







## COVER STORY

### Ritu Khanom

Gabtoli, Bogra

Ritu was married at the age of 12, right after she finished her primary education. Her husband did not have a job, and Ritu was soon losing sleep over the family's monthly bills.

The cow that they owned gave six litres of milk per day, which Ritu sold at the local market. The prices were not great, considering the investment, labour, and operation cost behind it.

Her husband took training on cattle farming and started working alongside Ritu, and they started investing in more cattle. In two years they had 10 cattle and their daily milk production amounted to 50 litres. Ritu started selling milk at the BRAC milk collection unit.

Now a BRAC Dairy client, Ritu started getting vaccinations, emergency medicines, and knowledge for free.

Ritu built a shed for the cattle and a two-room brick house for her family, sold several bulls and bought two bighas (66 decimal) of land.

Currently Ritu has 26 cattle, and is using her land to run a small farm. Now in her early 20s and raising a child, Ritu is confident and in control of her life. She is one of 50,000 registered dairy farmers selling milk nationwide under the Aarong Dairy brand.

# SNAPSHOT 15 WAYS

## BRAC WORKED FOR GENDER EQUITY IN BANGLADESH IN 2018



Women made up **87%** of the clients provided with financial services.



Girls made up over half of the **1.4 million** children in schools operated and supported by BRAC.



**1.8 million** people, including men and boys, reached through gender mainstreaming efforts.



Almost **a million** women are members of our **12,800** *polli shomaj* - democratic, women-led institutions through which they build support networks, claim entitlements, and prevent exploitation. **62,594** *polli shomaj* leaders participated in local power structures.



Awareness of **219,963** adolescent girls and boys raised on sexual harassment, gender-based violence, and sexual and reproductive health and rights.



**62,907** BRAC school students and parents across Bangladesh oriented on non-discrimination, child sexual abuse, and positive parenting.



**43,682** women graduated out of ultra-poverty.



**22,164** people accessed skill-based training, **46.22%** of whom were female.



**3.4 million** mothers and pregnant women accessed nutrition counselling.



**37,176** Rohingya women and adolescent girls made aware of their rights and provided with legal support.



**207,538** incidents of domestic violence, child marriage, and dowry prevented.



**118,308** women exercised their leadership roles through our school management committees.



Women made up **97%** of the clients who received legal services.



**1.5 million** pregnant women accessed maternity care services.



A comprehensive study, *Advancing Gender Equality in Bangladesh*, published on the history and impact of our gender quality action learning programme (GQAL), a 20-year experiment in advancing gender equality and women's empowerment agenda, where **2 million** women and men took the lead in changing gender relations, social norms, and ending violence against women.

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**Note:**

All USD figures in this report are based on the exchange rate of 31 Dec 2018.

# CHAIRPERSON'S FOREWORD



For nearly half a century, our work at BRAC has supported the building of a gender-equitable world.

What would a gender-equitable world look like? A world where cultures, embedded systems, and values based on patriarchy are replaced by cultures, systems, and values that empower and create opportunities for all. A world where girls are just as likely to gain education and skills as boys, where women are just as likely as men to own land, have control over assets and decisions, and succeed in the workplace, and where men and women share responsibilities at home equally.

Gender equity is a cross-cutting issue for all of us - individuals, communities, corporate organisations, non-governmental organisations, and governments. We all need to push ahead and find new ways to achieve this. Gender equity plays a vital role in both social development and domestic harmony and, as such, remains one of our top commitments at BRAC. We will continue to fight against anything that stands in the way of women's development, holds women back, deprives them of their rights, and damages their self-esteem or self-respect.

Only a few countries have come close to achieving gender equality. By comparison, in the 11 countries where BRAC operates, the work is just beginning. Despite making creditable progress on some socioeconomic indicators, we still lag behind in ensuring respect and fair treatment for women. We must be steadfast in our struggle to create an equitable society.

Although the challenges may be daunting, we must not accept the world as it is today. Children should not be forced to become brides, women

should not have to do more work for less pay, and wives and mothers should not have to carry a disproportionately high burden of responsibility at home. We cannot sit idly by as the harassment of women and girls continues unabated - at home, in public spaces, and in the workplace. Rather, we must continue to act on our conviction that women are the real agents of positive change for their families, communities, and for societies as a whole.

BRAC continued to tackle many of these issues head on in 2018. This report highlights some of our work in these areas. As we move forward towards the third decade of this century, we must continue to prioritise action that will lead us towards gender equality, and must do so with a sense of impatience and urgency. We must strive to create a world free of systemic prejudice, where gender-based violence in all its forms is rooted out for good. For we cannot and will not have peace, justice, or shared prosperity until we achieve gender equality.

A handwritten signature in black ink, which appears to read 'Fazle Hasan'.

**Sir Fazle Hasan Abed, KCMG**  
Founder and Chairperson

# LETTER FROM THE EXECUTIVE DIRECTOR

A gender-equal world is not only a moral imperative, it is also a critical organisational and social requirement, as well as smart economics. Diversity is a key ingredient for growing a strong and inclusive socioeconomic structure that is built to last. Diversity of ideas, backgrounds and experiences fuels innovation. Research has proved that organisations and countries that embrace diversity have a more solid and competitive footing. Parity and inclusion benefit us all. A McKinsey Global Institute report finds that \$12 trillion could be added to global GDP by 2025 by advancing women's equality.

At BRAC, we believe that transformation of our world starts with transforming perspectives on gender balance. Our integrated gender transformative approach strengthens the voice, choice, and space for women and girls to combat violence and eliminate all forms of gender discrimination with the active engagement of men and boys.

Investing in women and girls and making them agents of change are fundamental to how we work. We focus on strengthening agency as well as facilitating systems, platforms, and interventions that support women to make decisions vital to their family's wellbeing. Through our social development programmes, we have been driving better educational and work opportunities for girls and women, as well as better healthcare where women are in charge of their sexual and reproductive health and rights. We are also focusing on ways to increase women's participation in local markets and power structures.

Despite notable progress in poverty reduction, the number of extreme poor in Bangladesh is still staggering, with 3% of the global extreme

poor population residing here. BRAC has been a committed partner of the government with its women-centred Graduation approach which, over the last 17 years, has already helped more than 1.9 million families to break free of the cycle of ultra-poverty, and unleashed their inner potential to play an active role in the market economy.

Our microfinance programme supports women in accessing financial services to gain equal control over economic resources, and become key players in the economy. To illustrate, in 2018 alone, 7.1 million clients accessed financial services through our microfinance programme, 87% of whom were women.

Women in Bangladesh have made great strides in building the nation's economy. Bangladesh is among the few countries in South Asia that has increased significantly female employment in the last decade, while also cutting the wage gap between men and women. Even though the female labour force participation rate has increased, around 30% of working age youth are not yet in education, training, or employment, and the majority (87%) of them are women. Around one-fourth of educated women are unemployed. To bridge this gap, our skills development programme is facilitating the development of employable skills, linking programme graduates with decent work opportunities and promoting entrepreneurship among them. 46.22% of our learners are female. We are increasingly placing girls in non-traditional trades, such as mobile phone repair, motorcycle servicing, electrical work, and light engineering to break gender stereotypes.

One of the key challenges faced by women in Bangladesh is limited control over and access to economic resources, particularly land and other





fixed assets. Agricultural and non-agricultural land ownership by men are about six times and twelve times higher than women's respectively. Our human rights and legal aid services programme has been piloting innovative approaches to improve the rights and property ownership ratio of women.

Growing up as a girl in Bangladesh is much tougher than growing up as a boy. Almost all girl children have to shoulder a set of pre-determined, deep-rooted social bias and systemic disparity. Our gender justice and diversity team has been working on transforming prevailing socio-cultural gender norms, building the capacity of staff and stakeholders to challenge and change those normative practices, creating a supportive environment for girls and women, and advocating for gender justice in all institutional set-ups.

Gender inequality is a complex socio-political issue, but proven solutions are at hand. Despite what might often seem like a set of insurmountable barriers, girls and women throughout the world have been bravely defying the odds and pursuing a more

prosperous future for themselves and their families. All they need is equal access to education, skills, and opportunities. Multi-stakeholder partnerships are required to support them to pursue such opportunities with persistence. BRAC continues to reach out to its partners, peer groups, and key stakeholders to build a social movement through its programmes and advocacy work. We will accelerate our effort in this regard in the coming days.

We stand committed alongside our teams and network of partners, allies, and supporters to redress the power dynamics, and build a more equitable world where no one is left behind.

**Dr Muhammad Musa**  
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-sustaining 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 emergency response, gender equality, universal healthcare, pro-poor urban development, investing in the next generation.



## HUMANITARIAN RESPONSE

We have been providing comprehensive services to Rohingya and host communities in Cox's Bazar through a multi-sector response since the influx began in August 2017. We are working closely with the government, local and international NGOs, and other stakeholders through the Inter Sector Coordination Group.



## SOCIAL ENTERPRISES

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





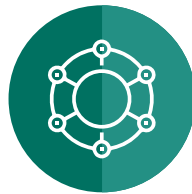
## INVESTMENTS

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



## BRAC UNIVERSITY

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



## STICHTING BRAC INTERNATIONAL

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



## AFFILIATES

### BRAC USA

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

### BRAC UK

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

# VISION, MISSION AND VALUES



## VISION

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

## MISSION

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

## VALUES

Integrity

Innovation

Inclusiveness

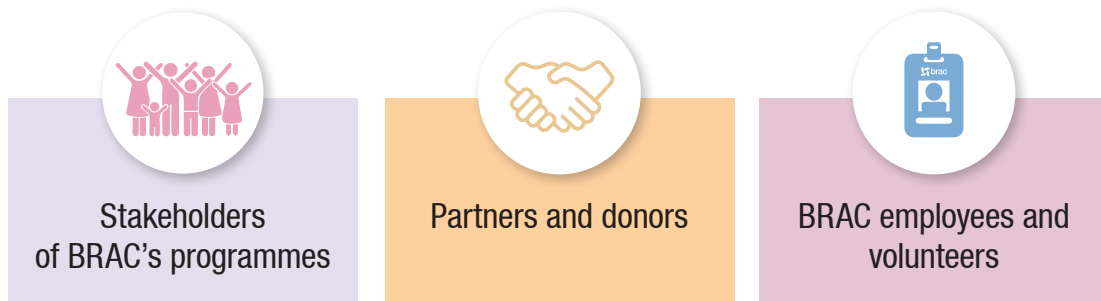
Effectiveness

# SAFEGUARDING FOR ALL

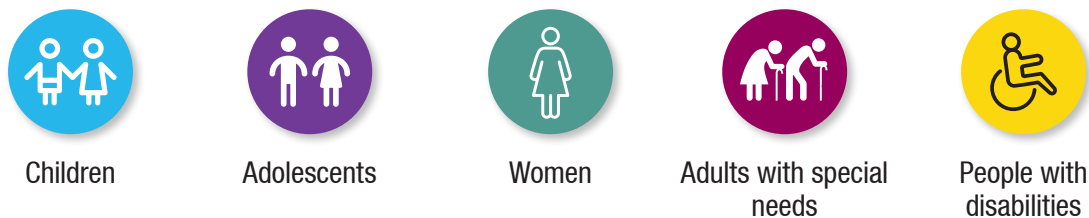
## WHAT IS SAFEGUARDING?

'Safeguarding' refers to ways of protecting individuals from any kind of misconduct or harassment, including sexual harassment, oppression, intimidation, humiliation, violence, discrimination, neglect, and exploitation.

## BRAC'S SAFEGUARDING POLICY IS MEANT FOR:



## WHO ARE MOST PRONE TO SAFEGUARDING RISKS?



## SAFEGUARDING RESPONSIBILITIES OF BRAC'S EMPLOYEES AND VOLUNTEERS

- Ensure safeguarding for everyone involved, starting from the programme design to its implementation.
- Ensure employees of all parties involved are aware of safeguarding-related issues before signing a contract with a donor and/or partner organisation.
- Verify the moral values of all applicants during recruitment.
- Develop a clear understanding of what constitutes harassment, and share that information with others.
- Inform relevant authorities immediately upon witnessing an incident of harassment.

## SAFEGUARDING IS EVERYONE'S RESPONSIBILITY

# 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, ELA, ERP, Health, MF



## RWANDA

Initiated: 2018  
Microfinance



## LIBERIA

Initiated: 2008  
AFSL, Education, ELA, Health, MF



## SOUTH SUDAN

Initiated: 2007  
Education, ELA, Health



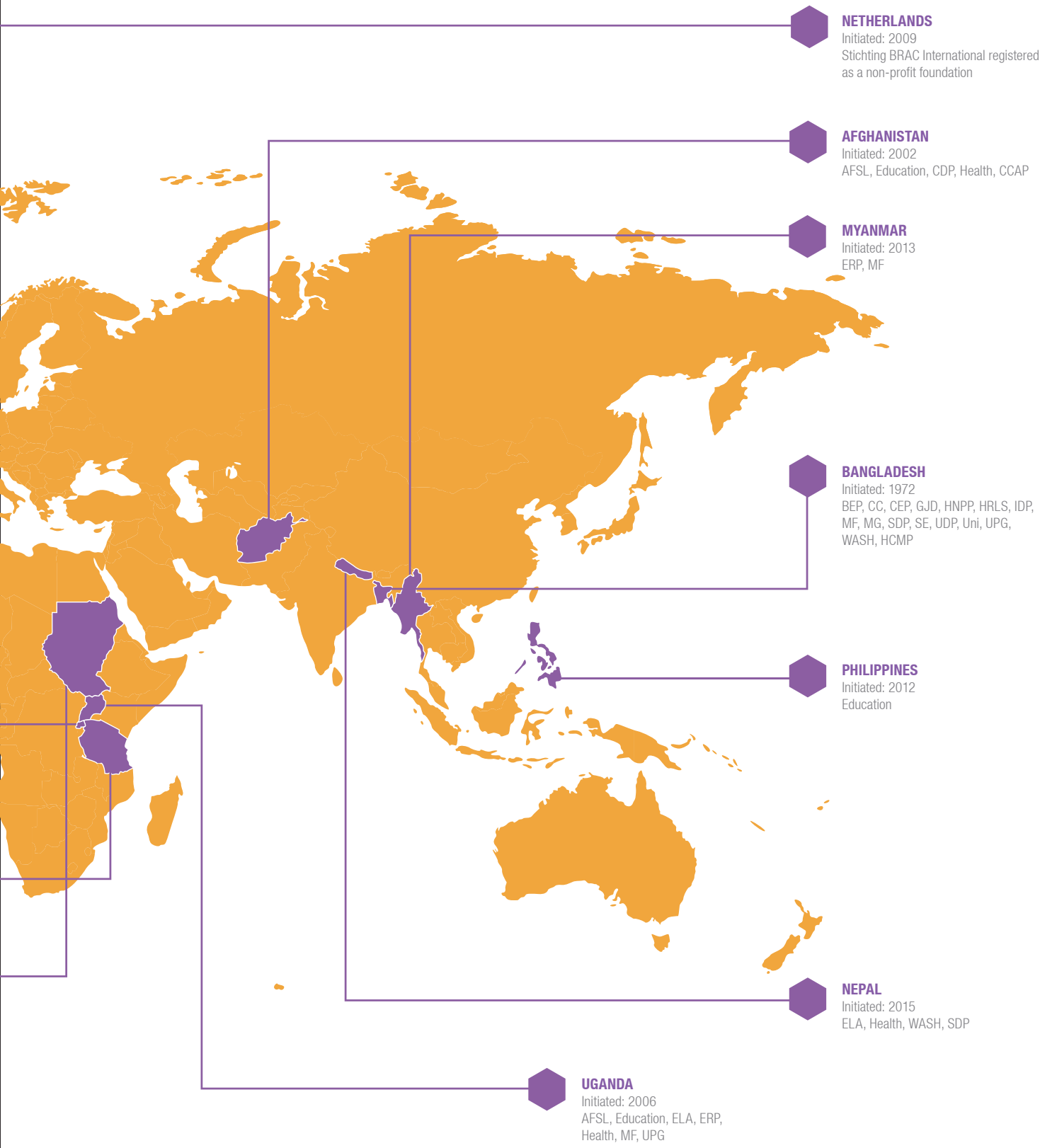
## TANZANIA

Initiated: 2006  
AFSL, Education, ELA, WASH, MF

AFSL : Agriculture and Food Security Livelihood  
BEP : BRAC Education Programme  
CCAP : Citizens' Charter Afghanistan Programme  
CDP : Capacity Development Programme  
CEP : Community Empowerment Programme  
CC : Climate Change  
ELA : Empowerment and Livelihood for Adolescents

ERP : Emergency 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  
UPG : Ultra-Poor Graduation  
UDP : Urban Development Programme  
Uni : University  
WASH : Water, Sanitation and Hygiene



**NETHERLANDS**  
 Initiated: 2009  
 Stichting BRAC International registered as a non-profit foundation

**AFGHANISTAN**  
 Initiated: 2002  
 AFSL, Education, CDP, Health, CCAP

**MYANMAR**  
 Initiated: 2013  
 ERP, MF

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

**PHILIPPINES**  
 Initiated: 2012  
 Education

**NEPAL**  
 Initiated: 2015  
 ELA, Health, WASH, SDP

**UGANDA**  
 Initiated: 2006  
 AFSL, Education, ELA, ERP, Health, MF, UPG

# 2018 AT A GLANCE: IN BANGLADESH

**43,682**

households graduated from ultra-poverty

**USD 4 billion**

disbursed in loans (an increase of 21% from 2017)

**7.1 million**

total clients reached with microfinance (an increase of 10% from 2017)

**90%**

of targeted households in hard-to-reach regions received healthcare

**90,118**

people accessed human rights and legal aid education

**16,624**

potential labour migrants equipped with information on safe migration

**62,594**

members of women-led community-level institutions participated in local power structure

**15.9 million**

people reached through our health service delivery programmes

**6,753**

malaria cases treated



**26,002**

people supported with skills, jobs, and decent work interventions

**5,723**

houses rebuilt after fire incidents in urban slums

**156,434**

women supported during and after natural and manmade disasters

**3.3 million**

children, young people, and adults had access to learning opportunities

**319,337**

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

**1.8 million**

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

**158,836**

people accessed safe water

**1.57 million**

people screened for TB symptoms

**101,546**

children registered in temporary learning centres and child-friendly spaces in Rohingya refugee camps

# HIGHLIGHTS OF OUR WORK OUTSIDE BANGLADESH



**The Ultra-Poor Graduation approach** pioneered by BRAC is a proven model that uses a holistic approach to support and uplift households from ultra-poverty.

**1,650** participants were enrolled into the Ultra-Poor Graduation programme in Uganda. We provided technical assistance to governments and organisations in Kenya, Lesotho, Philippines, Liberia, Egypt and Rwanda to adapt the Graduation model to the local context.

**Microfinance** gives people excluded from the formal banking system access to a suite of financial services such as loans, savings, and microinsurance products.

**USD 247.98 million** in loans was disbursed (an increase of **19%** from 2017) in Myanmar, Tanzania, Liberia, Sierra Leone and Uganda.

**571,935** total borrowers accessed loans (an increase of **16%** from 2017) in Myanmar, Tanzania, Liberia, Sierra Leone and Uganda, **97%** of whom were women.



**Play Labs** are spaces for children to engage and learn through play. Evidence links play to the development of resiliency, problem-solving, social skills, and emotional wellbeing.

A total of **6,952** children accessed **230** Play Labs in Tanzania, Uganda and Liberia.

Targeting those who would otherwise be left behind by formal education systems, our schools are designed to fill these gaps, addressing educational needs from early childhood to adolescence.

**25,016** girl learners in **949** community-based schools in Afghanistan, Philippines, Tanzania, Uganda and Liberia.



Our community-based healthcare approach employs a wide network of community health workers to ensure people living in poverty can access high-quality, affordable services.

A total of **21,413** Community Healthcare Promoters (CHPs) provided services in Afghanistan, Nepal, Sierra Leone, Liberia and Uganda.



Through a participatory community-led approach targeting both urban and rural settings, we collaborate with governments and other stakeholders to build safer and more resilient communities in Myanmar, Sierra Leone and Uganda.

A total of **634** students received training on emergency preparedness and response in Myanmar, Sierra Leone and Uganda.


**The agriculture and livestock programme** works with governments to achieve and sustain food security. Our work develops value chains for smallholder farmers by combining capacity building and extension services, and linking them to markets for sustainability.

**16,678** farmers received training on new techniques and technologies in Liberia, Myanmar and Sierra Leone.



**The Empowerment and Livelihoods for Adolescents (ELA)** programme provides safe spaces to socially and financially empower adolescent girls. Evidence shows the positive impact of these spaces on the quality of the lives of girls, especially those who are out of school.

A total of **20,649** girls received life skills and financial literacy training in Uganda, Tanzania, Sierra Leone, Liberia and Nepal.



WE HAVE ALWAYS BEEN AN EVOLVING ORGANISATION. WE LAUNCHED A FIVE-YEAR STRATEGIC PLAN (2016-2020) TO BE EVEN MORE RELEVANT, EFFICIENT AND EFFECTIVE, AND CONTINUE TO ENSURE THAT BANGLADESH IS A COUNTRY WHERE EVERYONE HAS THE OPPORTUNITY TO REALISE THEIR POTENTIAL. OUR FIVE-YEAR STRATEGIC PLAN FOCUSES ON EIGHT PROGRAMMATIC AREAS.



## OUR EIGHT PROGRAMMATIC AREAS:



ELIMINATING  
EXTREME POVERTY



EXPANDING THE FINANCIAL  
CHOICES OF PEOPLE LIVING  
IN POVERTY



EMPLOYABLE SKILLS FOR  
DECENT WORK



CLIMATE CHANGE  
AND EMERGENCY  
RESPONSE



GENDER EQUALITY



UNIVERSAL ACCESS  
TO HEALTHCARE,  
NUTRITION, WATER AND  
SANITATION



PRO-POOR URBAN  
DEVELOPMENT



INVESTING IN THE  
NEXT GENERATION

# 1



## ELIMINATING EXTREME POVERTY

### ULTRA-POOR GRADUATION PROGRAMME

**12.9% of Bangladesh's population lives in extreme poverty.**

We are the pioneers of the global Graduation approach, and are working towards completely eradicating ultra-poverty from Bangladesh by 2030.

BRAC's Graduation approach is a comprehensive, time-bound, integrated, and sequenced set of services that enable extreme and ultra-poor households to achieve sustainable livelihoods and socioeconomic resilience in order to progress along a pathway out of extreme poverty.

At the core of the approach are four foundational pillars: livelihood promotion, financial inclusion, social protection, and social empowerment. Participants are provided with assets through grants and interest-free loans to develop productive income-generating activities, as well as long-term investments in life skills and technical skills training, enterprise development, positive behaviour change, savings, and financial planning.

**114,528** ultra-poor households were enrolled into the programme

**43,682** households from the 2017 cohort graduated from ultra-poverty in 2018, bringing the total number of households reached to **1.9** million since 2002

**95%** of participants achieve graduation and maintain their improved conditions beyond the programme cycle

**£1** invested in the Ultra-Poor Graduation Programme = **£5.40** in income and assets over a period of seven years

The Graduation approach has been adapted in over **43** countries by NGOs, governments, and multilateral institutions

### INTEGRATED DEVELOPMENT PROGRAMME

**29% of the people in Bangladesh's wetland (haor) areas live below the lower poverty line.**

People living in hard-to-reach regions such as wetlands and low-lying riverine islands (*chars*) have limited access to mainstream services. Distance, high costs, and a lack of infrastructure mean that communities often cannot access even basic services such as health, information, and education. To overcome this, we support communities to build village development organisations, which act as a community-led service delivery mechanism tool.

Village development organisations act as one-stop service centres, providing access to services such as WASH, livelihood security, VAWC redressal, and provision for the elimination of extreme poverty, education, legal services, financial services, and leadership and empowerment activities.

**934,520** people reached with at least one mainstream service

**123,223** targeted households accessed basic health services

**122,989** households accessed financial services

**4,871** households graduated from ultra-poverty

**2,415** students passed primary education completion examinations (PECE)

**1,445** women from **3,550** village development organisations in wetlands joined local power structures

**325** households in indigenous communities began income-generating activities

**110** village development organisations under Chevron-funded JIBIKA project registered with the government cooperative department

## FROM ULTRA-POVERTY TO A SEAT IN THE LOCAL COUNCIL

**Nurunnahar's** husband passed away seven years into their marriage, leaving her to fend for herself and her two children.

It was a setback that she took on the chin. In 2003, she ran for the municipality woman councillor seat. She wanted to change the circumstances of people living in vulnerable situations around her, having learnt first hand what it was like. She lost, but life had taught Nurunnahar to persevere.

"I went straight to the local BRAC office and told them about the condition of my people. I asked them to help these people," she said.

BRAC staff then came to her locality and discussed with the community how they could help. The staff were in for a surprise. Instead of discussing their problems, the community leaders insisted that it was Nurunnahar herself who needed support.

Nurunnahar was selected as a participant in the ultra-poor graduation programme in 2009. The programme gave her the tools for self-growth, beginning with a cow, as part of its 'big push' capital injection.

"I could not afford much in those days, The milk from the cow was the only nutritious diet I could give to my children," she said.

Nurunnahar was also coached on how to grow her enterprise. When the cow gave birth to a calf, Nurunnahar sold it and used the money to buy the land where she plans to build her home. She also began tailoring to earn some extra income.

She received training by BRAC on issues such as child marriage. She stopped the marriage of her underage niece, an act which helped to seal her position as a leader in the community. She then went on to prevent over 20 child marriages in her area. She also pays close attention to the futures of both of her children who are currently studying.

In 2013, she ran for the councillor seat again, an ambition she pursued with renewed vigour and confidence, which stemmed from her increased financial stability. And by the end of 2013, she was sitting in it.





# EXPANDING THE FINANCIAL CHOICES OF PEOPLE LIVING IN POVERTY

## MICROFINANCE

**50% of adults in Bangladesh do not have access to formal financial services.**

We are one of the world's largest providers of financial services, operating in seven countries across Asia and Africa.

Microfinance gives people who are excluded from the formal banking system access to a suite of financial services, such as loans, savings, and microinsurance. It supports families to invest in income-generating activities, build assets, smooth consumption, and reduce vulnerability to health shocks and natural disasters. Microfinance also provides an alternative to high-interest loans from informal lenders as well as harmful coping mechanisms that people living in poverty use in the event of shocks, such as selling productive assets.

We recognise the heterogeneity among people living in poverty, and carefully develop customised financial products and services that best meet their varying needs. Our range of financial services caters to various demographics in Bangladesh, such as smallholder farmers, micro and small entrepreneurs, migrant worker households and jobholders, with a special focus on women. Beyond tailored loans, we also provide short and long-term savings, insurance, and access to mobile money services.

Microfinance, as part of our holistic approach to development, complements our other social development interventions in offering a powerful combination of services to help people build stable, healthy, and empowered livelihoods.

**87%** of clients we serve are women

Total disbursement reached USD **4 billion**, an increase of **21%** from **2017**

Our total number of clients reached **7.1 million**, an increase of **10%** from **2017**

Our total number of borrowers reached **5.6 million** out of which **84%** availed insurance

The total amount saved by our clients reached **USD 828 million**, an increase of **16%** from **2017**

We deliver responsible financial services that protect client rights. Our **2,100** customer service assistants situated in all our branches nationwide, act as a first point of contact for any client concerns and provide pre-disbursement financial literacy training to borrowers.

**33%** of our staff are women, an increase of **18%** from **2017**



## THE BIG BUSINESS OF SMALL TOYS IN DHAKA

**Sharmin** is one of the biggest soft toy makers in Dhaka. Her two phones ring constantly, and her hands never stop. Eid is coming and every parent will want to buy toys for their children. Sharmin has no time to lose.

Twenty years ago Sharmin was struggling to make ends meet. Her only income was what she earned sewing soft toys at a local factory. Her husband had a restaurant, but he was forced to shut its doors after his brothers misappropriated a large sum of money. With a loss of USD 11,840 (BDT 1,000,000), her husband started pulling a rickshaw but earned too little to repay the debt from the restaurant.

Sharmin took a small loan of USD 118 (BDT 10,000) from BRAC to buy a sewing machine and some cloth to manufacture her own soft toys in their one-room house in Kamrangirchar. Her work was high quality, so it sold quickly. She soon needed more sewing machines, so she took another loan of USD 3,550 (BDT 300,000) through Progoti, a BRAC microfinance product that caters to the needs of small entrepreneurs who face challenges such as not possessing enough capital to access loans through traditional banks.

