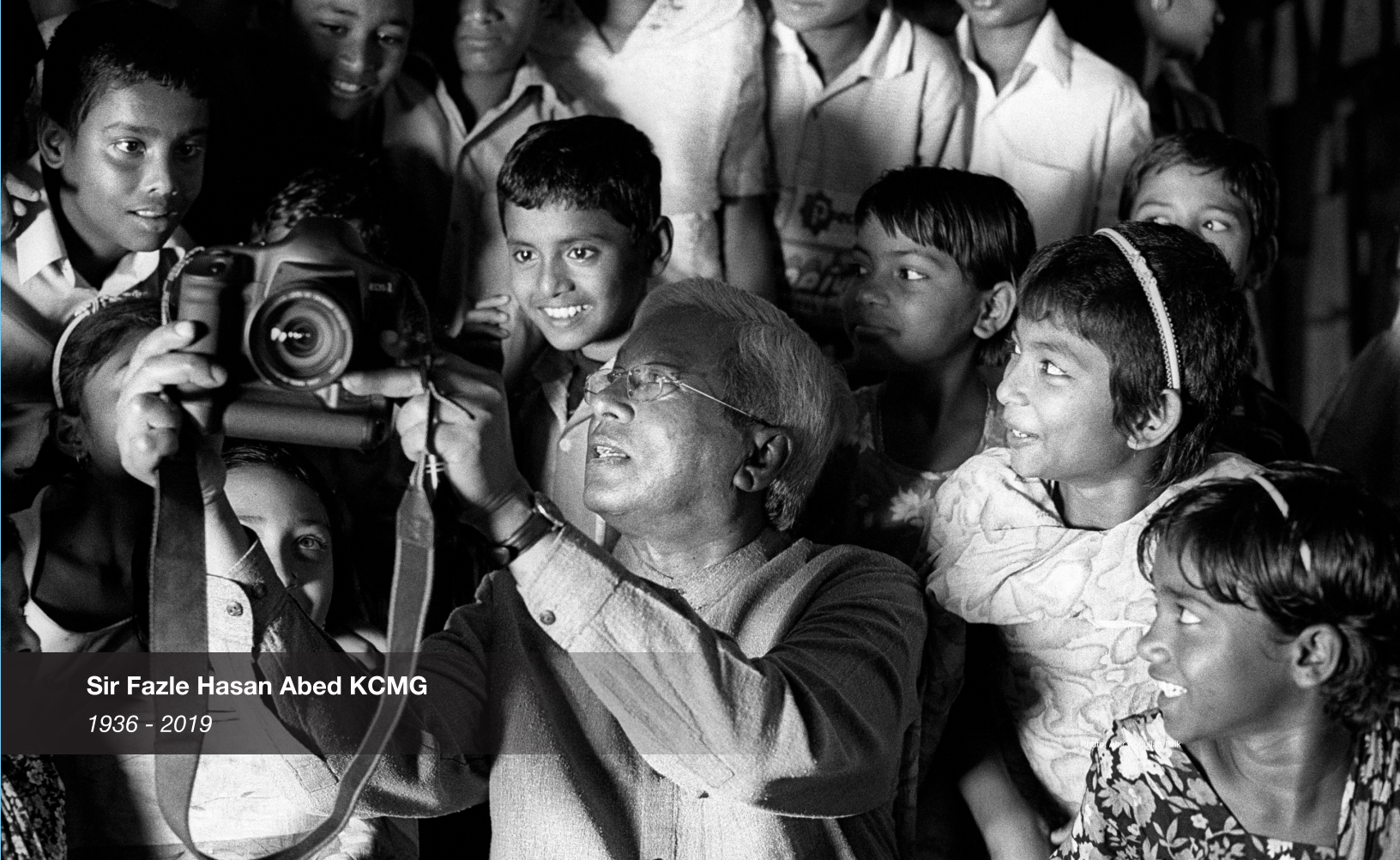




ANNUAL  
REPORT 2019







**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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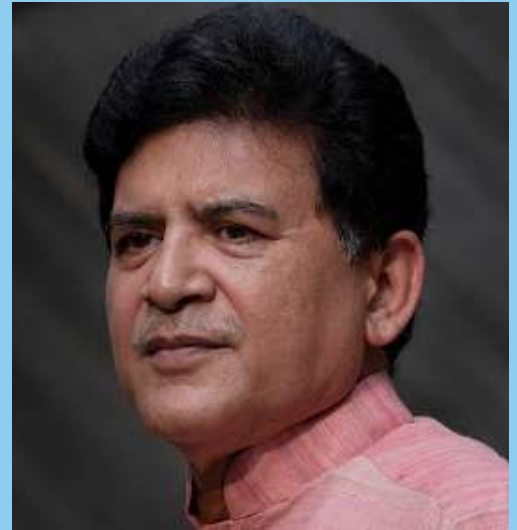
**Note:**

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 'HZ Rahman', written in a cursive style.

