SDG imperative of 'No One Left Behind' has driven BRAC's multi-dimensional engagement on Covid-19 response. From the day Bangladesh reported its first case, BRAC has been supporting the government and civil society organisations at every level focusing on strengthening existing systems and providing information and volunteers as well as organising resources. In parallel, we mobilised over 100,000 staff and volunteers across all 64 districts of Bangladesh, to improve awareness and deliver life-saving services to support the pandemic response. We have forged new public-private partnerships ensuring a deep understanding of the lived realities of people up to the last mile and responding rapidly at scale. We are innovating on new pedagogic approaches to early childhood education that can overcome the restrictions on physical mobility.

Our all-female cadre of community healthcare workers have supported the government to solve some of the

most pressing problems in Bangladeshi healthcare for decades, improving the lives of millions in places where mainstream health services are not easily accessible. They continue to do the same today, and their work has never been more crucial, particularly as a community-based approach has been proven to be crucial in tackling viruses which strain regular health infrastructures.

Our late founder, Sir Fazle Hasan Abed's mantra 'Small is beautiful, but scale is necessary' continues to guide our approach during this humanitarian crisis. This is the first time we cannot turn in person to his guidance, but he has left behind a legacy of strong guiding values, an ethos based on empathy and a frontline workforce ready to rise to any challenge.

BRAC has always believed that large-scale change is possible through collaboration. Now more than ever, we must strengthen mechanisms to work together and find new solutions that dismantle inequality in all its forms, so that our new normal is one which works for everyone.

A handwritten signature in blue ink, appearing to read 'HZR', positioned above the name of the Chairperson.

DR HOSSAIN ZILLUR RAHMAN

Chairperson
BRAC

LETTER FROM THE EXECUTIVE DIRECTOR



KEEPING PACE WITH CHANGING NEEDS

Our founder created BRAC months after the birth of Bangladesh, driven by the conviction that the inequalities that create divisions of rich and poor are made by humans. Putting power back into the hands of people living in poverty, reminding them of their own self-worth and investing in changing systems of inequality became BRAC's ethos. Sir Fazle Hasan Abed is no longer among us, but the rich legacy he leaves behind is an endless resource of lessons.

The unprecedented period that we are living through now gives us a timely reason to look back upon the vision of our founder. As the entire world fights against a single common enemy that is COVID-19, we are seeing the systemic inequalities that make people living in poverty receive the higher brunt of this crisis disproportionately. We are again reminded that we live in a world where we cannot afford to leave anyone behind in terms of literacy, healthcare or a basic standard of living. Whether it is unequal access to affordable internet, poor public health infrastructure or a fragmented social safety net with no support for people

living in urban poverty, we can see clearly what is not working in the system. We need to fix this with renewed vigour. Together, with everyone.

Bangladesh's development trajectory is considered a unique success story. We have achieved such impressive social development amidst extremely challenging circumstances that economists have looked for lessons that Bangladesh could offer for the global community. Bangladesh embraced the Millenium Development Goals (MDGs) and then the Sustainable Development Goals (SDGs), both of which set ambitious global targets. The

country was making rapid improvements in quality of life, especially in public health and ending poverty until 2019. Much of that is now under threat.

We must find ways to continue our work - with impatience and urgency. No matter what happens, every day, we must continue to respond with empathy, strength and hope.

For us at BRAC, the new pandemic-induced reality is an opportunity to remember what has been at the heart of our work through the years - people and the community. It is more important than ever before to give ownership of solutions to people, by bringing awareness and services to the last mile, with the belief that, with the right tools, people can be their own agents of change - be it for tackling pandemic or the economic crisis it has brought with it.

Our community healthcare workers, who have always been at the heart of all of BRAC's work, have become even more valuable. As I write this, 50,000 women are going door-to-door, raising awareness, distributing hygienic and protective equipment, and detecting potential cases of the virus. For many people living in remote Bangladesh, these women are the only way to avail medical advice when there are no hospitals or doctors for miles around - and they are a trusted source of information in a time marked by stigma, panic and misinformation.

Crises are also an opportunity to start afresh by breaking systemic barriers and bringing transformational changes. When diarrhoeal disease spread through the villages of Bangladesh becoming the major cause of death among children, Sir Fazle wanted to reach every single household to teach mothers how to make oral rehydration solution. His bold and clear vision made the widespread adoption of oral rehydration solution possible. It is this ambitious and clear targeting that we now return to. Taking lessons from our experiences

in other countries in humanitarian and development programming, we have been designing, implementing and adapting solutions to comprehensively address the three phases of the pandemic - emergency relief, recovery and rehabilitation. At a time gripped with uncertainty, BRAC's vision of a world free from all forms of exploitation and discrimination remains as relevant as ever.

The pandemic has also been a time for innovation. A key focus has been ensuring that we minimise the effect of the pandemic on our next generation. We have piloted 50 BRAC home schools, where lessons, assignments and assessments are conducted in groups using feature mobile phones - the most accessible technology in Bangladesh. We also introduced children learning groups, aimed at self-learning both individually and in groups with limited supervision from the teacher, with teachers connecting through teleconferencing.

Our reimagining of classrooms is an example of the many ways we are reimagining a future that is sustainable and leaves no one behind. We are remaining adaptive and agile, keeping pace with changing needs, especially of those most vulnerable, and emerging with the same courage and compassion that our founder has instilled in us. We stand committed alongside our network of partners and supporters to build a more equitable world, now, and for future generations.



ASIF SALEH

Executive Director
BRAC



BUILDING A WORLD WE WANT

The idea behind BRAC is to change systems of inequity. We act as a catalyst, creating platforms for people to realise their potential. We were born in Bangladesh and are almost self-sustainable in Bangladesh through our own network of social enterprises and investments. We now operate in 11 countries across Asia and Africa.



SOCIAL DEVELOPMENT

Facilitating social transformation through eight programmatic priorities:

Eliminating extreme poverty, expanding financial choices, employable skills for decent work, climate change and emergencies, gender equality, universal healthcare, pro-poor urban development, investing in the next generation.



HUMANITARIAN RESPONSE

Responding to natural and manmade disasters across the country and providing comprehensive services to Rohingya and host communities in Cox's Bazar.



SOCIAL ENTERPRISES

Solutions for social challenges and surplus for greater impact: Initiatives that engage individuals, micro and small enterprises as suppliers, producers, and consumers.





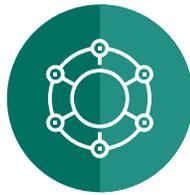
INVESTMENTS

Socially responsible companies that assist us in our mission. Our network of investments helps us strive towards the goal of self-sustainability.



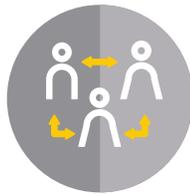
BRAC UNIVERSITY

Creating a functional elite responsive to the needs of the whole of society. This includes providing the tools required in health, education, governance, and business to change systems of inequity that keep people trapped in poverty and discrimination.



STICHTING BRAC INTERNATIONAL

Set up as a non-profit foundation in the Netherlands to govern and manage all BRAC entities outside Bangladesh, except for our affiliates. The entities are legally registered with relevant authorities in compliance with all applicable legal and regulatory requirements.



AFFILIATES

BRAC USA

The North American affiliate of BRAC. BRAC USA provides comprehensive support to BRAC around the world by raising awareness about its work and mobilising resources to strengthen programmes.

BRAC UK

The European affiliate of BRAC. BRAC UK works to raise resources for BRAC programmes in Africa and Asia by developing partnerships with local and global organisations, donor agencies, academic and research institutions, and governments.

VISION, MISSION AND VALUES

VISION

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realise their potential.

MISSION

Our mission is to empower people and communities in situations of poverty, illiteracy, disease, and social injustice. Our interventions aim to achieve large scale, positive changes through economic and social programmes that enable men and women to realise their potential.

VALUES

Integrity
Innovation
Inclusiveness
Effectiveness

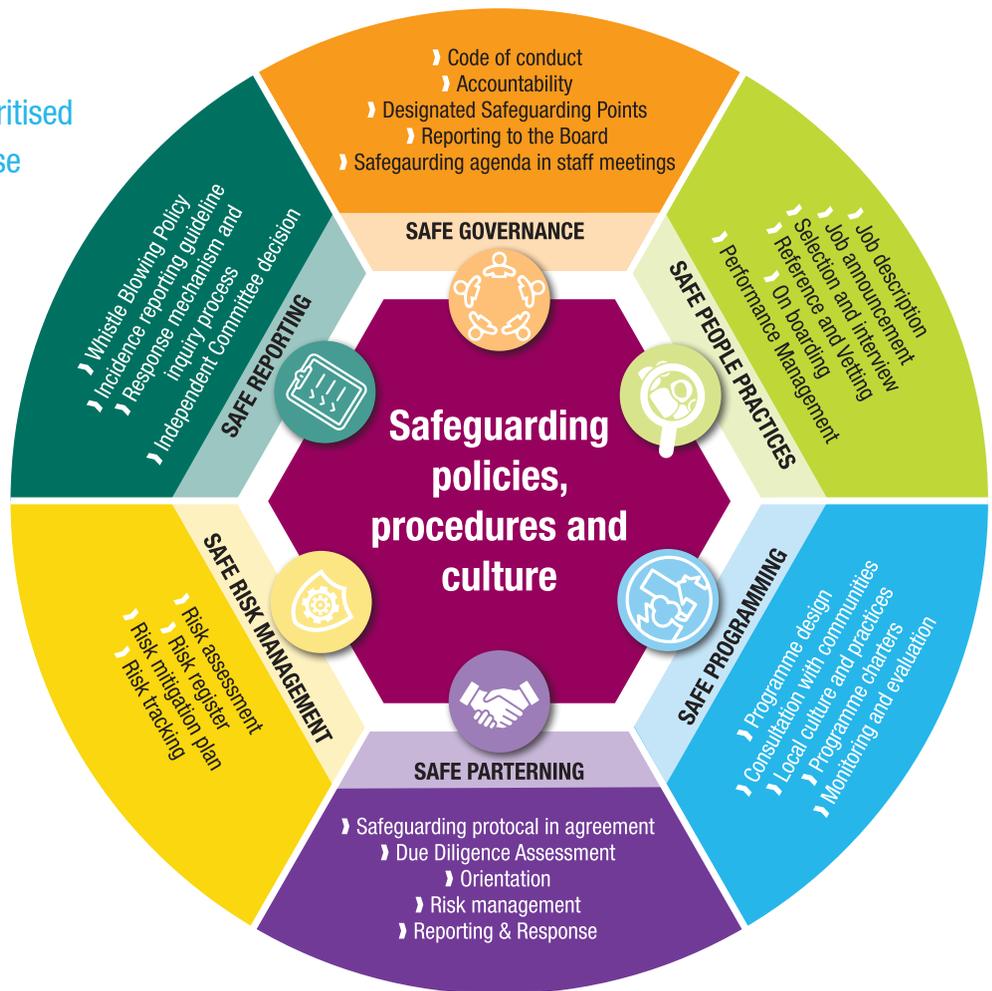


BRAC SAFEGUARDING FRAMEWORK

Since its inception, BRAC has prioritised the safety and wellbeing of all those it works with – stakeholder of all programmes, members of staff and volunteers, and partners and donors. From the beginning of 2018, BRAC strengthened its safeguarding compliance, and has committed to ensure that safeguarding measures are incorporated across all levels of the organisation.

BRAC currently operates with six safeguarding standards: safe governance, safe people practices, safe programming, safe partnering, safe risk management and safe reporting. A safeguarding unit has been formed within BRAC Human Resources and Learning Department to provide technical support in strengthening safeguarding at organisational, programmatic and partnership levels.

BRAC has developed a standalone safeguarding policy as well as specialised policies to address sexual harassment, protection of children and adolescents, prevention of workplace bullying and violence, rights of persons with disabilities, and whistleblowing. All members of staff at BRAC are trained on safeguarding through classroom and online sessions. Different programmes and departments are in the process of developing risk mitigation plans to



curb safeguarding risks associated with their work.

BRAC's overall strategy to safeguard people is firstly through means of prevention. If that fails, each case or incident violating the policy is addressed through a mechanism that is fair, transparent and objective. Our priority is to take safety measures for the complainant if and when an incident arises.

BRAC has a robust internal investigation process and unit with two separate streams to address

safeguarding-related breaches, as well as two independent decision-making committees. A centralised 24/7 call centre has been established to lodge complaints. Additional emphasis is given on awareness and data management related to complaints regarding all forms of harassment and bullying. BRAC's safeguarding unit implements action plans jointly developed with DFID, and in collaboration with all its programmes and departments to build a strong safeguarding culture within the organisation.

BRAC ACROSS THE WORLD



USA

Initiated: 2007
An independent charity to raise profile and funds for BRAC globally



UK

Initiated: 2006
An independent charity to raise profile and funds for BRAC globally



SIERRA LEONE

Initiated: 2008
AFSL, YE, Health, EPRP, MF



RWANDA

Initiated: 2018
MF



SOUTH SUDAN

Initiated: 2007
AFSL



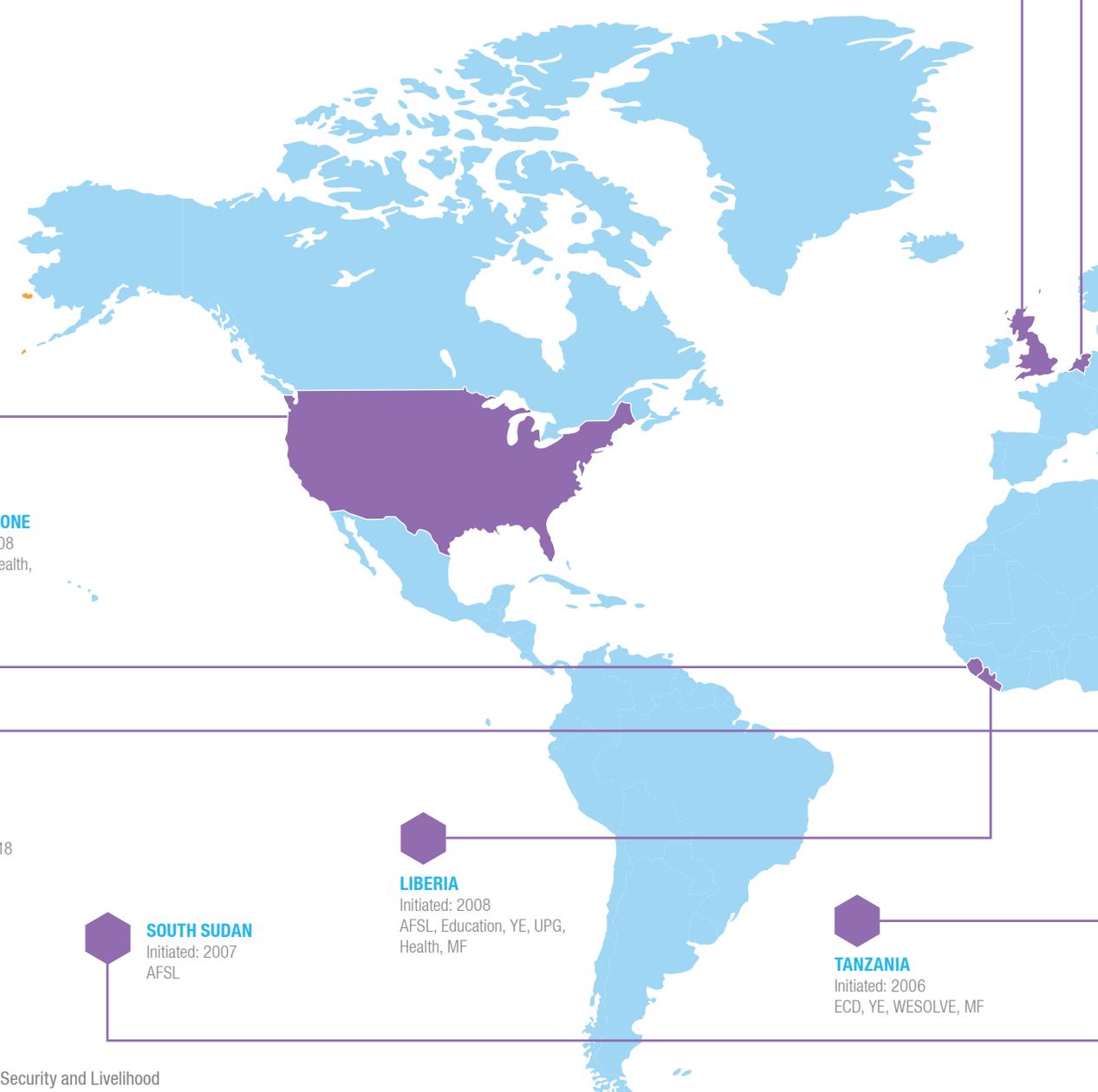
LIBERIA

Initiated: 2008
AFSL, Education, YE, UPG, Health, MF



TANZANIA

Initiated: 2006
ECD, YE, WESOLVE, MF



AFSL : Agriculture, Food Security and Livelihood

BEP : BRAC Education Programme

CC : Climate Change

CCAP : Citizens' Charters Afghanistan Project

CDP : Community Development Programme

CEP : Community Empowerment Programme

ECD : Early Childhood Development

EPRP : Emergency Preparedness and Response Programme

GJD : Gender Justice and Diversity

HNPP : Health, Nutrition and Population Programme

HRLS : Human Rights and Legal Aid Services

HCMP : Humanitarian Crisis Management Programme

IDP : Integrated Development Programme

MF : Microfinance

MG : Migration

SDP : Skills Development Programme

SE : Social Enterprises

UDP : Urban Development Programme

Uni : University

UPG : Ultra-Poor Graduation

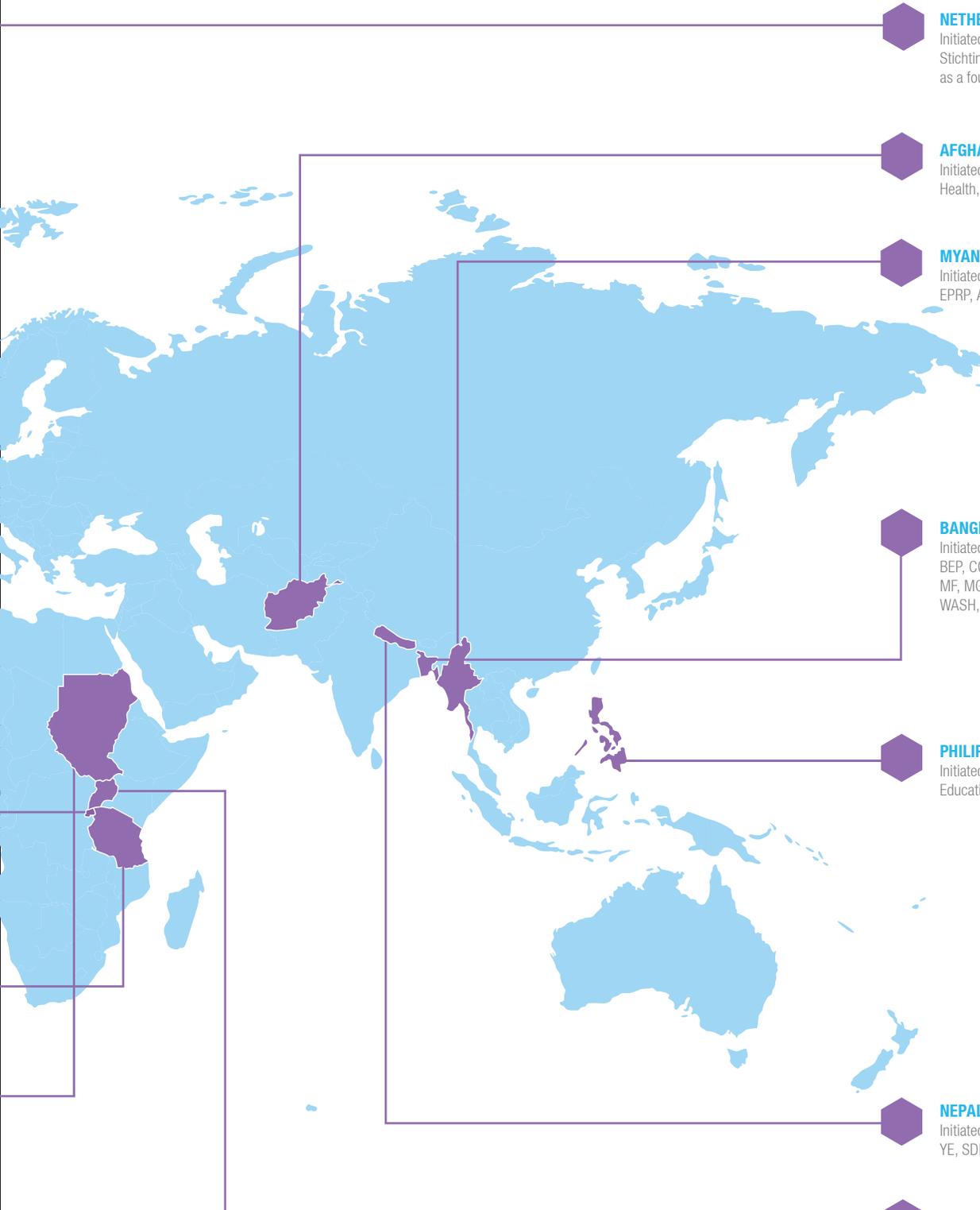
UPG-DI : Ultra-Poor Graduation-Disability Inclusive

WASH : Water, Sanitation and Hygiene

WESOLVE : Women Entrepreneurship through Solar Value chain for

Economic development

YE : Youth Empowerment



NETHERLANDS

Initiated: 2009
Stichting BRAC International registered as a foundation



AFGHANISTAN

Initiated: 2002
Health, Education, CCAP, CDP



MYANMAR

Initiated: 2013
EPRP, AFSL, MF



BANGLADESH

Initiated: 1972
BEP, CC, CEP, GJD, HNPP, HRLS, IDP, MF, MG, SDP, SE, UDP, Uni, UPG, WASH, HCMP



PHILIPPINES

Initiated: 2012
Education, UPG



NEPAL

Initiated: 2015
YE, SDP, Health, AFSL



UGANDA

Initiated: 2006
AFSL, Education, ECD, YE, EPRP, Health, UPG-DI, MF

2019 AT A GLANCE: IN BANGLADESH

111,526

households graduated from ultra-poverty

**USD
5.09 billion**

disbursed in loans
*(an increase of
21% from 2018)*

7.4 million

total clients reached with financial services

160,581

people supported with skills, jobs, and decent work interventions

19,681

young people placed in jobs (**9,850** women, **1,274** people with disabilities, **39** transgender people)

849,816

people sensitised on safe migration and returnee reintegration

64,314

children and adolescents registered in temporary learning centres in the Rohingya refugee camps

112,963

people in hard-to-reach regions received healthcare

102,067

people accessed human rights and legal aid education

74,187 households supported to undertake disaster risk reduction and preparedness and **29,319** households reached with holistic humanitarian assistance

110 million people received health and nutrition awareness and services through **48,589** community health workers and volunteers

Safe motherhood was ensured for **1.5 million** pregnant women

489,559 children aged 3-5 years accessed early childhood development and pre-primary programmes

3,144,441 children, young people and adults (55% female) had access to learning opportunities

980,086 people in **400** urban slums in **20** cities registered through a real-time monitoring system

2 million people, including men and boys, reached through gender integration efforts

79,585 members of women-led community-level institutions participated in local power structures

240,094 people accessed safely-managed sanitation facilities

73,716 climate vulnerable households supported in building resilience to climate change impacts.

Contributed in detecting over **72%** of tuberculosis cases (**211,164**) and **66%** of malaria cases (**11,358**)

DEVELOPMENT PARTNERS

GOVERNMENT ALLIANCES

BRAC has a long history of working in collaboration with the Government of Bangladesh. Our joint effort has significantly contributed to attaining many of the Millennium Development Goals. Below are the names of some of the ministries and Government units that we have been closely working with.

Ministry of Cultural Affairs
Ministry of Education
Ministry of Fisheries and Livestock
Ministry of Food
Ministry of Agriculture
Ministry of Health and Family Welfare
Ministry of Industries
Ministry of Primary and Mass Education
Ministry of Social Welfare
Ministry of Foreign Affairs
Directorate General of Health Services
Ministry of Women and Children Affairs

Ministry of Youth and Sports
National Institute of Local Government
NGO Affairs Bureau, The Prime Minister's Office
All-Party Parliamentary Group of Bangladesh
Parliament
Bureau of Manpower, Employment and Training
Ministry of Expatriates' Welfare and Overseas
Employment
Bangladesh Overseas Employment and
Services Limited
Bangladesh Road Transport Corporation

STRATEGIC PARTNERS

The Strategic Partnership Arrangement (SPA) is a partnership between BRAC, the UK Government and the Australian Government, based on shared goals, clear results and mutual accountability. Since 2011, BRAC, the Department for International Development (DFID), and the Department of Foreign Affairs and Trade (DFAT) have been working together to tackle key development challenges more effectively, efficiently, and collaboratively.

The second phase of the SPA spans from 2016-2020 and supports BRAC's overarching strategy, in line with the Sustainable Development Goals. Core funding provided through the SPA helps BRAC deliver tangible results for people living in poverty in Bangladesh while enabling it to strengthen its organisational systems and sustainability. The SPA partnership also seeks to influence development practices in Bangladesh and globally through shared learning and advocacy.

Through engaging in a partnership with DFID and DFAT, BRAC has been able to reduce the transaction costs of aid and facilitate greater focus on high-level outcomes rather than inputs. Through the provision of core funding, the partnership enables BRAC to develop programmes addressing the changing needs of the people of Bangladesh, build institutional capacity and more holistic response to poverty reduction. This partnership also has a strong focus on innovation in Bangladesh and globally.



MAJOR INSTITUTIONAL DONORS



BILL & MELINDA
GATES foundation



charity: water



CIFF CHILDREN'S
INVESTMENT FUND
FOUNDATION



دبي العطاء
Dubai Cares



A programme of education above all™



Kingdom of the Netherlands

KfW
Bank aus Verantwortung



Global Affairs
Canada

IKEA Foundation
IKEA



IOM • OIM

The LEGO Foundation



THE NIPPON
FOUNDATION



P4G
Partnering for Green
Growth and the
Global Goals 2030

syngenta



DENMARK IN BANGLADESH
Ministry of Foreign Affairs of Denmark



The Global Fund
To Fight AIDS, Tuberculosis and Malaria



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP



UBS



Empowered lives.
Resilient nations.