Today, Sharmin sells USD 1,775 (BDT 150,000) of toys per day. She has eight machines and employs eight women. Two of them are breastfeeding mothers and cannot leave their babies alone. Herself a mother of three, Shamima sent two machines to their homes so they can work from home.

She has cleared her husband's debts and bought land in her hometown of Barishal with the profits. Last year, she paid for her daughter to finish college. Her second daughter is in high school and her son studies in a madrasa. She has also taught her husband cutting, and he is now the 'cutting master' in their small factory.





# EMPLOYABLE SKILLS FOR DECENT WORK AT HOME AND ABROAD

## MIGRATION

Every year, 2.2 million young people enter the workforce. To date, 12.2 million Bangladeshi migrants are working abroad. Lack of knowledge and practice regarding responsible migration makes these people vulnerable to exploitation and trafficking.

A comprehensive rights-based approach has been undertaken consisting of prevention, protection, and prosecution to enable safe, regular, and responsible migration, and reduce the risk of trafficking. Our services cover pre-migration, support during migration, and support when returning and reintegrating. We also work with civil society organisations and stakeholders to develop the capacity of community members and mobilise them to strengthen advocacy initiatives for policy formulation and implementation.

**602,319** people in communities sensitised on safe migration and returnee reintegration

**100,000** Rohingya living in camps in Cox's Bazar made aware of potential threat of trafficking

**23,000** returnee migrants identified and profiled

**11,721** potential and returnee migrants provided with services, such as emergency support, student stipends, rescue support, psychosocial counselling, visa checks, and skills training

**1,365** women returnee migrants provided with emergency support

**USD 26,083** cash support provided to vulnerable women returnees, through private partnerships

## SKILLS DEVELOPMENT PROGRAMME

**50%** of Bangladesh's population is below 24 years old and **84%** of the workforce is employed in the informal sector.

Learners are provided with access to skills development through two approaches: apprenticeships and institution-based models. In both approaches, at least 35% of learners are female, and marginalised groups are prioritised. Equal wages, toilet facilities for female workers inside or outside workshops and factories, access to clean drinking water, and occupational safety and health are promoted.

During both institution-based training and apprenticeships, the trainers to whom the learners are assigned are provided with occupation-based training on subjects such as decent work, soft skills, life skills, gender equity, and financial literacy. Employers are supported to meet BRAC-promoted decent work standards.

**26,002** people reached through apprenticeships and institution-based training

**22,164** people trained, of whom **46.22%** were female and **5.61%** were persons with disabilities

**2,604** people placed in jobs through a digital app

**1,343** women trained and placed in non-conventional jobs, such as electrical work, light engineering, and mechanics

**1,234** people reached with knowledge about decent work

## A REINTEGRATION MODEL FOR MIGRANTS THAT WORKS

Every year thousands of women leave Bangladesh for a better life, many of them using risky methods to migrate. Those dreams often end in nightmares, as Shima's did.

Orphaned at an early age, **Shima** was trafficked to Jordan by her neighbour when she was only 13. Her trafficker promised big money and a better future. Shima suffered physical and mental torture by her employer and returned to Bangladesh empty-handed.

BRAC staff received Shima at the airport when she returned. Her family refused to travel to Dhaka to pick her up. She received food, accommodation, and counselling. Shima initially tried to kill herself, but was saved by a BRAC staff member. She was taken to a hospital for treatment, where she again attempted to commit suicide. Doctors then referred her to the National Mental Hospital. BRAC took responsibility for her, taking care of her medical bills and providing psychological support. One BRAC volunteer monitored her round the clock.

After one month, Shima showed signs of improvement and BRAC contacted her family in Sylhet through the local police and administration. Following a joint effort by police, the UNO, and BRAC officials, her family eventually came to Dhaka to take her home. Still traumatised, Shima needed something to keep her busy. BRAC officials helped her write a letter describing her ordeal to the Wage Earners' Welfare Board, as a result of which she received BDT 100,000 to start her own dairy farm.

It took time and a lot of support, but Shima reintegrated back into society successfully. She is 16 and still on a journey of healing, but is determined to make a future for herself in Bangladesh. She enjoys looking after her three cows, and one now gives just enough milk to meet the family's needs.

From on-arrival support to reintegration, the migration programme supports vulnerable women and men migrants by providing information, training, and counselling. 3.5 million migrants like Shima have received these services since 2006.





# CLIMATE CHANGE AND EMERGENCY RESPONSE

## HUMANITARIAN PROGRAMME

**Bangladesh is the 8th worst-affected country in the world in terms of natural disasters. 3.5 million people are currently in need of humanitarian assistance.**

We bridge short-term humanitarian and long-term development approaches to promote disaster resilience and sustainable development, and address the needs of the most vulnerable communities. Our work is aligned with the Sustainable Development Goals and the Sendai Framework for Disaster Risk Reduction. Our trained frontline crisis responder teams across the country are well-established and ready to support communities in disasters.

**157,600** people received early warnings on flooding, riverbank erosion, cyclones, and heatwaves

**21,914** households reached with holistic humanitarian response

**2,158** women managed community-based disaster funds to restore immediate losses

**1,000** marginal farmers in wetland (*haor*) areas trained on hydroponic farming

**140** survivors of the Rana Plaza building collapse received medical services

## HUMANITARIAN CRISIS MANAGEMENT PROGRAMME

**904,706 Rohingya living in camps and 6,653 people in host communities in Cox's Bazar need humanitarian support.**

We adopt a multi-sectoral approach to provide critical services to people affected by the crisis, through integrated interventions such as health, nutrition, shelter, WASH, protection, education, livelihoods, disaster risk reduction, agriculture, environment, and food security. Our experience and capacity in humanitarian response allow us to design holistically

and implement at scale. Our strategy is adaptive and phase-wise, sequencing interventions to maximise responsiveness and impact, with an aim to provide integrated services to both Rohingya and host communities.

**36,148** shelters built to improve living conditions

**19,304** latrines constructed to ensure access to hygienic facilities

**11,180,195** consultations made through community health outlets

**132,868** psychosocial support sessions provided in facilities

**50,606** children registered in child-friendly spaces

**50,940** children registered in temporary learning centres

## CLIMATE CHANGE PROGRAMME

**Bangladesh is one of the countries most vulnerable to adverse climate change impacts, suffering economic losses of over USD 12 billion over the past 40 years.**

Our integrated approach addresses climate change impacts using adaptation measures through BRAC's development initiatives. Our work protects resources, improves quality of life, and builds awareness about the environment in rural and urban communities. We provide people with access to the tools and knowledge to adapt and respond to adverse climatic impacts and adopt sustainable practices to combat impending climatic impacts.

**823,342** people living in 41 vulnerable districts received support to cope with climate change impacts

**335,990** households reached through integrated climate-resilient solutions

## ROHINGYA MEN LEAD THE FIGHT AGAINST GENDER VIOLENCE IN THEIR COMMUNITIES

Maulana Ayub, 33, has just wrapped up leading the prayers at a mosque in one of the camps for Rohingya communities in Cox's Bazar. Before his congregation leaves, he takes the time to talk about some important issues. This week he covers sexual and gender-based violence.

Ayub is one of 105 Rohingya males engaged in educating other men on sexual and gender-based violence, talking about issues such as dowry, positive masculinity, child marriage, and polygamy.

The programme is led by **Jahidur Rahman**, a men and boys engagement manager at BRAC. "I noticed a dearth of initiatives regarding these matters that actually included men. I felt their participation was essential," he says.

The programme began engaging men in discussions on sexual and gender-based violence. "In most cases, men were either witnesses or perpetrators of violence. We felt it would be best if they led the changes," Jahidur says.

The facilitators went to tea stalls in the camps to begin the discussions. The men and boys who responded positively were selected to be part of the programme.

For three months, the selected individuals went through a "Journey of Transformation", where they experienced change at an individual level. After the training, they were tasked with facilitating discussions.

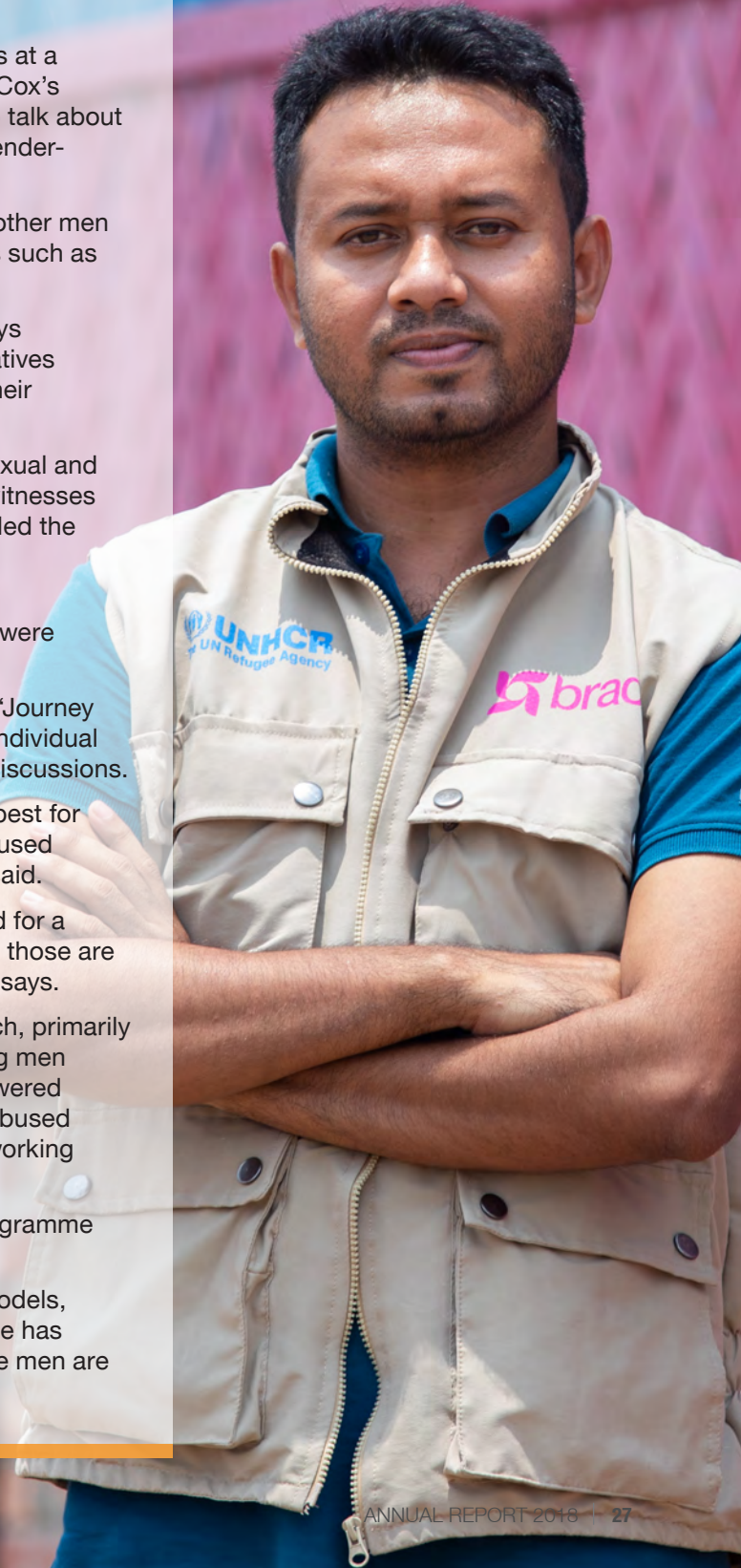
Jahidur said they had to first find out what tools would be best for packaging messages. "We observed that if our messages used religious logic, they would be more quickly accepted," he said.

They also had to decide which approach to use. "We opted for a community-based model. We have set up four centres and those are taken care of by community members voluntarily," Jahidur says.

Jahidur implemented the bystander-to-role-model approach, primarily used for gender violence prevention and focusing on young men not as perpetrators or potential perpetrators, but as empowered bystanders who can confront abusive peers and support abused ones. "I had seen the bystander-to-role-model approach working globally, so I tried it out here," Jahidur says.

The 105 boys and men selected in the UNHCR-funded programme are now classified as role models.

Is the approach working? Maulana Ayub, one of the role models, believes so. "I have witnessed first-hand how child marriage has decreased in the camps, along with domestic violence. The men are also shying away from dowry," he says.





## COMMUNITY EMPOWERMENT

**72.6% of women who have been married in Bangladesh have experienced at least one kind of violence by their husband in their lifetime.**

We develop women leaders who play active roles in their communities. Almost a million women are members of our 12,800 *polli shomaj* - democratic, women-led institutions through which they build support networks, claim entitlements, and prevent exploitation. These institutions strengthen rural communities by closing gaps between women and local government. We also improve access to information through platforms, such as our popular theatre groups, and Radio Pollikontho, an award-winning community radio station. These media address social issues, such as violence against women and children.

**2,109,151** social safety net services and **687,532** social welfare activities accessed, facilitated by *polli shomaj*

**117,420** incidents of domestic violence, child marriage, and dowry were prevented

**62,594** *polli shomaj* leaders participated in local power structures

**12,265** people, particularly women and girls, linked to emergency medical and legal support

## HUMAN RIGHTS AND LEGAL AID SERVICES

**31 million** Bangladeshis experience one or more legal problems every year. Only one in every two of these people seek legal information and advice.

As the largest NGO-led legal aid programme in the world, we primarily work in three ways: raising awareness and mobilising communities to know and stand up for their rights, addressing the immediate needs of individuals through alternative dispute

resolution, and providing all necessary support to survivors of human rights violations, including filing cases in court. We operate 453 legal aid clinics in 61 out of 64 districts across Bangladesh, and focus our work particularly on women, children, and marginalised communities.

**90,118** people made aware of human rights and received basic legal education

**28,005** complaints received at legal aid clinics. **18,656** resolved through alternative dispute resolution

**USD 5,178,080** recovered in favour of clients

**2,023** incidents of violence reported

## GENDER JUSTICE AND DIVERSITY

**USD 12 trillion** could be added to global GDP by 2025 by advancing women's equality.

BRAC's gender-transformative approach strengthens the voice, choice, and space for women and girls to combat violence and eliminate all forms of gender discrimination, with the active engagement of men and boys. We work to transform socio-cultural gender norms, build the capacity of our staff and stakeholders, ensure a supportive working environment for everyone, and advocate for gender equality and gender justice at all levels through gender mainstreaming.

**1.8 million** people reached through awareness-raising efforts on violence against women and children and prevention of child marriage

**217,898** adolescent girls and boys reached through awareness-raising efforts on sexual harassment, sexual and reproductive health and rights, and child marriage

**62,907** BRAC school students and parents oriented on non-discrimination, child sexual abuse, and positive parenting



## LIPI CAN NOW GO TO SCHOOL AGAIN

**Lipi** used to love going to school in Badarganj, Rangpur, until a man twice her age started harassing her. Lipi repeatedly refused his advances but he persisted. She was a student of class 6 at the time.

One day he blocked Lipi on the way to school. He began to assault her and then attempted to kidnap her. Luckily, her friends heard the screams and intervened just in time.

Lipi's parents went to the school headmaster and the union council chairman to seek help, and filed a general diary entry with the police. No one took any action. Worried about her security, Lipi's parents asked her to stop going to school.

Her father went to BRAC's Human Rights and Legal Aid Services staff, who suggested alternative dispute resolution (ADR). ADR is often recommended instead of court proceedings for expeditious results as there is a huge backlog of cases. There are currently 3.3 million court cases pending in Bangladesh because of lengthy legal processes.

BRAC works with the government and local authorities to hasten and resolve such cases. In this case, BRAC officials took Lipi to the government sub-district executive officer (UNO) and also discussed the matter with the union council chairman and members of the local community. The UNO ordered the police to take action. The UNO discussed the matter with the district commissioner who decided to form a mobile court. The court found the man guilty, and both he and his father were arrested and ordered to serve 15 days in jail or pay BDT 3,000 in fines. The man paid the fine and signed an undertaking that he will not harass or threaten anyone again.

Lipi is now attending school again and studying hard for her SSC exam next year.



# UNIVERSAL ACCESS TO HEALTHCARE, NUTRITION, WATER AND SANITATION

## HEALTH, NUTRITION AND POPULATION

**Non-communicable diseases account for 59% of deaths in Bangladesh. 80% of maternal deaths are preventable. One-third of children under 5 are stunted. Out-of-pocket health expenditure pushes 5.1 million people into poverty annually.**

We take health and nutrition awareness to the doorsteps of 110 million people through 60,570 community health workers and volunteers across the country. Our approach ensures a continuum of care through community, facility, referral, and tech-based services.

Our integrated services ensure reproductive, maternal and child wellbeing, primary healthcare, disability care, and treatment of communicable and non-communicable diseases for the most marginalised communities.

We collaborate with the community, government, and private stakeholders to complement efforts to strengthen the overall health system. Improving access, lifestyle, and health-seeking behaviour is the core of our work.

Provided maternity care to **1.5 million** and nutrition counselling to **3.4 million** pregnant women and mothers

Treated **1.3 million** cases of diarrhoea and **1.2 million** cases of pneumonia

Ensured specialised care and treatment for **220,387** persons with disabilities

Created access to affordable diagnosis in **4** districts through an enterprise model

## WATER, SANITATION AND HYGIENE

**44% of the country's population still consumes drinking water with some form of contamination, while 34% uses a sanitation facility that does not guarantee safe excreta management.**

We work towards achieving SDG 6 by delivering services to enable access to safe drinking water and

sanitation facilities in communities and schools, to people living in ultra poverty, in hard-to-reach, climate-affected, and underserved urban areas, including the Rohingya camps and host communities in Cox's Bazar. Our approach is multidimensional, from encouraging positive behaviour change through our work in schools and communities, promoting hygiene and menstrual hygiene awareness, solid waste and fecal sludge management, to financing WASH markets to support water and sanitation entrepreneurs and clients.

**69** reverse osmosis-based water treatment plants developed

**158,836** people accessed safe drinking water

**263,450** people accessed improved hygienic latrines

**610** WASH entrepreneurs supported

Introduced WASH financing with Microfinance and grants through UPG

## COMMUNICABLE DISEASES

**Bangladesh is one of the 30 top-priority countries with a high burden of tuberculosis (TB), with an estimated 27% missing cases. Malaria is endemic in 13 districts.**

We work in collaboration with the government and in partnership with other NGOs to attain the SDG goals for TB and Malaria by 2030. We also offer HIV infection screening to TB patients and other high-risk population groups through counselling.

We follow a holistic, patient-centred approach incorporating prevention, diagnosis, treatment, and follow-up services across Bangladesh and in the Rohingya camps. The services are provided through a diversified partnership with public, private, and corporate sector healthcare providers.

**1.57 million** presumptive TB cases tested and **193,424** people diagnosed

**95.9%** of TB cases successfully treated

**483,043** people tested for malaria and **6,753** cases diagnosed and treated successfully

BRAC alone detected over **60%** of total TB and malaria cases in Bangladesh

**4,888** people including TB patients and other high-risk groups screened for HIV



## THE WOMEN ON THE FRONTLINE KEEPING COMMUNITIES HEALTHY

A group of women sit in the verandah belonging to **Nurunnahar Begum**, a community health worker, known in her village as the *shasthya shebika*. One of the women complains about persistent heavy breathing and coughing. She is wondering if it is asthma, as her relatives suggest.

Dressed in her recognisable overall, Nurunnahar advises the woman to take a TB test.

The community health worker model brings women to the frontline of health services, in the most urban and the most remote regions. The model recognises that women are key to overcoming socio-cultural barriers to access in healthcare services. At present there are 48,734 *shasthya shebikas* working across Bangladesh. All of them are women.

Nurunnahar's community is well informed about diseases and hygiene practices. Nurunnahar joined the BRAC TB Control Programme 17 years ago in Manikganj, a district in Dhaka division. Every day since then she has gone door to door to check up on those who need help, connecting suspected TB cases to testing centres.

TB patients come to Nurunnahar every day and have their medicine under her supervision, so she can make sure that they complete the uneasy but necessary course of treatment. She receives an incentive each time a patient completes their treatment, the duration of which usually ranges from 6 to 9 months.

She initially had a hard time convincing people that TB could be treated at home. After helping a few people, her method was slowly accepted. When asked how many patients she has today, Nurunnahar breaks into a smile and says, "Uncountable!"

The programme has provided Nurunnahar with an income. She sells medicines for various diseases at a slight mark-up. She sent her son to the University of Dhaka, and recently renovated her house.

Her lessons have also been valuable for the community. No longer do people here drink from ponds or spit in public places. The changes have been minor but noticeable.

"I am blessed and I hope to continue this work for as long as possible," Nurunnahar says. Her community agrees in unison that she should. They admire her, how could they not?





## PRO-POOR URBAN DEVELOPMENT

**50% of Bangladesh's population will live in urban settlements by 2050. 14,000 slums currently exist across the country, with approximately 7 million people living in them.**

We work in 20 cities with the aim of making cities and human settlements safe, resilient, and sustainable. Our work reduces multidimensional poverty and deprivation by supporting one million people living in urban poverty to improve their wellbeing, resilience, and realise their rights.

We look at the challenges people in each city are facing and work with local government, the private sector, and the community to find sustainable solutions in order:

- To ensure affordable, adequate basic services
- To ensure livelihoods, skills, and entrepreneurship development opportunities
- To ensure adequate, safe and affordable housing, land tenure security, and overall slum upgrading
- That cities and human settlements adopt and implement integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, and resilience to disasters
- To strengthen urban governance for inclusive, accountable, and pro-poor urban management and planning
- To strengthen the commitment of policy actors towards creating more liveable cities
- To ensure sustainable pro-poor and inclusive urban growth through advocacy and partnership.

We partner with local government through a public-private partnership model in which both parties contribute 50%. We develop service integration models which use referral mechanisms to bring government, non-government, and private sector services together, encourage community-led development and community empowerment, and invest in building the capacity of government for pro-poor urban development, policy advocacy and partnership, city planning, and effective urban governance.

We also strengthen the commitment of relevant policy actors who help us to provide basic services such as quality healthcare, education, sanitation, legal aid, and financial services.

Mayors from **20 cities** allocated **USD 4,742,370** from their annual budgets for pro-poor urban development, linking community action plans with city plans

**USD 711,356** leveraged from city authorities and **USD 2,371,190** through establishing referral mechanisms

**750,000** people in **400** urban slums registered through a real-time monitoring system

**729,019** people living in **400** slums in **20** cities benefited from slum upgrading

**65,000** people connected with municipal waste management services

**28,525** people from **28** ready-made garment sector factories accessed services through one-stop service centres

**10,000** people received livelihoods and asset transfer support

**2,096** students continued education through grants

**1,700** infrastructure projects completed

**1,200** new workers received skills training and job placement support

**750** female leaders of community development organisations trained in leadership and organisational development

**376** government officials and elected representatives of **17** cities received training and capacity development

**50** low-cost, climate-resilient houses constructed

## HOUSES FOR EVERYONE, BUILT BY EVERYONE

A quiet transformation is taking place in the neighbourhood of Rajarbagan in Satkhira. Mud and tin huts are metamorphosing into beautiful brick homes.

The change comes from the collective efforts of engineers, architects and community artisans to create a low-cost, resilient, safe, and sustainable housing model.

**Shyamoli Das**, a participant in the project, proudly shows off her house to visitors. The sturdy four-room home houses 10 members of her family. “I was embarrassed to invite people to my old house. Now I can invite 100 people. My children also invite their friends,” Shyamoli says.

Sitting on the steps leading up to her house, she points to her windows and says she never had those before.

The transformation began after a seed fund of USD 23,680 (BDT 2,000,000) was allocated as loans to build homes for those families considered the most disadvantaged. The community was then tasked with nominating those who met the criteria.

The households then formed savings groups, with an elected governing body comprising members of the community to supervise proceedings. The selected participants presented blueprints for their dream houses, which were made using sustainable, low-cost measures. Throughout the project, women took the lead in making decisions - from how they would repay loans to what the houses would look like.

The architects finalised the plans for either one-storey or two-storey buildings, depending on the decision of the family. The families sourced material from local markets and helped with construction, further cutting the costs.

The model takes into account the needs and desires of each family when dreaming up their homes, and has now been expanded into other neighbourhoods in Khulna.

The model addresses the minimum criteria that the UN Habitat defines for adequate housing, including security of tenure, availability of services and infrastructure, affordability, habitability, and capability of expressing cultural identity.

A new home can lead to other changes. Shyamoli runs a tea shop outside her house. “Now that I have a home, I had the courage to do something else, so I set up this shop,” Shyamoli beams.





## INVESTING IN THE NEXT GENERATION

**Quality of education is now the highest priority in preparing children for the 21st century.**

**We are supporting the government's efforts to reach the unreached, and will continue our support to create nationwide systemic change, from understanding the needs of the most marginalised communities to improving the overall quality of education for every student at every academic level.**

Our low-cost, quality scalable schooling model across five countries in Asia and Africa has made us the world's largest provider of private secular education. Our schools have allowed almost 13 million children from economically disadvantaged households to grow up with learning opportunities. In 2018, 1.4 million children were enjoying learning in schools operated and supported by BRAC in Bangladesh.

We follow a holistic approach to lifelong learning, addressing educational needs from early childhood to higher academic levels. We adapt curricula and learning methods to ensure that education is accessible for all children, especially those with disabilities, including mother tongue-based curricula for children from ethnic communities.

We partner with 84 local NGOs and build their capacity. We partner with governments to give children living in poverty a second chance to complete their primary education through a uniform quality approach, which is appreciated by communities. We support public schools through teacher training, libraries, and computer-aided learning, particularly at the secondary level.

We provide schooling for populations in especially hard-to-reach areas using boat schools in Bangladesh and the Philippines. Our adolescent and multi-purpose community learning centres create safe spaces in communities for young people to socialise and learn valuable life skills. Our learning centres in the camps in Cox's Bazar focus on early learning, basic literacy, numeracy, life-saving information, psychosocial support, and life skills for Rohingya children and adolescents.

Many of our students pursue professional careers after graduation and work as role models in their communities. Evidence shows that they perform significantly better in these careers than their peers.

Students achieved **15.6%** higher than average pass rate in the Secondary School Certificate examinations. Students achieved **1.81%** higher than average results in the Primary Education Completion Examination, with almost **72%** achieving a combined 'A'.

Students with disabilities achieved a pass rate of **99.6%** and almost **60%** achieved an 'A' grade.

Students from ethnic communities achieved a pass rate of **99.27%** and more than **55%** achieved an 'A' grade.

**525,000** children and adolescents were made aware of how to identify and prevent sexual harassment with the help of 25,000 teachers and 3,000 club leaders and librarians.

A total of **3,357,498** children, young people and adults accessed learning opportunities.

**This includes:**

**319,337** children accessed early childhood and pre-primary programmes.

**203,980** children accessed primary education through our non-formal primary education system.

**220,952** children enrolled in Shishu Niketan, our fee-based school system.

**41,348** children with special needs enrolled in our schools and centres.

**364,548** children supported through their secondary education journey through our Advancing BRAC Graduates programme.

**1,460,280** people across Bangladesh engaged in reading, socialising and activity-based learning in our adolescent clubs and multi-purpose community learning centres.

## SCHOOLS THAT BUILD CONFIDENCE

“It’s not enough that you have learned something new today. Share your knowledge with the world. Tell your siblings and parents. Tell your friends who can’t come to school,” **Munni** tells her class.

Her students nod happily, and then focus intently back on their lessons.

“We focus on joyful learning, through fun, singing, and dancing. Students learn faster that way,” she says.

Munni has come a long way from being a student in BRAC’s one-classroom school to being the headteacher of a Shishu Niketan, one of BRAC’s multi-classroom schools in Rangpur, northern Bangladesh.

Her conservative brothers were against co-education. They wanted her to marry at an early age – girls do not need much education, they said.

In a country where 42% of girls drop out of secondary school and more than half are married before their 18th birthday, Munni fought back to take control of her own life.

Today she holds two master’s degrees and owns a beauty parlour in Rangpur town.

After her father’s death, her mother, herself a teacher at a BRAC school, single-handedly struggled to raise a six-member family. She sent Munni to a BRAC school in 1996.

