



2017
ANNUAL
REPORT

COVER STORY

Keya

13 years, Cox's Bazar

We walked for 20 days to get to Bangladesh from Myanmar. People in uniforms came to our village one night and started firing shots. My father lost his life.

I got separated from my two brothers and my sister. We ran until we found a boat to take us across the border.

I am happy that I am here now. I live in the camp with my mother and two older brothers. We are safe here. I like that I can study at the learning centre here, and play with other children. My teachers take care of me. I like reciting poems from my childhood. My teachers sometimes ask me to recite in front of the class. My friends love to hear them. This new place feels like home at those moments.

But most nights I cannot sleep. I miss my father, and dream about my little brother and my home in Myanmar.



15

WAYS BRAC WORKED WITH CHILDREN AND YOUNG PEOPLE IN BANGLADESH IN 2017



1.2 million children and young readers walked into 2,900 community libraries (*gonokendros*).



178,445 adolescents took part in our 4,957 adolescent clubs every day, pursuing sports, arts and learning life skills.



12,409 students in selected primary and secondary schools in flood-affected regions accessed ferry boat services, and midday snacks.



3.7 million women and adolescent girls received packages of nutrition-specific services and support.



50,683 children in emergencies supported with education and protection.



14,927 children under 5 who lived amongst people suffering from TB provided with isoniazid preventive therapy to stop development of TB in the future.



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



13,621 changemakers including health workers, teachers, school management committees, mentors, and librarians equipped with skills to promote gender equality.



196 potential young entrepreneurs from across the country saw their ideas incubated.

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CHAIRPERSON'S FOREWORD



Over recent years, significant investments have been made in Bangladesh and other developing countries to ensure the survival and optimal development of children during the first decade of life. In Bangladesh, this has resulted in a substantial drop in child and maternal mortality rates and other notable achievements such as 97% enrolment in primary schools.

We now need to shift our focus to the second decade of children's lives. Calls for investment in children and young people have increased dramatically in recent years. More and more countries agree that policies which help young people fulfil their potential also drive economic development.

Challenges persist in both the education and skills sectors. Approximately 20% of primary school students in Bangladesh drop out before completing class 5. We need to ensure that all children complete their primary schooling and go on to secondary school. Additional efforts are required to empower girls to believe that they are capable of doing everything boys can.

The lack of improvement in the quality and outcomes of education is another concern. Around 2.2 million young people enter Bangladesh's workforce every year, but two out of every five young people are not in employment, education or training. They face a precarious future despite living in some of the fastest-growing economies in history. Globalisation and technology are reshaping the

lives of young people worldwide. 85% of jobs that today's learners will be doing in 2030 do not exist now. There is an urgent need to redesign curricula for secondary, vocational and higher education to develop skills and competences that will meet the needs of the future. Our goal should be to create adaptable learners who are capable of reengineering their own skills and capacities in disrupted economies. Attention must also be paid to developing children and young people's human qualities and values, such as empathy, cooperation and integrity.

Political instability and conflict are leaving young people vulnerable to violence, disrupting their schooling and access to basic health services and, in many cases, inflicting psychological trauma. We must accelerate efforts to protect children and young people from violence, drug abuse, conflict and poverty, to enable them to lead more productive lives and contribute to society.

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

We live in remarkable times. Our world, in recent decades, has halved extreme poverty. There are more girls in school, people are no longer dying in millions from preventable communicable diseases, and more children are living beyond their fifth birthday. The 17 Sustainable Development Goals (SDGs) set a big, bold agenda before the global community, calling to unite efforts and drive positive change through partnerships that leave no-one behind.

Bangladesh enthusiastically embraced the SDGs. The country stands on a realm of possibilities as a confident, visionary and a forward-looking nation. The country's development trajectory is considered as a unique success story globally, in terms of increasing access to education, successful family planning, and a steady reduction in infant and maternal mortality.

BRAC continues to be one of the driving forces behind this progress. We embarked on a new five-year strategy in 2016 which is closely aligned with the SDGs and priorities of the Government of Bangladesh. We continued to achieve large-scale impact through our programmes in 2017, while strengthening our organisational change efforts.

We must acknowledge that we live in an increasingly complex world. The number of forcibly displaced people worldwide surpassed a record 60 million in 2017. Global health threats, more frequent and more intense natural disasters, complex political conflicts and humanitarian crises threaten to stall and even reverse much of the development progress made in recent decades.

As a nation we faced a number of disasters, both natural and man-made, in 2017. Flash floods left thousands of families in the north-eastern Bangladesh with no livelihoods. Torrential rains and deadly landslides affected almost one third of the country. An unprecedented crisis emerged when approximately 700,000 people poured onto the shores of Cox's Bazar from Myanmar's Rakhine State, 67% of them being children and young people. We responded with empathy, strength and hope.

BRAC has over 35 years of experience of working with the local community in Cox's Bazar, and we launched the largest civil society response for the new influx of Rohingyas. We were on the ground from the start, with a multi-sector response which included over 2,500 frontline staff, including 1,115 members from the host community and over 1,000 volunteers from the Rohingya community. Our interventions met the immediate needs of the Rohingyas, while building skills, resilience, and awareness to facilitate their wellbeing as the situation evolves. Taking lessons from our experiences in other countries in humanitarian and development programming, we have been designing, implementing and adapting solutions to comprehensively address the three phases of the crisis - emergency relief, recovery and rehabilitation/repatriation. At a time mired in conflict, BRAC's vision of a world free from all forms of exploitation and discrimination remains as relevant as ever.



Approximately 60% of the total labour force in Bangladesh is under 30 years old. We have many more people who are ready to work, save, and contribute to development than people who need to be supported. This demographic dividend will continue till 2030. We have limited time to turn this potential into opportunity. At BRAC, we are focusing a lot more on prioritising inclusion of young women and men, particularly from poor and marginalised communities, across our social development and humanitarian programmes, and social enterprises. We need to create more jobs and improve the quality of health and education for them to move to the next level of social development and realise the SDGs. We need to ensure that today's young people are ready and willing to take up positive leadership roles in every sphere of society and economy, and front and centre in leading the way to a more sustainable and inclusive Bangladesh.

Personally, I see all of us - citizens, teachers, social organisations, businesses and governments - as role models. Today's young people will be tomorrow's leaders - in families, in workplaces, in communities - and our collective behaviour today is providing the blueprint for how they will lead. Young women and men growing up now face unique challenges that threaten their wellbeing, and hence, our common future. We all share equal responsibility to invest our time and energy in shaping their mindsets and capabilities.

I urge everyone reading this report to ask yourself how you are helping young people to become the leaders that our world needs.

Dr Muhammad Musa
Executive Director

BUILDING A WORLD THAT WORKS FOR ALL OF US

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



VISION, MISSION AND VALUES

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

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

Integrity Innovation Inclusiveness Effectiveness



SOCIAL DEVELOPMENT

Eliminating extreme poverty, Expanding financial choices, Employable skills for decent work, Climate change and emergencies, Gender equality, Universal healthcare, Pro-poor urban development, Investing in the next generation.

Country offices: Afghanistan, Bangladesh, Liberia, Myanmar, Nepal, Pakistan, Philippines, Sierra Leone, South Sudan, Tanzania, Uganda



HUMANITARIAN RESPONSE

We have been providing life-saving services to forcibly displaced Myanmar nationals 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

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



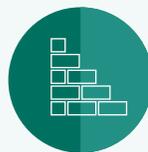
INVESTMENTS

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



BRAC UNIVERSITY

An educational institution's goal is not only to provide the highest quality teaching, but also to inculcate the values essential for tomorrow's leaders. The journey starts by building a high calibre and supportive faculty and administration team who are capable of teaching the most challenging and up-to-date educational programmes, and empowering them with knowledge and life skills so that they can take on the challenges of building themselves and a better nation.



STICHTING BRAC INTERNATIONAL



AFFILIATES

BRAC USA
BRAC UK

If you were to describe this world, which one of the following would you pick?

It is home to magic, art, beauty, and tens of thousands of years of human talent. Or would you say, even though it may be true, that our world is where we live, but it is a place that doesn't work for everyone? Our world is our playground, a platform for the creativity of all seven billion of us.

Sometimes it's hard to believe that a world that works for all of us can be possible. But the opportunities are all around us.

While we all hope for a better future for our world, many of us are building it. If you are a builder, we are betting on you.

The changemaker

The activist

The hero

The mentor

45 years ago, we started building a world we all want to live in. We started in Bangladesh. We listened and learnt, failed and got up again. We never stopped trying. And we never will.

We trust in people, and we take on the impossible, every day. Changing systems of inequity. Turning potential into skill. Ready to go to the end of every last mile, where there are no other signs.

It takes us all to build a world that works for us all.

**We listen, pilot, perfect and scale.
Our DNA is to build.**

As the sun rose this morning, hundreds of thousands of builders rose with it.

Teachers across eight countries opened the colourful doors of the world's biggest secular private education system. 65,000 artisans picked up their needles and started weaving traditional art into beautiful clothing.

Credit officers in one of the world's largest microfinance institutions sat down with women in the remotest corners of seven countries.

Whoever you are, wherever you are, doing good is everyone's business. We have never faced bigger challenges but we have never been more ready. Join the world's biggest family.

Small is beautiful, scale is necessary.



Here at BRAC, we are many things:



social enterprise



non-government organisation



public forum



knowledge hub



social investors



policy advocates



university



crisis responders

and we bring together many different people:



changemakers



activists



heroes



mentors

inspired by a single vision.
Building a world that works for all of us takes all of us.
Get onboard:

follow us

share the ideas

partner with us

take action

Join the world's biggest family.

BANGLADESH SCORECARD

75,658

households graduated from extreme poverty

90%

of households in hard-to-reach regions received healthcare

USD 3.62 billion

total disbursement (increase of 14% from 2016)

33,980

people supported with skills, jobs and decent work interventions

1.3 million

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

48,766

members of women-led grassroots institutions participated in the local power structure

90,025

human rights and legal aid education classes conducted

19,145

malaria cases diagnosed and treated

5,500

houses built back better after fires in urban slums

3.8 million

children, over half of them girls, enrolled in 43,793 schools and centres

62,884

potential labour migrants equipped with information on safe migration

110,267

women supported before, during and after natural and man-made disasters

443,066

people accessed agricultural services

110 million

people reached through our service delivery programmes

43,714

people accessed safe water

162,219

TB cases diagnosed and enrolled for treatment

396,931

children between the ages of 3–5 years accessed early childhood development and pre-primary programmes

5.7 million

total borrowers reached (increase of 6% from 2016)

607,500

people supported during the Rohingya crisis

BRAC ACROSS THE WORLD

02

UK

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

01

USA

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

11

SIERRA LEONE

Initiated: 2008
AFSP, ELA, EPR, Health, MF

06

LIBERIA

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

12

SOUTH SUDAN

Initiated: 2007
Education, ELA, Health

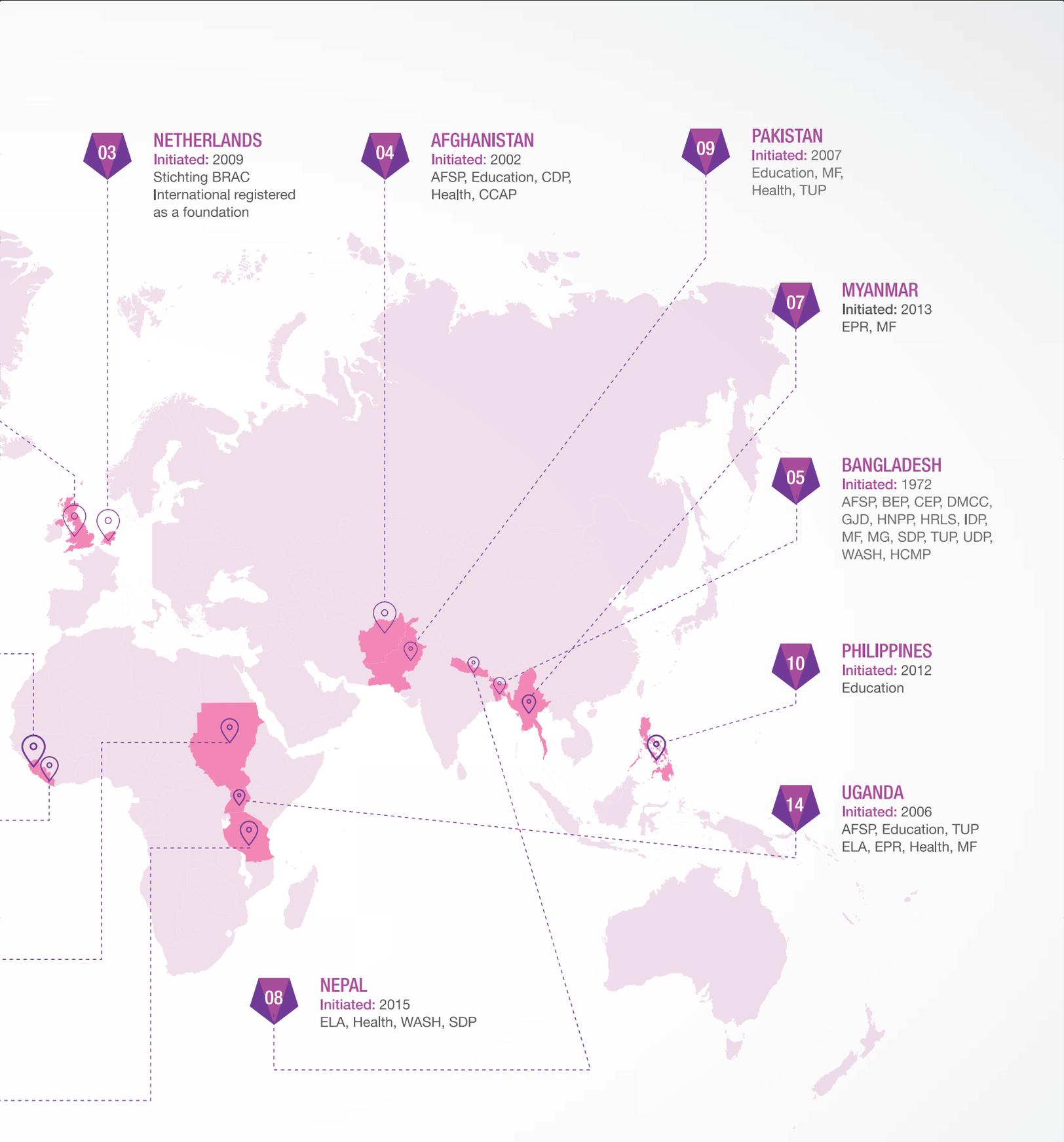
13

TANZANIA

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

AFSP : Agriculture and Food Security Programme
BEP : BRAC Education Programme
CCAP : Citizens Charter Afghanistan Programme
CDP : Capacity Development Programme
CEP : Community Empowerment Programme

DMCC : Disaster, Management and Climate Change
ELA : Empowerment and Livelihood for Adolescents
EPR : Emergency Preparedness and Response
GJD : Gender Justice and Diversity
HNPP : Health, Nutrition and Population Programme



03

NETHERLANDS
Initiated: 2009
Stichting BRAC
International registered
as a foundation

04

AFGHANISTAN
Initiated: 2002
AFSP, Education, CDP,
Health, CCAP

09

PAKISTAN
Initiated: 2007
Education, MF,
Health, TUP

07

MYANMAR
Initiated: 2013
EPR, MF

05

BANGLADESH
Initiated: 1972
AFSP, BEP, CEP, DMCC,
GJD, HNPP, HRLS, IDP,
MF, MG, SDP, TUP, UDP,
WASH, HCMP

10

PHILIPPINES
Initiated: 2012
Education

14

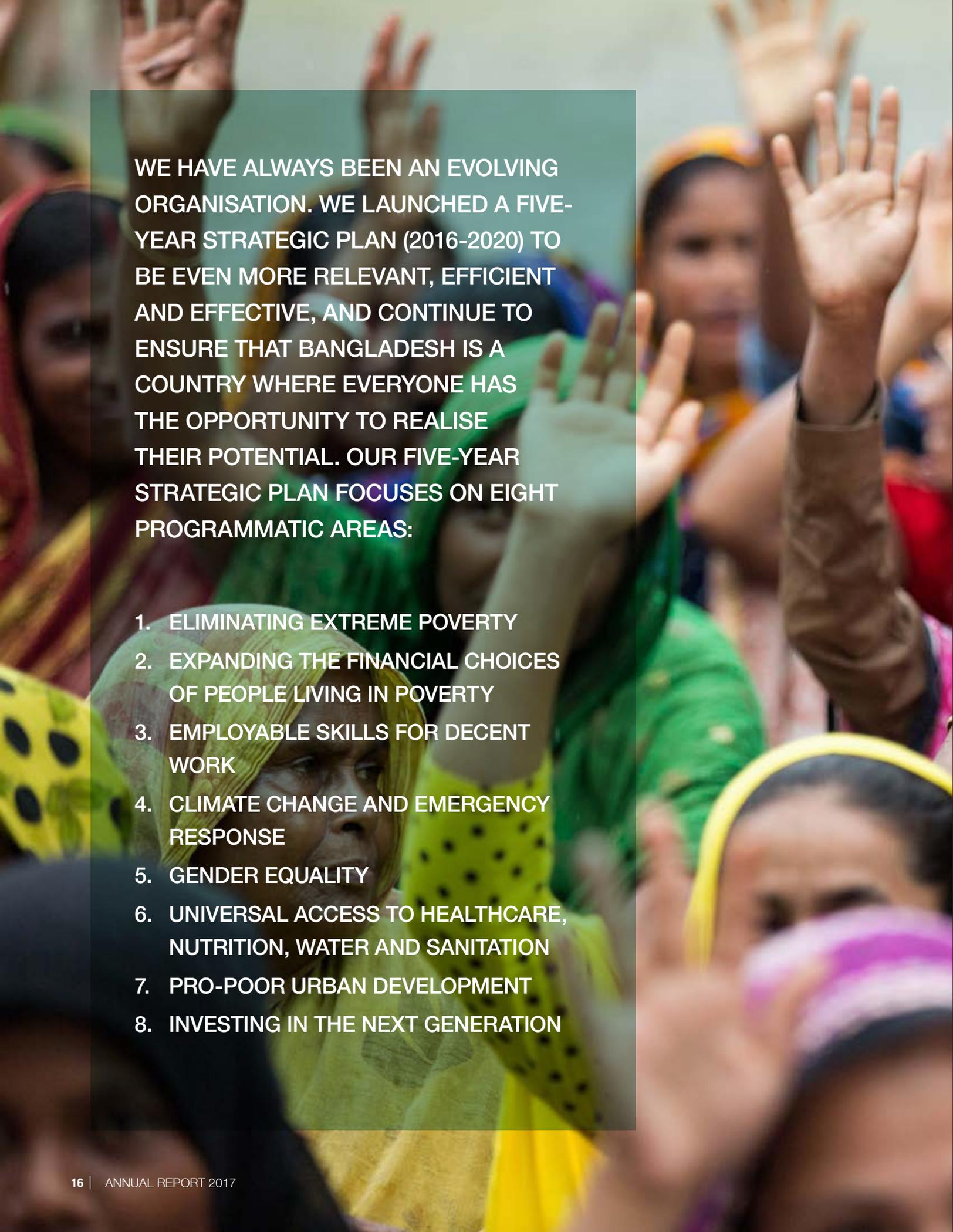
UGANDA
Initiated: 2006
AFSP, Education, TUP
ELA, EPR, Health, MF

08

NEPAL
Initiated: 2015
ELA, Health, WASH, SDP

HRLS : Human Rights and Legal Aid Services
HCMP : Humanitarian Crisis Management Programme
IDP : Integrated Development Programme
MF : Microfinance
MG : Migration

SDP : Skills Development Programme
TUP : Targeting the Ultra Poor
UDP : Urban Development Programme
WASH : Water, Sanitation and Hygiene

A group of women, some wearing headscarves, are gathered together with their hands raised in the air, suggesting an active community meeting or a public gathering. The background is slightly blurred, focusing attention on the women in the foreground.

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:

- 1. ELIMINATING EXTREME POVERTY**
- 2. EXPANDING THE FINANCIAL CHOICES OF PEOPLE LIVING IN POVERTY**
- 3. EMPLOYABLE SKILLS FOR DECENT WORK**
- 4. CLIMATE CHANGE AND EMERGENCY RESPONSE**
- 5. GENDER EQUALITY**
- 6. UNIVERSAL ACCESS TO HEALTHCARE, NUTRITION, WATER AND SANITATION**
- 7. PRO-POOR URBAN DEVELOPMENT**
- 8. INVESTING IN THE NEXT GENERATION**



ELIMINATING EXTREME POVERTY

12.9% of Bangladesh's population lives in extreme poverty. In the wetland (*haor*) areas, 3 out of every 10 people live below the lower poverty line.

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

The Graduation approach blends together elements of livelihoods, social protection, financial inclusion and social integration. Multi-dimensional support addresses immediate needs of participants using grants, interest-free loans and asset transfers, as well as long-term investments in life skills and technical skills training, enterprise development, positive behaviour change, savings and financial planning.