**DR HOSSAIN ZILLUR RAHMAN**

Chairperson  
BRAC



# 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.





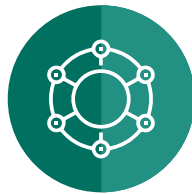
## INVESTMENTS

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



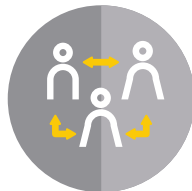
## BRAC UNIVERSITY

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

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

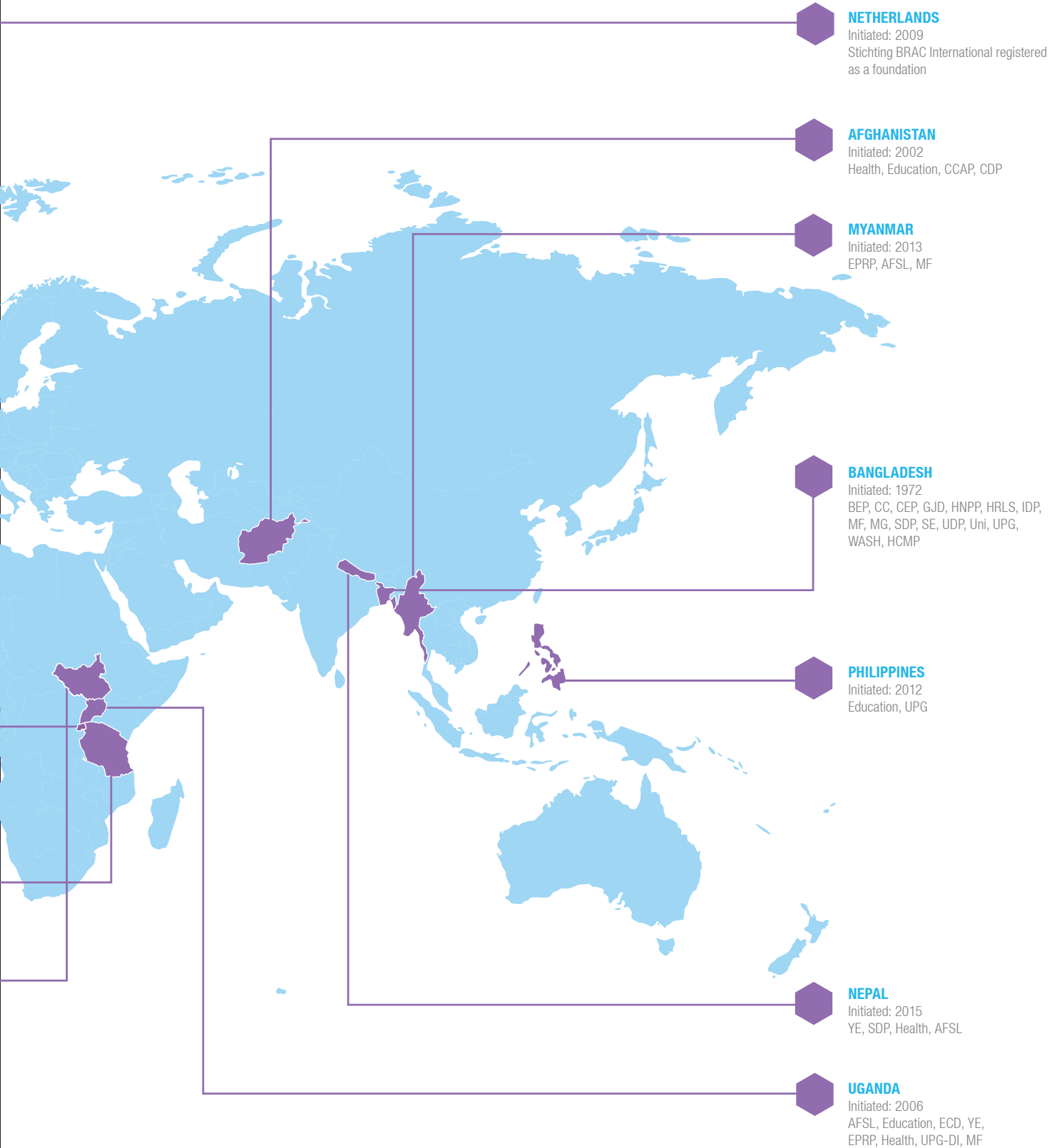
**UPG** : Ultra-Poor Graduation

**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





# 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



Bank aus Verantwortung



Global Affairs  
Canada



The LEGO Foundation



Partnering for Green  
Growth and the  
Global Goals 2030



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



IBRD • IDA | WORLD BANK GROUP



UBS



Empowered lives.  
Resilient nations.



UNHCR  
The UN Refugee Agency



## RESEARCH AND LEARNING PARTNERS



THE LONDON SCHOOL  
OF ECONOMICS AND  
POLITICAL SCIENCE



Arizona State  
University



Unifying Opportunities



Unnayan Shamannay



Center  
for Global  
Development



THE  
BEHAVIOURAL  
INSIGHTS  
TEAM



# 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 SAFIQUIL 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 BAKTH 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



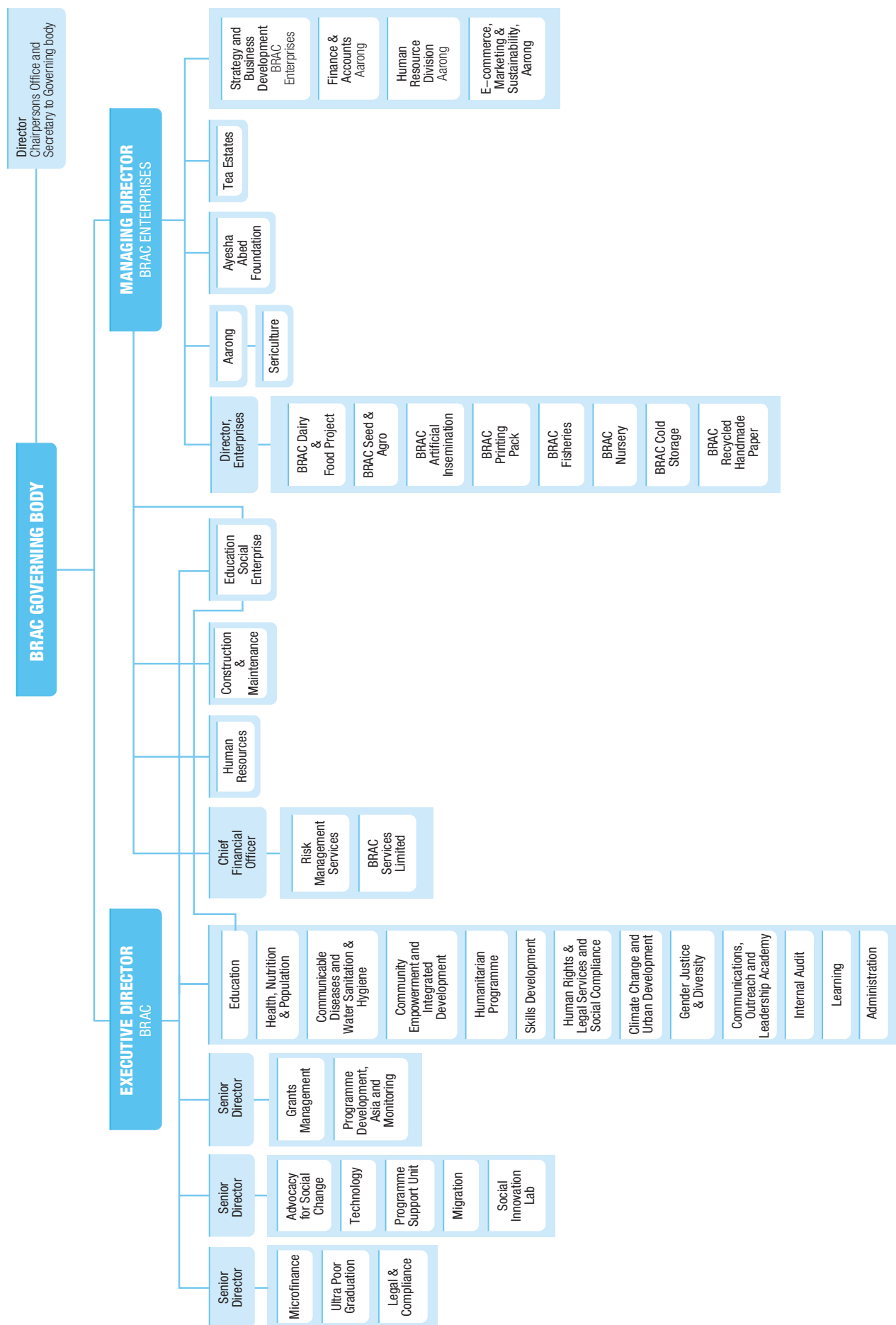
**SYED ABDUL MUNTAKIM**  
Director, Finance  
BRAC International



**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 Kairiy

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 Mitterand 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 Bernadotte 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 Alter Chen**  
Member