Munni’s school had no tables or chairs. They sat on mats, in a half circle around their teacher, but learning was fun. She immersed herself in extra-curricular activities, winning many accolades in singing, dancing and debate competitions.

Munni grew more confident in her abilities when she joined one of BRAC’s adolescent clubs - safe spaces, especially for girls, to learn sports, life skills and social confidence. They also fight child marriage and create awareness about reproductive health and safety. Munni stopped three child marriages in her village, rallying her peers, teachers, and local representatives.

She then decided to become an entrepreneur. She came to Dhaka in 2014 and had training in beauty treatment, and opened her own beauty parlour.

Within the next three years, Munni completed two master’s degrees, and decided to become a teacher.

“A BRAC school graduate becomes a teacher! It was a dream come true,” said Munni.

Munni’s school now has 108 students, half of whom are girls.

“I want every girl in my class to believe that she can achieve everything she wants.”







# SOCIAL ENTERPRISES

Two of the most significant challenges that continue to hinder economic growth and social empowerment for marginalised communities are the generation of sustainable livelihoods and market access. Over 75% of small farmers in Bangladesh earn less than USD 2 per day.

BRAC social enterprises lie at the intersection of business and traditional non-profit. They equip individuals – microentrepreneurs, farmers, and producers – with the tools they need to fully participate in the economy, and establish linkages across value chains to ensure market viability.

Social enterprises act as a catalyst for change in identifying social, economic and environmental problems, and providing equitable and scalable solutions that address unmet needs. They ensure better conditions for producers, continuously offering innovations across the value chain, while keeping the social mission at the core.

BRAC's social enterprises sustain themselves financially and reinvest their surpluses back to BRAC's development projects to further accelerate social impact.



## THE SMALL DAIRY FARM THAT BROKE A LONG CHAIN OF POVERTY

**Ritu** was married at the age of 12, right after she finished her primary education. Her new home had a joint family with a single income earner, her father-in-law. Her husband, a college student, was desperately looking for a job but could not find one. Ritu was losing her sleep over the family's monthly bills.

In 2009, she bought a cow with money from her father-in-law. She took good care of the cow and it grew fast. The next year, Ritu bred it and got her first calf. The mother cow was giving six litres of milk per day, which Ritu sold at the local market. Prices were not great, though, considering the investment, labour and operation costs.

Her husband took training on cattle farming and started working with Ritu to raise the cattle. His brother and the brother's wife also joined them. By 2012 they had 10 cattle and their daily milk production had raised to 50 litres. BRAC had set up an automatic milk collection unit in the neighbourhood and soon Ritu started selling milk there. Prices were good.

Like all BRAC Dairy clients, Ritu had access to free vaccinations, emergency medicines and knowledge. She lost just one cow to disease in seven years.

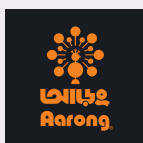
Ritu built a medium-sized shed for the cattle and a two-room brick house for her family with the profits. Then, in 2016, she sold several bulls and bought two bighas (66 decimal) of land where she set up her small farm. Between 2016 and 2018, she took two loans worth USD 5,920 (BDT 500,000) from BRAC and bought more cattle.

Currently, Ritu has 26 cattle worth about USD 47,360 (BDT 40,000) and her milk production is about 80 litres per day.

Now in her early 20s and raising a child, Ritu is confident and in control of her life. She is one of 50,000 registered dairy farmers selling milk nationwide under the Aarong Dairy brand.



# ENTERPRISES



## Aarong

Harnesses the skills of 65,000 artisans across Bangladesh through a vast network of rural production centres and independent producers. Aarong is one of the country's largest and most popular retail chains, with 3 sub-brands HerStory, Taaga, and Taaga Man catering to different market segments.

## BRAC Artificial Insemination

Provides insemination services to over 680,000 cattle farmers to boost productivity and optimise gains made by introducing higher-quality cow breeds. BRAC Artificial Insemination offers its services through 2,600 trained service providers across the country.



## BRAC Chicken

Processes and supplies high-quality dressed chicken and value-added frozen food products to a range of clients, from restaurants to retailers. BRAC Chicken processes around 8 metric tonnes of raw chicken and 2 metric tonnes of ready-to-cook frozen products every day.

## BRAC Cold Storage

Operates storage facilities for harvested yields of potato farmers to ensure that none of their hard work goes to waste. BRAC Cold Storage ensures freshness not only by storing produce, but also by integrating farmers with the potato processing industry.



## BRAC Dairy

Ensures fair prices and greater market access for over 50,000 dairy farmers across Bangladesh, as well as providing a range of high-quality dairy products for urban consumers. BRAC Dairy is the third-largest milk processor in the country, collecting and processing on average 130,000 litres of milk every day.

## BRAC Fisheries

Leverages the potential of Bangladesh's water bodies to boost national fish production. BRAC Fisheries has pioneered commercial aquaculture in Bangladesh and is one of the leading suppliers of fish spawn, prawn larvae, and fingerlings in addition to supplying fish food, operating 10 hatcheries across 7 locations nationwide.





### BRAC Nursery

Provides access to high-quality seedlings in order to promote tree plantation across the country. BRAC Nursery has been awarded first prize in the National Tree Fair's NGO Category for the last 12 years. Currently BRAC operates 15 nurseries that are located across Bangladesh.

### BRAC Printing Pack

Provides flexible packaging material for food items, processed edibles, and agricultural inputs. BRAC Printing Pack produces around 1,200 metric tonnes of packaging materials per year.



BRAC Printing Pack



### BRAC Recycled Handmade Paper

Recycles waste paper to make paper and paper products, such as envelopes, gift boxes, and photo frames. BRAC Recycled Handmade Paper recycles approximately 70 metric tonnes of waste paper in a year.

### BRAC Salt

Strives to provide a steady supply of iodised salt to help curb iodine deficiency of the rural population across the country. BRAC Salt is able to reach approximately 1.5 million people through 380 salt dealers and around 40,000 community health workers.



### BRAC Seed and Agro

Produces and markets high-quality maize, potato, rice and vegetable seeds through an extensive network of farmers, dealers, and retailers across Bangladesh. BRAC Seed and Agro is the largest private sector seed producer in the country, with 20 production centres and employing 7,000 contract farmers.

### BRAC Sanitary Napkin and Delivery Kit

Produces over 1.2 million safe and affordable sanitary napkins to allow suburban and rural women to attend work and school regularly, as well as more than 73,000 delivery kits to facilitate safer births. BRAC Sanitary Napkin and Delivery Kit also creates income-generating opportunities for almost 40,000 community health workers.



### BRAC Silk

Promotes silk production through its 19 production centres across Bangladesh by engaging rural women in every step of the silk-making process. It also promotes traditional silk reeling and spinning practices by supporting 3,700 women to engage in individual 'charka' spinning within their homes. BRAC Silk produces 900,000 yards of silk every year, which are sold through Aarong and trade fairs.





# BRAC UNIVERSITY

Founded in 2001, BRAC University is committed to providing higher education that is responsive to society's needs. Based in Bangladesh's capital Dhaka, and with an enrollment of over 10,000 undergraduate, graduate, and professional students, the university today is a vibrant academic community fostering knowledge creation and research-informed learning.

The university's 7 departments, 8 schools and institutes, and 7 centres of excellence bring minds together, generating a unique experience for students that broadens perspectives, encourages creativity, and promotes empathy. We are distinctive in Bangladesh for offering over USD 1 million in scholarships every year. Through local and international engagement, faculty and students delve into creative ventures while incorporating ethics and having a global mindset.

Following BRAC University's recognition by QS rankings in 2017 as the #1 private university in Bangladesh, it is now poised for growth to become prominent internationally. Recognising the demographic dividend offered by the dominance of young people in the country, we aim to develop a workforce of creative leaders who can tackle challenges and leverage opportunities afforded by technology and globalisation. Over the next few years, we will further enhance our openness to new ideas and knowledge, and welcome increased participation from global scholars.

## BREAKING THE SHAME

**Farhana** is a project coordinator at the Centre for Gender and Sexual and Reproductive Health and Rights (CGSRHR) at BRAC University's James P Grant School of Public Health. Her most recent research project is called 'Breaking the Shame', which aims to break the silence around young people's sexuality.

The project began by looking at perceptions among adolescents, including myths and misconceptions around gender roles, consent and choice, gender diversity and sexuality.

From talking to adolescent girls, Farhana discovered that they are adamant in their beliefs that girls are responsible for their harassment and husbands can do what they want to their wives, without the need for consent. "I was surprised and sad in equal measure," she says of her reaction to the revelations.

The discussions created a tricky situation: if adolescent girls do not want to claim their rights, how do we ensure equality? Farhana and her team went to work, heavily involving adolescents in the process. During the three-and-a-half-year long project, Farhana realised most of the problematic issues were embedded in culture, and many stemmed from religious beliefs.

This called for a different approach. Using animation, cartoon panels on booklets, they began to disprove common myths and misconceptions around gender and sexual and reproductive health and rights. These methods helped them reach the adolescents fast, and without any gatekeepers. Evaluations showed that the materials had a positive impact in eliminating misconceptions.

BRAC Education Programme, one of the implementing partners for the Breaking the Shame project, allowed Farhana's team to access to some of their most remote working areas, including the thousands of adolescent clubs they operate across the country.

Farhana recently led the making of a documentary based on the narratives of single women who live and work in Dhaka.

While Farhana is happy with the work she is doing, there are still many challenges. She seems ready to face them head on, empowering herself and others to change attitudes towards harmful gender norms.









# INVESTMENTS

We invest in socially responsible companies that assist us in our mission to empower people and communities in situations of poverty, illiteracy, disease, and social injustice. Our network of investments help us strive towards self-sustainability.

Our strategy reflects our belief that financial returns and lasting social and environmental impact are not only compatible, but also mutually-reinforcing objectives.



## **BRAC Bank**

The country's largest SME financier, supporting 345,738 entrepreneurs. One of the largest financial supermarkets in the country, with more than 1.2 million customers and one of the widest arrays of retail and corporate banking products and services. BRAC has a 44.28% shareholding in BRAC Bank.

### **2018**

Launched agent banking, a digital platform that facilitates real-time transactions and other banking services. Became the first Bangladeshi bank to be rated by two of the world's leading credit rating agencies: S&P Global Ratings (B+) and Moody's Investors Service (Ba3).

### **Financial performance**

Consolidated profit after tax increased by 3% to BDT 5,670 million.

## **BRACNet**

The largest radio and fibre-based network in Bangladesh, bringing affordable internet for all. BRAC has a 19.99% shareholding in BRACNet.

### **2018**

Enhanced IT-managed services and data centre solutions, increased points of presence and radio coverage across all districts of Bangladesh.

### **Financial performance**

Net profit of BDT 51.21 million

## **Delta BRAC Housing (DBH) Finance Corporation Limited**

Providing financial security to home-owners through highly flexible loan schemes.

DBH is the largest institution in real estate finance, and is considered a pioneer and market leader in the private sector housing finance sector. DBH earned the highest credit rating 'AAA' for the 14th consecutive year. BRAC has a 18.39% shareholding in DBH.

### **2018**

A total of BDT 246,000 was allocated to corporate social responsibilities for the development of education.

### **Financial performance**

Net profit after tax BDT 1,048 million.

## **Guardian Life Insurance**

Using innovation, proper risk management and prudent investment mechanisms to ensure maximum financial benefits for clients. Guardian Life believes in alternative business model development and financial inclusion for all. BRAC Foundation has a 10% shareholding in Guardian Life Insurance.

### **2018**

Guardian Life won three awards at the prestigious Insurance Asia Awards 2018: Domestic Insurer of the Year, Digital Initiative of the Year, and Claim Initiative of the Year.

### **Financial performance**

Compound Annual Growth Rate of total premium stands at 181% over the years with over 42,100 claims worth BDT 1.2 billion settled in 2018.

## BRAC Tea Estates

Model estates that improve the lives of workers, with access to healthcare, education, sanitation, and safe drinking water. BRAC has a 99.94% shareholding in BRAC Karnafuli Tea Company Limited, 99.85% in BRAC Kaiyacherra Tea Company Limited, and 99.12% in BRAC Kodala Tea Company Limited.

### 2018

Despite severe drought, the group produced 2.76 million kg of made tea, contributing to the national tea production by 4%.

### Financial performance

Consolidated profit after tax BDT 148 million, an increase of 114% from last year. All three estates were ranked in the top 10 of Bangladesh's 165 tea estates by Tea Traders Association of Bangladesh under Bangladesh Tea Board. In terms of performance, BRAC Tea was ranked third among 20 companies.

## BRAC IT Services

Innovative, end-to-end technology solutions. A wholly-owned subsidiary of BRAC.

### 2018

Supported Finacle migration, m-Remit upgrade, mobile internet banking solutions, CIB automation, and other applications. Became technology partner for BRAC Bank and released procurement module under sbiCloud, the microfinance solution for BRAC Bangladesh.

### Financial performance

Net profit BDT 3.6 million.

## IPDC Finance Limited

The first private sector development financial institution of the country. IPDC has recently emerged as a major market player in Bangladesh's financial sector, catering to diverse customer segments in corporate, SME and retail sectors. BRAC has a 25% shareholding in IPDC.

### 2018

Loan portfolio grew by 28.6%, while total customer base reached 6,385 and geographic reach increased to 40 districts.

### Financial performance

Profit after tax increased by 34.2% to BDT 450 million

## edotco Bangladesh

edotco Bangladesh, a subsidiary of edotco Group, has been at the forefront of the country's tower infrastructure landscape since 2013. With a portfolio of over 8,500 towers, it provides end-to-end solutions in the tower services sector - from tower leasing, co-locations, and build-to-suit to energy management, transmission and passive maintenance. It believes that a sustainable future encompasses a healthy environment and an enriched community. BRAC has a 26% shareholding in edotco.

### 2018

Received tower-sharing license.

edotco Group awarded Asia Pacific Telecoms Tower Company of the Year Award by Frost & Sullivan.

Designed and implemented low-cost integrated tower.

## Maya Apa

A mobile-based digital wellbeing assistant that combines AI and real doctors to connect users looking to experts for advice. BRAC has a 17.3% shareholding in Maya Apa.

### 2018

The strategic partnership with ACI and equity investment raised from it has been an important event for Maya.

### Financial performance

Delivered close to 1,000,000 consultations with 700,000 monthly active users (MAU), generating BDT 7.6 million in revenue.

## AARONG'S DRESSMAKER BACKED UP BY IPDC

**Tanjila** is the number one baby dress producer for Aarong. Her two garment factories in Demra in Dhaka division employ 500 people, and supply baby dresses worth USD 236,790 (BDT 20 million) per month to some of the country's top brands - Aarong, Noborupa and Shoishob. She won the BRAC Bank award in the 'Creative' category in 2019.

Tanjila was only eight when she first came to Dhaka with her family in search of work. Her father sold second-hand clothes in city markets and she helped him as much as she could, but money was scarce.

Her family had her married at the age of 14 and within four years she had three children to raise. Her husband switched between low-paid jobs and earned little. Tanjila, who did not even finish her primary education, needed to do something. Luckily, she learned sewing from her mother at her early age. So in 2001, she borrowed some money from a local lender and sold some of her mother's jewellery to buy a sewing machine.

Impressed with the quality of her products, Aarong recruited her as a supplier of baby dresses. She took a microloan of USD 470 (BDT 40,000) from BRAC, bought two more machines and hired someone to help her. The quantity of work from Aarong kept rising, and Tanjila had enough money to set up her first small factory within a year.

"Many people in our country think that a woman's life is over after marriage and giving birth. I don't believe that. Nothing is stronger than your will," said Tanjila, whose three children are studying in college and university.

Tanjila is now a client of IPDC, which provides financial support for entrepreneurs. Under its work order loan scheme, Aarong producers can get loans against work orders at 11.5%. The loan is readily available and flexible to meet the immediate need for business expansion.

Tanjila is now planning her future. She wants to take her products to global markets with the help of her eldest son, a BBA student. She hasn't forgotten her past though, and how many other women need support to take control of their lives - and she helps them out as much as she can. She has trained and then recruited many young women who needed a small push for a fresh start.

"I feel good helping women, especially those without supportive husbands."



# DEVELOPMENT PARTNERS

## GOVERNMENT ALLIANCES

BRAC has a long history of working in collaboration with the Government of Bangladesh. Our joint efforts have 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

## 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 to 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.

By engaging in partnership, DFID and DFAT hope to reduce the transaction costs of aid and facilitate greater focus on high-level outcomes rather than inputs. The provision of core funding enables BRAC to develop a flexible response to learning and a more holistic response to poverty reduction. This partnership also has a strong focus on innovation and advocacy in Bangladesh and beyond.



## MAJOR INSTITUTIONAL DONORS



## RESEARCH AND LEARNING PARTNERS



# BRAC MANAGEMENT

## EXECUTIVE MANAGEMENT COMMITTEE

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**DR MUHAMMAD MUSA**  
Executive Director  
BRAC International



**ASIF SALEH**  
Executive Director (Acting)  
BRAC



**TAMARA HASAN ABED**  
Senior Director  
Enterprises, BRAC



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



**ZULFIKAR HYDER**  
Chief People Officer  
BRAC and BRAC International



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



**MATIUL ISLAM NOWSHAD**  
Senior Director  
Operation  
BRAC



**TUSHAR BHOWMIK**  
Director  
Finance  
BRAC



# DIRECTORS



**AHMED NAJMUL HUSSAIN**  
 Director  
 Administration and Road Safety  
 BRAC



**ANNA MINJ**  
 Director, Community Empowerment,  
 Integrated Development,  
 Gender Justice and Diversity, BRAC



**KAM MORSHED**  
 Director, Advocacy for Social Change,  
 Technology, Partnership Strengthening  
 Unit, BRAC



**LAMIA RASHID**  
 Director, Africa Region and Global  
 Strategy Development  
 BRAC International



**MARIA HUQ**  
 Director  
 Human Resources  
 BRAC



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



**MD SAJEDUL HASAN**  
 Director  
 Humanitarian Programme  
 BRAC and BRAC International



**MOHAMMAD ANISUR RAHMAN**  
 Director  
 Dairy and Food Enterprise  
 BRAC



**M ANWAR HOSSAIN**  
 Director  
 Asia Region  
 BRAC International



**MOUTUSHI KABIR**  
 Director  
 Communications and Outreach  
 BRAC and BRAC International



**NANDA DULAL SAHA**  
 Director  
 Internal Audit  
 BRAC and BRAC International



**RACHEL LINDSAY HAGGARD KABIR**  
 Director  
 Chairperson's Office  
 BRAC



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



**DR SAFIQUUL ISLAM**  
 Director  
 Education Programme  
 BRAC

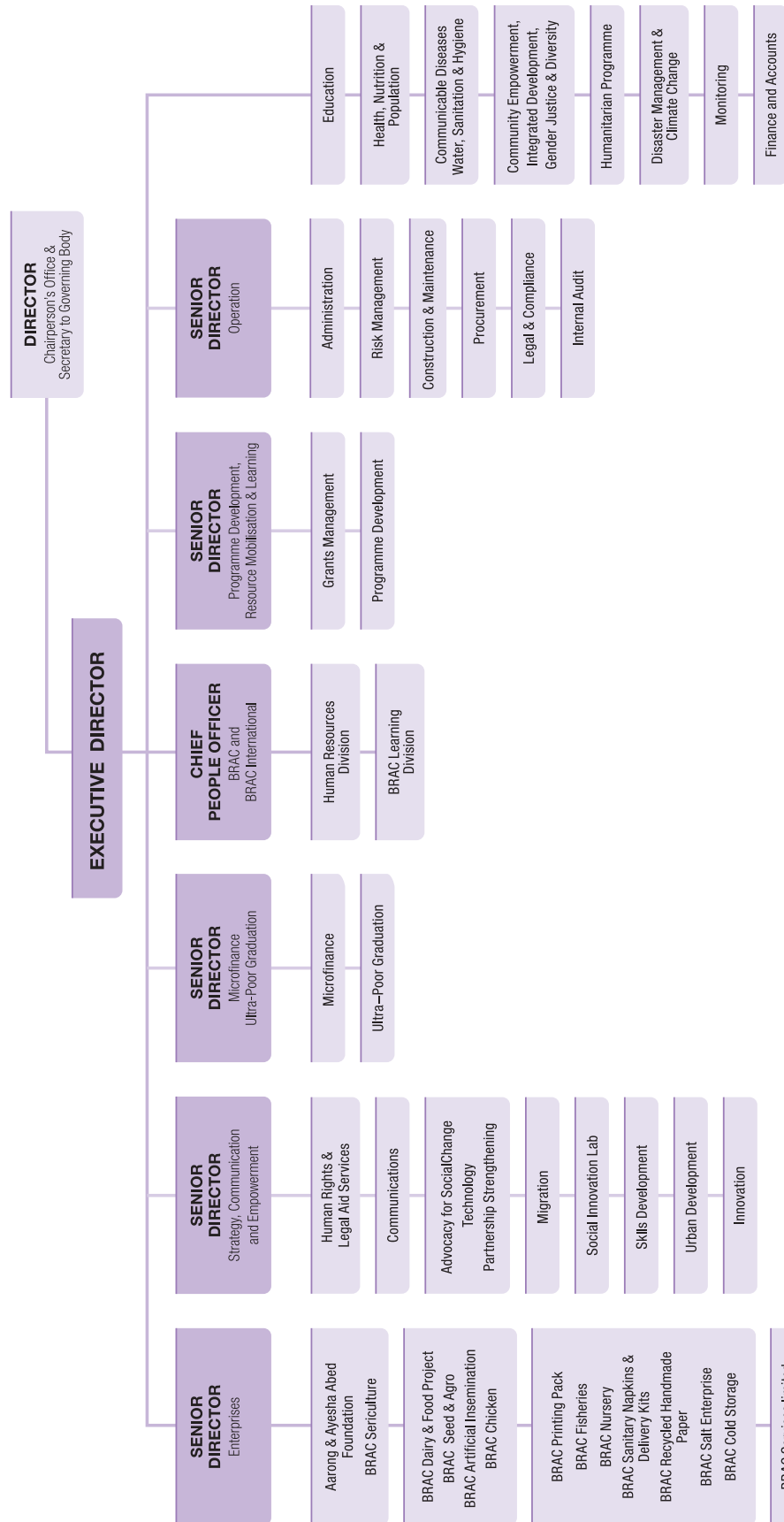


**SAIEED BAKTH MOZUMDER**  
 Director  
 Tea Estates  
 BRAC



**SYED MAZBAHUL MORSHAD**  
 Chief Engineer  
 BRAC

# BRAC ORGANOGRAM



# BRAC GOVERNING BODY

## GENERAL BODY

The general body of BRAC consists of 29 members. As per the Memorandum of Association and Rules and Regulations of BRAC, the general body elects the governing body.

At BRAC's last Annual General Meeting in July 2018, the general body adopted the audited financial statements for the year ended 31 December 2017, approved the annual budget for 2019, and approved the appointment of external auditors for the year ending 31 December 2018.

## GOVERNING BODY

The 10 members of BRAC's governing body comprise distinguished professionals, activists, and entrepreneurs of excellent repute who bring their diverse skills and experience to their governance role.



**Sir Fazle Hasan Abed KCMG**  
Founder and Chairperson

Sir Fazle was born in 1936 in Bangladesh. He studied Accountancy in London, qualifying as a Cost Management Accountant in 1962. While he was working as a senior corporate executive at Pakistan Shell, the 1970 cyclone and 1971 Liberation War in Bangladesh dramatically changed the direction of his life. He left his job and moved to London, where he helped initiate Action Bangladesh and HELP Bangladesh in support of the Liberation War.

Early in 1972, after the war was over, he returned to the newly-independent Bangladesh, finding the economy in ruins. The return of 10 million refugees, who had sought shelter in India during the war, called for urgent relief and rehabilitation efforts. Sir Fazle established BRAC to address the needs of refugees in a remote area of north-eastern Bangladesh, guided by a desire to help the poor develop their own capacity to better manage their lives.

Today BRAC is one of the largest NGOs in the world, operating across eleven countries in Africa and Asia. Its primary objectives are to alleviate poverty and empower the poor. In 2019, for the fourth consecutive year, BRAC was ranked first among the world's top 500 NGOs by Geneva-based 'NGO Advisor' in terms of impact, innovation and sustainability.

Sir Fazle has been honoured with numerous national and international awards for his achievements in leading BRAC, including the LEGO Prize (2018), Laudato Si' Award (2017), Jose Edgardo Campos Collaborative Leadership Award, South Asia Region (2016), Thomas

Francis, Jr. Medal in Global Public Health (2016), World Food Prize (2015), Trust Women Hero Award (2014), Spanish Order of Civil Merit (2014), Leo Tolstoy International Gold Medal (2014), CEU Open Society Prize (2013), Inaugural WISE Prize for Education (2011), Entrepreneur for the World Award (2009), David Rockefeller Bridging Leadership Award (2008), Inaugural Clinton Global Citizen Award (2007), Henry R. Kravis Prize in Leadership (2007), Palli Karma Shahayak Foundation (PKSF) Award for lifetime achievement in social development and poverty alleviation (2007), UNDP Mahbubul Haq Award for Outstanding Contribution to Human Development (2004), Gates Award for Global Health (2004), Gleitsman Foundation International Activist Award (2003), Schwab Foundation's Social Entrepreneurship Award (2003), Olof Palme Prize (2001), InterAction Humanitarian Award (1998) and Ramon Magsaysay Award for Community Leadership (1980).

He is also recognised by Ashoka as one of the 'global greats' and is a founding member of its prestigious Global Academy for Social Entrepreneurship. He was a member of the Commission on Health Research for Development (1987-90), the Independent South Asian Commission on Poverty Alleviation (1991-92) and the High-level Commission on Legal Empowerment of the Poor (2005-2008). In 2009, he was appointed Knight Commander of the Most Distinguished Order of St. Michael and St. George by the British Crown in recognition of his services to reducing poverty in Bangladesh and internationally. Sir Fazle was a member of the Group of Eminent Persons appointed by the UN Secretary-General in 2010 to advise on support for the Least Developed Countries. In 2014 and 2017, he was named in Fortune Magazine's List of the World's 50 Greatest Leaders.

The many honorary degrees received by Sir Fazle Hasan Abed include those from Princeton University (2014), the University of Oxford (2009), Columbia University (2008) and Yale University (2007). He was a visiting scholar at Harvard University in 1981.



**Dr Mushtaque Chowdhury**  
Vice Chairperson

**Dr Mushtaque Chowdhury** is a professor of population and family health at Columbia University's Mailman School of Public Health and has worked as a MacArthur/Bell Fellow at Harvard University.

Dr Chowdhury is one of the founding members of Bangladesh Education Watch and Bangladesh Health Watch. He is on the board and committees of several organisations and initiatives, including the Advisory Boards of the London School of Economics' South Asia Centre and the Lead Group for Scaling Up Nutrition Movement at the UN. He is a founding member of the Board of Trustees of the Humanitarian Leadership Academy in London and is the chair of the Asia-Pacific Action Alliance on Human Resources for Health (AAAH). Dr Chowdhury is also a member of the Technical Advisory Committee of Compact2025 at International Food Policy Research Institute (IFPRI), Expert Group on scaling up in Education at the Results for Development (R4D), and Leaders Group of Sanitation and Water for ALL (SWA) at Unicef Headquarters. He is also a senior adviser at the Bangladesh Institute of Development Studies (BIDS).

Dr Chowdhury was a coordinator of the UN Millennium Task Force on Child Health and Maternal Health, set up by former UN Secretary General Kofi Annan.

Dr Chowdhury has received a number of awards, including Humanitarian Award from the Distressed Children International at Yale University in 2013, the Medical Award of Excellence from Ronald McDonald House Charities in USA in 2017, and the Most Impactful Book Award from the University Press Limited in 2018.

Dr Chowdhury has published several books and over 200 articles in peer-reviewed international journals, including the *The Lancet*, *Journal of International Development*, and *The Scientific American*.

Dr Chowdhury holds a PhD from the London School of Hygiene and Tropical Medicine, an MSc from the London School of Economics, and a BA from the University of Dhaka.