UNHCR
The UN Refugee Agency



unicef



WFP



Unilever

RESEARCH AND LEARNING PARTNERS



THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE



Arizona State
University



2030
Water
Resources
Group



INTERNATIONAL
RESCUE



The Nature
Conservancy



iSocial
Unifying Opportunities



Unnayan Shamannay



Center
for Global
Development



THE
BEHAVIOURAL
INSIGHTS
TEAM



IDEO
.ORG

BRAC MANAGEMENT

EXECUTIVE MANAGEMENT



DR MUHAMMAD MUSA
Executive Director
BRAC International



ASIF SALEH
Executive Director
BRAC



TAMARA HASAN ABED
Managing Director
Enterprises, BRAC



SHAMERAN ABED
Senior Director
Microfinance and Ultra-Poor Graduation
BRAC and BRAC International



TUSHAR BHOWMIK
Chief Financial Officer
BRAC



DIRK BROER BOOY
Senior Director
Programme Development, Resource
Mobilisation & Learning
BRAC and BRAC International



KAM MORSHED
Senior Director
Advocacy for Social Change, Migration,
Partnership Strengthening Unit,
Social Innovation Lab, Technology
BRAC

DIRECTORS



AFM SHAHIDUR RAHMAN
Director, Programme Development Asia and Programme Development, Resource Mobilisation & Learning BRAC and BRAC International



AHMED NAJMUL HUSSAIN
Director, Administration and Road Safety BRAC



ANNA MINJ
Director, Community Empowerment and Integrated Development, BRAC



AUDREY AHWAN
Director, Programme Development, Resource Mobilisation & Learning, BRAC and BRAC International



DR SAFIQU L ISLAM
Director, Education BRAC



HANS ESKES
Director
BRAC International Holdings BV



KENNETH CAROL VAN TOLL
Director, Institutional Fundraising and Partnership BRAC International



M ANOWAR HOSSAIN
Director, Asia Region
BRAC International



MARIA HUQ
Director, Human Resources
BRAC



MARJOLEIN VAN DEN HOVEN
Director, Private Sector Fundraising
BRAC International



MD AKRAMUL ISLAM
Director, Communicable Diseases and Water, Sanitation & Hygiene, BRAC



MD LIAKATH ALI
Director, Climate Change and Urban Development, BRAC



MD SAJEDUL HASAN
Director, Humanitarian Programme
BRAC and BRAC International



MOHAMMAD ANISUR RAHMAN
Director, Dairy and Food Enterprise
BRAC



MOUTUSHI KABIR
Director, Communications & Outreach and Leadership Academy, BRAC and BRAC International

DIRECTORS



NANDA DULAL SAHA
Director, Internal Audit
BRAC and BRAC International



NOBONITA CHOWDHURY
Director, Preventing Violence Against Women Initiative and
Gender Justice & Diversity, BRAC



RACHEL LINDSAY HAGGARD KABIR
Director, Chairperson's Office
BRAC



RUTH OKOWA
Director, Africa Region
BRAC International



SAIEED BAKHT MOZUMDER
Director, Tea Estates
BRAC



SHARMIN SULTAN
Director, Human Resources
BRAC International



SHEELA RUBINA RAHMAN
Director, Legal & Compliance
BRAC



SK JENEFA KHANOM JABBAR
Director, Human Rights & Legal Aid Services and
Social Compliance, BRAC



SONIA WALLMAN
Director, Grant Management and Programme
Development, Resource Mobilisation & Learning
BRAC and BRAC International

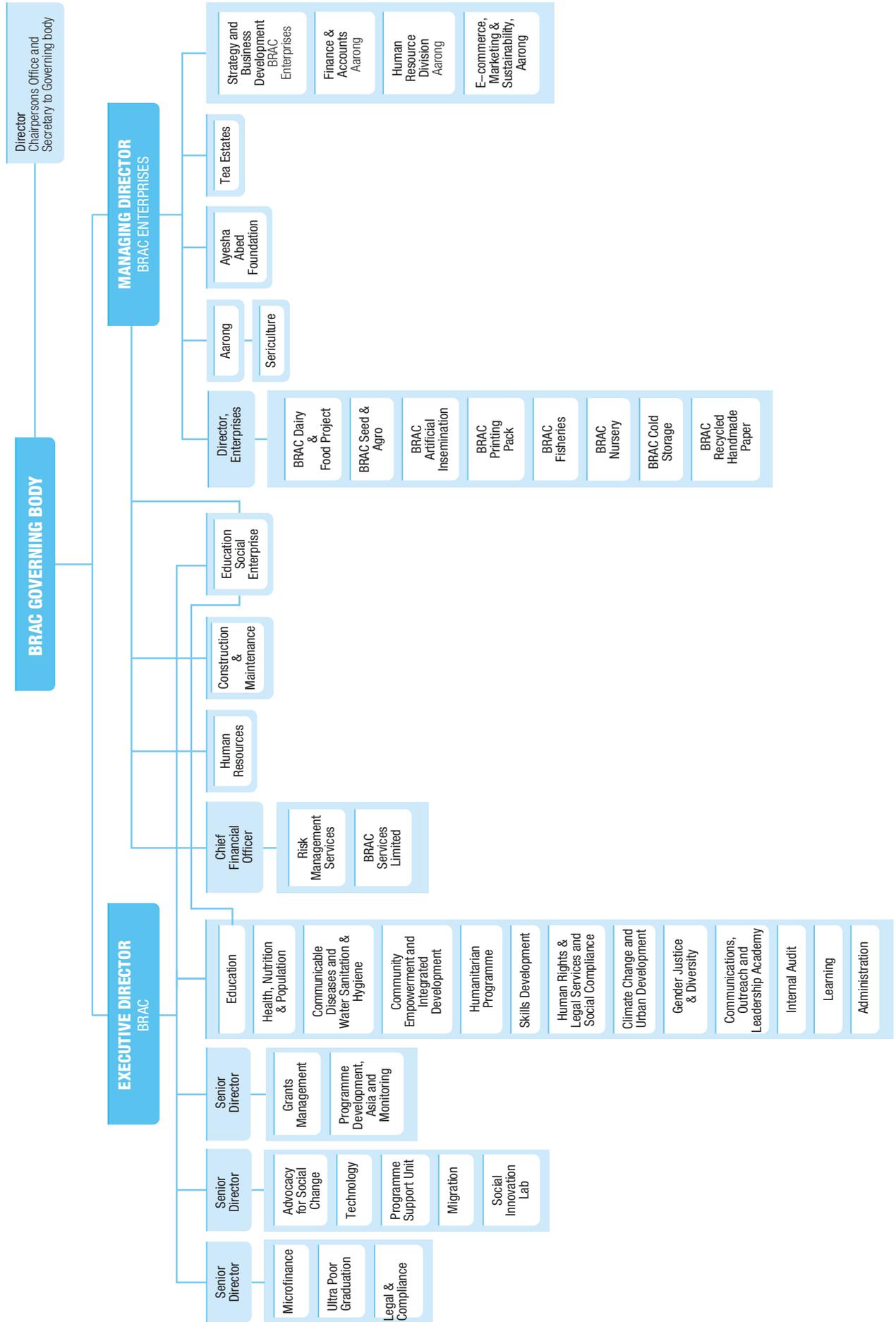


SYED ABDUL MUNTAKIM
Director, Finance
BRAC International



SYED MAZBAHUL MORSHAD
Chief Engineer
BRAC

BRAC ORGANOGRAM



BRAC GENERAL BODY

The General Body is the collective name for the members of the Society registered in Dhaka on 21 March 1972 as the 'Bangladesh Rehabilitation Assistance Committee' under the Societies Registration Act 1860. On 15 June 1992, the name of the Society was changed to 'BRAC'.

The General Body presently comprises the following 26 members:

Dr Debapriya Bhattacharya

Abdul–Muyeed Chowdhury

Shabana Azmi

Syed S. Kaiser Kabir

Shafiqul Hassan

Irene Zubaida Khan

Sylvia Borren

Parveen Mahmud

Advocate Syeda Rizwana Hasan

Adeeb Hossain Khan

Dr Muhammad Musa

Faruque Ahmed

Shib Narayan Kairy

Tamara Abed

Asif Saleh

Dr Fawzia Nazli Rasheed

Victoria Balyejusa Sekitoleko

Marilou van Golstein Brouwers

Melissa Parke

Dr Hossain Zillur Rahman

Ameerah Haq

Kaiser Zaman

Fathima Dada

Gregory Chen

Lord Mark Malloch–Brown KCMG

Simone Sultana

Under the Rules and Regulations of BRAC, the General Body elects the Governing Body.

At the BRAC Annual General Meeting on 30 July 2019, the General Body adopted BRAC's audited financial statements for the calendar year 2018, approved BRAC's budget for the calendar year 2020 and financial year July 2019 to June 2020, appointed BRAC's external auditors (and fixed their remuneration) for the calendar year 2019 and financial year July 2019 to June 2020, and elected the members of the Governing Body.

BRAC GOVERNING BODY



Dr Hossain Zillur Rahman
Chairperson

Economist and social thinker, **Dr Hossain Zillur Rahman** is a leading policy voice of Bangladesh with wide-ranging experience within and outside the government. Holding a master's in economics (University of Dhaka) and PhD in political sociology (University of Manchester), Dr Rahman founded the Dhaka-based think tank Power and Participation Research Centre (PPRC) in 1996. He led the internationally known 62-village Analysis of Poverty Trends Project at the Bangladesh Institute of Development Studies (1989-98) and was lead consultant in drafting the Government of Bangladesh's poverty reduction strategy in 2004. He was appointed a member of the Independent South Asian Commission on Poverty Alleviation (2003-06) and also served on the board of the central bank of Bangladesh.

Dr Rahman has authored influential works such as *Rethinking Rural Poverty* (SAGE, 1995); *Local Governance and Community Capacities* (UPL, 2002); *Governance and State Effectiveness in Asia* (PPRC/IDS:2006); *Unbundling Governance* (PPRC, 2007); *Researching Poverty from the Bottom Up* (PPRC/Grameen Trust, 2007); *Bangladesh 2030: Strategy for Accelerating Inclusive Growth* (DCCI/PPRC, 2010); *Bangladesh Urban Dynamics* (PPRC/World Bank, 2012); *Bangladesh: Primary Education Stipends* (PPRC/UNICEF, 2013); *Social Protection in Bangladesh* (UPL, 2014); *Road Safety in Bangladesh* (PPRC/BRAC, 2014); *Realizing UHC Goals: Challenges and Opportunities for Bangladesh* (PPRC, 2016); *The Urban Spectrum: Metropolitan to Mofussil* (PPRC/BBS, 2016); *Exploring a More Effective Pro-poor Targeting Approach* (PPRC/USAID, 2018). Dr Rahman was a key contributor to the adoption of a national social security strategy and remains an active policy researcher on issues of sustainable urbanisation, social protection, health, inclusive growth, quality education, governance, WASH, road safety and population policies.

Dr Rahman served as advisor (cabinet minister) for the ministries of education and commerce in the Caretaker Government of Bangladesh (2007-08) and was credited with a lead role in the subsequent return of Bangladesh to electoral democracy.

Dr Rahman was awarded the Dr John Meyer Global Citizenship Award by the Institute for Global Leadership, Tufts University in 2009. He was one of the three awardees of the Gold Medal Award 2013 of Rotary International Bangladesh for his services to humanity.



Adeeb H Khan
Member

Adeeb H Khan qualified as a Chartered Accountant in England in 1991 and has been the senior partner of Rahman Rahman Huq (Member Firm of KPMG International) since 2012 and Chairman of KPMG Advisory Services Limited. In addition to BRAC, his other involvements include being a council member of the Institute of Chartered Accountants of Bangladesh (ICAB) since 2013. He was the president of ICAB in 2017. He is serving his third term as an executive committee (EC) member of Metropolitan Chamber of Commerce & Industry (MCCI), the oldest and one of the most prestigious trade chambers of Bangladesh, chairing its Taxation Sub-Committee. He is a member of the Board of Trustees of Asian University for Women. He is a member of the Executive Committee of Bangladesh Legal Aid Services Trust (BLAST). Mr Khan's past experience in a directorial role includes Biman Bangladesh Airlines, the national flag carrier of Bangladesh, and Electricity Generation Company of Bangladesh Limited. He frequently speaks at various forums on matters connected to taxation, corporate governance, and private sector reform.



Adv Syeda Rizwana Hasan
Member

Advocate Syeda Rizwana Hasan is an enrolled lawyer with the Supreme Court of Bangladesh. She works for the cause of environment as the chief executive of the Bangladesh Environmental Lawyers Association (BELA), a reputed national NGO. Her main focus is on promoting the notion of environmental justice in Bangladesh. Ms Hasan did her master's and graduation in law from the University of Dhaka with distinction.

She started her career with BELA in 1993 and is still with the same organisation. As the chief executive of BELA, Ms Hasan is responsible for the overall coordination of the organisation's activities, including research, awareness raising, public interest litigation (PIL), and advocacy. She has filed PILs on various environmental issues, most of which

have received favourable orders/judgments. She has fought against vehicular pollution, river pollution, industrial pollution, ship breaking, grabbing of wetlands, cutting of hills, unregulated mining, unplanned urbanisation, commercial shrimp cultivation, deforestation, and loss of biodiversity. Her cases are redefining the current notion of development that is devoid of environmental consideration. As an anthropocentric environmentalist, her efforts are adding value to the conventional human rights movement by bringing in the elements of environmental justice. She places people's legitimate rights at the centre of her activism. BELA was recognised in UNEP's Global 500 Roll of Honour in the year 2003, and in 2007 won the Environmental Award given by the Department of Environment for popularising environmental law.

Ms Hasan is a recipient of the prestigious Goldman Environmental Prize. She has been named as one of the 40 Environmental Heroes of the World by TIME magazine. Recognising her impassioned leadership, hard-driving skill, and uncompromising courage in the campaign of judicial activism that has demonstrated that the right to environment is nothing less than a people's right to dignity and life, Ms Hasan was awarded the Ramon Magsaysay Award in 2012.



Shafiq Hassan
Member

Shafiq Hassan is the managing director of Echo Sourcing Limited UK and Echotex Limited Bangladesh. Echotex received Bangladesh's National Environmental Award, Metropolitan Chamber of Commerce and Industry Dhaka's Environmental Award, and J Sainsbury plc's Corporate Social Responsibility Award in 2010. Echotex was also awarded Best Clothing Supplier in 2011 as well as Best Clothing Supplier and Supplier of the Year in 2012 by J Sainsbury plc. Mr Hassan co-founded a premium clothing label called Ninety Percent, launched in 2018, that shares ninety percent of its distributed profits between social and environmental causes, along with the people who are involved in making the clothes. He is the co-founder of Children's Hope, an NGO that works to educate slum children in Dhaka. He obtained his undergraduate degree from City University, London and postgraduate degrees from Aston University, Birmingham, UK.



Irene Khan
Member

An international thought leader on human rights, gender and social justice issues, **Irene Khan** teaches human rights and development at the Geneva Graduate Institute for International and Development Studies. Ms. Khan was secretary-general of Amnesty International from 2001 to 2009, and director-general of the International Development Law Organization (IDLO) from 2012 to 2019. Prior to that, she worked for the United Nations High Commissioner for Refugees for 21 years at headquarters and in country programmes.

Ms Khan sits on the boards of several international NGOs and think tanks, and has been a member of the World Bank's Gender Advisory Council. She has received several honorary degrees and prestigious awards, including the Sydney Peace Prize in 2006 for her work to end violence against women and girls. Her book, *The Unheard Truth: Poverty and Human Rights*, has been translated into seven languages. Born in Bangladesh, Ms Khan studied law at the University of Manchester and Harvard Law School.



Dr Fawzia Rasheed
Member

Dr Fawzia Nazli Rasheed is a programme and policy analyst. She has worked in 30 countries to develop initiatives, national plans, and broker intergovernmental collaborations and public-private partnerships. As Global Health Leadership Fellow and senior policy advisor to the World Health Organization, UNAIDS, and The Global Fund, she led the development of organisational reforms and strategic plans. For CARE International, and Médecins Sans Frontières International, she facilitated several public-private partnerships including the Drugs for Neglected Diseases initiative. She currently advises the Aga Khan Development Network and leads the climate-smart health agenda; she also has responsibilities as a founder member of AmplifyChange – a fund for improved policy and action on SRHR.

Her governance work includes developing the performance-based funding system for country oversight for all programmes of The Global Fund; the Electoral Integrity Initiative (currently based within the Kofi Annan Foundation); and governance analysis related to natural resource extraction for the Africa Progress Panel towards improved stewardship and banking reforms.

Dr Rasheed has a PhD in immunology/medicine from the London School of Hygiene and Tropical Medicine.



Melissa Parke
Member

Melissa Dawn Parke has over two decades of experience in international law, politics, sustainable development, humanitarian affairs, human rights and governance. She served as Australia's Minister for International Development and is a former federal member for Fremantle, Western Australia. Prior to entering the Australian parliament Ms Parke served as an international lawyer with the United Nations for eight years in Kosovo, Gaza, New York and Lebanon. Following her retirement from parliament, she worked as an 'Eminent Expert on Yemen' for the United Nations Human Rights Council. Ms Parke is an ambassador for the International Campaign to Abolish Nuclear Weapons, and a member of the Advisory Council of the Australian Centre for International Justice. She holds bachelor's degrees in business (Curtin University) and law (University of New South Wales), and a master's degree in public international law (Murdoch University).



Kaiser Zaman
Member

Kaiser Zaman is a former representative of the United Nations High Commissioner for Refugees (UNHCR). He was involved in humanitarian projects as the deputy or head of operations for various UNHCR missions and non-governmental organisations around the world for over 25 years, which led him to work in Switzerland, USA, Hong Kong, Thailand, Azerbaijan and Somalia. Before joining UNHCR, Mr Zaman worked for Unilever and Shell Oil in Pakistan and Bangladesh, the International Rescue Committee in Bangladesh, BRAC and Capitol Headstart in Washington, DC. He was associated with BRAC from its inception. He currently works as a freelance travel writer. He received two MBAs, from the University of Karachi and the American University in Washington, DC.



Fathima Dada
Member

Fathima Dada has worked in education throughout her career, as a teacher, lecturer, university external examiner, children's author and textbook author. Her books have sold over a million copies. Ms Dada has held almost every level of job in the education industry - from strategy, global product management and marketing, to production and design, sales and sales strategy in the roles of MD, CEO and chairperson. She is currently the managing director of Oxford Education and chairs the Board of Oxford AQA qualifications. She has also been involved with government and non-governmental work in policy, curriculum, assessment, qualifications and implementation. She has served on several ministerial committees and overseen education reform and policy development in several countries, including working for UNESCO to support education systems in Mozambique, Malawi and Zambia. She has been a council member on the Schools and Vocational Quality Assurance authority in South Africa for 10 years. She helped lead the transformation to sustainability of the education programme of BRAC in Bangladesh. Ms Dada is on the Board of Oasis Asset Management, and has previously been an active Board member to affordable school chains including Omega (Ghana), Spark (South Africa), Bridge (Kenya) and Zaya (India). She is the chairperson of Africa Ignite, a non-profit working for rural community development, and a trustee of MIET, a non-profit working with children in Africa.



Lord Mark Malloch-Brown KCMG
Member

Mark Malloch-Brown holds international board and advisory positions in the commercial and not-for-profit sectors. He currently co-chairs the UN Foundation and the International Crisis Group, and is on the advisory committees to the heads of the IMF and UNICEF.

He served as deputy secretary-general and earlier chief of staff of the UN under Kofi Annan. For six years before that, he was Administrator of the UNDP, leading the UN's development efforts around the world. He was later Minister of State in the Foreign Office, covering Africa and Asia, and sat in Prime Minister Gordon Brown's cabinet. He has also served as vice-chairman of the World Economic Forum. He began his career as a journalist at The Economist and then worked for the UN High Commissioner for Refugees and was later a vice-president of the World Bank. He has served for many years on the Board of the Open Society Foundation.

He formerly chaired the Business Commission on Sustainable Development and the Royal Africa Society. He is the author of *The Unfinished Global Revolution: The Limits of Nations and the Pursuit of a New Politics*.

BRAC INTERNATIONAL SUPERVISORY BOARDS



Marilou van Golstein Brouwers
Chair

Stichting BRAC International Supervisory Board
BRAC International Holdings B.V. Supervisory Board

Marilou van Golstein Brouwers is an international entrepreneurial impact investment banker with more than 30 years' experience in values-driven business and banking and immense expertise in impact investing.

She is a former chair of the management board and founder of Triodos Investment Management BV, a subsidiary of Triodos Bank. She started working for Triodos Bank in 1990 and was involved in the founding of Triodos Investment Management, of which she became the managing director in 2003. She was the chair of the management board from January 2015 to December 2018. From 2019 to 1 April 2020, she was involved in the start-up of Triodos Regenerative Money Centre as managing director.

Ms van Golstein Brouwers is currently active in a variety of roles. She is a member of the board of directors of the Global Impact Investing Network. She is chair of the supervisory board of B Lab Europe, chair of the supervisory board of Qredits, The Netherlands, and chair of the board of Triodos Foundation. She is a member of the supervisory board of Invest-NL. She is one of the Women Entrepreneurs Finance Initiative Leadership Champions.

Ms van Golstein has served on the board of directors of banks in Uganda, Kenya, Tanzania, Russia, Afghanistan and Pakistan. She was a member of the Group of Advisors for the United Nations Year of Microcredit in 2004 and 2005, of the executive committee of CCAP (2003-2008), the Board of Trustees of Women's World Banking (2003-2012), the Advisory Committee of the Mastercard Foundation Fund for Rural Prosperity (2014-2017), and the Advisory Council on International Affairs Committee for Development Cooperation in The Netherlands. She was chair of SBI Limited (2011-2013), the Steering Committee of the Principles for Responsible Investment / Principles for Investors in Inclusive Finance (2011- 2013) and the Advisory Board of Women in Financial Services in The Netherlands (2011- 2016). She was also treasurer of the Max Havelaar Foundation (2008-2015).

Ms van Golstein studied business and economics at Erasmus University in Rotterdam.



Sylvia Borren
Vice Chair

Stichting BRAC International Supervisory Board

Sylvia Borren has worked all her life within and for civil society organisations, both professionally and as a volunteer.

She was part of the Dutch and global women's and sexual rights movements (COC, ILGA, IWC for a just and sustainable Palestinian-Israeli peace) and is advisor to the UN Women National Committee Netherlands and ATRIA (Institute on gender equality and women's history). Ms Borren was part of the anti-poverty movement (director of Oxfam Novib 1994-2008, and co-chair of the Global Call to Action against Poverty and EEN).

She was on two national governmental advisory commissions (for Youth Policy and the Advisory Council on International Affairs), co-chair of the Worldconnectors (a Dutch think tank), on the board of a large mental health institute (Altrecht), worked as an organisational consultant with De Beuk for many years, led the project Quality Educators for All with the trade union Education International, and continues to be a member of the Worldconnectors.

Ms Borren was recently director of Greenpeace Netherlands (2011-2016), part of the Forest Stewardship Council Netherlands, and was on the advisory commission of Staatsbosbeheer, which manages nature reserves. She is a freelance consultant at 'Working for Justice' and a senior strategist for Governance & Integrity.



Dr Debapriya Bhattacharya
Member

Stichting BRAC International Supervisory Board

Dr Debapriya Bhattacharya, a macroeconomist and public policy analyst, is a distinguished fellow at the Centre for Policy Dialogue (CPD), Dhaka, where he was its first executive director. He is a member of the United Nations Committee for Development Policy (CDP). He was Bangladesh's ambassador and permanent representative to the World Trade Organization and United Nations offices in Geneva and Vienna and former special advisor on LDCs to the secretary general of the United Nations Conference on Trade and Development (UNCTAD). Earlier, he was a senior research fellow at the Bangladesh Institute of Development Studies (BIDS).

He studied in Dhaka, Moscow, and Oxford. Visiting positions held include senior Fulbright fellow at the Center for Global Development, Washington DC. He serves on the boards and working groups of various leading institutions and editorial boards of reputed journals including Oxford Development Studies. He was general secretary of the Bangladesh Economic Association for three consecutive terms.

Dr Bhattacharya chairs the Southern Voice, a network of 50 think tanks from Africa, Asia, and Latin America, dedicated to following up and reviewing the implementation of the Sustainable Development Goals (SDGs). He led the pioneering multi-country studies on shaping the 2030 Agenda of the United Nations, data deficits of SDG monitoring, and early signals of SDG implementation in developing countries. He also chairs LDC IV Monitor, an independent partnership of eight international organisations and academic institutions engaged in monitoring the outcome of the fourth United Nations Conference on the Least Developed Countries.

He serves as the convenor of the Citizen's Platform for SDGs, Bangladesh – a platform of more than 100 NGOs and private sector bodies, seeking to contribute to the delivery of the SDGs at the country level.

He recently edited the volume *Bangladesh's Graduation from the Least Developed Countries Group: Pitfalls and Promises*, Routledge (2018); *Southern Perspectives on the Post-2015 International Development Agenda*, Routledge, London (2017); and was the team leader of the study *Quest for Inclusive Transformation of Bangladesh: Who Not to be Left Behind* (2017).



Shabana Azmi
Member

Stichting BRAC International Supervisory Board

Shabana Azmi is an internationally celebrated film and theatre actress. She has won five national and five international best actress awards. She is also a highly respected social activist and tireless campaigner for the rights of women, slum dwellers, and the underprivileged. She heads the Mijwan Welfare Society (MWS), an NGO that works for empowerment of the girl child in rural India. MWS's activities include education, primary healthcare and sanitation, skills development, and employment generation.

Ms Azmi was nominated to the Rajya Sabha by the president of India in 1997. She is a recipient of the Padmashri and Padma Bhushan. She was awarded the Gandhi International Peace Prize in 2006. At the bicentennial celebrations of international human rights in Paris in 1989, she was honoured along with Mother Teresa by President Mitterrand of France.

She also won the Crystal Award at the World Economic Forum 2006.

She has been conferred five honorary doctorates by renowned universities, both national and international. She has received the prestigious Martin Luther King, Rosa Park, and Chavez Awards and is a visiting professor at the University of Michigan. A former United Nations Goodwill Ambassador for Population and Development, she continues to work on issues of public health. She has recently been nominated as Global Leadership Ambassador for the Women in Public Service Project initiated by Hillary Clinton.



Parveen Mahmud FCA
Member

Stichting BRAC International Supervisory Board BRAC International Holdings B.V. Supervisory Board

Parveen Mahmud is the chairperson of Underprivileged Children Education Program (UCEP) - Bangladesh. She started her career with BRAC and was the founding managing director of Grameen Telecom Trust and the deputy managing director of Palli Karma Sahayak Foundation (PKSF). She has diverse experience with national and international development agencies, the corporate sector, and was a practising accountant. She was a partner in Acnabin & Co, Chartered Accountants.

She is the first Council member and served three terms in the Council, and the first female president of the Institute of Chartered Accountants of Bangladesh (ICAB) and also the first female board member of the South Asian Federation of Accountants (SAFA), the apex accounting professional body of SAARC. She was the founding chairperson of CA Female Forum – Women in Leadership Committee, ICAB and is the vice chairperson of the Women in Leadership Committee of SAFA.