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

**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 their 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

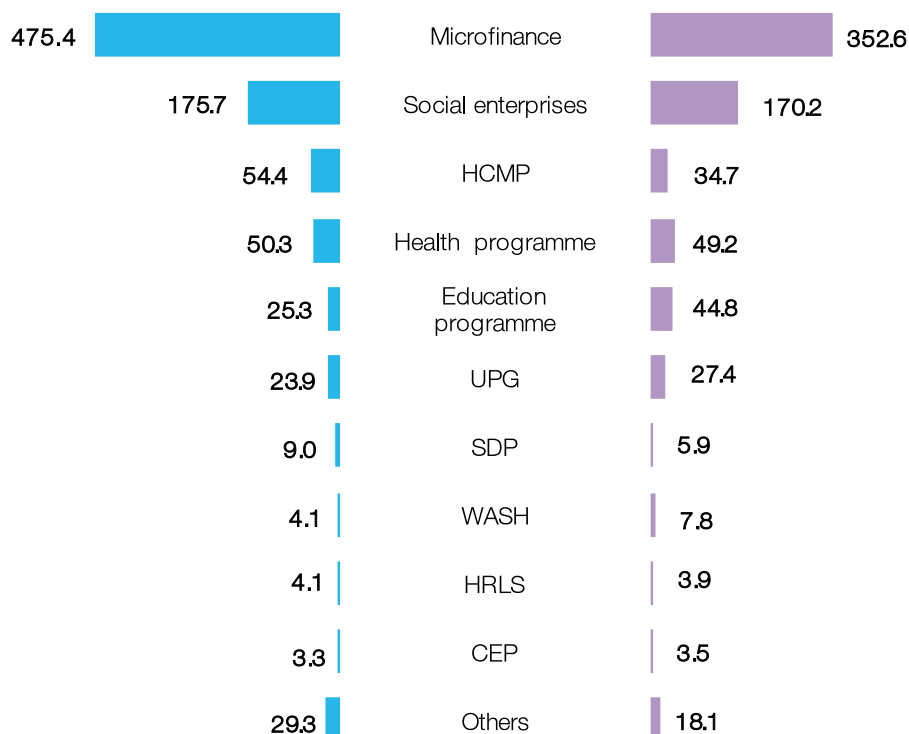
The appointment of ACNABIN, Chartered Accountants, Bangladesh (network member of bakertilly) as the auditor of BRAC for the year ended on December 31, 2019 was approved in BRAC's Annual General Meeting.

# FINANCIALS

Figures in million USD

## Revenue Expenditure 2019 vs 2018

■ Revenue Expenditure 2019 ■ Revenue Expenditure 2018



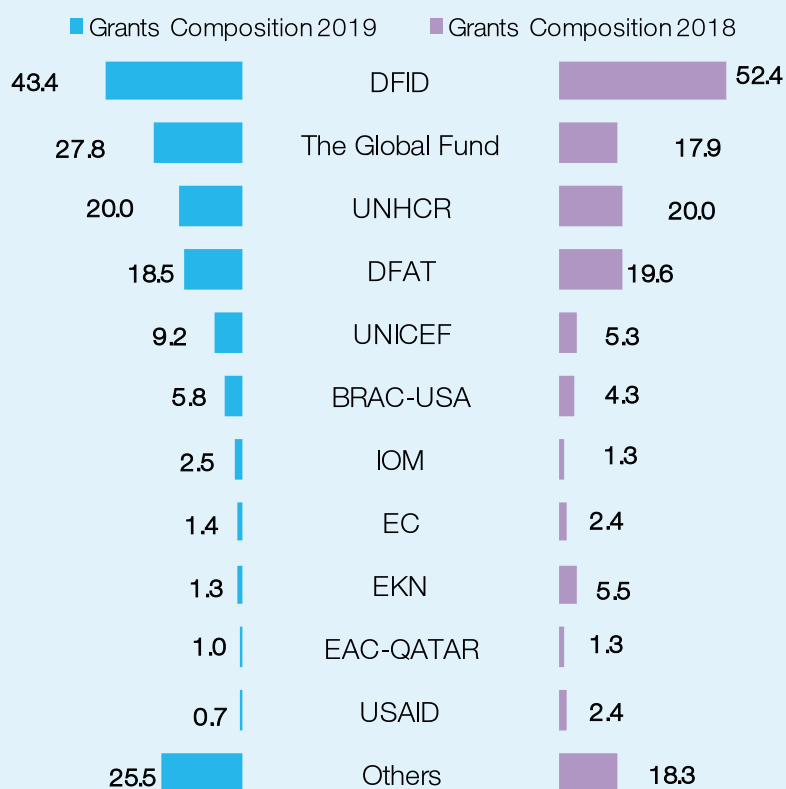
## Contribution of BRAC to Government Exchequer

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
<b>Total</b>	<b>2,386,089,636</b>	<b>28,422,747</b>	<b>1,431,682,067</b>	<b>17,053,985</b>

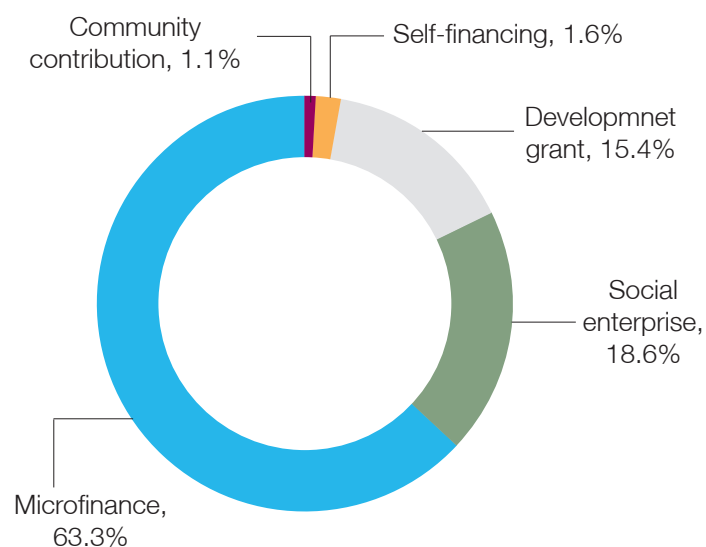
Exchange rate: 1 USD = BDT 83.95 as on December 31, 2019