**Tahrunnesa Abdullah**  
Member

**Tahrunnesa Abdullah** is a founder Trustee of Education, Science, Technology and Cultural Development Trust (ESTCDT), the founding Trust of the Independent University, Bangladesh (IUB). She also serves as a member of the Board of Trustees of the Gono Bishwabidyalay. She worked for various Government and Non-Governmental organisations throughout her distinguished career. She was a member of the Board of Trustees (1991-1994) of Aga Khan University, Pakistan. She started her career at the Comilla Academy for Rural Development where she headed the women's education and home development programme. She oversaw the development of the National Plan of Action for Children 1997-2002 and has served as chair of Bangladesh Shishu Academy and Bangladesh Jatiya Mohila Sangstha. She was awarded the Ramon Magsaysay award for community leadership in 1978.



**Latifur Rahman**  
Member

**Latifur Rahman** is the Chairman and CEO of Transcom Group. Transcom is an important stakeholder in general insurance (Reliance Insurance Limited), housing finance (National Housing Finance and Investments Limited), non-banking financial institution (IDLC Finance Limited), and banking (Pubali Bank Limited).

Mr Rahman founded The Daily Star, Prothom Alo, and ABC Radio. He is the vice-president of the International Chamber of Commerce-Bangladesh. He was re-elected as a member of the Executive Board of the International Chamber of Commerce, Paris in July 2017 for a second three-year term.

Mr Rahman is the Chairman of National Housing Finance & Investments Limited. He was previously Chairman of Nestle Bangladesh Limited, Holcim Cement Bangladesh Limited, and Director of Linde Bangladesh Limited.

Mr Rahman is a former President of the Metropolitan Chamber of Commerce and Industry, Dhaka, a position he held for seven terms, and also a former President of the Bangladesh Employers' Federation.

Mr Rahman was the Chairman of the Bangladesh Government's Trade Body Reforms Committee and Member, Bangladesh Better Business Forum, Advisory Committee on WTO. He was also a member of the Executive Board of Bangladesh Bank.

He was awarded Business Executive of the Year 2001 by the American Chamber of Commerce in Bangladesh, Oslo Business for Peace Award 2012, SAARC Outstanding Leader, and the Lifetime Achievement Award by the UK Bangladesh Catalysts of Commerce & Industry.

The family of Mr Latifur Rahman, being one of the highest taxpayers of the country, has been recognised by the National Board of Revenue, Government of Bangladesh as a 'Tax Icon Family' (*Kar Bahadur Paribar*).



**Rokia Afzal Rahman**  
Member

**Rokia Afzal Rahman** is a former adviser (Minister) to the Caretaker Government of Bangladesh. She started her agro-based company in 1980 and further diversified her business into insurance, media, financial institution, and real estate.

She is currently the chairperson of R R Group & Arlinks Group of Companies and Mediaworld Limited (owning company of The Daily Star). She is a Director in MIDAS, MIDAS Financing Limited, Mediastar Limited (owning company of Prothom Alo), and ABC Radio. She is also an independent director of Bangladesh Lamps Limited and Marico Limited.

Ms Rahman is the vice-president of International Chamber of Commerce Bangladesh. She served as a board member of the Central Bank of Bangladesh, and the president of the Bangladesh Employers' Federation. She was also a director of Reliance Insurance Limited. She is a former president of Metropolitan Chamber of Commerce and Industry, Dhaka.

Ms Rahman is chairperson of Banchte Shekha, Jessore, which works for the underprivileged and ultra poor. She is a board member of Management and Resource Development Initiative and DNET.

She is the founder president of Bangladesh Federation of Women Entrepreneurs. In 1994, the first Women Entrepreneurs Association was formed in Bangladesh with Rokia Afzal Rahman as founder president. In 1996, Ms Rahman formed Women in Small Enterprises to further promote women into small enterprises and industries.

Ms Rahman is the chairperson of Presidency University and has received several international and national awards.



**Luva Nahid Choudhury**  
Member

**Luva Nahid Choudhury** is an architect who was in Bangladesh Government service for 10 years and currently heads an architectural practice in Dhaka. She is the director general of Bengal Foundation, a trust that supports and promotes the arts in Bangladesh. She also heads Bengal Publications, a leading publishing house.



**Dr Martha Alter Chen**  
Member

**Dr Martha (Marty) Chen** is a Lecturer in Public Policy at the Harvard Kennedy School; Co-Founder and Senior Advisor of the global research-policy-action 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 field experience in South Asia: in Bangladesh in the 1970s working with BRAC, and in India in the 1980s where she served as field representative of Oxfam America. In both capacities, she worked closely with working poor women in villages and urban settlements to promote their economic empowerment.

Over two decades, she led the WIEGO Network which seeks 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. Today, WIEGO has affiliates and activities in over 90 countries.

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.



**Adeeb H Khan**  
Member

**Adeeb H Khan** qualified as a Chartered Accountant in England in 1991 and has been Senior Partner of Rahman Rahman Huq (Member Firm of KPMG International) since 2012.

He has been a Council Member of the Institute of Chartered Accountants of Bangladesh (ICAB) since 2013. He was the President of ICAB in 2017. He is a member of the Executive Committee of Bangladesh Legal Aid and Services Trust (BLAST), perhaps the largest legal aid organisation in Bangladesh. He is serving his third term as an Executive Committee (EC) member of Metropolitan Chamber of Commerce and Industry, the oldest and one of the most prestigious trade chambers of Bangladesh, chairing its Taxation Sub-Committee.

Mr Khan's past directorships include 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 masters and graduation in law from the University of Dhaka with distinction. She started her career with BELA in 1993 and till today is continuing with the same organisation.

As the Chief Executive of BELA, Ms Hasan is responsible for the overall co-ordination 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 elements of environmental justice. She places people's legitimate rights at the centre of her activism.

BELA received the Global 500 Roll of Honours of UNEP 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.



**Syed S Kaiser Kabir**  
Member

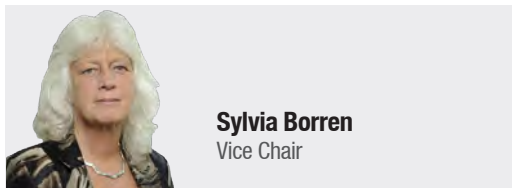
**Syed S Kaiser Kabir** is CEO and managing director of Renata Limited. He is also the chairman of Renata Agro Industries Limited, Purnava Limited, and Renata Oncology Limited. Mr Kabir is vice-chairman of the SAJIDA Foundation and Bangladesh Association of Pharmaceutical Industries. He is also a board member of BRAC Bank.

Mr Kabir started his career as a research officer at the Institute of Economics and Statistics, University of Oxford. He moved on to serve as a consultant at the World Bank from 1991 to 1993. He was appointed executive director of the SAJIDA Foundation in 1996 and later joined BRAC-Renata Agro Industries Limited as managing director from 1997 to 2004.

Mr Kabir completed his MPhil in economics at the University of Oxford in 1989. He received his postgraduate diploma in economics (with distinction) from the University of East Anglia in 1987.

# BRAC INTERNATIONAL SUPERVISORY BOARDS

**Sir Fazle Hasan Abed KCMG**  
Founder and Chairperson  
Stichting BRAC International Supervisory Board  
BRAC International Holdings B.V. Supervisory Board



**Sylvia Borren**  
Vice Chair

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

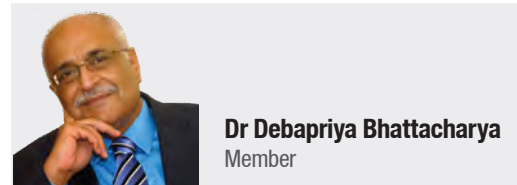
**Sylvia Borren** has worked all her life within and for civil society organisations, both professionally and as a volunteer.

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 now 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 is now on the advisory commission of Staatsbosbeheer, which manages nature reserves.

She is a freelance consultant at 'Working for Justice' and a senior adviser 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 was Bangladesh's Ambassador and Permanent Representative to WTO and UN Offices in Geneva and Vienna and former Special Advisor on LDCs to the Secretary General of 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 the 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 awards for best actress.

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, skill 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 Theresa by President Mitterand of France. She also won the Crystal Award at the World Economic Forum 2006. She has been conferred five 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 UN 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.



**Shafiqul Hassan**  
Member

**Stichting BRAC International Supervisory Board**

**Shafiqul 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

**Stichting BRAC International Supervisory Board**

**Irene Zubaida Khan** is director general of the International Development Law Organization (IDLO). The first woman to hold this office, she took up her position on January 1, 2012.

An international thought leader on human rights, gender, and social justice issues, Ms Khan was secretary general of Amnesty International from 2001 to 2009. Prior to that, she worked for the UN High Commissioner for Refugees for 21 years at headquarters and in various field operations. She was visiting professor at the State University of New York Law School (Buffalo) in 2011.

Ms Khan sits on the boards of several international human rights and development organisations. She is the recipient of numerous honorary degrees and prestigious awards, including the City of 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.



**Parveen Mahmud FCA**  
Member

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

**Parveen Mahmud**, in her varied professional career has worked on social innovation, entrepreneurship, and sustainable development. Ms Mahmud started her career with BRAC, and has worked with international NGOs and development agencies. She was the deputy managing director of PKSF, Bangladesh's apex funding organisation for Microfinance Institutes. She is the founding managing director of Grameen Telecom Trust.

She was a partner in ACNABIN & Co, Chartered Accountants. She is the first female president of the Institute of Chartered Accountants of Bangladesh (ICAB), as well as the first female board member of the South Asian Federation of Accountants (SAFA), the apex accounting professional body of SAARC. She is the chairperson of CA Female Forum - Women in Leadership Committee, ICAB and is the vice chairperson of the Women in Leadership Committee of SAFA.

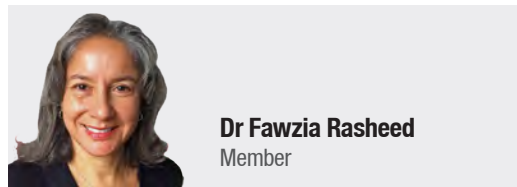
Ms Mahmud sits on numerous boards, including Apex Footwear Ltd, Grameenphone Ltd, Linde Bangladesh Ltd, Manusher Jonnyo Foundation,

Transparency International Bangladesh, and Centre for Policy Dialogue. She is the chairperson of UCEP Bangladesh, Shasha Foundation, and was chairperson of MIDAS, Shasha Denims Ltd, and Acid Survivors' Foundation. Ms Mahmud is also a member of the International Chamber of Commerce, Bangladesh. She was a member of the National Advisory Panel for SME Development of Bangladesh, founding board member of SME Foundation, and Convenor, SME Women's Forum.

She received the Begum Rokeya Shining Personality Award 2006 for women's empowerment from Narikantha Foundation. She is also the recipient of Women at Work 2017 Award from Bangladesh Association of Software and Information Services, Women of Inspiration Awards 2017 from the Bangladesh Organisation for Learning & Development and Ananyyna Top Ten Women 2018 Award.

**Dr Mushtaque Chowdhury**  
Member

**Stichting BRAC International Supervisory Board**



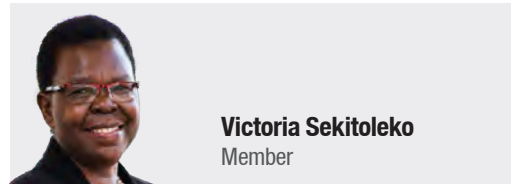
**Dr Fawzia Rasheed**  
Member

**Stichting BRAC International Supervisory Board**

**Dr Fawzia Nazli Rasheed** is a programme and governance analyst. She has worked within 30 countries to evaluate and develop initiatives, national plans, and broker intergovernmental collaborations and public private partnerships. As Senior Policy Adviser at separate junctures to the World Health Organisation, UNAIDS, and The Global Fund, she undertook organisational reforms and developed strategic plans. She has also supported programme development in Asia and Africa for several INGOs, including CARE International, and Médecins Sans Frontières International. She is currently Senior Advisor to the Aga Khan Development Network and a technical review panel member for AmplifyChange.

Her governance work includes conceptualising a performance-based funding system to strengthen country oversight for all programmes of The Global Fund; developing the Electoral Integrity Initiative (currently based within the Kofi Annan Foundation); and analysis of governance issues related to natural resource extraction for the Africa Progress Panel towards improved stewardship and banking reforms. As a board member/trustee of organisations, she has drafted constitutions and deployed anonymous, transparent tools for board elections and evaluations.

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



**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 the 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.

In 2010, Ms Sekitoleko founded the Uganda Community Cultural Centre which trades as Speakers Forum. This 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.



# BRAC GOVERNING BODY COMMITTEES

## FINANCE AND AUDIT COMMITTEE

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

- |   |        |
|---|--------|
| 1. <b>Dr Mushtaque Chowdhury</b><br>Vice Chairperson, BRAC Governing Body | Chair  |
| 2. <b>Tahrunnesa Abdullah</b><br>BRAC Governing Body                      | Member |
| 3. <b>Adeeb H Khan</b><br>BRAC Governing Body                             | Member |
| 4. <b>Parveen Mahmud</b> , FCA (Independent)                              | Member |
| 5. <b>Asif Saleh</b><br>Executive Director (Acting), BRAC                 | Member |

**Tushar Bhowmik**, Director, Finance, 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 finance and audit committee is to assist the 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 2018

A total of two meetings were held during 2018.

#### Meeting date: July 16, 2018

##### Highlights of the decisions taken

- The committee recommended for approval of the Audited Annual Accounts of BRAC for 2017 by BRAC's governing body
- The committee recommended for approval of the revised Annual Budget of BDT 9,703 crores for 2018 and proposed Annual Budget of BDT 10,123 crore for 2019 by the governing body

- The committee recommended for approval of BRAC's Financial Year Budget of BDT 9,913 crore for the period from July 2018 to June 2019 by the BRAC governing body
- The committee recommended the appointment of A Qasem & Co. Chartered Accountants, Bangladesh as the auditor of BRAC for the year January 2018 to December 2018 and also financial year July 2018 to June 2019
- The committee approved the revised Annual Operational Plan (AOP) of Internal Audit Department for 2018 incorporating the risk-based audit of Microfinance branches as per the Risk Assessment Tool
- The committee approved the terms of references of Internal Audit Review Management Committee subject to the elaboration of "appropriate representative from programmes/enterprises".

#### Meeting date: November 29, 2018

##### Highlights of the decisions taken

- The committee reviewed the annual budget of BDT 11,649 crore for 2019 and financial year budget BDT 11,438 crores for the period from July 2018 to June 2019 and recommended for approval by BRAC's governing body
- The committee approved changes to the Internal Audit Charter
- The committee approved the quality review of draft internal audit manual by external professional organisation
- The committee approved the Internal Audit Plan for 2018
- The committee approved the key performance indicators of Internal Audit Department 2019 subject to the removal of using technical persons ie,- engineer, nutritionist or programme specialist in audit conduction system
- The committee recommended to re-evaluate financial sustainability threat risk rating
- The committee recommended to present microfinance risk report in next meeting

## Board Investment Committee

The board 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. Sir Fazle Hasan Abed**  
Chairperson, BRAC  
*Chair*
- 2. Rokia Afzal Rahman**  
*Member*
- 3. Luva Nahid Choudhury**  
*Member*
- 4. Latifur Rahman**  
*Member*

### Meeting date: October 23, 2018

Tushar Bhowmik, Director, Finance, BRAC, acts as secretary of the committee.

### Highlight of the decision taken:

- The committee approved BRAC's investment in edotco Bangladesh Company Limited.

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## Ombudsperson

BRAC has established an Office of the Ombudsperson with a comprehensive mandate to investigate any grievance or complaint made to him 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.

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## Awards and recognition in 2018

AGFUND International Prize awarded to BRAC for pioneering human development projects.

OFID Annual Award to BRAC for its humanitarian support during the Rohingya crisis.

The LEGO Prize awarded to Sir Fazle Hasan Abed in recognition of his contribution towards improving children's lives.

The 'AAA' by Credit Rating Agency of Bangladesh Ltd awarded to BRAC. (CRAB). (The 'AAA' means Extremely Strong Capacity and Highest Quality). BRAC received 'AAA' rating consecutively for the last nine years.

BRAC received the following awards for financial transparency:

- ICAB National Award for best presented Annual Report 2017 under the NGO category.
- SAFA Award for best presented Annual Report 2017 under the NGO category.

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## External auditor

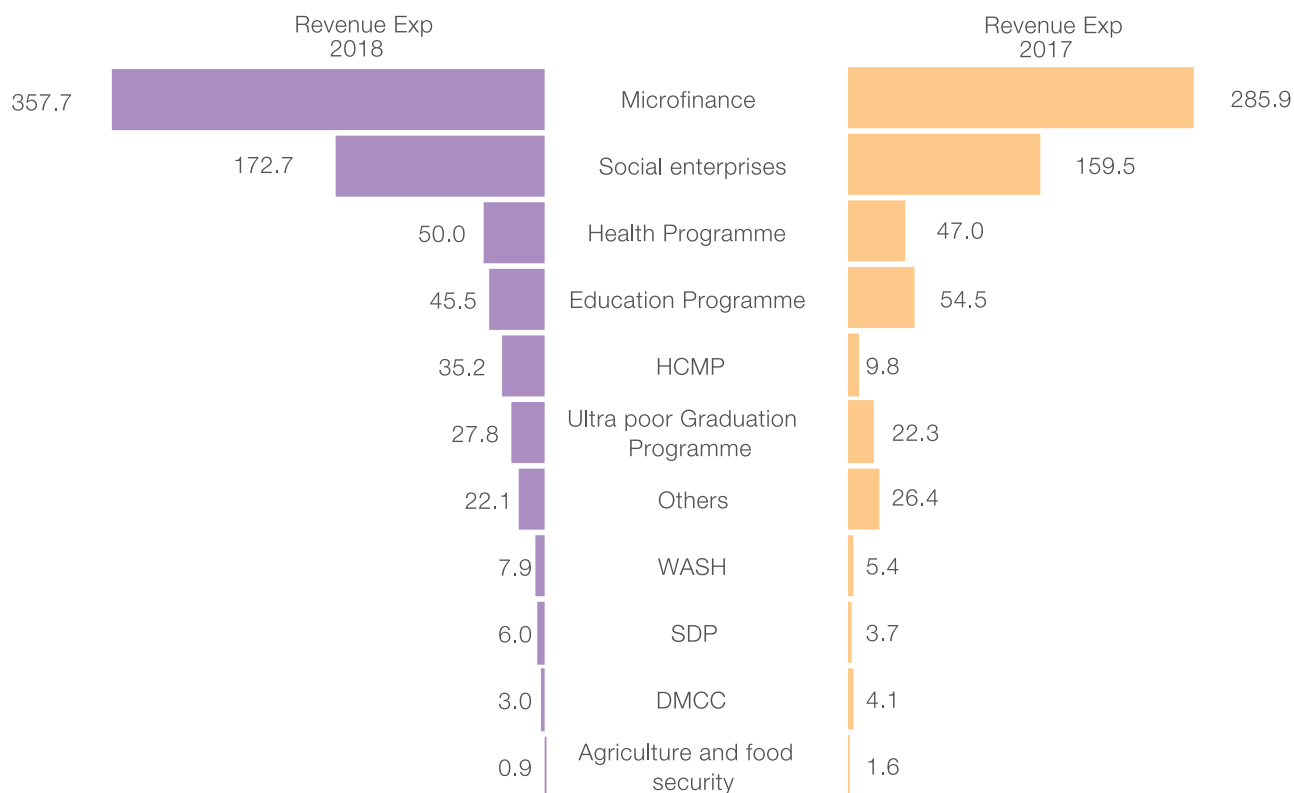
The appointment of A. Qasem & Co., Chartered Accountants, Bangladesh (member firm of Ernst & Young Global Limited) as the auditor of BRAC for the year ended on December 31, 2018 was approved in BRAC's AGM.

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# FINANCIALS

## Revenue Expenditure 2018 Vs 2017

Figures in USD Mn

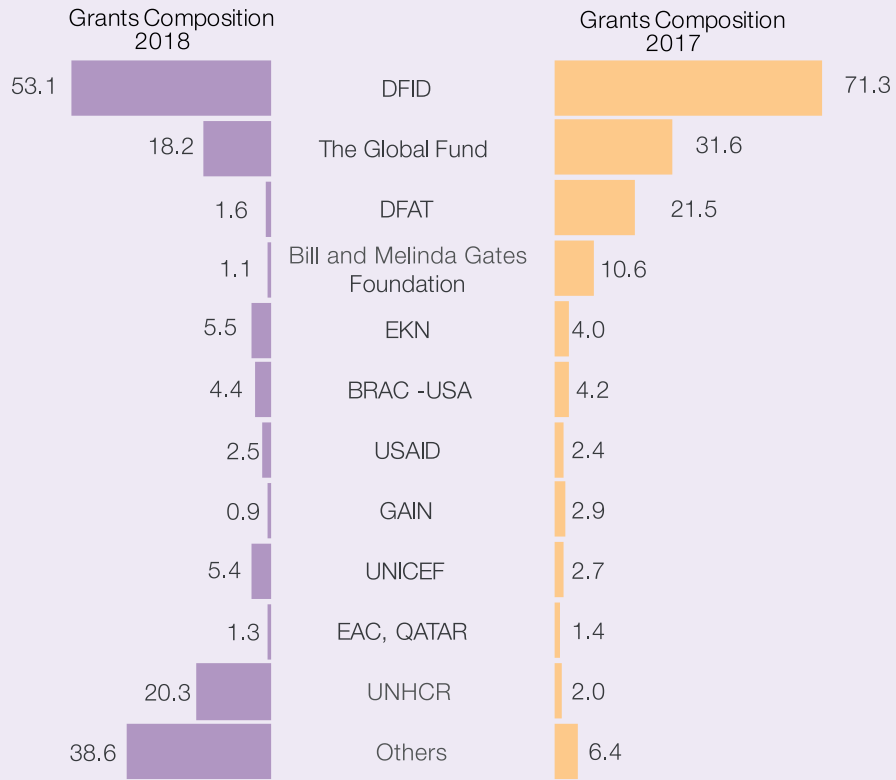


## Contribution of BRAC to Government Exchequer

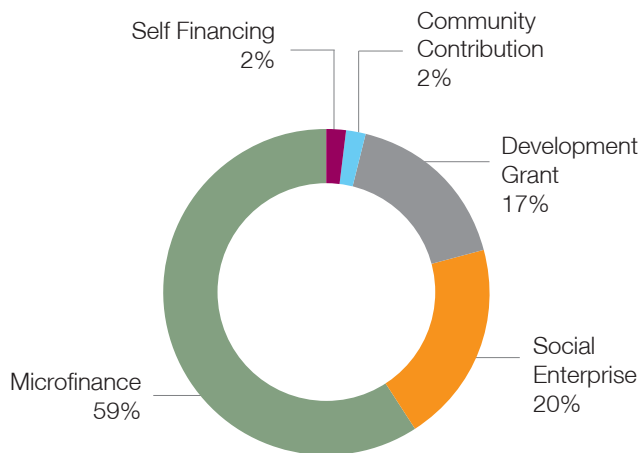
| Income Year                                      | 2018                 |                   | 2017                 |                   |
|--|----------------------|-------------------|----------------------|-------------------|
|  | BDT                  | USD               | BDT                  | USD               |
| Income Tax deduction at source by third parties  | 342,081,177          | 4,133,912         | 119,773,978          | 1,447,420         |
| Tax deduction at source from third parties       | 253,354,006          | 3,248,128         | 292,835,975          | 3,538,803         |
| Income Tax deduction at source from Staff salary | 81,317,534           | 1,042,532         | 74,512,272           | 900,450           |
| VAT collection from customers                    | 520,640,206          | 6,674,874         | 701,450,598          | 8,476,744         |
| Import Duty paid                                 | 234,289,144          | 3,003,707         | 68,127,733           | 823,296           |
| <b>Total</b>                                     | <b>1,431,682,067</b> | <b>18,103,154</b> | <b>1,256,700,556</b> | <b>15,186,714</b> |

## Donation Composition 2018 Vs 2017

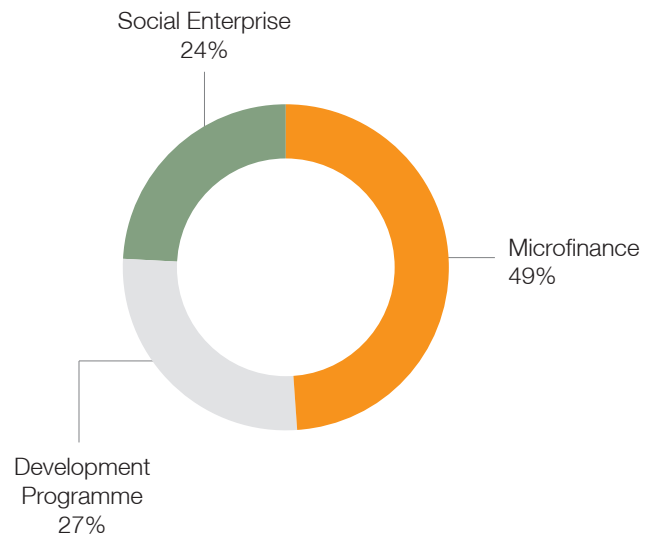
Figures in USD Mn



### Total Income Contribution % for FY' 2018



### Total Expenditure Allocation % for FY' 2018



**BRAC**  
**BALANCE SHEET CONVERTED TO USD**  
As at December 31, 2018  
(NOT PART OF AUDITED FINANCIAL STATEMENTS)

|   | 2018                   |                      | 2017                   |                      |
|---|------------------------|----------------------|------------------------|----------------------|
|   | BDT                    | USD                  | BDT                    | USD                  |
| <b>ASSETS</b>                           |                        |                      |                        |                      |
| Cash and bank balances                  | 21,561,781,316         | 260,565,333          | 21,024,279,120         | 254,069,838.31       |
| Advance, deposits and prepayments       | 13,395,077,904         | 161,874,053          | 10,012,346,517         | 120,995,124.07       |
| Inventories                             | 5,567,755,743          | 67,284,057           | 4,963,482,830          | 59,981,666           |
| Grants and accounts receivable          | 3,860,680,137          | 46,654,745           | 3,432,380,353          | 41,478,917           |
| Microfinance loans                      | 202,494,959,364        | 2,447,068,995        | 163,229,190,720        | 1,972,558,196        |
| Motor cycle loans                       | 207,030,285            | 2,501,877            | 692,968,379            | 8,374,240            |
| Investments in securities and others    | 1,057,400,000          | 12,778,248           | 1,925,728,676          | 23,271,646           |
| Investments in related undertakings     | 27,710,751,304         | 334,873,128          | 17,361,028,752         | 209,800,952          |
| Property, plant and equipment           | 19,018,501,326         | 229,830,832          | 17,350,511,791         | 209,673,859          |
| <b>TOTAL ASSETS</b>                     | <b>294,873,937,379</b> | <b>3,563,431,267</b> | <b>239,991,917,138</b> | <b>2,900,204,437</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                        |                      |                        |                      |
| <b>LIABILITIES</b>                      |                        |                      |                        |                      |
| Liabilities for expenses and materials  | 11,208,183,484         | 135,446,326          | 9,664,233,920          | 116,788,325          |
| Bank overdrafts                         | 36,115,730,851         | 436,443,877          | 23,688,516,176         | 286,266,057          |
| Term loans                              | 38,136,805,679         | 460,867,742          | 28,969,558,656         | 350,085,301          |
| Members' savings deposits               | 69,587,804,893         | 840,940,240          | 59,880,530,227         | 723,631,785          |
| Grants received in advance              | 3,011,803,509          | 36,396,417           | 3,149,635,367          | 38,062,059           |
| Deferred income                         | 750,483,192            | 9,069,283            | 692,029,289            | 8,362,892            |
| Other long term liabilities             | 14,498,696,826         | 175,210,838          | 13,140,029,256         | 158,791,894          |
| Provision for taxation                  | 4,306,941,031          | 52,047,626           | 2,553,941,030          | 30,863,336           |
| <b>TOTAL LIABILITIES</b>                | <b>177,616,449,465</b> | <b>2,146,422,350</b> | <b>141,738,473,921</b> | <b>1,712,851,649</b> |
| <b>NET ASSETS</b>                       |                        |                      |                        |                      |
| Unrestricted                            | 116,098,619,571        | 1,403,004,466.12     | 97,097,840,599         | 1,173,387,802        |
| Temporarily restricted                  | 1,158,868,343          | 14,004,451.28        | 1,155,602,618          | 13,964,986           |
|   | 117,257,487,915        | 1,417,008,917        | 98,253,443,217         | 1,187,352,788        |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>294,873,937,379</b> | <b>3,563,431,267</b> | <b>239,991,917,138</b> | <b>2,900,204,437</b> |