Ms Mahmud sits on numerous boards, including Transparency International Bangladesh, Centre for Policy Dialogue, Bishwa Shahittya Kendra, PKSF, RSRS, ManusherJonnyo Foundation, Dhaka Ahsania Mission Foundation for Economic Development, Ghashful, Her Story Foundation, and Grameenphone Limited. She is an independent director of Apex Footwear Limited and Berger Paints Bangladesh Limited.

She was the chairperson of Micro Industries Development and Assistance Services (MIDAS), Acid Survivors Foundation and Shasha Denims Limited.

Ms Mahmud served as a member of the National Advisory Panel and was convener, SME Women's Forum for SME Development of Bangladesh. She was also the founding board member of the SME Foundation and a working group member of the Consultative Group on Social Indicators of UNCTAD/ISAR.

Ms Mahmud has received several accolades for her services, including Begum Rokeya Shining Personality Award 2006 from Narikantha Foundation, Joya AlokitoNari – 2018 Award from RTV, and Ananyanna Top Ten Women – 2018 Award in 2019.



Victoria Sekitoleko
Member

Stichting BRAC International Supervisory Board

Victoria Balyejusa Sekitoleko is a former minister of agriculture in the Ugandan government. She was a representative of the United Nations Food and Agriculture Organization (FAO) in China, Mongolia, and South Korea, and previously served as FAO's representative in Ethiopia to the African Union and to the Economic Community for Africa.

Ms Sekitoleko is currently the chair of the governing board of the Uganda Agribusiness Alliance, which unites all those involved in the industry to optimise their ability to profitably and sustainably pursue the many global opportunities in the world's largest industry. She is also the vice chairperson of Private Sector Foundation Uganda.

In 2010, Ms Sekitoleko founded the Uganda Community Cultural Centre which trades as Speakers Forum. It trains professionals to become skilled presenters and also supports community libraries.

Ms Sekitoleko was educated at Makerere University in Kampala, where she attained a BSc in agriculture, majoring in farm management and extension.



Gregory Chen
Member

**Stichting BRAC International Supervisory Board
BRAC International Holdings B.V. Supervisory Board**

Gregory Chen has worked on financial inclusion for 25 years, with a primary focus in South Asia. His experience has centred on hands-on advisory with microfinance institutions, and for the past decade, he has focused on digital payments and finance. This has included players like bKash, Wave Money, Telenor and also development organisations including the Aga Khan Development Network, BRAC, and Dvara. Previously, he also served as a corporate banker at Bank of America and worked for ShoreBank, one of the most influential community development organisations in the United States.

Mr Chen is a member of CGAP's management team and oversees CGAP's policy work. He manages a team which helps policy makers adapt to the rapid change brought on by technology. This includes adapting regulation, harnessing technology to deliver social cash transfers and designing systems for safer use of personal data.

Mr Chen's academic background includes an undergraduate degree from Wesleyan University in economics and a master's focused on international development from Harvard's Kennedy School. After more than two decades of living in South Asia, Mr Chen is now based in Washington DC with his wife and three daughters.



Dr Muhammad Musa
Member

BRAC International Holdings B.V. Supervisory Board

Dr Muhammad Musa is the executive director of BRAC International. He has an extensive background in leading humanitarian, social development, and public health organisations in national, international, and cross-cultural settings. Previously, Dr Musa served as the executive director of BRAC Bangladesh, where he successfully upheld BRAC's mission to eliminate poverty and inequality. Under his leadership, BRAC launched the humanitarian crisis management programme in Cox's Bazar, Bangladesh in August 2017, which has given BRAC a strong foundation to stand beside people in crisis anywhere in the world.

Prior to joining BRAC, Dr Musa worked with CARE International for 32 years. Twenty of those years were spent working in Ethiopia, Uganda, South Sudan, Tanzania, Thailand, India, and Bangladesh. He also worked as the Asia Regional Director for CARE International for five years. Dr Musa has been successful in bringing convergence of philanthropic approaches and entrepreneurial methodologies to create sustainable development programming that achieves a large-scale impact on poverty.

Dr Musa has a proven track record in strategic leadership, governing board management, and successfully chairing a financial institution and an information technology company in Bangladesh for four years. His expertise lies in external relationship management, brand building, communications, and fundraising for development projects.

Being adept at people management and conflict resolution, Dr Musa has established a reputation for leading complex organisational change processes in multicultural settings. He is known for his unique ability to attract and develop young professionals for humanitarian and social development leadership roles. He is also an internationally recognised senior management trainer.

Dr Musa holds a master's degree in public health from Johns Hopkins University, USA, and a post-graduate diploma in maternal and child nutrition from the Netherlands. He completed his Bachelor of Medicine and Bachelor of Surgery (MBBS) at Chittagong Medical College, Bangladesh.

BRAC GLOBAL BOARD



Ameerah Haq
Chair

Ameerah Haq is a former United Nations under-secretary-general for the Department of Field Support. She held the position of under-secretary-general from 2009 till her retirement and was the senior-most Bangladeshi national in the United Nations during those years. She most recently served as the vice-chair of the High-Level Independent Panel on Peace Operations for the UN. She has over 39 years of UN experience, including 19 years in field assignments. She was the last special representative of the secretary-general (SRSG) in the UN Integrated Mission in Timor-Leste. She has also held the positions of deputy SRSG and UN resident coordinator and humanitarian coordinator in Sudan, as well as deputy SRSG and UN resident coordinator in Afghanistan. In addition, Ms Haq has held senior positions within the UN Development Programme (UNDP) and has served as United Nations coordinator in Malaysia and Laos.

Ms Haq currently serves on the board of the Centre for Humanitarian Dialogue in Geneva, on the Group on Human Rights Up Front, and on the board of the Peace Operations Training Institute, Williamsburg, Virginia. She is also an advisor to the United Nations Foundation in Washington and a member of the Special Advisory Group of the Challenges Forum of the Folke Bernadette Academy of Sweden. Ms Haq lectures frequently at universities and speaks at seminars hosted by think tanks and non-governmental organisations.

During her service in the UN, Ms Haq was awarded the highest Presidential Medal in East Timor by President Jose Ramos Horta, the highest civilian medal of the Lao People's Democratic Republic and the Malalai Medal of Honor from President Hamid Karzai of Afghanistan, which is among the highest civilian honours given for courage and dedication. She is also the recipient of the Julia Taft Outstanding Humanitarian Service Award during the time she served as humanitarian coordinator for her work in Darfur, Sudan.

Ms Haq received a bachelor's in psychology from Western College for Women in Oxford, Ohio in 1969. She subsequently went on to receive a master's in community organisation and planning from Columbia University, New York in 1972, and a master's in business administration from New York University in 1974.

Ms Haq is the mother of two children, Sheehan Perera and Nadina Perera.

Dr Hossain Zillur Rahman
Senior Trustee

Lord Mark Malloch-Brown KCMG
Member

Dr Fawzia Rasheed
Member



Michael Goroff
Member

Michael Goroff is an independent corporate attorney and business advisor. His focus is on impact investing, cross-sector partnerships and complex governance matters, and on transactions, ventures, funds and non-grant financings that mix mission-driven and for-profit objectives. His current work primarily involves applying his legal and private sector expertise to global health, international development, and anti-poverty matters.

Michael's expertise in law, business and finance draws from a combination of over 20 years of corporate law practice, including 15 years as a partner at the New York-based global law firm Milbank LLP, followed by close to 15 years in a mix of roles involving start-ups, large corporates, foundations, NGOs, public-private partnerships and innovative financing strategies. At Milbank, Michael's practice focused on M&A and private equity, and from 1999 to 2007 he was based in London, where he founded and led Milbank's European M&A practice and was involved in many of the early large-scale European private equity transactions. From 2015 to 2018, he was a senior managing director at Avenue Capital, a major hedge fund, in a business/finance role.

Michael's involvement in global health, international development, and anti-poverty matters has included academic work in public health; a variety of consulting assignments in the public, private, and NGO sectors, including serving as an advisor on governance to PEPFAR (the President's Emergency Program for AIDS Relief, which is part of the US State Department); roles in early stage mission-

driven enterprises; and management of programme-related investments for a large family foundation.

In addition to serving as a trustee of BRAC Global, Michael is a member of the board of directors of BRAC USA.

Michael received his AB from Harvard College in 1982 and his JD from Harvard Law School in 1985, where he was an editor of the Harvard Law Review. Michael received a Master of Public Health in Global Health from Harvard School of Public Health in 2008, and during the 2008-2009 academic year was a Takemi Fellow in International Health at Harvard.



Dr Martha (Marty) Chen is a lecturer in public policy at the Harvard Kennedy School and Co-Founder, emeritus international coordinator and senior advisor of the global network Women in Informal Employment: Globalizing and Organizing (WIEGO). An experienced development practitioner and scholar, her areas of specialisation are employment, gender and poverty with a focus on the working poor in the informal economy.

Before joining Harvard in 1987, she had two decades of resident work experience in Bangladesh and India. Dr Chen co-founded and, for 20 years, led the WIEGO network which is well known worldwide for its work to improve the status of the working poor in the informal economy through stronger organisations, improved statistics and research and a more favourable policy environment.

Dr Chen received a PhD in South Asia Regional Studies from the University of Pennsylvania. She was awarded a high civilian award, the Padma Shri, by the Government of India in April 2011; and a Friends of Bangladesh Liberation War award by the Government of Bangladesh in December 2012.

BRAC GOVERNING BODY COMMITTEES

BRAC Finance and Audit Committee 2019

The governing body of BRAC constitutes the BRAC Finance and Audit Committee with the following members:

| | |
|--|--------|
| 1. Adeeb H Khan Member, BRAC Governing Body | Chair |
| 2. Adv. Syeda Rizwana Hasan Member, BRAC Governing Body | Member |
| 3. Melissa Parke Member, BRAC Governing Body | Member |
| 4. Asif Saleh Executive Director, BRAC (ex-officio) | Member |
| 5. Tamara Abed Managing Director, Enterprises BRAC (ex-officio) | Member |

Tushar Bhowmik, Chief Financial Officer, BRAC acts as secretary of the committee.

Each member is free of any relationship that would interfere with the exercise of his or her independent judgment as a member of the committee. Members of the committee have professional experience and expertise in different sectors.

Role and purpose

The primary function of the BRAC finance and audit committee is to assist the BRAC governing body (the board) in fulfilling its responsibilities regarding:

- Financial reporting and budgeting processes
- System of internal controls and risk assessment
- Compliance with legal and regulatory requirements
- Qualification, independence, and performance of the external and internal auditors.

Meetings during 2019

A total of two meetings were held during 2019

1. Meeting date: July 18, 2019

Highlights of the key decisions taken

- The committee enquired about the strategy behind increasing the number of branches in last one year.

Executive Director, BRAC responded that BRAC expands operation based on coverage and customer number.

- The Committee recommended to place the Audited Financial Statements for the year ended 31st December 2018 to 47th Annual General Meeting held on 30th July 2019 for approval.
- The Committee recommended to place to the 152nd meeting of BRAC Governing Body held on 30th July 2019 for approval of budget:
 - a. Revised Annual Budget of BDT 11,673 crores for the year 2019;
 - b. Proposed Annual Budget of BDT 12,909 crores for the year 2020; and
 - c. Proposed Budget of BDT 12,291 crores for the financial year (July 2019- June 2020)
- The Committee recommended for the appointment of ACNABIN, Chartered Accountants as the auditor of BRAC for the year January 2019 to December 2019 with the fees of Taka 2,248,000 [excluding VAT]. The appointment process placed at the 47th Annual General Meeting of BRAC held on 30th July 2019.
- The Committee approved the revised internal audit plan for the year 2019

2. Meeting date: December 03, 2019

Highlights of the key decisions taken

- The Committee recommended to place revised annual budget of USD 1,417 Million (BDT 12,046 Crores) for the year 2020 to 154th meeting of BRAC Governing Body meeting held on December 04, 2019 for approval;
- The Committee advised to submit revised budget of 2020 in the mid-year meeting (June/July) and proposed budget of next year in the year-end meeting (Nov/Dec);
- The Committee approved the internal audit plan for the year 2020;
- The Committee advised the management to introduce suitable incentive program to attract and retain female staff in Internal Audit department and have target to increase female staff in one divisional town outside Dhaka;

- The committee express their satisfaction on the overall achievement of Internal Audit KPI for 2019 and reviewed the KPI for 2020. The Committee has approved the KPI of Internal Audit Department 2020.
- The Committee has approved the revised charter of Internal Audit Department
- The Committee express theirs satisfaction on the overall progression of IARMC.
- The Committee approved the BRAC Risk appetite Statement and Safeguarding risk assessment methodology;
- The Committee advised to appoint external reviewer to assess risk categories once in every 3 years.
- The Committee approved to include Ms. Tamara Hasan Abed, Managing Director, BRAC Enterprise in the Committee as a Member (ex-Officio).

BRAC Investment Committee

The BRAC investment committee oversees the BRAC investments, and consists of five members. The Governing Body constituted the Investment Committee of BRAC with the following members:

1. Shafiqul Hassan

Chairperson

Member, BRAC Governing Body

2. Fathima Dada

Member

Member, BRAC Governing Body

3. Kaiser Zaman

Member

Member, BRAC Governing Body

4. Tamara Abed

Member

Managing Director, Enterprises, BRAC (ex-officio)

Tushar Bhowmik, Chief Financial Officer, BRAC acts as member secretary (ex officio) of the committee.

Meeting date: March 10, 2019

Highlights of the key decisions taken

- The committee approved BRAC's investment in "BRAC Osiris Impact Ventures Ltd".

Ombudsperson

BRAC has established an Office of the Ombudsperson with a comprehensive mandate to investigate any grievance or complaint made to him/her by any individual concerning any decision taken by BRAC. The Ombudsperson always maintains the highest level of confidentiality regarding complainants and complaints. The office prepares an annual report concerning the discharge of its functions and submits it to the Chairperson who then puts the report before the governing body for their consideration. Currently, Ms. Rokeya Sultana is the Ombudsperson of BRAC.

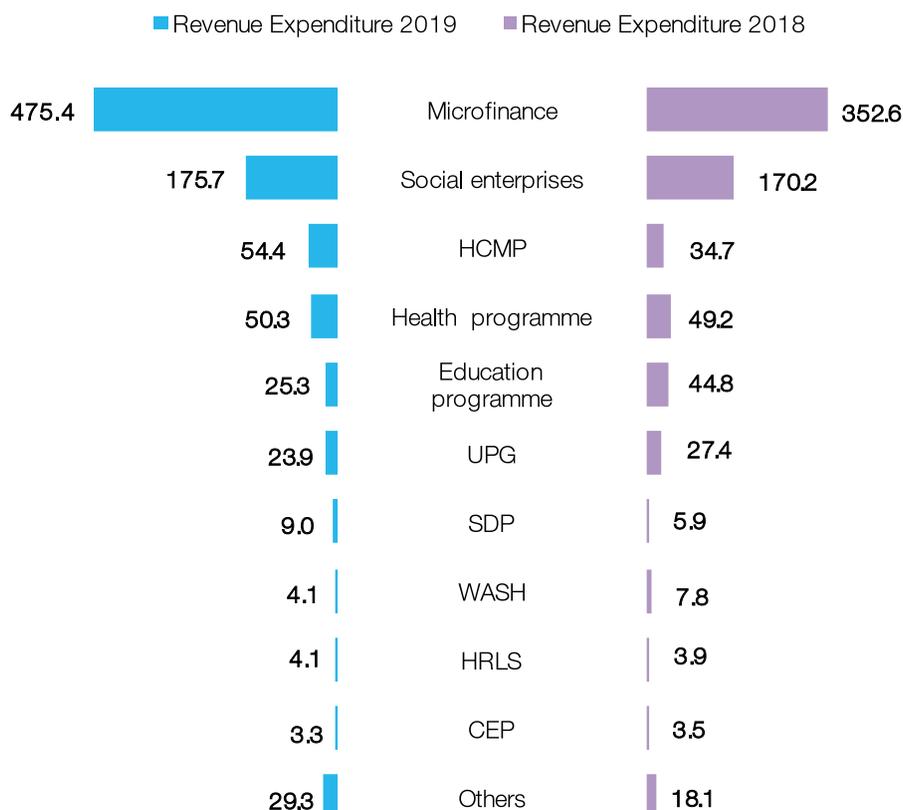
External auditor

The appointment of ACNABIN, Chartered Accountants, Bangladesh (network member of bakertilly) as the auditor of BRAC for the year ended on December 31, 2019 was approved in BRAC's Annual General Meeting.

FINANCIALS

Figures in million USD

Revenue Expenditure 2019 vs 2018

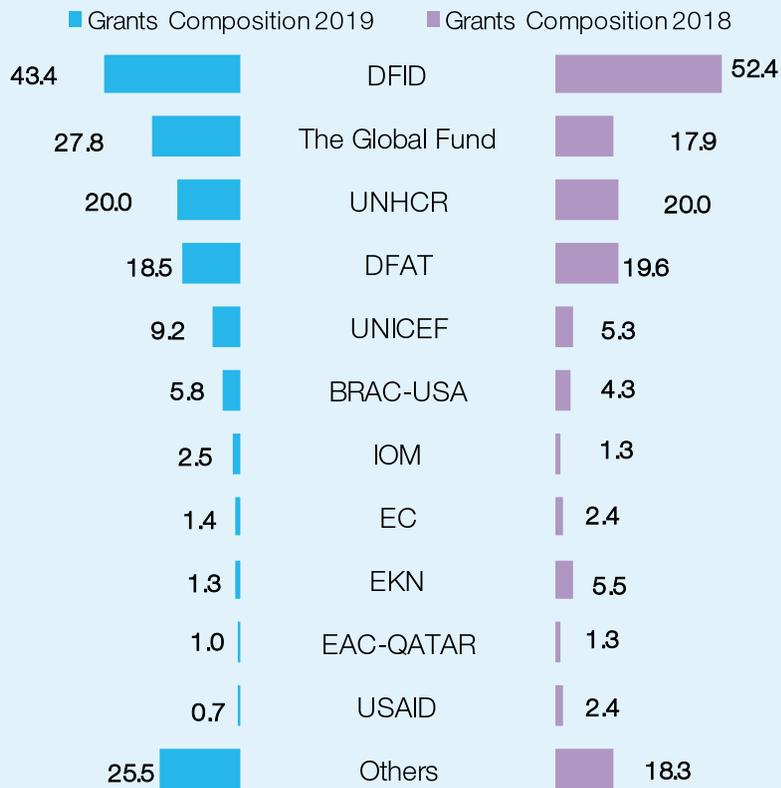


Contribution of BRAC to Government Exchequer

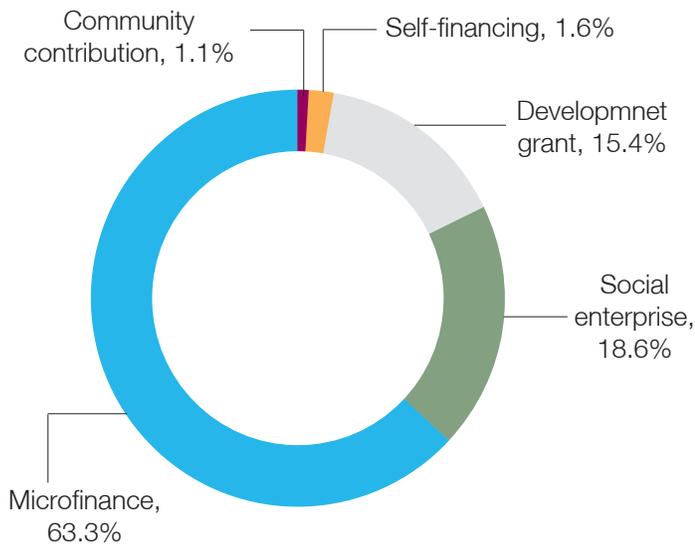
| Particulars | 2019 | | 2018 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | BDT | USD | BDT | USD |
| Income tax deduction at source by the third parties | 589,404,897 | 7,020,904 | 342,081,177 | 4,074,820 |
| Tax deduction at source from third parties | 301,933,035 | 3,596,582 | 253,354,006 | 3,017,915 |
| Income tax deduction at source from staff salary | 144,154,648 | 1,717,149 | 81,317,534 | 968,642 |
| VAT collection from customers | 1,069,904,075 | 12,744,539 | 520,640,206 | 6,201,789 |
| Import duty paid | 280,692,982 | 3,343,573 | 234,289,144 | 2,790,818 |
| Total | 2,386,089,636 | 28,422,747 | 1,431,682,067 | 17,053,985 |

Exchange rate: 1 USD = BDT 83.95 as on December 31, 2019

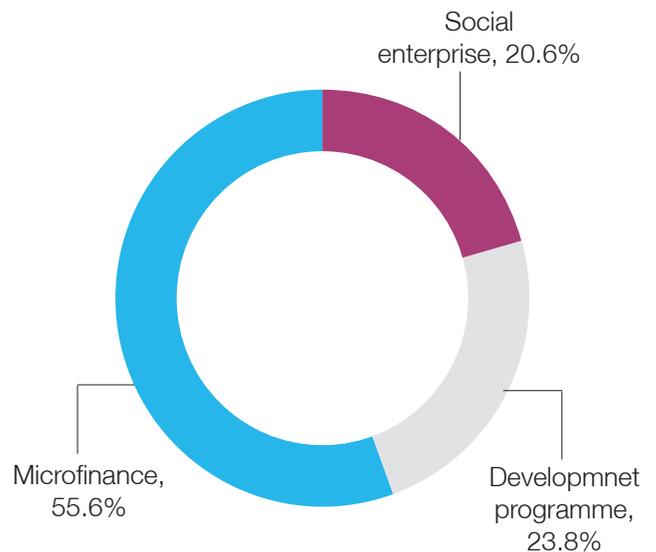
Donation Composition 2019 vs 2018



Total Income contribution % for FY 2019



Total Expenditure Allocation % for FY 2019



BRAC
Statement of Financial Position Converted to USD
As at 31 December 2019
(Not part of audited financial statements)

| Particulars | Reported Balance | | Restated Balance | | Restated Balance | |
|---|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| | 31-Dec-2019 | | 31-Dec-2018 | | 01-Jan-2018 | |
| | BDT | USD | BDT | USD | BDT | USD |
| Assets | | | | | | |
| Cash and bank balances | 25,492,553,348 | 303,663,530 | 21,561,781,316 | 256,840,754 | 21,024,279,120 | 250,438,107 |
| Advance, deposits and prepayments | 10,720,793,501 | 127,704,509 | 13,395,077,904 | 159,560,189 | 10,012,346,517 | 119,265,593 |
| Inventories | 6,099,099,677 | 72,651,574 | 5,567,755,743 | 66,322,284 | 4,963,482,830 | 59,124,274 |
| Grants and accounts receivable | 3,334,745,791 | 39,722,999 | 3,860,680,137 | 45,987,852 | 3,432,380,353 | 40,886,008 |
| Microfinance loans | 243,987,950,556 | 2,906,348,428 | 202,494,959,364 | 2,412,090,046 | 163,229,190,720 | 1,944,362,010 |
| Motor cycle loans | 85,192,350 | 1,014,799 | 207,030,285 | 2,466,114 | 692,968,379 | 8,254,537 |
| Investments in securities and others | 747,400,000 | 8,902,918 | 1,057,400,000 | 12,595,593 | 1,925,728,676 | 22,938,996 |
| Investments in related undertakings | 31,297,956,474 | 372,816,635 | 27,710,751,304 | 330,086,376 | 17,361,028,752 | 206,802,010 |
| Property, plant and equipment | 19,386,654,376 | 230,930,963 | 19,018,501,326 | 226,545,579 | 17,350,511,791 | 206,676,734 |
| Total assets | 341,152,346,073 | 4,063,756,356 | 294,873,937,379 | 3,512,494,787 | 239,991,917,138 | 2,858,748,268 |
| Liabilities and net assets | | | | | | |
| Liabilities | | | | | | |
| Liabilities for expenses and materials | 13,897,568,153 | 165,545,779 | 11,208,183,484 | 133,510,226 | 9,664,233,920 | 115,118,927 |
| Bank overdrafts | 27,893,463,383 | 332,262,816 | 36,115,730,851 | 430,205,251 | 23,688,516,176 | 282,174,106 |
| Term loans | 44,532,426,404 | 530,463,686 | 38,136,805,679 | 454,279,996 | 28,969,558,656 | 345,081,104 |
| Members' savings deposits | 97,006,031,994 | 1,155,521,525 | 69,587,804,893 | 828,919,653 | 59,880,530,227 | 713,288,031 |
| Grants received in advance | 2,112,020,638 | 25,158,078 | 3,011,803,509 | 35,876,159 | 3,149,635,367 | 37,517,991 |
| Deferred grant income | 694,027,199 | 8,267,149 | 750,483,192 | 8,939,645 | 692,029,289 | 8,243,351 |
| Other long term liabilities | 17,070,707,618 | 203,343,748 | 14,498,696,826 | 172,706,335 | 13,140,029,256 | 156,522,088 |
| Provision for taxation | 4,560,746,075 | 54,326,934 | 8,693,564,948 | 103,556,462 | 6,940,564,947 | 82,674,984 |
| Total Liabilities | 207,766,991,465 | 2,474,889,714 | 182,003,073,382 | 2,167,993,727 | 146,125,097,838 | 1,740,620,582 |
| Net assets | | | | | | |
| Unrestricted | 132,903,772,867 | 1,583,130,112 | 111,711,995,654 | 1,330,696,792 | 92,711,216,682 | 1,104,362,319 |
| Temporarily restricted | 481,581,742 | 5,736,531 | 1,158,868,343 | 13,804,269 | 1,155,602,618 | 13,765,368 |
| | 133,385,354,609 | 1,588,866,642 | 112,870,863,997 | 1,344,501,060 | 93,866,819,300 | 1,118,127,687 |
| Total liabilities and net assets | 341,152,346,073 | 4,063,756,356 | 294,873,937,379 | 3,512,494,787 | 239,991,917,138 | 2,858,748,268 |