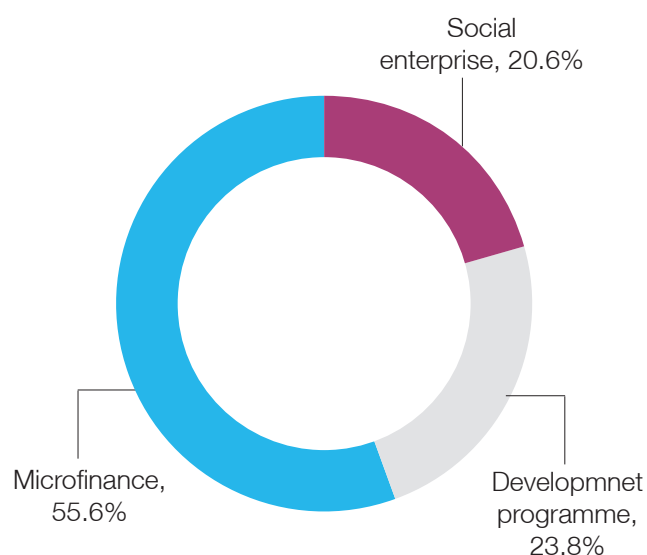
## Donation Composition 2019 vs 2018



## 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 31-Dec-2019		Restated Balance 31-Dec-2018		Restated Balance 01-Jan-2018	
	BDT	USD	BDT	USD	BDT	USD
<b>Assets</b>						
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
<b>Total assets</b>	<b>341,152,346,073</b>	<b>4,063,756,356</b>	<b>294,873,937,379</b>	<b>3,512,494,787</b>	<b>239,991,917,138</b>	<b>2,858,748,268</b>
<b>Liabilities and net assets</b>						
<b>Liabilities</b>						
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
<b>Total Liabilities</b>	<b>207,766,991,465</b>	<b>2,474,889,714</b>	<b>182,003,073,382</b>	<b>2,167,993,727</b>	<b>146,125,097,838</b>	<b>1,740,620,582</b>
<b>Net assets</b>						
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
<b>Total liabilities and net assets</b>	<b>341,152,346,073</b>	<b>4,063,756,356</b>	<b>294,873,937,379</b>	<b>3,512,494,787</b>	<b>239,991,917,138</b>	<b>2,858,748,268</b>

**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
<b>Income</b>				
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
<b>Total income</b>	<b>89,853,613,043</b>	<b>1,070,322,967</b>	<b>78,047,671,967</b>	<b>929,692,340</b>
<b>Expenditure</b>				
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
<b>Total expenditure</b>	<b>71,769,740,599</b>	<b>854,910,549</b>	<b>60,302,821,159</b>	<b>718,318,299</b>
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)
<b>Net surplus for the year</b>	<b>17,354,872,444</b>	<b>206,728,677</b>	<b>15,991,850,808</b>	<b>190,492,565</b>

**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. Rokonzaman FCA**  
Partner  
ACNABIN, Chartered Accountants

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

		Reported Balance	Restated Balance	Restated Balance
Notes		31-Dec-19	31-Dec-18	01-Jan-18
		Taka	Taka	Taka
<b>Assets</b>				
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
<b>Total assets</b>		<b>341,152,346,073</b>	<b>294,873,937,379</b>	<b>239,991,917,138</b>
<b>Liabilities and net assets</b>				
<b>Liabilities</b>				
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
<b>Total Liabilities</b>		<b>207,766,991,465</b>	<b>182,003,073,382</b>	<b>146,125,097,838</b>
<b>Net assets:</b>				
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
<b>Total liabilities and net assets</b>		<b>341,152,346,073</b>	<b>294,873,937,379</b>	<b>239,991,917,138</b>

**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
<b>Income</b>				
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
<b>Total income</b>	<b>75,461,358,094</b>	<b>14,392,254,949</b>	<b>89,853,613,043</b>	<b>78,047,671,967</b>
<b>Expenditure</b>				
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
<b>Total expenditure</b>	<b>55,885,403,683</b>	<b>15,884,336,917</b>	<b>71,769,740,599</b>	<b>60,302,821,159</b>
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)
<b>Net surplus for the year</b>	<b>17,354,872,444</b>	<b>-</b>	<b>17,354,872,444</b>	<b>15,991,850,808</b>

**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
	Unrestricted	Temporarily Restricted	
	Taka	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)
<b>Restated balance at 1 January 2018</b>	<b>92,711,216,682</b>	<b>1,155,602,618</b>	<b>93,866,819,300</b>
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)
<b>At 31 December 2018</b>	<b>111,711,995,654</b>	<b>1,158,868,343</b>	<b>112,870,863,997</b>
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
<b>At 31 December 2019</b>	<b>132,903,772,867</b>	<b>481,581,742</b>	<b>133,385,354,609</b>

**Footnotes:**

1. Independent Auditors' report-Page 1-3
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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
<b>Cash flows from operating activities:</b>			
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
<b>Cash flows from investing activities:</b>			
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)
<b>Cash flows from financing activities:</b>			
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:

<b><u>Item</u></b>	<b><u>Annual Depreciation Rate (%)</u></b>
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:

<b><u>Loan Classification</u></b>	<b><u>Days in Arrears</u></b>	<b><u>Provision required</u></b>
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.

### 3. Cash and bank balances

Cash in hand and at banks (Note 3.1)  
Deposits (Note 3.2)

2019 Taka	2018 Taka
5,440,041,114	5,453,549,106
20,052,512,234	16,108,232,210
<b>25,492,553,348</b>	<b>21,561,781,316</b>

#### 3.1 Cash in hand and at banks

Cash in hand  
Cash at banks

904,837,175	707,145,663
4,535,203,939	4,746,403,443
<b>5,440,041,114</b>	<b>5,453,549,106</b>

#### 3.2 Deposits

- \* Fixed deposits pledged with financial institutions
- Fixed deposits unpledged
- Short term deposit unpledged

444,374,373	443,672,360
16,182,269,617	12,457,129,069
3,425,868,244	3,207,430,781
<b>20,052,512,234</b>	<b>16,108,232,210</b>

- \* 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  
Fixed deposits unpledged  
Short term deposits unpledged  
68 Bank Accounts (2018: 68)

444,374,373	443,448,893
16,182,269,617	1,553,704,032
3,425,868,244	3,207,430,781
2,524,961,759	679,224,787

#### 3.3 Deposits analysed by programme:

Microfinance Programme  
Other Programmes

17,850,909,997	14,073,281,392
2,201,602,237	2,034,950,818
<b>20,052,512,234</b>	<b>16,108,232,210</b>

#### 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  
Fixed deposits unpledged  
Short term deposits unpledged  
Bank overdrafts (Note 13)

5,440,041,114	5,453,549,106
16,182,269,617	12,457,129,069
3,425,868,244	3,207,430,781
(27,893,463,383)	(36,115,730,851)
<b>(2,845,284,408)</b>	<b>(14,997,621,895)</b>

### 4. Advances, deposits and prepayments

Advances:

Employees  
Suppliers  
Advance for tax

5,245,761,770	4,682,181,521
996,271,467	601,470,862
2,260,608,299	6,505,113,157
<b>8,502,641,536</b>	<b>11,788,765,540</b>

Deposits:

Deposits for facilities and utilities  
Prepayments

25,255,593	20,568,604
2,192,896,372	1,585,743,760
<b>10,720,793,501</b>	<b>13,395,077,904</b>

### 5. Inventories

Seeds and feed  
Medical supplies and consumables  
Printing and stationery  
Handicraft goods  
Dairy products  
Programme materials

504,387,181	491,032,674
103,887,849	97,019,751
127,469,534	67,500,506
4,867,438,271	4,407,548,602
273,007,615	274,865,128
222,909,227	229,789,082
<b>6,099,099,677</b>	<b>5,567,755,743</b>

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
<b>3,334,745,791</b>	<b>3,860,680,136</b>

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	<b>250,127,985,061</b>	<b>3,838,750,190</b>	<b>(9,978,784,695)</b>	<b>243,987,950,556</b>