Our Integrated Development Programme offers 75% of the total population in hard-to-reach areas such as wetlands (*haor*), riverine islands (*char*) and indigenous populations living in plain lands with a one-stop point of access to all of BRAC's development interventions, including the Graduation approach.

We are engaging with the Government to effect favourable changes to its social safety net programmes. Internationally, we are promoting adoption of the Graduation approach and continue to support other countries and organisations to adapt the model in different contexts.

THE IMPACT

£1 invested in the Targeting the Ultra Poor programme = £5.40 in income and assets over a period of seven years.

75%–98% of the participants globally meet the country-specific graduation criteria in 18–36 months.

The Graduation approach has been adapted in 45 countries by NGOs, governments and multilateral institutions.

75,658 households graduated from ultra poverty this year in Bangladesh, bringing the total number of households reached to 1.8 million.

ALSO IN BANGLADESH'S HARD-TO-REACH AREAS:

60,000 households supported after devastating flash floods and an additional 33,000 households through flood recovery initiatives. Hydroponic grass introduced as alternative fodder support for livestock in the *haor* region.

90% of the households received basic health services, while 50% had access to financial services. 98% of participants met Graduation criteria, and 99.91% of the students passed Primary Education Completion Examinations of which 60% achieved 'A'.

2,273 women participated in local power structures.

96% of the village development organisations around the gas fields in Sylhet were registered as limited companies under the Cooperative Department of Government of Bangladesh.



KUMARI JOYONTI MOHONTO

16 years, Noagaon

My father fractured his left arm a few years back which left him unemployed for months. He got a few jobs but they lasted only a day or two. My mother took up part-time maid jobs, and when there was nothing else she made mats with her sister-in-law. She was always busy during the day, but I heard her cry many nights - especially those ones when we had not been able to eat much, or when rain came through the roof.

Both my parents always made sure that Sumon and I received proper education. They never compromised over school.

My brother Sumon drove a rickshaw van from the eighth grade. He supported himself and gave my mother whatever remained. He worked this

way until he was done with his HSC. Now he is living in Dhaka, studying in college while teaching part time.

We never owned any land or home. We always lived with others. I was never asked to contribute, but I always did household chores and took care of the cattle.

My mother joining the TUP programme was a kickstart in many ways. We bought cows, and a large amount of our income now comes from selling their milk.

We bought a piece of land and, one year ago, started building the house we now live in. Our first house.

I want to be a teacher when I grow up. I haven't decided what I am going to teach but I will be a provider for my family. Our childhood was always held together by my mother. This is a major issue in rural areas where women working is not accepted, but I watched my mother handle every backlash - and now we have a house. My every footstep was, and shall always be, paved by the ones left by her. I will have a career that will make her proud.

2 EXPANDING THE FINANCIAL CHOICES OF PEOPLE LIVING IN POVERTY

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.

With the help of microfinance, people excluded from the formal banking system can access a suite of financial services such as loans, savings, and microinsurance products.

Microfinance facilitates families to invest in income-generating activities, build assets, smooth consumption and reduce vulnerability to health shocks and natural disasters. It also provides an alternative to high-interest loans from informal lenders, or harmful coping mechanisms such as selling productive assets.

Our range of financial services caters to various demographics in Bangladesh, such as farmers, salaried workers, micro and small entrepreneurs and migrant households. Beyond tailored loans, we also provide short and long-term savings, insurance, and access to mobile money services.

Our microfinance activities, as part of our holistic approach to development, complement our other social services, making a powerful combination for building stable, healthy, and empowered livelihoods.

THE IMPACT

87% of the clients we serve are women.

Our total disbursement reached **USD 3.62 billion**, an increase of **14%** from 2016.

Our total number of borrowers reached **5.7 million**, an increase of **6%** from 2016.

75% of our borrowers availed our insurance services.

We are the **first organisation in Bangladesh**, and the largest in the world, to achieve Smart Certification – signifying our commitment to client welfare.

We deliver **responsible financial services** that protect client rights. Our customer service assistants, located 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.



CHINA AKHTER

32 years, Nawabganj

My family and I have always relied on microfinance to grow our businesses in my home town of Joypara.

I was nervous when I took out my first loan. I was only 27, and had never managed finances on my own. I bought two cows, and built a small dairy farm. It took me five years. I was able to transform not only my financial standing, but also that of people around me. I sent my husband abroad, first as a construction worker in Saudi Arabia, and then to Oman. I also helped my brother go abroad.

We just bought the land next to where we live, and we are planning on going into full-scale vegetable farming, as well as expanding the dairy farm. My son is in school. Shahriar will soon be sitting for his first national board exams, after which he wants to join a sports camp. His dream is to play for the national cricket team. He plays really well. People praise his skill as a fast bowler and they are confident he could play for the national youth team.

I know my son will one day move out of our home town. I try not to feel sad about it. For now, taking care of my aging father is a full-time job. He has written over a hundred folk songs in his younger days and now spends his time setting them to tune. His new songs amuse us all.

3

EMPLOYABLE SKILLS FOR DECENT WORK AT HOME AND ABROAD

Bangladesh sent over a million workers abroad in 2017.

We offer high-quality training to people from all backgrounds, and link graduates with decent work opportunities.

We work in both the formal and informal economy, identifying occupations in demand and skills in short supply, in partnership with market actors and employers.

We offer technical and vocational training, enterprise and institution-based apprenticeships, entrepreneurship and enterprise development, especially for startups in the informal economy. Our projects aim to improve working conditions and strengthen market value chains.

We promote and facilitate safe, regular and responsible migration for potential migrants at every step of their journey so that they can pursue safe migration routes and financing.

We arrange trade-specific training, pre-decision and pre-departure orientation, and life skills training for migrant workers.

Our reintegration service centres in 64 districts provide services to returnees to promote social and economic reintegration, including psychosocial counselling to those who have experienced trauma, and emergency support for returnees.

THE IMPACT

33,980 people across **46** districts supported with skills training, jobs and decent work interventions.

6,343 owners of micro and small enterprises benefited from improved working conditions.

BRAC Institute of Skills Development established, offering government-affiliated training and certification, and City and Guilds Certification. Currently offering **10** courses. **1,425** people trained under the skills for employment investment programme and empowering ready-made garments worker projects.

438 learners placed in jobs in coordination with **350** industries.

62,884 potential labour migrants and their family members equipped with information on safe migration, remittance and financial management.

2,320 potential migrants reached with language training, pre-departure, health and life skills training, and other support services.

BDT 6,935,000 recovered through social arbitration on behalf of deceased and deceived migrant workers.



SHIREEN AKHTER

22 years, Dhaka

I got married at 13. My husband criticised my dark skin and left me with an 11-year-old child. I was ready to take my own life. Fate intervened in the form of Jhuma, who convinced me to take up work at her parlour – as a cleaner at first, then as a makeup artist trained under BRAC’s apprenticeship programme.

Jhuma is my saviour. She treats me like her daughter. All the girls in the parlour go to her and talk to her about everything. Even though I have been out of touch with my son for nearly two years now, Jhuma and the girls at the parlour make sure I do not hold myself back because of my past and that hole in my life.

I look forward to walking the short distance to my workplace – a small beauty parlour in the middle of Mirpur’s bustling streets - every day. I know that I will be dressing brides, straightening hair and plucking eyebrows, as I do every day under Jhuma’s watchful eyes.

I work hard to make my clients happy, hoping their marriages work out better than mine did.

I will soon be leaving for Dubai to replace my aunt at a beauty parlour. I am not afraid at all of a fresh start in a foreign country – in fact, I look forward to it, as I

have done with everything ever since Jhuma made me come back from the point of no return. I was once determined to drain all colour from my life, but now beads and brushes and patterns fill my world.

4 CLIMATE CHANGE AND EMERGENCY RESPONSE

An increase in soil salinity could lead to a 15.6% decline in rice yield by 2050, which will significantly impact the incomes of farmers in coastal areas.

We work in emergency response and recovery, disaster preparedness and risk reduction, and carry out mainstreaming of adaptation and mitigation activities to combat adverse climatic risks and strengthen the resilience of vulnerable communities.

Our goal is to establish BRAC as a leading entity on humanitarian response and address the impact of climate change at national and international levels.

The agricultural sector is one of the sectors most affected by climate change. We work with governments to achieve food security in seven countries across Asia and Africa.

We build systems of production and distribution, offering quality seeds at fair prices while developing better crop varieties and practices. We develop markets using an approach that encourages entrepreneurship and supports countries to become self-sufficient in food production. Our global network of community model farmers are permanent ambassadors of good farming practices.

THE IMPACT

170,875 people reached through holistic humanitarian response and climatic interventions.

110,267 women supported through post-disaster recovery and rehabilitation initiatives towards building resilience.

7,279 children supported through rights-based emergency education.

7,727 people received early warning messages on river bank erosion.

1,855 staff members trained on core humanitarian standards and emergency response.

BRAC adopted a climate change strategy, environment and social safeguard framework and an environment policy.

443,066 people accessed agricultural services.

160,000 farmers trained in higher productive and climate-adaptive crop production technologies through **316** demonstration plots in **52** sub-districts.

204,306 people reached through inter-programme collaboration, farmer support centres and ICT tools for climate-resilient agriculture and improved nutrition.

180 indigenous rice accessions conserved in farm conditions for broader genetic gain.

6 crop production technologies and **2** cropping patterns identified.



MADHURI MALLICK

34 years, Khulna

I was about to sit for my secondary school certificate exams when I was married off. I struggled for years with my in-laws to complete my schooling and earning through tutoring.

As soon as I started making some money, I used it to buy seeds from BRAC. I convinced my husband to move out of the joint family homestead so I could start farming. I enjoyed tilling and sowing, and loved our small piece of land. I tutored and farmed. I kept saving and buying livestock and seeds, and slowly expanding our small farm. When I received training on machine harvesting, I knew my path was set.

I faced a lot of resistance when I first started harvesting crops

using a machine. Landowners and farmers had two issues - first about the machine, and then that a woman was operating it. When they saw the cost benefits, they were forced to rethink.

It was not only cost-effective but saved time, which is really important in Fultola in Khulna, where I live. Time is of the essence with farming, as we face increasingly changing weather patterns every year. Harvesting must be done before the saline water from the rivers starts flowing into the canals. Farmers suffer constantly because of this.

My husband and I were both trained in operating the machines, and now we earn up to BDT 1,000 from harvesting one acre. Other people are seeing the advantages of machine harvesting, and are also slowly starting to believe that women can do it. I love our small farm and I am happy that we can spend time in it.

5 GENDER EQUALITY

There is a backlog of over 3.3 million court cases in courts across Bangladesh.

We provide a platform for one million women to raise their voices through democratic grassroots institutions which aim to close the gap between communities and local governments.

We educate and support women to exercise their rights, develop leadership and support actions against gender-based violence and injustice. In parallel, we work with local governments to improve governance through institutional strengthening and gender sensitising. We also work with students in secondary schools to create safe spaces for girls.

We offer services such as legal education and dispute resolution. We engage with local community leaders

to ensure better access to rights and entitlements.

Through a network of entrepreneurs and staff, we provide land services, including land measurement, to help people with the least access to property to navigate the land ownership system.

This year we accelerated gender integration work within BRAC to align with SDG 5 of increased realisation of rights and resilience for women and girls.

Focus areas included empowering women to claim their rights to equal treatment under the law, combating violence against women and children, drawing on the power of innovation and technology and building leaders. A major area of work was mobilising men and young people, civil society and women's rights activists to inform and influence policy discussions on ending child marriage.

THE IMPACT

24,599 clients accessed basic legal aid services.

USD 3.9 million recovered on behalf of female clients through **19,184** alternative dispute resolutions and court cases.

90,025 women graduated from human rights and legal education courses.

1,775 female survivors of violence received legal aid counselling.

Annual Violence against Women and Children report published, summarising incidents of human rights violations reported through our **12,800** ward-level and women-led institutions.

1.2 million people living in poverty, most of whom were women, accessed social safety net services.

19,367 survivors of domestic violence, most of whom were women, received emergency medical support.

48,766 leaders from our women-led grassroots institutions participated in the local power structure.

78,684 secondary school students educated about awareness on sexual harassment and child marriage.

1.3 million people (53% women) sensitised on ending violence against women and children.

585,906 men and boys engaged in changing gender roles and positive parenting.

Developed capacity of members in **15,135** community-based forums to be agents for gender-transformative change.



MAHINUR AKHTER

16 years, Cumilla

One of my proudest moments was when I stopped my classmate's marriage. We went to her house and spoke to her parents. They did not listen at first, but we did not give up. We explained that girls - including their daughter - can do amazing things if they are given an education. We tried and tried and wouldn't leave until they listened to us. I stopped my sister from getting married off too, because a dowry was involved.

I want to be a development worker. My passion began when I heard about a five-day programme on leadership development, violence against women and children, and cyber-bullying. I was nervous initially, but I learned so much on the very first day. We made a sexual harassment map and marked the riskiest areas. Our teachers helped us. We went to places where a lot of sexual harassment took place, and talked to boys, the police, and people in those communities.

I wrote an essay on these topics, won first prize and was invited to speak at Cumilla Town Hall. Everyone was really proud of me. That is when I started thinking - if a girl like me can win prizes and give a speech at Cumilla Town Hall, why can't all girls? Why should we all just get married as children? My mother was married when she was 12 years old. I don't want to do that. It does not matter if I am a girl. I have so much to do.

6 UNIVERSAL ACCESS TO HEALTHCARE, NUTRITION, WATER AND SANITATION

92% of Bangladesh's population lack access to formal healthcare.

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

Health workers educate, create demand, offer services and connect communities with facilities. We deliver an integrated package of family planning, maternal, newborn, child and adolescent health, nutrition, non-communicable diseases and eye care.

A key focus is maternal care, for which we employ a multi-faceted approach. We promote menstrual hygiene and provide access to reproductive and sexual health services, family planning and antenatal and postnatal care. Our maternity centres ensure safe deliveries.

We work with non-communicable diseases through promoting lifestyle change and conducting screenings, referrals and follow-ups.

We enable access to safe drinking water and hygienic sanitation, and educate on hygiene practices.

We develop WASH committees to identify community gaps, create demand through building awareness and hygiene sessions, and ensure supply by developing water and sanitation entrepreneurs. In secondary schools we provide messages on menstrual hygiene management, ensure separate female toilets with appropriate facilities and provide affordable sanitary napkins.

We follow a holistic, patient-centred approach from diagnosis to treatment and follow-up for TB and malaria in partnership with the government.

Our strategy incorporates modern tools and technologies for case identification, with the eventual goal of zero TB and malaria by 2030. Tackling communicable diseases include ensuring various preventive steps, from distribution of long-lasting insecticidal nets to committing private healthcare providers to notify cases.

New social enterprise models for health and WASH give communities the ability to effectively invest in their own wellbeing. We are piloting several models in addition to our existing services, with the aim of realising our overall goal - quality, affordable care that leaves no one behind.

THE IMPACT

46 million micronutrient sachets distributed to **1 million** children (likely to reduce anemia by 33%).

3.7 million women and adolescent girls received nutrition education.

14 million women and married adolescents counselled on family planning.

2.7 million maternity services provided through BRAC outreach sessions.

479,123 people screened for diabetes and hypertension.

169,292 appropriate reading glasses provided and **29,862** cataract surgeries performed.

43,714 people accessed safe drinking water.

207,404 people gained access to hygienic toilets.

1.49 million adolescent girls counselled on menstrual hygiene management.

110 schools received improved latrines and drinking water sources.

1.35 million TB presumptive cases tested and **162,219** people diagnosed.

95% new smear positive TB cases treated successfully.

337,303 malaria cases tested and **19,145** people diagnosed and treated.

BRAC alone detected over **65%** of the total TB and malaria cases in Bangladesh.



TAHIA TOUSHIN

15 years, Cox's Bazar

I walked 2-3 kilometres from school every day for five years to use a washroom. The neighbours whose homes we would go to would get irritated. Kids would tease us as we stood in long lines outside the homes. I was always embarrassed. Everyone was. Every bathroom break was an ordeal. The boys would come too, making things more uncomfortable.

We got our first deep tube well in 2014. Our school is on a hill though, so it was still hard to access the water when we were at school. Finally, two years ago, a girls' bathroom was built in the school. This changed everything. We no longer had to stand in line or go home dirty. We could wash up whenever we wanted. We did not have to carry water from home, which would warm up by the time we reached school.

I became part of the student brigade, along with six other classmates, and our job was to make sure that the bathroom was in functioning order. We changed soaps and kept the bathroom clean. Fewer and fewer girls miss school days now, and in general we are much more excited about going to school. It now seems like a small thing to new students, but a washroom made the biggest difference for us.

PRO-POOR URBAN DEVELOPMENT

50% of Bangladesh's population will be living in urban areas by 2050. 20 million people are currently living in urban informal settlements.

We deliver customised, affordable and quality basic services to people living in urban poverty and link them with government and non-government services.

In parallel, we empower communities on citizen rights and entitlements, support low-income communities to benefit from urban growth and strengthen their capacity to develop, adopt and effectively implement pro-poor policies and services in urban spaces.

We work in partnership with the government, private sector, professional and other non-government organisations. We build innovations that can bring transformational changes, create opportunities and play a role in better services for urban residents.

We are building a strong policy advocacy platform to promote a citywide planning and management approach that includes low-income settlements in service provisioning. This involves working with urban government institutions, city corporations and municipalities, the Urban Development Directorate and professional institutions.

THE IMPACT

71,000 people in **300** slums across **12** city corporations and **8** municipalities accessed a wide range of services.

MOUs signed with **11** city corporations and **8** municipalities, **21** garment factories and **17** other non-government, government, private, and academic institutions.

3,661 workers in the ready-made garment sector accessed our services.

12 community information resource centres established. **300** community development organisations, community action plans, social mapping and wellbeing analyses completed to improve the quality of life in slums.

1,926 people received livelihood support and **2,277** received education grants.

300 children living on Dhaka streets received services at drop-in centres.

5,500 houses rebuilt and relief coordination and support provided in Korail and Saat Tola slums in partnership with local community organisations and Dhaka North City Corporation.

USD 414,463 leveraged through partnerships and collaborations.



SHUBORNA AKHTER

18 years, Dhaka

My mother found out that I was deaf and mute when I was three years old. She had worked with children with disabilities before, and used her training to teach me the alphabets, numbers and sign language. I started speaking using them when I was six.

My father was worried, and would cry at night. How will we educate her? How will she walk on a busy street? What will she do when we are gone? I wouldn't flinch at loud noises. I would cry for hours without a sound.

My mother home-schooled me. I became really independent. She would write the name of a place

on a piece of paper and I would get on a rickshaw or a bus to get there, alone.

I have always been aware of our financial situation. When my father took me shopping, I never wanted expensive things. I was happy with a packet of pickle for BDT 2 (USD 0.02). In general I try to spend as little as possible. I've recently bought a large bed and a wardrobe for my parents' bedroom though. They deserve comfort after a hard day's work, and I can now afford it. I'm earning BDT 9,500 (USD 100) a month. I was trained in stitching

through BRAC and I work at a garment factory. I am currently saving up for a fridge because my father, sitting in his small street shop for hours, constantly craves cold water.

My parents are not as worried as they once were. I am their pride. People know them as Shuborna's parents.

8 INVESTING IN THE NEXT GENERATION

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

Our low-cost, scalable schooling model across eight countries in Asia and Africa has made us the world's largest private secular education provider.

Our schools have allowed over 12 million children to grow up with opportunities that would have been unimaginable in previous decades.

We address educational needs from early childhood to tertiary level, including indigenous mother-tongue-based curricula for children from ethnic communities.

We partner with governments to provide a second chance to children living in poverty to complete basic primary education through a uniform approach. We support government schools with teacher

training, libraries and computer-aided learning at the secondary level.

We provide scholarships, particularly in Bangladesh and Uganda, and schooling for especially hard-to-reach populations using boat schools in Bangladesh and the Philippines.

Our youth interventions create safe spaces in communities for young people to socialise and learn valuable life skills, employable skills and access finance.

THE IMPACT

3.8 million children, over half of them girls, enrolled in **43,973** schools and centres.

396,931 children between the ages of 3–5 years accessed early childhood development and pre–primary programmes.

60,738 students, who would not have enrolled or finished their education, completed primary education through our non–formal primary education programme.

258,489 children accessed primary education through our fee–based school system.

1.4 million children across Bangladesh engaged in reading, socialising and activity–based learning in our adolescent development clubs, travelling libraries and multi–purpose community learning centres.

475,083 children supported through their secondary educational journey through our Advancing BRAC Graduates programme.

44,898 children with special needs enrolled in our schools and centres.

40,000 of our students were from **56** different ethnic communities.



KANIZ KHONDOKAR MITU

22 years, Mymensingh

The magic of folk music had me spellbound from when I was a child. Music has always been in my veins. When you grow up in poverty you usually dream of a well-to-do job - one that pays your rent, bills and groceries. It is not usual to dream of becoming a singer. My family, like most, expected girls to only do chores and raise children. They threatened to ostracise me if I kept singing.