Exchange Rate: 1 USD = BDT 82.75 as on December 31, 2018

## BRAC

### Statement of Income and Expenditure Converted to USD

For the year ended 31 December 2018  
(Not Part of Audited Financial Statements)

|   | 2018                  |                    | 2017                  |                    |
|---|-----------------------|--------------------|-----------------------|--------------------|
|   | BDT                   | USD                | BDT                   | USD                |
| <b>INCOME</b>   |                       |                    |                       |                    |
| Donor grants  | 13,052,555,411        | 157,734,808.59     | 11,705,986,813        | 141,547,604        |
| Social Enterprises  | 15,963,431,001        | 192,911,552.88     | 14,970,226,455        | 181,018,458        |
| Microfinance Programme  | 45,970,181,074        | 555,530,889.11     | 37,890,583,381        | 458,169,086        |
| Self-financing Social Development Programme                             | 1,238,629,026         | 14,968,326.60      | 640,295,209           | 7,742,385          |
| Investment income   | 217,875,460           | 2,632,936.07       | 543,617,402           | 6,573,366          |
| Community Contribution  | 1,512,406,328         | 18,276,813.63      | 1,375,712,028         | 16,634,970         |
| House Property  | 92,593,668            | 1,118,956.71       | 93,062,652            | 1,125,304          |
| <b>TOTAL INCOME</b>   | <b>78,047,671,967</b> | <b>943,174,284</b> | <b>67,219,483,940</b> | <b>812,811,172</b> |
| <b>EXPENDITURE</b>  |                       |                    |                       |                    |
| Social Enterprises  | 14,292,037,535        | 172,713,445        | 13,112,389,739        | 158,457,882.04     |
| Micro Finance Programme   | 29,598,743,796        | 357,688,747        | 23,503,895,326        | 284,034,989        |
| House Property  | 58,900,848            | 711,793            | 53,500,360            | 646,530            |
| Agriculture and Food Security   | 73,539,035            | 888,689            | 131,816,903           | 1,592,954          |
| Community Empowerment Programme   | 296,447,514           | 3,582,447          | 411,173,013           | 4,968,858          |
| Education Programme   | 3,763,213,655         | 45,476,902         | 4,480,157,832         | 54,140,880         |
| Gender, Justice and Diversity   | 145,618,483           | 1,759,740          | 166,043,264           | 2,006,565          |
| Health Programme  | 4,134,008,246         | 49,957,804         | 3,865,359,912         | 46,711,298         |
| Human Rights and Legal Aids Services                                    | 330,841,546           | 3,998,085          | 329,312,602           | 3,979,608          |
| Policy Advocacy   | 59,461,048            | 718,563            | 64,429,597            | 778,605            |
| Water, Sanitation and Hygiene Programme                                 | 652,072,685           | 7,880,032          | 443,028,511           | 5,353,819          |
| Ultra Poor Programme  | 2,302,436,776         | 27,824,009         | 1,829,575,433         | 22,109,673         |
| Forcibly-displaced Myanmar Nationals                                    | 2,914,613,506         | 35,221,915         | 807,653,622           | 9,760,165          |
| Disaster Management and Climate Change                                  | 245,997,996           | 2,972,785          | 334,753,011           | 4,045,354          |
| Skills Development Programme  | 499,228,766           | 6,032,976          | 305,918,160           | 3,696,896          |
| Other Development Projects  | 923,045,497           | 11,154,628         | 840,734,722           | 10,159,936         |
| Grants  | 12,614,227            | 152,438            | 302,730,374           | 3,658,373          |
| <b>TOTAL EXPENDITURE</b>  | <b>60,302,821,160</b> | <b>728,734,999</b> | <b>50,982,472,381</b> | <b>616,102,385</b> |
| Surplus/(deficit) of income over expenditure before tax before taxation | 17,744,850,808        | 214,439,285        | 16,237,011,559        | 196,708,787        |
| Taxation  | (1,753,000,000)       | (21,184,290.03)    | (516,000,000)         | (6,235,649.55)     |
| <b>NET SURPLUS FOR THE YEAR</b>   | <b>15,991,850,808</b> | <b>193,254,995</b> | <b>15,721,011,559</b> | <b>190,473,137</b> |

Exchange Rate: 1 USD= BDT 82.75 as on December 31, 2018

**Independent Auditors' Report  
and  
Audited Financial Statements  
of  
BRAC**

**For the year ended 31 December 2018**

A member firm of Ernst & Young Global Limited

EY refers to the global organization, and/or one or more of the independent member firms of Ernst & Young Global Limited

## **Independent Auditors' Report To the Governing Body of BRAC**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of BRAC (the entity), which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in net assets and statement of 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 a true and fair view, in all material respects, of the financial position of the entity as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies summarised in Note 2 to the 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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use**

We draw attention to Note 2 to the financial statements, 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. Our opinion is not modified in respect of this matter.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.



## **Auditors' 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 auditors' 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 judgment and maintain professional scepticism 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 auditors' 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 auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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.

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

Dhaka, March 24, 2019

**BRAC**  
**(Registered in Bangladesh under the Societies Registration Act, 1860)**  
**Statement of financial position**  
**As at 31 December 2018**

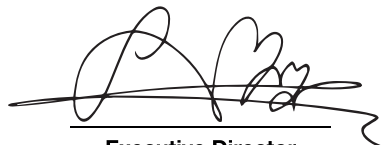
|   | Notes | 31 Dec-18<br>Taka      | 31-Dec-17<br>Taka      |
|---|-------|------------------------|------------------------|
| <b>Assets</b>                           |       |                        |                        |
| Cash and bank balances                  | 3     | 21,561,781,316         | 21,024,279,120         |
| Advance, deposits and prepayments       | 4     | 13,395,077,904         | 10,012,346,517         |
| Inventories                             | 5     | 5,567,755,743          | 4,963,482,830          |
| Grants and accounts receivable          | 6     | 3,860,680,137          | 3,432,380,353          |
| Microfinance loans                      | 7     | 202,494,959,364        | 163,229,190,720        |
| Motor cycle loans                       | 8     | 207,030,285            | 692,968,379            |
| Investments in securities and others    | 9     | 1,057,400,000          | 1,925,728,676          |
| Investments in related undertakings     | 10    | 27,710,751,304         | 17,361,028,752         |
| Property, plant and equipment           | 11    | 19,018,501,326         | 17,350,511,791         |
| <b>Total assets</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    | 11,208,183,484         | 9,664,233,920          |
| Bank overdrafts                         | 13    | 36,115,730,851         | 23,688,516,176         |
| Term loans                              | 14    | 38,136,805,679         | 28,969,558,656         |
| Members' savings deposits               | 15    | 69,587,804,893         | 59,880,530,227         |
| Grants received in advance              | 16    | 3,011,803,509          | 3,149,635,367          |
| Deferred income                         | 17    | 750,483,192            | 692,029,289            |
| Other long term liabilities             | 18    | 14,498,696,826         | 13,140,029,256         |
| Provision for taxation                  |       | 4,306,941,031          | 2,553,941,030          |
| <b>Total liabilities</b>                |       | <b>177,616,449,465</b> | <b>141,738,473,921</b> |
| <b>Net assets</b>                       |       |                        |                        |
| Unrestricted                            |       | 116,098,619,571        | 97,097,840,599         |
| Temporarily restricted                  |       | 1,158,868,343          | 1,155,602,618          |
|   |       | <u>117,257,487,914</u> | <u>98,253,443,217</u>  |
| <b>Total liabilities and net assets</b> |       | <b>294,873,937,379</b> | <b>239,991,917,138</b> |

**Footnotes:**

1. Independent Auditors' report - Page1
2. The annexed notes form an integral part of these financial statements.



**Director, Finance**  
BRAC



**Executive Director**  
BRAC



**Chairperson, Governing Body**  
BRAC

Dhaka, March 24, 2019

**BRAC**  
(Registered in Bangladesh under the Societies Registration Act, 1860)  
**Statement of comprehensive income and expenditure**  
**For the year ended 31 December 2018**

| Notes   | Unrestricted<br>Taka | Temporarily<br>restricted<br>Taka | Total<br>2018<br>Taka | Total<br>2017<br>Taka |
|---|----------------------|-----------------------------------|-----------------------|-----------------------|
| <b>Income</b>                                       |                      |                                   |                       |                       |
| Donor grants  | 19                   | 4,502,535                         | 13,048,052,876        | 13,052,555,411        |
| Social enterprises                                  | 20                   | 15,963,431,001                    | -                     | 15,963,431,001        |
| Microfinance programme                              | 21                   | 45,970,181,074                    | -                     | 45,970,181,074        |
| Self-financing social development programme         | 22                   | 1,238,629,026                     | -                     | 1,238,629,026         |
| Investment income                                   | 23                   | 217,875,460                       | -                     | 217,875,460           |
| Community contribution                              | 24                   | 73,403,005                        | 1,439,003,323         | 1,512,406,328         |
| House property                                      |                      | 92,593,668                        | -                     | 92,593,668            |
| <b>Total income</b>                                 |                      | <b>63,560,615,769</b>             | <b>14,487,056,198</b> | <b>78,047,671,967</b> |
| <b>Expenditure</b>                                  |                      |                                   |                       |                       |
| Social enterprises                                  |                      | 14,292,037,535                    | -                     | 14,292,037,535        |
| Micro finance programme                             |                      | 29,598,743,796                    | -                     | 29,598,743,796        |
| House property                                      |                      | 58,900,848                        | -                     | 58,900,848            |
| Agriculture and food security                       |                      | -                                 | 73,539,035            | 73,539,035            |
| Community empowerment programme                     |                      | 4,990,825                         | 291,456,689           | 296,447,514           |
| Education programme                                 |                      | 202,211,810                       | 3,561,001,845         | 3,763,213,655         |
| Gender, justice and diversity                       |                      | -                                 | 145,618,483           | 145,618,483           |
| Health programme                                    |                      | 69,630,632                        | 4,064,377,614         | 4,134,008,246         |
| Human rights and legal aids services                |                      | 12,975,861                        | 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                         | 2,299,316,871         | 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                       | 709,738,271           | 923,045,497           |
| Grants  |                      | 12,614,227                        | -                     | 12,614,227            |
| <b>Total expenditure</b>                            |                      | <b>44,468,532,666</b>             | <b>15,834,288,494</b> | <b>60,302,821,160</b> |
| Surplus/(deficit) of income over expenditure        |                      | 19,092,083,103                    | (1,347,232,296)       | 17,744,850,808        |
| BRAC contribution to support donor funded programme | 26                   | (1,350,498,021)                   | 1,350,498,021         | -                     |
| Surplus of income over expenditure before taxation  |                      | 17,741,585,082                    | 3,265,725             | 17,744,850,808        |
| Provision for taxation                              | 27                   | (1,753,000,000)                   | -                     | (1,753,000,000)       |
| <b>Net surplus for the year</b>                     |                      | <b>15,988,585,082</b>             | <b>3,265,725</b>      | <b>15,991,850,808</b> |

**Footnotes:**

1. Independent Auditors' report - Page1
2. The annexed notes form an integral part of these financial statements.



Director, Finance  
BRAC



Executive Director  
BRAC



Chairperson, Governing Body  
BRAC

Dhaka, March 24, 2019

**BRAC**  
**(Registered in Bangladesh under the Societies Registration Act, 1860)**  
**Statement of changes in net assets**  
**For the year ended 31 December 2018**

|  | Net Assets             |                        | Total net assets       |
|--|------------------------|------------------------|------------------------|
|  | Unrestricted           | Temporarily restricted |                        |
|  | Taka                   | Taka                   |                        |
| At 1 January 2017  | 78,907,318,888         | 1,138,698,098          | 80,046,016,986         |
| Net surplus for the year   | 15,704,107,039         | 16,904,520             | 15,721,011,559         |
| Share of non operating changes in net assets in related undertakings (Note-10) | 1,854,786,686          | -                      | 1,854,786,686          |
| Investment reserve fund (Note-10)  | 631,627,987            | -                      | 631,627,987            |
| <b>At 31 December 2017</b>   | <b>97,097,840,599</b>  | <b>1,155,602,618</b>   | <b>98,253,443,217</b>  |
| At 1 January 2018  | 97,097,840,599         | 1,155,602,618          | 98,253,443,217         |
| Net surplus for the year   | 15,988,585,082         | 3,265,725              | 15,991,850,808         |
| Share of non operating changes in net assets in related undertakings (Note-10) | 2,291,168,096          | -                      | 2,291,168,096          |
| Investment reserve fund (Note-10)  | 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>116,098,619,571</b> | <b>1,158,868,343</b>   | <b>117,257,487,914</b> |

**Footnotes:**

1. Independent Auditors' report - Page1
2. The annexed notes form an integral part of these financial statements.



**Director, Finance**  
BRAC



**Executive Director**  
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**Chairperson, Governing Body**  
BRAC

Dhaka, March 24, 2019

**BRAC**  
**(Registered in Bangladesh under the Societies Registration Act, 1860)**  
**Statement of cash flows**  
**For the year year ended 31 December 2018**

| Notes  | 2018<br>Taka         | 2017<br>Taka     |
|--|----------------------|------------------|
| <b>Cash flows from operating activities:</b>   |                      |                  |
| Surplus of income over expenditure before taxation   | 17,744,850,808       | 16,237,011,559   |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities:               |                      |                  |
| Loan loss provision  | 7 3,397,704,456      | 3,065,446,544    |
| Depreciation   | 11 1,078,706,853     | 901,172,717      |
| Gain on disposal of property, plant and equipment  | 21-22 929,389        | (9,494,735)      |
| Cash dividend received   | 23 (67,219,833)      | (350,208,383)    |
| Donor grants - amortisation of investment in property, plant and equipment and motorcycle replacement fund | 17 (78,530,340)      | (55,189,265)     |
| Interest on fixed deposits and bank accounts   | 25 (1,127,637,125)   | (927,763,657)    |
| Adjustments for other accounts:  |                      |                  |
| Increase in service charge outstanding on microfinance loans   | (1,079,638,715)      | (633,376,633)    |
| (Increase)/ decrease in inventories  | (604,272,914)        | (1,195,416,077)  |
| (Increase) in advances, deposits and prepayments   | (3,382,731,387)      | (2,716,605,926)  |
| Decrease/(increase) in accounts receivable   | (56,065,553)         | (388,351,568)    |
| Increase in motorcycle loans   | 485,938,094          | 110,087,435      |
| Decrease/(increase) in liabilities for expenses and materials  | 1,543,949,564        | 2,374,657,313    |
| Increase in deferred income  | 136,984,243          | 290,998,941      |
| Net cash provided by operating activities  | 17,992,967,540       | 16,702,968,265   |
| <b>Cash flows from investing activities:</b>   |                      |                  |
| Increase in microfinance loans   | (41,583,834,385)     | (29,822,769,450) |
| Decrease/(increase) in fixed deposits pledged with financial institutions                                  | (2,719,706)          | (28,524,624)     |
| Increase in investments in related undertakings  | (7,328,528,662)      | (157,292,876)    |
| Interest received on fixed deposits and bank accounts  | 1,127,637,125        | 927,763,657      |
| Purchase of property, plant and equipment  | (2,749,049,697)      | (2,519,584,308)  |
| Proceeds from disposal of property, plant and equipment  | 1,423,920            | 12,793,209       |
| Dividends received from related undertakings   | 67,219,833           | 350,208,383      |
| (Investments in)/realisation of investment in securities and others  | 859,328,676          | (301,927,376)    |
| Net cash used in investing activities  | (49,608,522,896)     | (31,539,333,385) |
| <b>Cash flows from financing activities:</b>   |                      |                  |
| Grants received during the year  | 12,589,798,816       | 13,219,219,761   |
| Grants utilised during the year for:   |                      |                  |
| - operational expenditure & micro-finance  | (12,962,880,661)     | (11,617,016,784) |
| - investment in property, plant and equipment  | (136,228,543)        | (292,643,341)    |
| - motorcycle replacement funds   | (755,700)            | 1,644,400        |
| Increase in term loans   | 9,167,247,023        | (4,022,474,014)  |
| Increase in members savings deposits   | 9,707,274,666        | 9,761,692,652    |
| Increase/(decrease) in other long term liabilities   | 1,358,667,570        | 1,083,453,513    |
| Net cash (used in) provided by financing activities  | 19,723,123,171       | 8,133,876,187    |
| Net (decrease)/increase in cash and cash equivalents   | (11,892,432,185)     | (6,702,488,933)  |
| Cash and cash equivalents, beginning of the year   | (3,105,189,710)      | 3,597,299,223    |
| Cash and cash equivalents at the end of the year   | 3.4 (14,997,621,895) | (3,105,189,710)  |

**Footnotes:**

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



**Director, Finance**  
BRAC



**Executive Director**  
BRAC



**Chairperson, Governing Body**  
BRAC

Dhaka, March 24, 2019

**BRAC**  
**(Registered in Bangladesh under the Societies Registration Act, 1860)**  
**Notes to financial statements**  
**For the year ended 31 December 2018**

**1 Introduction:**

BRAC, a development organisation, was formed 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 carries out licensed banking activities through the BRAC Bank Ltd. and also earns from various income generating projects such as Aarong Rural Craft Centre, BRAC Printing Pack, BRAC Dairy and Food project, BRAC Tea Estates, 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, which are stated at fair value. BRAC generally follows the accrual basis of accounting or a modified form thereof for key income and expenditure items.

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, Stichting 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 restrictions that permit BRAC to use or expend 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 a time restriction ends 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 has been prepared for the period from 1 January 2018 to 31 December 2018.

### **2.3 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.

### **2.4 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.

### **2.5 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 2.14, together with related undertakings in which BRAC has significant influence and/or where effective equity interests are between 20% and 50%.

### **2.6 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.

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

### 2.6 Donor grants (contd.)

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.

### 2.7 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 loans as described in Note 2.12. 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.):

### 2.7 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 reseasonably determined.

### 2.8 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.

### 2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. 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) it is probable that future economic benefits will flow to BRAC
- b) the cost of the item can be measured reliably and exceeds Tk. 2,000
- c) it is expected to be used for more than 3 years

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

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

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

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

### 2.9 Property, plant and equipment (contd.)

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.

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.

### 2.10 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 are stated net of provision for loan losses.

### 2.11 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:

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

### 2.12 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.

### 2.13 Provision for liabilities

Provisions for liabilities 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 Summary of Significant Accounting Policies (contd.):**

### **2.14 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.

### **2.15 Investment in securities and others**

All investments other than investment in associated 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.

### **2.16 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.

### **2.17 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 Summary of Significant Accounting Policies (contd.):**

### **2.18 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.

### **2.19 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 2014.

### **2.20 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 2014.

### **2.21 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 Summary of Significant Accounting Policies (contd.):

### 2.22 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.

### 2.23 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:

|                            | <b>2018<br/>Taka</b> | <b>2017<br/>Taka</b> |
|----------------------------|----------------------|----------------------|
| United States Dollars(USD) | 82.75                | 82.20                |
| Euro                       | 95.33                | 97.69                |
| Great Britain Pound(GBP)   | 108.94               | 109.62               |
| Australian Dollars(AUD)    | 59.93                | 63.87                |

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

### 2.24 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.

### 2.25 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.

### 2.26 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.

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

### 2.26 Impairment of assets (contd.)

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.

### 2.27 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 2.14.

#### 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 2.15.

#### 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.):**

### **2.28 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.

### **2.29 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 reliably estimated.

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

### **2.30 Events after the reporting period**

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. Events after the balance sheet date that are not adjusting events are disclosed.

### **2.31 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.

|   | <b>2018<br/>Taka</b>         | <b>2017<br/>Taka</b>          |
|---|------------------------------|-------------------------------|
| <b>3. Cash and bank balances</b>  |                              |                               |
| Cash in hand and at banks (Note 3.1)  | 5,453,549,106                | 6,428,938,497                 |
| Deposits (Note 3.2)   | <u>16,108,232,210</u>        | <u>14,595,340,623</u>         |
|   | <u>21,561,781,316</u>        | <u>21,024,279,120</u>         |
| <b>3.1 Cash in hand and at banks</b>  |                              |                               |
| Cash in hand  | 707,145,663                  | 840,293,412                   |
| Cash at banks   | <u>4,746,403,443</u>         | <u>5,588,645,085</u>          |
|   | <u>5,453,549,106</u>         | <u>6,428,938,497</u>          |
| <b>3.2 Deposits</b>   |                              |                               |
| Fixed deposits pledged with financial institutions (Notes 13 and 14)  | 443,672,360                  | 440,952,654                   |
| Fixed deposits unpledged  | 12,457,129,069               | 11,110,583,143                |
| Short term deposit unpledged  | <u>3,207,430,781</u>         | <u>3,043,804,826</u>          |
|   | <u>16,108,232,210</u>        | <u>14,595,340,623</u>         |
| Included in the above balance are amounts placed with related undertakings as follows:                                    |                              |                               |
| <u>No.</u>  | <u>Name of related party</u> | <u>Nature of balances</u>     |
| 1.  | BRAC Bank Ltd.               | Fixed deposits pledged        |
|   |                              | Fixed deposits unpledged      |
|   |                              | Short term deposits unpledged |
|   |                              | 68 Bank Accounts (2017: 68)   |
|   |                              | 443,448,893                   |
|   |                              | 1,553,704,032                 |
|   |                              | 3,207,430,781                 |
|   |                              | 679,224,787                   |
|   |                              | 440,952,654                   |
|   |                              | 1,680,478,028                 |
|   |                              | 3,043,804,826                 |
|   |                              | 2,955,242,227                 |
| <b>3.3 Deposits analysed by programme:</b>  |                              |                               |
| Microfinance programme  | 14,073,281,392               | 12,418,962,408                |
| Other programmes  | <u>2,034,950,818</u>         | <u>2,176,378,215</u>          |
|   | <u>16,108,232,210</u>        | <u>14,595,340,623</u>         |
| <b>3.4 Cash and cash equivalents</b>  |                              |                               |
| For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at December 31, 2018: |                              |                               |
| Cash in hand and at banks   | 5,453,549,106                | 6,428,938,497                 |
| Fixed deposits unpledged  | 12,457,129,069               | 11,110,583,143                |
| Short term deposits unpledged   | 3,207,430,781                | 3,043,804,826                 |
| Bank overdrafts (Note 13)   | <u>(36,115,730,851)</u>      | <u>(23,688,516,176)</u>       |
|   | <u>(14,997,621,895)</u>      | <u>(3,105,189,710)</u>        |
| <b>4. Advances, deposits and prepayments</b>  |                              |                               |
| Advances:   |                              |                               |
| Employees   | 4,682,181,521                | 2,247,372,905                 |
| Suppliers   | 601,470,862                  | 592,472,368                   |
| Advance for tax   | <u>6,505,113,157</u>         | <u>6,257,564,480</u>          |
|   | 11,788,765,540               | 9,097,409,753                 |
| Deposits:   |                              |                               |
| Deposits for facilities and utilities   | 20,568,604                   | 16,280,998                    |
| Prepayments   | <u>1,585,743,760</u>         | <u>898,655,766</u>            |
|   | <u>13,395,077,904</u>        | <u>10,012,346,517</u>         |
| <b>5. Inventories</b>   |                              |                               |
| Seeds and feed  | 491,032,674                  | 465,037,407                   |
| Medical supplies and consumables  | 97,019,751                   | 138,313,944                   |
| Printing and stationery   | 67,500,506                   | 59,765,620                    |
| Handicraft goods  | 4,407,548,602                | 3,893,686,987                 |
| Dairy products  | 274,865,128                  | 203,748,962                   |
| Programme materials   | <u>229,789,082</u>           | <u>202,929,910</u>            |
|   | <u>5,567,755,743</u>         | <u>4,963,482,830</u>          |



|   | <b>2018<br/>Taka</b>        | <b>2017<br/>Taka</b>        |
|---|-----------------------------|-----------------------------|
| <b>6. Grants and accounts receivable</b>                |                             |                             |
| Grants receivable                                       | 1,312,687,879               | 940,453,649                 |
| Interest receivable on fixed deposits and bank accounts | 1,012,248,249               | 782,521,147                 |
| Other accounts receivable                               | 1,584,042,894               | 1,794,043,515               |
|   | <u>3,908,979,021</u>        | <u>3,517,018,311</u>        |
| Provision for doubtful debts                            | (48,298,885)                | (84,637,958)                |
|   | <u><u>3,860,680,136</u></u> | <u><u>3,432,380,353</u></u> |

**7. Microfinance loans**

|                     | <b>Principal outstanding<br/>Taka</b> | <b>Service charge<br/>receivable<br/>Taka</b> | <b>Loan loss<br/>provision<br/>Taka</b> | <b>Total<br/>Taka</b>         |
|---------------------|---------------------------------------|---|---|-------------------------------|
| At 1 January 2018   | 167,864,150,852                       | 1,603,606,824                                 | (6,238,566,956)                         | 163,229,190,720               |
| Additions           | 355,627,644,500                       | 44,625,240,867                                | (3,397,704,456)                         | 396,855,180,911               |
| Realisation         | (314,043,810,115)                     | (43,545,602,152)                              | -                                       | (357,589,412,267)             |
| Write-off           | (1,470,304,182)                       | (310,315,572)                                 | 1,780,619,754                           | -                             |
| At 31 December 2018 | <u><u>207,977,681,055</u></u>         | <u><u>2,372,929,967</u></u>                   | <u><u>(7,855,651,658)</u></u>           | <u><u>202,494,959,364</u></u> |

Loans to members bear annual service charges 19% to 25% (2017: 18% to 26%) on a declining balance method. Repayments are made in weekly/monthly instalments.

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

| <b>Loan classification</b> | <b>Days in arrears</b> | <b>Principal outstanding<br/>2018<br/>Taka</b> | <b>Loan loss provision<br/>2018<br/>Taka</b> | <b>Principal outstanding<br/>2017<br/>Taka</b> | <b>Loan loss provision<br/>2017<br/>Taka</b> |
|----------------------------|------------------------|--|--|--|--|
| Standard                   | Current (no arrears)   | 199,142,107,830                                | 1,991,421,078                                | 160,620,668,214                                | 1,606,206,682                                |
| Watchlist                  | 1 - 30                 | 1,412,323,197                                  | 70,616,160                                   | 1,321,103,030                                  | 66,055,152                                   |
| Substandard                | 31 - 180               | 2,028,860,187                                  | 507,215,047                                  | 1,697,714,267                                  | 424,428,567                                  |
| Doubtful                   | 181 - 350              | 431,961,870                                    | 323,971,403                                  | 331,155,144                                    | 248,366,358                                  |
| Loss                       | Over 350               | 4,962,427,971                                  | 4,962,427,971                                | 3,893,510,197                                  | 3,893,510,197                                |
|                            |                        | <u><u>207,977,681,055</u></u>                  | <u><u>7,855,651,658</u></u>                  | <u><u>167,864,150,852</u></u>                  | <u><u>6,238,566,955</u></u>                  |

**8. Motor cycle loans**

|                                  | <b>2018<br/>Taka</b>      | <b>2017<br/>Taka</b>      |
|----------------------------------|---------------------------|---------------------------|
| At 1 January 2018                | 692,968,379               | 803,055,814               |
| Additions during the year        | 2,426,300                 | 32,442,500                |
| Loan realisation during the year | (488,364,394)             | (142,529,935)             |
| At 31 December 2018              | <u><u>207,030,285</u></u> | <u><u>692,968,379</u></u> |

**9. Investment in securities and others**

|                                |                             |                             |
|--------------------------------|-----------------------------|-----------------------------|
| DBH 1st Mutual Fund            | 47,400,000                  | 56,400,000                  |
| AB Bank Subordinated Bond      | 600,000,000                 | 800,000,000                 |
| MTB Subordinated Bond          | 200,000,000                 | 250,000,000                 |
| Bangladesh Sanchay Patra (BSP) | 210,000,000                 | 280,000,000                 |
| BRAC EPL Investments Ltd.      | -                           | 539,328,676                 |
|                                | <u><u>1,057,400,000</u></u> | <u><u>1,925,728,676</u></u> |

Market value of DBH 1st Mutual Fund at 31 December 2018 was Tk . 7.90 per unit (2017 : Tk.9.40) and Tk .9.00 per unit (2017: Tk. 9.10) on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively.

