

Report On
BRAC International: Comparative Analysis of Six Microfinance
Entities & Their Impact on Economy

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Bachelor of Business Administration

BRAC Business School
BRAC University
June 2020

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Supervisor's Full Name & Signature:

Dr. M. Mujibul Haque

Professor & Associate Dean, BRAC Business School
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Letter of Transmittal

Dr. M. Mujibul Haque
Professor & Associate Dean,
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of internship report on “BRAC International: Comparative Analysis of Six Microfinance Entities & Their Impact on Economy”.

Dear Sir,

With all due respect I would inform you that I have prepared my internship report where I have analyzed the key financial elements to compare the financial position of six BRAC microfinance entities.

This report has helped me to understand the financial aspects of the entities in a greater way along with the other key functioning areas of BRAC. I have tried my ample best to utilize all my knowledge and the data that I collected to get a fruitful result out of this report.

Sincerely yours,

Kazi Hafsa Sara
16104172
BRAC Business School
BRAC University
Date: June 20, 2020

Non-Disclosure Agreement

This agreement is made and entered into by and between BRAC International and the undersigned student at BRAC University.

.....

Kazi Hafsa Sara.

Acknowledgement

First of all I would like to thank the great Almighty Allah for giving me the strength and patience to continue work on this report to come up with an end result. Secondly, this report is also a result of the guidance that I received from many people. Throughout this process they have supported me whenever I needed their help.

Furthermore, I would like to thank my internship advisor, Dr. M. Mujibul Haque, Professor & Associate Dean of BRAC Business School at BRAC University. He has patiently given me the direction to work on this report and also provided me with his valuable suggestions from time to time. Without his insight, it would have been impossible to prepare such a report.

Moreover, I am also very thankful towards my internship supervisor from BRAC International, Mr. Zohirul Islam Jewel ACCA and the entire Finance team for helping me to learn a lot of things about finance and accounting that helped while working in the office and while writing the report.

Executive Summary

Doing internship and writing a report is actually an integral part of the BBA program. In order to complete the degree I need to write this report by considering both my academic knowledge that I achieved from the program's courses and the practical experience that I gained while working at BRAC International where I have been working as an intern for almost six months now.

I joined BRAC in January and since then I have been working with the Finance and Accounts unit of BRAC International. Working there has been amazing since I actually got to learn a lot about the practical way of doing work in the finance field. However, due to the ongoing pandemic the learning process has slowed down a bit in the last two months.

BRAC is one of the leading NGOs in Bangladesh with two distinct parts, BRAC Bangladesh and BRAC International. While BRAC Bangladesh looks at the operations done in Bangladesh; BRAC International simply looks over the foreign operations. These two parts work separately on their different goals with the help of their separate departments. However, BRAC International at the end of the year reports to the main branch of BRAC which is BRAC Bangladesh and BRAC Bangladesh also helps BRAC International with various resources such as financial help for running the offices overseas without any difficulty. The official chain of command is maintained in such a way that both BRAC Bangladesh and BRAC International works with the same principles and guidelines in order to become a single entity at the end of the day which is BRAC.

While working for BRAC International I could closely observe the operations of the six foreign microfinance entities that BRAC has overseas. The microfinance entities allow the underprivileged people with different background to take loans in order to further improve their condition. The loan programs are designed in a way that can match the need of the local people considering their social and economic situation. These six microfinance entities are also the key of income for BRAC International. While some of the microfinance entities are doing great, others are struggling quite a bit. Since I joined BRAC during the time of audit I could see and analyze the financial statements of all the entities. Therefore, I have compared the key financial elements such as income, equity, liability etc. to shed light on the growth of the entities. I have also used financial ratios to actually compare the entities with each other and ranked them in order to see which one is leading and which one needs further improvement. In my report I have also tried to compare the microfinance program of BRAC Bangladesh and BRAC International in order to see which one is doing great in terms of better income, overall customer growth etc. I have also tried to shed light on the economic situation of the foreign countries and the help that six microfinance entities have brought with them.

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List of Acronyms

BRAC	Building Resources Across Communities
HR	Human Resource
KPI	Key Performance Indicator
MF	Micro Finance
BI	BRAC International
ELA	Empowerment and Livelihood for Adolescents
BiTs	BRAC IT Services
NGO	Non-Governmental Organization

Chapter 1:

Overview of Internship

1.1 Student Information

I am Kazi Hafsa Sara, ID- 16104172, a student of BRAC Business School, BRAC University. I enrolled myself in the school during the spring 2016 semester and specialized in two different disciplines and those are Accounting and Finance.

1.2 Internship Information

1.2.1 Period, Company, Department & Address

I have been working with the Finance and Accounts team of BRAC International for almost six months now. BRAC International typically deals with the other countries that BRAC has been operating in other than Bangladesh. At present BRAC International has been operating in 11 different countries all across the world including countries such as Afghanistan, Nepal, Philippines, South Sudan, Myanmar, Uganda etc. There are country offices in all the countries that BRAC is working in, however, the regional or head office where all the country offices report is in Bangladesh. The office is at the BRAC Centre, 75 Mohakhali, Dhaka-1212 Bangladesh.

1.2.2 Internship Company Supervisor's Information

My internship supervisor is Mr. Zohirul Islam Jewel ACCA who is the Head of Finance for Planning, Budgeting and Reporting in BRAC International.

1.2.3 Job Scope

I joined BRAC International as an Intern on 5th of January 2020. My 3 months of internship can be classified in three different phases. The first month was all about learning the technical things and helping the Finance team with their day to day work. During the first month I was asked to join several important meetings to learn how the professional life really works. I would attend those meeting and take necessary notes to learn and further understand the situation. I was also made understood that that how the finance team deals with the Stichting BRAC International and BRAC International Holding B.V that are the mother entity for BRAC NGOs and BRAC Microfinances respectively. Moreover, I was introduced to the cloud based system that BRAC uses to record and update all of its transactions and financial reports. I myself have uploaded different things in the cloud in supervision of one of the members from the Finance team. I also prepared powerpoint slides for few important meetings and updated the data on excel whenever necessary. Lastly, my supervisor also appointed me with the task of reviewing and updating the annual financial statements for BRAC South Sudan for audit purpose.

In the second phase of my internship I was given proper training on handling the country accounts for BRAC Myanmar and BRAC South Sudan. I was trained by two BRAC employees so that I understood the tasks done on a monthly basis. I learnt that every BRAC entity maintains monthly financial statements such as balance sheet, income statements etc. I was given the training that how I should be reviewing those statements and prepare few other statements every month to track down all the income, grants and expenses. During this period I also learnt how to extract information and prepare meeting minutes to keep the board members and other officials updated on the agendas or decisions taken on different important meetings. Lastly, the third phase started when my supervisor made me the Acting Country Focal for both BRAC Myanmar and BRAC South Sudan. I need to communicate with the

finance head and other finance officers of those two respective countries and provide them with all kind of assistance that they require from the head regional office in Dhaka. I need to review their work as well, for example I would review and analyze the monthly financial statements that they would send and keep those in a designated folder for monthly statements so that the team can work with those statements if necessary. I also have to keep a record of the expenses that BRAC Bangladesh and biTS would bear for the two respective countries and notify the countries about the amounts. During this phase I also dealt with the auditors since it was the final month to get the annual reports audited within the deadline. I had to work with the country finance teams and communicate with the finance team of BRAC Bangladesh to confirm several balances and other issues. I also helped reviewing the final audit reports for countries such as Myanmar, south Sudan, Sierra Leone and Liberia.

1.3 Internship Outcomes

1.3.1 My Contribution to the Company

I have worked as an acting country focal which was a huge responsibility since the country officials would rely on me to convey their messages to the regional Dhaka office and the regional office would also be depending on me to communicate with the countries for anything. Therefore, while acting as a country focal for two different countries I tried to help my organization communicate with the country finance heads and other officers of South Sudan and Myanmar. I also reviewed the accounts and other official statements for both the countries. I also tried to review a new project for South Sudan that will help the underprivileged children to study. Furthermore, I also actively participated in the audit process for BRAC Myanmar and BRAC South Sudan. Initially I tried helping my supervisor reviewing the annual statements

and then also helped the auditors by providing them with all the necessary information that they required for the process.

As an intern my other duty was to help the entire team whenever necessary. I tried to help the team members with their work and as a result of it I learnt a lot of new things regarding finance, accounts, time management and leadership.

1.3.2 Benefits to the Students

BRAC International has given me the opportunity to implement my knowledge about finance and accounting properly. I learnt to analyze accounts in a way so that I can point out mistakes and rectify them as well. I used to review the monthly accounts which gave a clear idea about the accounting rules and policies. BI also helped me to improve my computer skills. I learnt so many nitty gritty things about Microsoft office. The kind of work that I have done has only boost my confidence for which I will always remain grateful to BI Finance team and my supervisor. Being the acting country focal also improved my communication skill. I also learnt that it is very important to be accommodative in professional life because one can never know which task she will be doing for the betterment of the organization. BI also helped me to understand work ethics and how to maintain it.

I learnt things that are related to my field of study which has definitely increased my interest for finance and accounting. Aside from all that, I got to learn to balance professional life and personal life. I understood the importance of leadership and unity in an organization. The

organization also made me a better person since it taught me the importance of helping the people who are in need for a better tomorrow.

1.3.3 Difficulties Faced During Internship

I would consider myself to be very lucky for being a very small part of BRAC International. The organization has given me so many opportunities to learn and grow that it is quite impossible to find any problem with the work environment. However, whenever I faced any problem it was always about the computer or laptop that I was using. The computers are not up to date and often crashes or automatically gets shut down while working on them.

1.3.4 Recommendations

BRAC is such an amazing organization to work in and during my internship period I hardly faced any issues to complain about. However it would be great if they provide the interns with good quality computers or laptops so that they do not find any difficulty while working there. Furthermore, they could arrange a designated extension number for all the interns since the interns need to communicate with other BRAC officials outside BRAC International. Lastly, the interns could be given wifi on their phones because if the computer crashes having internet in the phone helps to continue the work.

Chapter 2:

Organization Part

2.1 Introduction

For the introduction of the organization (BRAC International) that I am currently working in; I will write about the objective, methodology, scope as well as the limitation and significance.

- ❖ **Objective:** Through this part one can get a clear overview about BRAC International. One can find about the functional areas of the company as well. It will provide the reader the chance to understand the policies and practices of BRAC International in a better way.
- ❖ **Methodology:** In this part I have tried to understand few key functioning areas of the organization such as the management, marketing, finance and accounting, operations management and information system. To get the desired information I had to rely on both primary and secondary data which I collected from the office and over the internet. This entire report is a mixture of both quantitative and qualitative data.
- ❖ **Scope:** The readers will get an idea about the work done by BRAC international. It will also allow the readers to know about the kind of policies and practices the organization has along with its position in the sector and the kind of contribution it makes to different countries that are miles apart from Bangladesh. It will also provide an idea about other organizations such as BRAC, that how they function and run the organization as well as help developing communities across the world.
- ❖ **Limitation:** While writing this report the only problem that I face is when collecting the necessary data. Due to confidentiality policy I could not use all the information that I came across while working in the organization. However, it is for the benefit of the company and did not hamper the work that I have done much.

- ❖ **Significance:** The significance of this part is that, while collecting and analyzing the data I got to know about the organization in a better way, therefore, I can point out the weaknesses and strengths that the organization possesses and can write few recommendations to overcome the drawbacks. The organization can look at this report for a quick review on themselves to take easy and sudden decisions.

2.2 Overview of the Organization

BRAC is the largest international non-governmental NGO based in Bangladesh. BRAC was established in 1972 by Sir Fazle Hasan Abed KCMG at Shallah Upazillah in the district of Sunamganj as a little scope alleviation and restoration task to help returning war evacuees after the Bangladesh Liberation War of 1971. Around then 14 thousand homes must be built as a feature of the aid venture, just as a few hundred fishing boats; BRAC cases to include done this inside nine months, along with opening clinical focuses and offering other fundamental types of assistance.



Figure 1: BRAC

Until the mid-1970s, BRAC focused on network improvement through town advancement programs that included horticulture, fisheries, cooperatives, grown-up education, wellbeing and family arranging, professional preparing for ladies and development of public venues. In 1977, BRAC started adopting a more focused on strategy by making Village Organizations

(VO) to help the landless, little ranchers, craftsmen, and powerless ladies. That equivalent year BRAC set up a business print machine to help account its exercises. The craftsmanship retail chain called Aarong was set up the next year.

BRAC's oldest program, Microfinance was first introduced in 1974. It traverses all regions of Bangladesh. It gives guarantee free credits to generally poor, landless, rustic ladies, empowering them to create salary and improve their gauges of living. BRAC's microcredit program has subsidized over \$1.9 billion in advances in its initial 40 years. 95% of BRAC's microloan clients are women. According to BRAC, the reimbursement rate is over 98%. Furthermore, BRAC is perhaps the biggest ngo associated with essential instruction in Bangladesh. As of the finish of 2012, it had more than 22,700 non-formal elementary schools with a consolidated enrolment of 670,000 youngsters. Its schools comprise seventy five percent of all NGO non-formal elementary schools in the nation. BRAC's training program gives non-formal essential instruction to one side out of the conventional training framework, particularly poor, country, or distraught youngsters, and drop-outs. Its schools are normally one live with one instructor and close to 33 understudies. Center subjects incorporate arithmetic, social investigations and English. The schools likewise offer extracurricular activities. They boost tutoring by giving nourishment, permitting adaptable learning hours, and giving grants dependent upon scholarly execution. Bangladesh has decreased the hole among male and female participation in schools. The improvement in female enlistment, which has generally been at the essential level, is to a limited extent owing to BRAC. Generally 60% of the understudies in their schools are young ladies.

BRAC began giving health care services in 1972 with an underlying spotlight on corrective consideration through paramedics and a self-financing medical coverage plot. The program

proceeded to offer coordinated medicinal services administrations. A BRAC people group wellbeing laborer leading an overview in the Korail ghetto, Bangladesh. BRAC's 2007 effect appraisal of its North West Microfinance Expansion Project vouched for expanded consciousness of legitimate issues, including those of marriage and separation, among ladies members in BRAC programs. Moreover, ladies members' fearlessness was helped and frequency of aggressive behavior at home were found to have declined. One of the most unmistakable types of brutality against ladies, corrosive tossing, has been diminishing by 15-20% every year since the order in 2002 of enactment explicitly focusing on corrosive viciousness. Moreover, BRAC directed one of the biggest NGO reactions to Cyclone Sidr which hit tremendous regions of the south-western coast in Bangladesh in mid-November 2007. BRAC disseminated crisis help materials, including nourishment and garments, to more than 900,000 survivors, if clinical consideration to more than 60,000 unfortunate casualties and made sure about safe supplies of drinking water. BRAC is currently concentrating on long haul restoration, which will incorporate agribusiness support, foundation recreation and occupation recovery. Aside from all this BRAC also has several food projects and established a university called BRAC University in 2001. Some of its key donors are USAID, BILL & MELINDA GATES foundation, Kingdom of the Netherlands, Unicef, Qatar Foundation etc. BRAC's research and learning partners are SEED, WorldFish, University of Sussex, Stanford University, University of Sydney, IRRI etc.



Figure 2: BRAC School



Figure 3: Social Innovation Practices

2.3 Management:

From this part of the report the readers will get a brief idea about the entire management of BRAC. One can learn about the management team, rules, policies and practices of BRAC. This will include topics such as organogram, HR policies, training and development, governance and good practices, promotions and other incentives and safeguarding policy.