Exchange rate: 1 USD = BDT 83.95 as on December 31, 2019

BRAC
Statement of Income and Expenditure Converted to USD
For the year ended 31 December 2019
(Not part of audited financial statements)

| Particulars | 2019 | | 2018 | |
|---|-----------------------|----------------------|-----------------------|--------------------|
| | BDT | USD | BDT | USD |
| Income | | | | |
| Donor grants | 13,855,431,903 | 165,043,858 | 13,052,555,411 | 155,480,112 |
| Social enterprises | 16,727,388,949 | 199,254,186 | 15,963,431,001 | 190,154,032 |
| Microfinance programme | 56,866,222,004 | 677,382,037 | 45,970,181,074 | 547,590,007 |
| Self-financing social development programme | 1,111,125,520 | 13,235,563 | 1,238,629,026 | 14,754,366 |
| Investment income | 200,683,637 | 2,390,514 | 217,875,460 | 2,595,300 |
| Community contribution | 1,000,167,362 | 11,913,846 | 1,512,406,328 | 18,015,561 |
| House property | 92,593,668 | 1,102,962 | 92,593,668 | 1,102,962 |
| Total income | 89,853,613,043 | 1,070,322,967 | 78,047,671,967 | 929,692,340 |
| Expenditure | | | | |
| Social enterprises | 14,751,216,995 | 175,714,318 | 14,292,037,535 | 170,244,640 |
| Micro finance programme | 39,909,043,349 | 475,390,630 | 29,598,743,796 | 352,575,864 |
| House property | 46,169,419 | 549,963 | 58,900,848 | 701,618 |
| Agriculture and food security | 16,385,453 | 195,181 | 73,539,035 | 875,986 |
| Community empowerment programme | 279,518,943 | 3,329,588 | 296,447,514 | 3,531,239 |
| Education programme | 2,126,223,583 | 25,327,261 | 3,763,213,655 | 44,826,845 |
| Gender, justice and diversity | 118,242,230 | 1,408,484 | 145,618,483 | 1,734,586 |
| Health programme | 4,225,917,877 | 50,338,510 | 4,134,008,246 | 49,243,696 |
| Human rights and legal aids services | 341,577,024 | 4,068,815 | 330,841,546 | 3,940,936 |
| Policy advocacy | 53,531,885 | 637,664 | 59,461,048 | 708,291 |
| Water, sanitation and hygiene programme | 341,772,203 | 4,071,140 | 652,072,685 | 7,767,394 |
| Ultra poor programme | 2,008,360,909 | 23,923,298 | 2,302,436,776 | 27,426,287 |
| Forcibly-displaced Myanmar nationals | 4,568,977,441 | 54,424,984 | 2,914,613,506 | 34,718,446 |
| Disaster management and climate change | 217,965,788 | 2,596,376 | 245,997,996 | 2,930,292 |
| Skills development programme | 754,954,897 | 8,992,911 | 499,228,766 | 5,946,739 |
| Migration programme | 265,545,874 | 3,163,143 | 98,429,834 | 1,172,482 |
| Social development programme | 227,182,085 | 2,706,159 | 373,520,223 | 4,449,318 |
| Other development projects | 1,280,816,247 | 15,256,894 | 451,095,441 | 5,373,382 |
| Grants | 236,338,397 | 2,815,228 | 12,614,227 | 150,259 |
| Total expenditure | 71,769,740,599 | 854,910,549 | 60,302,821,159 | 718,318,299 |
| Surplus/(deficit) of income over expenditure | 18,083,872,444 | 215,412,417 | 17,744,850,808 | 211,374,042 |
| BRAC contribution to support donor funded programme | - | - | - | - |
| Surplus of income over expenditure before taxation | 18,083,872,444 | 215,412,417 | 17,744,850,808 | 211,374,042 |
| Taxation | (729,000,000) | (8,683,740) | (1,753,000,000) | (20,881,477) |
| Net surplus for the year | 17,354,872,444 | 206,728,677 | 15,991,850,808 | 190,492,565 |

Exchange rate: 1 USD = BDT 83.95 as on December 31, 2019

INDEPENDENT AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS OF BRAC

as at and for the year ended
31 December 2019

Independent Auditor's Report To the Governing Body of BRAC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of BRAC ("the entity") which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in net assets and statement cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the entity as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies summarized in note # 2 to the said financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to following notes to the financial statements:

- (i) Note # 2, which describes the basis of preparation of the financial statements and the significant accounting policies. The financial statements are prepared to assist the entity to meet the requirement of Clause 37 of the Rules and Regulation of BRAC. As a result, the financial statements may not be suitable for another purpose.
- (ii) Note # 2.6, where management explains the impact of COVID-19 on operating activities and cash flow/ financial position of the entity and management has concluded that such reduction is temporary and once the outbreak is contained the entity would be back to its normal activities within a short period of time. Accordingly, management has not made any significant adjustment to the operating plan/cash flow forecast used for impairment assessment and just reassess market related conditions.
- (iii) Note # 2.35, where management describes the reason for restatement to amend comparative financial information. In our opinion, such restatement is appropriate and have been properly applied. We were not engaged to audit or review the 2018 financial statements of the entity other than with respect to the adjustments and procedures required in accordance with ISA 510: Initial Audit Engagements - Opening Balances.

Our opinion is not modified in respect of these matters.

Other matters

The financial statements of BRAC for the year ended 31 December 2018 were audited by A. Qasem & Co., Chartered Accountants, who expressed an unmodified opinion on those financial statements on 24 March 2019.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting policies summarized in Note 2 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, which we could not obtain prior to the date of this auditors' report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Dhaka,
Dated, 15 April 2020



Md. Rokonuzzaman FCA
Partner
ACNABIN, Chartered Accountants

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Financial Position
As at 31 December 2019

| Notes | Reported Balance | Restated Balance | Restated Balance |
|---|------------------------|------------------------|------------------------|
| | 31-Dec-19 Taka | 31-Dec-18 Taka | 01-Jan-18 Taka |
| Assets | | | |
| Cash and bank balances | 3 25,492,553,348 | 21,561,781,316 | 21,024,279,120 |
| Advance, deposits and prepayments | 4 10,720,793,501 | 13,395,077,904 | 10,012,346,517 |
| Inventories | 5 6,099,099,677 | 5,567,755,743 | 4,963,482,830 |
| Grants and accounts receivable | 6 3,334,745,791 | 3,860,680,137 | 3,432,380,353 |
| Microfinance loans | 7 243,987,950,556 | 202,494,959,364 | 163,229,190,720 |
| Motor cycle loans | 8 85,192,350 | 207,030,285 | 692,968,379 |
| Investments in securities and others | 9 747,400,000 | 1,057,400,000 | 1,925,728,676 |
| Investments in related undertakings | 10 31,297,956,474 | 27,710,751,304 | 17,361,028,752 |
| Property, plant and equipment | 11 19,386,654,376 | 19,018,501,326 | 17,350,511,791 |
| Total assets | 341,152,346,073 | 294,873,937,379 | 239,991,917,138 |
| Liabilities and net assets | | | |
| Liabilities | | | |
| Liabilities for expenses and materials | 12 13,897,568,153 | 11,208,183,484 | 9,664,233,920 |
| Bank overdrafts | 13 27,893,463,383 | 36,115,730,851 | 23,688,516,176 |
| Term loans | 14 44,532,426,404 | 38,136,805,679 | 28,969,558,656 |
| Members' savings deposits | 15 97,006,031,994 | 69,587,804,893 | 59,880,530,227 |
| Grants received in advance | 16 2,112,020,638 | 3,011,803,509 | 3,149,635,367 |
| Deferred grant income | 17 694,027,199 | 750,483,192 | 692,029,289 |
| Other long term liabilities | 18 17,070,707,618 | 14,498,696,826 | 13,140,029,256 |
| Provision for taxation | 4,560,746,075 | 8,693,564,948 | 6,940,564,947 |
| Total Liabilities | 207,766,991,465 | 182,003,073,382 | 146,125,097,838 |
| Net assets: | | | |
| Unrestricted | 132,903,772,867 | 111,711,995,654 | 92,711,216,682 |
| Temporarily restricted | 481,581,742 | 1,158,868,343 | 1,155,602,618 |
| | 133,385,354,609 | 112,870,863,997 | 93,866,819,300 |
| Total liabilities and net assets | 341,152,346,073 | 294,873,937,379 | 239,991,917,138 |

Footnotes:

1. Independent Auditors' report-Page 1-3
2. The annexed notes form an integral part of these financial statements



Chief Financial Officer
BRAC



Executive Director
BRAC



Chairperson, Governing Body
BRAC

Dhaka, 15 April, 2020



BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Comprehensive Income and Expenditure
For the year ended 31 December 2019

| Notes | Unrestricted Taka | Temporarily Restricted Taka | Total 2019 Taka | Total 2018 Taka | |
|---|----------------------|-----------------------------------|-----------------------|-----------------------|-----------------------|
| Income | | | | | |
| Donor grants | 19 | 112,659,417 | 13,742,772,486 | 13,855,431,903 | 13,052,555,411 |
| Social enterprises | 20 | 16,727,388,949 | - | 16,727,388,949 | 15,963,431,001 |
| Microfinance programme | 21 | 56,866,222,004 | - | 56,866,222,004 | 45,970,181,074 |
| Self-financing social development programme | 22 | 1,111,125,520 | - | 1,111,125,520 | 1,238,629,026 |
| Investment income | 23 | 200,683,637 | - | 200,683,637 | 217,875,460 |
| Community contribution | 24 | 350,684,899 | 649,482,463 | 1,000,167,362 | 1,512,406,328 |
| House property | | 92,593,668 | - | 92,593,668 | 92,593,668 |
| Total income | | 75,461,358,094 | 14,392,254,949 | 89,853,613,043 | 78,047,671,967 |
| Expenditure | | | | | |
| Social enterprises | | 14,751,216,995 | - | 14,751,216,995 | 14,292,037,535 |
| Micro finance programme | | 39,909,043,349 | - | 39,909,043,349 | 29,598,743,796 |
| House property | | 46,169,419 | - | 46,169,419 | 58,900,848 |
| Agriculture and food security | | - | 16,385,453 | 16,385,453 | 73,539,035 |
| Community empowerment programme | | 6,717,639 | 272,801,304 | 279,518,943 | 296,447,514 |
| Education programme | | 502,248,091 | 1,623,975,492 | 2,126,223,583 | 3,763,213,655 |
| Gender, justice and diversity | | - | 118,242,230 | 118,242,230 | 145,618,483 |
| Health programme | | 142,419,516 | 4,083,498,361 | 4,225,917,877 | 4,134,008,246 |
| Human rights and legal aids services | | 12,442,354 | 329,134,670 | 341,577,024 | 330,841,546 |
| Policy advocacy | | - | 53,531,885 | 53,531,885 | 59,461,048 |
| Water, sanitation and hygiene programme | | - | 341,772,203 | 341,772,203 | 652,072,685 |
| Ultra poor programme | | 2,673,024 | 2,005,687,885 | 2,008,360,909 | 2,302,436,776 |
| Forcibly-displaced Myanmar nationals | | - | 4,568,977,441 | 4,568,977,441 | 2,914,613,506 |
| Disaster management and climate change | | 11,751,639 | 206,214,149 | 217,965,788 | 245,997,996 |
| Skills development programme | | - | 754,954,897 | 754,954,897 | 499,228,766 |
| Migration Programme | | 1,040,385 | 264,505,489 | 265,545,874 | 98,429,834 |
| Social Development Programme | | 227,182,085 | - | 227,182,085 | 373,520,223 |
| Other development projects | | 36,160,789 | 1,244,655,458 | 1,280,816,247 | 451,095,441 |
| Grants | | 236,338,397 | - | 236,338,397 | 12,614,227 |
| Total expenditure | | 55,885,403,683 | 15,884,336,917 | 71,769,740,599 | 60,302,821,159 |
| Surplus/(deficit) of income over expenditure | | 19,575,954,412 | (1,492,081,968) | 18,083,872,444 | 17,744,850,808 |
| BRAC contribution to support donor funded programme | 26 | (1,492,081,968) | 1,492,081,968 | - | - |
| Surplus of income over expenditure before taxation | | 18,083,872,444 | - | 18,083,872,444 | 17,744,850,808 |
| Taxation | 27 | (729,000,000) | - | (729,000,000) | (1,753,000,000) |
| Net surplus for the year | | 17,354,872,444 | - | 17,354,872,444 | 15,991,850,808 |

Footnotes:

1. Independent Auditors' report-Page 1-3
2. The annexed notes form an integral part of these financial statements



Chief Financial Officer
BRAC



Executive Director
BRAC



Chairperson, Governing Body
BRAC

Dhaka, 15 April, 2020

BRAC
 (Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Changes in Net Assets
 For the year ended 31 December 2019

| | Net Assets | | Total Net assets Taka |
|--|------------------------|------------------------|--------------------------|
| | Unrestricted | Temporarily Restricted | |
| | Taka | Taka | |
| Balance at 1 January 2018 as previously reported | 97,097,840,599 | 1,155,602,618 | 98,253,443,217 |
| Adjustment for prior period tax | (4,386,623,917) | | (4,386,623,917) |
| Restated balance at 1 January 2018 | 92,711,216,682 | 1,155,602,618 | 93,866,819,300 |
| Net surplus for the year | 15,988,585,082 | 3,265,725 | 15,991,850,807 |
| Share of non operating changes in net assets in related undertakings | 2,291,168,096 | - | 2,291,168,096 |
| Investment reserve fund | 730,025,794 | - | 730,025,794 |
| Revaluation loss on DBH 1st mutual fund | (9,000,000) | - | (9,000,000) |
| At 31 December 2018 | 111,711,995,654 | 1,158,868,343 | 112,870,863,997 |
| At 1 January 2019 | 111,711,995,654 | 1,158,868,343 | 112,870,863,997 |
| Net surplus for the year | 17,354,872,444 | - | 17,354,872,444 |
| Share of non operating changes in net assets in related undertakings | 2,293,495,976 | - | 2,293,495,976 |
| Investment reserve fund | 787,401,878 | - | 787,401,878 |
| Transferred from closed projects | 756,006,915 | (677,286,601) | 78,720,314 |
| At 31 December 2019 | 132,903,772,867 | 481,581,742 | 133,385,354,609 |

Footnotes:

1. Independent Auditors' report-Page 1-3
2. The annexed notes form an integral part of these financial statements



Chief Financial Officer
BRAC



Executive Director
BRAC



Chairperson, Governing Body
BRAC

Dhaka, 15 April, 2020

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
For the year ended 31 December 2019

| Notes | 2019 Taka | 2018 Taka |
|--|------------------------|------------------|
| Cash flows from operating activities: | | |
| Surplus of income over expenditure before taxation | 18,083,872,444 | 17,744,850,808 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Loan loss provision | 7 4,317,719,641 | 3,397,704,456 |
| Depreciation | 11 1,232,137,670 | 1,078,706,853 |
| Gain on disposal of property, plant and equipment | 21-22 (27,647,286) | 929,389 |
| Cash dividend received | 23 (94,194,688) | (67,219,833) |
| Donor grants - amortisation of investment in property, plant and equipment and motorcycle replacement fund | 19 (230,480,659) | (78,530,340) |
| Interest on fixed deposits and bank accounts | 25 (1,565,444,511) | (1,127,637,125) |
| Adjustments for other accounts: | | |
| Increase in service charge outstanding on microfinance loans | (1,850,675,836) | (1,079,638,715) |
| (Increase)/ decrease in inventories | (531,343,934) | (604,272,914) |
| (Increase) in advances, deposits and prepayments | 2,674,284,403 | (3,382,731,387) |
| Decrease/(increase) in accounts receivable | 337,804,586 | (56,065,553) |
| Increase in motorcycle loans | 121,837,935 | 485,938,094 |
| Decrease/(increase) in liabilities for expenses and materials | 2,689,384,670 | 1,543,949,564 |
| Increase in deferred income | 174,024,665 | 136,984,243 |
| Adjustment of Advance tax | (4,861,818,873) | - |
| Net cash provided by operating activities | 20,469,460,226 | 17,992,967,540 |
| Cash flows from investing activities: | | |
| Increase in microfinance loans | (43,960,034,997) | (41,583,834,385) |
| Decrease/(increase) in fixed deposits pledged with financial institutions | (702,013) | (2,719,706) |
| Increase in investments in related undertakings | (506,307,116) | (7,328,528,662) |
| Interest received on fixed deposits and bank accounts | 1,565,444,511 | 1,127,637,125 |
| Purchase of property, plant and equipment | (1,603,353,979) | (2,749,049,697) |
| Proceeds from disposal of property, plant and equipment | 30,710,545 | 1,423,920 |
| Dividends received from related undertakings | 94,194,688 | 67,219,833 |
| (Investments in)/Realisation of investment in securities and others | 310,000,000 | 859,328,676 |
| Net cash used in investing activities | (44,070,048,361) | (49,608,522,896) |
| Cash flows from financing activities: | | |
| Grants received during the year | 13,159,812,800 | 12,589,798,816 |
| Grants utilised during the year for: | | |
| -operational expenditure & micro-finance | (13,618,721,131) | (12,962,880,661) |
| -investment in property, plant and equipment | (168,997,156) | (136,228,543) |
| -motorcycle replacement funds | (5,027,509) | (755,700) |
| Increase in term loans | 6,395,620,725 | 9,167,247,023 |
| Increase in members savings deposits | 27,418,227,101 | 9,707,274,666 |
| Increase/(Decrease) in other long term liabilities | 2,572,010,792 | 1,358,667,570 |
| Net cash (used in) provided by financing activities | 35,752,925,622 | 19,723,123,171 |
| Net (decrease)/increase in cash and cash equivalents | 12,152,337,487 | (11,892,432,185) |
| Cash and cash equivalents, beginning of the year | (14,997,621,895) | (3,105,189,710) |
| Cash and cash equivalents at the end of the year | 3.4 (2,845,284,408) | (14,997,621,895) |

Footnotes:

1. Independent Auditors' report-Page 1-3
2. The annexed notes form an integral part of these financial statements



Chief Financial Officer
BRAC



Executive Director
BRAC



Chairperson, Governing Body
BRAC

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Notes to Financial Statements
For the year ended 31 December 2019

1 Introduction:

BRAC was formed as a development organisation in 1972 under the Societies Registration Act 1860. Although it was first set up to resettle refugees in post-war Bangladesh, BRAC later redesigned its strategies in accordance with its philosophy of poverty alleviation and empowerment of the poor. At present, BRAC has a large number of development programs that cover the areas of health, education, credit, employment and training for the poor people of Bangladesh. BRAC also earns from various income generating projects such as Aarong Rural Craft Centre, BRAC Printing Pack, BRAC Dairy and Food project and various programme support enterprises such as Seed and Agro Enterprises and Prawn Hatcheries.

2 Summary of Significant Accounting Policies:

BRAC prepares its financial statements on a going concern basis, under the historical cost convention, except for investments in shares in listed companies (classified within investment in securities and others) and loans & borrowings which are stated at fair value and amortized cost respectively. BRAC generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items.

Given the nature and diversity in activities, BRAC has not been in a position to fully comply with the International Financial Reporting Standards (IFRSs). However, as leading NGO in both local and international perspective, BRAC has always been in persuasion to present the best possible Financial Statements adhering to the applicable reporting norms including IFRSs as found suitable. Also, there was no specific set of guiding rules or regulations including accounting and financial reporting standards strictly applicable for organization, like BRAC, hence BRAC had to choose and pick suitable reporting guidelines to be able to formulate a set of policies to be followed in presenting its financial statements. Over time, all these policies have been acceptable by the stakeholders and users of BRAC's financial statements.

But, according to the recently circulated gazette (Public Gazette by Financial Reporting Council on dated 16 March 2020), requiring Public Interest Entities to comply with IFRS in presenting financial statements, BRAC is contemplating to undertake an initiative to critically workout the gap between existing reporting policies to the applicable IFRSs. Based on the results of this initiative, BRAC would take necessary steps to bridge the gap by implementing additional policies including modification into the existing, in coming years, if found appropriate.

The significant accounting policies, which have been materially consistent over the years, as applied and followed in the preparation and presentation of these financial statements are summarized below:

2.1 Basis of preparation of financial statements

BRAC maintains its books of account and records on a programme or project-wise basis. The head office maintains records of all treasury, investment and management functions. All cash balances, including those held for programmes, are held by the head office and transferred to programmes as required. Balances between projects are eliminated upon combination for the purposes of presentation of the financial statements.

These financial statements include the financial statements of BRAC and, the related undertakings set out in Note 10 in which BRAC has equity interests through which it exercises control or significant influence. As stated in Note 2.5, BRAC, being a society under the Societies Registration Act, 1860, is not subject to any requirement to prepare consolidated financial statements.

In contrast to the ownership of equity interest in related undertakings, BRAC also extends gratuitous grants or provides donor liaison assistance to certain organisations that, in some instances may bear names with resemblance to BRAC, viz BRAC University, Stitching BRAC International, BRAC International Holdings B.V, BRAC Afghanistan, BRAC Myanmar, BRAC Tanzania, BRAC Uganda, BRAC South Sudan, BRAC Pakistan, BRAC Liberia, BRAC Sierra Leone, BRAC Philippines, BRAC Nepal and BRAC Rwanda. However, no equity is held in these entities, and BRAC's financial statements therefore do not include the financial information of these entities.

BRAC's accounting records and financial statements are maintained and presented in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and internal reporting into funds established according to their nature and purposes based on the existence or absence of donor-imposed restrictions.

2 Summary of Significant Accounting Policies (contd.):

2.1 Basis of preparation of financial statements (contd.)

In the combined financial statements funds have been classified within either of two net asset categories- temporarily restricted and unrestricted. Accordingly, the net assets of BRAC and changes therein are classified and reported as follows:

- Temporarily restricted net assets - Net assets subject to donor-imposed restriction that permit BRAC to use or expand the assets as specified. The restrictions are satisfied either by the passage of time and/or by actions of BRAC when donor restrictions expire, that is when restrictions end or a purpose restriction is fulfilled, any balances of temporarily restricted net assets are either returned to donors in accordance with donor agreements or utilized consequent to donor and management agreements on a temporarily restricted or unrestricted basis.

In case where restrictions expire, it is BRAC's policy to effect the reclassification of assets from temporarily restricted net assets to unrestricted net assets via transfers within the balance sheet.

- Unrestricted net assets - Net assets that are not subject to any donor-imposed restrictions or which arise from internally funded activities. This category of net assets include amongst others, amounts designated by BRAC for income generating activities, programme support enterprises, micro-financing activities and self-financing social development activities.

2.2 Reporting period

These financial statements have been prepared for the period from 1 January 2019 to 31 December 2019

2.3 Authorisation for issue

These financial statements have been authorised for issue by the Finance Committee of BRAC on 15 April 2020

2.4 Functional and presentation Currency

These financial statements are presented in Bangladesh Taka, which is BRAC's functional currency. Except as indicated the figures have been rounded off to the nearest Taka.

2.5 Use of estimates and judgements

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.

2.6 Going Concern

In the Covid 19 outbreak situation, the organization responded to support the community with awareness campaign activity, offering food support to the financially affected group in addition to coordinating with Govt. to support medical response with BRAC doctors & volunteers.

Due to the lockdown situation, BRAC's financial performance and growth may get disrupted in 2020 and 2021, depending on the duration of lockdown but will not have any impact on going concern. BRAC's current liquidity along with its reputation on the local money market gives the organization required strength to recover from the economic shutdown and be on track for growth path in 6 to 12 months time. The management believes that Covid 19 will not have any material impact on BRAC's financial strength and future stability. The management along with Board personnel are assessing the status on a regular basis and risk mitigating measures.

BRAC has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis.

2.7 Non-consolidation

BRAC, being a society registered under the Societies Registration Act, 1860 is not subject to any requirement on the preparation of consolidated financial statements. Accordingly, BRAC's investments in related undertakings wherein the effective equity interests are more than 50% are accounted for as explained in Note 2.16, together with related undertakings in which BRAC has significant influence and/or where effective equity interests are between 20% and 50%.

2. Summary of Significant Accounting Policies (contd.):

2.8 Donor grants

Income from donor grants is recognized when conditions on which they depend have been met. Substantially, BRAC's donor grants are for the funding of projects and programmes, and for these grants, income is recognized to equate to expenditure incurred on projects and programmes. For donor grants which involve funding for property, plant and equipment, grant income is recognized as the amount equivalent to depreciation expenses charged on the fixed assets concerned. For donor grants provided to purchase motorcycles for specific projects, income is recognized over the estimated useful life of the motorcycles.

All donor grants received are initially recorded as liabilities in grants received in advance account. For grants utilized to purchase fixed assets and motorcycles, the donor grants are transferred to deferred income accounts whilst for grants utilized to reimburse programme-related expenditure, the amounts are recognized as income. Donor grants received in-kind, through the provision of gifts and/or services, are recorded at fair value (excluding situations when BRAC may receive emergency supplies for onward distribution in the event of a disaster which are not recorded as grants). Income recognition of such grants follows that of cash-based donor grants and would thus depend on whether the grants are to be utilized for the purchase of fixed assets or expended as programme-related expenditure.

Grant income is classified as temporarily restricted or unrestricted depending upon the existence of donor-imposed restrictions. For completed or phased out projects and programmes, any unutilized amounts are dealt with in accordance with subsequent donor and management agreements.

For ongoing projects and programmes, any expenditure yet to be funded but for which funding has been agreed at the end of the reporting period is recognized as grant receivable.

2.9 Revenue recognition

Social Enterprises projects

Social Enterprises comprise Aarong Rural Craft Centre, BRAC Printing Pack, BRAC Dairy and Food Project, Seed and Agro Enterprises, Fish and Prawn Hatcheries, Artificial Insemination Center, Horticulture Nurseries, Chilling Centres, Broiler Rearing and Meat Marketing, Salt Production and Marketing, Recycled Hand Made Paper Production and Health Product related activities.

Revenue from sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, discount and VAT. Revenue is recognized at the time, when significant risks and rewards of ownership have been transferred to the buyer and recovery of consideration is probable. Transfer of risks and rewards occur, when the goods are delivered to the distributor/customers along with dispatch documents and invoices.

Service charge on microfinance loans

Service charges on microfinance loans are recognized on an accrual basis as income. The recognition of service charge ceases when a loan is transferred to non-interest bearing loan as described in Note 2.14. Service charge is included in income thereafter only when it is realized. Loans are returned to the accrual basis only when the full amount of the outstanding arrears of loans received and future collectability is reasonably assured.

Interest on bank accounts, fixed deposits, bonds

Interest income is recognised on an accrual basis.

House property income

House property income is recognised on an accrual basis whether cash is received or not.

2. Summary of Significant Accounting Policies (contd.):

2.9 Revenue recognition (contd):

Other income

Other income is recognized when BRAC's right to receive such income has been reasonably determined.

Community contributions

Community contributions represent fees charged to participants of selected programmes and activities run by BRAC and is recognised when BRAC's right to receive such income has been reasonably determined.

2.10 Expenses

Programme related expenses arise from goods and services being distributed to beneficiaries in accordance with the programme objectives and activities. BRAC's head office overhead expenses are allocated to various projects and programmes at a range of 7% to 10% of their costs, based on agreement with donors or management's judgement.

2.11 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Cost includes expenditures that are directly attributable to the acquisition of property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if all the following conditions are met:

- a) the asset is available for use
- b) it is probable that future economic benefits will flow to BRAC
- c) the cost of the item can be measured reliably and exceeds Tk. 2,000
- d) it is expected to be used for more than 3 years

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation respectively.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is provided for on a straight-line basis over the estimated useful lives of the assets at the following annual rates which are consistent with the prior year:

| <u>Item</u> | <u>Annual Depreciation Rate (%)</u> |
|------------------------------|--|
| Buildings | 4-10 |
| Furniture & Fixtures | 10-20 |
| Equipment | 15-33.3 |
| Computer and IT Equipment | 20-33.3 |
| Vehicles | 20 |
| Bicycles | 20 |
| Machinery | 20 |
| Deep tube wells and tanks | 20 |
| Hatcheries | 20 |
| Motorcycles | 20 |
| Camp/Poultry/Livestock sheds | 20 |
| Crates/Mannequins/Samples | 33.33 |
| Software | 20 |

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Summary of Significant Accounting Policies (contd.):

2.11 Property, plant and equipment (contd.)

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the statement of income and expenditure in the year the asset is derecognized.