The AB Bank Ltd. Subordinated Bond was purchased during 2016, the maturity date of the bond is 25 August 2021 with effective interest rate ranging from 11% to 13% (2017: 11% to 13%) per annum.

The maturity date of the Mutual Trust Bank Subordinated Bond is 19 October 2022 with effective interest rate ranging from 10.5% to 13.5% (2017: 10.5% to 13.5%) per annum.

The Bangladesh Sanchay Patra (BSP) earned interest at 11.28% to 13.19% ( 2017: 8.5% to 13.45%) per annum respectively during the year.

## 10 Investments in related undertakings

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

| Related undertakings                 | 2017                       |                           |                      |                       |
|--------------------------------------|----------------------------|---------------------------|----------------------|-----------------------|
|                                      | Cost of investment<br>Taka | Share of reserves<br>Taka | Loans<br>Taka        | Total<br>Taka         |
| BRAC Bank Ltd.                       | 4,760,329,616              | 8,223,204,283             | -                    | 12,983,533,899        |
| BRAC Industries Ltd.                 | 24,999,900                 | 6,917,983                 | -                    | 31,917,883            |
| BRAC BD Mail Network Ltd.            | 185,227,000                | (70,473,373)              | -                    | 114,753,627           |
| BRAC IT Services Ltd.                | 36,134,000                 | (30,764,221)              | 108,089,004          | 113,458,783           |
| BRAC Services Ltd.                   | 10,000,000                 | (211,528,659)             | 280,986,872          | 79,458,213            |
| Delta BRAC Housing Finance Corp. Ltd | 40,000,000                 | 697,893,205               | -                    | 737,893,205           |
| BRAC Karnafuli Tea Company Ltd       | 243,908,025                | (163,081,348)             | 1,175,960,356        | 1,256,787,033         |
| BRAC Kaiyachara Tea Company Ltd      | 63,300,695                 | 125,306,823               | 219,720,197          | 408,327,715           |
| BRAC Kodala Tea Company Ltd          | 81,680,954                 | (37,608,517)              | 401,500,847          | 445,573,284           |
| Bangladesh Netting Factory           | 17,071,429                 | 33,378,091                | 26,242,531           | 76,692,051            |
| BRAC Asset Management Company Ltd    | 13,000,000                 | 3,263,364                 | -                    | 16,263,364            |
| BRAC Environmental Enterprises Ltd.  | 90,000,000                 | (71,014,811)              | 124,837,439          | 143,822,628           |
| IPDC Finance Ltd.                    | 759,023,000                | 177,724,498               | -                    | 936,747,498           |
| Mayalogy Ltd.                        | 20,000,000                 | (4,177,238)               | -                    | 15,822,762            |
| BRAC EPL Investment Ltd.             | 1,300                      | (24,493)                  | -                    | (23,193)              |
|                                      | <u>6,344,675,919</u>       | <u>8,679,015,587</u>      | <u>2,337,337,246</u> | <u>17,361,028,752</u> |

|  | 2018<br>Taka         | 2017<br>Taka         |
|--|----------------------|----------------------|
| Transfer to change in net assets                                     | <u>3,021,193,890</u> | <u>2,486,414,672</u> |
| Share of non operating changes in net assets in related undertakings | <u>2,291,168,096</u> | <u>1,854,786,686</u> |
| Investment in reserve fund(Statutory reserve)                        | <u>730,025,794</u>   | <u>631,627,987</u>   |

**10 Investment in related undertakings (contd)**

| Related undertakings<br>(All incorporated in Bangladesh) | 2018<br>% of share | 2017<br>% of share | Principal activities   |
|--|--------------------|--------------------|--|
| BRAC Bank Ltd.   | 44.42              | 44.42              | Banking business, listed on the Dhaka and Chittagong Stock Exchanges |
| BRAC Industries Ltd.                                     | 99.99              | 99.99              | Cold storage   |
| BRAC BD Mail Network 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              | 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.  | 20.35              | 22.06              | Women empowerment through online in Bangladesh                       |
| BRAC Kumon Ltd.  | 99.96              | 99.96              | Establish and operate educational institutes.                        |
| Edotco Bangladesh Co. Ltd.                               | 26.00              | 0.00               | Telecommunications service provider.                                 |

BRAC's investments in the related undertakings are represented by its share in the respective net tangible assets and loans extended.

Loans represent finance provided for working capital and earn 7%-8% (2017: 6% -12%) interest per annum. These loans have no fixed repayment terms.

The market value of BRAC Bank Ltd shares at 31 December 2018 was Tk. 71.70 per share (2017: Tk. 108.00) and Tk. 72.00 per share (2017: Tk.107.60) 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 2018 was Tk. 128.10 per share (2017: Tk.136.30) and Tk. 132.00 per share (2017: Tk.135.90) on the DSE and CSE respectively.

The market value of IPDC Finance Ltd. shares at 31 December 2018 was Tk. 37.60 per share (2017: Tk. 47.60) and Tk. 37.60 per share (2017: Tk. 47.70) on the DSE and CSE respectively.

Significant transactions with related undertakings are as follows:

| <u>Related undertakings</u> | <u>Nature of transaction</u>                | 2018<br>Taka | 2017<br>Taka |
|-----------------------------|---|--------------|--------------|
| BRAC Bank Ltd               | Interest on fixed deposits and bank balance | 25,596,471   | 63,467,555   |
| IPDC Finance Ltd.           | Interest on fixed deposits                  | 40,003,250   | 37,485,000   |
| BRAC Services Ltd.          | Service facilities                          | 58,864,329   | 55,960,809   |

## 11. Property, plant and equipment

| Group of fixed assets              | Cost                       |                             |                               |                             | Depreciation               |                            |                           | Amount in Taka                         |                            |                               |                               |
|------------------------------------|----------------------------|-----------------------------|-------------------------------|-----------------------------|----------------------------|----------------------------|---------------------------|--|----------------------------|-------------------------------|-------------------------------|
|                                    | Opening balance 01-01-2018 | Additions during the period | Transferred during the period | Disposals during the period | Closing balance 31-12-2018 | Opening balance 01-01-2018 | Charged during the period | Adjustment/disposals during the period | Closing balance 31-12-2018 | Written down value 31-12-2018 | Written down value 31-12-2017 |
| Freehold land                      | 9,231,535,270              | 895,695,710                 | -                             | -                           | 10,127,230,980             | -                          | -                         | -                                      | -                          | 10,127,230,980                | 9,231,535,270                 |
| Buildings                          | 6,332,849,988              | -                           | 411,779,742                   | (16,350,994)                | 6,728,278,736              | 2,184,391,499              | 225,988,663               | (16,350,994)                           | 2,394,029,158              | 4,334,249,578                 | 4,148,458,489                 |
| Furniture & fixtures               | 1,869,404,532              | 321,807,626                 | -                             | (53,977,920)                | 2,137,234,238              | 1,049,521,486              | 158,438,910               | (53,066,680)                           | 1,154,913,715              | 982,320,523                   | 819,883,047                   |
| Equipment                          | 2,438,511,227              | 307,331,540                 | -                             | (39,672,006)                | 2,706,170,761              | 1,340,692,052              | 281,246,969               | (38,532,323)                           | 1,583,406,698              | 1,122,764,063                 | 1,097,819,175                 |
| Computer                           | 859,598,116                | 250,837,672                 | -                             | (5,173,041)                 | 1,105,262,747              | 625,552,012                | 150,587,167               | (4,977,390)                            | 771,161,789                | 334,100,958                   | 234,046,104                   |
| Vehicles                           | 1,129,115,645              | 186,587,439                 | -                             | (4,663,380)                 | 1,311,039,704              | 823,591,288                | 113,348,059               | (4,601,806)                            | 932,337,541                | 378,702,163                   | 305,524,357                   |
| Bicycles                           | 16,926,413                 | 180,423                     | -                             | (2,338,843)                 | 14,767,993                 | 9,361,267                  | 2,222,039                 | (2,338,843)                            | 9,244,463                  | 5,523,530                     | 7,565,146                     |
| Machineries                        | 1,398,952,390              | 145,234,073                 | -                             | (46,872,713)                | 1,497,313,750              | 880,769,045                | 68,567,730                | (46,872,713)                           | 902,464,062                | 594,849,688                   | 518,183,345                   |
| Deep tubewell and tanks            | 37,975,954                 | 2,600,576                   | -                             | -                           | 40,576,530                 | 29,882,976                 | 6,962,181                 | -                                      | 36,845,157                 | 3,731,373                     | 8,092,978                     |
| Hatcheries                         | 17,010,596                 | 298,139                     | -                             | (390,969)                   | 16,917,766                 | 17,010,596                 | 252,978                   | (345,808)                              | 16,917,766                 | -                             | -                             |
| Motor cycles                       | 3,397,861                  | -                           | -                             | (490,500)                   | 2,907,361                  | 2,727,710                  | 669,420                   | (490,500)                              | 2,906,630                  | 731                           | 670,151                       |
| Construction Work in progress      | 849,739,885                | 532,329,254                 | (411,779,742)                 | -                           | 970,289,397                | -                          | -                         | -                                      | -                          | 970,289,397                   | 849,739,885                   |
| Crates/Mannequins/Samples/Antiques | 520,094,092                | 106,147,245                 | -                             | -                           | 626,241,337                | 391,100,248                | 70,402,747                | -                                      | 461,502,995                | 164,738,942                   | 128,993,844                   |
| <b>Total December 2018</b>         | <b>24,705,111,969</b>      | <b>2,749,049,697</b>        | <b>-</b>                      | <b>(169,930,366)</b>        | <b>27,284,231,300</b>      | <b>7,354,600,178</b>       | <b>1,078,706,853</b>      | <b>(167,577,057)</b>                   | <b>8,265,729,974</b>       | <b>19,018,501,326</b>         | <b>17,350,511,791</b>         |
| <b>Total December 2017</b>         | <b>22,800,025,210</b>      | <b>2,519,584,308</b>        | <b>-</b>                      | <b>(614,497,549)</b>        | <b>24,705,111,969</b>      | <b>7,064,626,536</b>       | <b>901,172,717</b>        | <b>(611,199,075)</b>                   | <b>7,354,600,178</b>       | <b>17,350,511,791</b>         |                               |

## Allocation of depreciation:

|  | 2018<br>Taka         | 2017<br>Taka       |
|--|----------------------|--------------------|
| i) included in cost of sales of income generating projects | 139,644,704          | 25,673,480         |
| ii) included in programme related expenses                 | 939,062,149          | 875,499,237        |
|  | <b>1,078,706,853</b> | <b>901,172,717</b> |

i) included in cost of sales of income generating projects  
ii) included in programme related expenses

An amount of Tk. 136,984,243 (2017: 290,988,941) 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

|   | 2018<br>Taka          | 2017<br>Taka          |
|---|-----------------------|-----------------------|
| <b>12. Liabilities for expenses and materials</b>           |                       |                       |
| Liabilities for expenses                                    | 4,782,742,597         | 3,885,529,041         |
| Liabilities for goods                                       | 485,169,089           | 665,676,045           |
| Advances received for training, publications, supplies etc. | 5,973,285,471         | 5,182,706,265         |
|   | <u>11,241,197,157</u> | <u>9,733,911,351</u>  |
| Provision for stock loss                                    | (33,013,673)          | (69,677,431)          |
|   | <u>11,208,183,484</u> | <u>9,664,233,920</u>  |
| <b>13. Bank overdraft</b>                                   |                       |                       |
| Agrani Bank Ltd.  | 3,210,017,472         | 2,640,018,454         |
| Bank Alfalah Ltd.   | 195,784,919           | 193,138,523           |
| Bank Asia Ltd.  | 2,889,102,543         | 785,892,903           |
| BRAC Bank Ltd.  | 563,038,090           | -                     |
| Dhaka Bank Ltd.   | 69,560                | 8,790,388             |
| Dutch Bangla Bank Ltd.                                      | 161,700,138           | 117,773,916           |
| Eastern Bank Ltd.   | 45,982,679            | 4,253,051             |
| Habib Bank Ltd.   | 193,388,849           | 392,774,638           |
| HSBC  | 3,843,081             | 258,511               |
| IFIC Bank Ltd.  | 63,401,465            | 51,104,343            |
| Jamuna Bank Ltd.  | 2,725,053,727         | 1,270,180,516         |
| Janata Bank Ltd.  | 2,005,562,030         | 358,917,820           |
| Mutual Trust Bank Ltd.                                      | 1,705,314,869         | 11,903,848            |
| Prime Bank Ltd.   | 2,216,950,125         | 1,748,841,248         |
| Pubali Bank Ltd.  | 7,362,553,172         | 5,827,865,479         |
| Rupali Bank Ltd.  | 435,420,889           | 472,061,872           |
| Sonali Bank Ltd.  | 6,320,669,937         | 3,634,140,929         |
| Southeast Bank Ltd.   | 15,180,260            | 9,285,976             |
| Standard Bank Ltd.  | 626,071,647           | 5,658,317             |
| The City Bank Ltd.  | 293,417,105           | -                     |
| The Trust Bank Ltd.   | 2,157,690,863         | 2,784,812,059         |
| United Commercial Bank Ltd.                                 | 4,255,573             | 479,247,359           |
| Uttara Bank Ltd.  | <u>2,921,261,858</u>  | <u>2,891,596,026</u>  |
|   | <u>36,115,730,851</u> | <u>23,688,516,176</u> |

The bank overdraft are secured by fixed deposits amounting to Tk. 443,448,893 (2017: Tk. 440,729,187).

The bank overdrafts were obtained for BRAC's micro-finance programme and to finance working capital requirements. The bank overdrafts bear interest at 6.50% to 12.00% (2017: 5.00% to 10.50%) per annum, and are repayable within 12 months.

|                                       | 2018                  | 2017                  |
|---------------------------------------|-----------------------|-----------------------|
| <b>14. Term loans</b>                 |                       |                       |
| Bangladesh Bank                       | 2,741,174,000         | 5,335,504,000         |
| Bank Alfalah Ltd                      | 200,000,000           | 200,000,000           |
| BASIC Bank Ltd.                       | 896,595,118           | 1,249,404,029         |
| BRAC Bank Ltd.                        | 3,000,000,000         | -                     |
| Citibank N.A.                         | 1,000,000,000         | 500,000,000           |
| Commercial Bank of Ceylon PLC.        | 1,450,000,000         | 1,200,000,000         |
| Dutch Bangla Bank Ltd.                | 1,371,008,133         | -                     |
| Eastern Bank Ltd.                     | 2,801,411,524         | 2,952,690,184         |
| Habib Bank Ltd.                       | 200,000,000           | -                     |
| HSBC                                  | 1,250,000,000         | 500,000,000           |
| IFIC Bank Ltd.                        | 3,439,956,004         | 2,499,985,878         |
| Jamuna Bank Ltd.                      | 149,999,707           | -                     |
| Mercantile Bank Ltd.                  | 1,000,000,000         | -                     |
| Prime Bank Ltd                        | 2,000,000,000         | 2,000,000,000         |
| * Rajshahi Krishi Unnyon Bank (RAKUB) | 180,000,000           | 450,000,000           |
| Rupali Bank Ltd.                      | 3,000,000,000         | 1,999,328,327         |
| SABINCO                               | 345,175,997           | 636,956,159           |
| Shahjalal Islami Bank Ltd.            | 2,000,000,000         | 1,000,000,000         |
| Standard Chartered Bank (SCB)         | 7,106,000,000         | 5,846,000,000         |
| State Bank of India                   | 1,100,000,000         | 1,100,000,000         |
| The City Bank Ltd.                    | 2,199,892,767         | -                     |
| United Commercial Bank Ltd.           | 499,759,097           | 1,499,690,079         |
| Woori Bank                            | 205,833,332           | -                     |
|                                       | <u>38,136,805,679</u> | <u>28,969,558,656</u> |

|   | <b>2018</b><br><b>Taka</b> | <b>2017</b><br><b>Taka</b> |
|---|----------------------------|----------------------------|
| Term Loans are analysed as follows:               |                            |                            |
| Amount repayable within 12 months                 | 36,569,370,347             | 27,465,525,949             |
| Amount repayable after 12 months:                 |                            |                            |
| Repayable after 12 months but less than 24 months | 983,878,239                | 841,092,271                |
| Repayable after 24 months but less than 36 months | 484,905,139                | 662,940,436                |
| Repayable after 36 months but less than 48 months | 98,651,954                 | -                          |
|   | <u>1,567,435,332</u>       | <u>1,504,032,707</u>       |
|   | <u>38,136,805,679</u>      | <u>28,969,558,656</u>      |

\* The term loans are secured by fixed deposits amounting to Tk. 223,467 (2017: Tk. 223,467)

All repayment obligations in respect of the term loans were met and no amounts were in arrears as at 31 December 2018.

The term loans 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 5% to 11.50% (2017: 5% to 8.25%) interest rates.

#### 15. Members' savings deposits

|                             |                         |                         |
|-----------------------------|-------------------------|-------------------------|
| At 1 January 2018           | 59,880,530,227          | 50,118,837,575          |
| Deposits during the year    | 41,538,256,343          | 34,369,082,730          |
| Withdrawals during the year | <u>(31,830,981,677)</u> | <u>(24,607,390,078)</u> |
| At 31 December 2018         | <u>69,587,804,893</u>   | <u>59,880,530,227</u>   |
| Compulsory savings          | 57,790,444,897          | 49,201,864,819          |
| Voluntary savings           | 9,377,019,804           | 7,729,561,568           |
| Term deposits               | <u>2,420,340,192</u>    | <u>2,949,103,840</u>    |
| At 31 December 2018         | <u>69,587,804,893</u>   | <u>59,880,530,227</u>   |

The rate of interest paid in respect of savings deposits by members was 6%-10% (2017: 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. Interest rate for the maturity period range from 7% in the first year to 10.41% for 7 years.

| <b>16. Grants received in advance account</b>                                     | <b>Notes</b> | <b>2018<br/>Taka</b>    | <b>2017<br/>Taka</b>    |
|---|--------------|-------------------------|-------------------------|
| At 1 January 2018   |              | 3,149,635,367           | 1,214,294,835           |
| Receivables as at 1 January 2018  |              | <u>(940,453,649)</u>    | <u>(316,317,153)</u>    |
|   |              | 2,209,181,718           | 897,977,682             |
| Donations received during the period  | 30           | 12,640,242,326          | 13,219,219,761          |
| Transferred to deferred income:   |              |                         |                         |
| - Investment in fixed assets  | 17           | (136,228,543)           | (292,643,341)           |
| - Motorcycle replacement fund   | 17           | (755,700)               | 1,644,400               |
| Transfer to Statement of Income and Expenditure for expenditure during the period | 19           | <u>(12,962,880,661)</u> | <u>(11,617,016,784)</u> |
| Refund  |              | 1,749,559,140           | 2,209,181,718           |
| Grants receivables  |              | <u>(50,443,510)</u>     | -                       |
| At 31 December 2018   |              | <u>3,011,803,509</u>    | <u>3,149,635,367</u>    |

| <b>17. Deferred income</b>                          | <b>Notes</b> | <b>Investment in<br/>fixed assets<br/>Taka</b> | <b>Motorcycle<br/>replacement fund<br/>Taka</b> | <b>Total<br/>Taka</b> |
|---|--------------|--|---|-----------------------|
| At 1 January 2018                                   |              | 679,250,783                                    | 12,778,506                                      | 692,029,289           |
| Transferred from Grants received in advance         | 16           | 136,228,543                                    | 755,700   | 136,984,243           |
| Amortisation to Statement of Income and Expenditure | 19           | <u>(75,922,649)</u>                            | <u>(2,607,690)</u>                              | <u>(78,530,340)</u>   |
| At 31 December 2018                                 |              | <u>739,556,677</u>                             | <u>10,926,516</u>                               | <u>750,483,192</u>    |

| <b>18. Other long term liabilities</b> | <b>2018<br/>Taka</b>  | <b>2017<br/>Taka</b>  |
|--|-----------------------|-----------------------|
| Employee gratuity and redundancy fund  | 12,377,120,719        | 11,085,313,230        |
| Self-insurance fund                    |                       |                       |
| - Employees                            | 478,613,714           | 469,907,018           |
| - BRAC properties and motorcycles      | 878,219,091           | 823,350,454           |
|  | 1,356,832,805         | 1,293,257,472         |
| Other funds                            |                       |                       |
| - Special fund for scholarship         | 6,268,162             | 6,149,383             |
| - Relief and rehabilitation fund       | 717,995,238           | 717,981,199           |
| - Staff welfare fund                   | 40,479,902            | 37,327,972            |
|  | <u>764,743,302</u>    | <u>761,458,554</u>    |
|  | <u>14,498,696,826</u> | <u>13,140,029,256</u> |

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.

|   | Notes | For the year ended    |                       |
|---|-------|-----------------------|-----------------------|
|   |       | 2018<br>Taka          | 2017<br>Taka          |
| <b>19. Donor grants</b>   |       |                       |                       |
| Donor grants recognised in the Statement of Income and Expenditure:           |       |                       |                       |
| Transferred from grants received in advance                                   | 16    | 12,962,880,661        | 11,617,016,784        |
| Transferred from deferred income:   |       |                       |                       |
| amortisation of investment in fixed assets                                    |       |                       |                       |
| - unrestricted  |       | 4,194,509             | -                     |
| - temporarily restricted  | 17    | 71,728,141            | 47,424,805            |
|   |       | 75,922,650            | 47,424,805            |
| amortisation of motorcycle replacement fund                                   |       |                       |                       |
| - unrestricted  |       | 308,026               | 308,026               |
| - temporarily restricted  | 17    | 2,299,665             | 7,456,434             |
|   |       | 2,607,691             | 7,764,460             |
| Total donor grants  |       | 13,041,411,002        | 11,672,206,049        |
| Interest on bank accounts and fixed deposits in respect of donor funds        |       | 11,144,409            | 33,591,794            |
| Other income-Partial reimbursement on cost of donor funded programme supplies |       | -                     | 188,970               |
|   |       | <u>13,052,555,411</u> | <u>11,705,986,813</u> |
| <b>20. Social enterprises</b>   |       |                       |                       |
| Revenue from sales (Note-20.1)  |       | 15,953,591,192        | 14,967,814,992        |
| Other income (Note-20.2)  |       | 9,839,809             | 2,411,463             |
|   |       | <u>15,963,431,001</u> | <u>14,970,226,455</u> |
| 20.1 <u>Revenue from sales</u>  |       |                       |                       |
| Aarong Rural Craft Centre   |       | 9,037,410,660         | 8,015,150,343         |
| BRAC Printing Pack  |       | 373,892,188           | 333,720,684           |
| BRAC Dairy and Food Project   |       | 3,969,933,580         | 3,442,110,755         |
| Agro-based program support enterprises  |       | 2,479,072,712         | 3,079,722,167         |
| Non-agro-based program support enterprises                                    |       | 93,282,052            | 97,111,043            |
|   |       | <u>15,953,591,192</u> | <u>14,967,814,992</u> |
| 20.2 <u>Other income</u>  |       |                       |                       |
| Gain/(loss) on disposal of property, plant and equipment                      |       | -                     | 2,411,463             |
| Partial reimbursement on cost of donor funded programme supplies              |       | 9,839,809             | -                     |
|   |       | <u>9,839,809</u>      | <u>2,411,463</u>      |
| <b>21. Microfinance programme</b>   |       |                       |                       |
| (Loss)/gain on disposal of property, plant and equipment                      |       | 333,799               | -                     |
| Service charge on microfinance loans  |       | 45,010,650,247        | 37,240,825,991        |
| Bank interest against member savings deposits                                 |       | 959,197,028           | 649,757,390           |
|   |       | <u>45,970,181,074</u> | <u>37,890,583,381</u> |
| <b>22. Self-financing social development projects</b>                         |       |                       |                       |
| Interest on bank accounts and fixed deposits                                  |       | 157,295,688           | 244,414,473           |
| Other income (22.1)   |       | 1,081,333,338         | 395,880,736           |
|   |       | <u>1,238,629,026</u>  | <u>640,295,209</u>    |
| 22.1 <u>Other income</u>  |       |                       |                       |
| (Loss)/gain on disposal of property, plant and equipment                      |       | (1,263,188)           | 6,894,302             |
| Partial reimbursements on cost of programme supplies                          |       | 484,850,601           | 194,557,886           |
| Training income   |       | 563,728,634           | 101,017,020           |
| Sale of wastage materials   |       | 28,442,145            | 54,425,319            |
| Foreign exchange gain/(loss)  |       | 5,575,146             | 38,986,209            |
|   |       | <u>1,081,333,338</u>  | <u>395,880,736</u>    |



|  | For the year ended |                    |
|--|--------------------|--------------------|
|  | 2018<br>Taka       | 2017<br>Taka       |
| <b>23. Investment income</b>                       |                    |                    |
| In respect of investments in related undertakings: |                    |                    |
| - Cash dividend income                             | 67,219,833         | 350,208,383        |
| - Interest on subordinated bond                    | 106,383,890        | 129,092,466        |
| - Interest on BSP                                  | 28,144,289         | 32,975,000         |
| - Income on EPL investment                         | 10,727,448         | 39,328,676         |
| - Loss on dilution of shares                       | -                  | (10,987,123)       |
| - Realised profit/(loss) on DBH 1st Mutual Fund    | 5,400,000          | 3,000,000          |
|  | <u>217,875,460</u> | <u>543,617,402</u> |

|  |                      |                      |
|--|----------------------|----------------------|
| <b>24 Community contribution</b>           |                      |                      |
| Education programme                        | 957,790,793          | 1,159,209,056        |
| Health nutrition and population programme  | 504,907,531          | 201,892,234          |
| Community empowerment programme            | 9,258,776            | 4,918,397            |
| Skill development programme                | 19,281,326           | 6,153,112            |
| BRAC WASH in hard to reach and urban areas | 19,615,634           | -                    |
| Human rights and legal aids services       | 382,425              | -                    |
| Integrated development programme           | 1,169,843            | 3,539,229            |
|  | <u>1,512,406,328</u> | <u>1,375,712,028</u> |

Community contribution represent fees charged by BRAC to participate in programmes or activities.

|   |                      |                    |
|---|----------------------|--------------------|
| <b>25. Interest on fixed deposits and bank accounts</b> |                      |                    |
| Microfinance program against member savings deposits    | 959,197,028          | 649,757,390        |
| Donor based development projects                        | 11,144,409           | 33,591,794         |
| Self-financing social development programmes            | 157,295,688          | 244,414,473        |
|   | <u>1,127,637,125</u> | <u>927,763,657</u> |

**26. BRAC contribution to support donor funded programmes**

BRAC contributed funds to meet the funding shortfall in donor funded programmes expenditure during the year in order to ensure the continued implementation and execution of such programmes.

|                                   | 2018                 | 2017               |
|-----------------------------------|----------------------|--------------------|
|                                   | Taka                 | Taka               |
| <b>27. Taxation</b>               |                      |                    |
| Income tax provision for the year | <u>1,753,000,000</u> | <u>516,000,000</u> |

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 exempt. Income from microfinance and social development activities are tax-exempt.

The tax charge is in respect of taxable income arising from BRAC's taxable activities in 2018, and is subject to agreement with the tax authorities.

For years of assessment 1991-92 to 2015-16, BRAC has been issued directives requesting payment of taxes cumulatively amounting to approximately Tk. 9.9 billion. BRAC's tax consultant has disagreement with the basis of taxation, filed appeal before the respective authorities duly and paid tax up to 31 December 2018 approximately for an amount of Tk. 5.62 billion.

BRAC continues to be of the view that the basis of taxation contained in the above mentioned directives are inappropriate, and therefore BRAC would not be liable to taxation. Accordingly, the amounts referred to above have not been provided for in the financial statements as at 31 December 2018.

| For the year ended                          |              |             |
|---|--------------|-------------|
| 2018<br>Taka                                | 2017<br>Taka |             |
| Resident foreign currency deposits (in USD) | 712,410,673  | 718,269,216 |
| Resident foreign currency deposits (Euro)   | 18,035,925   | 18,488,619  |
| Resident foreign currency deposits (in GBP) | 17,012,029   | 17,532,225  |
| Cash at bank (in USD)                       | 60,153,308   | 33,564,798  |
| Cash at bank (in Euro)                      | 2,383,693    | 3,459,458   |
| Cash at bank (in GBP)                       | 1,044,363    | 929,958     |

## 28. Foreign currency denominated monetary assets and liabilities

|   |             |             |
|---|-------------|-------------|
| Resident foreign currency deposits (in USD) | 712,410,673 | 718,269,216 |
| Resident foreign currency deposits (Euro)   | 18,035,925  | 18,488,619  |
| Resident foreign currency deposits (in GBP) | 17,012,029  | 17,532,225  |
| Cash at bank (in USD)                       | 60,153,308  | 33,564,798  |
| Cash at bank (in Euro)                      | 2,383,693   | 3,459,458   |
| Cash at bank (in GBP)                       | 1,044,363   | 929,958     |

## 29. Financial risk management

### 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

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.