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
		<b>250,127,985,062</b>	<b>9,978,784,695</b>	<b>207,977,681,055</b>	<b>7,855,651,658</b>

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 instalments 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)
<b>85,192,350</b>	<b>207,030,285</b>

## 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
<b>747,400,000</b>	<b>1,057,400,000</b>

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
	14,065,670,240	14,777,688,828	2,454,597,406	31,297,956,474

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
	13,624,094,219	11,700,209,477	2,386,447,608	27,710,751,304

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



# 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 Taka	2018 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	Cost				Depreciation			Amount in Taka			
	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	Written down value 31-12-2019	Written down value 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	(114,755,931)	1,221,483,141	969,283,644	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	-	-	1,680,526,137	902,464,062	158,681,430	-	1,061,145,492	619,380,645	594,849,688
Deep tube well and tanks	40,576,530	1,747,113	-	(6,205,217)	36,118,426	36,845,157	2,502,122	(6,205,217)	33,142,062	2,976,364	3,731,373
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	2,749,049,697	-	(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	1,073,663,686	939,062,149
	<b>1,232,137,670</b>	<b>1,078,706,853</b>

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 Taka	2018 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.	2,986,117,252	3,210,017,472
Bank Alfalah Ltd.	194,749,502	195,784,919
Bank Asia Ltd.	711,795,221	2,889,102,543
BRAC Bank Ltd.	566,890,970	563,038,090
Dhaka Bank Ltd.	1,573	69,560
Dutch Bangla Bank Ltd.	90,732,850	161,700,138
Eastern Bank Ltd.	48,712,821	45,982,679
Habib Bank Ltd.	200,167,698	193,388,849
HSBC	6,254,200	3,843,081
IFIC Bank Ltd.	52,857,594	63,401,465
Jamuna Bank Ltd.	1,562,443,603	2,725,053,727
Janata Bank Ltd.	1,562,302,069	2,005,562,030
Mutual Trust Bank Ltd.	1,052,178,763	1,705,314,869
Prime Bank Ltd.	1,834,950,649	2,216,950,125
* Pubali Bank Ltd.	7,345,918,145	7,362,553,172
Rupali Bank Ltd.	292,202,501	435,420,889
Sonali Bank Ltd.	6,201,485,666	6,320,669,937
Southeast Bank Ltd.	98,960	15,180,260
Standard Bank Ltd.	44,271	626,071,647
The City Bank Ltd.	416	293,417,105
The Trust Bank Ltd.	361,261,156	2,157,690,863
United Commercial Bank Ltd.	33,802	4,255,573
Uttara Bank Ltd.	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)
		1,699,115,630	
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)
		1,084,164,829	1,749,559,140
Refund		(17,982,195)	(50,443,510)
Donor fund advance of closed projects transferred to capital fund		(78,720,314)	-
Grants receivables		1,124,558,318	1,312,687,879
At 31 December 2019		2,112,020,638	3,011,803,509

# 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		682,884,576	11,142,623	694,027,199

**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**

Donor grants recognised in the Statement of Income and Expenditure:

	Notes	2019 Taka	2018 Taka
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



**21. Microfinance Programme**

(Loss)/gain on disposal of property, plant and equipment  
Service charge on microfinance loans  
Bank interest against member savings deposits (Note 25)

2019 Taka	2018 Taka
-	333,799
55,447,988,656	45,010,650,247
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)  
Other income (22.1)

140,981,050	157,295,688
970,144,470	1,081,333,338
<u>1,111,125,520</u>	<u>1,238,629,026</u>

**22.1 Other income**

Training income  
Partial reimbursements on cost of programme supplies  
Sale of wastage materials  
(Loss)/gain on disposal of property, plant and equipment  
Foreign exchange (loss)/gain - unrealised

546,364,470	563,728,634
319,910,598	484,850,601
66,092,798	28,442,145
27,647,286	(1,263,188)
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>
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**24. Community contribution**

Education Programme  
Health Nutrition and Population Programme  
Community Empowerment Programme  
Skill Development Programme  
BRAC WASH in hard to reach and urban areas  
Human rights and legal aids services  
Integrated Development Programme

391,635,413	957,790,793
523,623,987	504,907,531
26,878,478	9,258,776
39,601,769	19,281,326
17,322,420	19,615,634
335,820	382,425
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  
Self-financing social development programmes  
Donor based development Projects

1,418,233,348	959,197,028
140,981,050	157,295,688
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	479,911
	EKN	25,861,751	157,549,234
	The Global Fund	1,968,352,840	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-UK	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
Chittmohol 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 Daneials 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(IRSOP)	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	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(FFRRP)	UNOPS	-	162,347,463
Improved Wash service for the Rohiyanga Refugee and Host Communities in Cocks Bazar	UNICEF	147,583,656	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
MNCH-Urban Project (Phase-II)	JPGSPH BRAC University	406,277	448,267
MNCH-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, Ukhla	IOI	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	BRAC-USA	310,816,218	167,498,493
BRAC Humanitarian Response In Cox Bazar : Education and Critical Infrastructure Development Support	OSF	-	335,798,489
Deliver and Integrated Assistance Package in Cox's Bazar	WFP	77,418,756	8,378,000
Humanitarian Response to the Rohingya Crisis in Bangladesh (Host Community)	DFAT	-	30,075,000
Self Reliance Assistance for Rohingya and Host Community in Ukhla and Teknaf Upazilla Cox's Bazar	Save the Children	2,396,625	2,396,625
Humanitarian Response to the Rohingya Crisis in Bangladesh (Host Community)	DFAT	-	90,225,000
Implementation of Comprehensive 5th Control Deworming	BRAC USA	-	21,345,363
Provision of Sustainable WASH Services for Rohingya and Host communities	EKN	80,000,000	300,000,000
Scale Up of Early learning and informal basic education for forcibly Displaced Myanmar Nations	UNICEF	203,931,473	129,669,085
Scaling up Mother@Work programme at ready-made garment factories	UNICEF	16,270,522	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	Grant Challenges Canada	2,365,381	6,338,040
Health Campus Humanitarian Programme	WMO	-	8,466,358
Non Formal Primary level education to forcibly Displaced Myanmar Nation	EAC-QATAR	-	97,167,072
SAPLING	Bill and Melinda Gates Foundation	-	28,922,260
Changing The Perception of Youth in Bangladesh about Skill Development	Embassy of Denmark	26,237,752	-
Development, Production and Distribution of Teaching & Learning Materials for Learning Competency Framework and Approach (LOFA) 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	-
NOF 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	-
SOE-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 Reinforcement 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'sbazar	WFP	15,634,880	-
Comprehensive 5th Control Deworming	BRAC-UK	6,792,347	-
Integrated Comprehensive Essential Primary Health Care for Rohingya Refugees in Cox's Bazar	UNICEF	39,758,609	-
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	Grand Challenge Canada	10,302,748	-
Mobile Biometrics for MNCH Care in Bangladesh	AGFUND	9,842,560	-
Non-Formal Primary Education-AGFUND	Enfants Du Monde (EDN)	11,517,992	-
Participatory Implementation of IFC to improve Maternal and Newborn Health in Bangladesh	Un Women	20,400,000	-
Positive social relationships created between Rohingya Refugees and host community women through economic and social support and networking	BRAC USA	16,800,000	-
Research and Evaluation of BRAC's Holistic	SEIP	24,620,746	-
SEIP-BRAC	UNDP	25,872,318	-
Solid waste management in Host Communities and camps in Teknaf Ukhiya Upazila under Cox's Bazar district (Package-A-Teknaf and Package-B-Ukhiya)	Echotex Ltd	10,283,058	-
Strengthening and Cultivating Opportunities in Production for Empowerment (SCOPE)	World Fish	1,577,348	-
Women's Empowerment by contributing in Aquaculture and Nutrition	BRAC-UK	2,504,700	-
Working with Children at Risk in the Slums of Dhaka			
Total		13,177,794,995	12,640,242,326
<b>Less: Refunded to Donor:</b>			
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 Humataron 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)
<b>Grand total</b>		<b>13,159,812,800</b>	<b>12,589,798,816</b>