2.12 Microfinance loans

BRAC's activities include providing micro-finance loans to members without collateral, on a service charge basis under various programmes. Loans inclusive of service charge and are stated net of provision for loan losses.

2.13 Provision for loan losses

Management regularly assesses the adequacy of the loan loss provision based on the age of the loan portfolio and calculates the required provision for loan losses based on the loan classification and following the provisioning methodology which is shown below:

| Loan Classification | Days in Arrears | Provision required |
|----------------------------|------------------------|---------------------------|
| Standard | Current (no arrears) | 1% |
| Watchlist | 1 - 30 | 5% |
| Substandard | 31 - 180 | 25% |
| Doubtful | 181 - 350 | 75% |
| Loss | Over 350 | 100% |

2.14 Loans written off

Loans within their maturity period are classified as "Current Loans". Loans which remain outstanding after one month of their maturity period are considered as "Late Loans". Late Loans which remain unpaid after one year are classified as "Non-Interest Bearing Loans" (NIBL). The total amount of NIBL, which are considered bad and have no possibility of recovery, is referred to the Governing Body of BRAC for approval of write off, generally within one year from the date when a loan is transferred to NIBL. Generally loans are written off twice a year i.e. July and December. Any collections realised from loans previously written off are credited to the statement of income and expenditure.

2.15 Provisions

Provisions are recognised when BRAC 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 a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.16 Investments in related undertakings

Related undertakings refer to separately-established undertakings in which BRAC has significant influence and/or effective equity interests. Details of these undertakings are disclosed in Note 10.

BRAC's investments in these undertakings are initially recorded at cost and subsequently adjusted to reflect BRAC's share of results for each period added to or deducted from the respective investment costs, from the dates of their acquisition and to the dates of their disposal. Distribution received from the undertakings is recognised in the statement of income and expenditure. Unrealised share of profit from undertakings as well as any changes in net assets in the related undertakings other than by the effect of operating results are recognised directly in the statement of changes in net assets. On disposal, gains or losses representing the difference between the proceeds on disposal and the carrying value of the undertakings at the date of disposal are recognised in the statement of income and expenditure. Gain or losses on dilution of interest in related undertakings, representing the difference in BRAC's share of net assets before and after the dilution concerned is also recognised in the statement of income and expenditure. Provision is also made for any impairment if the carrying amount of an investment exceeds its recoverable amount.

In case the share of losses from related undertakings is equal or more than the cost of investment then those losses were not recognised.

2. Summary of Significant Accounting Policies (contd.):

2.17 Investment in securities and others

All investments other than investment in related undertakings are initially recognized at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments in shares of listed companies are subsequently measured at fair value, with unrealized gains or losses recognized in the statement of income and expenditure. Fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date, adjusted for transaction costs necessary to realize the asset.

Other long-term investments which are intended to be held to maturity, such as debentures and private debt securities, are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortized cost, apart from the amortization process which is dealt with through the statement of income and expenditure, any gain or loss is recognized in the statement of income and expenditure when the investment is disposed of or suffers a permanent diminution in value.

2.18 Accounts receivable

Accounts receivable arise principally from BRAC's income generating activities and programme support enterprises, and are stated net of provision for doubtful debts. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date. Bad debts are written off when identified.

2.19 Inventories

Retail inventories are stated at cost based on selling price less average mark-up, and other inventories are stated at cost. Cost is determined using the weighted average basis. The cost of inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Provision is made for obsolete or slow moving items, to reduce their carrying amounts to net realizable value.

2.20 Motorcycle replacement fund

Applicable donor funds are utilized for providing motorcycles to project or programme staffs, and these funds are held in a replacement fund. The cost of providing motorcycles to staff is recovered through monthly salary deductions. Donor funds received and utilized for the purchase of motorcycles are amortized to the statement of income and expenditure over a period of five years, being the average estimated useful life of the motorcycles.

2.21 Self - insurance fund

BRAC has created a self-insurance fund to cover the risks of cyclone and fire on its properties and motorcycles. This self-insurance fund is based on estimates by the Governing Body, and as from 2001, by reference to external actuarial valuations. It is held as a provision within 'Other long term liabilities', as depicted in Note 18, and is not externally funded.

BRAC also sets aside monthly amounts equivalent to 1% of the basic salary of employees, to constitute the group self-insurance fund. This fund is to cover liabilities arising out of death and other permanent injuries suffered by the employees. The terms of employment provide for payment in the event of death or permanent injury, of amounts ranging from 12 months' equivalent of basic salary in the first year of employment, to 50 months' equivalent of basic salary in the 10th year of employment onwards. The self-insurance fund for employees is held as a provision, also within 'Other long term liabilities' and is not externally funded. It is based on estimates by the Governing Body, and as from 2001, by reference to external actuarial valuations.

The employee self-insurance fund is used only for the staff who are working outside Bangladesh and any special cases, which is not covered by the employee group insurance.

The extent of future liabilities requiring current provisions, and the rate of provisions required in the immediate following financial periods have been determined based on actuarial valuation carried out in 2019.

2. Summary of Significant Accounting Policies (contd.):

2.22 Employee gratuity and redundancy fund

BRAC makes provisions for an Employee Gratuity and Redundancy fund, on the basis of two months' basic salary for each completed year's service for each permanent employee (based on basic salary of the last month). The fund is held as a provision within 'Other long term liabilities', as depicted in Note 18, and is not externally funded. Gratuity is to be disbursed upon retirement of employees whilst redundancy disbursements are to be made as a one-time termination benefit in the event of cessation of service from BRAC on grounds of redundancy.

The extent of future liabilities requiring current provisions, and the rate of provisions required in the immediate following financial periods have been determined based on actuarial valuation carried out in 2019.

2.23 Employee provident fund

BRAC makes contribution to a recognised contributory provident fund for its eligible employees which is operated by a Board of Trustees. The contribution by BRAC is 10% of the basic salary of each confirmed employees and this is equivalent to the contribution by each eligible employee. Contributions to this fund are recognised as an expenses in the period in which the employee services are performed.

2.24 Employee group insurance

BRAC is maintaining a group insurance policy with Guardian Life Insurance Ltd. for covering the risk of life of the employee and family health , on a monthly fixed premium basis. This policy is to cover liabilities arising out of death and other permanent injuries suffered by the employees. The terms of employment provide for payment in the event of death or permanent injury, of amounts ranging from 50 months for natural death, permanent injuries and 100 months for accidental death equivalent of last month basic salary . In case of health coverage, it covers inpatient and outpatient medical facilities in all over the Bangladesh as well as in abroad.

2.25 Foreign currencies

Foreign currency transactions are converted into equivalent Taka at the ruling exchange rates on the respective dates of such transactions.

The resulting exchange translation gains and losses are recognised in the statement of income and expenditure.

The principal exchange rates used for each respective unit of foreign currency ruling at the balance sheet date are as follows:

| | 2019 Taka | 2018 Taka |
|-----------------------------|--------------|--------------|
| United States Dollars (USD) | 83.95 | 82.75 |
| Euro | 94.03 | 95.33 |
| Great Britain Pound (GBP) | 110.28 | 108.94 |
| Australian Dollars (AUD) | 58.54 | 59.93 |

BRAC's foreign currency denominated assets and liabilities are disclosed in Note 28.

2.26 Taxation

Income tax liabilities for the current period are measured at the amount expected to be paid to the taxation authorities in accordance with the Income Tax Ordinance, 1984 (Amended) for activities by which BRAC generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of Significant Accounting Policies (contd.):

2.27 Borrowing costs

Borrowing costs are interest and other costs that BRAC incurs in connection with the borrowing of fund.

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset, in which case these costs are capitalised as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

2.28 Impairment of assets

At each balance sheet date, BRAC reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use.

An impairment loss is recognised as an expense in the statement of income and expenditure immediately. Reversal of impairment losses recognised in prior years is recorded in the statement of income and expenditure when the impairment losses recognised for the asset no longer exists or have decreased.

2.29 Financial instruments

Financial instruments are recognised in the balance sheet when BRAC has become a party to the contractual provisions of the instrument.

a) Investments in related undertakings

Investments in related undertakings are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.16.

b) Investments in securities and others

Investments in securities and others are stated at cost, subsequently adjusted for fair value or at amortized cost. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.17.

c) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified and an estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

d) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

e) Interest-bearing borrowings

Interest-bearing bank loans, overdrafts and securitised financing are recorded at the amount of proceeds received, net of transactions costs. For borrowings made specifically for the purpose of acquiring a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investments of funds drawn down from that borrowing facility.

All borrowing costs are recognized as an expense in the statement of income and expenditure in the period in which they are incurred. The carrying values of these financial instruments approximate their fair values due to their short term maturities.

2. Summary of Significant Accounting Policies (contd.):

2.30 Cash and cash equivalents

Cash and cash equivalents for the purposes of the statement of cash flows comprises cash and bank balances and unpledged fixed deposits, against bank overdrafts, if any, are deducted. Included in cash and bank balances are donations which are received through donor grants. By virtue of donor agreements, the manner in which such donations are to be applied may be restricted to specific projects and/or assets.

2.31 Contingent liabilities

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 BRAC; or 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 .
- * the amount of the obligation cannot be measured with sufficient reliability

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote .

Contingent assets are not recognized in the financial statements as this may results in the recognition of income which may never be realized.

2.32 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the organization's position at the balance sheet date are reflected in the financial statements.

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus, have adversely affected economic activity. We have taken a number of measures to monitor and prevent the effects of the COVID-19 virus such as safety and health measures for our people (like social distancing and working from home) and securing the supply of materials that are essential for the safety of our staff. At this stage, the impact on our business and results is limited. We will continue to follow the various national institution policies & guidance and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

Since the end of reporting period there has been no material changes affecting the financial position of BRAC.

2.33 Segmental reporting

BRAC is organised into operating segments based on projects and programmes which are independently managed by the respective program managers responsible for the performance within the operating segments.

The programme managers report directly to the management of BRAC who regularly review the segment results in order to assess segment performance. Additional disclosures on each of these segments are shown in notes 31 and 32 respectively. BRAC provides segment information voluntarily.

2.34 Comparatives and reclassification

Comparative information have been disclosed in respect of the year 2018 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

2.35 Prior Period Adjustments

BRAC had a dispute with tax authorities for the tax payable of different years between 1991-92 to 2009-10. Following a Supreme Court directive, pending outcome of Review Petition, BRAC paid a tax amount of BDT 438,66,23,917 during 2015-16 for some of the disputed years, which was recorded as advance income tax in the books of accounts instead of charging to Income Statement.

Based on outcome of Review Petition in 2019, BRAC recognized the entire amount of BDT 438,66,23,917 as an adjustment to Net Assets in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Comparatives have been restated accordingly.

| | | 2019 | 2018 |
|--|---|-------------------------------|-------------------------|
| | | Taka | Taka |
| 3. Cash and bank balances | | | |
| | Cash in hand and at banks (Note 3.1) | 5,440,041,114 | 5,453,549,106 |
| | Deposits (Note 3.2) | 20,052,512,234 | 16,108,232,210 |
| | | <u>25,492,553,348</u> | <u>21,561,781,316</u> |
| 3.1 | Cash in hand and at banks | | |
| | Cash in hand | 904,837,175 | 707,145,663 |
| | Cash at banks | 4,535,203,939 | 4,746,403,443 |
| | | <u>5,440,041,114</u> | <u>5,453,549,106</u> |
| 3.2 | Deposits | | |
| * | Fixed deposits pledged with financial institutions | 444,374,373 | 443,672,360 |
| | Fixed deposits unpledged | 16,182,269,617 | 12,457,129,069 |
| | Short term deposit unpledged | 3,425,868,244 | 3,207,430,781 |
| | | <u>20,052,512,234</u> | <u>16,108,232,210</u> |
| * | The total amount is held as security against term loan of BKB and Overdraft of Pubali Bank Ltd. Included in the above balance are amounts placed with related undertakings as follows: | | |
| No. | Name of related party | Nature of balances | |
| 1. | BRAC Bank Ltd. | Fixed deposits pledged | 444,374,373 |
| | | Fixed deposits unpledged | 16,182,269,617 |
| | | Short term deposits unpledged | 3,425,868,244 |
| | | 68 Bank Accounts (2018: 68) | 2,524,961,759 |
| | | | 443,448,893 |
| | | | 1,553,704,032 |
| | | | 3,207,430,781 |
| | | | 679,224,787 |
| 3.3 | Deposits analysed by programme: | | |
| | Microfinance Programme | 17,850,909,997 | 14,073,281,392 |
| | Other Programmes | 2,201,602,237 | 2,034,950,818 |
| | | <u>20,052,512,234</u> | <u>16,108,232,210</u> |
| 3.4 | Cash and cash equivalents | | |
| | For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at December 31: | | |
| | Cash in hand and at banks | 5,440,041,114 | 5,453,549,106 |
| | Fixed deposits unpledged | 16,182,269,617 | 12,457,129,069 |
| | Short term deposits unpledged | 3,425,868,244 | 3,207,430,781 |
| | Bank overdrafts (Note 13) | (27,893,463,383) | (36,115,730,851) |
| | | <u>(2,845,284,408)</u> | <u>(14,997,621,895)</u> |
| 4. Advances, deposits and prepayments | | | |
| | Advances: | | |
| | Employees | 5,245,761,770 | 4,682,181,521 |
| | Suppliers | 996,271,467 | 601,470,862 |
| | Advance for tax | 2,260,608,299 | 6,505,113,157 |
| | | <u>8,502,641,536</u> | <u>11,788,765,540</u> |
| | Deposits: | | |
| | Deposits for facilities and utilities | 25,255,593 | 20,568,604 |
| | Prepayments | 2,192,896,372 | 1,585,743,760 |
| | | <u>10,720,793,501</u> | <u>13,395,077,904</u> |
| 5. Inventories | | | |
| | Seeds and feed | 504,387,181 | 491,032,674 |
| | Medical supplies and consumables | 103,887,849 | 97,019,751 |
| | Printing and stationery | 127,469,534 | 67,500,506 |
| | Handicraft goods | 4,867,438,271 | 4,407,548,602 |
| | Dairy products | 273,007,615 | 274,865,128 |
| | Programme materials | 222,909,227 | 229,789,082 |
| | | <u>6,099,099,677</u> | <u>5,567,755,743</u> |

The COVID-19 pandemic has caused significant drop in sales of Aarong products in 2020, especially during the festive seasons, i.e. celebration of National Independence Day and Bangla New Year. However, most of the inventories which remained unsold by 31 December 2019, was sold subsequently by the first two months of 2020, so no adjustment is required to be made to the balance of inventories as at 31 December 2019.

6. Grants and accounts receivable

Grants receivable
Interest receivable on fixed deposits and bank accounts
Other accounts receivable

| 2019 Taka | 2018 Taka |
|----------------------|----------------------|
| 1,124,558,318 | 1,312,687,879 |
| 1,197,628,160 | 1,012,248,249 |
| 1,012,559,313 | 1,535,744,009 |
| 3,334,745,791 | 3,860,680,136 |

BRAC management have assessed the donors' ability to meet their commitment to provide the grants to BRAC considering the impact of COVID-19 pandemic. As per its continued assessment, the management did not find any significant uncertainty in donors' ability to meet their commitment for grants.

7. Microfinance loans

| | Principal outstanding Taka | Service charge receivable Taka | Loan loss provision Taka | Total Taka |
|---------------------|-------------------------------|--------------------------------------|-----------------------------|------------------------|
| At 1 January 2019 | 207,977,681,055 | 2,372,929,967 | (7,855,651,658) | 202,494,959,364 |
| Additions | 431,715,805,600 | 54,922,134,692 | (4,317,719,641) | 482,320,220,651 |
| Realisation | (387,755,770,603) | (53,071,458,856) | - | (440,827,229,459) |
| Write-off | (1,809,730,991) | (384,855,613) | 2,194,586,604 | - |
| At 31 December 2019 | 250,127,985,061 | 3,838,750,190 | (9,978,784,695) | 243,987,950,556 |

Loans to members bear annual service charges 19% to 25% (2018: 19% to 25%) on a declining balance method. Repayments are made in weekly/monthly instalments.

The loan principal outstanding and loan loss provision are analysed as follows:

| Loan Classification | Days in Arrears | Principal Outstanding 2019 Taka | Loan loss Provision 2019 Taka | Loan Principal 2018 Taka | Loan loss Provision 2018 Taka |
|------------------------|----------------------|--|--|-----------------------------------|--|
| Standard | Current (no arrears) | 238,582,893,303 | 2,385,828,933 | 199,142,107,830 | 1,991,421,078 |
| Watchlist | 1 - 30 | 1,104,228,114 | 55,211,406 | 1,412,323,197 | 70,616,160 |
| Substandard | 31 - 180 | 3,782,993,516 | 945,748,380 | 2,028,860,187 | 507,215,047 |
| Doubtful | 181 - 350 | 263,496,610 | 197,622,458 | 431,961,870 | 323,971,403 |
| Loss | Over 350 | 6,394,373,519 | 6,394,373,519 | 4,962,427,971 | 4,962,427,971 |
| | | 250,127,985,062 | 9,978,784,695 | 207,977,681,055 | 7,855,651,658 |

The COVID-19 pandemic has continued to put significant impact on the economic activities of the borrowers under microfinance schemes. As a result, BRAC might experience irregular payment of installments as well as bad debt in 2020. As no guidance from the regulatory authorities regarding changes in requirement for provision for loan loss in light of the COVID-19 pandemic is received, the loan loss provision is calculated as per the existing guidelines from Microcredit Regulatory Authority.

8. Motor cycle loans

At 1 January 2019
Additions during the year
Loan realisation during the year
At 31 December 2019

| 2019 Taka | 2018 Taka |
|-------------------|--------------------|
| 207,030,285 | 692,968,379 |
| 10,140,175 | 2,426,300 |
| (131,978,110) | (488,364,394) |
| 85,192,350 | 207,030,285 |

9. Investment in securities and others

DBH 1st Mutual Fund
AB Bank Subordinated Bond
MTB Subordinated Bond
Bangladesh Sanchay Patra (BSP)

| | |
|--------------------|----------------------|
| 47,400,000 | 47,400,000 |
| 400,000,000 | 600,000,000 |
| 150,000,000 | 200,000,000 |
| 150,000,000 | 210,000,000 |
| 747,400,000 | 1,057,400,000 |

Market value of DBH 1st Mutual Fund at 31 December 2019 was Tk. 8.40 per unit (2018: Tk. 7.90) and Tk. 8.00 per unit (2018 Tk. 9.00) on the Dhaka Stock Exchange(DSE) and Chittagong Stock Exchange (CSE) respectively. The maturity date of the Mutual Trust Bank Subordinated Bond will be on 19 October 2022 with effective interest rate ranging from 10.5% to 13.5% (2018: 10.50% to 13.50%) per annum. The Bangladesh Sanchay Patra (BSP) earned interest at 8.50% to 13.45% (2018: 11.28% to 13.19%) per annum respectively during the year.

10 Investments in related undertakings

| Related undertakings | 2019 | | | |
|--------------------------------------|----------------------------|---------------------------|----------------------|-----------------------|
| | Cost of Investment Taka | Share of Reserves Taka | Loans Taka | Total Taka |
| BRAC Bank Ltd. | 4,760,329,616 | 12,762,802,851 | | 17,523,132,467 |
| BRAC Industries Ltd. | 24,999,900 | 11,367,898 | | 36,367,798 |
| BRACNet Ltd. | 185,915,300 | (59,632,507) | | 126,282,793 |
| BRAC IT Services Ltd. | 36,134,000 | (36,134,000) | | - |
| BRAC Services Ltd. | 10,000,000 | (265,750,475) | 348,546,208 | 92,795,733 |
| Delta BRAC Housing Finance Corp. Ltd | 40,000,000 | 965,383,265 | | 1,005,383,265 |
| BRAC Karnafuli Tea Company Ltd | 243,908,025 | 31,117,433 | 1,246,419,078 | 1,521,444,536 |
| BRAC Kaiyachara Tea Company Ltd | 63,300,695 | 261,437,689 | 204,800,565 | 529,538,949 |
| BRAC Kodala Tea Company Ltd | 81,680,954 | (48,364,524) | 467,288,146 | 500,604,576 |
| Bangladesh Netting Factory | 17,071,429 | 33,690,552 | 44,124,575 | 94,886,556 |
| BRAC Environmental Enterprises Ltd. | 90,000,000 | (71,014,811) | 124,890,003 | 143,875,192 |
| IPDC Finance Ltd. | 1,112,443,508 | 392,665,090 | | 1,505,108,598 |
| Mayalogy Ltd. | 18,155,513 | (5,484,123) | | 12,671,390 |
| BRAC EPL Investment Ltd. | 1,300 | - | | 1,300 |
| BRAC Kumon Ltd. | 49,980,000 | (7,266,469) | 18,528,831 | 61,242,362 |
| Edotco Bangladesh Co. Ltd. | 7,228,750,000 | 813,582,403 | | 8,042,332,403 |
| BRAC OSIRIS Impact Ventures Ltd. | 100,000,000 | (511,296) | | 99,488,704 |
| Bhumijo Ltd. | 3,000,000 | (200,148) | | 2,799,852 |
| | <u>14,065,670,240</u> | <u>14,777,688,828</u> | <u>2,454,597,406</u> | <u>31,297,956,474</u> |

| Related undertakings | 2018 | | | |
|--------------------------------------|----------------------------|---------------------------|----------------------|-----------------------|
| | Cost of Investment Taka | Share of Reserves Taka | Loans Taka | Total Taka |
| BRAC Bank Ltd. | 4,760,329,616 | 10,733,881,920 | | 15,494,211,536 |
| BRAC Industries Ltd. | 24,999,900 | 9,434,226 | | 34,434,126 |
| BRACNet Ltd. | 185,915,300 | (60,231,042) | | 125,684,258 |
| BRAC IT Services Ltd. | 36,134,000 | (28,913,400) | 108,097,894 | 115,318,494 |
| BRAC Services Ltd. | 10,000,000 | (238,868,852) | 339,851,201 | 110,982,349 |
| Delta BRAC Housing Finance Corp. Ltd | 40,000,000 | 890,578,400 | | 930,578,400 |
| BRAC Karnafuli Tea Company Ltd | 243,908,025 | (81,608,142) | 1,164,047,996 | 1,326,347,879 |
| BRAC Kaiyachara Tea Company Ltd | 63,300,695 | 194,399,496 | 186,735,366 | 444,435,557 |
| BRAC Kodala Tea Company Ltd | 81,680,954 | (40,361,346) | 434,116,886 | 475,436,494 |
| Bangladesh Netting Factory | 17,071,429 | 33,602,774 | 28,727,737 | 79,401,940 |
| BRAC Asset Management Company Ltd | 13,000,000 | 3,418,703 | | 16,418,703 |
| BRAC Environmental Enterprises Ltd. | 90,000,000 | (71,014,811) | 124,870,528 | 143,855,717 |
| IPDC Finance Ltd. | 759,023,000 | 290,225,303 | | 1,049,248,303 |
| Mayalogy Ltd. | 20,000,000 | (4,879,477) | | 15,120,523 |
| BRAC EPL Investment Ltd. | 1,300 | - | | 1,300 |
| BRAC Kumon Ltd. | 49,980,000 | 1,290,817 | | 51,270,817 |
| Edotco Bangladesh Co. Ltd. | 7,228,750,000 | 69,254,908 | | 7,298,004,908 |
| | <u>13,624,094,219</u> | <u>11,700,209,477</u> | <u>2,386,447,608</u> | <u>27,710,751,304</u> |

| | 2019 Taka | 2018 Taka |
|--|----------------------|----------------------|
| Transfer to change in net assets | <u>3,080,897,854</u> | <u>3,021,193,890</u> |
| Share of non-operating changes in net assets in related undertakings | <u>2,293,495,976</u> | <u>2,291,168,096</u> |
| Investment in reserve fund (Statutory reserve) | <u>787,401,878</u> | <u>730,025,794</u> |

10 Investment in related undertakings (contd)

| Related undertakings (All Incorporated in Bangladesh) | 2019 | 2018 | Principal activities |
|--|--------|--------|--|
| BRAC Bank Ltd. | 44,28 | 44,28 | Banking business, listed on the Dhaka and Chittagong Stock Exchanges |
| BRAC Industries Ltd. | 99,99 | 99,99 | Cold storage |
| BRACNet Ltd. | 19,99 | 19,99 | Internet service provider |
| BRAC IT Services Ltd. | 51,00 | 51,00 | Software Development |
| BRAC Services Ltd. | 100,00 | 100,00 | Hospitality |
| Delta BRAC Housing Finance Corp.Ltd. | 18,39 | 18,39 | Housing finance, listed on the Dhaka and Chittagong Stock Exchanges |
| BRAC Karnafuli Tea Company Ltd. | 99,94 | 99,94 | Tea Plantation |
| BRAC Kaiyachara Tea Company Ltd. | 99,85 | 99,85 | Tea Plantation |
| BRAC Kodala Tea Company Ltd. | 99,12 | 99,12 | Tea Plantation |
| Bangladesh Netting Factory | 93,94 | 93,94 | Poultry Processing |
| BRAC Asset Management Company Ltd | - | 26,00 | Management of Assets and Portfolio Investment |
| BRAC Environmental Enterprises Ltd. | 90,00 | 90,00 | Waste management services |
| IPDC Finance Ltd. | 25,00 | 25,00 | Finance services |
| Mayalogy Ltd. | 15,70 | 20,35 | Women Empowerment through online in Bangladesh. |
| BRAC Kumon Ltd. | 99,96 | 99,96 | Establish and operate Educational Institutes. |
| Edotco Bangladesh Co. Ltd. | 26,00 | 26,00 | Telecommunications Service Provider. |
| BRAC OSIRIS Impact Ventures Ltd. | 99,99 | 0,00 | Invest in profitable and impact business ventures. |
| Bhumijo Ltd. | 30,00 | 0,00 | To ensure healthy and hygiene Public Toilets in Public places by designing, renovating, maintaining. |

- BRAC's investments in the related undertakings are represented by its share in the respective net tangible assets, goodwill and loans extended.
- Loans represent finance provided for working capital and earn 6%-12% (2018: 7% -8%) interest per annum. These loans have no fixed repayment terms.
- The market value of BRAC Bank Ltd shares at 31 December 2019 was Tk. 57.10 per share (2018: Tk. 71.70) and Tk. 56.70 per share (2018: Tk.72.00) on the Dhaka Stock Exchange(DSE) and Chittagong Stock Exchange (CSE) respectively.
- The market value of Delta BRAC Housing Finance Corporation Ltd. shares at 31 December 2019 was Tk. 114.30 per share (2018: Tk.128.10) and Tk. 112.20 per share (2018: Tk.132.00) on the DSE and CSE respectively.
- The market value of IPDC Finance Ltd. shares at 31 December 2019 was Tk. 25.60 per share (2018: Tk. 37.60) and Tk. 25.50 per share(2018: Tk. 37.60) on the DSE and CSE respectively.
- On 15 May 2019 BRAC acquired 10,000,000 ordinary shares of face value Taka 10, representing 99.99% of total shares in BRAC OSIRIS Impact Ventures Ltd. with cash consideration of Taka 100,000,000.
- On 19, February 2019 BRAC acquired 2,400 ordinary shares of face value Taka 100, representing 30% of total shares in Bhumijo Ltd. with cash consideration of Taka 3,000,000.