### 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   | 2018 Taka   | 2017 Taka                                       |
|---|---|---|---|
| Strategic Partnership Arrangement (SPA)   | DFID<br>DFAT<br>Sub Total   | 4,396,000,000<br>1,338,525,000<br>5,734,525,000   | 5,887,500,000<br>1,334,850,000<br>7,222,350,000 |
| Vision Bangladesh Project   | Orbis International<br>BRAC-USA   | 4,589,000<br>2,945,839<br>7,534,839   | 3,260,999<br>-                                  |
| Refugee Programme   | Philips Lighting Foundation<br>DFAT<br>BRAC-USA<br>BRAC-UK<br>Alliance for Multicultural<br>WFP<br>Singapore American School<br>Local Donor's | 1,265,658<br>183,900,000<br>43,740,063<br>36,928,817<br>784,460<br>6,670,227<br>224,223<br>2,820,056<br>276,333,504 | -   |
| CFPR Phase -IV  | BRAC-USA  | 9,851,871   | 9,851,871                                       |
| Char Development and Settlement Program   | Euroconsult Mott Mac Donald   | 479,911   | 2,550,093                                       |
| BRAC-Water Sanitation and Hygiene(WASH) program in urban Areas  | Bill and Melinda Gates Foundation   | -   | 9,202,062                                       |
| Integration WASH  | EKN   | 157,549,234   | 416,560,644                                     |
| Reduction TB Prevalance   | The Global Fund   | -   | 329,548,755                                     |
| Reduction Malaria Incidence   | The Global Fund   | -   | 1,724,381,565                                   |
| TB Care and Prevention in Bangladesh  | The Global Fund   | 1,251,241,593   | 330,566,816                                     |
| Phased Elimination of Malaria from Bangladesh-GFATM   | The Global Fund   | 251,813,561   | 450,375,929                                     |
| BRAC Boat School  | EAC-QATAR   | -   | 83,555,874                                      |
| BRAC Urban Slum School  | EAC-QATAR   | -   | 26,688,159                                      |
| Alive and Thrive Integration of Maternal Nutrition Intervention into BRAC MINCH Rural Program in Bangladesh | Family Health International   | -   | 88,050,976                                      |
| Bangladesh MYCN-Home Fortification Program  | The Global Alliance for Improved Nutrition (GAIN)   | 73,529,666  | 229,396,877                                     |
| BRAC HRLS Property Rights Program   | BRAC-USA  | -   | 32,571,094                                      |
| Changing Social Norms and Supporting Adolescent Empowerment   | UNICEF  | -   | 7,627,891                                       |
| Engaging Communities for Behaviour Social Change in Cox's Bazar District                                    | UNICEF  | -   | 1,125,833                                       |
| Marketing Innovation for Health (MIH) Program   | Social Marketing Company (SMC)  | -   | 11,094,627                                      |
| Building Young Women's Leadership through Sports  | Women Win   | -   | 11,029,500                                      |
| Economic Empowerment for Poor and Vulnerable Women in Bangladesh  | EC  | -   | 8,485,636                                       |
| Improving Maternal & Child Nutrition (MCN)  | WFP   | -   | 1,494,210                                       |

| Name of the projects   | Donor  | 2018  |      | 2017   |      |
|--|--|---|------|--|------|
|  |  | Taka  | Taka | Taka   | Taka |
| Pilot project of distributing reading glasses<br>BRAC School Meal Piloting   | Vision Spring<br>WFP   | 47,989,696<br>13,706,168  |      | 43,291,952<br>14,122,545   |      |
| BRAC Innovation fund for Digital Financial Services<br>Ensure Sufficient Food & Nutrition Through Maize Cultivation for Marginalise group of people in Bangladesh  | Bill and Melinda Gates Foundation<br>CIMMYT-India  | 58,952,588<br>-   |      | 437,532,435<br>235,876   |      |
| Livelihood Skills Training for Out of School Working Children<br>Road Safety Awareness campaign Project<br>Targeting The Ultra poor Nutrition<br>Graduation as Resilience  | UNICEF<br>Chevron Bangladesh<br>WFP<br>BRAC-UK   | -<br>-<br>-<br>-  |      | 44,030,518<br>1,294,423<br>7,483,707<br>3,354,519  |      |
| Improving Educational Outcome of Female Disadvantaged School Student<br>Improving Demand and Referral Linkage for Injectable Long acting and permanent methods of contraceptives   | MONASH University<br>Engender Health   | -<br>-  |      | 907,036<br>5,070,483   |      |
| Neuro Developmental Disability (NDD) Project<br>Prevent and Respond to Sexual and Gender Based Violence<br>Building Blocks of Early Years Learning in Bangladesh<br>Community Based Intervention for the Empowerment of Women<br>National Early Childhood Development Support Program (NECDSP)<br>School Feeding Program at Gaibandha<br>Working with Children at Risk in the Slums of Dhaka<br>Fistula Care Plus Project<br>Community Road Safety Programme | Apasen International<br>UNDP<br>Porticus<br>ILO<br>Shishu Academy<br>WFP<br>BRAC-UK<br>Engender Health<br>GOB<br>ILO                                       | 727,607<br>-<br>-<br>-<br>22,690,127<br>5,188,928<br>-<br>-<br>-<br>- |      | 1,032,633<br>10,472,148<br>54,307,500<br>903,018<br>102,586,222<br>15,147,840<br>20,267,483<br>2,784,000<br>6,241,710<br>434,465<br>14,506,876 |      |
| Skills Development and Self-Employment Program<br>Building capacity to address issues of SRHR, Gender and Emotional wellbeing in technical,vocational,higher and general education<br>Capacity Building to promote day-care services and women's employability in the RMG Sector"<br>SUSTAIN   | MDF-Training & Consultancy (NUFFIC)<br>MDF-Training & Consultancy (NUFFIC)<br>The International Potato Center (CIP)<br>SimPrints<br>BRAC - USA<br>Katalyst | -<br>-<br>-<br>4,049,089<br>4,178,495<br>-                            |      | 9,293,794<br>6,392,754<br>-  |      |
| Delivering maternal health care through mobile biometrics in Dhaka Urban Slums<br>Adolescent Sextual and Reproductive Health in Bangladesh<br>Agri-Business for Trade Competitiveness Project<br>BRAC Chevron BPI Enterprise Development Pilot Project (JIBIKA)<br>BRAC Play Lab Project   | BRAC - USA<br>BRAC - USA<br>UNICEF<br>SCB<br>IDEO.ORG<br>DFID-UK   | 77,092,629<br>7,260,232<br>5,227,626<br>2,248,979<br>-                |      | 11,360,412<br>221,070<br>129,744,541<br>48,470,145<br>7,003,088<br>3,018,358<br>3,577,659<br>3,232,055   |      |
| Breast Feeding Promotion and Support at public Health Care<br>Chitmooh Livelihood Development Programme Lalmonirhat<br>Community Fire Prevention Project<br>Editorial and publishing Services, within the Teaching and Learning Materials Research and Refinement Programme (TLMRR)  | BRAC - USA<br>UNICEF<br>SCB<br>IDEO.ORG<br>DFID-UK   | 77,092,629<br>7,260,232<br>5,227,626<br>2,248,979<br>-                |      | 48,470,145<br>7,003,088<br>3,018,358<br>3,577,659<br>3,232,055   |      |
| Effect of BIO Fortified Leantiles on Iron and Selenium Status<br>English and digital for Girl's Education<br>Ensuring Clean and safe Birthing through Promotion Safe Birth kits at Community Level (TOMS Shoes)  | University of Saskatchewan<br>British Council<br>BRAC - USA  | 23,022,187<br>968,000<br>9,372,559                                    |      | -<br>4,496,112<br>18,035,418   |      |

| Name of the projects   | Donor   | 2018 Taka   | 2017 Taka   |
|--|---|-------------|-------------|
| Name of the projects   | Donor   | 2018 Taka   | 2017 Taka   |
| Financial Literacy for Adolescent in Chittagong  | SCB   | 6,005,310   | 3,376,207   |
| Innovation for Improving Early Grad Reading Activity   | USAID   | 205,475,989 | 192,824,022 |
| Unlocking the production Potential of "polder communities" in Coastal Bangladesh through improved Resource use efficiency and diversified cropping systems | IRRI  | 4,095,000   | 3,935,000   |
| USAID Livestock production for Improved nutrition Program  | ACDI/VOCA   | -           | 2,615,634   |
| Policy Advocacy Intervention of Bangladesh MIYCN Home Fortification  | The Global Alliance for Improved Nutrition (GAIN) | -           | 3,388,016   |
| Cyclone Roanu Recovery Project (CRRP)  | BRAC-USA  | -           | 15,236,556  |
| Garments Worker Financial diaries  | Microfinance Opportunities                        | 3,697,131   | 9,682,583   |
| Green Super Rice   | IRRI  | -           | 1,995,000   |
| Bangladesh District Eye Care Programme   | Sight Savers-UK                                   | 3,287,735   | 6,447,878   |
| Field Evaluation of a Passive Aeration System for Aquaculture (FEPASA)   | University of Toronto                             | 2,244,533   | 1,619,969   |
| Targeting and Re-Aligning Agriculture to Improved Nutrition  | IFPRI-UK  | 20,744,522  | 4,284,210   |
| Unit for Body Rights Program (UBR-2)   | RHSTEP  | 5,337,564   | 6,579,800   |
| Bangladesh Dairy Enhancement Project   | Land O Lakes                                      | -           | 20,976,623  |
| Empowering Girls on Sexual and Reproductive Health Rights Towards Combating Child Marriage   | Mannion Danieals Ltd.                             | 6,567,092   | -           |
| Nutrition for Better Livelihood and Linkage of Nutrition Messaging in Design and Branding of Nutrient Rich Produce.  | DAI Global LLC.                                   | -           | 1,254,352   |
| Skills for Employment investment Programme (SEIP) Project- Tranch-1  | GOB   | -           | 10,167,300  |
| Support to Bangladesh Justice Working Paper Series   | DFID  | -           | 7,409,885   |
| Relief and Rehabilitation  | Local Donor's                                     | -           | 5,244,454   |
| Contact for Impact Evaluation of Community LED Agricultural Water Mangement (CAWM) Scheme on Agricultural Production                                       | Euroconsult Mott Mac Donald                       | -           | 925,840     |
| Develop volunteers guideline and facilitate training on two way communication with communities in a disaster situation                                     | British Broadcasting Corp.                        | -           | 1,903,653   |
| Education Watch 2017   | Campaign for Popular Education (CAMPE)            | 3,623,420   | 3,623,420   |
| Empowering the readymade garment workers living in slum of dhaka   | Porticus  | -           | 56,890,839  |
| Empowering Women for Building Social Cohesion project(Phase-II)UNW   | UN Women  | 13,973,943  | 56,138,887  |
| Empowering Women for Building Social Cohesion project  | UN Women  | 4,227,238   | -           |
| Humanitarian Leadership Academy  | HLA   | 18,395,733  | 15,631,386  |
| Improvement of the Real Situation of Overcrowding in Prisons(IR SOP)   | GIZ   | 10,519,976  | 23,969,212  |
| Improving Health and Nutrition Status of Urban Extreme poor In Bangladesh  | Concern Worldwide                                 | 60,108,255  | 47,061,084  |
| Income Support Programme for the poorest (ISPP) JAWTNO Project   | World Bank  | 20,905,514  | 44,133,865  |
| PRO-poor Growth of Rural Enterprises Through Sustainable Skills-development-PROGRESS   | EC  | 203,883,882 | 50,643,185  |
| Protective environment for Children and Adolescents in Cox Bazar area  | UNICEF  | -           | 12,074,092  |
| Regional meeting of Gavioso's from Asia-Pacific Countries  | GAVI Alliance                                     | -           | 4,268,159   |
| Shishu Niketan: Low cost Schools in Bangladesh   | BRAC-UK   | 25,364,907  | 34,781,834  |
| Strengthening and cultivating Opportunities in Production for empowerment (SCOPE) Project  | Echotex Ltd.                                      | -           | 7,791,900   |

| Name of the projects  | Donor  | 2018 Taka   | 2017 Taka   |
|---|--|-------------|-------------|
| Name of the projects  | Donor  | 2018 Taka   | 2017 Taka   |
| Student Dropout of Secondary Education Level in Bangladesh  | Qatar Foundation for Education                 | -           | 5,529,782   |
| Support Socio economic development of 910 vulnerable families from bagerhat District(Bangladesh) through Innovativemodels of small scale aquaculture            | AIDA   | 10,490,676  | 12,489,107  |
| Community Mobilization Volunteers(CMV)Network for life Saving Message on health nutrition.Sanitation and Protection in humaterian crisis in coxs Bazar          | UNICEF   | 49,506,065  | 16,108,986  |
| Construction of Lower Secondary School in Bangladesh  | Dubai Care                                     | -           | 13,088,000  |
| Early Learning and Non Formal Basic Education for Children from Myanmar in Bangladesh   | UNICEF   | 90,842,164  | 29,317,307  |
| 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                                       | 34,772,850  | 25,737,553  |
| Ensuring Long Term Medical Services & Post Award Livelihood Support for the Victims of Rana Plaza   | BRAC USA                                       | -           | 41,408,546  |
| Improving Mother and Child Nutrition in Bangladesh (SHIMA)  | CIFF   | -           | 40,648,537  |
| Second Chance Education (SCE) Under PEDP III  | Save the Children                              | 86,539,287  | 10,000,000  |
| Shujog  | Google Asia Pacific Ltd.                       | 4,641,884   | 2,643,840   |
| Sustainable reintegration and Improved Migration Governance In Bangladesh   | IOM  | 97,308,233  | 15,943,372  |
| The Global Pannel on Agriculture and Food System for Nutrition Project  | London School of Hygiene and Tropical Medicine | -           | 3,562,020   |
| 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   | 4,076,173   |
| IED-BRACU   | Zuerich University                             | 5,782,200   | 1,891,520   |
| Safe Migration for Bangladesh Workers   | World Bank                                     | -           | 30,553,785  |
| Capture and assess best CwC practices in disaster response and recovery   | British Broadcasting Corp.                     | -           | 2,212,064   |
| Holistics Enhancement of Early Childhood Development in Rural Bangladesh  | BRAC USA                                       | -           | 12,097,719  |
| BRAC.s Response to Emergency Humatarior of Crisis among the People from the Rakhine State of Myanmar in Cox's Bazar   | UNHCR  | -           | 160,180,144 |
| Challenge TB Bangladesh   | Management Sciences for Health                 | -           | 5,828,960   |
| Alternative learning programme for out of school adolescent   | UNICEF   | 33,189,388  | -           |
| Bridge School Programme   | EAC-QATAR                                      | 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                                       | 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   | 55,835,286  | -           |
| Ensuring protective environment for children and adolescents of Rakhine state of Myanmar in Cox's Bazar District  | UNICEF   | 97,301      | -           |
| Flash Flood Response and Recovery Project(FRRP)   | UNOPS  | 162,347,463 | -           |
| Improved Wash service for the Rohiyanga Refugee and Host Communities in Cox's Bazar   | UNICEF   | 11,919,059  | -           |
| Increasing Access to improved Water sanitation Hygiene service in School  | Charity Water                                  | 73,191,256  | -           |
| Integrated Assistance Package in Cox Bazar  | WFP  | 28,718,067  | -           |
| MNCH-Urban Project (Phase-II)   | JPGSPH BRAC University                         | 448,267     | -           |
| MNCH-Rural Project (Phase-II)   | BRAC USA                                       | 2,646,560   | -           |

| Name of the projects  | Donor                             | 2018 Taka             | 2017 Taka             |
|---|-----------------------------------|-----------------------|-----------------------|
| Name of the projects  | Donor                             | 2018 Taka             | 2017 Taka             |
| Multi sectoral emergency assistance for rohingya in Coxbazar Districts  | UNHCR                             | 1,676,448,388         | -                     |
| Phase-1 Descriptive Framing Research  | Porticus                          | 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                | 17,213,983            | -                     |
| Supporting Adolescent Empower for Changing Hramful Social Norms and Emergencies   | UNICEF                            | 33,025,426            | -                     |
| WASH in Make Shift Settlement in Balukhali, Ukhiya  | IOM                               | 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                          | 167,498,493           | -                     |
| BRAC Humanitarian Response In Cox Bazar : Education and Critical infrastructure Development Support   | OSF                               | 335,798,489           | -                     |
| Deliver and Integrated Assistance Package inCox's Bazar   | WFP                               | 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 Ukhiya and Teknat Upazilla Cox's Bazar  | Save the Children                 | 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                               | 300,000,000           | -                     |
| Scale Up of Early learning and informal basic education for forcibly Displaced Myanmar Nations  | UNICEF                            | 129,669,085           | -                     |
| Scaling up Mother@Work programme at ready-made garment factories  | UNICEF                            | 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           | 6,338,040             | -                     |
| Health Campas 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            | -                     |
| <b>Total</b>  |                                   | <b>12,640,242,326</b> | <b>13,219,219,761</b> |

## 31. Segmental financial information:

|  | Unrestricted              |              |                    |               |                             |                 |   |               |   |               | Temporarily restricted Development Projects | Total 2018 Taka |                         |            |  |                   |                           |      |                    |      |
|--|---------------------------|--------------|--------------------|---------------|-----------------------------|-----------------|---|---------------|---|---------------|---|-----------------|-------------------------|------------|--|-------------------|---------------------------|------|--------------------|------|
|  | 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 |      |
|  | Taka                      | Taka         | Taka               | Taka          | Taka                        | Taka            | Taka                                    | Taka          | Taka  | Taka          |   |                 | Taka                    | Taka       | Taka                                       | Taka              | Taka                      | Taka | Taka               | 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 | 27,915,904                                  | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 21,561,781,316.00 |                           |      |                    |      |
| Advance, deposits and prepayments      | 343,323,519               | 218,875,339  | 298,996,601        | 98,678,611    | 1,360,241                   | 3,164,910,236   | 7,615,898,493                           | 27,915,904    | 11,769,958,944                              | 1,625,118,960 | 27,915,904                                  | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 13,395,077,904.00 |                           |      |                    |      |
| Inventories                            | 4,407,548,602             | 51,376,341   | 276,549,490        | 586,805,357   | 9,716,445                   | 92,525,621      | 118,222,513                             | -             | 5,542,744,369                               | 25,011,375    | 27,915,904                                  | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 5,567,755,743.00  |                           |      |                    |      |
| 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 | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 3,860,680,137.00  |                           |      |                    |      |
| Inter-programme current account        | (50,103,204)              | (46,525,929) | (39,665,172)       | 22,220,913    | 3,070,937                   | 580,611,800     | 140,117,549                             | -             | 29,115,094                                  | (29,115,094)  | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | -                 |                           |      |                    |      |
| Microfinance loans                     | -                         | -            | 9,471,675          | 11,341,928    | -                           | 202,494,959,364 | -                                       | -             | -   | -             | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | -                 |                           |      |                    |      |
| Motor cycle loans                      | -                         | -            | -                  | -             | -                           | 56,638,007      | -                                       | -             | -   | -             | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | -                 |                           |      |                    |      |
| Investments in securities and others   | -                         | -            | -                  | -             | -                           | -               | -                                       | -             | -   | -             | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | -                 |                           |      |                    |      |
| Investments in related undertakings    | -                         | -            | -                  | -             | -                           | -               | -                                       | -             | -   | -             | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | -                 |                           |      |                    |      |
| Property, plant and equipments         | 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   | 18,173,062,079                              | 845,439,246   | 109,870,853                                 | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 27,710,751,304.00 |                           |      |                    |      |
| Total assets                           | 7,525,461,765             | 357,692,782  | 2,012,994,716      | 2,603,891,019 | 154,069,838                 | 230,968,304,715 | 42,086,763,098                          | 2,563,588,239 | 288,272,766,191                             | 6,601,171,188 | 2,563,588,239                               | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 294,873,937,379   |                           |      |                    |      |
| Liabilities and net assets             |                           |              |                    |               |                             |                 |   |               |   |               |   |                 |                         |            |  |                   |                           |      |                    |      |
| Liabilities                            |                           |              |                    |               |                             |                 |   |               |   |               |   |                 |                         |            |  |                   |                           |      |                    |      |
| Liabilities for expenses and materials | 649,628,371               | 29,730,058   | 239,781,941        | 261,189,006   | 27,592,086                  | 4,984,053,199   | 3,292,370,647                           | 407,850       | 9,484,753,158                               | 1,723,430,326 | 407,850                                     | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 11,208,183,484.00 |                           |      |                    |      |
| Bank overdrafts                        | 117,358,775               | 31,318,295   | -                  | -             | -                           | 35,967,053,781  | -                                       | -             | 36,115,730,851                              | -             | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 36,115,730,851.00 |                           |      |                    |      |
| Term loans                             | -                         | -            | -                  | -             | -                           | 38,136,805,679  | -                                       | -             | 38,136,805,679                              | -             | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 38,136,805,678.86 |                           |      |                    |      |
| Members savings deposits               | -                         | -            | -                  | -             | -                           | 69,587,804,893  | -                                       | -             | 69,587,804,893                              | -             | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 69,587,804,893.00 |                           |      |                    |      |
| Grants received in advance account     | -                         | -            | -                  | -             | -                           | -               | 15,611,489                              | -             | 15,611,489                                  | 2,996,192,019 | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 3,011,803,508.75  |                           |      |                    |      |
| Deferred income                        | -                         | -            | -                  | -             | -                           | 508,011         | 4,186,786                               | -             | 4,694,807                                   | 27,802,694    | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 750,483,191.96    |                           |      |                    |      |
| Other long term liabilities            | 295,824,623               | 28,924,620   | 23,107,897         | -             | -                           | 508,011         | 4,186,786                               | -             | 27,802,694                                  | 722,680,498   | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 14,498,636,826.00 |                           |      |                    |      |
| Provision for taxation                 | 724,087,273               | 30,318,877   | 80,105,119         | 181,021,020   | 18,092,629                  | 171,732,621     | 3,273,316,113                           | -             | 4,306,941,031                               | -             | -   | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 4,306,941,031.00  |                           |      |                    |      |
| Total Liabilities                      | 1,786,899,042             | 120,291,850  | 342,994,957        | 442,210,026   | 45,684,715                  | 148,847,958,184 | 20,587,699,997                          | 407,850       | 172,174,146,621                             | 5,442,302,844 | 407,850                                     | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 177,616,449,465   |                           |      |                    |      |
| 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  | 21,499,063,101                          | 2,563,588,239 | 116,098,619,571                             | 1,158,866,344 | 2,563,588,239                               | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 117,257,487,914   |                           |      |                    |      |
| Total liabilities and net assets       | 7,525,461,765             | 357,692,782  | 2,012,994,716      | 2,603,891,019 | 154,069,838                 | 230,968,304,715 | 42,086,763,098                          | 2,563,588,239 | 288,272,766,191                             | 6,601,171,188 | 2,563,588,239                               | 202,494,959,364 | 116,801,632             | 90,228,663 | 207,030,285,000                            | 294,873,937,379   |                           |      |                    |      |

Balance Sheet as at December 31, 2018

Assets:



31. Segmental financial information (cont'd)

|   | Unrestricted                      |                            |                                     |   |   |                                 |  |                                   |                        |                      | Temporarily restricted       |                        | Total 2017 |
|---|-----------------------------------|----------------------------|-------------------------------------|---|---|---------------------------------|--|-----------------------------------|------------------------|----------------------|------------------------------|------------------------|------------|
|   | Aarong Rural Craft Centre<br>Taka | BRAC Printing Pack<br>Taka | BRAC Dairy and Food Project<br>Taka | Agro based Programme Support Enterprise<br>Taka | Non-agro based Programme Support Enterprise<br>Taka | Micro Finance Programme<br>Taka | Self-financing Social Development Projects<br>Taka | House Property (Building)<br>Taka | Unrestricted           |                      | Development Projects<br>Taka | Taka                   |            |
|   |                                   |                            |                                     |   |   |                                 |  |                                   | Total                  | Taka                 |                              |                        |            |
| Cash and bank balances                  | 228,217,666                       | 7,088,827                  | 90,282,502                          | 487,262,915                                     | 105,739,197   | 15,346,902,898                  | (691,239,139)                                      | 2,113,693,225                     | 17,687,948,081         | 3,336,331,039        | -                            | 21,024,279,120         |            |
| Advance deposits and prepayments        | 236,522,395                       | 204,003,664                | 135,297,797                         | 77,597,384                                      | 1,172,722   | 1,352,352,172                   | 7,343,726,284                                      | 27,736,958                        | 9,378,409,376          | 633,937,141          | -                            | 10,012,346,517         |            |
| Inventories                             | 3,893,686,987                     | 45,937,187                 | 205,083,916                         | 546,635,383                                     | 8,959,746   | 84,735,581                      | 144,286,272  | -                                 | 4,929,325,072          | 34,157,758           | -                            | 4,963,482,830          |            |
| Grants and accounts receivable          | 259,812,647                       | 49,374,574                 | 134,801,176                         | 650,776,750                                     | 11,698,952  | 386,669,528                     | 892,822,194  | -                                 | 2,385,955,821          | 1,046,424,532        | -                            | 3,432,380,353          |            |
| Inter-programme current account         | (267,830,371)                     | (44,177,463)               | 113,757,674                         | 50,974,767                                      | 4,119,972   | -                               | 135,474,391  | -                                 | (7,681,030)            | 7,681,030            | -                            | -                      |            |
| Microfinance loans                      | -                                 | -                          | -                                   | -   | -   | 163,229,190,720                 | -  | -                                 | 163,229,190,720        | -                    | -                            | 163,229,190,720        |            |
| Motor cycle loans                       | 553,652                           | -                          | 8,048,634                           | 12,306,717                                      | -   | 357,762,017                     | 52,284,957   | -                                 | 430,955,977            | 262,012,402          | -                            | 692,968,379            |            |
| Investments in securities and others    | -                                 | -                          | -                                   | -   | -   | -                               | 1,925,728,676                                      | -                                 | 1,925,728,676          | -                    | -                            | 1,925,728,676          |            |
| Investments in related undertakings     | -                                 | -                          | -                                   | -   | -   | -                               | 17,361,028,752                                     | -                                 | 17,361,028,752         | -                    | -                            | 17,361,028,752         |            |
| Property, plant and equipments          | 2,252,107,201                     | 52,610,230                 | 1,119,608,959                       | 623,301,213                                     | 9,432,560   | 4,120,037,991                   | 8,291,460,895                                      | 144,019,138                       | 16,612,586,207         | 737,913,584          | -                            | 17,350,511,791         |            |
| <b>Total assets</b>                     | <b>6,603,070,167</b>              | <b>314,837,019</b>         | <b>1,806,880,658</b>                | <b>2,448,855,129</b>                            | <b>141,123,169</b>                                  | <b>184,877,650,907</b>          | <b>35,455,593,282</b>                              | <b>2,285,449,321</b>              | <b>233,933,459,652</b> | <b>6,058,457,486</b> | <b>-</b>                     | <b>239,991,917,138</b> |            |
| <b>Liabilities and net assets</b>       |                                   |                            |                                     |   |   |                                 |  |                                   |                        |                      |                              |                        |            |
| <b>Liabilities</b>                      |                                   |                            |                                     |   |   |                                 |  |                                   |                        |                      |                              |                        |            |
| Liabilities for expenses and materials  | 503,389,020                       | 20,888,040                 | 188,762,126                         | 337,022,063                                     | 25,555,107  | 4,557,445,186                   | 2,927,498,583                                      | 200,000                           | 8,560,760,125          | 1,103,473,795        | -                            | 9,664,233,920          |            |
| Bank overdrafts                         | 117,587,928                       | 31,318,295                 | -                                   | -   | -   | 23,539,609,953                  | -  | -                                 | 23,688,516,176         | -                    | -                            | 23,688,516,176         |            |
| Term loans                              | -                                 | -                          | -                                   | -   | -   | 28,969,558,656                  | -  | -                                 | 28,969,558,656         | -                    | -                            | 28,969,558,656         |            |
| Members savings deposits                | -                                 | -                          | -                                   | -   | -   | 59,880,530,227                  | -  | -                                 | 59,880,530,227         | -                    | -                            | 59,880,530,227         |            |
| Grants received in advance account      | -                                 | -                          | -                                   | -   | -   | -                               | 9,978,354  | -                                 | 9,978,354              | 3,139,657,013        | -                            | 3,149,635,367          |            |
| Deferred income                         | 281,462,351                       | 24,352,812                 | 26,822,803                          | -   | -   | 508,011                         | 4,974,415  | -                                 | 32,305,229             | 659,724,060          | -                            | 692,029,289            |            |
| Other long term liabilities             | 372,568,777                       | 23,622,048                 | 55,228,970                          | 118,160,673                                     | 13,647,003  | 171,732,621                     | 12,662,481,472                                     | -                                 | 13,140,029,256         | -                    | -                            | 13,140,029,256         |            |
| Provision for taxation                  | -                                 | -                          | -                                   | -   | -   | -                               | 1,970,713,559                                      | -                                 | 1,970,713,559          | -                    | -                            | 1,970,713,559          |            |
| <b>Total liabilities</b>                | <b>1,275,008,076</b>              | <b>100,181,195</b>         | <b>270,813,899</b>                  | <b>455,182,736</b>                              | <b>39,202,110</b>                                   | <b>117,119,384,654</b>          | <b>17,575,646,383</b>                              | <b>200,000</b>                    | <b>136,835,619,053</b> | <b>4,902,854,868</b> | <b>-</b>                     | <b>141,738,473,921</b> |            |
| <b>Net assets- capital fund</b>         | <b>5,328,062,091</b>              | <b>214,655,824</b>         | <b>1,536,066,759</b>                | <b>1,993,672,393</b>                            | <b>101,921,059</b>                                  | <b>67,758,266,253</b>           | <b>17,879,946,899</b>                              | <b>2,285,249,321</b>              | <b>97,097,840,599</b>  | <b>1,155,602,618</b> | <b>-</b>                     | <b>98,253,443,217</b>  |            |
| <b>Total liabilities and net assets</b> | <b>6,603,070,167</b>              | <b>314,837,019</b>         | <b>1,806,880,658</b>                | <b>2,448,855,129</b>                            | <b>141,123,169</b>                                  | <b>184,877,650,907</b>          | <b>35,455,593,282</b>                              | <b>2,285,449,321</b>              | <b>233,933,459,652</b> | <b>6,058,457,486</b> | <b>-</b>                     | <b>239,991,917,138</b> |            |