### 31. Segmental financial information

#### Balance Sheet as at December 31, 2019

##### Assets:

Cash and bank balances  
Advance, 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

##### Total Assets

##### Liabilities and net Assets

Liabilities  
Liabilities for expenses 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

Unrestricted										Temporarily restricted		Total 2019
									Total Unrestricted	Development Projects		
Aarong 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)			Taka	Taka	
Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka			Taka	Taka	
193,339,297	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		
360,734,353	226,593,064	426,405,901	198,719,826	831,070	4,345,410,128	3,476,683,891	28,058,136	9,063,416,369	1,657,377,132	10,720,793,501		
4,867,438,271	112,238,426	274,613,254	603,133,888	1,546,944	126,782,133	99,599,396	-	6,085,352,312	13,747,365	6,099,099,677		
203,588,988	68,001,966	69,875,991	464,409,297	2,106,970	703,592,993	657,214,306	-	2,168,790,511	1,165,955,280	3,334,745,791		
347,321,836	(77,535,142)	3,092,056	18,246,625	(1,643,186)	-	(290,600,501)	-	(1,118,312)	1,118,312	-		
-	-	-	-	-	243,987,950,556	-	-	243,987,950,556	-	243,987,950,556		
-	-	392,190	7,637,481	-	21,295,433	676,887	-	30,001,991	55,190,359	85,192,350		
-	-	-	-	-	-	747,400,000	-	747,400,000	-	747,400,000		
-	-	-	-	-	-	31,297,956,474	-	31,297,956,474	-	31,297,956,474		
2,434,174,274	47,999,642	1,322,338,729	528,507,862	7,926,729	4,628,461,949	9,530,421,012	95,661,751	18,595,491,948	791,162,428	19,386,654,376		
8,406,597,019	381,400,101	2,162,091,589	2,898,344,277	16,547,558	273,484,392,529	46,478,381,320	2,749,704,257	398,595,398,650	4,596,947,423	341,152,346,073		
688,761,899	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		
-	39,238,125	-	-	-	27,854,225,258	-	-	27,893,463,383	-	27,893,463,383		
-	-	-	-	-	44,532,426,404	-	-	44,532,426,404	-	44,532,426,404		
-	-	-	-	-	97,006,031,994	-	-	97,006,031,994	-	97,006,031,994		
-	-	-	-	-	-	-	-	-	-	-		
-	-	32,532,384	-	-	508,011	13,822,417	-	46,862,812	2,112,020,638	2,112,020,638		
306,684,108	32,957,156	-	-	-	171,732,621	16,559,333,793	-	17,070,707,618	647,164,387	694,027,199		
1,170,895,284	36,976,374	101,990,272	244,580,424	2,049,289	-	3,004,254,432	-	4,560,746,075	-	17,070,707,618		
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		
6,260,235,728	245,527,461	1,727,469,202	2,382,383,835	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		
8,406,597,019	381,400,101	2,162,091,589	2,898,344,277	16,547,558	273,484,392,529	46,478,381,321	2,749,704,256	398,595,398,650	4,596,947,423	341,152,346,073		

31. Segmental financial information (cont'd)

Balance Sheet as at December 31, 2018

Assets:

	Unrestricted					Temporarily restricted		Total 2018			
	Along 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	18,975,533,535	2,586,247,781	21,561,781,316
Advances, deposits and prepayments	343,323,519	218,875,339	296,995,601	98,678,611	1,360,241	3,164,910,236	7,615,898,493	27,915,904	11,769,958,944	1,625,116,960	13,395,077,904
Inventories	4,407,548,602	51,376,341	276,549,490	586,805,357	9,716,445	92,625,621	118,222,514	-	5,542,744,389	25,011,375	5,567,755,764
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	90,228,663	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	845,439,246	19,018,501,326
<b>Total Assets</b>	<b>7,525,461,785</b>	<b>357,692,782</b>	<b>2,012,994,716</b>	<b>2,603,891,019</b>	<b>154,069,838</b>	<b>230,965,304,715</b>	<b>42,086,763,099</b>	<b>2,563,588,239</b>	<b>288,272,766,192</b>	<b>6,601,171,187</b>	<b>294,873,937,380</b>

Liabilities and net Assets

<b>Liabilities</b>											
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	-	-	-	35,967,053,781	-	-	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	-	-	-	-	-	-	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
<b>Total Liabilities</b>	<b>1,786,899,042</b>	<b>120,291,850</b>	<b>342,994,957</b>	<b>442,210,026</b>	<b>45,684,715</b>	<b>148,847,958,184</b>	<b>24,974,323,914</b>	<b>407,850</b>	<b>176,560,770,538</b>	<b>5,442,302,844</b>	<b>182,003,073,382</b>
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
<b>Total Liabilities and Net assets</b>	<b>7,525,461,785</b>	<b>357,692,782</b>	<b>2,012,994,716</b>	<b>2,603,891,019</b>	<b>154,069,838</b>	<b>230,965,304,715</b>	<b>42,086,763,098</b>	<b>2,563,588,239</b>	<b>288,272,766,192</b>	<b>6,601,171,187</b>	<b>294,873,937,379</b>