Significant transactions with related undertakings are as follows:

| Related undertakings | Nature of transaction | 2019 | 2018 |
|----------------------|---|-------------|------------|
| | | Taka | Taka |
| BRAC Bank Ltd | Interest on fixed deposits and bank balance | 164,537,704 | 25,596,471 |
| IPDC Finance Ltd. | Interest on fixed deposits | 104,725,907 | 40,003,250 |
| BRAC Services Ltd. | Service facilities | 8,695,007 | 58,864,329 |

The BRAC management has assessed the impact of COVID-19 pandemic on BRAC's investments in related undertakings by reviewing their financial statement disclosures and directors' report and holding discussion with the management of the companies. BRAC management have also observed performance of the related undertakings in the first quarter of 2020. No significant uncertainty was found on the recoverability of the investment in related undertakings.

11. Property, plant and equipment

| Group of fixed assets | Amount in Taka | | | | | | | | | | |
|------------------------------------|----------------------------|-----------------------------|-------------------------------|-----------------------------|----------------------------|----------------------------|---------------------------|--|----------------------------|-----------------------|-----------------------|
| | Cost | | | | | Depreciation | | | Written down value | Written down value | |
| | Opening balance 01-01-2019 | Additions during the period | Transferred during the period | Disposals during the period | Closing balance 31-12-2019 | Opening balance 01-01-2019 | Charged during the period | Adjustment/disposals during the period | Closing Balance 31-12-2019 | 31-12-2019 | 31-12-2018 |
| Freehold land | 10,127,230,980 | 211,674,376 | - | - | 10,338,905,356 | - | - | - | - | 10,338,905,356 | 10,127,230,980 |
| Buildings | 6,728,278,736 | - | 306,819,132 | - | 7,035,097,868 | 2,394,029,158 | 247,373,099 | - | 2,641,402,257 | 4,393,695,611 | 4,334,249,578 |
| Furniture & fixtures | 2,137,234,238 | 168,432,055 | - | (114,899,508) | 2,190,766,785 | 1,154,913,715 | 181,325,357 | (114,765,931) | 1,221,483,141 | 989,283,644 | 982,320,523 |
| Equipment | 2,706,170,761 | 82,884,569 | - | (36,405,085) | 2,752,650,245 | 1,583,406,698 | 223,912,623 | (36,060,783) | 1,771,258,538 | 981,391,707 | 1,122,764,063 |
| Computer | 1,105,262,747 | 203,306,632 | - | (53,159,426) | 1,255,409,953 | 771,161,789 | 174,536,235 | (53,111,638) | 892,586,386 | 362,823,567 | 334,100,958 |
| Vehicles | 1,311,039,704 | 226,847,636 | - | (37,799,069) | 1,500,088,271 | 932,337,541 | 137,549,837 | (35,271,477) | 1,034,615,901 | 465,472,370 | 378,702,163 |
| Bicycles | 14,767,993 | 149,205 | - | (2,111,621) | 12,805,577 | 9,244,463 | 2,202,894 | (2,111,621) | 9,335,736 | 3,469,841 | 5,523,530 |
| Machineries | 1,497,313,750 | 183,212,387 | - | (6,205,217) | 1,680,526,137 | 902,464,062 | 158,681,430 | (6,205,217) | 1,061,145,492 | 619,380,645 | 594,849,688 |
| Deep tube well and tanks | 40,576,530 | 1,747,113 | - | - | 36,118,426 | 36,845,157 | 2,502,122 | - | 33,142,062 | 2,976,364 | - |
| Hatcheries | 16,917,766 | 1,200,078 | - | - | 18,117,844 | 16,917,766 | 747,392 | - | 17,665,158 | 452,686 | - |
| Motor cycles | 2,907,361 | 16,383,985 | - | (214,498) | 19,076,848 | 2,906,630 | 3,009,548 | (214,498) | 5,701,680 | 13,375,168 | 731 |
| Construction Work in progress | 970,289,397 | 396,730,724 | (306,819,132) | - | 1,060,200,989 | - | - | - | - | 1,060,200,989 | 970,289,397 |
| Crates/Mannequins/Samples/Antiques | 626,241,337 | 110,785,219 | - | - | 737,026,556 | 461,502,995 | 100,297,133 | - | 561,800,128 | 175,226,428 | 164,738,342 |
| Total December 2019 | 27,284,231,300 | 1,603,353,979 | - | (250,794,424) | 28,636,790,855 | 8,265,729,974 | 1,232,137,670 | (247,731,165) | 9,250,136,479 | 19,386,654,376 | 19,018,501,326 |
| Total December 2018 | 24,705,111,969 | 2,749,049,687 | - | (169,930,366) | 27,284,231,300 | 7,354,600,178 | 1,078,706,853 | (167,577,057) | 8,265,729,974 | 19,018,501,326 | |

Allocation of depreciation:

| | 2019 Taka | 2018 Taka |
|--|----------------------|----------------------|
| i) included in cost of sales of income generating projects | 158,473,984 | 139,644,704 |
| ii) included in programme related expenses | 1,073,653,686 | 939,062,149 |
| | 1,232,137,670 | 1,078,706,853 |

Note 32
Note 32

An amount of Tk.174,024,665 (2018: 136,984,243) has been transferred to the statement of income and expenditure from Deferred income - investment in fixed assets to cover the depreciation charge for donor funded fixed assets as disclosed in Notes 17

12. Liabilities for expenses and materials

Liabilities for expenses
 Liabilities for goods
 Advances received for training, publications, supplies etc.

| 2019 | 2018 |
|-----------------------|-----------------------|
| Taka | Taka |
| 6,089,283,549 | 4,782,742,597 |
| 540,951,210 | 452,155,416 |
| 7,267,333,395 | 5,973,285,471 |
| <u>13,897,568,154</u> | <u>11,208,183,484</u> |

13. Bank overdraft

Agrani Bank Ltd.
 Bank Alfalah Ltd.
 Bank Asia Ltd.
 BRAC Bank Ltd.
 Dhaka Bank Ltd.
 Dutch Bangla Bank Ltd.
 Eastern Bank Ltd.
 Habib Bank Ltd.
 HSBC
 IFIC Bank Ltd.
 Jamuna Bank Ltd.
 Janata Bank Ltd.
 Mutual Trust Bank Ltd.
 Prime Bank Ltd.
 * Pubali Bank Ltd.
 Rupali Bank Ltd.
 Sonali Bank Ltd.
 Southeast Bank Ltd.
 Standard Bank Ltd.
 The City Bank Ltd.
 The Trust Bank Ltd.
 United Commercial Bank Ltd.
 Uttara Bank Ltd.

| | |
|-----------------------|-----------------------|
| 2,986,117,252 | 3,210,017,472 |
| 194,749,502 | 195,784,919 |
| 711,795,221 | 2,889,102,543 |
| 566,890,970 | 563,038,090 |
| 1,573 | 69,560 |
| 90,732,850 | 161,700,138 |
| 48,712,821 | 45,982,679 |
| 200,167,698 | 193,388,849 |
| 6,254,200 | 3,843,081 |
| 52,857,594 | 63,401,465 |
| 1,562,443,603 | 2,725,053,727 |
| 1,562,302,069 | 2,005,562,030 |
| 1,052,178,763 | 1,705,314,869 |
| 1,834,950,649 | 2,216,950,125 |
| 7,345,918,145 | 7,362,553,172 |
| 292,202,501 | 435,420,889 |
| 6,201,485,666 | 6,320,669,937 |
| 98,960 | 15,180,260 |
| 44,271 | 626,071,647 |
| 416 | 293,417,105 |
| 361,261,156 | 2,157,690,863 |
| 33,802 | 4,255,573 |
| 2,822,263,701 | 2,921,261,858 |
| <u>27,893,463,383</u> | <u>36,115,730,851</u> |

* The bank overdraft of Pubali Bank is secured by fixed deposits amounting to Tk. 444,127,868 (2018: Tk. 443,448,893) .

The bank overdrafts were obtained for BRAC's micro-finance programme and to finance working capital requirements. The bank overdrafts bear interest at 11.28% (2018: 6.50% to 12.00%) per annum, and are repayable within 12 months.

14. Term loans

| | 2019 Taka | 2018 Taka |
|---|-----------------------|-----------------------|
| AB Bank Ltd. | 249,998,781 | - |
| Bangladesh Bank | - | 2,741,174,000 |
| Bank Alfalah Ltd | 200,000,852 | 200,000,000 |
| BASIC Bank Ltd. | 354,340,050 | 896,595,118 |
| BRAC Bank Ltd. | 3,800,000,000 | 3,000,000,000 |
| Citibank N.A. | 1,000,000,000 | 1,000,000,000 |
| Commercial Bank of Ceylon PLC. | 1,450,000,000 | 1,450,000,000 |
| Dhaka Bank Ltd. | 1,000,000,000 | - |
| Dutch Bangla Bank Ltd. | 2,825,889,060 | 1,371,008,133 |
| Eastern Bank Ltd. | 3,108,048,834 | 2,801,411,524 |
| Habib Bank Ltd. | 200,000,000 | 200,000,000 |
| HSBC | 2,175,000,000 | 1,250,000,000 |
| IDLC Finance Ltd. | 500,000,000 | - |
| IFIC Bank Ltd. | 3,439,984,916 | 3,439,956,004 |
| Jamuna Bank Ltd. | 809,978,877 | 149,999,707 |
| Meghna Bank Ltd. | 750,000,000 | - |
| Mercantile Bank Ltd. | 1,000,000,000 | 1,000,000,000 |
| Modhumoti Bank Ltd. | 199,999,568 | - |
| Mutual Trust Bank Ltd. | 442,985,169 | - |
| NCC Bank Ltd. | 2,986,867,877 | - |
| Prime Bank Ltd | 2,000,000,000 | 2,000,000,000 |
| * Rajshahi Krishi Unnyon Bank (RAKUB) | - | 180,000,000 |
| Rupali Bank Ltd. | 3,000,000,000 | 3,000,000,000 |
| SABINCO | 179,832,419 | 345,175,997 |
| Shahjalal Islami Bank Ltd. | 3,800,000,000 | 2,000,000,000 |
| Southeast Bank Ltd. | 200,000,000 | - |
| Standard Chartered Bank (SCB) | 7,106,000,000 | 7,106,000,000 |
| State Bank of India | 1,100,000,000 | 1,100,000,000 |
| The City Bank Ltd. | - | 2,199,892,767 |
| UAE Bangladesh Investment Company Ltd. | 200,000,000 | - |
| United Commercial Bank Ltd. | - | 499,759,097 |
| Woori Bank | 453,500,001 | 205,833,332 |
| | <u>44,532,426,404</u> | <u>38,136,805,679</u> |
| Term Loans are analysed as follows: | | |
| Amount repayable within 12 months | 43,551,180,602 | 36,569,370,347 |
| Amount repayable after 12 months: | | |
| Repayable after 12 months but less than 24 months | 859,260,519 | 983,878,239 |
| Repayable after 24 months but less than 36 months | 121,985,283 | 484,905,139 |
| Repayable after 36 months but less than 48 months | - | 98,651,954 |
| | <u>981,245,802</u> | <u>1,567,435,332</u> |
| | <u>44,532,426,404</u> | <u>38,136,805,679</u> |

All repayment obligations in respect of the term loans were met and no amounts were in arrears as at 31 December 2019. The term loan were obtained to support various micro finance and development projects undertaken by BRAC and for working capital purposes. The loans are repayable at various intervals, i.e., monthly, quarterly, half-yearly, biannually and annually and bear 6.50% to 12.50% (2018: 5% to 11.5%) interest rates.

15. Members' savings deposits

| | 2019 Taka | 2018 Taka |
|-----------------------------|-----------------------|-----------------------|
| At 1 January 2019 | 69,587,804,893 | 59,880,530,227 |
| Deposits during the year | 64,565,418,593 | 41,538,256,343 |
| Withdrawals during the year | (37,147,191,492) | (31,830,981,677) |
| At 31 December 2019 | <u>97,006,031,994</u> | <u>69,587,804,893</u> |
| Compulsory savings | 66,614,074,713 | 57,790,444,897 |
| Voluntary savings | 11,865,020,726 | 9,377,019,804 |
| Term deposits | 18,526,936,555 | 2,420,340,192 |
| At 31 December 2019 | <u>97,006,031,994</u> | <u>69,587,804,893</u> |

15. Members' savings deposits (contd.)

The rate of interest paid in respect of savings deposits by members was 6%-10% (2018: 6%-10%) per annum.

BRAC has three types of savings deposits initiatives, namely (a) Compulsory savings (b) Voluntary savings and (c) Term deposits, with a view to facilitating and encouraging savings by members in rural areas.

(a) **Compulsory savings**

(i) Each member deposits a minimum amount of Tk.10 in a weekly meeting. The amount to be deposited weekly is fixed by the member at the inaugural meeting of the year. The interest rate is 6% per annum.

(ii) A member can withdraw the entire amount of savings after the loan outstanding balance including service charges thereon has been fully repaid.

(iii) BRAC is allowed to offset the amount of loan balance with the equivalent savings balance of the loanee in the event of default.

(b) **Voluntary savings**

(i) Each member can save for periods ranging from 3 years to 10 years on a monthly basis. The voluntary savings range from Tk. 100 to Tk. 1,000. The interest rate ranges from 7% for a 3 years period to 10% for a 10 year period.

(ii) Any member can withdraw his/her savings by giving a seven (7) days written notice.

(c) **Term deposits:**

Each member can save for a period 1 to 7 years for a fixed time period. The amount of deposit can range from Tk. 10,000 to 100,000.

16. Grants received in advance account

| | Notes | 2019 Taka | 2018 Taka |
|---|-------|-----------------------------|-----------------------------|
| At 1 January 2019 | | 3,011,803,509 | 3,149,635,367 |
| Grants receivables | | (1,312,687,879) | (940,453,649) |
| | | <u>1,699,115,630</u> | |
| Donations received during the period | 30 | 13,177,794,995 | 12,640,242,326 |
| Transferred to deferred income: | | | |
| - Investment in fixed assets | 17 | (168,997,156) | (136,228,543) |
| - Motorcycle replacement fund | 17 | (5,027,509) | (755,700) |
| Transfer to Statement of Income and Expenditure for expenditure during the period | 19 | (13,618,721,131) | (12,962,880,661) |
| | | <u>1,084,164,829</u> | <u>1,749,559,140</u> |
| Refund | | (17,982,195) | (50,443,510) |
| Donor fund advance of closed projects transferred to capital fund | | (78,720,314) | - |
| Grants receivables | | <u>1,124,558,318</u> | <u>1,312,687,879</u> |
| At 31 December 2019 | | <u><u>2,112,020,638</u></u> | <u><u>3,011,803,509</u></u> |

17. Deferred grant income

| | Notes | Investment in Fixed Assets Taka | Motorcycle Replacement Fund Taka | Total Taka |
|---|-------|---------------------------------------|--|--------------------|
| At 1 January 2019 | | 739,556,677 | 10,926,516 | 750,483,192 |
| Transferred from Grants received in advance | 16 | 168,997,156 | 5,027,509 | 174,024,665 |
| Amortisation to Statement of Income and Expenditure | 19 | (225,669,257) | (4,811,402) | (230,480,658) |
| At 31 December 2019 | | <u>682,884,576</u> | <u>11,142,623</u> | <u>694,027,199</u> |

| 18. Other long term liabilities | 2019 Taka | 2018 Taka |
|---------------------------------------|----------------|----------------|
| Employee gratuity and redundancy fund | 13,858,942,527 | 12,377,120,719 |
| Self-insurance fund | | |
| - Employees | 490,359,180 | 478,613,714 |
| - BRAC properties and motorcycles | 956,047,478 | 878,219,091 |
| | 1,446,406,658 | 1,356,832,805 |
| Other funds | | |
| - Special fund for scholarship | 6,495,313 | 6,268,162 |
| - Relief and rehabilitation fund | 1,717,747,395 | 717,995,238 |
| - Staff welfare fund | 41,115,725 | 40,479,902 |
| | 1,765,358,433 | 764,743,302 |
| | 17,070,707,618 | 14,498,696,826 |

It is BRAC's policy to carry out actuarial reviews at least every three years to assess the adequacy of the provisions in respect of the fund.

The Special fund for scholarship represents the Catherine H. Lovel memorial fund which will subsequently be utilized for a scholarship programme for poor girls. It is represented by specific fixed deposits, from which interest is added to the fund.

The Relief and Rehabilitation fund for disaster and climate change represents recoveries from prior disbursements of grants for rehabilitation, as well as additional amounts accreted by BRAC as deemed appropriate and is held as a liability. This fund is utilized to meet outgoing during natural disasters and climate change and is substantially represented by separate bank balances from which interest is added to the fund.

The staff welfare fund represents deductions from the staff salary which are utilised to defray medical expenses incurred by staff and, under certain instances, their families. The fund is managed by a staff committee who decide upon the quantum to be disbursed as well as the eligibility of staff family members for benefits.

| 19. Donor grants | Notes | 2019 Taka | 2018 Taka |
|--|-------|----------------|----------------|
| Donor grants recognised in the Statement of Income and Expenditure: | | | |
| Transferred from grants received in advance | 16 | 13,618,721,131 | 12,962,880,661 |
| Transferred from deferred income: | | | |
| amortisation of investment in fixed assets | | | |
| - unrestricted | | 112,251,143 | 4,194,509 |
| - temporarily restricted | 17 | 113,418,114 | 71,728,141 |
| | | 225,669,257 | 75,922,650 |
| amortisation of motorcycle replacement fund | | | |
| - unrestricted | | 408,274 | 308,026 |
| - temporarily restricted | 17 | 4,403,128 | 2,299,665 |
| | | 4,811,402 | 2,607,691 |
| Total donor grants | | 13,849,201,790 | 13,041,411,002 |
| Interest on bank accounts and fixed deposits in respect of donor funds | | 6,230,113 | 11,144,409 |
| | | 13,855,431,903 | 13,052,555,411 |

| 20. Social Enterprises | | | |
|--|--|----------------|----------------|
| Revenue from Sales (Note-20.1) | | 16,717,272,105 | 15,953,591,192 |
| Other income (Note-20.2) | | 10,116,844 | 9,839,809 |
| | | 16,727,388,949 | 15,963,431,001 |
| 20.1 <u>Revenue from Sales</u> | | | |
| Aarong Rural Craft Centre | | 9,835,855,885 | 9,037,410,660 |
| BRAC Dairy and Food Project | | 3,996,690,451 | 3,969,933,580 |
| Agro-based program support enterprises | | 2,422,504,328 | 2,479,072,712 |
| BRAC Printing Pack | | 387,483,770 | 373,892,188 |
| Non-agro-based program support enterprises | | 74,737,671 | 93,282,052 |
| | | 16,717,272,105 | 15,953,591,192 |
| 20.2 <u>Other Income</u> | | | |
| Partial reimbursement on cost of donor funded programme supplies | | 10,116,844 | 9,839,809 |
| | | 10,116,844 | 9,839,809 |

| | 2019 Taka | 2018 Taka |
|---|-----------------------|-----------------------|
| 21. Microfinance Programme | | |
| (Loss)/gain on disposal of property, plant and equipment | - | 333,799 |
| Service charge on microfinance loans | 55,447,988,656 | 45,010,650,247 |
| Bank interest against member savings deposits (Note 25) | 1,418,233,348 | 959,197,028 |
| | <u>56,866,222,004</u> | <u>45,969,847,275</u> |
| 22. Self-financing Social Development Projects | | |
| Interest on bank accounts and fixed deposits (Note 25) | 140,981,050 | 157,295,688 |
| Other income (22.1) | 970,144,470 | 1,081,333,338 |
| | <u>1,111,125,520</u> | <u>1,238,629,026</u> |
| 22.1 <u>Other income</u> | | |
| Training income | 546,364,470 | 563,728,634 |
| Partial reimbursements on cost of programme supplies | 319,910,598 | 484,850,601 |
| Sale of wastage materials | 66,092,798 | 28,442,145 |
| (Loss)/gain on disposal of property, plant and equipment | 27,647,286 | (1,263,188) |
| Foreign exchange (loss)/gain - unrealised | 10,129,318 | 5,575,146 |
| | <u>970,144,470</u> | <u>1,081,333,338</u> |
| 23. Investment income | | |
| In respect of investments in related undertakings: | | |
| - Cash dividend income | 94,194,688 | 67,219,833 |
| In respect of investments in securities and others: | | |
| - Interest on Subordinated bond | 78,899,623 | 106,383,890 |
| - Interest on BSP | 21,348,193 | 28,144,289 |
| - Income on EPL Investment | - | 10,727,448 |
| - Profit on dilution of shares | 1,441,133 | - |
| - Realised profit on DBH 1st Mutual Fund | 4,800,000 | 5,400,000 |
| | <u>200,683,637</u> | <u>217,875,460</u> |
| 24. Community contribution | | |
| Education Programme | 391,635,413 | 957,790,793 |
| Health Nutrition and Population Programme | 523,623,987 | 504,907,531 |
| Community Empowerment Programme | 26,878,478 | 9,258,776 |
| Skill Development Programme | 39,601,769 | 19,281,326 |
| BRAC WASH in hard to reach and urban areas | 17,322,420 | 19,615,634 |
| Human rights and legal aids services | 335,820 | 382,425 |
| Integrated Development Programme | 769,475 | 1,169,843 |
| | <u>1,000,167,362</u> | <u>1,512,406,328</u> |
| Community contribution represent feed charged by BRAC to participate of programmes or activities. | | |
| 25. Interest on fixed deposits and bank accounts | | |
| Microfinance Program against member savings deposits | 1,418,233,348 | 959,197,028 |
| Self-financing social development programmes | 140,981,050 | 157,295,688 |
| Donor based development Projects | 6,230,113 | 11,144,409 |
| | <u>1,565,444,511</u> | <u>1,127,637,125</u> |
| 26. BRAC contribution to support Donor Funded Programmes | | |

BRAC contributed funds to meet the funding requirement per agreement and shortfall in donor funded programmes expenditure during the year in order to ensure the continued implementation and execution of such programmes. The corresponding figure of 2018 was BDT 1,350,498,021.

27. Taxation

Income tax provision for the year

| 2019 Taka | 2018 Taka |
|--------------|---------------|
| 729,000,000 | 1,753,000,000 |

Under the Income Tax Ordinance, 1984 (Amended), in addition to its commercial activities, BRAC is also subject to taxation on income derived from other non-commercial activities unless they are tax exempted. Income from microfinance and social development activities are tax-exempted.

The tax charge is in respect of taxable income arising from BRAC's taxable activities in 2019, and is subject to agreement with the tax authorities.

28. Foreign currency denominated monetary assets and liabilities

Resident Foreign Currency Deposits (in US\$)
Resident Foreign Currency Deposits (Euro)
Resident Foreign Currency Deposits (in GBP)
Cash at bank (in US\$)
Cash at bank (in Euro)
Cash at bank (in GBP)
Cash at bank (in AUD)

| 2019 Taka | 2018 Taka |
|--------------|--------------|
| 784,069,911 | 712,410,673 |
| 17,873,869 | 18,035,925 |
| 17,853,061 | 17,012,029 |
| 22,457,540 | 60,153,308 |
| 3,005,562 | 2,383,693 |
| 1,381,021 | 1,044,363 |
| - | - |

29. Financial instruments**a) Financial Risk Management Objectives and Policies**

BRAC's financial risk management policy seeks to identify, appraise and monitor the risks facing BRAC whilst taking specific measures to manage its interest rate, foreign exchange, liquidity and credit risks. BRAC does not, however, engage in speculative transactions or take speculative positions, and where affected by adverse movements, BRAC has sought the assistance of donors.

b) Interest Rate Risk

Interest rate risk is the risk that arises due to changes in market interest rates. BRAC is not exposed to fluctuations in market interest rates as it has no floating interest rate bearing financial liability as at the reporting date. BRAC has not entered into any agreement involving derivative instrument at the reporting date.

c) Foreign Exchange Risk

BRAC's foreign exchange risks comprise transaction risk which arise from donor grants received in currencies other than the local currency and minimal foreign currency deposits and cash at bank placed with licensed financial institutions. BRAC is exposed to foreign currency fluctuations, mainly in respect of donor grants denominated in United States Dollars, Great Britain Pound and the Euro.

Foreign exchange exposures in transactional currencies other than the local currency are monitored via periodic project cash flow and budget forecasts and are kept to an acceptable level.

d) Liquidity Risk

BRAC manages its debt maturity profile, operating cash flows and the availability of funding so as to meet all refinancing, repayment and funding needs. As part of its overall liquidity management, BRAC maintains sufficient levels of cash or fixed deposits to meet its working capital requirements. In addition, BRAC maintains banking facilities of a reasonable level.

e) Credit Risk

The credit policy of BRAC requires all credit exposures to be measured, monitored and managed proactively. Exposure to credit risk is monitored on an ongoing basis by the commercial ventures' respective management teams. BRAC does not have any significant exposure to any individual customer or counterparty.