During a performance in a Boishakhi fair, a man from the crowd walked up to me and said he had never seen such talent. His name was Golam Rabbani Ratan. He offered to pay for my

entire musical education. Each day my father would give me BDT 5 for school, and I would take a rickshaw to Rabbani's house to learn folk literature. I performed in many cultural programmes as a member of a BRAC kishori (adolescent girls') club. In 2011, I participated in BRAC's musical reality show named 'Meghe Dhaka Tara.' It was a national-level competition and I won first prize. This inspired me to pursue music as a career, and I got admitted in the music department of Jatiya Kabi Kazi Nazrul Islam University.

It is one thing to sing the national anthem in a school assembly, but completely different when you do it in a foreign land in front of thousands of people. This year, when I went abroad, one of the judges said that I was the Bangladeshi bomb that blew their minds. I still remember the booming of the microphone when the host shouted "BANGLADESH!" and how I was crying as I got up on the SAUFEST stage in Gujrat. I won first prize in the folk category.





HUMANITARIAN CRISIS MANAGEMENT

An estimated 655,500 Rohingyas have crossed into Bangladesh since 25 August 2017, fleeing violence in Myanmar's Rakhine State.

We are pursuing an adaptive, phase-wise strategy that sequences our interventions to maximise responsiveness and impact, with the aim of providing integrated services to displaced people and host communities.

This includes an initial phase of focused services to address the most urgent needs, a transitional phase of incorporating additional critical services and a more organised phase with comprehensive solutions.

Our approach is providing critical services at scale in the sectors where we are currently a leading provider in Bangladesh, such as water, sanitation, health, nutrition, protection,

education, livelihood security, intensive behavioural change communication and counselling, and distribution of non-food items and shelter as necessary to ensure dignity and wellbeing.

A key focus is supporting the host communities, where we have been working for 32 years already. We have scaled up in a number of areas, including financial inclusion, health, education, and WASH. We have recruited 1,100 humanitarian staff from host communities and increased disbursement of microcredit to support entrepreneurs and small enterprises.

The overall goal is that Rohingyas and host communities live with dignity, security, and opportunity, in social and economic harmony, until acceptable repatriation opportunities become possible.

THE IMPACT

Active in **30** camps and settlements in Ukhiya and Teknaf sub-districts of Cox's Bazar.

13,102 shelters built.

Almost **700,000** consultations provided through community health centre outlets.

37,129 children reached with recreational support through **200** child-friendly spaces in settlements and **15** spaces in host communities.

21,000 children received basic educational support through **200** temporary learning centres.

21,509 pregnant women provided with antenatal care.

40,000 household visits by community mobilisation volunteers providing life-saving messages on topics from vaccinations to cyclone preparedness.

13,340 provided with family planning services.

15,510 latrines, **1,437** tube wells and **4,091** bathing cubicles constructed.

15,949 people tested for TB and **21,550** tested for malaria.

40,452 hygiene sessions provided to address basic sanitation and good practices.

3,422 trees planted within the camps and settlements and **10,957** in host communities.

78 pre-primary schools and **60** adolescent development clubs in host communities.

50 government primary schools and **22** partner NGO schools in host communities supported.



MOHAMMAD AYAAS

12 years, Cox's Bazar

I came from Myanmar on a boat full of strangers. My father and mother were both killed. I got separated from my sisters and brothers. I have not heard from them since I reached Bangladesh. At first I did not know what to do or even what had happened. I still do not understand. I don't have my parents but I do have Rafiq *majhi*. He is the one who takes care of me. He is my father now. I also have a new mother. They love me like my parents used to.

I think about my parents a lot. I don't have any pictures of them but I remember their faces. I also have a friend here - Nabi. He is like my brother.

I love coming to the child-friendly space. I play football with him. We also love playing carom. Nabi is really good. I taught him how to play. We share everything together. Sometimes, we get biscuits and share them with each other. I do not want to stay here forever though. I want to go to Saudi Arabia and build big, tall buildings - so I

am learning English and math. Before coming to Bangladesh, I had never thought about Saudi Arabia. After I came here I heard people talk about how good life can be when one works there and began thinking about it.





SOCIAL ENTERPRISES

Solutions for social challenges and surplus for greater impact.

Two of the most significant challenges that continue to hinder economic growth and social empowerment for marginalised communities are sustainable livelihood generation 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.



SHYAMOLI BISWAS OHONA

Outlet Manager, Aarong
32 years, Dhaka

I bought my mother a purse with my first salary. The smile it brought to her face was priceless. I knew that no matter how expensive a gift she received later, nothing would compare.

It was back in 2008 when I was doing my honours and came upon a job opening at Aarong. I applied immediately and was hired as a sales associate. Many of my friends and relatives asked discouragingly why I wanted to become a shopkeeper. I wanted to do more besides studying. The part-time work allowed me to pay for my tuition fees and my daily expenses. I could have asked my parents for help but I did not

have the heart to. I knew they would sacrifice their own needs for mine.

With the guidance and training that I received at work, I was quickly able to grow professionally. I was promoted to floor manager while pursuing my masters. It was during the same time that I lost my father. He was my best friend, and it was unbearable. My mother was my biggest motivator, encouraging me to keep going.

I worked hard to earn every promotion, eventually landing my current position as the outlet manager. I won't say I have been successful yet. I want Aarong to have a global footprint, and I want to grow with it. I dream of becoming the COO one day. I wish my father was alive to see me today. We can all get hurt and stop when things happen or people criticise us, or we can soothe our bruises and move on. It's always our own choice.

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 lifestyle retail chains.



BRAC Artificial Insemination

Provides insemination services to over 600,000 cattle farmers to boost productivity and optimise on gains made by introducing higher quality cow breeds. BRAC Artificial Insemination offers its services through more than 2,200 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 proper 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 access to high quality dairy products for urban consumers. BRAC Dairy is the third largest milk processor in the country, collecting and processing 122,000 litres of milk on average every day.



BRAC Fisheries

Leverages the potential of Bangladesh's water bodies to boost national fish production. BRAC Fisheries is one of the country's leading suppliers of fish spawn, prawn larvae and fingerlings, in addition to supplying food fish, and operating 15 hatcheries across 10 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 nine years, and currently operates 15 nurseries that are located across Bangladesh.



BRAC Printing Pack

BRAC Printing Pack

Provides flexible packaging material for food items, processed edibles and agricultural inputs. BRAC Printing Pack produces around 1,024 metric tonnes of packaging materials per month.



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 60 metric tonnes of waste paper each year.



BRAC Salt

Provides a steady supply of iodised salt to help curb iodine deficiency in rural populations across the country. BRAC Salt is able to reach approximately 1.7 million people through 137 salt dealers and around 40,000 community health workers.



BRAC Seed and Agro

Processes, produces and markets high quality 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, operating 22 production centres and employing 7,500 contract farmers.



BRAC Sanitary Napkin and Delivery Kit

Produces over 1.1 million safe and affordable sanitary napkins to allow women living in rural and suburban areas to attend work and school regularly, as well as more than 84,000 delivery kits to facilitate safer births. BRAC Sanitary Napkin and Delivery Kit creates income generating opportunities for almost 40,000 community health workers.



BRAC Silk

Promotes silk production through 19 production centres across Bangladesh by engaging rural women in every step of the silk making process. BRAC Silk promotes traditional silk reeling and spinning practices by supporting 35,000 village women to engage in individual 'charka' spinning within their homes. BRAC Silk produces over 1 million yards of silk every year, which are sold through Aarong and trade fairs.





BRAC UNIVERSITY

Producing citizens committed to work towards national progress.

Founded in 2001, BRAC University currently offers undergraduate and graduate degrees to more than 8,000 students. In 2017, BRAC University was ranked the top private university in Bangladesh by QS Asian University Rankings.

We believe strong higher education institutions can make a contribution to national development. Key aspects of the university's role are providing the highest-quality teaching in the region at a reasonable cost and producing the talent and leadership that society requires.

BRAC University endeavours to instill the following qualities and values in its students:

- **Ethical.** We need to nurture a sense of ethics among young people. Young people at all levels need to join the fight against corruption.
- **Entrepreneurial.** We encourage people to become not only job seekers but also job creators.
- **Empathetic.** We must cultivate empathy for others, including the drive to give back to one's society.
- **Effective.** We need a managerial class that understands the value of productivity and effectiveness.

The broad aim of BRAC University is to create 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 defeat poverty.

Departments

Department of Architecture
Department of Computer Science and Engineering
Department of Electrical and Electronic Engineering
Department of Economics and Social Sciences
Department of English and Humanities
Department of Mathematics and Natural Sciences
Department of Pharmacy

Schools

BRAC Business School
School of Law
James P. Grant School of Public Health

Institutes

BRAC Institute of Educational Development
BRAC Institute of Governance and Development
BRAC Institute of Languages



NOORJAHAN BEGUM

Para-counsellor, BRAC Institute of Educational Development
30 years, Cox's Bazar

Bangladesh experienced a dramatic influx of Rohingyas fleeing violence in Myanmar in 2017. BRAC Institute of Educational Development's Centre for Psychosocial Wellbeing was a crucial part of BRAC's response on the ground, ensuring immediate psychosocial support for the new arrivals. A team of para-counsellors and psychosocial workers have been providing counselling and training on cross-cutting issues, such as sexual reproductive health, awareness on protection issues, and hygiene, especially targeting children and adolescents.

I met a really angry 10-year-old when I started working as a para-counsellor in the settlements in Cox's Bazar. Every day he went straight to the music corner of the child-friendly space, and belted out angry songs against the Myanmar Government. He had lost his entire family at the hands of the Myanmar military. I worked on building rapport with him. I diverted his attention towards things that he liked - art and football, it turned out. He switched to reciting *kabbiya* (traditional Rohingya poetry) with his new friends. He emphasised to me the deeper crisis lying underneath the geo-political

layers of the Rohingya crisis - one of identity and trauma, and generations of neglect.

I did my masters in social welfare in Dhaka University and was trained in psychosocial support at the BRAC Institute of Educational Development. As the crisis in Cox's Bazar unfolded, I received intensive training and moved there. Nothing could have prepared me for a crisis of this scale. Our team was one of the first responders on the ground as thousands of people, young and old, most with injuries, poured in every day with horrific experiences to share.

I assisted in establishing child-friendly spaces and providing psychosocial support for children. I learnt their language to be able to communicate easily with the children and give them a sense of home. The experience made me understand the real impact of para-counselling on the lives of people. It strengthened my resolve to pursue higher education and move forward with my career in helping others achieve psychosocial wellbeing.





INVESTMENTS

INVESTING FOR SOCIAL IMPACT.

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 investing to generate financial returns and lasting social and environmental impact are not only compatible, but mutually-reinforcing objectives.



BRAC Bank

Tapping into the entrepreneurial initiatives of the SME sector. Today, with over 220,139 million of loans disbursed till date, BRAC Bank is the country's largest SME financier, and has made more than 410,817 dreams come true. BRAC Bank is also one of the largest financial hypermarkets in the country with more than 750,00 customers and one of the widest array of retail and corporate banking products and services. We have 44.64% shareholding of BRAC Bank.

In 2017:

Launched the country's first holistic banking solution package for women called 'TARA', which offers a platform to guide earning women in planning and achieving their financial goals.

Financial performance:

Consolidated profit after tax increased by 35% to BDT 5,498 million.

BRACNet

Connecting the country through a nationwide wireless network, bringing affordable internet to everyone. We have 19.99% shareholding of BRACNet.

In 2017:

Operated 311 points of presence that provide access to fast and secured internet in over 400 sub-districts across the country.

Financial performance:

Total profit BDT 44.44 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 as a pioneer and market leader in the private sector housing finance sector. DBH earned the highest credit rating 'AAA' for the 12th consecutive year. We have 18.39% shareholding of DBH.

In 2017:

Supported the construction of lab facilities for the students of Rajdhani Mohila College in Mirpur, Dhaka, covering costs worth of BDT 350,000.

Financial performance:

Net profit after tax BDT 949 million.

Guardian Life Insurance

Innovation, proper risk management and prudent investment mechanisms to ensure maximum financial benefits for clients. BRAC Foundation has 10% shareholding of Guardian Life Insurance.

In 2017:

Winner of 'New Insurance Product of the Year - Bangladesh' at the Insurance Asia Awards 2017.

Performance:

Over 24,400 claims worth over BDT 600 million settled.

BRAC Tea Estates

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

In 2017:

Produced 3 million kg of made tea, an increase of 3.55% from last year, and contributed to the national tea production by 4%.

Performance:

Consolidated profit after tax BDT 69 million.

IPDC Finance Limited

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

In 2017:

Loan portfolio grew by 75%, while total customer base doubled and geographic reach increased to 40 districts.

Financial performance:

Profit after tax increased by 10.7% to BDT 335 million.

BRAC IT Services

Innovative, end-to-end technology solutions. We have 51% shareholding of BRAC IT Services.

In 2017:

Transitioned away from BRAC Bank into becoming a wholly-owned subsidiary of BRAC. sbiCloud, the microfinance solution, was successfully implemented in Liberia and Sierra Leone.

Financial performance:

Net profit BDT 60 million.

Maya Apa

A mobile-based digital wellbeing assistant that combines AI and real doctors to connect users to experts when they are looking for advice. We have 20.3% shareholding of Maya Apa.

In 2017:

Became the first Bangladeshi start-up to be accepted into Google's Launchpad Accelerator Programme in California.

Financial performance:

Delivered close to 700,000 consultations with 400,000 monthly active users (MAU), generating BDT 5.9 million.



DR SHAYLA AHMED

Medical Team Lead, Maya Apa
35 years, Dhaka

A father of a seven-year-old child messaged us once. I remember vividly. He sounded utterly helpless. The child, according to him, had traits he could not explain. He would be studying one moment, then would suddenly lose his ability to recognise the words he had just read. His school complained about him. We identified it as a case of dyslexia, but the father had no idea what that was or why it happened. He was so lost.

Another time, a 15-year-old married girl wrote to us regarding menstruation. She had no idea what was happening, did not know who to talk to, did not even know what to ask.

We discuss so little about important issues due to stigma. The most important topics are left out of our medical and school curriculums.

I always frame answers with a family member or friend in mind. What if they were suffering this, what would I recommend? I am always on my toes, always learning and researching and ensuring that my team are too. We focus on the taboo health and mental health topics that people often find too uncomfortable to discuss. We answer correctly, with empathy, and without personal bias or judgement.

I always wanted to be a doctor. My father also wanted to be a doctor but could not do so. I am giving medical advice now, in a completely different way to what either of us expected. I am living the life he wanted. I am very proud of where Maya Apa is today. We are only a very new team, but we are doing some really important work.

DEVELOPMENT PARTNERS

GOVERNMENT ALLIANCES

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

Ministry of Cultural Affairs
Ministry of Education
Ministry of Fisheries & Livestock
Ministry of Food and Agriculture
Ministry of Health and Family Welfare
Ministry of Home Affairs
Ministry of Industries
Ministry of Primary and Mass Education
Ministry of Social Welfare
Ministry of Foreign Affairs
Directors General of Health Services

Ministry of Women and Children Affairs
Ministry of Youth and Sports
National Institute for Local Government
NGO Affairs Bureau, Prime Minister's Office
Tongi Paurashava
All-Party Parliamentary Group
Bureau of Manpower Employment and Training
Ministry of Expatriate 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 2016-2020, and supports BRAC's overarching strategy, in line with the Sustainable Development Goals. Core funding provided through the SPA helps BRAC deliver tangible results for people living in poverty in Bangladesh while enabling it to strengthen its organisational systems and sustainability. The SPA partnership also seeks to influence development practices in Bangladesh and globally through shared learning and advocacy.

Through engaging in a partnership, DFID and DFAT hope to reduce the transaction costs of aid and facilitate greater focus on high-level outcomes rather than inputs. Through the provision of core funding, it 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 globally.



MAJOR INSTITUTIONAL DONORS



RESEARCH AND LEARNING PARTNERS



BRAC MANAGEMENT

EXECUTIVES



DR MUHAMMAD MUSA
Executive Director
BRAC



FARUQUE AHMED
Executive Director
BRAC International



ASIF SALEH
Senior Director, Strategy, Communication
and Empowerment
BRAC and BRAC International



TAMARA HASAN ABED
Senior Director
Enterprises, BRAC

DIRECTORS



ABDUL BAYES
Director, Research and Evaluation



AHMED NAJMUL HUSSAIN
Director, Administration
Administration and Road Safety



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



DR KAOSAR AFSANA
 Director, Health, Nutrition and Population



KAM MORSHED
 Director, Advocacy for Social Change
 Information and Communication
 Technology, Partnership Strengthening Unit



LAMIA RASHID
 Director, Africa Region
 BRAC International



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



DR MOHAMED FOYSOL CHOWDHURY
 Director, Social Innovation Lab



MOHAMMAD ANISUR RAHMAN
 Director, Dairy and Food Enterprise



MOUTUSHI KABIR
 Director, Communications and Outreach
 BRAC and BRAC International



MUNMUN SALMA CHOWDHURY
 Chief People Officer, BRAC International



NANDA DULAL SAHA
 Director, Internal Audit
 BRAC & BRAC International



RACHEL LINDSAY HAGGARD KABIR
 Director, Chairperson's Office



DR SAFIQL ISLAM
 Director, Education



SAIEED BAKTH MOZUMDER
 Director, Tea Estates



SAIF MD IMRAN SIDDIQUE
 Director, Finance, BRAC International

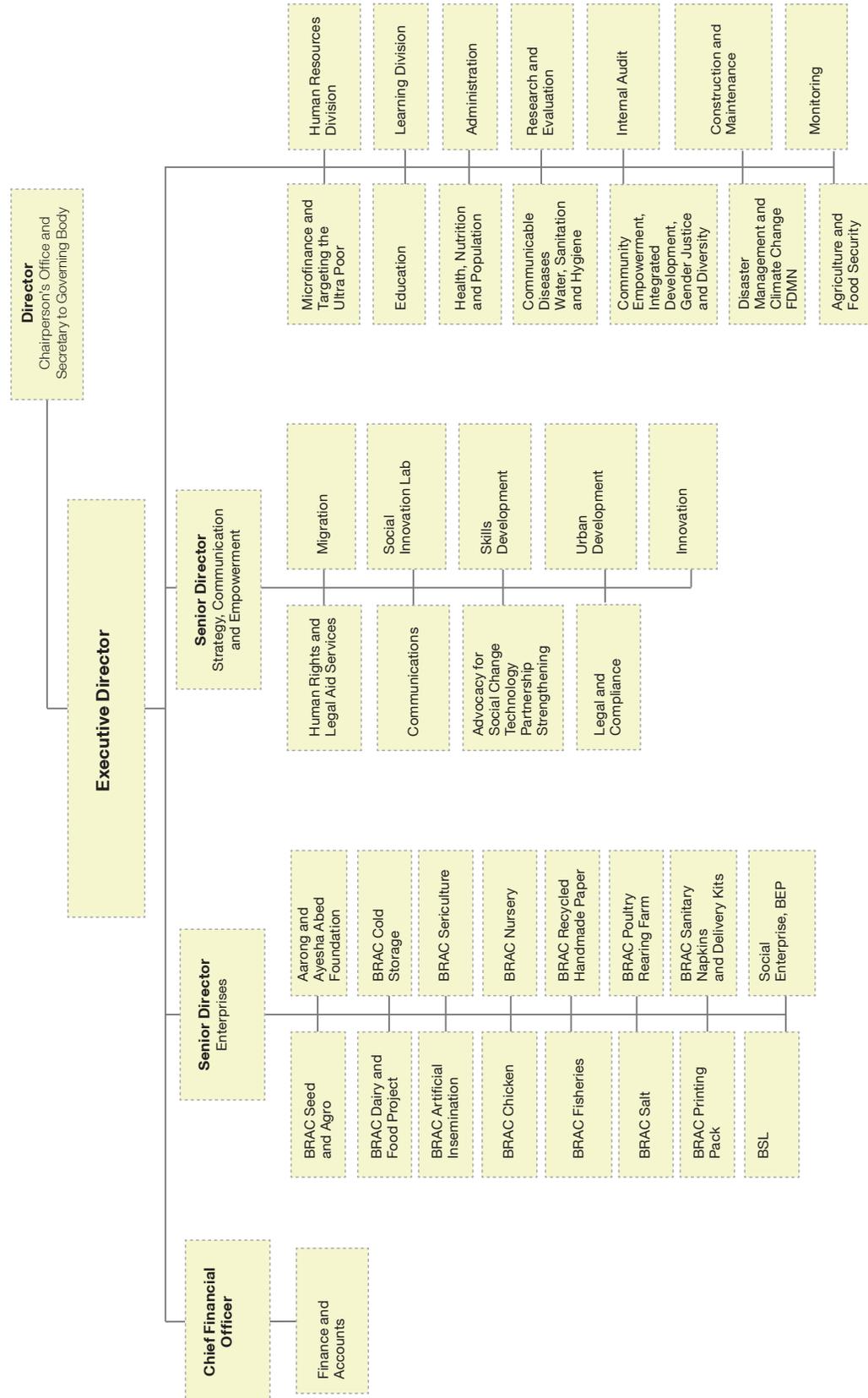


SHAMERAN ABED
 Director, Microfinance, Targeting the
 Ultra Poor, BRAC and BRAC International



DR ZULFIQAR ALI
 Director, Research, BRAC International

BRAC ORGANOGRAM



BRAC GOVERNING BODY

GENERAL BODY

The general body of BRAC consists of 32 members. As per the Memorandum of Association and Rules and Regulations of BRAC, the general body elects the governing body.