- ❖ **Organogram:** It is typically a chart or diagram that shows the organizational structure of different key positions and how they are correlated. It also depicts the chain in command for the organization. In BRAC there is one Director and under his supervision there is one Executive Director. Under the executive director there are few Senior Directors and one Chief People Officer. The Senior Directors tackle different programs or enterprises such as Aarong and Ayesha Abed Foundation, social innovation lab, migration program, education program, microfinance, internal audit, procurement, legal & compliance, grants management, finance and accounts etc. The one Chief People Officer handles the human resource division and BRAC learning division.

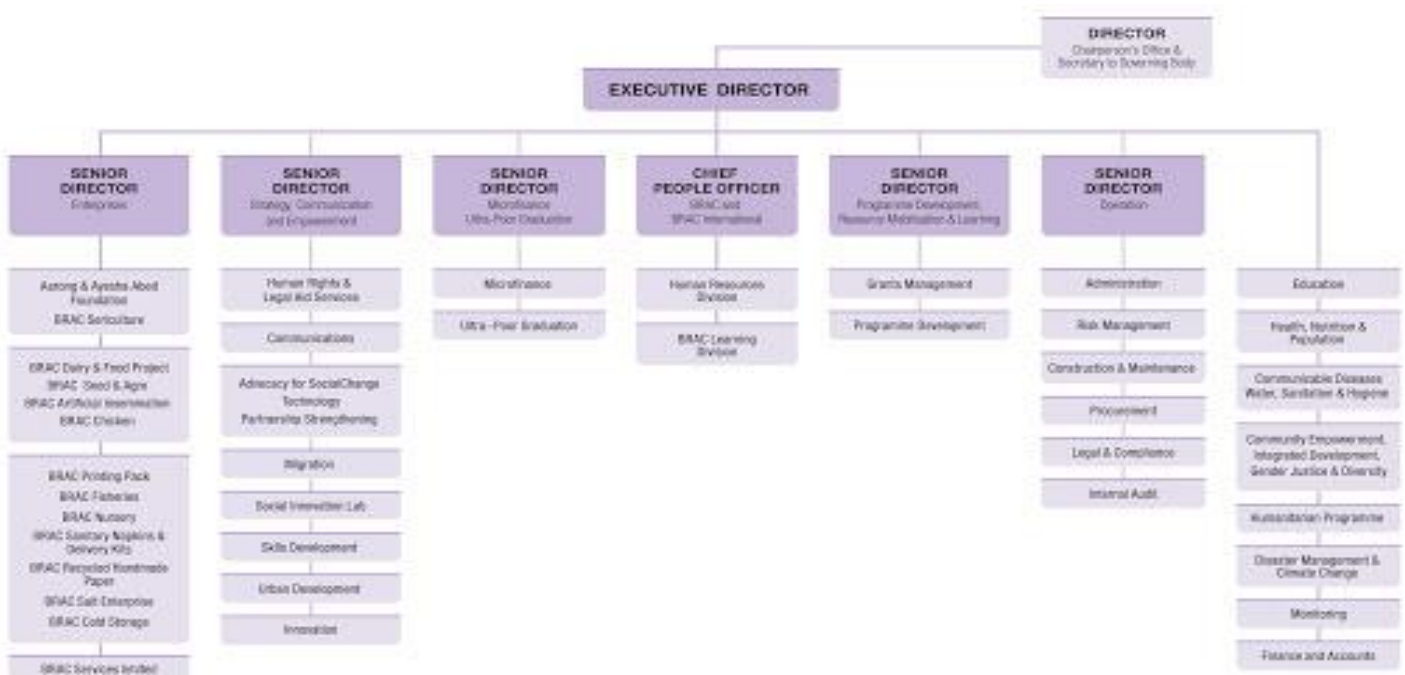


Figure 4: BRAC's Organogram

- ❖ **HR Policies:** BRAC has almost 150 thousands of employees overall. The organization is very careful when it comes to its employees. Here the employees get their salaries at the end of every month but the salary is counted on a daily basis. Employees will also get paid leaves so that they can handle any bad situation I their personal lives. For the married employees, BRAC also provides the facility of day care just right beside the office for their children so that parents can go and check upon their kids if necessary and can also work properly because they know their kids are in safe hands. BRAC also has a flexible timing policy which means employees can choose their working hour schedule but they also have to make sure that they work for 8.5 hours a day 42.5 hours a week. To ensure that there is no violence and the employees are treated equally BRAC also has different policies which they follow very strictly. Furthermore, they also make sure that the recruitment process is very strict or rigorous so that they can take in talented bunch of people to work for BRAC and the communities.
- ❖ **Training and Development:** BRAC constantly is introducing different training programs for their existing employees. They would provide training facilities to everyone; holding no matter what position in the organization. The employees will typically get trained for the kind of work they do in the office so that they can get more skilled and implement the new or changing techniques in their work. For example, for any new inclusion of a software for a particular unit the employees dealing with that unit would be given training so that they get accustomed with the newness of the system. Employees would also go to retreats or annual picnics to freshen their mind to focus better in their personal and professional lives.
- ❖ **Promotions and Other Incentives:** In BRAC the department of HR looks after this particular issue. They evaluate each and every employee's performance which is known as KPI. This KPI is done every year in order to asses every employee based on few

fixed criteria. This KPI help to find out the deserving employees that can be given promotion or a raise in their remuneration in order to boost their confidence and to encourage them.

- ❖ **Governance and Good Practices:** In ensure equality and transparency BRAC has governance policy to look after this issue. Every major decision taken for the well-being of different communities is communicated effectively by the board to all the other employees. BRAC also has a culture that helps the employees to communicate among each other in an affective and friendly way. BRAC has embellished its walls inside the office with different messages about a socially equal world to further strengthen the cause.

- ❖ **Safeguarding:** Due to the ongoing ‘me too’ movement in 2018 and 2019 BRAC has introduced safeguarding policies as well in order to prevent any kind of violence against any gender and to promote gender equality. Employees were instructed to join seminars and workshops based on safeguarding so that they understand the situation and can raise their voice whenever necessary.

2.4 Marketing

BRAC is a name that needs no recognition. People from all across of life in Bangladesh are aware of BRAC and its operations. BRAC has worked very hard for years and as a result of it, BRAC has become a household name now. However, I will analyze the marketing aspect of BRAC by defining and dividing into 7Ps (marketing mix).

❖ **Product:** BRAC offers both products and services. For product BRAC has Aarong which is a shop for ethnic wear and handicrafts. This particular shop is very popular among the people in Bangladesh and BRAC earns quite a lot of money from this enterprise only. Aside from this, BRAC has dairy products such as processed chickens, yogurt and cheese etc. BRAC also has a Nursery that sells plants and promote tree plantation. BRAC also offers salt, sanitary napkins, papers and plant seeds etc. For services BRAC offers loans as part of their microfinance program; BRAC also has schools to ensure the primary education of children belong to the families that are living below the poverty line. BRAC also has invested in BRAC Bank which provides banking and financial services to people. BRAC has invested in BRAC EPL and IPDC, to help the non-banking financial institutions to flourish. Furthermore BRAC has invested in Guardian Life Insurance Company. BRAC has also invested in a digital service platform in collaboration with Robi called 'Maya Apa'.



Figure 5: 7Ps of Marketing Mix

❖ **Promotion:** BRAC for promotional activities uses social media, television and newspapers. BRAC would create documentary and telecast it over television and

Youtube so that it can communicate its message to a larger population of a variety of age, class and race. BRAC would also print important announcements and news about key programs in the leading newspapers. Moreover, BRAC's website is updated on a regular basis to keep everyone associated or not associated with it informed about everything. They would write about their products and services on the website.

- ❖ **Price:** BRAC would fix the price based on the demand and supply of their products. Most of the BRAC products are budget friendly and BRAC offers a range of price for its products so that everyone could afford. However, one of their enterprises called Aarong would often sell products on a much higher rate than its competitors but for that they have always said that they do not compromise with the quality, hence they have a higher pricing policy for that.
- ❖ **Place:** BRAC is an organization that has reached every corner of Bangladesh and now reaching more places worldwide. BRAC has small offices in almost every zilla in Bangladesh despite the remoteness of those places. Since BRAC mostly work with poor rural people, to have a distinctive office in the rural areas hold great significance. BRAC has over thousands of rural offices all across Bangladesh and almost every month opening new ones.
- ❖ **Process:** BRAC focuses on the process that it deals with its customers. BRAC has invested a lot of money to acquire and train its employees to communicate about BRAC and its programs to the helpless and mostly uneducated people of Bangladesh. So far we can witness that BRAC has achieved tremendous success in this regard as the organization is always reaching new dimensions of success.
- ❖ **People:** Thinking about the well-being of people is the main moto of BRAC. This organization has always given emphasis on building great relationship with its

customers. This organization tries to understand the mind of its customers by communicating effectively with them, by being their friend in need.

- ❖ **Physical Evidence:** BRAC is such a huge organization that it's that we can always find one or more examples of its physical evidence, either through one of its enterprises or programs.

2.5 Finance and Accounting

BRAC has finance and accounts department for both BRAC Bangladesh and BRAC International. Both these units work separately to prepare annual reports, however each unit deals with their own audits. Audit is done on an annual basis, typically for the period starting from 1st January to 31st December. Although BRAC deals with many different currencies for the final overall annual report they convert every amount into Taka. BRAC readies its budget reports on a going concern premise, under the historical cost convention, aside from investment in shares in listed organizations grouped inside investment in securities and others, which are expressed at fair value. BRAC by and large follows the accrual basis of accounting.

- ❖ **Internal Control System:** Internal control framework or system is intended to give sensible affirmation of accomplishing an association's goals and satisfying its commitments and responsibilities. It is likewise essential to guarantee things are proceeding onward the correct track. An inside control framework is fundamentally the successful incorporation of exercises, strategies, methodology and framework in an association, so as to accomplish the association's destinations. The board of BRAC International is answerable for setting up and keeping up a viable inside control framework. What's more, they will have the option to show that controls are set up, and

that the degrees of hazard are proper and satisfactory to the association. An inside control framework is intended to offer help to the administration corresponding to the territories underneath:

- Effectiveness and proficiency of activities.
- Appropriate the board and control of risk.
- Reliability and fulfilment of the board, money related and tax assessment detailing.
- Compliance with relevant enactment, laws, guidelines, arrangements and agreement provisions.
- Safeguard assets.

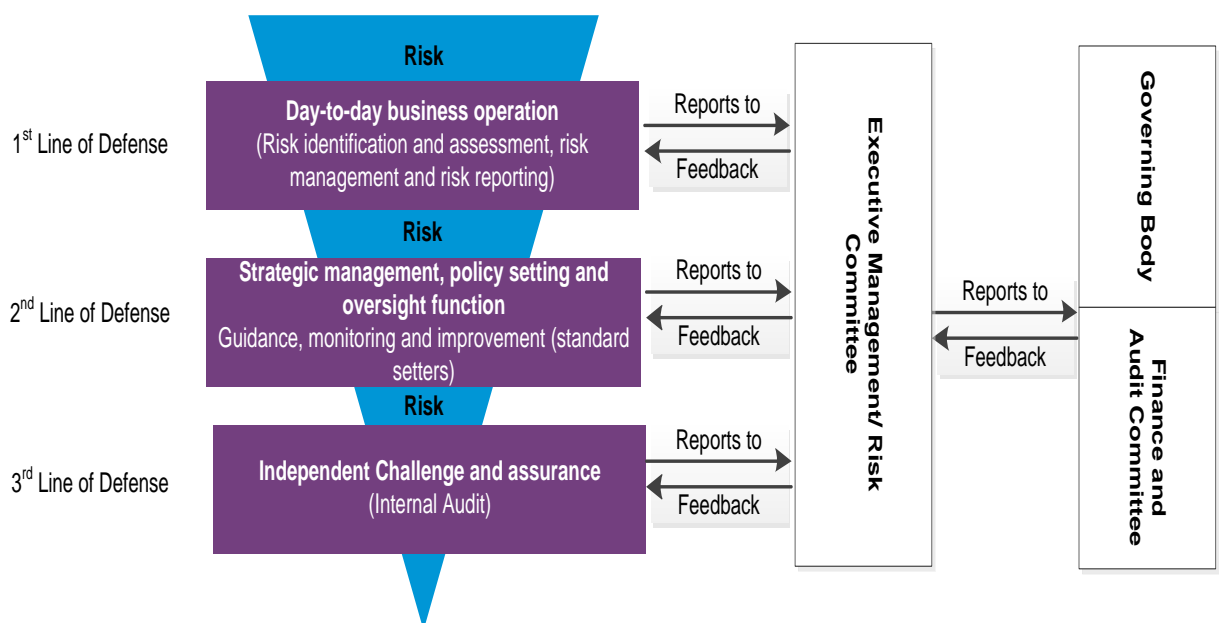


Figure 6: Three lines of Defense

❖ **BRAC International Financial Control Framework**

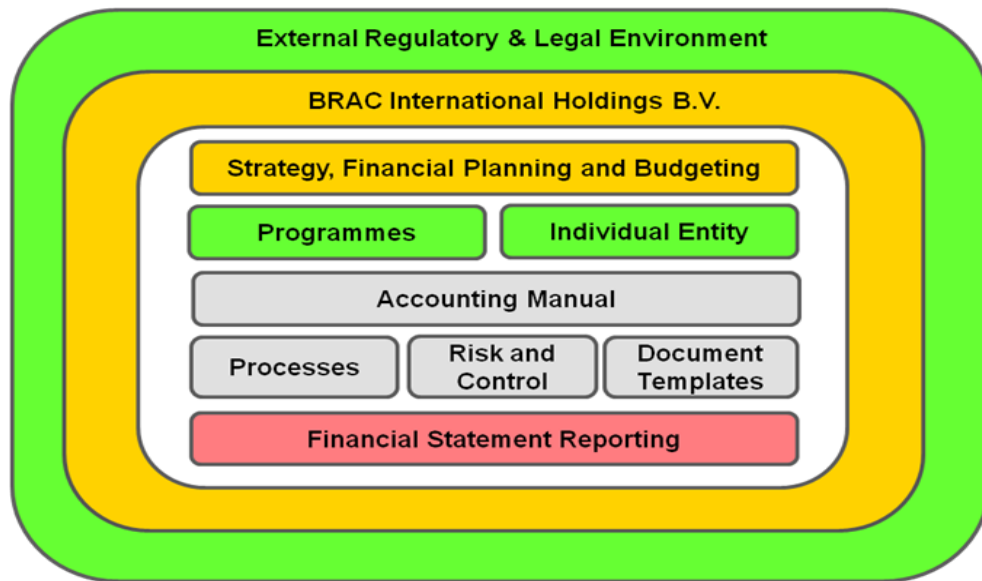


Figure 7: Financial Control Framework

- External Regulatory & Legal Environment:** Right now, Financial Control Framework alludes to the outer administrative and legitimate condition of which BRAC International works in, which as of now incorporates Afghanistan, Myanmar, Nepal, Philippines, Uganda, Tanzania, South Sudan, Sierra Leone, Liberia, Kenya and Rwanda. In every one of the nations recorded above, there is a substance set up by BRAC International, to embrace either Microfinance, Social Enterprise as well as Social Development programs. BRAC International may have revealing commitment in certain nations despite the fact that no immediate in nation activity for example the Netherlands, Sri Lanka, and so forth. BRAC International likewise plans to stretch out to different nations in the coming years where this bookkeeping approaches will be relevant. Given the assorted variety of tasks across different nations, there are neighborhood guidelines and laws that should be consented to every substance in every nation. Thus, it is significant that BRAC International furnishes themselves with the information on such nearby condition.