31. Segmental financial information (Cont'd)

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

	Aarong Rural Craft Centre Taka	BRAC Printing Pack Taka	BRAC Dairy and Food Project Taka	Agro based 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	Temporarily restricted		Total 2019 Taka
										Development Projects Taka	Taka	
<b>Income</b>												
Donor grants	-	-	4,043,250	-	-	-	108,616,167	-	112,659,417	13,736,542,373	-	13,849,201,790
Social Enterprises	9,835,855,985	387,493,770	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	140,981,050	-	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	-	-	-	-	-	-	970,144,470	-	980,261,314	-	-	980,261,314
Community contribution	-	-	-	10,116,844	-	-	350,684,899	-	350,684,899	649,482,463	-	1,000,167,362
House property	-	-	-	-	-	-	-	92,593,668	92,593,668	-	-	92,593,668
<b>Total Income</b>	<b>9,835,855,985</b>	<b>387,493,770</b>	<b>4,000,733,701</b>	<b>2,432,621,172</b>	<b>74,737,671</b>	<b>56,866,222,004</b>	<b>1,771,110,223</b>	<b>92,593,668</b>	<b>75,461,358,094</b>	<b>14,392,254,949</b>	<b>-</b>	<b>89,853,613,043</b>
<b>Expenditure</b>												
Social Enterprises	8,345,701,904	364,573,209	3,883,909,662	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	-	6,717,639	16,385,453	-	279,518,943
Community Empowerment Programme	-	-	-	-	-	-	502,248,091	-	502,248,091	1,623,975,492	-	2,126,223,583
Education Programme	-	-	-	-	-	-	-	-	-	118,242,230	-	118,242,230
Gender, Justice and Diversity	-	-	-	-	-	-	142,419,516	-	142,419,516	4,083,498,361	-	4,225,917,877
Health Programme	-	-	-	-	-	-	12,442,354	-	12,442,354	329,134,670	-	341,577,024
Human Rights and Legal Aids Services	-	-	-	-	-	-	-	-	-	53,531,885	-	53,531,885
Policy Advocacy	-	-	-	-	-	-	-	-	-	341,772,203	-	341,772,203
Water, Sanitation and Hygiene Programme	-	-	-	-	-	-	2,673,024	-	2,673,024	2,005,687,895	-	2,008,360,909
Ultra Poor Programme	-	-	-	-	-	-	-	-	-	4,568,977,441	-	4,568,977,441
Forcibly-displaced Myanmar Nationals	-	-	-	-	-	-	11,751,639	-	11,751,639	206,214,149	-	217,965,788
Disaster Management and Climate Change	-	-	-	-	-	-	-	-	-	754,964,897	-	754,964,897
Skills Development Programme	-	-	-	-	-	-	1,040,385	-	1,040,385	264,505,489	-	265,545,874
Migration Programme	-	-	-	-	-	-	227,182,085	-	227,182,085	-	-	227,182,085
Social Development Programme	-	-	-	-	-	-	36,160,789	-	36,160,789	1,244,655,458	-	1,280,816,247
Other Development Projects	-	-	-	-	-	-	236,338,397	-	236,338,397	-	-	236,338,397
Grants	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>8,345,701,904</b>	<b>364,573,209</b>	<b>3,883,909,662</b>	<b>2,120,312,737</b>	<b>56,719,483</b>	<b>39,909,043,349</b>	<b>1,178,973,920</b>	<b>46,169,419</b>	<b>55,685,403,683</b>	<b>15,884,336,917</b>	<b>-</b>	<b>71,769,740,599</b>
<b>Surplus/(deficit) of income over expenditure before inter-programme allocation</b>	<b>1,490,153,981</b>	<b>22,910,561</b>	<b>136,824,039</b>	<b>312,308,435</b>	<b>18,018,188</b>	<b>16,957,178,655</b>	<b>592,136,303</b>	<b>46,424,249</b>	<b>19,575,954,412</b>	<b>(1,492,081,968)</b>	<b>-</b>	<b>18,083,872,444</b>
<b>Inter-programme allocations</b>	<b>(521,672,986)</b>	<b>(8,126,532)</b>	<b>(57,469,443)</b>	<b>(141,652,081)</b>	<b>(632,933)</b>	<b>-</b>	<b>729,653,975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus for the year after inter-programme allocations</b>	<b>968,480,995</b>	<b>14,784,029</b>	<b>79,354,596</b>	<b>170,656,354</b>	<b>17,385,255</b>	<b>16,957,178,655</b>	<b>1,321,690,278</b>	<b>46,424,249</b>	<b>19,575,954,412</b>	<b>(1,492,081,968)</b>	<b>-</b>	<b>18,083,872,444</b>
<b>BRAC Contribution to support Donor Funded Programmes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,492,081,968)</b>	<b>-</b>	<b>(1,492,081,968)</b>	<b>1,492,081,968</b>	<b>-</b>	<b>-</b>
<b>Surplus of income over expenditure before taxation</b>	<b>968,480,995</b>	<b>14,784,029</b>	<b>79,354,596</b>	<b>170,656,354</b>	<b>17,385,255</b>	<b>16,957,178,655</b>	<b>(170,391,690)</b>	<b>46,424,249</b>	<b>18,083,872,444</b>	<b>0</b>	<b>0</b>	<b>18,083,872,444</b>
<b>Taxation</b>	<b>(446,803,010)</b>	<b>(6,657,498)</b>	<b>(21,895,153)</b>	<b>(63,559,404)</b>	<b>(4,378,826)</b>	<b>-</b>	<b>(185,711,109)</b>	<b>-</b>	<b>(729,000,000)</b>	<b>-</b>	<b>-</b>	<b>(729,000,000)</b>
<b>Net surplus for the year</b>	<b>521,677,985</b>	<b>8,126,531</b>	<b>57,469,443</b>	<b>107,096,950</b>	<b>13,006,429</b>	<b>16,957,178,655</b>	<b>(356,102,799)</b>	<b>46,424,249</b>	<b>17,354,872,444</b>	<b>0</b>	<b>0</b>	<b>17,354,872,444</b>

31. Segmental financial information (Cont'd)

Statement of Income and Expenditure  
for the year ended December 31, 2018

Income	-	-	3,714,906	-	-	-	787,629	-	4,502,535	13,036,908,467	13,041,411,002
Donor grants											
Social Enterprises	9,037,410,660	373,892,188	3,969,933,580	2,479,072,712	93,282,052	-	-	-	15,953,591,192	-	15,953,591,192
Microfinance Programme	-	-	-	-	-	45,010,650,247	-	-	45,010,650,247	-	45,010,650,247
Self-financing Social Development Project	-	-	-	-	-	959,197,028	157,295,688	-	1,116,492,716	11,144,409	-
Investment income	-	-	-	-	-	-	217,875,460	-	-	-	217,875,460
Other income -internal	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	9,839,809	-	-	333,799	1,081,333,338	-	1,091,506,946	-	1,091,506,946
Community contribution	-	-	-	-	-	-	73,403,005	-	73,403,005	1,439,003,323	1,512,406,328
House property	-	-	-	-	-	-	-	92,593,668	92,593,668	-	92,593,668
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	63,560,815,769	14,487,056,198	78,047,671,967
Expenditure											
Social Enterprises	7,864,805,815	350,101,754	3,814,839,337	2,186,369,107	75,921,522	-	-	-	14,292,037,535	-	14,292,037,535
Micro Finance Programme	-	-	-	-	-	29,598,743,796	-	-	29,598,743,796	-	29,598,743,796
House property	-	-	-	-	-	-	-	58,900,848	58,900,848	-	58,900,848
Agriculture and Food Security	-	-	-	-	-	-	4,990,825	-	-	73,539,035	73,539,035
Community Empowerment Programme	-	-	-	-	-	-	202,211,810	-	202,211,810	291,456,689	296,447,514
Education Programme	-	-	-	-	-	-	-	-	-	3,561,001,845	3,763,213,655
Gender, Justice and Diversity	-	-	-	-	-	-	69,630,632	-	69,630,632	145,618,483	145,618,483
Health Programme	-	-	-	-	-	-	12,975,861	-	12,975,861	4,064,377,614	4,134,008,246
Human Rights and Legal Aids Services	-	-	-	-	-	-	-	-	-	317,865,685	330,841,546
Policy Advocacy	-	-	-	-	-	-	-	-	-	59,461,048	59,461,048
Water, Sanitation and Hygiene Programme	-	-	-	-	-	-	-	-	-	652,072,685	652,072,685
Ultra Poor Programme	-	-	-	-	-	-	3,119,905	-	3,119,905	2,302,436,776	2,302,436,776
Forcibly-displaced Myanmar Nationals	-	-	-	-	-	-	-	-	-	2,914,613,506	2,914,613,506
Disaster Management and Climate Change	-	-	-	-	-	-	-	-	-	245,997,996	245,997,996
Skills Development Programme	-	-	-	-	-	-	-	-	-	499,228,766	499,228,766
Other Development Projects	-	-	-	-	-	-	213,307,227	-	213,307,227	709,738,271	923,045,497
Grants	-	-	-	-	-	-	12,614,227	-	12,614,227	-	12,614,227
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	-	-	-	-
BRAC Contribution to support Donor Funded Programmes	-	-	-	-	-	-	(1,350,498,021)	-	(1,350,498,021)	1,350,498,021	-
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	15,986,585,082	3,265,725	15,991,850,808