BRAC's Annual General Meeting was held in May 2017, in which the general body adopted the audited financial statements for the year ended 31 December 2016, approved the annual budget for 2018, and approved the appointment of external auditors for the year ending 31 December 2017.

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 2018, for the third consecutive year, BRAC was ranked first among the world's top 50 NGOs in terms of impact, innovation and sustainability, by Geneva-based 'NGO Advisor'.

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. 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 both 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).



Dr Mushtaque Chowdhury
Vice Chairperson

Dr Mushtaque Chowdhury is an advisor to the chairperson and founder of BRAC. He is also a professor of population and family health at the Mailman School of Public Health of Columbia University, New York. During 2009-2012, he served as a senior advisor to the Rockefeller Foundation, based in Bangkok, Thailand. He also worked as a MacArthur/Bell Fellow at Harvard University.

Dr Chowdhury is one of the founding members of the Bangladesh Education Watch and Bangladesh Health Watch, two civil society watchdogs on education and health respectively. He is on the board and committees of several organisations and initiatives, including the Advisory Board of the South Asia Centre at London School of Economics, Lead Group for Scaling Up Nutrition Movement at United Nations and is the current chair of the Asia-Pacific Action Alliance on Human Resources for Health (AAAH) and president of Dhaka University Statistics Department Alumni Association (DUSDAA). Dr Chowdhury was a coordinator of the UN Millennium Task Force on Child Health and Maternal Health, set up by the former Secretary General Kofi Annan. He is a recipient of the 'Innovator of the Year 2006' award from the Marriott Business School of Brigham Young University in USA, the PESON oration medal from the Perinatal Society of Nepal in 2008 and Outstanding Leadership Award from Dhaka University Statistics Department Alumni Association. In 2017 he received the 'Medical Award of Excellence' from Ronald McDonald House Charities in Chicago, USA. A book he co-authored, titled *A Simple Solution: Teaching Millions to Treat Diarrhoea at Home*, received an award from the University Press Ltd for its 'outstanding impact'.

He has a wide interest in development, particularly in the areas of education, public health, poverty eradication and environment. Dr Chowdhury has published several books and nearly 200 articles in peer-reviewed international journals.

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

Ms Abdullah currently serves as the chairperson of ASA, Ain o Salish Kendra and NGO Forum. She is also a board member of Democracywatch and Gono Bishwabidyalyal. She started her career at the Comilla Academy for Rural Development and 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.



Latifur Rahman
Member

Mr Latifur Rahman is the chairman and CEO of Transcom Group. He is also the chairman of National Housing Finance and Investments Limited. He was previously chairman of Nestlé Bangladesh Limited (25 years), Holcim Cement Bangladesh Limited (15 years) and director of Linde Bangladesh Limited (10 years).

Mr Rahman is the vice-president of the International Chamber of Commerce Bangladesh. He has been re-elected as member of the Executive Board of the International Chamber of Commerce, Paris, for a second three-year term from July 2017. He is a former president of Metropolitan Chamber of Commerce and Industry, the position he held for seven terms and also a former president of Bangladesh Employers' Federation (two terms).

Mr Rahman was chairman, Bangladesh Government's Tradebody Reforms Committee and member Bangladesh Better Business Forum, Advisory Committee on WTO. He was member of the Executive Board of Bangladesh Bank (Central Bank).

Mr Latifur Rahman is an honouree of 'Oslo Business for Peace Award 2012'. He was awarded Business Executive of the Year 2001 by the American Chamber of Commerce in Bangladesh. He has been honoured with "SAARC Outstanding Leader" award for setting a rare example of doing business by upholding moral and ethical values and was also bestowed with Lifetime Achievement Award by the UK Bangladesh Catalysts of Commerce & Industry, for his outstanding contribution towards development of business and investments and creating employment opportunities in Bangladesh.



Rokia Afzal Rahman
Member

Ms 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 chairman of R.R. Cold Storage Limited, R. R. Foundation, Arlinks Limited, Aris Holdings Limited and R. R. Estates Limited, chairperson of Mediaworld Limited (owning company of "The Daily Star") and MIDAS Financing Limited. She is a director of Mediastar Limited (owning company of "Prothom Alo") and Ayna Broadcasting Corporation Limited (Fm Radio Station - ABC Radio). She is also an independent director of Grameenphone Limited, Bangladesh Lamps Limited, and Marico Limited.

Ms Rokia Afzal Rahman is the vice president of International Chamber of Commerce, Bangladesh and a Trustee Board member of Transparency International 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 the former president of Metropolitan Chamber of Commerce and Industry, Dhaka.

She is chairperson of Banchte Shekha, Jessore - working for the underprivileged and extremely poor. She is a board member of Grameen Telecom Trust, 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 chairman of Presidency University and has received several international and national awards.



Ms Choudhury is an architect who was a part of the Bangladesh Government service for 10 years. She is the director general of Bengal Foundation, a trust that supports and promotes the arts in Bangladesh. She also heads ICE Media and Bengal Publications, both leading publishing houses, and is affiliated with Bengal Institute, a design and research body in Dhaka.



Dr Chen is a lecturer in public policy at the Harvard Kennedy School, an affiliated professor at the Harvard Graduate School of Design, and senior advisor of Women in Informal Employment: Globalising and Organising (WIEGO), a global research-policy-action network that seeks to improve the status of the working poor, especially women, in the informal economy. An experienced development practitioner and scholar, her areas of specialisation are employment, poverty and gender. Dr Chen has spent two decades in Bangladesh and India working for BRAC and Oxfam America.



Mr Khan is a UK qualified chartered accountant and the senior partner of Rahman Rahman Huq (Member Firm of KPMG International).

He has been a council member of the Institute of Chartered Accountants of Bangladesh (ICAB) since 2013. He was the president of ICAB for the year 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 has served as an EC member of Metropolitan Chamber of Commerce and Industry (MCCI), the oldest and one of the most prestigious trade chambers of Bangladesh for six

years ending in 2016, chairing its taxation sub-committee for most of these years.

Mr Khan's past directorships include Biman Bangladesh Airlines, the national flag carrier of Bangladesh, and Electricity Generation Company of Bangladesh Limited.



Ms Hasan is an enrolled lawyer with the Supreme Court of Bangladesh. She is working for the cause of environment as the chief executive of the Bangladesh Environmental Lawyers' Association (BELA), a reputed national NGO. Her main focus is on promoting the notion of environmental justice in Bangladesh. Ms Hasan did her master's and graduation in law from the University of Dhaka with distinction. She started her career with BELA in 1993 and is still with the organisation today.

As the chief executive of BELA, Ms Hasan is responsible for the overall coordination of the activities of BELA, which include research, awareness raising, public interest litigation (PIL) and advocacy. Ms Hasan 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, shipbreaking, 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 without regard for the environment.

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 for judicial activism which has demonstrated that the right to environment is nothing less than a people's right to dignity and life, Ms Hasan was honoured with the Ramon Magsaysay Award in 2012.



Mr Syed S Kaiser Kabir is the 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 the vice chairperson 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 SAJIDA Foundation in 1996, and later joined BRAC-Renata Agro Industries Limited as managing director from 1997 to 2004.

Mr Kabir completed his M. Phil 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

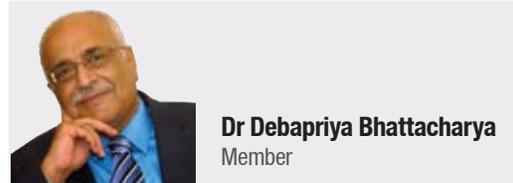
Stichting BRAC International Supervisory Board
BRAC International Holdings B.V. Supervisory Board

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 (the Institute on gender equality and women's history).

Sylvia was part of the anti-poverty movement (director of Oxfam Novib 1994-2008, co-chair of the Global Call to Action against Poverty and EEN) and is now on the boards of BRAC International. 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, lead the project Quality Educators for All with the trade union Education International and continues as a member of the Worldconnectors.

Sylvia 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 senior advisor for Governance & Integrity, helping civil society and corporate entities in organising internal integrity, and to embrace the #METOO movement as an opportunity to make organisations safer for women employees and programme participants.



Dr Debapriya Bhattacharya
Member

Stichting BRAC International Supervisory Board

Dr Debapriya Bhattacharya, a macro-economist and public policy analyst, is currently a Distinguished Fellow at the Centre for Policy Dialogue in Dhaka. He is a former Ambassador and Permanent Representative of Bangladesh to the World Trade Organization offices in Geneva and Vienna, and the special advisor on Least Developed Countries (LDCs) to the secretary general of the UN Conference on Trade and Development (UNCTAD). He is associated with a number of leading institutions, networks and editorial boards of reputed journals. Dr Bhattacharya has studied in Dhaka, Moscow and Oxford, and held a number of visiting positions, including at the Center for Global Development, Washington DC. He is the chair of two global networking initiatives, LDC IV Monitor and Southern Voice on Post-MDG International Development Goals. He has published extensively on trade, investment and finance-related issues of the LDCs and Sustainable Development Goals. His most recent edited book is Southern Perspectives on the Post-2015 International Development Agenda, Routledge, London (2017).



Shabana Azmi
Member

Stichting BRAC International Supervisory Board

Shabana Azmi is an internationally renowned film and theatre actress. She is also a highly respected social activist.

As chairperson of Nivara Hakk, she has worked for the rights of slum dwellers in Mumbai for the last 30 years. She undertook a five-day hunger strike and courted arrest demanding alternative accommodation

for a slum that had been demolished, forcing the government to agree. Nivara Hakk, in concert with the government and a private builder, has built homes for 50,000 slum dwellers at no cost.

As chair of Mijwan Welfare Society she works for the empowerment of rural India with a focus on women and the girl child through education and employment.

Ms Azmi is opposed to religious fundamentalism of all hues and is highly respected as a progressive liberal activist. She has been a former member of the Upper House in India's Parliament.

Ms Azmi is a recipient of the International Gandhi Peace Prize and the Crystal Award at the World Economic Summit in Davos. She has been given countless awards for her work as an actor and an activist. Ms Azmi believes art should be used as an instrument for social change.



Shafiqul Hassan
Member

Stichting BRAC International Supervisory Board

Shafiqul Hassan is the managing director of Echo Sourcing Limited UK and Echotex Limited Bangladesh. Echotex has 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 is the co-founder of Children's Hope, an NGO that works to educate slum children in Dhaka. He is also a co-founder of a clothing label called Ninety Percent, launched in February 2018, which donates 90% of distributed profits to a selection of charitable causes.

He obtained his undergraduate degree from City University, London and his postgraduate degrees from Aston University, Birmingham, UK.



Irene Khan
Member

Stichting BRAC International Supervisory Board

Irene Khan is director-general of the International Development Law Organization (IDLO). She is the first woman to hold this office.

An international thought leader on human rights, gender and social justice issues, Irene 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, Irene 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 is the founding managing director of Grameen Telecom Trust. In her varied professional career Ms Mahmud has worked on social innovations, women's empowerment, entrepreneurship and sustainable development. She previously practised as a chartered accountant. Ms Mahmud is the first woman council member and president of the Institute of Chartered Accountants of Bangladesh (ICAB). She is serving her third term in the Council, ICAB and is the chairperson of CA Women in Leadership Committee. She was also the first female board member of the South Asian Federation of Accountants (SAFA), the apex accounting professional body within SAARC. She was the deputy managing director of PKSf, a major funding organisation for microfinance, and now is a member of the PKSf Board. She sits on the boards of a few leading organisations and chairs the finance and audit committee. She is the chairperson of MIDAS and Shasha Denims Ltd, and is a former chairperson of Acid Survivors' Foundation.



Dr Muhammad Musa
Member

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

Dr Muhammad Musa is the executive director of BRAC. Dr Musa served in more than half a dozen countries as a senior leader in the area of public health, humanitarian and social development for over 35 years, of which 32 years were spent with CARE International.

Early in his career, Dr Musa coordinated a Child Survival Project—a globally acclaimed intervention of CARE that helped Bangladesh to reduce under-5 mortality rate from around 143 in 1990 to little over 30 in 2017. His leadership, skills and ability to mobilise grassroots positioned CARE as a leader in public health programming of Bangladesh, Ethiopia, Sudan, Tanzania and Uganda.

Dr Musa is a successful practitioner of harmonising humanitarian and social development interventions. He has successfully integrated the HIV/AIDS response with development programming in Ethiopia, transitioned the humanitarian programme portfolio of Tanzania, and led adaptation of Project to Programme approach in 15 country portfolios of CARE in the Asia region. BRAC Bangladesh is graduating its humanitarian portfolio in the Cox’s Bazar into a holistic one under his guidance.

Dr Musa is a globally reputed practitioner of complex organisational change processes. He managed the most complex transition of CARE India to a locally governed, globally engaged and financially sustainable CARE Member. He lent his expertise in the transition of CARE in Bangladesh and CARE USA at the global level too. As the board chair, Dr Musa led the reengineering of country’s first private sector financial institution, IPDC Finance Limited, resulting in 11x portfolio growth and market leadership. He is leading strategic transformation of BRAC’s philanthropic model by integrating entrepreneurial principles to future-proof BRAC’s sustainable impact at scale.

Dr Musa is a physician and a public health professional by training. He has received his post- graduate degrees in management of reproductive, maternal, and child health as well as nutrition from Johns Hopkins University, USA.

Dr Mushtaque Chowdhury
Member
Stichting BRAC International Supervisory Board



Dr Fawzia Rasheed
Member

Stichting BRAC International Supervisory Board

Dr Fawzia Rasheed is a specialist in programme design and governance. She has been an advisor to 16 national ministries of health. She has also served as senior policy advisor to a number of national and international development organisations, including UNAIDS, the World Health Organisation, The Global Fund, CARE International, the Aga Khan Development Network, and the Kofi Annan Foundation. As part of fundraising drives, she has worked with Heads of State to advocate for additional resources in health. As well as many years in health sector work in Asia and Africa, Dr Rasheed has been engaged in broader development themes, including election reform, natural resource management, and financial transparency. Specialist institutions she helped conceptualise include the Drugs for Neglected Disease Initiative and the Electoral Integrity Initiative. Dr Rasheed, has authored many papers on health and development and holds a PhD from the London School of Hygiene and Tropical Medicine.

FINANCE AND AUDIT COMMITTEE

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

- | | |
|--|--------|
| 1. Dr Mushtaque Chowdhury | Chair |
| Vice Chairperson, BRAC Governing Body | |
| 2. Tahrunnesa Abdullah | Member |
| BRAC Governing Body | |
| 3. Adeeb H Khan | Member |
| BRAC Governing Body | |
| 4. Parveen Mahmud , FCA (Independent) | Member |
| 5. Dr Muhammad Musa | Member |
| Executive Director, BRAC (ex-officio) | |

Saif Md Imran Siddique, Director Finance (Acting), 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 (the committee) is to assist the governing body (the board) in fulfilling its responsibilities for:

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

Meetings during 2017

A total of two meetings were held during 2017.

Meeting date: May 21, 2017

Highlights of the decisions taken

- The Committee approved the Annual Operating Plan (AOP) and revised Internal Audit Plan of Internal Audit Department for 2017.
- The committee recommended the Audited Annual Accounts of BRAC for 2016 for approval of BRAC Governing Body.
- The Committee recommended to BRAC Governing Body for approval of the revised Annual Budget of BDT 8,520 crore

for 2017 and proposed Annual Budget of BDT 10,085 crore for 2018.

- The Committee to BRAC Governing Body for approval of Financial Year Budget of BDT 9,303 crore for the period from July 2017 to June 2018 for BRAC.
- The Committee recommended for approval of BRAC General Body that A. Qasem & Co., Chartered Accountants, Bangladesh be appointed as the auditor of BRAC for 2017
- Mohammad Mamdudur Rashid will take up the responsibility of Chief Financial Officer on July 1, 2017 and will act as a member of Internal Audit Review Management Committee.
- S N Kairy holding the position of Treasurer, BRAC university with effect from July 1, 2017 and will act as an independent member of the Internal Audit Review Management Committee replacing Mr Sukhendra Kumar Sarkar.
- The Committee suggested to review the report of Risk Management Services about the rating of extreme risk of Finance & Accounts and Health, Nutrition & Population Programme and suggested to revise the risk categories.
- The Committee further suggested to review all other reports of Risk Management Services after discussion with relevant programmes.
- The Committee approved the BRAC Risk Management Policy and Framework subject to modification in the composition of the Risk Management Committee as follows:
 1. Executive Director, BRAC
 2. Chief Financial Officer, BRAC & BRAC International
 3. Senior Director(s)
 4. Chief People Officer, BRAC
 5. Director, Administration
 6. Director, Internal Audit Department
 7. Concerned Directors (respective Director of a programme will be a member when the respective programme risk is identified).

Meeting date: November 29, 2017

Highlights of the decisions taken

- The Committee reviewed the budget of BDT 8,646 crore for 2018 for BRAC and recommended to place in BRAC Governing Body meeting.
- The Committee approved the following changes to the Internal Audit Charter:
 - Section 8 – Independence: To maintain the independence of Internal Audit Department from other BRAC departments and other Offices, its personnel shall report to the Director-Internal Audit, who shall report to Committee and Executive Director.
 - Section 10 – Audit Planning: Director, Internal Audit shall submit Annual Audit Plan to the Committee with a copy to Executive Director.
 - Section 12 – Accountability: The Internal Audit Department shall be accountable to the Committee.
 - Section 16 – People: The appointment, dismissal or replacement of top executives of Internal Audit Department will be placed by the Executive Director in consultation with the Executive Management Committee (EMC) and approval from Chair of the Finance and Audit Committee of BRAC.
- The Committee approved the Internal Audit Plan for 2018.
- The Committee approved the KPI (AOP) 2018 subject to the inclusion of supporting “Humanitarian Programme in Cox’s Bazar for FDMN [FDMN: Forcibly Displaced Myanmar Nationals]” in KPI (AOP) of 2018.
- The Committee approved that Internal Audit Department will continue to review the compliance of external auditor’s observations.
- The Committee advised Risk Management Services to include Cyber Risk & Regulatory Risk.
- The Committee approved that Risk Management Committee Meeting and IARMC (Internal Audit Review Management Committee) would be held on the same day of the IARMC but ahead of the latter meeting. The effectiveness of the combined meetings will be reviewed in a subsequent BRAC Finance and Audit Committee meeting.
- The Committee advised Risk Management Services to update about organization level risks in the PCC forum on quarterly basis.

Management Investment Committee

The Management 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. Dr Muhammad Musa**
Executive Director, BRAC
Chairperson
- 2. Asif Saleh**
Senior Director, BRAC
Member
- 3. Tamara Abed**
Senior Director, BRAC
Member
- 4. Shameran Abed**
Director, BRAC
Member

Usually, Investment committee meets twice a year. Saif Md Imran Siddique, Director Finance (Acting), BRAC, acts as secretary of the committee.

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 put the report before the BRAC Governing Body for their consideration. Currently, Ahmed Ataul Hakeem FCMA is playing the role of Ombudsperson of BRAC.

The roles of the ombudsperson are

- The Ombudsperson can also investigate any grievance/ complaint made to him by any individual/third party concerning any decision taken by BRAC.
- Ombudsperson can also investigate by his own regarding any issue of BRAC such as corruption, abuse of power or discretion, negligence, oppression, nepotism, rudeness, arbitrariness, unfairness and discrimination or may give appropriate recommendations to improve BRAC’s performance.
- Anyone (Management or an Employee) can complain/ ask to Ombudsperson to investigate any incident of misadministration and misuse of power within the organization.

Award and recognition

BRAC was awarded the 'AAA' by Credit Rating Agency of Bangladesh Ltd. (CRAB). (The 'AAA' means Extremely Strong Capacity and Highest Quality) BRAC has been receiving 'AAA' rating consecutively for the last eight years.

BRAC received many awards in the field of financial transparency in different times. In 2017, BRAC received the following award:

- 1st position in the Institute of Chartered Accountants of Bangladesh (ICAB) National Award under the category of NGOs for the year 2016.

Membership of Accountable Now

BRAC became a full charter member of the Accountable Now (previously known as INGO Accountability Charter) in December 2013. It is registered as a company in England and having its secretariat in Berlin, Germany. Accountable Now is a cross-sector platform of development, humanitarian, environmental, rights-based and advocacy organisations and networks. At present, Accountable Now has 27 members.

The Accountability Reports submitted by BRAC are available in the website of Accountable Now at this link:

<http://accountablenow.org/accountability-in-practice/accountability-reports/brac>

Risk management

Risk Management Services is working with an aim to ensure all risks are prudently identified, analysed and managed in accordance with the principles for managing risks in the risk management framework according to ISO 3100:2009 international standard.

The key purpose of Risk Management Services is to protect and add value to the organisation, and ensure a proactive risk-based culture and management decision making process.

Risk management is a continuous process and an integrated part of organisational strategy implementation. Risk Management Services provides consultation and capacity development across BRAC and strategic partners. All major development programmes, support functions and social enterprises' risks have been assessed and mitigation plans taken to reduce future threats. In 2017, top organisational level risks have been identified aligned with BRAC's strategy. An early warning automated tool was introduced to highlight microfinance branch level risk exposure regularly which contributed to establishing risk-based audit culture and reporting.