30. Schedule of donation received

| Name of the projects | Donor | 2019 Taka | 2018 Taka |
|--|----------------------------------|---------------|---------------|
| Strategic Partnership Arrangement (SPA) | DFID | 3,588,750,000 | 4,396,000,000 |
| | DFAT | 1,257,200,000 | 1,338,525,000 |
| | Sub Total | 4,845,950,000 | 5,734,525,000 |
| Vision Bangladesh Project | Orbis International | 5,274,241 | 4,589,000 |
| | Vision Spring | 2,831,414 | - |
| | BRAC-USA | 588,759 | 2,945,839 |
| | | 8,694,414 | 7,534,839 |
| Refugee Programme | Phillips Lighting Foundation | - | 1,265,658 |
| | DFAT | - | 183,900,000 |
| | BRAC-USA | - | 43,740,063 |
| | BRAC-UK | - | 36,928,817 |
| | Alliance for Multicultural | - | 784,460 |
| | WFP | 856,081 | 6,670,227 |
| | Singapore American School | - | 224,223 |
| | Local Donor's | 21,709 | 2,820,056 |
| | | 877,790 | 276,333,504 |
| | | | |
| Cash based intervention for Rohingya refugees and host community in Cox's Bazar | DFID | 54,583,870 | - |
| | UNOPS | 54,065,927 | - |
| | | 108,649,797 | - |
| Humanitarian Leadership Academy | HLA | 7,051,955 | 18,395,733 |
| | Save the Children | 2,545,472 | - |
| | | 9,597,427 | 18,395,733 |
| Right Here Right Now (RHRN) | Bandhu Social Welfare Foundation | 4,219,660 | - |
| | UNHCR | 2,524 | - |
| | | 4,222,184 | - |
| CFPR Phase -IV Char Development and Settlement Program Integration WASH TB Care and Prevention in Bangladesh Phased Elimination of Malaria from Bangladesh-GFATM | Whole Planet Foundation | 22,636,136 | - |
| | Euroconsult Mott Mac Donald | | 479,911 |
| | EKN | 25,861,751 | 157,549,234 |
| | The Global Fund | 1,958,352,840 | 1,251,241,593 |
| | The Global Fund | 372,913,059 | 251,813,561 |
| | | | |

| Name of the projects | Donor | 2019 Taka | 2018 Taka |
|--|---|------------|-------------|
| Bangladesh MYCN-Home Fortification Program | The Global Alliance for Improved Nutrition (GAIN) | 414,494 | 73,529,666 |
| Building Young Women's Leadership through Sports | Women Win | 19,010,625 | - |
| Reading Glasses for Improved Livelihood | Vision Spring | 37,362,498 | 47,989,696 |
| BRAC School Meal Piloting | WFP | 14,151,705 | 13,706,168 |
| BRAC Innovation fund for Digital Financial Services | Bill and Melinda Gates Foundation | - | 58,952,588 |
| Graduation as Resilience | BRAC-UJK | 3,643,152 | - |
| Neuro Developmental Disability (NDD) Project | Apasen International | 1,296,463 | 727,607 |
| National Early Childhood Development Support Program (NECDSP) | Shishu Academy | 12,054,172 | 22,690,127 |
| School Feeding Program at Gaibandha | WFP | - | 5,188,928 |
| Building capacity to address issues of SRHR, Gender and Emotional wellbeing in technical,vocational,higher and general education | MDF-Training & Consultancy (NUFFIC) | 8,060,421 | - |
| Capacity Building to promote day-care services and women's employability in the RMG Sector" | MDF-Training & Consultancy (NUFFIC) | 22,191,716 | - |
| Delivering maternal health care through mobile biometrics in Dhaka Urban Slums | SimPrints | - | 4,049,089 |
| Adolescent Sexual and Reproductive Health in Bangladesh | BRAC - USA | - | 4,178,495 |
| BRAC Chevron BPI Enterprise Development Pilot Project (JIBIKA) | BRAC - USA | - | - |
| BRAC Play Lab Project | BRAC - USA | 21,813,422 | 77,092,629 |
| Breast Feeding Promotion and Support at public Health Care | UNICEF | - | 7,260,232 |
| Chitmooh Livelihood Development Programme Lalmonirhat | SCB | 2,541,404 | 5,227,626 |
| Community Fire Prevention Project | IDEO.ORG | - | 2,248,979 |
| Effect of BIO Fortified Leantiles on Iron and Selenium Status | University of Saskatchewan | 9,495,918 | 23,022,187 |
| English and digital for Girl's Education | British Council | 8,573,367 | 968,000 |
| Ensuring Clean and safe Birthing through Promotion Safe Birth kits at Community Level (TOMS Shoes) | BRAC - USA | - | 9,372,559 |
| Financial Literacy for Adolescent in Chittagong | SCB | 1,321,866 | 6,005,310 |
| Innovation for Improving Early Grad Reading Activity | USAID | 57,223,068 | 205,475,989 |
| Unlocking the production Potential of "polder communities" in Coastal Bangladesh through improved Resource use efficiency and diversified cropping systems | IRRI | 4,151,000 | 4,095,000 |
| Garments Worker Financial diaries | Microfinance Opportunities | - | 3,697,131 |
| Bangladesh District Eye Care Programme | Sight Savers-UK | 3,768,071 | 3,287,735 |
| Field Evaluation of a Passive Aeration System for Aquaculture (FEPASA) | University of Toronto | 376,680 | 2,244,533 |
| Targeting and Re-Aligning Agriculture to Improved Nutrition | IFPRI-UK | 28,646,679 | 20,744,522 |
| Unit for Body Rights Program (UBR-2) | RHSTEP | 2,634,870 | 5,337,564 |

| Name of the projects | Donor | 2019 Taka | 2018 Taka |
|---|--|-------------|-------------|
| Empowering Girls on Sexual and Reproductive Health Rights Towards Combating Child Marriage Skills for Employment Investment Programme (SEIP) Project- Tranch-1 | Mannion Danieals Ltd. | - | 6,567,092 |
| Education Watch 2017 | GOB | 12,709,125 | - |
| Empowering the ready-made garment workers living in slum of Dhaka | Campaign for Popular Education (CAMPE) | - | 3,623,420 |
| Empowering Women for Building Social Cohesion project(Phase-II)UNW | Porticus | 55,140,186 | - |
| Empowering Women for Building Social Cohesion project | UN Women | - | 13,973,943 |
| Improvement of the Real Situation of Overcrowding in Prisons(IR SOP) | UN Women | 7,128,624 | 4,227,238 |
| Improving Health and Nutrition Status of Urban Extreme poor In Bangladesh | GIZ | 12,688,946 | 10,519,976 |
| Income Support Programme for the poorest (ISPP) JAWTNO Project | Concern Worldwide | - | 60,108,255 |
| PRO-poor Growth of Rural Enterprises Through Sustainable Skills-development-PROGRESS | World Bank | 41,811,030 | 20,905,514 |
| Shishu Niketan: Low cost Schools in Bangladesh | EC | 116,973,327 | 203,883,882 |
| Support Socio economic development of 910 vulnerable families from Bagerhat District(Bangladesh) | BRAC-UK | 12,629,210 | 25,364,907 |
| through Innovative models of small scale aquaculture | AIDA | 6,637,879 | 10,490,676 |
| Community Mobilization Volunteers(CMV)Network for life Saving Message on health nutrition, Sanitation and Protection in humanitarian crisis in coxs Bazar | UNICEF | 106,647,853 | 49,506,065 |
| Construction of Lower Secondary School in Bangladesh | Dubai Care | 21,131,956 | - |
| Early Learning and Non Formal Basic Education for Children from Myanmar in Bangladesh | UNICEF | - | 90,842,164 |
| Emergency Response and Recovery for Flash Floods and Cyclone Mora to Support the Reduction of ongoing Suffering of the most Affected Communities and Assist | BRAC USA | 32,165,298 | 34,772,850 |
| Improving Mother and Child Nutrition in Bangladesh (SHIMA) | CIEF | 14,061,314 | - |
| Second Chance Education (SCE) Under PEDP III | Save the Children | - | 86,539,287 |
| Shujog | Google Asia Pacific Ltd. | 4,959,113 | 4,641,884 |
| Sustainable reintegration and Improved Migration Governance In Bangladesh | IOM | 117,555,199 | 97,308,233 |
| Effects of play based early stimulation in children on self-regulation and executive functioning skills from rural low income households – a randomized control | Grant Challenges Canada | - | 6,349,241 |
| IED-BRACU | Zurich University | - | 5,782,200 |
| Alternative Learning Program for Out of School Adolescent | UNICEF | 59,810,260 | 33,189,388 |
| Bridge School Programme | EAC-QATAR | 81,035,031 | 7,902,368 |
| Communities Rights and gender TB Tools Assessment in Bangladesh | UNOPS | - | 4,326,400 |
| Creation of Child -friendly Space for Forcibly- displaced Myanmar National | Porticus | 3,774,400 | 56,146,000 |
| Emergency Nutrition Response | UNICEF | - | 31,240,809 |
| Ensuring protective environment for children from forcibly displaced Myanmar National in Cox's Bazar District | UNICEF | 11,352,713 | 55,835,286 |
| Ensuring protective environment for children and adolescents of Rakhine state of Myanmar in Cox's Bazar District | UNICEF | 85,498,568 | 97,301 |
| Flash Flood Response and Recovery Project(FRRP) | UNOPS | - | 162,347,463 |
| Improved Wash service for the Rohiyanga Refugee and Host Communities in Coxs Bazar | UNICEF | 147,563,656 | 11,919,059 |

| Name of the projects | Donor | 2019 Taka | 2018 Taka |
|---|-----------------------------------|---------------|---------------|
| Increasing Access to improved Water sanitation Hygiene service in School | Charity Water | 185,679,155 | 73,191,256 |
| Integrated Assistance Package in Cox Bazar | WFP | 26,406,165 | 28,718,067 |
| MINCH-Urban Project (Phase-II) | JPGSPH BRAC University | 406,277 | 448,267 |
| MINCH-Rural Project (Phase-II) | BRAC USA | - | 2,646,560 |
| Multi sectoral emergency assistance for Rohingya in Coxbazar Districts | UNHCR | 1,677,190,016 | 1,676,448,388 |
| Phase-1 Descriptive Framing Research | Porticus | 935,014 | 14,542,506 |
| Promotion of Nutrition through Vegetable Cultivation Project | DAI Global LLC. | - | 13,438,600 |
| Socio-economic reintegration of returnee migrant workers | Embassy of Denmark | 46,853,132 | 17,213,983 |
| Supporting Adolescent Empower for Changing Harmful Social Norms and Emergencies | UNICEF | 38,514,654 | 33,025,426 |
| WASH in Make Shift Settlement in Balukhali, Ukhlia | IOM | 40,588,945 | 11,550,000 |
| Aarong model Urban Schools Program | Aarong | - | 276,792 |
| BRAC's humanitarian Programme for forcibly displaced Myanmar | DFAT | - | 136,308,517 |
| BRAC's humanitarian programme for forcibly-displaced Myanmar nationals | DFAT | - | 167,498,493 |
| BRAC Humanitarian Response In Cox Bazar : Education and Critical infrastructure Development Support | BRAC-USA | 310,816,218 | 335,798,489 |
| Deliver and Integrated Assistance Package in Cox's Bazar | OSF | - | 8,378,000 |
| Humanitarian Response to the Rohingya Crisis in Bangladesh (Host Community) | WFP | 77,418,756 | 30,075,000 |
| Self Reliance Assistance for Rohingya and Host Community in Ukhiya and Teknaf Upazilla Cox's Bazar | DFAT | - | 2,396,625 |
| Humanitarian Response to the Rohingya Crisis in Bangladesh (Host Community) | Save the Children | 2,396,625 | 90,225,000 |
| Implementation of Comprehensive 5th Control Deworming | DFAT | - | 21,345,363 |
| Provision of Sustainable WASH Services for Rohingya and Host communities | BRAC USA | - | 300,000,000 |
| Scale Up of Early learning and informal basic education for forcibly Displaced Myanmar Nations | EKN | 80,000,000 | 129,669,085 |
| Scaling up Mother@Work programme at ready-made garment factories | UNICEF | 203,931,473 | 2,777,543 |
| The Effects of Community Based Psycho-social Intervention in Reducing Postpartum Depression and Improving Infant's Development in the Refugee Community from Rakhine State of Myanmar in Bangladesh | UNICEF | 16,270,522 | 6,338,040 |
| Health Campus Humanitarian Programme | Grant Challenges Canada | 2,365,381 | 8,466,358 |
| Non Formal Primary level education to forcibly Displaced Myanmar Nation | WMO | - | 97,167,072 |
| SAPLING | EAC-QATAR | - | 28,922,260 |
| Changing The Perception of Youth in Bangladesh about Skill Development | Bill and Melinda Gates Foundation | - | - |
| Development, Production and Distribution of Teaching & Learning Materials for Learning Competency | Embassy of Denmark | 26,237,752 | - |
| Framework and Approach (LCFA) Levels I-IV | UNICEF | 33,725,134 | - |
| Digitization Implementation Monitoring & public Procurement Project | BIGD | 5,341,409 | - |
| Emergency Life savings comprehensive integrated health and protection support | DFAT | - | - |
| Emplying Early Childhood in Emergency Setting-Rohingya refugees project | Sesame workshop, USA | 456,204,402 | - |

| Name of the projects | Donor | 2019 Taka | 2018 Taka |
|---|--------------------------------|-------------|-----------|
| Engaging Multi Sectoral Partners for creating opportunities, Improving Wellbeing and realising Rights for Urban Poor (Empower) project | Unilever Bangladesh Ltd | 810,000 | - |
| Enhancing Disaster Resilience (Access & Site Improvement) | WFP | 80,499,483 | - |
| Integrated and Equitable SRH Services | UNFPA | 5,612,606 | - |
| NYCF Focused Emergency Nutrition Response to Forcibly Displaces Rohingya Nationals on Cox's Bazar | UNICEF | 24,645,408 | - |
| Livelihood support and women's empowerment in Cox's Bazar | Global Affairs Canada | 327,286,405 | - |
| Promotion of Gender Justice Strengthening Engage Men and Boys Network for Reducing Violence Against Women and Children in Bangladesh | Amplify Change | 28,723,204 | - |
| Responsible Recruitment of Bangladeshi worker Project | BRAC-USA | 7,213,216 | - |
| Risk Financing to Manage Climate and Disaster Shocks in BD | World Bank | 8,067,678 | - |
| School Nutrition for Adolescent Project (SNAP) | Nutrition Intervention | 12,393,375 | - |
| SCK-Enhancing the resilience and well-being of Rohingya | Save the Children | 9,513,357 | - |
| Sustainable Reintegration of Bangladesh Returnees | IRARA Service Ltd | 14,316,653 | - |
| WASH Support to The displaced Rohingya population in Ukhiya and Teknaf Upazilla, Cox's Bazar District | IOM | 49,631,900 | - |
| Women's Empowerment and Social Cohesion Building | Safer World | 8,561,096 | - |
| Regarding the Implementation of a WFP Assistance Programme –Self Reliance | WFP | 12,050,000 | - |
| Socio-Economic Reintegration of returnee Migrant worker's of Bangladesh Project (SDC) | The Embassy of the Switzerland | 68,000,000 | - |
| Achieving Peace and tolerance through CMC engagement in Rohingya refugee camps and host communities (CBLP) | MSI | 14,253,654 | - |
| Advancing inclusive and resilient Urban development targeted at the Urban Poor-output 1: Country Studies Project | IIED | 3,829,344 | - |
| Beeter Business for Children | UNICEF | 603,671 | - |
| BRAC Boat School | EAC-QATAR | 1,478,464 | - |
| BRAC Chevron Enterprise Development Project (JIBIKA) Phase-II | BRAC-USA | 41,576,249 | - |
| Building Blocks of Early Years Learning in Bangladesh | Porticus | 32,979,345 | - |
| Comprehensive Integrated Health Services for the Displaced Rohingya in Cox's Bazar | DFATD GAC | 62,904,958 | - |
| Effects of play based early stimulation in children on self-regulation and executive functioning skills from rural low income households – a randomized control | Grand Challenge Canada | 5,230,528 | - |
| Emergency Life savings comprehensive integrated health and protection support | DFAT | 296,750,000 | - |
| Emergency support for 2019 flood affected house holds in Bangladesh | BRAC USA | 24,140,129 | - |
| Ensuring Long Term Medical Services & Post Award Livelihood Support for the Victims of Rana Plaza | BRAC USA | 33,460,479 | - |
| Humanitarian Support to cyclone Bulbul Affected people in satkhira Municipality | German Embassy | 2,193,500 | - |

| Name of the projects | Donor | 2019 Taka | 2018 Taka |
|---|--------------------------------|-----------------------|-----------------------|
| IED BRACU | Zurich University | 6,101,280 | - |
| Implementation of Nutrition Intervention Under Integrated Assistance Package in Cox'sbazarComprehensive 5th Control Deworming | WFP | 15,634,880 | - |
| Integrated Comprehensive Essential Primary Health Care for Rohingya Refugees in Cox's Bazar | BRAC-UK | 6,792,347 | - |
| Integrated joint protection and education services for vulnerable Rohingya adolescent, children, women, men and communities including host community in Ukhiya and Teknaf of Cox's Bazar district | UNICEF | 39,758,609 | - |
| Mobile Biometrics for MNCH Care in Bangladesh | Grand Challenge Canada | 10,302,748 | - |
| Non-Formal Primary Education-AGFUND | AGFUND | 9,842,560 | - |
| Participatory Implementation of IFC to improve Maternal and Newborn Health in Bangladesh | Enfants Du Monde (EDN) | 11,517,992 | - |
| Positive social relationships created between Rohingya Refugees and host community women through economic and social support and networking | Un Women | 20,400,000 | - |
| Research and Evaluation of BRAC's Holistic SEP-BRAC | BRAC USA | 16,800,000 | - |
| Solid waste management in Host Communities and camps in Teknaf Ukhiya Upazila under Cox's Bazar district (Package-A-Teknaf and Package-B-Ukhiya) | SEIP | 24,620,746 | - |
| Strengthening and Cultivating Opportunities in Production for Empowerment (SCOPE) | UNDP | 25,872,318 | - |
| Women's Empowerment by contributing in Aquaculture and Nutrition Working with Children at Risk in the Slums of Dhaka | Echotex Ltd | 10,283,058 | - |
| | World Fish | 1,577,348 | - |
| | BRAC-UK | 2,504,700 | - |
| Total | | 13,177,794,995 | 12,640,242,326 |
| Less: Refunded to Donor: | | | |
| National Early Childhood Development Support Program (NECDSP) | Shishu Academy | (2,841,649) | - |
| Community Mobilization Volunteers(CMV)Network for life Saving Message on health nutrition, Sanitation and Protection in humanitarian crisis in coxs Bazar | UNICEF | (1,633,176) | - |
| Multi sectoral emergency assistance for rohingya in Coxbazar Districts | UNHCR | (4,330,230) | - |
| Scaling up Mother@Work programme at ready-made garment factories | UNICEF | (51,580) | - |
| Flash Flood Response and Recovery Project(FFRRP) | UNOPS | (7,471,386) | - |
| Shojag | Nari Pakkha | (665,754) | - |
| Effects of play based early stimulation in children on self-regulation and executive functioning skills from rural low income households – a randomized control | Grand Challenge Canada | (988,420) | - |
| Safe Migration for Bangladesh Workers | World Bank | - | (6,880,353) |
| Capture and assess best CwC practices in disaster response and recovery | British Broadcasting Corp. | - | (220,683) |
| Holistics Enhancement of Early Childhood Development in Rural Bangladesh | BRAC USA | - | (2,646,560) |
| BRAC's Response to Emergency Humatarion of Crisis among the People from the Rakhine State of Myanmar in Cox's Bazar | UNHCR | - | (35,652,586) |
| Challenge TB Bangladesh | Management Sciences for Health | - | (5,043,328) |
| Grand total | | 13,159,812,800 | 12,589,798,816 |

31. Segmental financial information

Balance Sheet as at December 31, 2019

Assets:

| | Unrestricted | | | | | | | Temporarily restricted | | Total 2019 Taka | |
|--------------------------------------|-----------------------------------|----------------------------|-------------------------------------|---------------------------------------|---|---------------------------------|--|-----------------------------------|----------------------------|----------------------|------------------------------|
| | Aarong Rural Craft Centre Taka | BRAC Printing Pack Taka | BRAC Dairy and Food Project Taka | Agro based Support Enterprise Taka | Non-agro based Support Enterprise Taka | Micro Finance Programme Taka | Self-financing Social Development Projects Taka | House Property (Building) Taka | Total Unrestricted Taka | | Development Projects Taka |
| | | | | | | | | | | | |
| Cash and bank balances | 183,339,297 | 4,102,145 | 65,373,468 | 1,065,689,298 | 5,779,031 | 19,670,639,337 | 959,049,855 | 2,625,984,370 | 24,590,156,801 | 902,396,547 | 25,492,553,348 |
| Advance, deposits and prepayments | 360,734,353 | 225,593,064 | 426,905,901 | 198,719,826 | 831,070 | 4,345,410,128 | 3,478,663,891 | 28,058,136 | 9,063,416,389 | 1,657,377,182 | 10,720,793,571 |
| Inventories | 4,867,438,271 | 112,236,426 | 274,613,254 | 603,133,888 | 1,346,844 | 126,782,133 | 98,399,386 | - | 6,085,352,312 | 13,747,365 | 6,099,099,677 |
| Grants and accounts receivable | 203,588,988 | 68,001,966 | 69,875,991 | 484,409,297 | 2,106,970 | 703,592,983 | 657,214,306 | - | 2,168,930,511 | 1,165,955,280 | 3,334,745,791 |
| Inter-programme current account | 347,321,836 | (77,535,142) | 3,092,056 | 18,246,625 | (1,643,186) | - | (290,600,501) | - | (1,118,312) | 1,118,312 | - |
| Microfinance loans | - | - | - | 18,246,625 | - | - | (290,600,501) | - | 243,887,950,556 | - | 243,887,950,556 |
| Motor cycle loans | - | - | 392,190 | 7,637,481 | - | 21,295,433 | 676,887 | - | 30,001,991 | 55,190,359 | 85,192,350 |
| Investments in securities and others | - | - | - | - | - | - | 747,400,000 | - | 747,400,000 | - | 747,400,000 |
| Investments in related undertakings | - | - | - | - | - | - | 31,297,956,474 | - | 31,297,956,474 | - | 31,297,956,474 |
| Property, plant and equipment's | 2,434,174,274 | 47,989,642 | 1,322,338,729 | 528,507,862 | 7,926,729 | 4,628,461,949 | 9,530,431,012 | 95,661,751 | 18,695,491,948 | 791,162,428 | 19,386,654,376 |
| Total Assets | 8,406,597,019 | 381,400,101 | 2,162,091,589 | 2,898,344,277 | 16,547,558 | 273,484,322,529 | 46,473,361,320 | 2,749,704,257 | 398,665,398,650 | 4,656,947,423 | 341,152,346,073 |

Liabilities and net Assets

| | Unrestricted | | | | | | | Temporarily restricted | | Total 2019 Taka | |
|---|-----------------------------------|----------------------------|-------------------------------------|---------------------------------------|---|---------------------------------|--|-----------------------------------|----------------------------|----------------------|------------------------------|
| | Aarong Rural Craft Centre Taka | BRAC Printing Pack Taka | BRAC Dairy and Food Project Taka | Agro based Support Enterprise Taka | Non-agro based Support Enterprise Taka | Micro Finance Programme Taka | Self-financing Social Development Projects Taka | House Property (Building) Taka | Total Unrestricted Taka | | Development Projects Taka |
| | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | |
| Liabilities for expenses and materials | 688,781,899 | 26,700,985 | 300,099,731 | 259,380,018 | 4,130,321 | 7,296,237,054 | 3,995,688,317 | 369,172 | 12,551,387,497 | 1,346,180,656 | 13,897,568,153 |
| Bank overdrafts | - | 39,238,125 | - | - | - | 27,854,225,258 | - | - | 27,893,463,383 | - | 27,893,463,383 |
| Term loans | - | - | - | - | - | 44,532,426,404 | - | - | 44,532,426,404 | - | 44,532,426,404 |
| Members savings deposits | - | - | - | - | - | 97,006,031,994 | - | - | 97,006,031,994 | - | 97,006,031,994 |
| Grants received in advance account | - | - | - | - | - | - | 18,822,417 | - | 46,862,812 | 2,112,020,638 | 2,112,020,638 |
| Deferred income | 306,684,108 | 32,957,156 | 32,532,384 | - | - | 508,011 | - | - | 647,164,387 | - | 694,027,199 |
| Other long term liabilities | 1,170,895,284 | 36,976,374 | 101,990,272 | 244,580,424 | 2,049,289 | 171,732,621 | 16,559,333,733 | - | 17,070,707,618 | - | 17,070,707,618 |
| Provision for taxation | - | - | - | - | - | - | 3,004,254,432 | - | 4,560,746,075 | - | 4,560,746,075 |
| Total Liabilities | 2,146,361,291 | 135,872,640 | 434,622,387 | 503,960,442 | 6,179,610 | 176,861,161,343 | 23,573,098,899 | 369,172 | 203,661,625,784 | 4,105,365,681 | 207,766,991,465 |
| Net assets- Capital fund | 6,260,235,728 | 245,527,461 | 1,727,469,202 | 2,394,383,835 | 10,367,948 | 96,623,171,186 | 22,905,282,422 | 2,749,335,084 | 132,903,772,866 | 481,581,742 | 133,385,354,608 |
| Total Liabilities and Net assets | 8,406,597,019 | 381,400,101 | 2,162,091,589 | 2,898,344,277 | 16,547,558 | 273,484,322,529 | 46,473,361,321 | 2,749,704,256 | 398,665,398,650 | 4,656,947,423 | 341,152,346,073 |