31. Segmental financial information (Cont'd)

|   | Aarong Rural Craft Centre |                      | Unrestricted        |                             |   |   |                         |  |                           | Temporarily restricted |                        | Total 2018            |
|---|---------------------------|----------------------|---------------------|-----------------------------|---|---|-------------------------|--|---------------------------|------------------------|------------------------|-----------------------|
|   | Taka                      | Taka                 | 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   |                       |
| Income  |                           |                      |                     |                             |   |   |                         |  |                           |                        |                        |                       |
| Donor grants  | -                         | 3,714,906            | -                   | -                           | -                                       | -   | 787,629                 | -  | -                         | 4,502,535              | 13,036,908,467         | 13,041,411,002        |
| Social enterprises  | 9,037,410,660             | 3,969,933,580        | 373,892,188         | 3,973,648,486               | 2,479,072,712                           | 93,282,052                                  | -                       | -  | -                         | 15,963,591,192         | -                      | 15,963,591,192        |
| Microfinance programme  | -                         | -                    | -                   | -                           | 2,479,072,712                           | 93,282,052                                  | -                       | -  | -                         | 45,010,650,247         | -                      | 45,010,650,247        |
| Self-financing social development project   | -                         | -                    | -                   | -                           | -                                       | -   | 157,295,688             | -  | -                         | 1,116,492,716          | 11,144,409             | 1,127,637,125         |
| Investment income   | -                         | -                    | -                   | -                           | -                                       | -   | 217,875,460             | -  | -                         | 217,875,460            | -                      | 217,875,460           |
| Other income  | -                         | -                    | -                   | -                           | 9,639,809                               | -   | -                       | -  | -                         | 1,091,506,946          | -                      | 1,091,506,946         |
| Community contribution  | -                         | -                    | -                   | -                           | -                                       | -   | 333,799                 | -  | -                         | 73,403,005             | 1,439,003,323          | 1,512,406,328         |
| House property  | -                         | -                    | -                   | -                           | -                                       | -   | -                       | -  | 92,593,668                | -                      | -                      | 92,593,668            |
| <b>Total income</b>   | <b>9,037,410,660</b>      | <b>3,973,648,486</b> | <b>373,892,188</b>  | <b>3,973,648,486</b>        | <b>2,488,912,521</b>                    | <b>93,282,052</b>                           | <b>45,970,181,074</b>   | <b>1,530,695,120</b>                       | <b>92,593,668</b>         | <b>63,560,615,769</b>  | <b>14,487,056,198</b>  | <b>78,047,671,967</b> |
| Expenditure   |                           |                      |                     |                             |   |   |                         |  |                           |                        |                        |                       |
| Social enterprises  | 7,864,805,815             | 3,814,839,337        | 350,101,754         | 3,814,839,337               | 2,186,369,107                           | 75,921,522                                  | -                       | -  | -                         | 14,292,037,535         | -                      | 14,292,037,535        |
| House property  | -                         | -                    | -                   | -                           | -                                       | -   | 29,598,743,796          | -  | -                         | 29,598,743,796         | -                      | 29,598,743,796        |
| Agriculture and food Security   | -                         | -                    | -                   | -                           | -                                       | -   | -                       | -  | 58,900,848                | -                      | -                      | 58,900,848            |
| Community empowerment programme   | -                         | -                    | -                   | -                           | -                                       | -   | -                       | 4,990,825                                  | -                         | 4,990,825              | 73,539,035             | 296,447,514           |
| Education programme   | -                         | -                    | -                   | -                           | -                                       | -   | 202,211,810             | -  | -                         | 202,211,810            | 3,561,001,845          | 3,763,213,655         |
| Gender, Justice and Diversity   | -                         | -                    | -                   | -                           | -                                       | -   | -                       | -  | -                         | 69,630,632             | 145,618,483            | 145,618,483           |
| Health programme  | -                         | -                    | -                   | -                           | -                                       | -   | -                       | -  | -                         | 12,975,861             | 4,064,377,614          | 4,134,008,246         |
| Human rights and legal aids services  | -                         | -                    | -                   | -                           | -                                       | -   | -                       | -  | -                         | 12,975,861             | 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              | 2,299,316,871          | 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            |
| <b>Total expenses</b>   | <b>7,864,805,815</b>      | <b>3,814,839,337</b> | <b>350,101,754</b>  | <b>3,814,839,337</b>        | <b>2,186,369,107</b>                    | <b>75,921,522</b>                           | <b>29,598,743,796</b>   | <b>518,850,487</b>                         | <b>58,900,848</b>         | <b>44,468,532,666</b>  | <b>15,834,288,494</b>  | <b>60,302,821,160</b> |
| <b>Surplus/(deficit) of income over expenditure before inter-programme allocation</b> | <b>1,172,604,845</b>      | <b>23,790,434</b>    | <b>(8,546,803)</b>  | <b>158,809,149</b>          | <b>302,543,414</b>                      | <b>17,360,530</b>                           | <b>16,371,437,278</b>   | <b>1,011,844,634</b>                       | <b>33,692,820</b>         | <b>19,092,083,103</b>  | <b>(1,347,232,296)</b> | <b>17,744,850,808</b> |
| Inter-programme allocations   | (410,543,175)             | -                    | (6,546,803)         | -                           | (142,401,302)                           | (6,458,474)                                 | -                       | 567,949,754                                | -                         | -                      | -                      | -                     |
| <b>Net surplus for the year after inter-programme allocations</b>                     | <b>762,061,670</b>        | <b>15,243,631</b>    | <b>(15,093,606)</b> | <b>158,809,149</b>          | <b>160,142,112</b>                      | <b>10,902,056</b>                           | <b>16,371,437,278</b>   | <b>1,579,794,388</b>                       | <b>33,692,820</b>         | <b>19,092,083,103</b>  | <b>(1,347,232,296)</b> | <b>17,444,850,808</b> |
| BRAC contribution to support donor funded programmes                                  | -                         | -                    | -                   | -                           | -                                       | -   | -                       | (1,350,498,021)                            | -                         | (1,350,498,021)        | 1,350,498,021          | -                     |
| <b>Surplus of income over expenditure before taxation</b>                             | <b>762,061,670</b>        | <b>15,243,631</b>    | <b>(6,696,828)</b>  | <b>158,809,149</b>          | <b>160,142,112</b>                      | <b>10,902,056</b>                           | <b>16,371,437,278</b>   | <b>229,296,367</b>                         | <b>33,692,820</b>         | <b>17,741,585,082</b>  | <b>3,265,725</b>       | <b>17,744,850,808</b> |
| Provision for taxation  | (351,518,496)             | (6,696,828)          | (8,546,803)         | (24,876,149)                | (62,860,347)                            | (4,445,628)                                 | -                       | (1,302,602,554)                            | -                         | (1,753,000,000)        | -                      | (1,753,000,000)       |
| <b>Net surplus for the year</b>   | <b>410,543,174</b>        | <b>8,546,803</b>     | <b>(15,093,606)</b> | <b>133,933,000</b>          | <b>97,281,765</b>                       | <b>6,456,430</b>                            | <b>16,371,437,278</b>   | <b>(1,073,306,188)</b>                     | <b>33,692,820</b>         | <b>15,988,585,082</b>  | <b>3,265,725</b>       | <b>15,991,850,808</b> |

31. Segmental financial information (Cont'd)

|   | Unrestricted              |                     |                             |   |   |                         |  |                           |                       |                       | Temporarily restricted |          | Total 2017            |
|---|---------------------------|---------------------|-----------------------------|---|---|-------------------------|--|---------------------------|-----------------------|-----------------------|------------------------|----------|-----------------------|
|   | 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  |                        | Taka     |                       |
|   |                           |                     |                             |   |   |                         |  |                           |                       | Taka                  | Taka                   |          |                       |
| Income  |                           |                     |                             |   |   |                         |  |                           |                       |                       |                        |          |                       |
| Donor grants  | -                         | -                   | -                           | -                                       | -   | -                       | 308,026                                    | -                         | 308,026               | -                     | 11,672,086,993         | -        | 11,672,395,019        |
| Social enterprises  | 8,015,150,343             | 333,720,684         | 3,442,198,409               | 3,082,045,976                           | 97,111,043                                  | -                       | -  | -                         | 14,970,226,455        | -                     | -                      | -        | 14,970,226,455        |
| Microfinance programme  | -                         | -                   | -                           | -                                       | -   | 37,240,825,991          | -  | -                         | 37,240,825,991        | -                     | -                      | -        | 37,240,825,991        |
| Self-financing social development project   | -                         | -                   | -                           | -                                       | -   | 649,757,390             | 244,414,473                                | -                         | 894,171,863           | -                     | 33,591,794             | -        | 927,763,657           |
| Investment income   | -                         | -                   | -                           | -                                       | -   | -                       | 543,617,402                                | -                         | 543,617,402           | -                     | -                      | -        | 543,617,402           |
| Other income  | -                         | -                   | -                           | -                                       | -   | -                       | 395,890,736                                | -                         | 395,890,736           | -                     | -                      | -        | 395,890,736           |
| Community contribution  | -                         | -                   | -                           | -                                       | -   | -                       | -  | -                         | -                     | -                     | 1,375,712,028          | -        | 1,375,712,028         |
| House property  | -                         | -                   | -                           | -                                       | -   | -                       | -  | 93,062,652                | 93,062,652            | -                     | -                      | -        | 93,062,652            |
| <b>Total income</b>   | <b>8,015,150,343</b>      | <b>333,720,684</b>  | <b>3,442,198,409</b>        | <b>3,082,045,976</b>                    | <b>97,111,043</b>                           | <b>37,890,583,381</b>   | <b>1,184,220,637</b>                       | <b>93,062,652</b>         | <b>54,138,093,125</b> | <b>13,081,390,815</b> | <b>13,081,390,815</b>  | <b>-</b> | <b>67,219,483,940</b> |
| Expenditure   |                           |                     |                             |   |   |                         |  |                           |                       |                       |                        |          |                       |
| Social enterprises  | 6,771,787,754             | 293,782,668         | 3,256,293,493               | 2,712,820,963                           | 77,704,861                                  | -                       | -  | -                         | 13,112,389,739        | -                     | -                      | -        | 13,112,389,739        |
| Microfinance programme  | -                         | -                   | -                           | -                                       | -   | 23,503,895,326          | -  | -                         | 23,503,895,326        | -                     | -                      | -        | 23,503,895,326        |
| House property  | -                         | -                   | -                           | -                                       | -   | -                       | -  | 53,500,360                | 53,500,360            | -                     | -                      | -        | 53,500,360            |
| Agriculture and food security   | -                         | -                   | -                           | -                                       | -   | -                       | -  | -                         | -                     | 131,816,903           | -                      | -        | 131,816,903           |
| Community empowerment programme   | -                         | -                   | -                           | -                                       | -   | -                       | 4,955,808                                  | -                         | 4,955,808             | 406,217,205           | -                      | -        | 411,173,013           |
| Education programme   | -                         | -                   | -                           | -                                       | -   | -                       | 20,862,261                                 | -                         | 20,862,261            | 4,459,295,571         | -                      | -        | 4,480,157,832         |
| Gender, Justice and Diversity   | -                         | -                   | -                           | -                                       | -   | -                       | -  | -                         | -                     | 166,043,264           | -                      | -        | 166,043,264           |
| Health programme  | -                         | -                   | -                           | -                                       | -   | -                       | 75,872,666                                 | -                         | 75,872,666            | 3,789,487,246         | -                      | -        | 3,865,359,912         |
| Human rights and legal aids services  | -                         | -                   | -                           | -                                       | -   | -                       | -  | -                         | -                     | 329,312,602           | -                      | -        | 329,312,602           |
| Policy advocacy   | -                         | -                   | -                           | -                                       | -   | -                       | -  | -                         | -                     | 64,429,597            | -                      | -        | 64,429,597            |
| Water, sanitation and hygiene programme   | -                         | -                   | -                           | -                                       | -   | -                       | -  | -                         | -                     | 443,028,511           | -                      | -        | 443,028,511           |
| Ultra poor programme  | -                         | -                   | -                           | -                                       | -   | -                       | -  | -                         | -                     | 1,408,042,615         | -                      | -        | 1,408,042,615         |
| Forcibly-displaced Myanmar nationals  | -                         | -                   | -                           | -                                       | -   | -                       | 421,532,818                                | -                         | 421,532,818           | 807,653,622           | -                      | -        | 1,229,186,440         |
| Disaster management and climate change  | -                         | -                   | -                           | -                                       | -   | -                       | -  | -                         | -                     | 334,753,011           | -                      | -        | 334,753,011           |
| Skills development programme  | -                         | -                   | -                           | -                                       | -   | -                       | -  | -                         | -                     | 305,918,160           | -                      | -        | 305,918,160           |
| Other development projects  | -                         | -                   | -                           | -                                       | -   | -                       | 270,921,538                                | -                         | 270,921,538           | 569,813,184           | -                      | -        | 840,734,722           |
| Grants  | -                         | -                   | -                           | -                                       | -   | -                       | 302,730,374                                | -                         | 302,730,374           | -                     | -                      | -        | 302,730,374           |
| <b>Total expenses</b>   | <b>6,771,787,754</b>      | <b>293,782,668</b>  | <b>3,256,293,493</b>        | <b>2,712,820,963</b>                    | <b>77,704,861</b>                           | <b>23,503,895,326</b>   | <b>1,096,875,465</b>                       | <b>53,500,360</b>         | <b>37,766,660,890</b> | <b>13,215,811,491</b> | <b>13,215,811,491</b>  | <b>-</b> | <b>50,982,472,381</b> |
| Surplus of income over expenditure before taxation  | 1,243,362,589             | 39,938,016          | 185,904,916                 | 369,225,013                             | 19,406,182                                  | 14,386,688,055          | 87,345,172                                 | 39,562,292                | 16,371,432,235        | (134,420,676)         | (134,420,676)          | -        | 16,237,011,559        |
| Taxation  | (372,568,777)             | (11,541,406)        | (31,935,121)                | (70,235,737)                            | (5,713,321)                                 | -                       | (24,005,638)                               | -                         | (516,000,000)         | -                     | -                      | -        | (516,000,000)         |
| <b>Net surplus stated in statement of income &amp; expenditure before inter-progr. allocation</b> | <b>870,793,812</b>        | <b>28,396,610</b>   | <b>153,969,795</b>          | <b>298,989,276</b>                      | <b>13,692,861</b>                           | <b>14,386,688,055</b>   | <b>63,339,534</b>                          | <b>39,562,292</b>         | <b>15,855,432,235</b> | <b>(134,420,676)</b>  | <b>(134,420,676)</b>   | <b>-</b> | <b>15,721,011,559</b> |
| <b>Inter-programme allocations</b>  | <b>(435,396,905)</b>      | <b>(14,198,304)</b> | <b>-</b>                    | <b>(170,251,725)</b>                    | <b>(8,037,264)</b>                          | <b>-</b>                | <b>627,884,198</b>                         | <b>-</b>                  | <b>-</b>              | <b>-</b>              | <b>-</b>               | <b>-</b> | <b>-</b>              |
| BRAC contribution to support donor funded programmes  | -                         | -                   | -                           | -                                       | -   | -                       | (151,325,196)                              | -                         | (151,325,196)         | -                     | -                      | -        | -                     |
| <b>Net surplus for the period after inter-programme allocations</b>                               | <b>435,396,907</b>        | <b>14,198,306</b>   | <b>153,969,795</b>          | <b>128,737,551</b>                      | <b>5,655,597</b>                            | <b>14,386,688,055</b>   | <b>539,898,536</b>                         | <b>39,562,292</b>         | <b>15,704,107,039</b> | <b>16,904,620</b>     | <b>16,904,620</b>      | <b>-</b> | <b>15,721,011,559</b> |

32. Statement of functional expenses

|  | 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                  | 2018 |
| Taka   | Taka                      | Taka               | Taka                        | Taka                                    | Taka  | Taka                    | Taka                                       | Taka                      | Taka                  | Taka                  | Taka                   | Taka |
| Salaries and benefits                          | 1,003,410,118             | 18,787,599         | 318,712,743                 | 347,176,502                             | 16,217,389                                  | 13,119,483,011          | 41,579,037                                 | -                         | 14,865,366,399        | 6,611,155,946         | 21,476,522,346         |      |
| Travelling and transportation                  | 100,321,927               | 2,071,334          | 150,729,851                 | 56,332,703                              | 1,178,254                                   | 1,151,795,648           | 6,271,806                                  | -                         | 1,468,701,523         | 780,895,071           | 2,249,596,594          |      |
| Teachers' salaries                             | -                         | -                  | -                           | -                                       | -   | -                       | 10,577,952                                 | -                         | 10,577,952            | 863,334,403           | 873,912,355            |      |
| Teachers' training                             | -                         | -                  | -                           | -                                       | -   | -                       | 2,043,830                                  | -                         | 2,043,830             | 52,220,050            | 54,263,880             |      |
| School rent and maintenance                    | -                         | -                  | -                           | -                                       | -   | -                       | 5,048,723                                  | -                         | 5,048,723             | 174,393,997           | 179,442,720            |      |
| Stationery, rent and utilities                 | 364,986,434               | 754,039            | 30,510,141                  | 15,881,042                              | 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                                   | 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                                      | 352,519,215             | 2,758,840                                  | -                         | 391,018,026           | 306,764,898           | 697,782,924            |      |
| Programme supplies                             | -                         | 253,832            | 137,670                     | 1,880,450                               | 122,242                                     | 337,278,232             | 5,910,060                                  | -                         | 345,582,486           | 6,175,936,383         | 6,520,918,868          |      |
| Interest on members' savings deposits          | -                         | -                  | -                           | -                                       | -   | 4,247,560,801           | -  | -                         | 4,247,560,801         | -                     | 4,247,560,801          |      |
| Interest on long term loans                    | -                         | -                  | -                           | 10,966,567                              | -   | 2,796,408,873           | -  | -                         | 2,807,375,440         | -                     | 2,807,375,440          |      |
| Bank overdraft interest and charges            | 83,903,922                | 7,369,422          | -                           | -                                       | -   | 2,496,523,657           | -  | -                         | 2,626,334,502         | -                     | 2,626,334,502          |      |
| Cost of goods sold of social enterprises       | 5,698,828,627             | 308,595,026        | 3,101,922,490               | 1,500,139,525                           | 43,176,401                                  | -                       | 38,537,501                                 | -                         | 10,652,662,069        | -                     | 10,652,662,069         |      |
| Publicity, advertisement and sales commissions | 185,463,320               | -                  | 112,078,911                 | 91,917,431                              | 1,045,169                                   | -                       | 47,775,220                                 | -                         | 438,280,051           | 12,061,074            | 450,341,125            |      |
| Loan loss provision for microfinance loans     | -                         | -                  | -                           | -                                       | -   | 3,397,704,466           | -  | -                         | 3,397,704,466         | -                     | 3,397,704,466          |      |
| Depreciation of property, plant and equipment  | 186,979,830               | 1,429,349          | 5,414,953                   | 57,912,250                              | 1,430,148                                   | 282,451,298             | 285,008,669                                | 23,577,974                | 844,204,471           | 94,857,677            | 939,062,149            |      |
| Provision for bad and doubtful debts           | 1,326,035                 | 5,998,862          | 21,367,618                  | 24,888,916                              | 319,568                                     | -                       | 165,740                                    | -                         | 53,866,739            | -                     | 53,866,739             |      |
| Allocation to self- insurance fund             | -                         | -                  | -                           | -                                       | -   | -                       | 55,611,396                                 | -                         | 55,611,396            | -                     | 55,611,396             |      |
| Grants   | -                         | -                  | -                           | -                                       | -   | 12,614,227              | -  | -                         | 12,614,227            | -                     | 12,614,227             |      |
|  | <b>7,864,805,815</b>      | <b>350,101,754</b> | <b>3,814,839,337</b>        | <b>2,186,369,107</b>                    | <b>75,921,522</b>                           | <b>29,598,743,796</b>   | <b>518,850,487</b>                         | <b>58,900,848</b>         | <b>44,468,532,665</b> | <b>15,854,288,494</b> | <b>60,302,821,160</b>  |      |

Included in cost of goods sold of (BRAC Dairy, Printing Pack) is depreciation of property, plant and equipment amounting to Tk. 139,844,704

32. Statement of functional expenses

|  | Unrestricted              |                    |                             |   |   |                         |  |                           |                       |                       |                       | Temporarily restricted |      | Total 2017 |
|--|---------------------------|--------------------|-----------------------------|---|---|-------------------------|--|---------------------------|-----------------------|-----------------------|-----------------------|------------------------|------|------------|
|  | 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  | Taka                  | Taka                   | Taka |            |
| Salaries and benefits                          | 876,293,395               | 18,001,788         | 257,130,775                 | 253,408,221                             | 10,192,175                                  | 10,524,292,312          | 95,512,390                                 | -                         | 12,034,631,057        | 5,769,432,816         | -                     | 17,804,263,873         |      |            |
| Travelling and transportation                  | 85,814,558                | 1,823,307          | 123,567,052                 | 41,561,370                              | 1,204,543                                   | 624,616,302             | 13,313,810                                 | -                         | 891,900,941           | 589,898,266           | -                     | 1,481,799,207          |      |            |
| Teachers' salaries                             | -                         | -                  | -                           | -                                       | -   | -                       | -  | -                         | -                     | 915,175,344           | -                     | 915,175,344            |      |            |
| Teachers' training                             | -                         | -                  | -                           | -                                       | -   | -                       | -  | -                         | -                     | 169,909,969           | -                     | 169,909,969            |      |            |
| School rent and maintenance                    | -                         | -                  | -                           | -                                       | -   | -                       | -  | -                         | -                     | 204,042,241           | -                     | 204,042,241            |      |            |
| Stationery, rent and utilities                 | 320,350,933               | 594,156            | 57,243,151                  | 9,119,847                               | 1,592,705                                   | 585,668,370             | 14,718,177                                 | 18,062,776                | 1,007,350,115         | 336,133,618           | -                     | 1,343,483,733          |      |            |
| Maintenance and general expenses               | 142,084,386               | 5,006,155          | 46,161,232                  | 36,971,489                              | 12,768,519                                  | 582,051,956             | 100,977,601                                | 12,660,461                | 938,681,799           | 399,141,796           | -                     | 1,337,823,595          |      |            |
| Members' training                              | -                         | -                  | -                           | -                                       | -   | -                       | -  | -                         | -                     | 145,574,877           | -                     | 145,574,877            |      |            |
| Staff training and development                 | 4,758,692                 | 53,251             | 17,450,372                  | 12,391,493                              | 68,983                                      | 314,489,534             | 13,895,381                                 | -                         | 363,107,715           | 322,856,210           | -                     | 685,963,925            |      |            |
| Programme supplies                             | -                         | 106,502            | -                           | 2,200,706                               | 137,986                                     | 357,251,325             | 226,821,198                                | -                         | 586,517,716           | 4,033,640,206         | -                     | 4,620,157,922          |      |            |
| Interest on members' savings deposits          | -                         | -                  | -                           | -                                       | -   | 3,617,342,147           | -  | -                         | 3,617,342,147         | -                     | -                     | 3,617,342,147          |      |            |
| Interest on long term loans                    | -                         | -                  | -                           | 10,764,901                              | -   | 2,332,164,087           | -  | -                         | 2,342,928,988         | -                     | -                     | 2,342,928,988          |      |            |
| Bank overdraft interest and charges            | 59,574,485                | 6,174,273          | -                           | -                                       | -   | 1,278,757,037           | 528,967                                    | -                         | 1,345,034,762         | 36,630,333            | -                     | 1,381,665,095          |      |            |
| Cost of goods sold of social enterprises       | 5,007,110,745             | 256,373,575        | 2,607,348,297               | 2,144,754,044                           | 49,326,529                                  | -                       | -  | -                         | 10,064,913,190        | -                     | -                     | 10,064,913,190         |      |            |
| Publicity, advertisement and sales commissions | 121,242,597               | -                  | 76,166,010                  | 134,659,159                             | 1,310,672                                   | -                       | -  | -                         | 346,193,934           | 10,932,167            | -                     | 357,126,101            |      |            |
| Loan loss provision for microfinance loans     | -                         | -                  | -                           | -                                       | -   | 3,065,446,544           | -  | -                         | 3,065,446,544         | -                     | -                     | 3,065,446,544          |      |            |
| Depreciation of property, plant and equipment  | 152,969,573               | 366,010            | 71,226,604                  | 54,126,969                              | 847,713                                     | 221,815,712             | 259,950,676                                | 22,777,123                | 784,080,380           | 91,418,857            | -                     | 875,499,237            |      |            |
| Provision for bad and doubtful debts           | 1,588,390                 | 5,283,651          | -                           | 12,862,764                              | 255,027                                     | -                       | -  | -                         | 19,989,832            | 191,024,791           | -                     | 211,014,623            |      |            |
| Allocation to self- insurance fund             | -                         | -                  | -                           | -                                       | -   | -                       | 55,611,396                                 | -                         | 55,611,396            | -                     | -                     | 55,611,396             |      |            |
| Grants   | -                         | -                  | -                           | -                                       | -   | -                       | 302,730,374                                | -                         | 302,730,374           | -                     | -                     | 302,730,374            |      |            |
|  | <b>6,771,787,754</b>      | <b>293,782,668</b> | <b>3,256,293,493</b>        | <b>2,712,820,963</b>                    | <b>77,704,861</b>                           | <b>23,503,895,326</b>   | <b>1,096,875,465</b>                       | <b>53,500,360</b>         | <b>37,766,660,990</b> | <b>13,215,811,491</b> | <b>50,982,472,381</b> |                        |      |            |

Included in cost of goods sold of (BRAC Dairy, Printing Pack) is depreciation of property, plant and equipment amounting to Tk. 25,673,480

NOTES



## 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

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