Risk Management Services provides regular reporting to Risk Management Committee and the governing body of BRAC. Risk management is included in the organisation's policies, procedures and practices, and embedded in major organisational activities. Risk management methodology applies throughout the life of an organisation to any type of risk, whatever its nature, or whether having positive or negative consequences.

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, 2017 has been approved in the AGM.

Our commitment

We have the talent, expertise and passion to succeed. BRAC believes that success and responsibility go together. As the currently ranked number one NGO in the world, we will continue to play our part as a responsible organisation and contribute to the economy of the country.

FINANCIALS

Revenue Expenditure

	Year 2017		Year 2016	
	USD million	%	USD million	%
Social Enterprises	158.55	25.72%	148.92	28.49%
Microfinance	284.21	46.10%	221.12	42.30%
Education	54.17	8.79%	51.18	9.79%
Health	46.74	7.58%	45.23	8.65%
Ultra Poor	22.12	3.59%	24.82	4.75%
Forcibly-displaced Myanmar Nationals	9.77	1.58%		
Water, Sanitation and Hygiene	5.36	0.87%	2.47	0.47%
Disaster Management and Climate Change	4.05	0.66%		
Skills Development Programme	3.70	0.60%		
Agriculture and Food Security	1.59	0.26%	1.84	0.35%
Others*	26.21	4.25%	27.18	5.20%
Total	616.47	100.00%	522.77	100.00%

NOTES

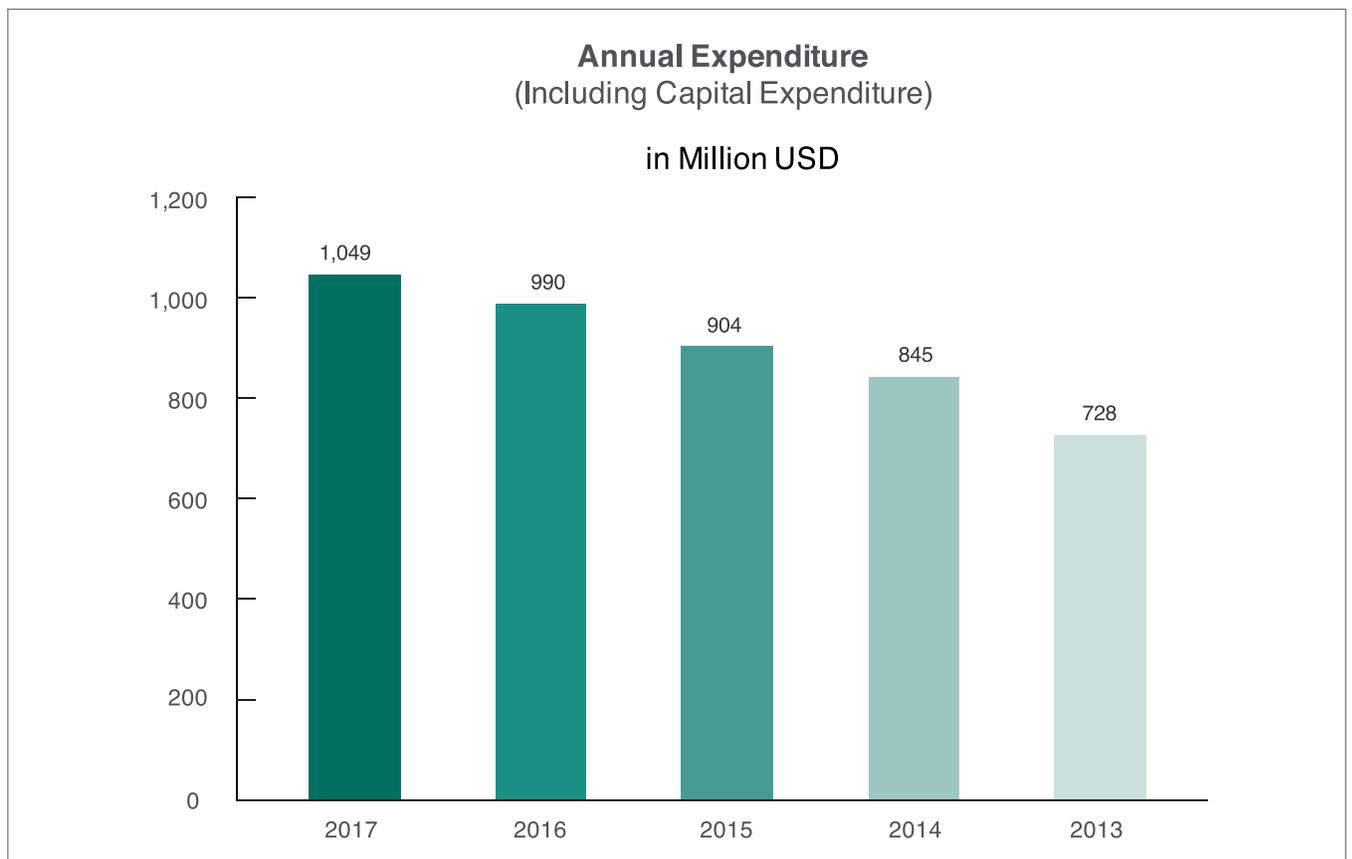
- * Others include the following: Gender Justice and Diversity, Community Empowerment Programme, Human rights and Legal Aids Services, Policy Advocacy and others.

Contribution of BRAC to Government Exchequer

Income Year	2017		2016	
	BDT	USD	BDT	USD
Income Tax deduction at source by third parties	119,773,978	1,448,295	161,894,328	1,957,610
Tax deduction at source from third parties	292,835,975	3,540,943	136,292,300	1,648,033
Income Tax deduction at source from Staff salary	74,512,272	900,995	45,409,731	549,090
VAT collection from customers	701,450,598	8,481,869	563,174,865	6,809,853
Import Duty paid	68,127,733	823,794	14,097,254	170,463
Total	1,256,700,556	15,195,895	920,868,478	11,135,048

Grant Composition

	Year 2017		Year 2016	
	USD million	%	USD million	%
DFID	71.32	44.32%	88.20	62.96%
The Global Fund	31.64	19.66%	16.66	11.89%
DFAT	21.50	13.36%	15.71	11.21%
Bill and Melinda Gates Foundation	10.56	6.56%		
UNICEF	2.72	1.69%	2.98	2.13%
BRAC-USA	4.18	2.60%	2.71	1.93%
Embassy of the Kingdom of the Netherlands (EKN)	3.98	2.48%		
The Global Alliance for Improved Nutrition (GAIN)	2.87	1.78%	2.27	1.62%
USAID	2.39	1.48%		
UNHCR	1.95	1.21%		
EACI, QATAR	1.42	0.88%	2.02	1.44%
Others	6.41	3.98%	9.55	6.82%
Total	160.93	100.00%	140.09	100.00%



BALANCE SHEET CONVERTED TO USD
as at December 31, 2017
(NOT PART OF AUDITED FINANCIAL STATEMENTS)

	2017		2016	
	BDT	USD	BDT	USD
ASSETS				
Cash and bank balances	21,024,279,120	254,223,448	17,489,571,753	211,482,125.19
Advance, deposits and prepayments	10,012,346,517	121,068,277	7,295,740,591	88,219,354
Inventories	4,963,482,830	60,017,930	3,768,066,753	45,563,080
Grants and accounts receivable	3,432,380,353	41,503,995	2,407,292,289	29,108,734
Microfinance loans	163,229,190,720	1,973,750,795	135,838,491,181	1,642,545,238
Motor cycle loans	692,968,379	8,379,303	803,055,814	9,710,469
Investments in securities and others	1,925,728,676	23,285,716	1,623,801,300	19,634,840
Investments in related undertakings	17,361,028,752	209,927,796	14,729,921,204	178,112,711
Property, plant and equipment	17,350,511,791	209,800,626	15,735,398,674	190,270,842
TOTAL ASSETS	239,991,917,138	2,901,957,886	199,691,339,559	2,414,647,395
LIABILITIES AND NET ASSETS				
LIABILITIES				
Liabilities for expenses and materials	9,664,233,920	116,858,935	7,289,576,607	88,144,820
Bank overdrafts	23,688,516,176	286,439,132	13,479,844,500	162,996,911
Term loans	28,969,558,656	350,296,961	32,992,032,670	398,936,308
Members' savings deposits	59,880,530,227	724,069,289	50,118,837,575	606,031,893
Grants received in advance	3,149,635,367	38,085,071	1,214,294,835	14,683,130
Deferred income	692,029,289	8,367,948	456,219,613	5,516,561
Other long term liabilities	13,140,029,256	158,887,899	12,056,575,743	145,786,889
Provision for taxation	2,553,941,030	30,881,996	2,037,941,030	24,642,576
TOTAL LIABILITIES	141,738,473,921	1,713,887,230	119,645,322,573	1,446,739,088
NET ASSETS				
Unrestricted	97,097,840,599	1,174,097,226	78,907,318,888	954,139,285
Temporarily restricted	1,155,602,618	13,973,429	1,138,698,098	13,769,022
	98,253,443,217	1,188,070,656	80,046,016,986	967,908,307
TOTAL LIABILITIES AND NET ASSETS	239,991,917,138	2,901,957,886	199,691,339,559	2,414,647,395

Exchange Rate: 1 USD = BDT 82.70 as of December 31, 2017

STATEMENT OF INCOME AND EXPENDITURE CONVERTED TO USD
for the year ended December 31, 2017
(NOT PART OF AUDITED FINANCIAL STATEMENTS)

	2017		2016	
	BDT	USD	BDT	USD
INCOME				
Donor grants	11,705,986,813	141,547,604	10,576,643,869	127,891,703.37
Social Enterprises	14,970,226,455	181,018,458	14,149,911,220	171,099,289
Microfinance Programme	37,890,583,381	458,169,086	31,937,554,303	386,185,663
Self-financing Social Development Programme	640,295,209	7,742,385	360,359,527	4,357,431
Investment income	543,617,402	6,573,366	2,147,416,695	25,966,345
Community Contribution	1,375,712,028	16,634,970	1,277,068,747	15,442,186
House Property	93,062,652	1,125,304	88,616,754	1,071,545
TOTAL INCOME	67,219,483,940	812,811,172	60,537,571,115	732,014,161
EXPENDITURE				
Social Enterprises	13,112,389,739	158,553,685	12,316,093,802	148,924,955.28
Micro Finance Programme	23,503,895,326	284,206,715	18,286,281,951	221,115,864
Education Programme	4,480,157,832	54,173,613	4,232,396,917	51,177,714
Health Programme	3,865,359,912	46,739,539	3,740,926,677	45,234,905
Ultra Poor Programme	1,829,575,433	22,123,040	2,053,016,421	24,824,866
Forcibly-displaced Myanmar Nationals	807,653,622	9,766,066		
Water, Sanitation and Hygiene Programme	443,028,511	5,357,056	204,137,601	2,468,411
Community Empowerment Programme	411,173,013	4,971,862	378,283,895	4,574,170
Disaster Management and Climate Change	334,753,011	4,047,799		
Human Rights and Legal Aids Services	329,312,602	3,982,015	275,116,681	3,326,683
Skills Development Programme	305,918,160	3,699,131		
Grants	302,730,374	3,660,585		
Gender, Justice and Diversity	166,043,264	2,007,778	151,869,846	1,836,395
Agriculture and Food Security	131,816,903	1,593,917	152,339,096	1,842,069
Policy Advocacy	64,429,597	779,076	151,053,311	1,826,521
House Property	53,500,360	646,921	47,388,905	573,022
Other Development Projects	840,734,722	10,166,079	1,243,813,518	15,040,067
TOTAL EXPENDITURE	50,982,472,381	616,474,878	43,232,718,621	522,765,642
Surplus of income over expenditure before taxation	16,237,011,559	196,336,295	17,304,852,494	209,248,519
Taxation	(516,000,000)	(6,239,420)	(486,000,000)	(5,876,663)
NET SURPLUS FOR THE YEAR	15,721,011,559	190,096,875	16,818,852,494	203,371,856

Exchange Rate: 1 USD = BDT 82.70 as of December 31, 2017

**AUDITORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
OF BRAC IN BANGLADESH
For the year ended December, 2017**

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

We have audited the accompanying Financial Statements of BRAC, which comprise the Balance Sheet as at 31 December 2017, and the Statement of Income and Expenditure, Statement of Changes in Net Assets and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out in note 1 to 33.

Management of BRAC's responsibility for the Financial Statements

The management of BRAC is responsible for the preparation and fair presentation of these financial statements so as to give a true and fair view in accordance with the accounting policies as summarised 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.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the financial statements that give a true and fair view 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 accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BRAC as at 31 December 2017 and of its financial performance and cash flows for the year ended in accordance with the accounting policies summarised in Note 2 to the financial statements.

Purpose of the report

This report is intended solely for the Governing Body of BRAC as required by Clause 37 of the Rules and Regulation of BRAC and for no other purpose. We do not assume responsibility to any other person for the content of this report.



A. Qasem & Co.
Chartered Accountants

Dated: 15 March 2018

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Balance Sheet
As at 31 December 2017

Notes	31-Dec-17 Taka	31-Dec-16 Taka	
ASSETS			
Cash and bank balances	3	21,024,279,120	17,489,571,753
Advance, deposits and prepayments	4	10,012,346,517	7,295,740,591
Inventories	5	4,963,482,830	3,768,066,753
Grants and accounts receivable	6	3,432,380,353	2,407,292,289
Microfinance loans	7	163,229,190,720	135,838,491,181
Motor cycle loans	8	692,968,379	803,055,814
Investments in securities and others	9	1,925,728,676	1,623,801,300
Investments in related undertakings	10	17,361,028,752	14,729,921,204
Property, plant and equipment	11	17,350,511,791	15,735,398,674
TOTAL ASSETS		239,991,917,138	199,691,339,559
LIABILITIES AND NET ASSETS			
LIABILITIES			
Liabilities for expenses and materials	12	9,664,233,920	7,289,576,607
Bank overdrafts	13	23,688,516,176	13,479,844,500
Term loans	14	28,969,558,656	32,992,032,670
Members' savings deposits	15	59,880,530,227	50,118,837,575
Grants received in advance	16	3,149,635,367	1,214,294,835
Deferred income	17	692,029,289	456,219,613
Other long term liabilities	18	13,140,029,256	12,056,575,743
Provision for taxation		2,553,941,030	2,037,941,030
TOTAL LIABILITIES		141,738,473,921	119,645,322,573
NET ASSETS			
Unrestricted	27	97,097,840,599	78,907,318,888
Temporarily restricted		1,155,602,618	1,138,698,098
		98,253,443,217	80,046,016,986
TOTAL LIABILITIES AND NET ASSETS		239,991,917,138	199,691,339,559

The annexed notes 1 to 33 form an integral part of these financial statements.


Chairperson, Governing Body
 BRAC

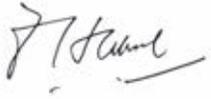

Director Finance
 BRAC & BRAC International


Executive Director
 BRAC

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
For the year ended 31 December 2017

Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2017 Taka
INCOME			
Donor grants	19 308,026	11,705,678,787	11,705,986,813
Social Enterprises	20 14,970,226,455	-	14,970,226,455
Microfinance Programme	21 37,890,583,381	-	37,890,583,381
Self-financing Social Development Programme	22 640,295,209	-	640,295,209
Investment income	23 543,617,402	-	543,617,402
Community Contribution	24 -	1,375,712,028	1,375,712,028
House Property	93,062,652	-	93,062,652
TOTAL INCOME	54,138,093,125	13,081,390,815	67,219,483,940
EXPENDITURE			
Social Enterprises	13,112,389,739	-	13,112,389,739
Micro Finance Programme	23,503,895,326	-	23,503,895,326
House Property	53,500,360	-	53,500,360
Agriculture and Food Security	-	131,816,903	131,816,903
Community Empowerment Programme	4,955,808	406,217,205	411,173,013
Education Programme	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	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	421,532,818	1,408,042,615	1,829,575,433
Forcibly-displaced Myanmar Nationals	-	807,653,622	807,653,622
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	569,813,184	840,734,722
Grants	302,730,374	-	302,730,374
TOTAL EXPENDITURE	37,766,660,890	13,215,811,491	50,982,472,381
Surplus/(deficit) of income over expenditure	16,371,432,235	(134,420,676)	16,237,011,559
BRAC Contribution to support Donor Funded Programme	(151,325,196)	151,325,196	-
Surplus of income over expenditure before taxation	16,220,107,039	16,904,520	16,237,011,559
Taxation	28 (516,000,000)	-	(516,000,000)
NET SURPLUS FOR THE YEAR	15,704,107,039	16,904,520	15,721,011,559

The annexed notes 1 to 33 form an integral part of these financial statements.


Chairperson, Governing Body
BRAC


Director Finance
BRAC & BRAC International


Executive Director
BRAC

Date: 15 March 2018

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Income and Expenditure
For the year ended 31 December 2016

	Notes	Unrestricted Taka	Temporarily Restricted Taka	Total 2016 Taka
INCOME				
Donor grants	19	-	10,576,643,869	10,576,643,869
Social Enterprises	20	14,149,911,220	-	14,149,911,220
Microfinance Programme	21	31,937,554,303	-	31,937,554,303
Self-financing Social Development Programme	22	360,359,527	-	360,359,527
Investment income	23	2,147,416,695	-	2,147,416,695
Community contribution	24	-	1,277,068,747	1,277,068,747
House Property		88,616,754	-	88,616,754
TOTAL INCOME		48,683,858,499	11,853,712,616	60,537,571,115
EXPENDITURE				
Social Enterprises		12,316,093,802	-	12,316,093,802
Micro Finance Programme		18,286,281,951	-	18,286,281,951
House Property		47,388,905	-	47,388,905
Agriculture and Food Security		-	152,339,096	152,339,096
Community Empowerment Programme		4,513,947	373,769,948	378,283,895
Education Programme		224,993,467	4,007,403,450	4,232,396,917
Gender, Justice and Diversity		-	151,869,846	151,869,846
Health Programme		4,574,480	3,736,352,197	3,740,926,677
Human Rights and Legal Aids Services		-	275,116,681	275,116,681
Policy Advocacy		-	151,053,311	151,053,311
Water, Sanitation and Hygiene Programme		-	204,137,601	204,137,601
Ultra Poor Programme		-	2,053,016,421	2,053,016,421
Other Development Projects		347,476,077	896,337,441	1,243,813,518
TOTAL EXPENDITURE		31,231,322,629	12,001,395,992	43,232,718,621
Surplus of income over expenditure before taxation		17,452,535,870	(147,683,376)	17,304,852,494
BRAC Contribution to support Donor Funded Programme		(148,800,551)	148,800,551	-
Surplus of income over expenditure before taxation		17,303,735,319	1,117,175	17,304,852,494
Taxation	28	(486,000,000)	-	(486,000,000)
NET SURPLUS FOR THE YEAR		16,817,735,319	1,117,175	16,818,852,494

The annexed notes 1 to 33 form an integral part of these financial statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Changes in Net Assets
For the year ended 31 December 2017

	Net Assets		Total Net assets
	Unrestricted	Temporarily restricted	
	Taka	Taka	Taka
At 1 January 2016	62,043,960,522	1,137,580,923	63,181,541,445
Net surplus for the year	16,817,735,319	1,117,175	16,818,852,494
Share of non operating changes in net assets in related undertakings	45,623,047	-	45,623,047
At 31 December 2016	<u>78,907,318,888</u>	<u>1,138,698,098</u>	<u>80,046,016,986</u>
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	631,627,987	-	631,627,987
Investment Reserve Fund	1,854,786,685		1,854,786,685
At 31 December 2017	<u>97,097,840,599</u>	<u>1,155,602,618</u>	<u>98,253,443,217</u>

The annexed notes 1 to 33 form an integral part of these financial statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
For the year ended 31 December 2017

Notes	2017 Taka	2016 Taka
Cash flows from operating activities:		
Surplus of income over expenditure before taxation	16,237,011,559	17,304,852,494
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Loan loss provision	7 3,065,446,544	2,011,313,856
Depreciation	11 901,172,717	793,321,425
Gain on disposal of property, plant and equipment	23 (9,494,735)	(4,526,383)
Share of results in related undertakings	22 (350,208,383)	(1,955,862,048)
Donor grants - amortisation of investment in property, plant and equipment and motorcycle replacement fund	19 (55,189,265)	(70,011,613)
Interest on fixed deposits and bank accounts	21 (927,763,657)	(808,132,598)
Adjustments for other accounts:		
Increase in service charge outstanding on microfinance loans	(633,376,633)	(548,529,321)
(Increase)/ decrease in inventories	(1,195,416,077)	(249,084,352)
(Increase) in advances, deposits and prepayments	(2,716,605,926)	(3,219,021,561)
Decrease/(increase) in accounts receivable	(388,351,568)	(396,140,179)
Increase in motorcycle loans	110,087,435	3,958,613
Decrease/(increase) in liabilities for expenses and materials	2,374,657,313	929,872,660
Increase in deferred income	290,998,941	325,761,503
Net cash provided by operating activities	16,702,968,265	14,117,772,496
Cash flows from investing activities:		
Increase in microfinance loans	(29,822,769,450)	(28,959,025,974)
Decrease/(increase) in fixed deposits pledged with financial institutions	(28,524,624)	2,465,640
Increase in investments in related undertakings	(157,292,876)	(186,416,110)
Interest received on fixed deposits and bank accounts	927,763,657	732,720,273
Purchase of property, plant and equipment	(2,519,584,308)	(2,442,102,321)
Proceeds from disposal of property, plant and equipment	12,793,209	7,219,128
Dividends received from related undertakings	350,208,383	858,640,057
(Investments in)/Realisation of investment in securities and others	(301,927,376)	(6,651,300)
Net cash used in investing activities	(31,539,333,385)	(29,993,150,607)

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Statement of Cash Flows
For the year ended 31 December 2017

Notes	2017 Taka	2016 Taka
Cash flows from financing activities:		
Grants received during the year	13,219,219,761	10,927,094,180
Grants utilised during the year for:		
-operational expenditure & micro-finance	(11,617,016,784)	(10,498,600,286)
-investment in property, plant and equipment	(292,643,341)	(321,822,612)
-motorcycle replacement funds	1,644,400	(3,938,891)
Increase in term loans	(4,022,474,014)	6,560,607,595
Increase in members savings deposits	9,761,692,652	9,890,380,244
Increase/(Decrease) in other long term liabilities	1,083,453,513	805,328,668
Net cash (used in) provided by financing activities	8,133,876,187	17,359,048,898
Net (decrease)/increase in cash and cash equivalents	(6,702,488,933)	1,483,670,787
Cash and cash equivalents, beginning of the year	3,597,299,223	2,113,628,436
Cash and cash equivalents at the end of the year	3.4 (3,105,189,710)	3,597,299,223

The annexed notes 1 to 33 form an integral part of these financial statements.