- **BRAC International (Strategy, Financial Planning and Budgeting):** As BRAC International has activities in different nations, it is significant that it characterizes its procedures and headings for the association to accomplish its targets. The key parts of procedure arranging would include a comprehension of the association's vision, strategic qualities: -
- **Vision-** A world liberated from all types of abuse and separation where everybody has the chance to understand their chance.
- **Crucial-** To engage individuals and networks in circumstance of destitution, absence of education, illness and social foul play. The mediations expect to accomplish enormous scope, positive changes through monetary and social projects that empower ladies and men to understand their latent capacity.
- **Qualities-** Advancement, Integrity, Inclusiveness, Effectiveness When the techniques and headings are characterized, it is critical to oversee assets as needs be, to accomplish arranged targets. As far as acquiring assets, money related arranging is significant as it includes the improvement of long haul financing methodologies for the association, and therefore the advancement of spending plans and gauges for every one of the program.
- **Accounting Manual (Processes, Risk and Control and Document Templates):** This accounting manual is created to help the money related control framework in BRAC International and to guarantee that procedures and methods are set up for the accounting exercises. Accounting should utilize this

manual as a guide in completing their jobs and duties. There are 3 fundamental parts in the accounting manual

- **Process-** The procedures for the accounting exercises are spread out right now pictured as a procedure stream graph. Given the assorted variety of tasks of BRAC International, these procedure stream diagrams fill in as a manual for the bookkeepers and all the more critically, to advance textures in completing the bookkeeping exercises across nations.
- **Risk and Control-** Risk is the level of vulnerability around an occasion happening of which will in this manner sway the association's capacity to accomplish its destinations. Right now, is alluded to as risk related with every one of the accounting action distinguished right now. In react to this, controls must be set up so as to moderate or decrease the probability of such risk happening.
- **Document Templates-** So as to advance textures in doing the bookkeeping exercises across nations, comparable archive layouts ought to be utilized for similar procedures over the nations. Likewise, this will empower a predictable record keeping and documentation for all nations that BRAC International works in.
- **Financial Statement Reporting:** Financial Statement Reporting is critical to an organization as it outlines the budgetary activity of the organization and this permits the board to perceive how monetarily productive the association has been. What's more, for the users, particularly donors, they can evaluate the

stewardship of the administration so as to decide, for example financing of program exercises of BRAC International the way toward setting up the fiscal report is alluded to as Financial Statement Close Process (FSCP). This procedure includes the grouping of exercises completed by the bookkeepers so as to set up the budget summaries and give a genuine and reasonable perspective on the situation of the association to the users.

- ❖ **Financial Planning for Microfinance (MF):** Financial planning is fundamental in accomplishing the objectives of the MF program embraced by BRAC International. Financial arranging includes the advancement of long haul subsidizing procedures for the association all in all, and in this way, separated to singular element marketable strategy that incorporates operational conjectures and money related spending plans. As a major aspect of a compelling arranging stage, the MF program goals and bearings will be unmistakably characterized and in this manner, spending plans and conjectures will be created to help the fruitful usage of the MF program.

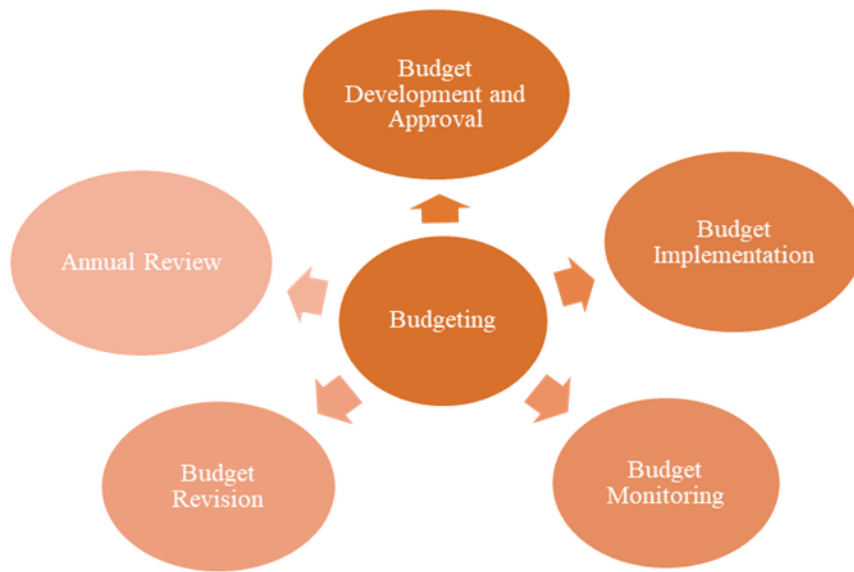


Figure 8: MF Budgeting Process

Budgeting is a significant money arranging instrument as a spending subtleties down "the measure of assets that an association means to raise and spend for a particular reason over a given time frame". Planning incorporates every normal income, expenditure and capital investments required so as to run the MF program effectively. This guides the dynamic procedure by keeping the administration educated regarding the monetary needs of MF program and vital moves can be made to address those issues. BRAC International Microfinance program ordinarily readies a five years operational arrangement alongside monetary forecasts. This monetary forecasts are reviewed, revised and introduced before the year's end as operational budgets

❖ **Some Key Comparison**

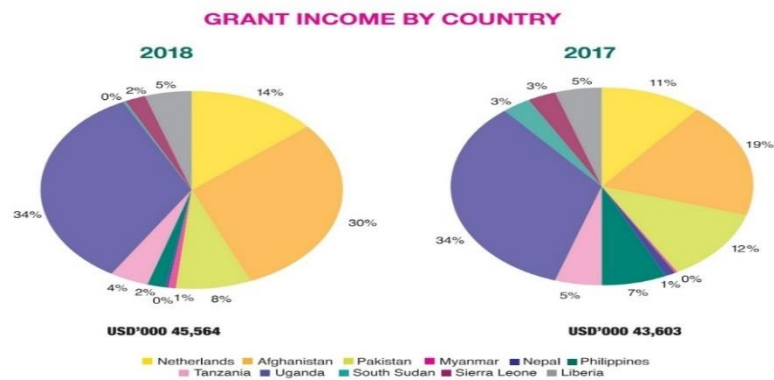


Figure 9: Grant Income of BI Countries.

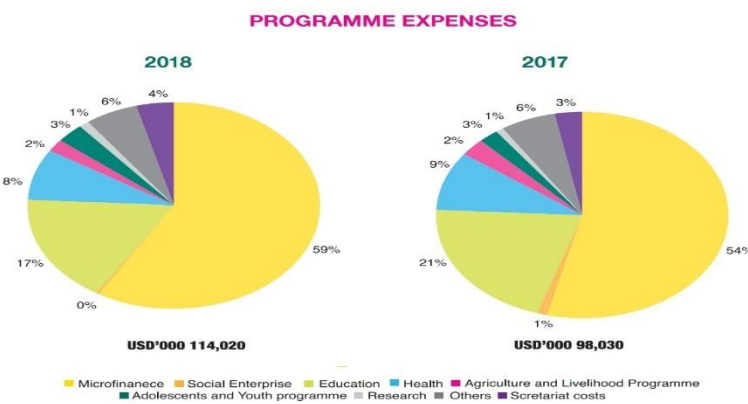


Figure 10: Program Expenses

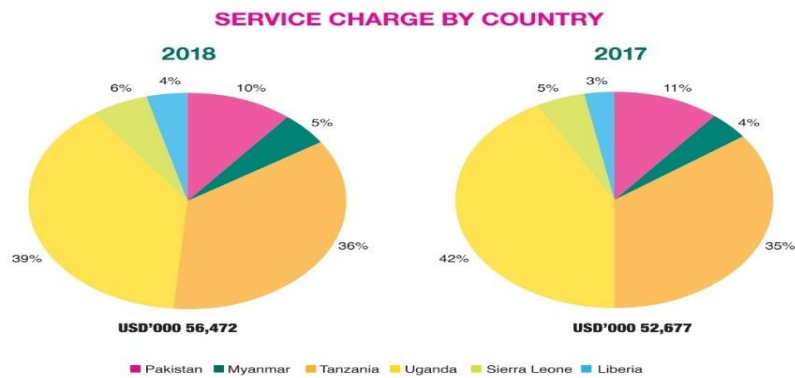


Figure 11: Service Charge by BI Countries

2.6 Operation Management and Information System:

There is no dedicated team for operations management, rather every unit be it a core department such as finance or a unit for a specific program such as ELA would ensure that all the tasks are being performed and controlled properly. As part of operations management all the units or

teams try to communicate with each other as much as possible and cooperate with each other when necessary. For instance, for both the finance team for BRAC Bangladesh and BRAC International would complement each other's work as much as possible. They would arrange training and retreat sessions for both the teams so that the employees get to know each other better and work for the organization more effectively.

BRAC has introduced a service called biTS which actually deals with all the important data and analyze them. biTs has developed their own software to help BRAC with the IT related issues. For the work done by biTS each country needs to them so that they can cover up all their expenses that they occur while rendering services to different employees of different countries. This not only helps BRAC to complete their work in time but also helps to protect all the confidential data or information regarding the organization and its programs.



Figure 12: BRAC IT Services

2.7 Industry and Competitive Analysis:

To run any kind of organization there will be challenges yet the organizations need to find ways to overcome all those obstacles to help achieve its goal. BRAC from the very beginning of its journey has faced many challenges but it successfully overcome all that and that is why it is now such a huge organization with almost 150 thousands of employees and millions of

customers in the entire world. To evaluate BRAC's journey in the respective industry I would analyze it based on PASTLE and SWOT analysis.

PESTEL:

- **P:** P stands for political situation. BRAC started its journey just right after the liberation war. At that time the country's political structure was fairly broken. BRAC had to start working for the people immediately as initially its motive was to rebuild the country. Although BRAC did not get much help from the government much at the beginning but as time passed even government started helping and cooperating with BRAC to successfully run all the programs for the benefits of the people. However it is still dealing with political problems in other countries such as Afghanistan.
- **E:** E stands for economy. BRAC being the largest NGO in the world, it typically deals with countries that have a very bad economic growth. It also handles the fluctuating inflation and exchange rates on a regular basis. It also helps to reduce the unemployment rate so that the economy grows.

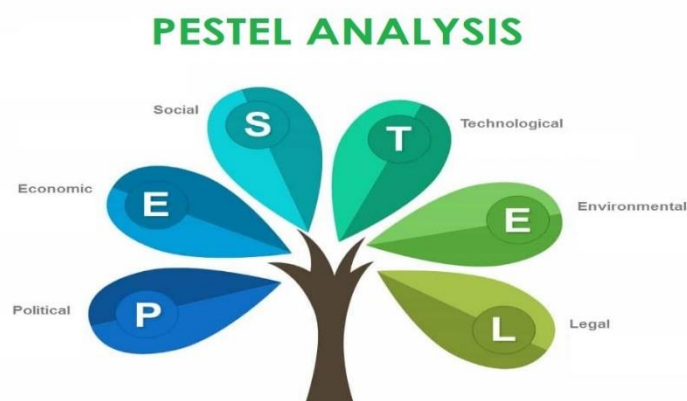


Figure 13: PESTEL Analysis

- **S:** S stands for social situation. When BRAC initially started its journey the social infrastructure of Bangladesh was almost broken. BRAC has been dealing with crisis such as population problem, hygiene issues, child

marriage and child labors etc. All these problems gave BRAC the opportunity to work more for the peoples' well-being to eradicate these issues from the society.

- **T:** T stands for technology. Bangladesh and the world have evolved technologically. BRAC has adopted those changes very quickly in order to make sure that the organization never fails to achieve what it wants to achieve.
- **E:** E here stands for environment. BRAC has been working with rural people living at remote places. Therefore, BRAC has dealt with many calamities and or whether issues such as tornedos and floods, yet managed work for the cause.
- **L:** BRAC has always been getting legal help due to its reputation or image within the industry. Since BRAC has help the government to eradicate different social problems by following the proper guideline and policies they hardly faced any legal challenges.

SWOT:

- **Strength:** BRAC's biggest strength is the reputation it has achieved worldwide. People all across Bangladesh from different demography know about BRAC and its enterprises and programs. BRAC has been working for almost 50 years now and every single employee of this organization has worked very hard to get recognition from the commoners. BRAC's biggest source of strength is its filed workers who go from door to door to enlighten people about various important subjects such as the early marriage or early pregnancy

complications. The relationship that BRAC has built over the years with the people and its customers is based on trust and unbreakable.

- **Weakness:** According to me BRAC's weakness is the fact that it heavily focuses on the development of different communities but since the world is becoming economically stable day by day, BRAC could face great challenges to sustain in the market. Nevertheless, BRAC is now trying to venture outside the development sector and investing in a lot of other enterprises such as banking industry so that the organization never face any kind of problem to grow even if the scope for development becomes narrower.
- **Opportunities:** Bangladesh is moving toward an economic growth which may lead BRAC to not get enough scope of work. However, BRAC has already recognized the opportunities it has and has spread its programs on different other regions that are still dealing with poverty and social problems. BRAC has started its operations in countries such as South Sudan, Uganda and Afghanistan etc.



Figure 14: SWOT Analysis

- **Threat:** Competitors such as Red Cross, ActionAid, Grameen Bank etc. could be the biggest threat for BRAC. These organizations have also been working to improve the life of millions of people both inside and outside of Bangladesh and have very good reputation.

Competition with the Competitors:

There are hundreds of NGOs working everywhere in the world to improve the condition of peoples' lives. NGOs such as Red Cross, Sajida Foundation, TMSS have been working non-stop to provide people better lives. However, in Bangladesh if we analyze the overall success rate of different NGOs no one can beat BRAC. BRAC has gain the trust of many people all across Bangladesh. When anyone especially in the rural areas hear about BRAC they instantly recognize the organization and acknowledge its programs or the kind of social work it has done so far. BRAC has its own followers and admirers in the country and is already experiencing an edge over all the other active NGOs in Bangladesh.

Since BRAC now is trying to expand globally, it has to compete with all the leading global NGOS such as ActionAid. BRAC has done exceptionally well in the local environment but now the real challenge will be to deliver an even better performance on the global scale. Although BRAC is already doing fairly well in the foreign lands, however it still has a long way to go.

2.8 Circumstances during Covid-19:

The field workers of BRAC have been going from door to door to make people aware about COVID-19. BRAC even gave its employees the permission to work from home before the government announced a nationwide lockdown. So far BRAC has also done quite a bit of research to analyze the impact of this pandemic on the people and the economy of Bangladesh.

However, the current situation is hampering the overall efficiency of the necessary work. For example, in BRAC International often different important papers would come from different countries around the world to get reviewed and signed. Although this process is still going on, the entire process now has become a bit more time consuming. Most of the employees would also not be able to use technologies such as scanning machines, printers for their work since these are not available in everybody's home. In short, it is much easier to work when people are working in the same office at the same time because then they can help each other instantly and the workload decreases and at the same time it saves time.

For interns the situation is much worse since they do not have enough experience and working from home does not allow them the assistance that they could get while working at the office with all the other employees. Thus, it somewhat shortens the horizon of learning for them.