31. Segmental financial information (cont'd)

| | Unrestricted | | | | | | | | | | Temporarily restricted | | Total 2018 |
|---|--------------------------|--------------------|-----------------------------|---|---|-------------------------|--|---------------------------|------------------------|----------------------|------------------------|-----------------|------------|
| | Unrestricted | | | | | | | | | | Temporarily restricted | | |
| | Axong Rural Craft Centre | BRAC Printing Pack | BRAC Dairy and Food Project | Agro based Programme Support Enterprise | Non-agro based Programme Support Enterprise | Micro Finance Programme | Self-financing Social Development Projects | House Property (Building) | Total Unrestricted | Development Projects | Taka | | |
| Cash and bank balances | 192,635,564 | 15,851,867 | 80,186,586 | 678,179,393 | 121,216,184 | 20,216,763,595 | (4,755,101,136) | 2,425,801,482 | 19,975,533,535 | 2,586,247,781 | - | 21,561,781,316 | |
| Advances, deposits and prepayments | 343,323,519 | 218,875,339 | 296,996,601 | 98,678,611 | 1,360,241 | 3,164,910,236 | 7,615,898,493 | 27,915,904 | 11,769,956,944 | 1,625,118,960 | - | 13,395,077,904 | |
| Inventories | 4,407,548,602 | 51,376,341 | 276,549,490 | 586,805,357 | 9,716,445 | 92,525,621 | 118,222,514 | - | 5,542,744,369 | 25,011,375 | - | 5,567,755,744 | |
| Grants and accounts receivable | 249,047,713 | 65,157,341 | 62,002,678 | 579,827,280 | 7,797,431 | 580,611,800 | 857,995,627 | - | 2,402,439,870 | 1,458,240,267 | - | 3,860,680,137 | |
| Inter-programme current account | (60,103,204) | (46,525,929) | (39,665,172) | 22,220,913 | 3,070,937 | - | 140,117,549 | - | 29,115,094 | (29,115,094) | - | - | |
| Microfinance loans | - | - | - | - | - | 202,494,959,364 | - | - | 202,494,959,364 | - | - | 202,494,959,364 | |
| Motor cycle loans | - | - | 9,471,675 | 11,341,928 | - | 56,638,007 | 39,350,022 | - | 116,801,632 | 90,228,653 | - | 207,030,285 | |
| Investments in securities and others | - | - | - | - | - | - | 1,057,400,000 | - | 1,057,400,000 | - | - | 1,057,400,000 | |
| Investments in related undertakings | - | - | - | - | - | - | 27,710,751,304 | - | 27,710,751,304 | - | - | 27,710,751,304 | |
| Property, plant and equipment's | 2,383,009,591 | 52,957,823 | 1,325,452,858 | 626,837,537 | 10,908,600 | 4,361,896,092 | 9,302,128,726 | 109,870,853 | 16,173,062,079 | 845,438,246 | - | 19,018,501,326 | |
| Total Assets | 7,525,461,785 | 357,692,782 | 2,012,994,716 | 2,603,891,019 | 154,069,838 | 230,965,304,715 | 42,086,763,099 | 2,563,598,239 | 288,272,766,192 | 6,601,171,187 | 294,873,937,380 | | |
| Liabilities and net Assets | | | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | | | |
| Liabilities for expense and materials | 649,628,371 | 29,730,068 | 239,781,941 | 261,189,006 | 27,592,086 | 4,984,053,199 | 3,292,370,647 | 407,850 | 9,484,753,158 | 1,723,430,327 | - | 11,208,183,485 | |
| Bank overdrafts | 117,358,775 | 31,318,295 | - | - | - | 35,967,063,781 | - | - | 36,115,730,851 | - | - | 36,115,730,851 | |
| Term loans | - | - | - | - | - | 38,136,805,679 | - | - | 38,136,805,679 | - | - | 38,136,805,679 | |
| Members savings deposits | - | - | - | - | - | 69,587,804,893 | - | - | 69,587,804,893 | - | - | 69,587,804,893 | |
| Grants received in advance account | - | - | - | - | - | 508,011 | 15,611,489 | - | 15,611,489 | 2,996,192,019 | - | 3,011,803,508 | |
| Deferred income | 295,824,623 | 28,924,620 | 23,107,897 | - | - | 508,011 | 4,166,786 | - | 27,802,694 | 722,680,498 | - | 750,483,192 | |
| Other long term liabilities | 724,087,273 | 30,318,877 | 80,105,119 | 181,021,020 | 18,092,629 | 171,732,621 | 14,002,214,962 | - | 14,498,696,826 | - | - | 14,498,696,826 | |
| Provision for taxation | - | - | - | - | - | - | 7,659,940,030 | - | 8,693,564,948 | - | - | 8,693,564,948 | |
| Total Liabilities | 1,786,899,042 | 120,291,850 | 342,394,957 | 442,210,026 | 45,684,715 | 148,847,958,184 | 24,974,323,914 | 407,850 | 176,560,770,538 | 5,442,302,844 | - | 182,003,073,382 | |
| Net assets- Capital fund | 5,738,562,743 | 237,400,932 | 1,669,999,759 | 2,161,680,993 | 108,385,123 | 82,120,346,531 | 17,112,439,184 | 2,563,180,389 | 111,711,995,654 | 1,158,866,343 | - | 112,870,863,997 | |
| Total Liabilities and Net assets | 7,525,461,785 | 357,692,782 | 2,012,994,716 | 2,603,891,019 | 154,069,838 | 230,965,304,715 | 42,086,763,099 | 2,563,598,239 | 288,272,766,192 | 6,601,171,187 | 294,873,937,379 | | |

Balance Sheet as at December 31, 2018

Assets:

Cash and bank balances
Advances, deposits and prepayments
Inventories
Grants and accounts receivable
Inter-programme current account
Microfinance loans
Motor cycle loans
Investments in securities and others
Investments in related undertakings
Property, plant and equipment's

Liabilities and net Assets

Liabilities
Liabilities for expense and materials
Bank overdrafts
Term loans
Members savings deposits
Grants received in advance account
Deferred income
Other long term liabilities
Provision for taxation

Total Liabilities

Net assets- Capital fund

Total Liabilities and Net assets

31. Segmental financial information (Cont'd)

Statement of Income and Expenditure for the period ended December 31, 2019

| | Unrestricted | | | | | Temporarily restricted | | Total 2019 Taka | | | |
|---|--------------------------------|-------------------------|----------------------------------|------------------------------------|--|------------------------------|---|-------------------|--------------------------------|-------------------------|---------------------------|
| | Aarong Rural Craft Centre Taka | BRAC Printing Pack Taka | BRAC Dairy and Food Project Taka | Agro based Support Enterprise Taka | Non-agro based Support Enterprise Taka | Micro Finance Programme Taka | Self-financing Social Development Projects Taka | | House Property (Building) Taka | Total Unrestricted Taka | Development Projects Taka |
| Income | | | | | | | | | | | |
| Donor grants | - | - | 4,043,250 | - | - | - | 108,616,167 | - | 112,659,417 | 13,736,542,373 | 13,849,201,790 |
| Social Enterprises | 9,835,855,885 | 387,483,770 | 3,996,690,451 | 2,422,504,328 | 74,737,671 | - | - | - | 16,717,272,105 | - | 16,717,272,105 |
| Microfinance Programme | - | - | - | - | - | 55,447,988,656 | - | - | 55,447,988,656 | - | 55,447,988,656 |
| Self-financing Social Development Project | - | - | - | - | - | 1,418,293,348 | - | - | 1,559,214,398 | 6,230,113 | 1,565,444,511 |
| Investment income | - | - | - | - | - | - | 200,683,637 | - | 200,683,637 | - | 200,683,637 |
| Other income - internal | - | - | - | - | - | - | - | - | - | - | - |
| Other income | - | - | - | 10,116,844 | - | - | - | - | 980,261,314 | - | 980,261,314 |
| Community contribution | - | - | - | - | - | - | - | - | 350,684,899 | 649,482,463 | 1,000,167,362 |
| House property | - | - | - | - | - | - | - | 92,593,668 | 92,593,668 | - | 92,593,668 |
| Total Income | 9,835,855,885 | 387,483,770 | 4,000,733,701 | 2,432,821,172 | 74,737,671 | 56,866,222,004 | 1,771,110,223 | 92,593,668 | 75,461,358,094 | 14,392,254,949 | 89,853,613,043 |
| Expenditure | | | | | | | | | | | |
| Social Enterprises | 8,345,701,904 | 364,573,209 | 3,863,909,662 | 2,120,312,737 | 56,719,483 | - | - | - | 14,751,216,985 | - | 14,751,216,985 |
| Micro Finance Programme | - | - | - | - | - | 39,909,043,349 | - | - | 39,909,043,349 | - | 39,909,043,349 |
| House property | - | - | - | - | - | - | - | 46,169,419 | 46,169,419 | - | 46,169,419 |
| Agriculture and Food Security | - | - | - | - | - | - | - | - | 6,717,639 | 16,385,453 | 16,385,453 |
| Community Empowerment Programme | - | - | - | - | - | - | - | - | 502,248,091 | 1,623,975,482 | 1,623,975,482 |
| Education Programme | - | - | - | - | - | - | - | - | 142,419,516 | 118,242,230 | 118,242,230 |
| Gender, Justice and Diversity | - | - | - | - | - | - | - | - | 12,442,354 | 4,083,488,361 | 4,083,488,361 |
| Health Programme | - | - | - | - | - | - | - | - | 12,442,354 | 329,134,670 | 329,134,670 |
| Human Rights and Legal Aids Services | - | - | - | - | - | - | - | - | 12,442,354 | 53,531,885 | 53,531,885 |
| Policy Advocacy | - | - | - | - | - | - | - | - | 341,772,203 | 341,772,203 | 341,772,203 |
| Water, Sanitation and Hygiene Programme | - | - | - | - | - | - | - | - | 2,673,024 | 2,005,687,865 | 2,005,687,865 |
| Ultra Poor Programme | - | - | - | - | - | - | - | - | 2,673,024 | 4,568,977,441 | 4,568,977,441 |
| Forcibly-displaced Myanmar Nationals | - | - | - | - | - | - | - | - | 11,751,639 | 206,214,149 | 217,965,788 |
| Disaster Management and Climate Change | - | - | - | - | - | - | - | - | - | 754,954,897 | 754,954,897 |
| Skills Development Programme | - | - | - | - | - | - | - | - | 1,040,385 | 264,505,489 | 265,545,874 |
| Migration Programme | - | - | - | - | - | - | - | - | 227,182,085 | - | 227,182,085 |
| Social Development Programme | - | - | - | - | - | - | - | - | 36,160,789 | 1,244,655,458 | 1,280,816,247 |
| Other Development Projects | - | - | - | - | - | - | - | - | 236,338,397 | - | 236,338,397 |
| Grants | - | - | - | - | - | - | - | - | 55,885,403,683 | 15,884,336,917 | 71,769,740,599 |
| Total Expenses | 8,345,701,904 | 364,573,209 | 3,863,909,662 | 2,120,312,737 | 56,719,483 | 39,909,043,349 | 1,178,973,920 | 46,169,419 | 55,885,403,683 | 15,884,336,917 | 71,769,740,599 |
| Surplus/(deficit) of income over expenditure before inter-programme allocation | 1,490,153,981 | 22,910,561 | 136,824,039 | 312,508,435 | 18,018,188 | 16,957,178,655 | 592,136,303 | 46,424,249 | 19,575,954,412 | (1,492,081,968) | 18,083,872,444 |
| Inter-programme allocations | (521,672,968) | (8,126,532) | (57,469,443) | (141,652,081) | (632,933) | - | 729,653,975 | - | - | - | - |
| Net surplus for the year after inter-programme allocations | 968,480,995 | 14,784,029 | 79,354,596 | 170,856,354 | 17,385,255 | 16,957,178,655 | 1,321,690,278 | 46,424,249 | 19,575,954,412 | (1,492,081,968) | 18,083,872,444 |
| Funded Programmes | | | | | | | | | | | |
| Surplus of income over expenditure before taxation | 968,480,995 | 14,784,029 | 79,354,596 | 170,856,354 | 17,385,255 | 16,957,178,655 | (170,391,690) | 46,424,249 | 18,083,872,444 | 0 | 18,083,872,444 |
| Taxation | (446,803,010) | (6,657,498) | (21,895,153) | (63,559,404) | (4,378,828) | - | (185,711,109) | - | (729,000,000) | - | (729,000,000) |
| Net surplus for the year | 521,677,985 | 8,126,531 | 57,469,443 | 107,296,950 | 13,006,429 | 16,957,178,655 | (356,102,739) | 46,424,249 | 17,354,872,444 | 0 | 17,354,872,444 |

31. Segmental financial information (Cont'd)

| | Unrestricted | | | | | | | | | | Temporarily restricted | | Total 2018 Taka |
|---|-----------------------------------|----------------------------|-------------------------------------|---|---|---------------------------------|--|-----------------------------------|----------------------------|------------------------------|------------------------|--|--------------------|
| | Aarong Rural Craft Centre Taka | BRAC Printing Pack Taka | BRAC Dairy and Food Project Taka | Agro based Programme Support Enterprise Taka | Non-agro based Programme Support Enterprise Taka | Micro Finance Programme Taka | Self-financing Social Development Projects Taka | House Property (Building) Taka | Total Unrestricted Taka | Development Projects Taka | Total Taka | | |
| | | | | | | | | | | | | | |
| Income | 9,037,410,660 | 373,892,188 | 3,973,648,486 | 2,488,912,521 | 93,282,052 | 45,970,181,074 | 1,530,695,120 | 92,593,668 | 63,560,815,789 | 14,487,058,198 | 78,047,873,987 | | |
| Donor grants | - | - | 3,714,906 | - | - | - | 787,629 | - | 4,502,535 | 13,036,908,467 | 13,041,411,002 | | |
| Social Enterprises | 9,037,410,660 | - | 3,969,933,580 | 2,479,072,712 | 93,282,052 | 45,010,650,247 | - | - | 15,953,591,192 | - | 15,953,591,192 | | |
| Microfinance Programme | - | - | - | - | - | 959,197,028 | - | - | 45,010,650,247 | - | 45,010,650,247 | | |
| Self-financing Social Development Project | - | - | - | - | - | 157,295,688 | - | - | 1,116,492,716 | 11,144,409 | 1,127,637,125 | | |
| Investment income | - | - | - | - | - | 217,875,460 | - | - | 217,875,460 | - | 217,875,460 | | |
| Other income -internal | - | - | - | - | - | 333,799 | - | - | 1,091,506,946 | - | 1,091,506,946 | | |
| Other income | - | - | - | 9,839,809 | - | 333,799 | - | - | 73,403,005 | 1,439,003,323 | 1,512,406,328 | | |
| Community contribution | - | - | - | - | - | - | - | - | 92,593,668 | - | 92,593,668 | | |
| House property | - | - | - | - | - | - | - | - | - | - | - | | |
| Total Income | 9,037,410,660 | 373,892,188 | 3,973,648,486 | 2,488,912,521 | 93,282,052 | 45,970,181,074 | 1,530,695,120 | 92,593,668 | 63,560,815,789 | 14,487,058,198 | 78,047,873,987 | | |
| Expenditure | 7,864,805,815 | 350,101,754 | 3,814,839,337 | 2,186,369,107 | 75,921,522 | 29,598,743,796 | - | - | 14,292,037,535 | - | 14,292,037,535 | | |
| Social Enterprises | - | - | - | - | - | - | - | - | 29,598,743,796 | - | 29,598,743,796 | | |
| Micro Finance Programme | - | - | - | - | - | 29,598,743,796 | - | - | 58,900,848 | - | 58,900,848 | | |
| House property | - | - | - | - | - | - | - | - | - | 73,539,035 | 73,539,035 | | |
| Agriculture and Food Security | - | - | - | - | - | - | 4,990,825 | - | 4,990,825 | 291,456,689 | 296,447,514 | | |
| Community Empowerment Programme | - | - | - | - | - | - | 202,211,810 | - | 202,211,810 | 145,618,483 | 347,830,293 | | |
| Education Programme | - | - | - | - | - | - | 69,630,632 | - | 69,630,632 | 4,064,377,614 | 4,134,008,246 | | |
| Gender, Justice and Diversity | - | - | - | - | - | - | 12,975,861 | - | 12,975,861 | 317,865,685 | 330,841,546 | | |
| Health Programme | - | - | - | - | - | - | - | - | - | 59,461,048 | 59,461,048 | | |
| Human Rights and Legal Aids Services | - | - | - | - | - | - | - | - | - | 652,072,685 | 652,072,685 | | |
| Policy Advocacy | - | - | - | - | - | - | - | - | - | 2,299,816,871 | 2,302,436,776 | | |
| Water, Sanitation and Hygiene Programme | - | - | - | - | - | - | 3,119,905 | - | 3,119,905 | 2,914,613,506 | 2,917,733,411 | | |
| Ultra-Poor Programme | - | - | - | - | - | - | - | - | - | 245,997,996 | 245,997,996 | | |
| Forcibly-displaced Myanmar Nationals | - | - | - | - | - | - | - | - | - | 499,228,766 | 499,228,766 | | |
| Disaster Management and Climate Change | - | - | - | - | - | - | - | - | - | 709,738,271 | 709,738,271 | | |
| Skills Development Programme | - | - | - | - | - | - | 213,307,227 | - | 213,307,227 | 923,045,497 | 923,045,497 | | |
| Other Development Projects | - | - | - | - | - | - | 12,614,227 | - | 12,614,227 | - | 12,614,227 | | |
| Grants | - | - | - | - | - | - | - | - | - | - | - | | |
| Total Expenses | 7,864,805,815 | 350,101,754 | 3,814,839,337 | 2,186,369,107 | 75,921,522 | 29,598,743,796 | 518,850,487 | 58,900,848 | 44,468,532,666 | 15,834,288,494 | 60,302,821,160 | | |
| Surplus of income over expenditure before taxation | 1,172,604,845 | 23,790,434 | 158,809,149 | 302,543,414 | 17,360,530 | 16,371,437,278 | 1,011,844,634 | 33,692,820 | 19,092,083,103 | (1,347,232,296) | 17,744,850,808 | | |
| taxation | (351,518,496) | (6,696,828) | (24,876,149) | (62,860,347) | (4,445,626) | - | (1,302,602,554) | - | (1,753,000,000) | - | (1,753,000,000) | | |
| Net surplus stated in statement of income & expenditure before inter-progr. Allocation | 821,086,349 | 17,093,606 | 133,933,000 | 239,683,067 | 12,914,904 | 16,371,437,278 | (290,757,921) | 33,692,820 | 17,339,083,103 | (1,347,232,296) | 15,991,850,808 | | |
| Inter-programme allocations | (410,543,175) | (8,546,803) | - | (142,401,302) | (6,458,474) | - | 567,949,754 | - | (1,350,498,021) | 1,350,498,021 | - | | |
| BRAC Contribution to support Donor Funded Programmes | - | - | - | - | - | - | - | - | - | - | - | | |
| Net surplus for the period after inter-programme allocations | 410,543,174 | 8,546,803 | 133,933,000 | 97,281,765 | 6,456,430 | 16,371,437,278 | (1,073,306,188) | 33,692,820 | 15,989,585,082 | 3,265,725 | 15,991,850,808 | | |

32. Statement of Functional Expenses

| | Unrestricted | | | | | | | | | | Temporarily restricted | | Total 2019 Taka |
|--|-----------------------------------|----------------------------|-------------------------------------|---|---|---------------------------------|--|-----------------------------------|----------------------------|------------------------------|------------------------|----------------|--------------------|
| | Aarong Rural Craft Centre Taka | BRAC Printing Pack Taka | BRAC Dairy and Food Project Taka | Agro based Programme Support Enterprise Taka | Non-agro based Programme Support Enterprise Taka | Micro Finance Programme Taka | Self-financing Social Development Projects Taka | House Property (Building) Taka | Total Unrestricted Taka | Development Projects Taka | Total Taka | | |
| | Salaries and benefits | 1,012,534,443 | 19,975,273 | 352,922,381 | 314,401,064 | 15,279,854 | 17,636,451,910 | 40,105,111 | - | 19,591,670,036 | 6,096,981,704 | 25,688,651,740 | |
| Traveling and transportation | 102,269,980 | 2,785,135 | 151,159,985 | 52,604,088 | 3,010,788 | 1,567,454,655 | 65,872,966 | - | 1,965,157,597 | 718,738,467 | 2,683,896,064 | | |
| Teachers' salaries | - | - | - | - | - | - | 119,300,353 | - | 119,300,353 | 397,338,487 | 516,638,840 | | |
| Teachers' training | - | - | - | - | - | - | 8,544,302 | - | 8,544,302 | 43,427,169 | 51,971,471 | | |
| School rent and maintenance | - | - | - | - | - | - | 23,041,852 | - | 23,041,852 | 68,363,864 | 91,405,716 | | |
| Stationery, rent and utilities | 430,248,142 | 1,024,186 | 30,556,303 | 25,379,706 | 2,505,069 | 1,190,405,379 | 31,885,987 | 16,571,454 | 1,698,576,226 | 527,901,212 | 2,226,477,438 | | |
| Maintenance and general expenses | 288,466,980 | 5,683,945 | 52,414,180 | 66,318,141 | 5,058,024 | 1,004,718,810 | 55,513,904 | 5,154,853 | 1,483,328,837 | 385,159,887 | 1,868,488,724 | | |
| Members' training | - | - | - | - | - | - | - | - | - | 198,087,445 | 198,087,445 | | |
| Staff training and development | 4,837,705 | 66,443 | 11,326,318 | 13,185,750 | 34,053 | 279,301,659 | 15,764,181 | - | 324,516,109 | 446,445,367 | 770,961,476 | | |
| Programme supplies | - | - | - | - | - | 260,442,476 | 78,553,023 | - | 338,995,499 | 6,856,617,962 | 7,195,613,461 | | |
| Interest on members' savings deposits | - | - | - | - | - | 5,292,875,918 | - | - | 5,292,875,918 | - | 5,292,875,918 | | |
| Interest on long term loans | - | - | - | - | - | 4,659,702,994 | - | - | 4,659,702,994 | - | 4,659,702,994 | | |
| Bank overdraft interest and charges | 27,964,428 | 10,852,607 | - | - | - | 3,219,655,513 | 63,522,785 | - | 3,322,175,333 | - | 3,322,175,333 | | |
| Cost of goods sold of social enterprises | 5,971,687,154 | 322,679,578 | 31,158,014,368 | 1,458,124,679 | 28,687,986 | - | - | - | 10,998,173,775 | - | 10,998,173,775 | | |
| Publicity, advertisement and sales commissions | 269,910,188 | - | 90,311,982 | 125,055,561 | 26,000 | - | 53,996,808 | - | 539,300,539 | 14,231,580 | 553,532,119 | | |
| Loan loss provision for microfinance loans | - | - | - | - | - | - | - | - | - | - | - | | |
| Depreciation of property, plant and equipment | 231,793,443 | 1,506,042 | 8,290,369 | 53,739,562 | 1,790,136 | 290,134,394 | 330,922,855 | 24,443,112 | 942,619,913 | 131,043,772 | 1,073,663,686 | | |
| Provision for bad and doubtful debts | 5,989,441 | - | 8,913,776 | 11,504,187 | 347,562 | - | - | - | 26,754,966 | - | 26,754,966 | | |
| Allocation to self-insurance fund | - | - | - | - | - | - | 55,611,396 | - | 55,611,396 | - | 55,611,396 | | |
| Allocation to Relief and Rehabilitation fund | - | - | - | - | - | - | - | - | - | - | - | | |
| Grants | 8,345,701,904 | 384,573,209 | 3,863,909,682 | 2,120,312,737 | 56,719,483 | 39,909,043,349 | 1,178,973,919 | 46,169,419 | 55,885,403,682 | 15,884,336,917 | 71,769,740,599 | | |

Included in cost of goods sold of (BRAC Dairy, Printing Pack) is depreciation of property, plant and equipment amounting to Tk. 188,473,984

32. Statement of Functional Expenses (cont'd)

Expenditure Statement
for the year ended December 31, 2018

| | Unrestricted | | | | | | | | | | Temporarily restricted | | Total 2018 Taka |
|--|---|-------------------------------|---|--|--|---------------------------------------|---|---|-----------------------|----------------|---------------------------------|----------------|-----------------------|
| | Aarong Rural Craft Centre Taka | BRAC Printing Pack Taka | BRAC Dairy and Food Project Taka | Agro based Programme Support Enterprise Taka | Non-agro based Programme Support Enterprise Taka | Micro Finance Programme Taka | Self-financing Social Development Projects Taka | House Property (Building) Taka | Total Unrestricted | | Development Projects Taka | | |
| | | | | | | | | | Taka | Taka | Taka | Taka | |
| Salaries and benefits | 1,003,410,118 | 18,787,599 | 318,712,743 | 347,176,502 | 16,217,389 | 13,119,483,011 | 41,579,037 | - | 14,865,366,393 | 6,611,155,946 | - | 21,476,522,346 | |
| Travelling and transportation | 100,321,927 | 2,071,334 | 150,729,851 | 56,332,703 | 1,178,254 | 1,151,795,648 | 6,271,806 | - | 1,468,701,523 | 780,895,071 | - | 2,249,596,594 | |
| Teachers' salaries | - | - | - | - | - | - | 10,577,362 | - | 10,577,362 | 863,334,403 | - | 873,912,335 | |
| Teachers' training | - | - | - | - | - | - | 2,043,830 | - | 2,043,830 | 54,220,050 | - | 54,263,880 | |
| School rent and maintenance | - | - | - | - | - | - | 5,048,723 | - | 5,048,723 | 174,393,997 | - | 179,442,720 | |
| Stationery, rent and utilities | 384,986,434 | 754,039 | 30,510,141 | 15,881,042 | 2,906,765 | 795,598,394 | 2,109,855 | 16,151,560 | 1,248,896,230 | 356,267,255 | - | 1,605,165,485 | |
| Maintenance and general expenses | 212,071,772 | 4,715,375 | 61,415,157 | 63,985,421 | 9,464,465 | 621,420,212 | 2,837,630 | 19,171,314 | 995,081,345 | 213,624,759 | - | 1,208,706,104 | |
| Members' training | - | - | - | - | - | - | - | - | - | 193,376,980 | - | 193,376,980 | |
| Staff training and development | 7,513,830 | 126,916 | 12,549,804 | 15,488,300 | 61,121 | 352,519,215 | 2,758,840 | - | 391,018,026 | 306,764,898 | - | 697,782,924 | |
| Programme supplies | - | 253,832 | 137,670 | 1,880,450 | 122,242 | 337,278,232 | 5,910,060 | - | 345,582,486 | 6,175,336,383 | - | 6,520,918,868 | |
| Interest on members' savings deposits | - | - | - | - | - | 4,247,360,801 | - | - | 4,247,360,801 | - | - | 4,247,360,801 | |
| Interest on long term loans | - | - | - | - | - | 2,796,408,873 | - | - | 2,796,408,873 | - | - | 2,796,408,873 | |
| Bank overdraft interest and charges | 83,903,922 | 7,369,422 | - | 10,986,567 | - | - | - | - | 2,631,451,422 | - | - | 2,631,451,422 | |
| Cost of goods sold of social enterprises | 5,698,828,627 | 308,595,026 | 3,101,922,490 | 1,495,022,605 | 43,176,401 | 2,496,523,657 | 38,537,501 | - | 10,647,545,149 | - | - | 10,647,545,149 | |
| Publicity, advertisement and sales commissions | 185,463,320 | - | 112,078,911 | 91,917,431 | 1,045,169 | - | 47,775,220 | - | 438,280,051 | 12,061,074 | - | 450,341,125 | |
| Loan loss provision for microfinance loans | - | - | - | - | - | 3,397,704,456 | - | - | 3,397,704,456 | - | - | 3,397,704,456 | |
| Depreciation of property, plant and equipment | 186,979,630 | 1,429,349 | 5,414,953 | 57,912,250 | 1,430,148 | 282,451,238 | 285,008,669 | 23,577,974 | 844,204,471 | 94,857,677 | - | 939,062,149 | |
| Provision for bad and doubtful debts | 1,326,035 | 5,998,862 | 21,367,618 | 24,688,916 | 319,568 | - | 165,740 | - | 53,866,739 | - | - | 53,866,739 | |
| Allocation to self- insurance fund | - | - | - | - | - | - | 55,611,396 | - | 55,611,396 | - | - | 55,611,396 | |
| Allocation to Relief and Rehabilitation fund | - | - | - | - | - | - | - | - | - | - | - | - | |
| Grants | - | - | - | - | - | - | - | - | - | - | - | - | |
| | 7,864,805,815 | 350,101,754 | 3,814,639,337 | 2,186,369,107 | 75,921,522 | 29,598,743,736 | 518,850,467 | 68,900,848 | 44,468,532,666 | 15,834,288,494 | - | 60,302,821,160 | |

Included in cost of goods sold of (BRAC Dairy, Printing Pack) is depreciation of property, plant and equipment amounting to Tk. 139,644,704



SAFEGUARDING FOR ALL

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For complaints related to sexual harassment:

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✉ complaint.shrc@brac.net

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