BRAC
(Registered in Bangladesh under the Societies Registration Act, 1860)
Notes to Financial Statements
For the year ended 31 December 2017

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, Stitching BRAC International, BRAC International Holdings B.V, BRAC Afghanistan, BRAC Myanmar, BRAC Tanzania, BRAC Uganda, BRAC South Sudan, BRAC Pakistan, BRAC Liberia, BRAC Sierra Leone, BRAC Philippines and BRAC Nepal. 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 2017 to 31 December 2017.

2.3 Functional and presentation Currency

These financial statement 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 loan 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.

Other income

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

Community contributions

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

2.8 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 Summary of Significant Accounting Policies(contd.):

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

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 and are stated net of provision for loan losses.

2 Summary of Significant Accounting Policies(contd.):

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.

2.14 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.

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.

2 Summary of Significant Accounting Policies(contd.):

2.15 Investment in securities and others (contd.)

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.

2.18 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 valuations carried out in 2014 in respect of the funds, and are disclosed in Note 18 to the financial statements. It is BRAC's policy to carry out actuarial reviews at least every three years to assess the adequacy of the provisions in respect of the fund.

2 Summary of Significant Accounting Policies (contd.):

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, as disclosed in Note 18 to the financial statements. It is BRAC's policy to carry out actuarial reviews at least every three years to assess the adequacy of the provisions in respect of the fund.

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.

2.22 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:

	2017 Taka	2016 Taka
United States Dollars	82.20	78.10
Euro	97.69	80.73
Great Britain Pound	109.62	93.58
Australian Dollars	63.87	54.48

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 Summary of Significant Accounting Policies (contd.):

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.

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 Goodwill

Goodwill represents the excess of the cost of acquisition over BRAC's interest in the fair value of the identifiable assets and liabilities of investments in related undertakings at the date of acquisition.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

The policy for the recognition and measurement of impairment losses is in accordance with Note 2.25 above except that an impairment loss for goodwill is not reversed unless the specific external events that caused the impairment loss is reversed by a subsequent external event. Goodwill arising on the acquisition of related undertakings is included within the respective carrying amounts of the related undertakings concerned.

2.28 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 2.26

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 2.26

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.

2 Summary of Significant Accounting Policies (contd.) :

2.28 Financial instruments (Contd.)

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.

2.29 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.

2.30 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 results in the recognition of income which may never be realized.

2.31 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the organization's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed.

2.32 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 32 and 33 respectively. BRAC provides segment information voluntarily.

		2017	2016
		Taka	Taka
3. Cash and bank balances			
	Cash in hand and at banks (Note 3.1)	6,428,938,497	3,808,189,622
	Deposits (Note 3.2)	14,595,340,623	13,681,382,131
		<u>21,024,279,120</u>	<u>17,489,571,753</u>
3.1 Cash in hand and at banks			
	Cash in hand	840,293,412	500,381,151
	Cash at banks	5,588,645,085	3,307,808,471
		<u>6,428,938,497</u>	<u>3,808,189,622</u>
3.2 Deposits			
	Fixed deposits pledged with financial institutions (Notes 13 and 14)	440,952,654	412,428,030
	Fixed deposits unpledged	11,110,583,143	9,334,633,658
	Short term deposit unpledged	3,043,804,826	3,934,320,443
		<u>14,595,340,623</u>	<u>13,681,382,131</u>
	Included in the above balance are amounts placed with related undertakings as follows:		
No.	Name of related party	Nature of balances	
1.	BRAC Bank Ltd.	Fixed deposits pledged	440,952,654
		Fixed deposits unpledged	1,680,478,028
		Short term deposits unpledged	3,043,804,826
		68 Bank Accounts (2016: 64)	2,955,242,227
			1,758,143,975
3.3 Deposits analysed by programme:			
	Microfinance Programme	12,418,962,408	9,715,228,162
	Other Programmes	2,176,378,215	3,966,153,969
		<u>14,595,340,623</u>	<u>13,681,382,131</u>
3.4 Cash and cash equivalents			
	For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at December 31:		
	Cash in hand and at banks	6,428,938,497	3,808,189,622
	Fixed deposits unpledged	11,110,583,143	9,334,633,658
	Short term deposits unpledged	3,043,804,826	3,934,320,443
	Bank overdrafts (Note 13)	(23,688,516,176)	(13,479,844,500)
		<u>(3,105,189,710)</u>	<u>3,597,299,223</u>

4. Advances, deposits and prepayments

	2017 Taka	2016 Taka
Advances:		
Employees	2,247,372,905	903,768,681
Suppliers	592,472,368	571,824,577
Advance for tax	6,257,564,480	4,807,077,668
	<u>9,097,409,753</u>	<u>6,282,670,926</u>
Deposits:		
Deposits for facilities and utilities	16,280,998	14,127,570
Prepayments	898,655,766	998,942,095
	<u>10,012,346,517</u>	<u>7,295,740,591</u>

5. Inventories

Seeds and feed	465,037,407	545,347,356
Medical supplies and consumables	138,313,944	74,016,374
Printing and stationery	59,765,620	67,824,473
Handicraft goods	3,893,686,987	2,773,278,731
Dairy products	203,748,962	141,825,887
Programme materials	202,929,910	165,773,932
	<u>4,963,482,830</u>	<u>3,768,066,753</u>

6. Grants and accounts receivable

Grants receivable	940,453,649	316,317,153
Interest receivable on fixed deposits and bank accounts	782,521,147	594,816,869
Other accounts receivable	1,794,043,515	1,564,204,492
	<u>3,517,018,311</u>	<u>2,475,338,514</u>
Provision for doubtful debts	(84,637,958)	(68,046,225)
	<u>3,432,380,353</u>	<u>2,407,292,289</u>

Included in interest receivable on fixed deposits is Tk. 188,504,916 (2016: Tk.173,836,949) receivable after 12 months.

7. Microfinance loans

	Principal outstanding Taka	Service charge receivable Taka	Loan loss provision Taka	Total Taka
At 1 January 2017	139,561,357,704	1,241,349,731	(4,964,216,254)	135,838,491,181
Additions	293,171,338,300	37,037,683,890	(3,065,446,544)	327,143,575,646
Realisation	(263,348,568,850)	(36,404,307,257)	-	(299,752,876,107)
Write-off	(1,519,976,302)	(271,119,540)	1,791,095,842	-
At 31 December 2017	<u>167,864,150,852</u>	<u>1,603,606,824</u>	<u>(6,238,566,956)</u>	<u>163,229,190,720</u>

7. Microfinance loans (contd.)

Loans to members bear annual service charges 18% to 26% (2016: 18% to 26%) on a declining balance method. Repayments are made in weekly/monthly instalments.

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

Loan Classification	Days in Arrears	Principal Outstanding 2017 Taka	Loan loss Provision 2017 Taka	Loan Principal 2016 Taka	Loan loss Provision 2016 Taka
Standard	Current (no arrears)	160,620,668,214	1,606,206,682	134,083,888,019	1,340,838,880
Watchlist	1 - 30	1,321,103,030	66,055,152	921,443,594	46,072,180
Substandard	31 - 180	1,697,714,267	424,428,567	1,259,898,552	314,974,638
Doubtful	181 - 350	331,155,144	248,366,358	135,187,933	101,390,950
Loss	Over 350	3,893,510,197	3,893,510,197	3,160,939,606	3,160,939,606
		<u>167,864,150,852</u>	<u>6,238,566,955</u>	<u>139,561,357,704</u>	<u>4,964,216,254</u>

8. Motor Cycle Loans

	2017 Taka	2016 Taka
At 1 January 2017	803,055,814	807,014,427
Additions during the year	32,442,500	34,346,272
Loan realisation during the year	(142,529,935)	(38,304,885)
At 31 December 2017	<u>692,968,379</u>	<u>803,055,814</u>

9. Investment in securities and others

DBH 1st Mutual Fund	56,400,000	43,800,000
AB Bank Subordinated Bond	800,000,000	1,000,000,000
MTB Subordinated Bond	250,000,000	250,000,000
Bangladesh Sanchay Patra (BSP)	280,000,000	330,000,000
BRAC EPL Investments Ltd.	539,328,676	1,300
	<u>1,925,728,676</u>	<u>1,623,801,300</u>

Market value of DBH 1st Mutual Fund at 31 December 2017 was Tk. 9.40 per unit (2016: Tk.7.30) and Tk. 9.10 per unit (2016: Tk. 7.30) on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively.

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

The maturity date of the Mutual Trust Bank Subordinated Bond will be on 19 October 2022 with effective interest rate ranging from 10.5% to 13.5% (2016: 10.5% to 13.5%) per annum.

The Bangladesh Sanchay Patra (BSP) earned interest at 8.50% to 13.45% (2016: 8.5% to 13.45%) per annum respectively during the year.

BRAC EPL Investments Ltd. earned interest at 7.87% per annum during the year.

10 Investments in related undertakings

Related undertakings	2017				
	Cost of Investment Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in value Taka	Total 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
Industrial Promotion and Development Company of Bangladesh Ltd.(IPDC)	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>-</u>	<u>17,361,028,752</u>

Related undertakings	2016				
	Cost of Investment Taka	Share of Reserves Taka	Loans Taka	Provision for impairment in value Taka	Total Taka
BRAC Bank Ltd.	4,760,329,616	6,092,445,194	-	-	10,852,774,810
BRAC Industries Ltd.	24,999,900	5,652,931	-	-	30,652,831
BRAC BD Mail Network Ltd.	186,161,000	(79,360,692)	-	-	106,800,308
BRAC IT Services Ltd.	34,300,000	(61,446,865)	108,812,204	-	81,665,339
BRAC Services Ltd.	10,000,000	(157,633,542)	225,026,063	(18,211,239)	59,181,282
Delta BRAC Housing Finance Corp. Ltd	40,000,000	557,002,930	-	-	597,002,930
BRAC Karnafuli Tea Company Ltd	243,908,025	(222,705,938)	1,116,252,588	-	1,137,454,675
BRAC Kaiyachara Tea Company Ltd	63,300,695	76,215,905	233,252,099	-	372,768,699
BRAC Kodala Tea Company Ltd	81,680,954	(37,177,711)	353,652,547	-	398,155,790
Bangladesh Netting Factory	17,071,429	33,562,819	29,032,361	-	79,666,609
BRAC Asset Management Company Ltd	13,000,000	3,099,825	-	-	16,099,825
BRAC Impact Ventures Ltd.	10,200,000	(9,203,732)	-	-	996,268
BRAC Environmental Enterprises Ltd.	90,000,000	(70,907,143)	124,717,808	-	143,810,665
Industrial Promotion and Development Company of Bangladesh Ltd.(IPDC)	759,023,000	93,868,173	-	-	852,891,173
	<u>6,333,974,619</u>	<u>6,223,412,154</u>	<u>2,190,745,670</u>	<u>(18,211,239)</u>	<u>14,729,921,204</u>

	2017 Taka	2016 Taka
Represented by:		
Share of net tangible assets	14,814,085,552	12,329,569,580
Goodwill on acquisition	209,605,954	209,605,954
Loans	2,337,337,246	2,190,745,670
	<u>17,361,028,752</u>	<u>14,729,921,204</u>

10 Investment in related undertakings (contd)

Related undertakings (All Incorporated in Bangladesh)	2017 % of share	2016 % of share	Principal activities
BRAC Bank Ltd.	44.42	44.64	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	48.67	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 Impact Ventures Ltd.	0.00	51.00	Sustainable, conscious, green and ethical Investment
BRAC Environmental Enterprises Ltd.	90.00	90.00	Waste management services
Industrial Promotion and Development Company of Bangladesh Ltd.	25.00	25.00	Finance services
Mayalogy Ltd.	22.06	0.00	Women Empowerment through online in Bangladesh.

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

Loans represent finance provided for working capital and earn 6%-12% (2016: 6% -12%) interest per annum. These loans have no fixed repayment terms.

The market value of BRAC Bank Ltd shares at 31 December 2017 was Tk. 108.00 per share (2016: Tk. 64.10) and Tk. 107.60 per share (2016: Tk.63.60) 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 2017 was Tk. 136.30 per share (2016: Tk.102.20) and Tk. 135.90 per share (2016: Tk.102.20) on the DSE and CSE respectively.

The market value of Industrial Promotion and Development Company Ltd, shares at 31 December 2017 was Tk. 47.60 per share and Tk. 47.70 per share on the DSE and CSE respectively.

BRAC Impact Ventures Ltd,has winded-up effective from and commencing on 30, April 2017 as members' voluntarily winding-up.

Significant transactions with related undertakings are as follows:

Related undertakings	Nature of transaction	2017	2016
		Taka	Taka
BRAC Bank Ltd	Interest on fixed deposits and bank balance	63,467,555	83,892,343
Industrial Promotion and Development Company of Bangladesh Ltd.	Interest on fixed deposits	37,485,000	-
BRAC Services Ltd.	Service facilities	55,960,809	55,744,693

11. Property, plant and equipment

Group of fixed assets	Cost				Depreciation				Amount in Taka		
	Opening balance 01-01-2017	Additions during the year	Transferred during the year	Disposals during the year	Closing balance 31-12-2017	Opening balance 01-01-2017	Charged during the year	Adjustment/ disposals during the year	Closing Balance 31-12-2017	Written down value 31-12-2017	Written down value 31-12-2016
Freehold land	8,578,645,834	652,889,436	-	-	9,231,535,270	-	-	-	2,184,391,499	9,231,535,270	8,578,645,834
Buildings	6,165,315,231	-	274,585,756	(107,050,999)	6,332,849,988	2,089,357,119	202,085,379	(107,050,999)	2,184,391,499	4,148,458,489	4,075,958,112
Furniture & fixtures	1,601,281,033	313,601,963	-	(45,478,464)	1,869,404,532	902,725,078	192,255,465	(45,459,058)	1,049,521,485	819,883,047	698,555,955
Equipment	2,051,047,243	522,722,304	-	(135,258,320)	2,438,511,227	1,346,059,609	128,365,567	(133,733,124)	1,340,692,052	1,097,819,175	704,987,634
Computer	778,457,816	100,667,772	-	(19,527,472)	859,598,116	522,723,423	122,353,730	(19,525,141)	625,552,012	234,046,104	255,734,393
Vehicles	1,044,083,164	101,265,659	-	(16,233,178)	1,129,115,645	731,541,733	106,583,908	(14,534,353)	823,591,288	305,524,357	312,541,431
Bicycles	14,577,456	4,276,652	-	(1,927,695)	16,926,413	8,878,939	2,410,023	(1,927,695)	9,361,267	7,565,146	5,698,517
Machineries	1,178,038,106	291,382,247	-	(70,467,963)	1,398,952,390	876,032,134	75,204,874	(70,467,963)	880,769,045	518,183,345	302,005,972
Deep tubewell and tanks	37,296,245	679,709	-	-	37,975,954	24,351,922	5,531,054	-	29,882,976	8,092,978	12,944,323
Hatcheries	16,976,483	34,113	-	-	17,010,596	16,956,691	53,905	-	17,010,596	-	19,792
Camp/Poultry/Livestock sheds	288,073,346	-	(72,145,163)	(215,928,183)	-	209,495,115	6,433,068	(215,928,183)	2,727,710	-	78,578,231
Motor cycles	5,203,578	819,558	-	(2,625,275)	3,397,861	2,443,036	2,857,233	(2,572,559)	2,727,710	670,151	2,760,542
Construction Work in progress	607,049,355	445,131,123	(202,440,593)	-	849,739,885	-	-	-	-	849,739,885	607,049,355
Crates/Mannequins/Samples/Antiques	433,980,320	86,113,772	-	-	520,094,092	334,061,737	57,038,511	-	391,100,248	128,993,844	99,918,583
Total December 2017	22,800,025,210	2,519,584,308	-	(614,497,549)	24,705,111,969	7,064,626,536	901,172,717	(611,199,075)	7,354,600,178	17,350,511,791	15,735,398,674
Total December 2016	20,470,508,904	2,442,102,321	-	(112,586,015)	22,800,025,210	6,381,198,381	793,321,425	(109,893,270)	7,064,626,536	15,735,398,674	

Allocation of depreciation:

	2017 Taka	2016 Taka
i) included in cost of sales of income generating projects	25,673,480	112,296,702
ii) included in programme related expenses	875,499,237	681,024,723
	901,172,717	793,321,425

An amount of Tk.290,998,941 (2016: 325,761,503) 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

12. Liabilities for expenses and materials

	2017 Taka	2016 Taka
Liabilities for expenses	3,885,529,041	3,973,173,721
Liabilities for goods	665,676,045	659,410,732
Advances received for training, publications, supplies etc.	5,182,706,265	2,765,759,681
	<u>9,733,911,351</u>	<u>7,398,344,134</u>
Provision for stock loss	(69,677,431)	(108,767,527)
	<u>9,664,233,920</u>	<u>7,289,576,607</u>

13. Bank overdraft

Agrani Bank Ltd.	2,640,018,454	205,623,619
Bank Alfalah Ltd.	193,138,523	186,542,482
Bank Asia Ltd.	785,892,903	24,536,924
Dhaka Bank Ltd.	8,790,388	1,392,262,247
Dutch Bangla Bank Ltd.	117,773,916	15,775,419
Eastern Bank Ltd.	4,253,051	6,596,507
Habib Bank Ltd.	392,774,638	388,552,492
HSBC	258,511	543,403
IFIC Bank Ltd.	51,104,343	26,264,861
Jamuna Bank Ltd.	1,270,180,516	545,875,456
Janata Bank Ltd.	358,917,820	5,868,624
Mutual Trust Bank Ltd.	11,903,848	266,097,427
Prime Bank Ltd	1,748,841,248	1,824,623,404
* Pubali Bank Ltd.	5,827,865,479	5,517,411,740
Rupali Bank Ltd.	472,061,872	25,506,723
Sonali Bank Ltd.	3,634,140,929	237,506,768
Southeast Bank Ltd.	9,285,976	1,889,336
Standard Bank Ltd.	5,658,317	4,033,501
The Trust Bank Ltd.	2,784,812,059	9,695,350
United Commercial Bank Ltd.	479,247,359	1,721,340
Uttara Bank Ltd.	2,891,596,026	2,792,916,877
	<u>23,688,516,176</u>	<u>13,479,844,500</u>

* The bank overdraft are secured by fixed deposits amounting to Tk. 440,729,187 (2016: Tk. 412,215,490) .

The bank overdrafts were obtained for BRAC's micro-finance programme and to finance working capital requirements. The bank overdrafts bear interest at 5.00% to 10.50% (2016: 5.00% to 12.00%) per annum, and are repayable within 12 months.