2.9 Summary and Conclusion:

BRAC has been working to improve the living condition of the poor people for more than 3 decades now. It started its journey from a small village in Sylhet and now it is present in almost every zilla in Bangladesh.

Through BRAC's journey we can definitely learn that having a definite goal and evolving with time is key to successfully run any organization. BRAC with the time did not only focus on development activities but it also has ventured out in other industries and invested in companies such as IPDC, BRAC Bank, Bkash etc. BRAC has spread out its activities so vastly from developing programs to producing dairy items or silk, BRAC is visible everywhere in the country. BRAC has started providing facilities to people in need from other countries as well. From other Asian countries to African nations, BRAC is trying to cover a huge population so that no one suffers. BRAC has gradually started shifting its focus to microfinance servicers as well. BRAC has microfinance entities in Bangladesh, Tanzania, Afghanistan, Myanmar, Uganda, Rwanda, Sierra Leone, and Liberia. It is now trying to provide loan to its customers so that they can start their life on their own choices and make it big in the world.

2.10 Recommendations

Although BRAC is doing phenomenally well. However, I feel since BRAC is now trying to expand globally, it is high time BRAC should start promoting itself. No matter how big an organization becomes, whenever it wants to start something new or enter a new market, it is very important to let the local people know about the existence of the organization. Although the enterprises that BRAC has is promoting themselves individually, it is important for BRAC as an organization to also promote itself for the core work it performs.

Furthermore, BRAC could also start focusing more on retaining its existing employees. During my internship period I have witnessed many employees leaving the organization despite having a wonderful working environment. Therefore, probably increasing the basic and other fringe benefits may help to retain the existing and already experienced and trained employees. Lastly,

BRAC should also start increasing its man force on other countries that it's operating it. Sometimes for the lack of proper employees many countries fail to achieve the designated goals which can be easily solved if they had a significant number of employees even in the country offices.

Chapter 3:

Project Part

3.1 Introduction:

In this part I am going to write about the background of my project and will also shed light on the objective and significance of it. The project that I have selected is directly related to BRAC International and will help BRAC International to find out the position of their microfinance entities. The project is related to both my majors as well.

❖ **Background:** There are 6 microfinance entities that BRAC international owns and operates in six different countries. The entities are based in Myanmar, Sierra Leone, Uganda, Tanzania, Liberia and finally Rwanda. All of these microfinance entities help the people living under the poverty line by giving them loans on very less interest. Although the amount of interest charged on the loans is very less, however, since all those microfinances have been able to create a good reputation for themselves, the number of loan takers from them is huge. This helps the entities to run their business in the foreign countries and at the same time earn enough to make a profit. Although there are some microfinance entities that do not make enough profit, the situation is improving gradually. My project will analyze the key aspects to help understand the financial position of the entities.

❖ **Objective:** This project will analyze and compare some key financial elements such as income, donor grants, asset and liability etc. that are common among the six microfinance entities to understand the financial condition or position of the BRAC

entities. The project will help to identify the most financially sound and progressive microfinance entity that BRAC owns outside Bangladesh by analyzing their performances based on few key financial ratios. Furthermore, this will help to identify the impact it has made on the lives of the underprivileged population.

- ❖ **Significance:** The main goal for writing this report is to compare between the six microfinance entities to evaluate their performance among themselves. This will help BRAC International to have an idea about the financial condition of the microfinance entities to further determine decisions to improve the condition of them. Furthermore, this report will also briefly focus on the impact the six microfinance entities have made on the economical side to help the readers understand the economic condition of those six specific countries.

3.2 Methodology

In order to prepare this project I have used both primary and secondary data to come up with the end result. I have used data of three consecutive years, from 2017 to 2019. I have collected the quantitative data from the mass data storage drive that BRAC International maintains and from the country finance heads of those six microfinance entities. Furthermore, I have taken the qualitative data that I have used for this report from the internet.

I have used Microsoft excel (for charts) in order to present the data in my report and I have also used few financial ratios to appropriately analyze the financial condition of the six microfinance entities of BRAC International in six different countries. For confidentiality I

could not use more than the data that I have presented in my report, nevertheless these limited amount of data has served the purpose.

3.3 Findings and Analysis

❖ **Income:** Income is the money or equivalent of money that an organization achieves through their products or services. For any kind of organization income or the net income at the end of a year is key to determine the overall condition of the organization. Analyzing the income for three consecutive years will provide the pattern of income that the entity is experiencing. This will also help to understand the overall condition of the entity in a better way.

Country	2017 (\$)	2018 (\$)	2019 (\$)
Myanmar	36401	248401	695114
Liberia	595658	1024243	963835
Tanzania	4224547	4555509	(3161)
Uganda	6091360	341841	2454758
Sierra Leone	1007	806	1439
Rwanda	0	(133835)	(831134)

Table 1: Income for three consecutive years

From the table above we can see the annual income of the six microfinance entities operating at six different countries. All the figures are in USD and from the data shown in the table we can compare the incomes for a specific entity (since we have data of 3 years) or we can also compare the entities among themselves.

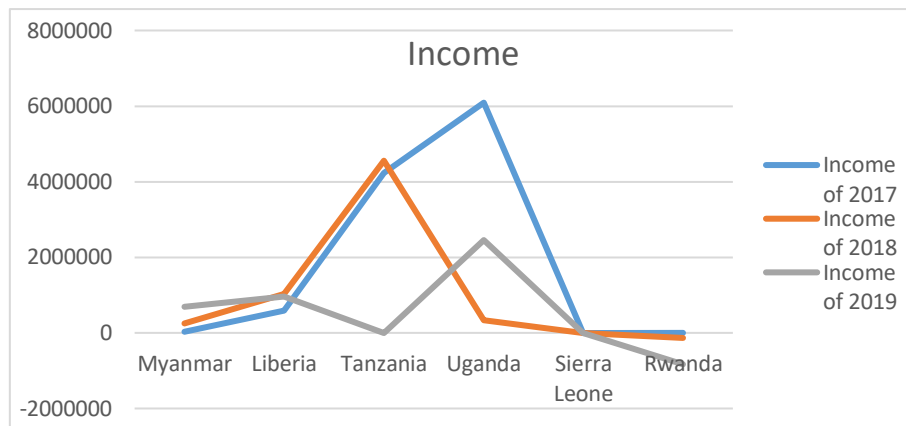


Chart 1: Income from 2017-2019

This chart show us that in 2017 among the six microfinance entities Uganda had the maximum income. In that particular year all the other microfinance entities had experienced profit therefore, were in a good financial position. However, Rwanda Microfinance was not operating that year therefore we see a balance of zero for them. Furthermore, in the year 2018, Tanzania Microfinance had the most profit. Uganda Microfinance that had the highest income in 2017 lost almost half of the amount during 2018. Liberia showed growth, however, Rwanda experienced loss at the end of the year and that was their first year of operating.

Finally in 2019 Uganda Microfinance again became the entity with highest income, which predicts that this particular entity has been doing great and has a lot of potential in that specific country. Rwanda and Tanzania microfinance entities experienced loss. By analyzing the data for the past 3 years, we can notice that Myanmar, Liberia and Sierra Leone microfinance entities did not achieve the maximum income, however, they have been quite consistent throughout the years.

- ❖ Asset: Asset is the resources that the organizations owns in order to gain future benefit out of it or to add value to the company’s portfolio. Assets can be as simple as having

office furniture to having cash at bank or bonds. There should be a balance in terms of having asset since too much idle asset means the company is not investing enough, on the other hand having too little of asset also hampers the stability of a company.

Country	2017 (\$)	2018 (\$)	2019 (\$)
Myanmar	1003967	18,061,887	31738859
Liberia	5324237	6109012	7787268
Tanzania	40523925	44345392	864222
Uganda	55677033	14490549	71153406
Sierra Leone	6350	7826	9513
Rwanda	0	488653	1200186

Table 2: Asset in three consecutive years

From the Table above we can see the amount of asset that the six BRAC microfinance entities hold for three consecutive years. Since Rwanda Microfinance was not operating in 2017, they have no asset for that specific year.

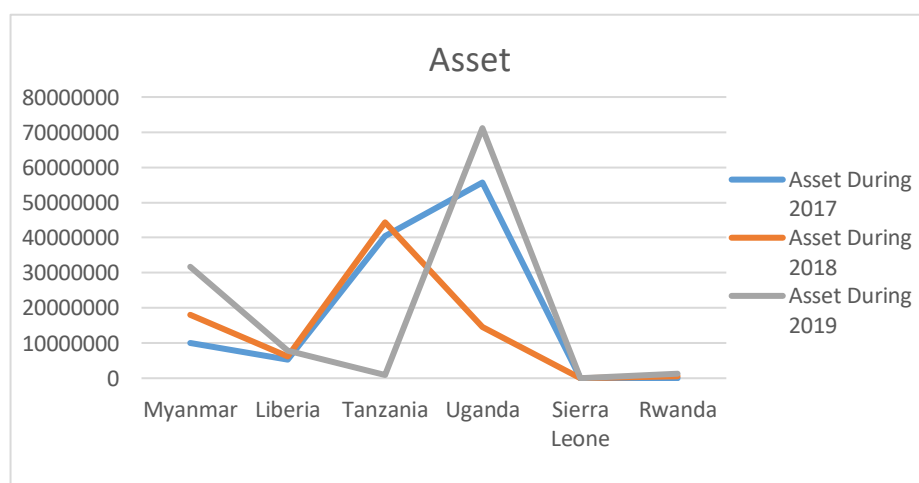


Chart 2: Asset from 2017-2019

From the chart above we can see that in 2017, Uganda and Tanzania had the maximum amount of assets and other entities such as Myanmar, Liberia and Sierra Leone had very

less amount of asset, compare to the two leading entities. Furthermore, in 2018, the amount of asset for BRAC Myanmar Microfinance increased significantly but for BRAC Uganda Microfinance the amount decreased quite a bit from last year. Others remained constant, however, Tanzania recorded the highest amount of asset during 2018. In 2019, BRAC Myanmar's asset increased slightly while Rwanda was stabilizing themselves. Uganda again had the maximum amount of Assets and Tanzania Microfinance recorded the lowest amount of asset in three years. Therefore, we can assume that BRAC Uganda Microfinance is doing comparatively well that the other entities and can invest more in Uganda since it might have great potential.

- ❖ **Liability:** Liability is the amount an organization owes to others. This can be repaid or settled by exchanging money, services or other kinds of goods. Having too much of liability cannot be good sign for any kind of organization since it means the debt ratio could be high which can damage the organization's power to survive any critical economic situation.

Country	2017 (\$)	2018 (\$)	2019 (\$)
Myanmar	4435414	10778965	17093657
Liberia	2205706	2592938	3857293
Tanzania	29566605	17269138	900227
Uganda	25621442	1044877	52872777
Sierra Leone	2241	2715	3531
Rwanda	0	48247	538957

Table 3: Liabilities for three consecutive years

From the table we can see and compare the liability that these six microfinance entities hold.

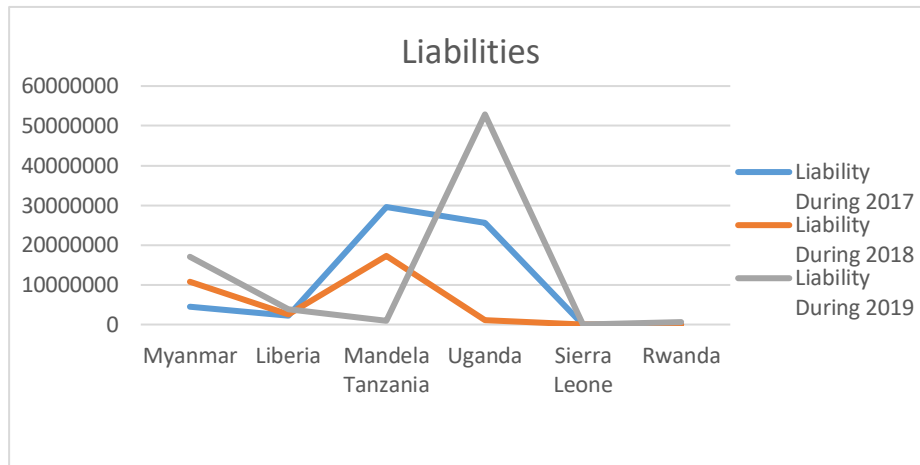


Chart 3: Liabilities from 2017-2019

From the chart above, we can find out that Although Tanzania had the highest amount of liability during both the years 2017 and 2018, they picked up themselves well and had very less amount of liability at the end of 2019. BRAC Myanmar Microfinance has been maintained a certain amount of liability throughout these years which is higher than most other microfinance entities of BRAC International. Rwanda started its operation in 2018 and since then they have not relied too much on their liability to run their business.

- ❖ **Equity:** The equity segment can be found in the balance sheet for all these six microfinance entities. This indicates the money BRAC International invested in those entities. In other words it can be said that the equity in each of the balance sheets for these six entities point out the own investment of these entities for running their operations. These entities have so far invested a lot of money from their own accounts and always backs the entities in order to avoid any negative impact or succeed will less problems in the foreign countries.

Country	2017 (\$)	2018 (\$)	2019 (\$)
Myanmar	5568553	7,282,923	14645202
Liberia	3,118,531	3516074	3,929,975
Tanzania	18510626	27,076,255	(36005)
Uganda	30,055,591	13445672	18,280,630
Sierra Leone	4109	5111	5982
Rwanda	0	440406	577819

Table 4: Equity position of all the entities

From the table above, we can come up with the following charts to compare the overall situation in terms of having equity.

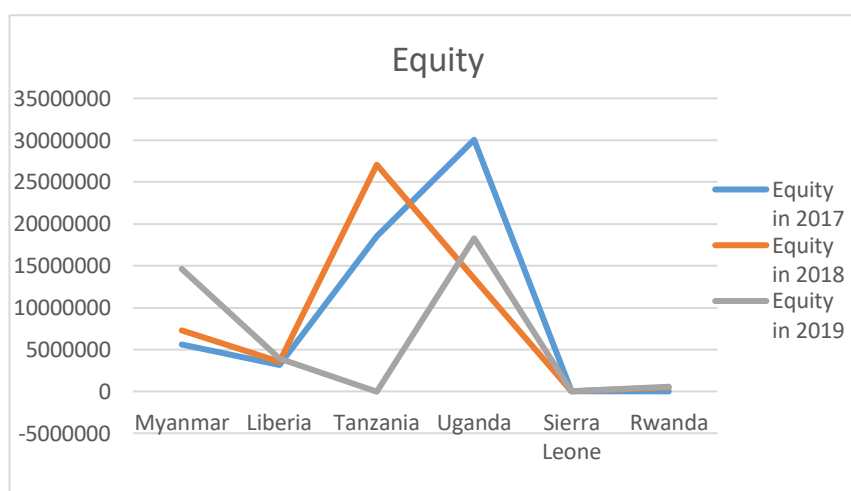


Chart 4: Equity position from 2017-2019

Seeing the chart above we can comment that during 2017 and 2018 BRAC Tanzania Microfinance and BRAC Uganda Microfinance has invested more in their own company than other entities. However, Rwanda started investing its own money only from 2018 since it starts operating in that year. Sierra Leone was the only entity that did not invest as much as the other BRAC microfinance entities. Furthermore, in 2019 BRAC Uganda Microfinance again invested a lot of money to further develop their business in that region and BRAC Myanmar Microfinance's own investment raised

significantly in that year. Sierra Leone’s investment was as usual pretty low but Tanzania’s equity showed a deficit balance.