**32. Statement of Functional Expenses.**

**Expenditure Statement  
for the period ended December 31, 2019**

Expenditure Statement for the period ended December 31, 2019										
		Unrestricted					Temporarily restricted			
Aarong 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	Total 2019
Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
1,012,534,443	19,975,273	352,922,381	314,401,064	15,279,854	17,836,451,910	40,105,111	-	19,591,670,036	6,096,981,704	25,688,651,740
102,269,980	2,785,135	151,159,985	52,604,088	3,010,788	1,587,454,655	65,872,966	-	1,965,157,597	718,738,467	2,683,896,064
-	-	-	-	-	-	119,300,353	-	119,300,353	397,338,487	516,638,840
-	-	-	-	-	-	8,544,302	-	8,544,302	43,427,169	51,971,471
-	-	-	-	-	-	23,041,852	-	23,041,852	68,363,864	91,405,716
430,248,142	1,024,186	30,556,303	25,379,706	2,505,069	1,160,405,379	31,885,987	16,571,454	1,698,576,226	527,901,212	2,226,477,438
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
-	-	-	-	-	-	-	-	-	198,087,445	170,087,445
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	7,195,613,461
-	-	-	-	-	260,442,476	78,553,023	-	338,995,499	6,856,617,962	7,195,613,461
-	-	-	-	-	5,292,875,918	-	-	5,292,875,918	-	5,292,875,918
-	-	-	-	-	4,659,702,994	-	-	4,659,702,994	-	4,659,702,994
-	-	-	-	-	3,219,835,513	63,522,785	-	3,322,175,333	-	3,322,175,333
27,964,428	10,852,607	3,158,014,368	1,458,124,679	28,687,996	-	-	-	10,939,173,775	-	10,939,173,775
5,971,687,154	322,679,578	-	-	26,000	-	-	-	539,300,539	14,231,580	553,532,119
269,910,188	-	90,311,982	125,055,561	-	-	-	-	4,317,719,641	-	4,317,719,641
-	-	-	-	-	4,317,719,641	-	-	942,619,913	131,043,772	1,073,663,686
231,793,443	1,506,042	8,290,369	53,739,562	1,790,136	290,134,394	330,922,855	24,443,112	26,754,966	-	26,754,966
5,989,441	-	8,913,776	11,504,187	347,562	-	-	-	55,611,396	-	55,611,396
-	-	-	-	-	-	55,611,396	-	-	-	-
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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**

Expenditure Statement																					
for the year ended December 31, 2018																					
		Unrestricted					Temporarily restricted														
		BRAC		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		Taka		Taka		Taka		Taka		Taka		Taka		Taka		Taka		Taka	
Aarong Rural Craft Centre		18,787,599	2,071,334	318,712,743	347,176,502	16,217,389	13,119,483,011	41,579,037	-	14,865,366,399	6,611,155,946	21,476,522,346									
Salaries and benefits	1,003,410,118																				
Travelling and transportation	100,321,927			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	-	-	-	-	-	-	-	10,577,952	-	863,334,403	52,220,050	873,912,355									
Teachers' training	-	-	-	-	-	-	-	2,043,830	-	2,043,830	54,263,880	54,263,880									
School rent and maintenance	-	-	-	-	-	-	-	5,048,723	-	5,048,723	174,393,997	174,442,720									
Stationery, rent and utilities	384,986,434	754,039	30,510,141	15,881,042	2,906,765	2,906,765	795,598,394	2,109,855	16,151,560	1,248,898,230	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	9,464,465	621,420,212	2,837,630	19,171,314	985,081,345	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	61,121	352,519,215	2,758,840	-	391,018,026	306,764,898	697,782,924									
Programme supplies	-	253,832	137,670	1,890,450	122,242	122,242	337,278,232	5,910,060	-	345,582,486	6,175,336,393	6,520,918,868									
Interest on members' savings deposits	-	-	-	-	-	-	-	-	-	-	-	-									
Interest on long term loans	-	-	-	-	-	-	-	-	-	-	-	-									
Bank overdraft interest and charges	83,903,922	7,369,422	-	10,966,567	-	-	4,247,560,801	-	-	4,247,560,801	-	4,247,560,801									
Cost of goods sold of social enterprises	5,698,828,627	308,595,026	-	5,116,920	2,796,408,873	-	2,796,408,873	-	-	2,807,375,440	-	2,807,375,440									
Publicity, advertisement and sales commissions	185,463,320	-	3,101,922,490	1,495,022,605	43,176,401	-	2,496,523,657	38,537,501	-	2,631,451,422	-	2,631,451,422									
Loan loss provision for microfinance loans	-	-	112,078,911	91,917,431	1,045,169	-	-	-	-	10,647,545,149	-	10,647,545,149									
Depreciation of property, plant and equipment	186,979,630	1,429,349	5,414,953	57,912,250	1,430,148	-	3,397,704,456	47,775,220	-	438,280,051	-	450,341,125									
Provision for bad and doubtful debts	1,326,035	5,998,862	21,367,618	24,688,916	319,568	-	282,451,298	285,008,669	23,577,974	844,204,471	94,857,677	3,397,704,456									
Allocation to self- insurance fund	-	-	-	-	-	-	-	165,740	-	53,866,739	-	939,062,149									
Allocation to Relief and Rehabilitation fund	-	-	-	-	-	-	-	55,611,396	-	55,611,396	-	55,611,396									
Grants	-	-	-	-	-	-	-	-	-	-	-	-									
	7,864,805,815	350,101,754	3,814,839,337	2,186,369,107	75,921,522	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									

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**


Want to file a complaint on a safeguarding issue?

For complaints related to sexual harassment:

 **01729071546**

 **complaint.shrc@brac.net**

For other complaints:

 **01730346883**

 **hrd.gmt@brac.net**