14. Term loans

	2017 Taka	2016 Taka
Bangladesh Bank	5,335,504,000	5,187,690,000
Bank Alfalah Ltd	200,000,000	200,000,000
BASIC Bank Ltd.	1,249,404,029	1,075,543,685
BRAC Bank Ltd.	-	2,886,764,654
Citibank N.A.	500,000,000	500,000,000
Commercial Bank of Ceylon PLC.	1,200,000,000	1,000,000,000
Dhaka Bank Ltd.	-	599,745,001
Eastern Bank Ltd.	2,952,690,184	2,783,716,167
HSBC	500,000,000	-
IFIC Bank Ltd.	2,499,985,878	2,299,989,758
Jamuna Bank Ltd.	-	999,999,660
NCC Bank Ltd.	-	1,999,987,500
Prime Bank Ltd	2,000,000,000	2,000,000,000
* Rajshahi Krishi Unnyon Bank (RAKUB)	450,000,000	360,000,000
Rupali Bank Ltd.	1,999,328,327	500,000,000
SABINCO	636,956,159	307,134,137
Shahjalal Islami Bank Ltd.	1,000,000,000	1,900,000,000
Standard Chartered Bank (SCB)	5,846,000,000	4,340,000,000
State Bank of India	1,100,000,000	-
The City Bank Ltd.	-	2,200,000,000
The Premier Bank Ltd.	-	1,699,986,859
The UAE-Bangladesh Investment Company Ltd.	-	151,475,249
United Commercial Bank Ltd.	1,499,690,079	-
	<u>28,969,558,656</u>	<u>32,992,032,670</u>
Term Loans are analysed as follows:		
Amount repayable within 12 months	27,465,525,949	31,274,265,971
Amount repayable after 12 months:		
Repayable after 12 months but less than 24 months	841,092,271	970,249,180
Repayable after 24 months but less than 36 months	662,940,436	747,517,519
	<u>1,504,032,707</u>	<u>1,717,766,699</u>
	<u>28,969,558,656</u>	<u>32,992,032,670</u>

* Secured by fixed deposits amounting to Tk. 223,467: 2016: Tk. 212,540).

All repayment obligations in respect of the term loans were met and no amounts were in arrears as at 31 December 2017

The term loan were obtained to support various micro finance and development projects undertaken by BRAC and for working capital purposes. The loans are repayable at various intervals, i.e., monthly, quarterly, half-yearly, biannually and annually and bear 5% to 8.25% (2016: 5% to 8.25%) interest rates

15. Members' savings deposits

At 1 January 2017	50,118,837,575	40,228,457,331
Deposits during the year	34,369,082,730	32,187,328,362
Withdrawals during the year	-24,607,390,078	-22,296,948,118
At 31 December 2017	<u>59,880,530,227</u>	<u>50,118,837,575</u>
Compulsory savings	49,201,864,819	40,906,276,123
Voluntary savings	7,729,561,568	6,139,207,569
Term deposits	2,949,103,840	3,073,353,883
At 31 December 2017	<u>59,880,530,227</u>	<u>50,118,837,575</u>

15. Members' savings deposits (contd.)

The rate of interest paid in respect of savings deposits by members was 6%-10% (2016: 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.

16. Grants received in advance account

	Notes	2017 Taka	2016 Taka
At 1 January 2017		1,214,294,835	971,166,244
Receivables as at 1 January 2017		<u>-316,317,153</u>	<u>-175,920,953</u>
		897,977,682	795,245,291
Donations received during the period	29	13,219,219,761	10,927,094,180
Transferred to deferred income:			
- Investment in fixed assets	17	-292,643,341	-321,822,612
- Motorcycle replacement fund	17	1,644,400	-3,938,891
Transfer to Statement of Income and Expenditure for expenditure during the period	19	<u>-11,617,016,784</u>	<u>-10,498,600,286</u>
		2,209,181,718	897,977,682
Grants receivables		<u>940,453,649</u>	<u>316,317,153</u>
At 31 December 2017		<u><u>3,149,635,367</u></u>	<u><u>1,214,294,835</u></u>

	Notes	Investment in Fixed Assets Taka	Motorcycle Replacement Fund Taka	Total Taka
17. Deferred income				
At 1 January 2017		434,032,247	22,187,366	456,219,613
Transferred from Grants received in advance	16	292,643,341	(1,644,400)	290,998,941
Amortisation to Statement of Income and Expenditure At 31 December 2017	19	(47,424,805)	(7,764,460)	(55,189,265)
		<u>679,250,783</u>	<u>12,778,506</u>	<u>692,029,289</u>

18. Other long term liabilities

	2017 Taka	2016 Taka
Employee gratuity and redundancy fund	11,085,313,230	10,150,892,777
Self-insurance fund		
- Employees	469,907,018	458,825,614
- BRAC properties and motorcycles	823,350,454	776,413,656
	1,293,257,472	1,235,239,270
Other funds		
- Special fund for scholarship	6,149,383	5,977,099
- Relief and rehabilitation fund	717,981,199	629,936,836
- Staff welfare fund	37,327,972	34,529,761
	<u>761,458,554</u>	<u>670,443,696</u>
	<u>13,140,029,256</u>	<u>12,056,575,743</u>

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

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

18. Other long term liabilities (contd.)

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

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

19. Donor grants

Notes	2017 Taka	2016 Taka
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Donor grants recognised in the Statement of Income and Expenditure:

Transferred from grants received in advance	16	11,617,016,784	10,498,600,286
Transferred from deferred income:			
amortisation of investment in fixed assets			
- unrestricted		-	-
- temporarily restricted	17	47,424,805	61,866,455
		47,424,805	61,866,455
amortisation of motorcycle replacement fund			
- unrestricted		308,026	-
- temporarily restricted	17	7,456,434	8,145,158
		7,764,460	8,145,158
Total donor grants		11,672,206,049	10,568,611,899
Interest on bank accounts and fixed deposits in respect of donor funds	23	33,591,794	5,813,707
Other income-Partial reimbursement on cost of donor funded programme supplies		188,970	2,218,263
		<u>11,705,986,813</u>	<u>10,576,643,869</u>

20. Social Enterprises

Revenue from Sales (Note-20.1)	14,967,814,992	14,132,369,826
Other income (Note-20.2)	2,411,463	17,541,394
	<u>14,970,226,455</u>	<u>14,149,911,220</u>

20.1 Revenue from Sales

Aarong Rural Craft Centre	8,015,150,343	6,776,698,470
BRAC Printing Pack	333,720,684	299,942,469
BRAC Dairy and Food Project	3,442,110,755	3,200,642,155
Agro-based program support enterprises	3,079,722,167	3,769,744,336
Non-agro-based program support enterprises	97,111,043	85,342,396
	<u>14,967,814,992</u>	<u>14,132,369,826</u>

	2017 Taka	2016 Taka
20.2 <u>Other Income</u>		
Gain/(loss) on disposal of property, plant and equipment	2,411,463	436,100
Sale of waste materials	-	17,105,294
	<u>2,411,463</u>	<u>17,541,394</u>
21. Microfinance Programme		
Service charge on microfinance loans	37,240,825,991	31,360,054,922
Bank interest against member savings deposits	649,757,390	577,499,381
	<u>37,890,583,381</u>	<u>31,937,554,303</u>
22. Self-financing Social Development Projects		
Interest on bank accounts and fixed deposits	244,414,473	224,819,510
Other income (22.1)	395,880,736	135,540,017
	<u>640,295,209</u>	<u>360,359,527</u>
22.1 <u>Other income</u>		
(Loss)/gain on disposal of property, plant and equipment	6,894,302	4,090,283
Partial reimbursements on cost of programme supplies	194,557,886	-
Training income	101,017,020	68,718,290
Sale of wastage materials	54,425,319	22,138,287
Interest received on loans and advances	-	41,449,815
Foreign exchange (loss)/gain - unrealised	38,986,209	(856,658)
	<u>395,880,736</u>	<u>135,540,017</u>
23. Investment Income		
In respect of investments in related undertakings:		
- Share of profits less losses from investments in related undertakings	350,208,383	1,955,862,048
- Interest on Subordinated bond	129,092,466	136,623,288
- Interest on BSP	32,975,000	35,131,359
- Income on EPL Investment	39,328,676	-
- Loss on dilution of shares	(10,987,123)	-
- Realised profit on DBH 1st Mutual Fund	3,000,000	19,800,000
	<u>543,617,402</u>	<u>2,147,416,695</u>
24. Community contribution		
Education Programme	1,159,209,056	1,102,255,256
Health Nutrition and Population Programme	201,892,234	156,831,516
Community Empowerment Programme	4,918,397	2,879,224
Agriculture and Food Security Programme	-	15,102,751
Skill Development Programme	6,153,112	-
Integrated Development Programme	3,539,229	-
	<u>1,375,712,028</u>	<u>1,277,068,747</u>
Community contribution represent feed charged by BRAC to participate of programmes or activities.		
25. Interest on fixed deposits and bank accounts		
Microfinance Program against member savings deposits	649,757,390	577,499,381
Donor based development Projects	33,591,794	5,813,707
Self-financing social development programmes	244,414,473	224,819,510
	<u>927,763,657</u>	<u>808,132,598</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.

27. Unrestricted Capital Fund

	2017 Taka	2016 Taka
Unrestricted Capital fund	88,412,233,354	72,702,117,973
Reserve of DBH 1st Mutual fund	12,600,000	-
Investment reserve fund	8,673,007,245	6,205,200,915
	<u>97,097,840,599</u>	<u>78,907,318,888</u>

28. Taxation

Income tax provision for the year	<u>516,000,000</u>	<u>486,000,000</u>
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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 2017, and is subject to agreement with the tax authorities.

For years of assessment 1991-92 to 2011-12, BRAC has been issued directives requesting payment of taxes cumulatively amounting to approximately Tk. 5.5 billion. BRAC has disagreed with the basis of taxation, successfully obtaining stays of execution on the said directives, and has referred the matter to the High Court Division of the Supreme Court of Bangladesh. Similar directives for year of Assessment 2015-16 amounting to Tk. 3.36 billion has been issued by the Deputy Commissioner of Taxation (DCT) for which appeal is pending as at the date of financial statements.

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 2017.

29. Foreign currency denominated monetary assets and liabilities

Resident Foreign Currency Deposits (in US\$)	718,269,216	608,282,940
Resident Foreign Currency Deposits (Euro)	18,488,619	15,336,001
Resident Foreign Currency Deposits (in GBP)	17,532,225	14,927,503
Cash at bank (in US\$)	33,564,798	14,260,017
Cash at bank (in Euro)	3,459,458	2,251,582
Cash at bank (in GBP)	929,958	967,551
Cash at bank (in AUD)	-	-

30. Financial Instruments**a) Financial Risk Management Objectives and Policies**

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

b) **Interest Rate Risk**

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.

31. Schedule of donation received

Name of the projects	Donor	2017 Taka	2016 Taka
Strategic Partnership Arrangement (SPA)	DFID	5,887,500,000	6,866,700,000
	DFAT	1,334,850,000	1,225,125,000
	Sub Total	7,222,350,000	8,091,825,000
Vision Bangladesh Project	Orbis International	3,260,999	2,180,000
CFPR Phase -IV	BRAC-USA	2,550,093	15,637,185
BRAC New Initiative of HRLS	GIZ	-	533,780
Char Development and Settlement Program	Euroconsult Mott Mac Donald	9,202,062	20,155,413
BRAC Water, Sanitation and Hygiene Program (WASH-II)	EKN	-	42,372,881
BRAC-Water Sanitation and Hygiene(WASH) program in urban Areas	Bill and Melinda Gates Foundation	416,560,644	-
Integration WASH	EKN	329,548,755	-
Reduction TB Prevalance	The Global Fund	1,724,381,565	1,081,340,115
Reduction Malaria Incidence	The Global Fund	330,566,816	218,170,791
Focus on case Finding Activities in Bangladesh	The Global Fund	450,375,929	-
Phased Elimination of Malaria from Bangladesh-GFATM	The Global Fund	83,555,874	-
BRAC Boat School	EAC-QATAR	26,688,159	25,628,608
BRAC Urban Slum School	EAC-QATAR	88,050,976	132,020,202
Community Safety Initiatives	Safer World	-	2,401,662
Alive and Thrive Integration of Maternal Nutrition Intervention into BRAC MNCH Rural Program in Bangladesh	Family Health International	98,405,295	84,992,436
Bangladesh MYCN-Home Fortification Program	The Global Alliance for Improved Nutrition (GAIN)	229,396,877	166,986,220
BRAC HRLS Property Rights Program	BRAC-USA	32,571,094	36,514,251
Changing Social Norms and Supporting Adolescent Empowerment	UNICEF	7,627,891	32,065,554
Sustainable Human Development and Empowerment of Vulnerable Women affected Climate Change	UN Women	-	(30,932)
Engaging Communities for Behaviour Social Change in Cox's Bazar District	UNICEF	1,125,833	11,100,991
Marketing Innovation for Health (MIH) Program	Social Marketing Company (SMC)	11,094,627	30,271,792
Building Young Women's Leadership through Sports	Women Win	11,029,500	5,861,250
Economic Empowerment for Poor and Vulnerable Women in Bangladesh	EC	8,485,636	-
Improving Maternal & Child Nutrition (MCN)	WFP	1,494,210	3,292,351
Pilot project of distributing reading glasses	Vision Spring	43,291,952	47,610,353
Shikha Project	Family Health International	-	31,968,210
BRAC School Meal Piloting	WFP	14,122,545	18,857,653
Safe Migration for Bangladesh Workers	World Bank	30,553,785	72,131,109
BRAC Innovation fund for Digital Financial Services	Bill and Melinda Gates Foundation	437,532,435	3,119,239
Developing Interactive Multimedia Digital Version of Primary Education Contents	Information & Communication Technology Division	-	4,925,770
Ensure Sufficient Food & Nutrition Through Maize Cultivation for Marginalise group of people in Bangladesh	CIMMYT-India	235,876	699,249
Livelihood Skills Training for Out of School Working Children	UNICEF	44,030,518	18,562,430
Road Safety Awareness campaign Project	Chevron Bangladesh	1,294,423	3,855,358
Sustainable Clubfoot Care Bangladesh	The University of British Columbia("UBC")-Canada	-	15,937,010
Targeting The Ultra poor Nutrition	WFP	7,483,707	24,476,521
Graduation as Resilience	BRAC-UK	3,354,519	3,584,385
Improving Educational Outcome of Female Disadvantaged School Student	MONASH University	907,036	-
Improving Demand and Referral Linkage for Injectable Long acting and permanent methods of contraceptives	Engender Health	5,070,483	18,211,261
Neuro Developmental Disability (NDD) Project	Apasen International	1,032,633	1,039,086
Prevent and Respond to Sexual and Gender Based Violence	UNDP	10,472,148	12,378,609

Name of the projects	Donor	2017 Taka	2016 Taka
BRAC Splash Wash in School	Splash International	-	977,500
Building Blocks of Early Years Learning in Bangladesh	PORTICUS	54,307,500	37,908,000
Community Based Digital Fat Testing Project	Care-Bangladesh	-	1,071,495
Community Based Intervention for the Empowerment of Women	ILO	903,018	1,833,070
National Early Childhood Development Support Program (NECDSP)	UNICEF	102,586,222	162,811,314
School Feeding Program at Gaibandha	WFP	15,147,840	12,565,982
Working with Children at Risk in the Slums of Dhaka	BRAC-UK	20,267,483	14,649,084
Fistula Care Plus Project	Engender Health	2,784,000	3,240,597
Strengthening Strategic Communication for Development Support to Education Priorities	UNICEF	-	177,145
Community Road Safety Programme	GOB	6,241,710	10,414,026
Skills Development and Self-Employment Program	ILO	434,465	-
Building capacity to address issues of SRHR, Gender and Emotional wellbeing in technical, vocational, higher and general education	MDF-Trauing (NUFFIC)	14,506,876	6,634,182
Capacity Building to promote day-care services and women's employability in the RMG Sector"	MDF-Trauing (NUFFIC)	9,293,794	5,847,896
SUSTAIN	The International Potato Center (CIP)	6,392,754	20,033,059
Delivering maternal health care through mobile biometrics in Dhaka Urban Slums	SimPrints		4,322,775
Technology Adoption and defusion the system of Rice Intensification and Food Security in Rural Bangladesh	Monash University		6,047,735
Adolescent Sexual and Reproductive Health in Bangladesh	BRAC - USA	11,360,412	7,263,839
Agri-Business for Trade Competitiveness Project	Katalyst	221,070	1,750,000
BRAC Chevron BPI Enterprise Development Pilot Project (JIBIKA)	BRAC - USA	129,744,541	79,351,960
BRAC Play Lab Project	BRAC - USA	48,470,145	46,826,583
Breast Feeding Promotion and Support at public Health Care	UNICEF	7,003,088	7,351,355
Chitmojol Livelihood Development Programme Lalmonirhat	SCB	3,018,358	2,256,583
Community Fire Prevention Project	IDEO.ORG	3,577,659	782,500
Editorial and publishing Services, within the Teaching and Learning Materials Research and Refinement Programme (TLMRR)	DFID-UK	3,232,055	9,206,289
Effect of BIO Fortified Leantiles on Iron and Selenium Status	University of Saskatchuea	-	4,934,100
END TB TARGETS	WHO		1,185,425
English and digital for Girl's Education	British Council	4,496,112	6,889,396
Ensuring Clean and safe Birthing through Promotion Safe Birth kits at Community Level (TOMS Shoes)	BRAC - USA	18,035,418	10,557,166
Financial Literacy for Adolescent in Chittagong	SCB	3,376,207	2,285,418
Innovation for Improving Early Grad Reading Activity	USAID	192,824,022	71,921,837
Institutional Development Project	DFID		4,072,500
Non Communicable Disease Control programme	GOB		8,756,370
Unlocking the production Potential of "polder communities" in Coastal Bangladesh through improved Resource use efficiency and diversified cropping systems	IRRI	3,935,000	2,270,651
USAID Livestock production for Improved nutrition Program	ACDI/VOCA	2,615,634	3,703,479
Policy Advocacy Intervention of Bangladesh MIYCN Home Fortification	The Global Alliance for Improved Nutrition (GAIN)	3,388,016	9,750,000
BRAC Water, Sanitation and Hygiene (WASH) Programme in hard to reach and Urban areas			400,470
Guiding Pro-Poor Investments in the Nexus among Domestic Water Quality and Quantity	University of Bonn		1,339,225

Name of the projects	Donor	2017 Taka	2016 Taka
Cyclone Roanu Recovery Project (CRRP)	BRAC-USA	15,236,556	14,915,694
Garments Worker Financial diaries	Microfinance Opportunities	9,682,583	3,142,989
Green Super Rice	IRRI	1,995,000	1,945,000
Bangladesh District Eye Care Programme	Sight Savers-UK	6,447,878	2,851,313
Field Evaluation of a Passive Aeration System for Aquaculture (FEPASA)	University of Toronto	1,619,969	1,969,496
Targeting and Re-Aligning Agriculture to Improved Nutrition	International Food Policy	4,284,210	1,199,288
Unit for Body Rights Program (UBR-2)	RHSTEP	6,579,800	2,593,479
Bangladesh Dairy Enhancement Project	Land O Lakes	20,976,623	24,565,950
Empowering Girls on Sexual and Reproductive Health Rights Towards Combating Child Marriage	Mannion Danieals Ltd.		2,619,986
Nutrition for Better Livelihood and Linkage of Nutrition Messaging in Design and Branding of Nutrient Rich Produce.	DAI Global LLC.	1,254,352	1,169,568
Promoting Physical and Emotional Wellbeing of Adolescents	EKN		2,506,768
Skills for Employment investment Programme (SEIP) Project-Tranch-1	GOB	10,167,300	2,541,825
Support to Bangladesh Justice Working Paper Series	DFID	7,409,885	8,684,100
Relief and Rehabilitation	Local Donor's	5,244,454	4,323,925
Capture and assess best CwC practices in disaster response and recovery	British Broadcasting Corp.	2,212,064	-
Contact for Impact Evaluation of Community LED Agricultural Water Management (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	-
Empowering the readymade garment workers living in slum of Dhaka	Proticus	56,890,839	-
Empowering Women for Building Social Cohesion project	UN Women	56,138,887	-
Holistic Enhancement of Early Childhood Development in Rural Bangladesh	BRAC USA	12,097,719	-
Humanitarian Leadership Academy	HLA	15,631,386	-
Improvement of the Real Situation of Overcrowding in Prisons (RSOP)	GIZ	23,969,212	-
Improving Health and Nutrition Status of Urban Extreme poor In Bangladesh	Concern Worldwide	47,061,084	-
Income Support Programme for the poorest (ISPP) JAWTNO Project	World Bank	44,133,865	-
PRO-poor Growth of Rural Enterprises Through Sustainable Skills-development-PROGRESS	EC	50,643,185	-
Protective environment for Children and Adolescents in Cox Bazar	UNICEF	4,826,504	-
Regional meeting of Gavicso's from Asia-Pacific Countries	GAVI Alliance	4,268,159	-
Shishu Niketan: Low cost Schools in Bangladesh	BRAC-UK	34,781,834	-
Strengthening and cultivating Opportunities in Production for empowerment (SCOPE) Project	Echotex Ltd.	7,791,900	-
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 Innovative models of small scale aquaculture	AIDA	12,489,107	-
BRAC,s Response to Emergency Humatarion 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	-

Name of the projects	Donor	2017 Taka	2016 Taka
Community Mobilization Volunteers(CMV)Network for life Saving Message on health nutrition, Sanitation and Protection in humaterian crisis in coxs Bazar	UNICEF	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	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	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)	CIEF	40,648,537	-
Second Chance Education (SCE) Under PEDP III	Save the Children	10,000,000	-
Shujog	Google	2,643,840	-
Sustainable reintegration and Improved Migration Governance In Bangladesh	IOM	15,943,372	-
The Global Panel 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	4,076,173	-
Refugee Programme	Local Donor's	9,851,871	-
Ensuring protective environment for children and adolescents of Rakhine state of Myanmar in Cox's Bazar District	Unicef	7,247,588	-
IED-BRACU	Zuerich University	1,891,520	-
Total		13,219,219,761	10,927,094,180