❖ **Donor Fund:** All these microfinance entities depend a lot on the donor funds that they receive from many national and international donors. Since they receive donation almost every year, it helps to lower their burden or liability. These entities do not typically take loans to invest in their organization because of this easy flow of donations.

Country	2017 (\$)	2018 (\$)	2019 (\$)
Myanmar	637847	805281	1233803
Liberia	1242875	990394	990394
Tanzania	0	7673642	0
Uganda	1236240	7643326	0
Sierra Leone	2657	2638	2859
Rwanda	0	0	0

Table 5: Donor fund received over the years.

Seeing the table above, we can clearly see the amount BRAC microfinance entities received as donation over the past 3 years. Moreover, since its inception, Rwanda has not received any donation yet. Donor fund here consist of the donation received that year, and the total existing donated equity.

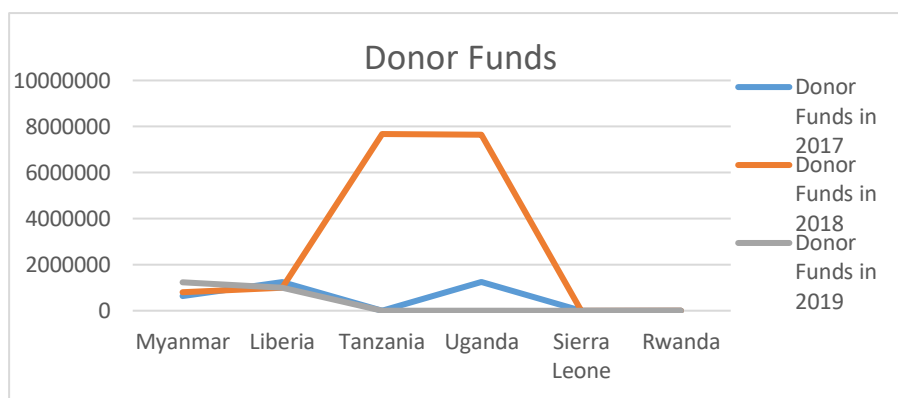


Chart 5: Donor fund from 2017-2019

Among all the entities, only BRAC Myanmar Microfinance and BRAC Liberia Microfinance have received donations every year. Tanzania received donation only in 2018, and the amount of donor fund that Sierra Leone has is very insignificant.

- ❖ **Income from Loans:** For any microfinance entity the major objective is to give out as much loan as possible to those who need it. Although the interest on loans given by the microfinance companies is very minimum, if more loans can be given then the profit margin can be greater. The following table gives an idea about the income these entities generated from the loans.

Country	2017 (\$)	2018 (\$)	2019 (\$)
Myanmar	8951932	3519578	6067130
Liberia	1944078	2437500	3164051
Tanzania	34093265	20306675	0
Uganda	42340971	0	25105687
Sierra Leone	2391	3472	4558
Rwanda	0	0	44007

Table 6: Loans given by the six entities.

From the table we can tell that some year the entities did not make any profit or failed to generate a significant amount of income from the loans that they gave.

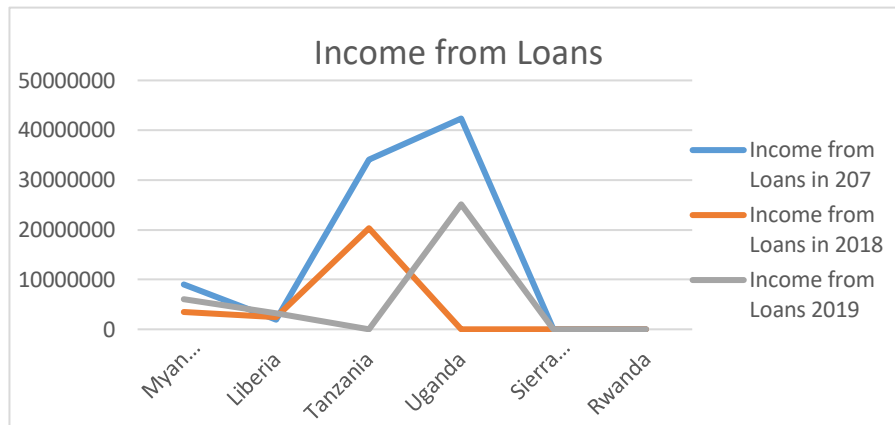


Chart 6: Income generated from loans from 2017-2019

If we analyze the chart we can comment that Myanmar and Liberia are also have been quite consistent and also have potential. Furthermore BRAC Tanzania microfinance has done well in the past but they just failed to maintain it in 2019, which indicates that measures should be taken immediately to rectify this adverse situation, otherwise this can hamper the future growth of the entity. On the other hand BRAC Uganda Microfinance could maintain their performance in 2018 but it also returned to a better position the following year and did better than all the other five entities. Although Sierra Leone has been earning quite insignificant amount, it has been quite consistent throughout the years. BRAC Rwanda Microfinance after operating for two years (2018 and 2019) finally earned a small amount from the loans they gave out.

3.3.1 Ratios:

Current Ratio: This ratio states the times that the current asset for an organization is higher than the current liability. For this I have subtracted the long term assets such as Plant and Property from the total assets, and related party payable from total liabilities.

Entities	2017	2018	2019	Average
Myanmar	2.729 times	1.842 times	2.022 times	2.197667
Liberia	3.250 times	3.022 times	2.404 times	2.892
Tanzania	1.876 times	2.695 times	1.388 times	1.986333
Uganda	2.147 times	19.072 times	1.338 times	7.519
Sierra Leone	4.833 times	4.468 times	3.999 times	4.433333
Rwanda		8.852 times	2.91 times	5.881

Table 7: Current ratios for three years.

From the table above we can see during 2017 Sierra Leone had the highest current ratio which then slightly decreased over the next two years. BRAC Uganda's current ratio recorded an abnormal height during 2018 and then got stabled again in 2019. Myanmar, Tanzania, Liberia microfinance entities have been quite consistent with their current ratios for the past three years. BRAC Rwanda Microfinance entity however was released in 2018 and had a current ratio of 8.852 times which the next year significantly decreased and became 2.91 times.

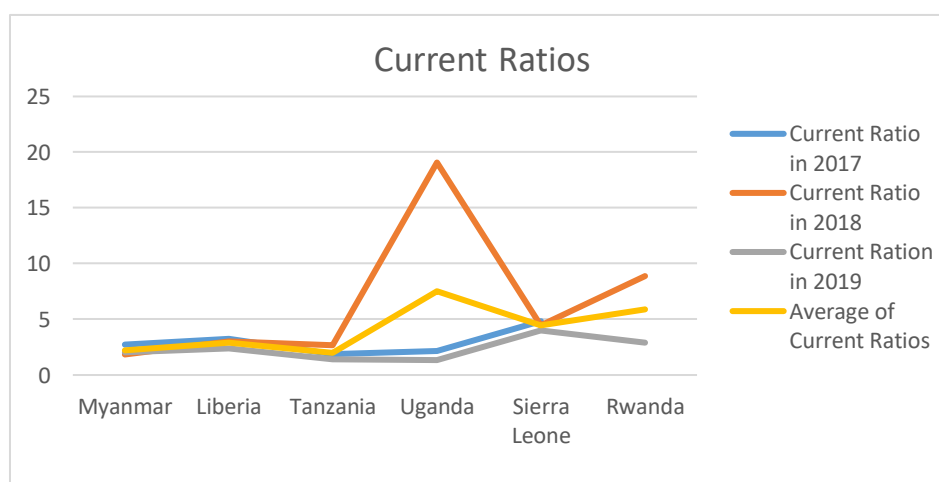


Chart 7: Current Ratio for Three Years

If we analyze the averages for all the six entities, we can tell that BRAC Uganda Microfinance is leading among all the other microfinance entities in the liquidity aspect. Despite being only two years old BRAC Rwanda Microfinance is also doing great and after it the third position is held by BRAC Sierra Leone Microfinance. However, BRAC Tanzania Microfinance is

performing poorly in the liquidity aspect compare to the other entities and has the minimum of the averages.

Total Asset Turnover: For this ratio I have divided the initial interest income (considering it as sales for the microfinance entities) from the income statement with the total asset for each entity. This ratio will tell us how much sales did the entities generated with their assets.

Entities	2017	2018	2019	Average
Myanmar	0.185 times	0.127 times	0.125 times	0.14566667
Liberia	0.344 times	0.376 times	0.383 times	0.36766667
Tanzania	0.403 times	0.41 times	0 times	0.271
Uganda	0.365 times	1.157 times	0.287 times	0.603
Sierra Leone	0.374 times	0.423 times	0.456 times	0.41766667
Rwanda		0.013 times	0.028 times	0.0205

Table 8: Total Asset Turnover ratios for three years

From the table we can see that none of the entities generated more than \$1 worth of interest income for every \$1 worth of total asset in 2017. The situation stayed the same for the next two years as well except for Uganda which generated \$1.157 against every \$1 worth of their invested total asset. In 2019 Tanzania Microfinance failed to gain any income from the loan interest, therefore, for that year they have a total asset turnover ratio of 0 times.

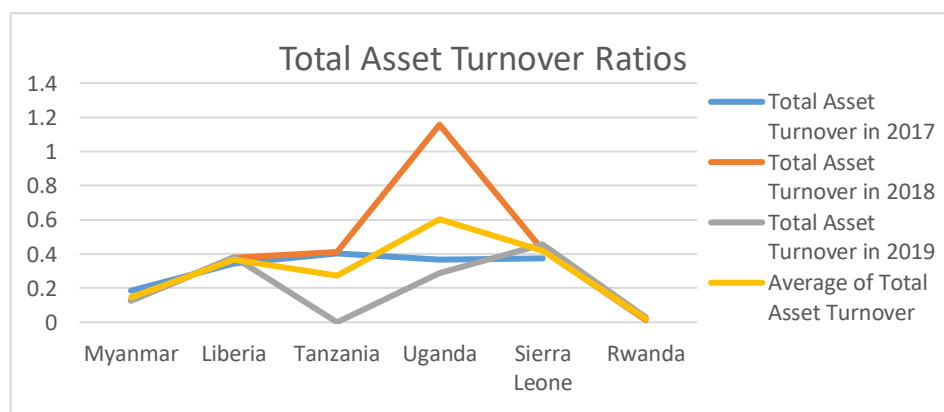


Chart 8: Total Asset Turnover ratios for three years

While analyzing the asset management aspect of the entities by considering the total asset turnover ratio, we can tell that BRAC Uganda did fairly well that the rest of the microfinance entities. Although in most cases none of the entities earned more than a dollar, BRAC Myanmar and BRAC Rwanda microfinance entities have the lowest average earning.

Fixed Asset Turnover: This time I have divided the initial interest income (considering it as sales for the microfinance entities) from loans by the fixed assets that the entities own. This particular ratio will tell us how much sales did the entities generated with their assets. To sum up this ratio will tell us for every \$1 worth of fixed asset how much interest income did the microfinance entities generated over the past three years.

Entities	2017	2018	2019	Average
Myanmar	9.583 times	12.915 times	17.075 times	13.191
Liberia	15.673 times	30.594 times	14.938 times	20.40167
Tanzania	770.734 times	45.321 times	-	408.0275
Uganda	17.111 times	42.837 times	2.144 times	20.69733
Sierra Leone	14.494 times	28.034 times	38.768 times	27.09867
Rwanda		0.017 times	0.186 times	0.1015

Table 9: Fixed Asset Turnover ratios for three years

From the table above we can see that compare to \$1 worth of fixed asset, most of the microfinance entities generated quite a lot of interest income. From the table we can see that BRAC Tanzania Microfinance had a very high ratio and eventually it decreased significantly and became 0 at the end of 2019. Important measures should be taken immediately to help the entity. All the other entities have been somewhat consistent, however, Rwanda was struggling to even generate \$1 for every \$1 worth of fixed asset that they invested.

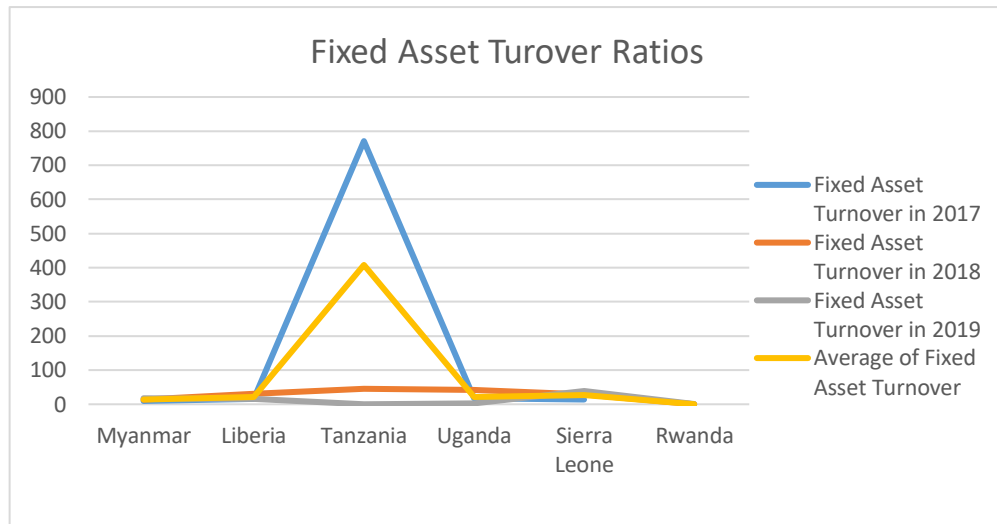


Chart 9: Fixed Asset Turnover ratios for three years

This ratio again tells us about the asset management aspect of the entities. In this case, BRAC Tanzania Microfinance has the lead considering that they only had interest income from loans for two years, since in 2019 their interest income was 0. Apart from that Sierra Leone, Liberia and Uganda has also performed well and Myanmar and Rwanda has the lowest averages.

Debt Ratio: This ratio will tell us the percentage of the total assets that was financed with debt. I have simply divided the total liabilities that include the current liability and long term debts such as related party payables, lease payable etc. by the amount of the total asset.

Entities	2017	2018	2019	Average
Myanmar	44%	60%	54%	53%
Liberia	41%	42%	50%	44%
Tanzania	72%	39%	104%	72%
Uganda	46%	7.21%	74%	42%
Sierra Leone	35%	35%	37%	36%
Rwanda		9.87%	45%	27%

Table 10: Debt ratios for three years

From the table we can see that BRAC Tanzania Microfinance has been financing their total asset by debt which cannot be a good sign for any company if it wishes to grow, therefore, actions should be taken to revive the condition. Apart from that in most of the cases for most of the microfinance entities less than 50% of the total assets were financed by debt. However, this percentage should decrease over the next few years to maintain a healthy financial condition within the entities.

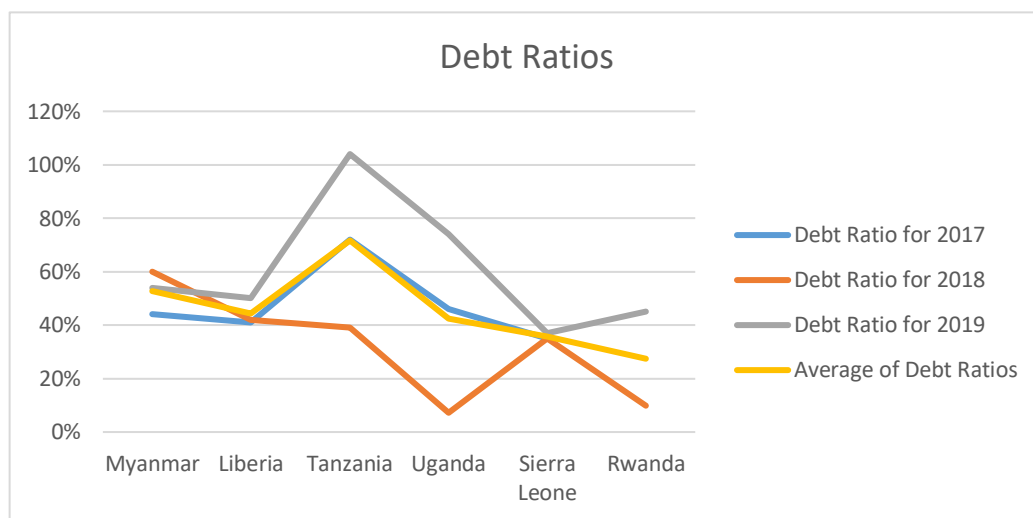


Chart 10: Debt ratios for three years

While analyzing the debt management of the entities, we can see that BRAC Rwanda has the minimum debt but it could be the reason that it is only 2 years old. Sierra Leone, Uganda and Liberia has less than 50% of debt on an average, however, Myanmar and Tanzania has debt worth more than 50% which means more than 50% of their total assets are financed with debt.

Operating Profit Margin: This ratio tells us how much operating income was generated from the sales or in this case from interest income. If we analyze the past 3 years all the entities had an operating income more than 100\$ for every 100\$ worth of interest income that they earned.

Entities	2017	2018	2019	Average
Myanmar	117%	121%	123%	120%
Liberia	113%	106%	106%	108%
Tanzania	108%	105%	-	107%
Uganda	106%	2%	107%	72%
Sierra Leone	111%	105%	105%	107%
Rwanda		-	198%	99%

Table 11: Operating profit margin ratios for three years

From the table above, we can comment that all the entities have generated quite a good number of operating income from their interest income. However, during 2019 BRAC Tanzania Microfinance and during 2018 BTAC Rwanda Microfinance failed to generate any interest income, therefore, their ratios came as 0.

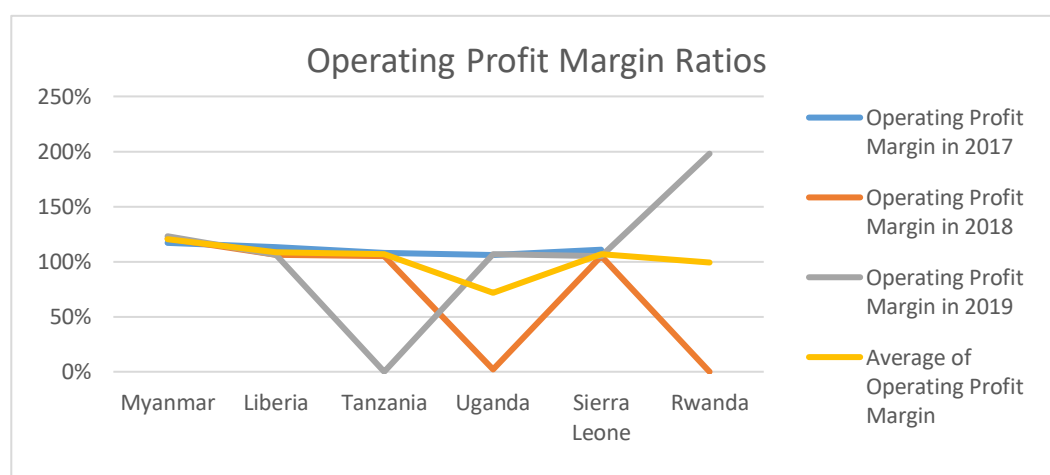


Chart 11: Operating profit margin ratios for three years

To measure the profitability aspect of the entities, I have calculated the operating profit margins for 3 consecutive years for all the six entities. If we look at the averages, almost all the entities except for Uganda and Rwanda, have earned more operating profit against every \$100 of interest income. BRAC Myanmar Microfinance has performed better than the other entities, if we only consider this particular ratio.

Net Profit Margin: This ratio tells us that how much net profit was generated for every \$100 worth of interest income. To get the result, I just simply divided the net profit after tax amount for each entity by the interest income they gained.

Entities	2017	2018	2019	Average
Myanmar	2%	11%	17%	10%
Liberia	33%	45%	32%	37%
Tanzania	26%	25%	-	26%
Uganda	30%	2%	0.015%	11%
Sierra Leone	42%	24%	33%	33%
Rwanda		-	-	-

Table 12: Net profit margin ratios for three years

Even in this aspect BRAC Tanzania Microfinance is losing its financial stability. Without generating enough interest income they cannot survive in the industry hence they witnessed a loss in 2019. Furthermore, the condition of BRAC Uganda Microfinance is also worsening, if they do not take proper action now, in the future they will witness losses. BRAC Myanmar Microfinance’s ratio has been improving over the years which is a good indicator. Liberia and Sierra Leone have been consistent in this regard so far. BRAC Rwanda Microfinance has been operating for only two years now and they also incurred loss at the end of both the years, hence their ratios are kept blank.

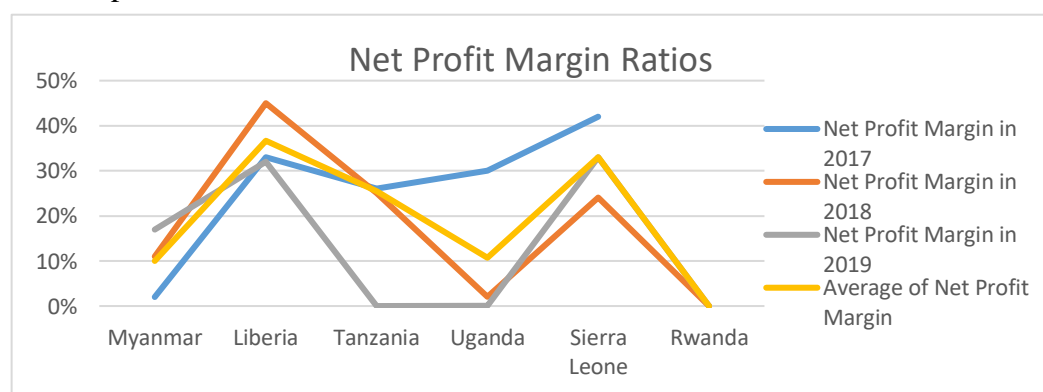


Chart 12: Operating profit margin ratios for three years

This ratio is also a way to determine the profitability of the entities. Liberia, Sierra Leone and Tanzania hold the 1st, 2nd and 3rd position respectively in this case. Myanmar and Uganda have pretty low net operating margin compare to other entities. BRAC Rwanda Microfinance could not mark any position here since they experienced losses for both the years (2018-2019).

Return on Asset: We can simply divide the net profit after tax with the total asset amount to get the return that the entities got on their assets from their net profit. This ratio also calculates the percentage to get the actual condition.

Entities	2017	2018	2019	Average
Myanmar	0.36%	1.4%	2.2%	1.32%
Liberia	11.2%	16.8%	12.4%	13.47%
Tanzania	10.4%	10.3%	-	10.35%
Uganda	10.9%	2.4%	3.4%	5.57%
Sierra Leone	15.9%	10.3%	15.1%	13.77%
Rwanda		-	-	-

Table 13: Return on Asset ratios for three years

From the table above we can comment that, in 2017 except for Myanmar, all the other entities got more than \$10 of net profit for every \$100 worth of total asset. The next year, Myanmar, Uganda and Rwanda did not get a higher return but the other entities were consistent. Finally during 2019, Tanzania and Rwanda failed to generate any return on their asset which is a terrible sign again for any kind of entity. Only Sierra Leone managed to generate return on their asset for the past 3 years.

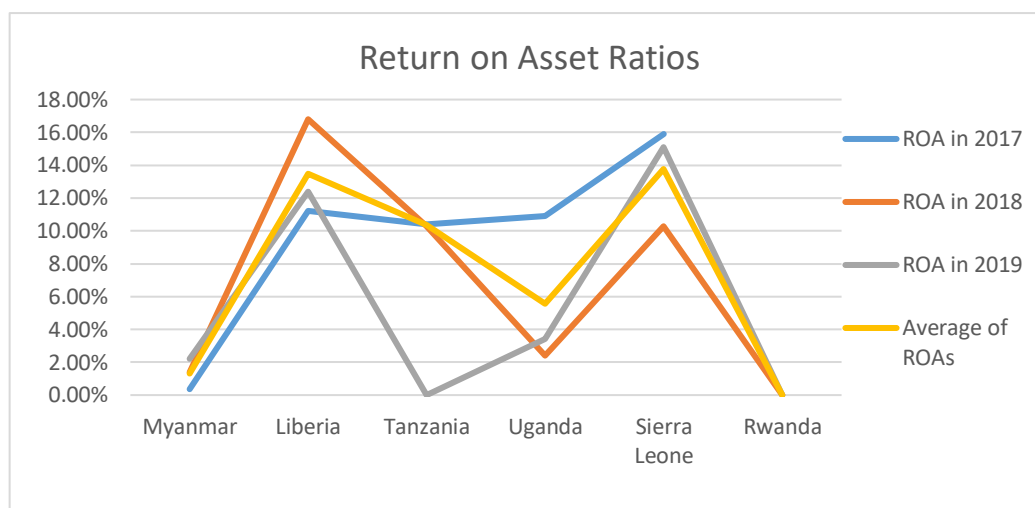


Chart 13: Return on Asset ratios for three years

In this case, Sierra Leone has more returns than all the other entities and thus hold the 1st position. After Sierra Leone, BRAC Liberia Microfinance is also doing great and has the 2nd highest average. If we consider this ratio, BRAC Myanmar Microfinance has performed poorly than the 4 other microfinance entities.

Return on Equity: For this ratio I have taken the entire equity portion of all these microfinance entities. The results are simply calculated by dividing the net profit with the equity.

Entities	2017	2018	2019	Average
Myanmar	1%	3%	5%	3%
Liberia	19%	29%	25%	24%
Tanzania	23%	17%		13.33%
Uganda	20%	3%	13%	12%
Sierra Leone	25%	16%	24%	21%
Rwanda		-	-	-

Table 14: Return on Equity ratios for three years

Since Rwanda Microfinance did not achieved any net profit in 2018 and 2019, their ratios are kept blank since they did not get any return on their equity and had a negative result. If we look at the table we can tell that Liberia has been quite consistent and gained a good percentage of return compare to the other entities. BRAC Myanmar Microfinance entity despite having a very low return has improved gradually. Sierra Leone has also improved over the times. However, Tanzania and Uganda’s returns have been decreasing, therefore, immediate actions should be taken to prevent this.

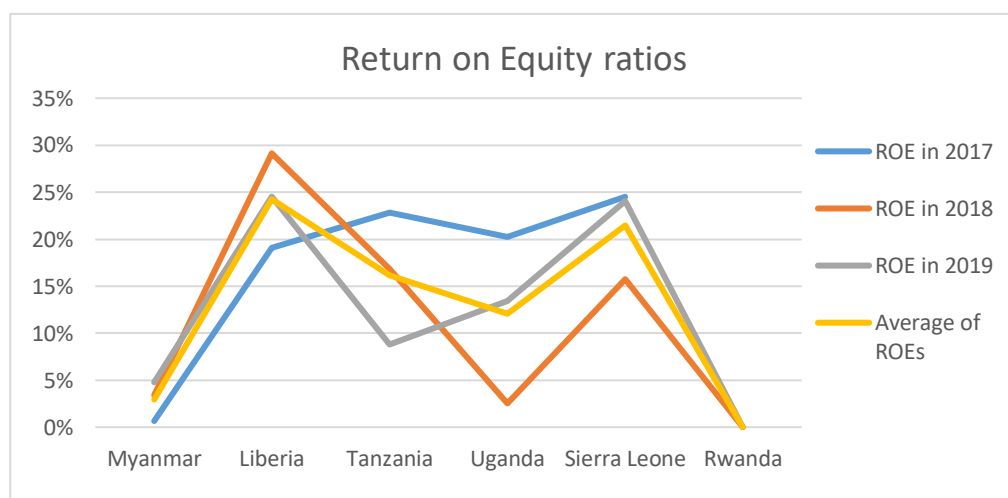


Chart 14: Return on Equity ratios for three years

If we analyze the ratios, we can see Liberia has the maximum average and gets the highest return on equity compare to all the other entities. Then Sierra Leone and Tanzania microfinance entities have been doing great too. Although, BRAC Myanmar has the lowest returns, they are trying to improve their condition.

3.3.2 Position of the Microfinance Entities:

Financial Aspect	Ratios	1	2	3	4	5	6
Liquidity	Current Ratio	Tanzania	Rwanda	Sierra Leone	Liberia	Myanmar	Uganda
Asset Management	Total Asset Turnover	Uganda	Sierra Leone	Liberia	Tanzania	Myanmar	Rwanda
	Fixed Asset Turnover	Tanzania	Sierra Leone	Uganda	Liberia	Myanmar	Rwanda
Debt Management	Debt Ratio	Rwanda	Sierra Leone	Uganda	Liberia	Myanmar	Tanzania
Profitability	Operating Profit Margin	Myanmar	Liberia	Sierra Leone	Tanzania	Rwanda	Uganda
	Net Profit Margin	Liberia	Sierra Leone	Tanzania	Uganda	Myanmar	Rwanda
	Return on Asset	Sierra Leone	Liberia	Tanzania	Uganda	Myanmar	Rwanda
	Return on Equity	Liberia	Sierra Leone	Tanzania	Uganda	Myanmar	Rwanda

Table 15: Position of the Microfinance Entities

If we look at the table above we can say that BRAC Sierra Leone Microfinance has done fairly well in all the aspects compare to all the other entities. Since Rwanda is quite new among the entities and is yet to flourish properly, they have done poorly in most of the cases. We can see quite a lot of fluctuations in the position, however, Myanmar Microfinance has come 5th in most of the ratios which is not a good sign. A special mention for the operating profit margin ratio where both Sierra Leone and Tanzania has the same percentage (107%) but Sierra Leone is given the 3rd position because it has performed well in the overall profitability aspect than Tanzania Microfinance.

3.3.3 BRAC Bangladesh versus BRAC International:

BRAC as an organization is divided into two parts to deal with all the issues as efficiently as possible. BRAC Bangladesh looks after all the operations to further develop the economic condition of Bangladesh, whereas BRAC international looks after all the other countries that BRAC operates in. The microfinance entity of BRAC Bangladesh disbursed USD 4 billion

worth of loan during 2018 which is 21% greater than 2017. Their microfinance clients also increased by 10% from 2017 during 2018 and reached 7.1 million people. Among the total clients 87% were women and around 84% of the clients availed the insurance service. BRAC Bangladesh has about 2100 customer service assistants to guide the clients. The total amount saved by the microfinance clients during 2018 was USD 828 million. They offer loans for farmers, micro and small enterprises, migrant workers, small jobholders etc. with a focus on women.

On the other hand BRAC International disbursed loans worth USD 247.98 million through their microfinance entities across the six countries. They have witness a growth in loan disbursement of 19% from the previous year (2017). The total number of borrowers were 571,935 and about 97% of the total clients were woman. Their products cover people from all demographics from farmers to disabled people, for adolescent girls, refugees and small enterprises, small jobholders etc. They even launched a solar loan product in Tanzania.