32. Segmental financial information:

	Unrestricted										Temporarily restricted		Total 2017 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	
	Taka		Taka		Taka		Taka		Taka		Taka			Taka		Taka		Taka	
Balance Sheet as at December 31, 2017																			
Assets:																			
Cash and bank balances	228,217,656	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								
Advances, deposits and prepayments	236,522,395	204,003,664	135,297,797	77,597,384	1,172,722	1,352,352,172	7,943,726,284	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	144,285,272	-	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	386,689,528	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	-	(7,681,030)	-	(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	9,432,580	4,120,037,991	8,291,480,895	144,019,138	16,612,598,207	737,913,584	17,350,511,791								
Total Assets	6,603,070,167	314,837,019	1,806,880,658	2,448,855,129	141,123,169	184,877,650,907	35,455,593,282	2,285,449,321	233,933,459,652	6,058,457,486	239,991,917,139								
Liabilities and net Assets																			
Liabilities																			
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	-	-	-	-	-	28,969,568,656	-	-	28,969,568,656	-	28,969,568,656								
Members savings deposits	-	-	-	-	-	59,880,530,227	-	-	59,880,530,227	-	59,880,530,227								
Grants received in advance account	-	-	-	-	-	-	9,979,354	-	9,979,354	3,139,657,013	3,149,635,367								
Deferred income	-	-	26,822,803	-	-	508,011	4,974,415	-	32,505,229	659,724,060	692,029,289								
Other long term liabilities	281,462,351	24,352,812	-	-	-	171,732,621	12,662,481,472	-	13,140,029,256	-	13,140,029,256								
Provision for taxation	372,568,777	23,622,048	55,228,970	118,160,673	13,647,003	-	1,970,713,559	-	2,553,941,030	-	2,553,941,030								
Total Liabilities	1,275,008,076	100,181,195	270,813,899	455,182,736	39,202,110	117,119,384,654	17,575,646,383	200,000	136,835,619,053	4,902,854,868	141,738,473,921								
Net assets- Capital fund	5,328,062,091	214,655,824	1,536,066,759	1,993,672,393	101,921,059	67,758,266,253	17,879,946,899	2,285,249,321	97,097,840,599	1,155,602,618	98,253,443,217								
Total Liabilities and Net assets	6,603,070,167	314,837,019	1,806,880,658	2,448,855,129	141,123,169	184,877,650,907	35,455,593,282	2,285,449,321	233,933,459,652	6,058,457,486	239,991,917,139								

32. Segmental financial information (cont'd)

Balance Sheet as at December 31, 2016

	Unrestricted										Temporarily restricted		Total 2016
	Aarong Rural Craft Centre	BRAC Printing Pack	BRAC Dairy and Food Project	Agro based Programme Enterprise	Non-agro based Programme Support Enterprise	Micro Finance Programme	Self-financing Social Development Projects	House Property (Building)	Total Unrestricted		Development Projects		
									Taka	Taka	Taka	Taka	
Cash and bank balances	133,562,221	8,771,108	69,782,470	725,479,447	112,705,244	14,895,022,400	(1,316,330,713)	793,826,455	15,420,818,632	2,068,753,121	17,489,571,753		
Advance deposits and prepayments	234,158,683	192,573,162	153,541,016	143,194,783	9,410,947	335,432,402	6,042,085,224	27,681,329	7,138,077,546	157,663,045	7,295,740,591		
Inventories	2,773,278,731	52,878,877	142,775,472	620,569,248	51,375,362	52,447,469	49,273,877	-	3,742,509,036	25,467,717	3,768,066,753		
Grants and accounts receivable	146,272,491	29,515,658	88,293,123	513,953,700	10,485,742	274,635,213	977,429,313	-	2,040,585,240	366,707,049	2,407,292,289		
Inter-programme current account	1,722,922,791	(49,858,846)	362,387,638	1,072	-	-	(2,041,635,152)	-	(5,582,497)	5,582,497	-		
Microfinance loans	-	-	-	-	-	135,838,491,181	-	-	135,838,491,181	-	135,838,491,181		
Motor cycle loans	594,966	-	6,157,865	10,754,395	-	410,854,277	56,027,052	-	484,388,555	318,667,259	803,055,814		
Investments in securities and others	-	-	-	-	-	-	1,623,801,300	-	1,623,801,300	-	1,623,801,300		
Investments in related undertakings	-	-	-	-	-	-	14,729,921,204	-	14,729,921,204	-	14,729,921,204		
Property, plant and equipments	666,044,344	28,557,506	762,642,029	872,119,572	6,074,338	3,835,037,292	8,946,125,140	138,842,450	15,255,442,671	479,956,003	15,735,398,674		
Total Assets	5,676,634,227	262,437,465	1,586,179,613	2,886,072,217	190,051,633	155,641,920,234	29,064,697,245	960,350,234	196,268,542,868	3,422,796,691	199,691,339,559		
Liabilities and net Assets													
Liabilities	487,781,357	15,020,099	180,788,800	327,607,410	74,394,089	3,466,973,212	2,117,437,043	200,000	6,670,202,010	619,374,597	7,289,576,607		
Liabilities for expenses and materials	34,586,553	-	-	-	-	13,445,257,947	-	-	13,479,844,500	-	13,479,844,500		
Bank overdrafts	-	-	-	20,000,000	-	32,972,032,670	-	-	32,992,032,670	-	32,992,032,670		
Term loans	-	-	-	-	-	50,118,837,575	-	-	50,118,837,575	-	50,118,837,575		
Members savings deposits	-	-	-	-	-	-	-	-	-	-	-		
Grants received in advance account	-	-	-	-	-	508,011	5,282,441	-	5,790,452	1,214,294,835	1,214,294,835		
Deferred income	-	-	-	-	-	-	11,600,784,664	-	12,056,575,743	450,429,161	456,219,613		
Other long term liabilities	263,377,558	20,680,900	-	-	-	171,732,621	2,031,709,592	-	2,037,941,030	-	2,037,941,030		
Provision for taxation	-	-	-	6,231,438	-	-	-	-	-	-	-		
Total Liabilities	785,745,468	35,700,999	180,788,800	353,838,848	74,394,089	100,175,342,036	15,755,213,740	200,000	117,361,223,980	2,284,098,593	119,645,322,573		
Net assets- Capital fund	4,891,088,759	226,736,466	1,405,390,813	2,532,233,369	115,657,544	55,466,578,198	13,309,483,505	960,150,234	78,907,318,888	1,138,698,098	80,046,016,986		
Total Liabilities and Net assets	5,676,634,227	262,437,465	1,586,179,613	2,886,072,217	190,051,633	155,641,920,234	29,064,697,245	960,350,234	196,268,542,868	3,422,796,691	199,691,339,559		

32. Segmental financial information (Cont'd)

	BRAC Printing Pack		BRAC Dairy and Food Project		Agro based Programme Support Enterprise Taka		Non-agro based Programme Support Enterprise Taka		Micro Finance Programme Taka		Self-financing Social Development Projects Taka		House Property (Building) Taka		Total Unrestricted Taka		Temporarity Development Projects Taka		Total 2017 Taka	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	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	-	-	-	-	-	-	-	-	-	-	395,880,736	-	-	-	395,880,736	-	-	-	-	395,880,736
Community contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
House property	-	-	-	-	-	-	-	-	-	-	-	-	93,062,652	-	93,062,652	-	-	-	-	93,062,652
Total income	8,015,150,343	333,720,684	3,442,198,409	3,082,045,976	97,111,043	37,890,583,381	1,184,220,637	77,704,861	23,503,895,326	1,184,220,637	1,184,220,637	1,184,220,637	93,062,652	93,062,652	54,138,093,125	13,081,390,815	67,219,483,940	13,081,390,815	67,219,483,940	67,219,483,940
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
Micro Finance 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	-	-	-	-	4,955,808
Education Programme	-	-	-	-	-	-	-	-	-	-	20,862,261	-	-	-	20,862,261	-	-	-	-	20,862,261
Gender, Justice and Diversity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Programme	-	-	-	-	-	-	-	-	-	-	75,872,666	-	-	-	75,872,666	-	-	-	-	75,872,666
Human Rights and Legal Aids Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Policy Advocacy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water, Sanitation and Hygiene Programme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ultra Poor Programme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forcibly-displaced Myanmar Nationals	-	-	-	-	-	-	-	-	-	-	421,532,818	-	-	-	421,532,818	-	-	-	-	421,532,818
Disaster Management and Climate Change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Skills Development Programme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Development Projects	-	-	-	-	-	-	-	-	-	-	270,921,538	-	-	-	270,921,538	-	-	-	-	270,921,538
Grants	-	-	-	-	-	-	-	-	-	-	302,730,374	-	-	-	302,730,374	-	-	-	-	302,730,374
Total expenses	6,771,787,754	293,782,668	3,256,293,493	2,712,820,963	77,704,861	23,503,895,326	1,096,875,465	77,704,861	23,503,895,326	1,096,875,465	1,096,875,465	1,096,875,465	93,062,652	93,062,652	37,766,660,890	13,215,811,491	50,982,472,381	13,215,811,491	50,982,472,381	50,982,472,381
Surplus/(deficit) of income over expenditure before inter-programme allocations	1,243,362,589	39,938,016	185,904,916	369,225,013	19,406,182	14,386,688,055	87,345,172	19,406,182	14,386,688,055	87,345,172	87,345,172	87,345,172	39,562,292	39,562,292	16,371,432,235	(134,420,676)	16,237,011,559	(134,420,676)	16,237,011,559	16,237,011,559
Inter-programme allocations	(435,396,905)	(14,198,304)	-	(170,251,725)	(8,037,264)	-	627,884,198	(8,037,264)	-	-	627,884,198	-	-	-	-	-	-	-	-	-
Net surplus for the year after inter-programme allocations	807,965,684	25,739,712	185,904,916	198,973,288	11,368,918	14,386,688,055	715,229,370	11,368,918	14,386,688,055	715,229,370	715,229,370	715,229,370	39,562,292	39,562,292	16,371,432,235	(134,420,676)	16,237,011,559	(134,420,676)	16,237,011,559	16,237,011,559
BRAC Contribution to support Donor Funded Programmes	-	-	-	-	-	-	(151,325,196)	-	-	-	(151,325,196)	-	-	-	(151,325,196)	-	-	-	-	-
Surplus of income over expenditure before taxation	807,965,684	25,739,712	185,904,916	198,973,288	11,368,918	14,386,688,055	563,904,174	11,368,918	14,386,688,055	563,904,174	563,904,174	563,904,174	39,562,292	39,562,292	16,220,107,039	16,904,520	16,237,011,559	16,904,520	16,237,011,559	16,237,011,559
Taxation	(372,568,777)	(11,541,406)	(31,935,121)	(70,235,737)	(5,713,321)	(24,005,638)	(24,005,638)	(5,713,321)	(24,005,638)	(24,005,638)	(24,005,638)	(24,005,638)	-	-	(516,000,000)	-	-	-	-	(516,000,000)
Net surplus for the year	435,396,907	14,198,306	153,969,795	128,737,551	5,655,597	14,386,688,055	539,898,536	5,655,597	14,386,688,055	539,898,536	539,898,536	539,898,536	39,562,292	39,562,292	15,704,107,039	16,904,520	15,721,011,559	16,904,520	15,721,011,559	15,721,011,559

32. Segmental financial information (Cont'd)

	Unrestricted										Temporarily restricted		Total 2016 Taka
	Aarong Rural Craft Centre Taka	BRAC Printing Pack Taka	BRAC Dairy and Food Project Taka	Agro based Programme Support Enterprise Taka	Non-agro based Programme Support Enterprise Taka	Micro Finance Programme Taka	Self-financing Social Development Projects Taka	House Property (Building) Taka	Total Unrestricted Taka	Development Projects Taka	Total 2016 Taka		
Income													
Donor grants	-	-	-	-	-	-	-	-	-	-	-	-	
Social Enterprises	6,776,698,470	301,394,006	3,209,607,514	3,776,803,117	85,408,113	-	-	-	14,149,911,220	10,576,643,869	10,576,643,869	14,149,911,220	
Microfinance Programme	-	-	-	-	-	31,360,054,922	-	-	31,360,054,922	-	-	31,360,054,922	
Self-financing Social Development Project	-	-	-	-	-	577,499,381	-	-	937,858,908	-	-	937,858,908	
Investment income	-	-	-	-	-	-	-	-	2,147,416,695	-	-	2,147,416,695	
Community contribution	-	-	-	-	-	-	-	-	-	1,277,068,747	1,277,068,747	-	
House property	-	-	-	-	-	-	-	88,616,754	-	-	-	88,616,754	
Total income	6,776,698,470	301,394,006	3,209,607,514	3,776,803,117	85,408,113	31,937,554,303	2,507,776,222	88,616,754	48,663,858,499	11,853,712,616	60,537,571,115		
Expenditure													
Social Enterprises	5,594,106,073	259,658,541	3,052,851,770	3,353,304,057	56,173,361	-	-	-	12,316,093,802	-	-	12,316,093,802	
Micro Finance Programme	-	-	-	-	-	18,286,281,951	-	-	18,286,281,951	-	-	18,286,281,951	
House property	-	-	-	-	-	-	-	47,388,905	47,388,905	-	-	47,388,905	
Agriculture and Food Security	-	-	-	-	-	-	-	-	-	152,339,096	152,339,096	152,339,096	
Community Empowerment Programme	-	-	-	-	-	-	-	-	4,513,947	373,769,948	373,769,948	373,769,948	
Education Programme	-	-	-	-	-	-	-	-	224,993,467	4,007,403,450	4,222,396,917	4,222,396,917	
Investment and Diversity	-	-	-	-	-	-	-	-	4,574,480	151,869,946	151,869,946	151,869,946	
Health Programme	-	-	-	-	-	-	-	-	-	3,726,552,107	3,726,552,107	3,726,552,107	
Human Rights and Legal Aids Services	-	-	-	-	-	-	-	-	-	273,16,681	273,16,681	273,16,681	
Policy Advocacy	-	-	-	-	-	-	-	-	-	151,053,511	151,053,511	151,053,511	
Water, Sanitation and Hygiene Programme	-	-	-	-	-	-	-	-	-	294,137,601	294,137,601	294,137,601	
Ultra Poor Programme	-	-	-	-	-	-	-	-	-	2,053,016,421	2,053,016,421	2,053,016,421	
Other Development Projects	-	-	-	-	-	-	-	-	-	896,337,441	896,337,441	896,337,441	
Total Expenses	5,594,106,073	259,658,541	3,052,851,770	3,353,304,057	56,173,361	18,286,281,951	561,557,971	47,388,905	31,231,322,629	12,001,395,992	43,232,718,621		
Surplus of income over expenditure before taxation	1,182,592,397	41,735,465	156,755,744	423,499,060	29,234,752	13,651,272,352	1,926,218,251	41,227,849	17,452,535,870	(147,683,376)	17,304,852,494		
Taxation	-	-	-	-	-	-	(486,000,000)	-	(486,000,000)	-	(486,000,000)		
Net surplus stated in statement of income & expenditure before inter-progr. Allocation	1,182,592,397	41,735,465	156,755,744	423,499,060	29,234,752	13,651,272,352	1,440,218,251	41,227,849	16,966,535,870	(147,683,376)	16,818,852,494		
Inter-programme allocations	-	(14,827,412)	(66,732,571)	(252,735,398)	(10,650,535)	-	344,945,916	-	-	-	-		
BRAC Contribution to support Donor Funded Programmes	-	-	-	-	-	-	(148,800,551)	-	(148,800,551)	148,800,551	-		
Net surplus for the period after inter-programme allocations	1,182,592,397	26,908,053	90,023,173	170,763,662	18,584,217	13,651,272,352	1,636,363,616	41,227,849	16,817,735,319	1,117,175	16,818,852,494		

33. Statement of Functional Expenses

Expenditure Statement for the period ended December 31, 2017

	Unrestricted										Temporarily restricted		Total 2017 Taka
	Aarong Rural/Craft Centre Taka	BRAC Printing Pack Taka	BRAC Dairy and Food Project Taka	Agro based Programme Support Enterprise Taka	Non-agro based Programme Support Enterprise Taka	Micro Finance Programme Taka	Self-financing Social Development Projects Taka	House Property (Building) Taka	Total Unrestricted Taka	Temporarily restricted			
										Development Projects 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	-	12,034,831,057	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	68,993	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	-	-	-	-	528,967	-	1,345,034,762	36,830,333	-	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	1,310,672	-	-	10,064,913,190	-	-	10,064,913,190	
Publicity, advertisement and sales commissions	121,242,597	-	76,166,010	134,659,159	-	-	-	-	346,193,934	-	-	346,193,934	
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	1,568,390	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	6,771,787,754	293,782,668	3,256,293,493	2,712,820,963	77,704,861	23,503,895,326	1,096,875,465	53,500,360	37,766,660,890	13,215,811,491	-	50,982,472,381	

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

33. Statement of Functional Expenses

	Unrestricted											Temporarily restricted		Total 2016 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
Salaries and benefits	726,747,404	11,926,619	193,978,805	191,205,348	6,295,118	7,905,523,937	58,617,151	-	9,094,294,382	5,909,340,096	15,003,634,479	-	-	-	-	-	-	-	-
Travelling and transportation	69,431,278	1,273,053	102,421,138	34,805,570	1,078,747	530,645,559	4,307,153	-	743,962,498	550,075,293	1,294,037,791	-	-	-	-	-	-	-	-
Teachers' salaries	-	-	-	-	-	-	-	-	-	-	974,977,157	-	-	-	-	-	-	-	-
Teachers' training	-	-	-	-	-	-	-	-	-	-	162,408,874	-	-	-	-	-	-	-	-
School rent and maintenance	-	-	-	-	-	-	-	-	-	-	176,209,164	-	-	-	-	-	-	-	-
Stationery, rent and utilities	262,199,061	555,140	28,252,115	14,536,072	1,061,592	475,771,914	-	-	800,816,773	257,653,966	1,058,470,738	-	-	-	-	-	-	-	-
Maintenance and general expenses	117,995,640	1,831,070	50,032,917	37,358,136	1,415,034	409,998,446	-	-	625,406,178	171,812,030	797,218,209	-	-	-	-	-	-	-	-
Members' training	-	-	-	-	-	-	-	-	-	-	242,033,964	-	-	-	-	-	-	-	-
Staff training and development	5,963,972	-	4,827,118	2,464,990	25,104	211,171,269	68,718,290	-	293,170,743	334,528,950	627,699,693	-	-	-	-	-	-	-	-
Programme supplies	-	-	-	-	-	379,664,357	116,207,073	-	495,871,430	3,106,022,361	3,601,893,790	-	-	-	-	-	-	-	-
Interest on members' savings deposits	-	-	-	-	-	2,822,895,780	-	-	2,822,895,780	-	2,822,895,780	-	-	-	-	-	-	-	-
Interest on long term loans	-	-	-	-	-	2,171,462,277	-	-	2,171,462,277	-	2,171,462,277	-	-	-	-	-	-	-	-
Bank overdraft interest and charges	47,173,017	6,963,909	-	15,294,455	-	-	-	-	1,282,976,097	20,599,837	1,303,575,934	-	-	-	-	-	-	-	-
Cost of goods sold of social enterprises	4,173,936,984	231,863,352	2,521,106,059	2,897,920,989	45,448,613	-	-	-	9,870,275,997	9,870,275,997	9,870,275,997	-	-	-	-	-	-	-	-
Publicity, advertisement and sales commissions	59,830,683	-	138,790,184	104,394,480	138,372	-	-	-	303,153,719	5,620,693	308,774,412	-	-	-	-	-	-	-	-
Loan loss provision for microfinance loans	-	-	-	-	-	2,011,313,856	-	-	2,011,313,856	-	2,011,313,856	-	-	-	-	-	-	-	-
Depreciation of property, plant and equipment	129,913,034	479,449	3,985,997	51,424,979	547,818	154,289,840	228,096,908	22,173,091	590,911,116	90,113,607	681,024,723	-	-	-	-	-	-	-	-
Provision for bad and doubtful debts	915,000	4,765,949	9,457,437	3,899,038	162,963	-	-	-	19,200,387	-	19,200,387	-	-	-	-	-	-	-	-
Allocation to self- insurance fund	-	-	-	-	-	-	55,611,396	-	55,611,396	-	55,611,396	-	-	-	-	-	-	-	-
Allocation to Relief and Rehabilitation fund	-	-	-	-	-	50,000,000	-	-	50,000,000	-	50,000,000	-	-	-	-	-	-	-	-
	5,594,106,073	259,658,541	3,052,851,770	3,353,304,057	56,173,361	18,286,281,951	581,557,970	47,388,905	31,231,322,628	12,001,395,993	43,232,718,621	-	-	-	-	-	-	-	-

Included in cost of goods sold of (BRAC Dairy, Printing Pack) is depreciation of property, plant and equipment amounting to Tk. 112,296,702

Editorial panel:

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Zaian Chowdhury
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Cover photo:

BRAC/Kamrul Hasan

Printed by:

Progressive Printers

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