Some key ratios from 2018 to compare the financial position of both BRAC Bangladesh and BRAC international are given below:

Ratio	BRAC Bangladesh	BRAC International
Current Ratio	2.95 times	2.77 times
Total Asset Turnover	0.26 times	0.52 times
Fixed Asset Turnover	4.1 times	8.28 times
Debt Ratio	60%	49%
Net Profit Margin	20%	17%
Return on Asset	5%	9%

Table 16: BRAC Bangladesh vs BRAC International

From the table we can that during 2018, if we consider current ratio then. BRAC Bangladesh's current assets were 2.95 times of their current liabilities, whereas, BRAC International's current assets were 2.77 times of their current liabilities. For total asset turnover ratio we can say that every \$1 worth of total assets generated only \$0.26 and \$0.52 for BRAC Bangladesh and BRAC International respectively. Moreover, for fixed asset turnover ratio we can say that every \$1 worth of fixed assets generated \$4.1 and \$8.28 for BRAC Bangladesh and BRAC International respectively. Then, from debt ratio we can see that 60% of the total assets for BRAC Bangladesh were financed with debt, whereas, only 49% of the total assets of BRAC International were financed with debt. Furthermore, in 2018 if we analyze the net profit margin we can comment that every \$100 of income generated \$20 and \$17 for BRAC Bangladesh and BRAC International respectively. Finally from the last equation which is the return on asset equation, we can comment that, every \$100 worth of total asset generated \$5 of net profit for BRAC Bangladesh and \$9 of net profit for BRAC International, which means in this particular situation, BRAC International is a bit ahead of BRAC Bangladesh.

3.4 Impact of Microfinance on the Countries' Economy:

BRAC microfinance entities have worked really hard over the years to achieve the trust of its customers and now as a result of it in most of the regions they are running their business successfully. BRAC Myanmar Microfinance has given loans worth USD 11,770,000 only in 2019. Through 42 branch offices across 37 towns they have been successful in reaching 91,304 borrowers and support them with small and medium loans in 2019 among which 47,000 borrowers were female. Compare to other countries where BRAC has microfinance entities, Myanmar is in a better position. However, almost 25.6% of the people in that country still live below the poverty line.

BRAC has expanded its operation in Liberia where the 54% of the people live below the poverty line and they have a GDP per capita of USD 455 (World Bank 2016). During 2019 BRAC Liberia Microfinance has reached 35,669 borrowers and given them loans worth 4,752,000 in order to help people move out of poverty by establishing businesses of their own.

BRAC Tanzania Microfinance is one of the leading microfinance companies in Tanzania with 151 branches across 26 regions. Tanzania has a GDP per capita of USD 936 (World Bank 2017) and almost 49.1% of their people live the below line. BRAC Tanzania Microfinance has helped around 199,273 underprivileged people with a total loan of USD 24,371,000.

In Uganda the percentage of people living below the poverty line is around 19.5 with a total population of 41.5 million (World Bank 2016). Recently with 102 branches for the microfinance entity they were able to reach 231,402 members and gave them small and medium sized loans. The amount of loan that they gave only in year to help these people out was worth USD 32,793,000.

BRAC Sierra Leone Microfinance has worked incredibly well to fix the financial condition of the people in that region post the Ebola epidemic. They even got the recognition from World Bank as they published a report titled “Financial Inclusion and Resilience: How BRAC’s Microfinance Program Recovered from the West Africa Ebola Crisis”. This BRAC microfinance is operating in 13 out of the 16 districts of Sierra Leone. In 2019 they helped 49,902 people with loans of USD 4,135,000.

Rwanda is a country with a population of 12.3 million (2008) and almost 63% of the people still live under severe poverty and makes less than USD 1.25 a day. BRAC started operating there only three years ago and still has not reached a stable position over there. However, they have a target of reaching 85,000 people by 2023 as they plan to open 50 more branches

throughout the country. Moreover in 2019 they were able to give a total loan worth USD 290,969 despite having only three branches so far.

3.5 Impact of COVID-19 on the Microfinance Entities of BRAC International:

For more than a month now, all the employees of BRC international excluding the field workers are working from home. This pandemic has forced all the people all around the world to close their work stations for the time being and stay at home. For the people who live below the poverty line or for the daily wage earners the condition is even worse. They cannot go out to earn their daily livelihood, which makes their lives financially miserable. Since all the countries that BRAC International operates in have imposed a nationwide lockdown, it has become quite impossible for the workers to go from door to door or the branch offices to collect the installments. Considering the overall situation, payment period has been extended for the customers. Possible alternative way of getting the installments are also being considered, however, it also seems quite inefficient since the clients can hardly go out to work to earn any amount. BRAC International is also keeping a provision for COVID-19 in their monthly financial report in order to compensate the losses that they may face in the future due to this pandemic.

3.6 Summary and Conclusion

BRAC International has microfinance entities in six different countries and most of them are thriving. All the microfinance companies are working night and day to help the people living under the poverty line to come out of the darkness so that they can lead a better life. Although it is too soon to change the entire scenario, progress has been made and it is visible. These

microfinance entities have good reputation in all those countries, even the governments of those countries are helping BRAC microfinance entities to eradicate poverty from their economy.

Most of the microfinance entities have a positive net balance at the end of the past three years except Rwanda Microfinance. However, this particular entity is quite new and has not yet gotten the chance to flourish properly. All these entities even to this date get funds from their respective donors and therefore still heavily relies on that particular source of funding. The main source of their earning is the return they get from the loans provided by them to their customers and based on that as we have seen all of them are doing great except Rwanda which suffers due to its newness in that country. After analyzing the overall performances we could conclude by stating that BRAC Sierra Leone Microfinance holds the first position whereas BRAC Myanmar Microfinance is the least strong microfinance entity.

3.7 Recommendations

BRAC is an organization that is so capable of doing all the tasks efficiently and effectively that there is hardly anything they lack. However based on my analysis there are few things that I believe that could be improved and those are:

- Before entering a new country with a microfinance entity they should map out every possibility that they can utilize in order to help the people and to prevent any kind of loss even at the first year of operation.

- Before even starting the operations in a new region, they should contact potential donors so that even if the business does not do well in the beginning, they could mitigate the loss and yet hold a strong position.
- Since BRAC mostly operates in under developed countries, therefore, before entering a new country and even while working they should always make contact with the government and start working with them to achieve the goal. In that way they can use the information and resources that the government already has to save time and money.
- More man power should be hired in the regional offices to support the work since in many countries there are not enough employees and every single detail should be recorded so that in any adverse situation, BRAC can tackle it well.

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Appendix:

For the year ended December 31, 2017

BAKER TILLY
LIBERIA

Statement of Financial Position

As at 31 December 2017

	Notes	2017 <u>LRD</u>	2016 <u>LRD</u>	2017 <u>USD</u>	2016 <u>USD</u>
ASSETS					
Non-Current Assets					
Property and equipment	16	6,951,777	6,429,092	55,503	62,876
Intangibles	17	7,664,736	-	61,195	-
Current Assets					
Cash and bank	13	131,211,023	73,515,184	1,047,593	718,975
Loans and advances to customers	14	492,946,256	309,504,334	3,935,699	3,026,937
Other assets	15	10,323,886	26,434,685	82,426	258,530
Deferred tax asset	12(b)	2,270,753	2,270,753	18,130	22,208
Advance tax payment	12(c)	<u>15,492,319</u>	<u>2,088,896</u>	<u>123,691</u>	<u>20,429</u>
Total Assets		666,860,750	420,242,944	5,324,237	4,109,955
Liabilities and Capital Fund					
Liabilities					
Loan security fund	18	107,006,633	71,093,750	854,344	695,293
Related party payables	19	75,601,639	48,825,971	603,606	477,516
Borrowings	20	72,522,842	23,152,834	579,025	226,434
Other liabilities	21	<u>21,133,567</u>	<u>17,760,809</u>	<u>168,731</u>	<u>173,700</u>
Total Liabilities		276,264,681	160,833,364	2,205,706	1,572,943
Capital Fund					
Donor Funds	22	2,620,230	21,095,943	20,920	206,317
Donated equity	23	153,049,902	137,523,299	1,221,955	1,589,338
Retained earnings		(99,774,221)	(181,653,033)	(796,601)	(1,776,558)
Share premium	25	59,529,493	-	500,000	-
Share capital	24	339,339,071	339,339,071	4,076,145	4,076,145
Translation difference		(64,168,406)	(56,895,700)	(1,903,888)	(1,558,230)
Total capital fund		390,596,069	259,409,580	3,118,531	2,537,012
Total Liabilities and Capital fund		666,860,750	420,242,944	5,324,237	4,109,955

These financial statements on pages 7 – 10 were approved by the Board of Directors on 2018

BRAC Liberia Microfinance Company Limited
Independent Auditors' Report and Financial Statements
For the year ended December 31, 2017

BAKER TILLY
LIBERIA

Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	2017 <u>LRD</u>	2016 <u>LRD</u>	2017 <u>USD</u>	2016 <u>USD</u>
Income					
Service charge on loans	5	229,079,614	142,118,111	1,828,979	1,389,908
Membership fees and other charges	6	14,415,305	9,008,115	115,093	88,099
Other income	7	3,215,965	9,720,758	25,676	95,069
Grant Income	8	<u>11,477,460</u>	<u>11,459,607</u>	<u>91,636</u>	<u>112,074</u>
		29,108,730	30,188,480	232,405	295,242
Total operating income		258,188,344	172,306,591	2,061,384	1,685,150
Expenditures:					
Impairment losses on loan and advances to customers	9	8,071,153	8,111,558	64,440	79,331
Operating income after impairment charges		250,117,191	164,195,033	1,996,944	1,605,819
Staff costs	10	96,471,811	74,036,071	770,234	724,069
Other operating expenses	11	75,501,553	62,189,716	602,807	608,212
Depreciation and amortization expense	16 & 17	<u>2,520,351</u>	<u>1,241,817</u>	<u>20,123</u>	<u>12,145</u>
Total operating expenses		174,493,715	137,467,604	1,393,164	1,344,426
Profit/(Loss) before tax		75,623,475	26,727,429	603,780	261,393
Income tax Credit/(expense)	12(a)	6,255,337	(7,114,632)	49,943	(69,581)
Net loss for the year		81,878,812	20,472,092	653,723	191,812
Other comprehensive income					
Unrealized exchange gains/(loss)		(7,272,706)	(9,001,068)	(58,066)	(88,030)
Total comprehensive income		74,606,106	10,611,729	595,658	103,782

BRAC UGANDA MICROFINANCE LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 Ushs '000	2016 Ushs '000	2017 USD	2016 USD
ASSETS					
Cash and bank	12(a)	7,873,635	5,879,859	2,167,803	1,650,719
Short term deposits	13	30,247,031	8,000,000	8,327,744	2,245,929
Loans and advances to customers	14	153,785,794	156,435,700	42,340,971	43,917,939
Other assets	16	2,755,716	2,174,109	758,716	610,362
Tax recoverable	11(c)	412,184	-	113,484	-
Deferred tax asset	11(b)	1,052,670	1,724,162	289,827	484,043
Related party receivable	15(a)	1,784,903	148,936	491,427	41,813
Property and equipment	17	4,311,500	1,192,001	1,187,061	334,644
Total assets:		202,223,433	175,554,767	55,677,033	49,285,449
LIABILITIES AND EQUITY					
Liabilities					
Bank overdrafts	12(b)	-	395,922	-	111,152
Borrowings and managed funds	19	59,623,004	52,782,400	16,415,664	14,818,192
Related party payables	15 (b)	875,603	562,194	241,075	157,832
Loan security fund	18	28,315,745	28,375,966	7,796,014	7,966,302
Tax payable	11(c)	-	1,991,510	-	559,099
Donor funds	21.1&2	714,303	779,706	196,665	217,673
Other liabilities	20	3,530,467	3,099,487	972,024	870,154
Total liabilities:		93,059,122	87,987,185	25,621,442	24,700,404
Equity					
Donor funds	21.3	4,490,123	4,696,623	1,236,240	1,319,758
BRAC contribution	22	835,000	835,000	229,896	234,419
Retained earnings		103,839,188	82,035,959	28,589,455	24,285,364
Currency translation		-	-	-	(1,254,496)
Total Equity		109,164,311	87,567,582	30,055,591	24,585,045
Total liabilities and Equity		202,223,433	175,554,767	55,677,033	49,285,449

BRAC UGANDA MICROFINANCE LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 Ushs '000	2016 Ushs '000	2017 USD	2016 USD
Interest income on loans and advances	4	79,261,193	77,287,819	22,143,895	22,879,757
Other interest income	5	2,254,705	507,464	629,916	150,226
Interest expense	6 (a)	(7,892,580)	(6,170,753)	(2,205,019)	(1,826,747)
Other finance costs on borrowings	6 (b)	(919,847)	(895,839)	(256,986)	(265,198)
Net interest income		72,703,471	70,728,691	20,311,806	20,938,038
Membership fees and other charges	7	4,445,883	10,514,799	1,242,085	3,112,729
Foreign exchange (losses)/ gains	8	(185,096)	(1,605,982)	(51,711)	(475,424)
Grant income	21.4	287,611	229,660	80,352	67,987
Total operating income		77,251,869	79,867,168	21,582,532	23,643,330
Net movement in impairment losses on loans and advances	14.3	(5,276,957)	1,065,587	(1,474,270)	315,449
Operating income after impairment charges		71,974,912	80,932,755	20,108,262	23,958,779
Staff costs	9	(21,245,740)	(16,876,174)	(5,935,609)	(4,995,907)
Other operating expenses	10	(20,974,971)	(15,746,844)	(5,859,961)	(4,661,588)
Depreciation	17	(423,083)	(283,434)	(118,200)	(83,906)
Profit before tax		29,270,891	48,026,303	8,177,666	14,217,378
Income tax expense	11a	(7,467,662)	(17,074,146)	(2,086,306)	(5,054,513)
Net profit for the year		21,803,229	30,952,157	6,091,360	9,162,865
Other comprehensive income		-	-	-	-
Total comprehensive income		21,803,229	30,952,157	6,091,360	9,162,865

The notes set out on pages 16 to 56 form an integral part of these financial statements.

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	2017	2016	2017	2016
		Kyats	Kyats	USD	USD
Assets					
Property and equipment	4	176,531,160	177,658,860	129,612	130,153
Intangible assets	5	86,706,537	29,866,095	63,661	21,880
Other assets	6	139,477,714	87,309,998	102,407	63,963
Loans to customer	7	12,192,530,997	7,704,075,269	8,951,932	5,644,011
Cash and cash equivalents	8	1,030,156,863	1,431,432,280	756,356	1,048,668
Total assets		13,625,403,271	9,430,342,502	10,003,967	6,908,676
Equity					
Share capital	9	7,332,540,000	6,696,660,000	5,383,656	4,905,978
Share money deposit	10	684,885,345	1,320,765,345	502,853	967,594
Donor grant	11	868,747,756	427,612,436	637,847	313,269
Retained earnings	12	(1,301,803,971)	(1,351,345,357)	(955,803)	(989,997)
Total equity		7,584,369,130	7,093,692,424	5,568,553	5,196,844
Liabilities					
Term loan	13	3,261,228,785	-	2,394,441	-
Related party payables	14	1,144,603,245	811,094,907	840,384	594,209
Member savings payable	15	1,536,774,107	1,335,164,213	1,128,322	978,142
Other liabilities	16	98,428,003	190,390,958	72,267	139,481
Total liabilities		6,041,034,140	2,336,650,078	4,435,414	1,711,832
Total equity and liabilities		13,625,403,271	9,430,342,502	10,003,967	6,908,676

The accompanying notes form an integral part of these financial statements.

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016	2017	2016
		Kyats	Kyats	USD	USD
Service charge on loan	17	2,927,848,944	1,686,499,870	2,151,248	1,358,897
Interest expense	18	407,092,619	113,875,325	299,113	91,755
Net income from service charge		2,520,756,325	1,572,624,545	1,852,135	1,267,142
Membership and other fees	19	353,914,000	223,101,400	260,040	179,764
Other income	20	57,789,213	83,197,115	42,461	67,036
Grant income	21	25,169,021	-	18,493	-
		436,872,234	306,298,515	320,994	246,800
Total operating income		2,957,628,559	1,878,923,060	2,173,129	1,513,942
Impairment loss on loan	7	90,438,716	104,134,679	66,450	83,906
Operating income after impairment charge		2,867,189,843	1,774,788,381	2,106,679	1,430,035
Staff costs	22	1,715,574,171	1,233,659,818	1,260,525	994,021
Other operating expenses	23	1,045,919,742	751,329,361	768,494	605,384
Depreciation and amortization	24	57,933,079	46,333,254	42,567	37,333
Total operating cost		2,819,426,992	2,031,322,433	2,071,585	1,636,738
Profit/ (Loss) before tax		47,762,851	(256,534,052)	35,094	(206,702)
Income tax expenses		-	-	-	-
Net Profit/(Loss) after tax		47,762,851	(256,534,052)	35,094	(206,702)
Other Comprehensive Income					
Unrealized exchange gain/ (loss)		1,778,536	(31,065,021)	1,307	(25,031)
Net Profit/(Loss)		49,541,387	(287,599,073)	36,401	(231,733)

The accompanying notes form an integral part of these financial statements.

BRAC TANZANIA FINANCE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 TZS '000	Memo 2017 USD	2016 TZS '000	Memo 2016 USD
Income					
Interest income	6	39,981,925	17,954,274	32,317,447	14,840,969
Interest expense	7	(3,611,228)	(1,621,657)	(3,422,831)	(1,571,848)
Net interest income		36,370,697	16,332,617	28,894,616	13,269,121
Fee and commission income	8	1,890,493	848,944	1,785,475	819,934
Other income	9	874,956	392,907	1,130,690	519,241
Grant income utilised	23	311,482	139,874	568,543	261,089
Foreign exchange gain		(83,326)	(37,418)	(3,038)	(1,395)
Total operating income		39,364,302	17,676,924	32,376,286	14,867,990
Impairment charge on loans to customers	15(a)	(3,069,422)	(1,378,354)	(1,530,295)	(702,749)
Operating income after impairment charge on loans to customers		36,294,880	16,298,570	30,845,991	14,165,241
Staff costs and other benefits	10	(13,307,599)	(5,975,907)	(10,627,899)	(4,880,594)
Travelling and transportation costs		(2,764,154)	(1,241,271)	(2,114,565)	(971,061)
Training, workshop and seminars costs		(256,583)	(115,221)	(182,535)	(83,824)
Occupancy expenses	11	(950,853)	(426,990)	(622,890)	(286,046)
Other operating expenses	12	(4,544,881)	(2,040,923)	(4,325,249)	(1,986,261)
Depreciation	17	(115,633)	(51,926)	(129,886)	(59,647)
Amortisation	18	(110,578)	(49,656)	(138,223)	(63,475)
Profit before taxation		14,244,599	6,396,676	12,704,744	5,834,333
Tax expense	13	(4,332,435)	(1,948,823)	(3,860,740)	(1,772,947)
Profit for the year		9,912,164	4,451,153	8,844,004	4,061,386
Other comprehensive income					
Foreign currency translation loss		-	(226,606)	-	(102,720)
Total comprehensive income for the year		9,912,164	4,224,547	8,844,004	3,958,666

BRAC TANZANIA FINANCE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	2017 TZS '000	Memo 2017 USD	2016 TZS '000	Memo 2016 USD
ASSETS					
Cash and bank balances	14	5,766,153	2,573,027	4,282,801	1,982,778
Fixed deposits		5,543,569	2,473,703	4,511,553	2,088,682
Loans to customers	15	76,403,006	34,093,265	67,188,512	31,105,793
Other assets	16	1,121,651	500,514	1,125,056	520,859
Property and equipment	17	334,731	147,581	300,253	139,006
Intangible assets	18	142,550	63,610	253,128	117,189
Deferred tax asset	19	1,506,456	672,225	898,300	415,879
Corporation tax recoverable		-	-	86,754	40,164
Total assets		90,818,116	40,523,925	78,646,357	36,410,350
LIABILITIES AND EQUITY					
Long term liabilities					
Long term portion of term loans	22	16,926,958	7,553,306	4,861,579	2,250,731
Total long term liabilities		16,926,958	7,553,306	4,861,579	2,250,731
Current liabilities					
Other liabilities	20	4,504,434	2,010,010	5,147,669	2,383,168
Related party payables	21	1,185,009	528,786	878,515	406,732
Corporate tax payable	13(b)	728,157	324,925	633,078	293,091
Loan security fund	21	15,728,076	7,018,330	13,142,128	6,084,319
Current portion of term loans	22	5,084,686	2,268,936	17,365,305	8,039,493
Deferred revenue grants	23	5,174,483	2,309,006	5,043,934	2,335,154
Total current liabilities		49,331,803	22,013,299	47,072,208	21,792,688
Equity					
Allocated capital		8,039,570	3,814,099	8,039,570	3,770,021
Retained earnings		33,446,743	14,924,919	23,534,579	10,950,283
Translation reserve		-	(228,392)	-	(102,642)
Total equity		41,486,313	18,510,626	31,574,149	14,617,662
Total equity and liabilities		90,818,116	40,523,925	78,646,357	36,410,350

Statement of Financial Position
as at 31 December 2017

In thousands of Leones/ USD

	Notes	SLL		USD	
		2017	2016	2017	2016
Asset					
Cash and cash equivalents	13	5,151,330	6,114,268	673	826
Loans and advances to customers	14	37,509,640	25,249,031	4,903	3,412
Other assets	15	1,025,271	1,728,339	134	236
Current tax asset	12(b)	434,320	-	57	-
Intangible assets	16	388,829	-	51	-
Property and equipment	17	867,758	478,325	113	65
Deferred tax asset		3,206,444	-	419	-
Total assets		48,583,592	33,569,963	6,350	4,539
Liabilities					
Loan security fund	18	6,686,855	4,527,995	874	612
Related party payables	19	7,357,128	6,279,471	961	849
Borrowings	20	1,387,853	1,462,566	181	198
Other liabilities	21	1,721,011	1,234,588	225	167
Current tax liability	12b	-	25,556	-	4
Total liabilities		17,152,847	13,530,176	2,241	1,830
Capital fund					
Share capital	23(a)	12,244,890	12,244,890	1,601	1,655
Share premium	23(b)	3,825,000	-	500	-
Donor funds	22	118,500	7,389,136	15	999
Retained earnings	24	(4,963,252)	(12,668,883)	(649)	(1,712)
Donated equity	25	20,205,607	13,074,644	2,642	1,767
Total capital fund		31,430,745	20,039,787	4,109	2,709

Statement of Comprehensive Income

For the year ended 31 December 2017
In thousands of Leones/ USD

	Notes	SLL		USD	
		2017	2016	2017	2016
Service charge on loans	5	18,180,280	9,446,761	2,377	1,277
Net income from service charge		18,180,280	9,446,761	2,377	1,277
Membership and other fees	6	870,222	582,908	114	79
Other income	7	322,931	1,507,084	42	204
Grant income	8	741,978	957,459	97	129
Total operating income		20,115,411	12,494,212	2,630	1,689
Net impairment loss on loans and advances to customers	9	(1,112,621)	(910,641)	(145)	(123)
Operating income after impairment charges		19,002,790	11,583,571	2,485	1,566
Staff costs	10	(8,165,679)	(5,928,573)	(1,067)	(801)
Other operating expenses	11	(5,387,891)	(4,304,369)	(704)	(582)
Depreciation and amortization	16 & 17	(194,082)	(90,091)	(25)	(12)
Total operating expenditure		(13,747,652)	(10,323,033)	(1,796)	(1,395)
Profit before income tax		5,255,138	1,260,538	689	171
Income tax credit/ (expense)	12(a)	2,622,165	(87,813)	343	(12)
Net profit for the year		7,877,303	1,172,725	1,032	159
Other comprehensive income:					
Exchange gain or loss					
Unrealized exchange loss		(171,672)	(332,972)	(25)	(45)
Other comprehensive income		(171,672)	(332,972)	(25)	(45)
Total comprehensive profit for the year		7,705,631	839,753	1,007	114

Statement of Financial Position

as at 31 December 2018
In thousands of Leones/ USD

	Notes	SLL		USD	
		2018	2017	2018	2017
Asset					
Cash and cash equivalents	13	5,587,016	5,151,330	662	673
Loans and advances to customers	14	57,232,797	37,509,640	6,774	4,903
Other assets	15	656,460	1,025,271	77	134
Current tax asset	12(b)	-	434,320	-	57
Intangible assets	16	302,211	388,829	36	51
Property and equipment	17	704,680	867,758	82	113
Deferred tax asset	12(c)	1,647,430	3,206,444	195	419
Total assets		66,130,594	48,583,592	7,826	6,350
Liabilities					
Loan security fund	18	10,044,890	6,686,855	1,189	874
Related party payables	19	8,355,174	7,357,128	990	961
Borrowings	20	2,018,008	1,387,853	239	181
Other liabilities	21	2,021,664	1,721,011	238	225
Current tax liability	12b	504,939	-	59	-
Total liabilities		22,944,675	17,152,847	2,715	2,241
Capital fund					
Share capital	23(a)	12,244,890	12,244,890	1,449	1,601
Share premium	23(b)	6,345,000	3,825,000	751	500
Donor funds	22	1,969,000	118,500	233	15
Retained earnings	24	2,302,922	(4,963,252)	273	(649)
Donated equity	25	20,324,107	20,205,607	2,405	2,642
Total capital fund		43,185,919	31,430,745	5,111	4,109

BRAC Microfinance (SL) Limited
Financial statements
for the year ended 31 December 2018

Statement of Comprehensive Income

For the year ended 31 December 2018

	Notes	SLL		USD	
		2018	2017	2018	2017
<i>In thousands of Leones/ USD</i>					
Service charge on loans	5	26,858,870	18,180,280	3,308	2,377
Net income from service charge		26,858,870	18,180,280	3,308	2,377
Membership and other fees	6	1,330,082	870,222	164	114
Other income	7	8,187	322,931	1	42
Grant income	8	-	741,978	-	97
Total operating income		28,197,139	20,115,411	3,473	2,630
Net impairment loss on loans and advances to customers	9	(1,335,415)	(1,112,621)	(164)	(145)
Operating income after impairment charges		26,861,724	19,002,790	3,309	2,485
Staff costs	10	(10,046,005)	(8,165,679)	(1,238)	(1,067)
Other operating expenses	11	(6,460,326)	(5,387,891)	(795)	(704)
Depreciation amortization	16 & 17	(329,365)	(194,082)	(41)	(25)
Total operating expenditure		(16,835,696)	(13,747,652)	(2,074)	(1,796)
Profit before income tax		10,026,028	5,255,138	1,235	689
Income tax credit/ (expense)	12(a)	(3,007,013)	2,622,165	(370)	343
Net profit for the year		7,019,015	7,877,303	865	1,032
Other comprehensive income:					
Unrealized exchange loss		(482,167)	(171,672)	(59)	(25)
Total other comprehensive income		(482,167)	(171,672)	(59)	(25)

Statement of Financial Position
As at 31 December

	Notes	2018 LRD	2017 LRD	2018 USD	2017 USD
ASSETS					
Non-Current Assets					
Property and equipment	16	6,049,081	6,951,777	38,485	55,503
Intangibles	17	5,760,164	7,664,736	36,647	61,195
Current Assets					
Cash and bank	13	153,932,665	131,211,023	979,340	1,047,593
Loans and advances to customers	14	754,782,008	492,946,256	4,802,023	3,935,699
Other assets	15	11,141,803	10,323,886	70,886	82,426
Deferred tax asset	12(b)	2,270,753	2,270,753	14,447	18,130
Advance tax payment	12(c)	<u>26,278,030</u>	<u>15,492,319</u>	<u>167,184</u>	<u>123,691</u>
Total Assets		960,214,504	666,860,750	6,109,012	5,324,237
Liabilities and Capital Fund					
Liabilities					
Loan security fund	18	162,889,718	107,006,633	1,036,326	854,344
Related party payables	19	93,686,130	75,601,639	596,044	603,606
Borrowings	20	125,247,289	72,522,842	796,840	579,025
Other liabilities	21	<u>25,734,718</u>	<u>21,133,567</u>	<u>163,728</u>	<u>168,731</u>
Total Liabilities		407,557,855	276,264,681	2,592,938	2,205,706
Capital Fund					
Donor Funds	22	-	2,620,230	-	20,920
Donated equity	23	155,670,132	153,049,902	990,394	1,221,955
Retained earnings		53,072,725	(99,774,221)	337,655	(796,601)
Share premium	25	59,529,493	59,529,493	500,000	500,000
Share capital	24	339,339,071	339,339,071	4,076,145	4,076,145
Translation difference		(54,954,772)	(64,168,406)	(2,388,120)	(1,903,888)
Total capital fund		552,656,649	390,596,069	3,516,074	3,118,531

Statement of Profit and Loss and other comprehensive income
For the year ended 31 December

	Notes	2018 LRD	2017 LRD	2018 USD	2017 USD
Income					
Service charge on loans	5	<u>381,288,725</u>	<u>229,079,614</u>	<u>2,298,567</u>	<u>1,828,979</u>
Membership fees and other charges	6	21,837,610	14,415,305	138,933	115,093
Other income	7	214,462	3,215,965	1,365	25,676
Grant Income	8	-	<u>11,477,460</u>	-	<u>91,638</u>
		<u>22,052,072</u>	<u>29,108,730</u>	<u>140,298</u>	<u>232,405</u>
Total operating income		383,340,797	258,188,344	2,438,865	2,061,384
Expenditures:					
Impairment losses on loan and advances to customers	9	(903,929)	(8,071,153)	(5,751)	(64,440)
Operating income after impairment charges		382,436,868	250,117,191	2,433,114	1,996,944
Staff costs	10	(132,083,698)	(96,471,811)	(840,334)	(770,234)
Other operating expenses	11	(94,257,151)	(75,501,553)	(599,676)	(602,807)
Depreciation and amortization expense	16 & 17	<u>(4,319,208)</u>	<u>(2,520,351)</u>	<u>(27,479)</u>	<u>(20,123)</u>
Total operating expenses		(230,660,057)	(174,493,715)	(1,467,490)	(1,393,164)
Profit/(Loss) before tax		151,776,811	75,623,475	965,624	603,780
Income tax (expense)/ Credit	12(a)	-	6,255,337	-	49,943
Net Profit for the year		151,776,811	81,878,812	965,624	653,723
Other comprehensive income					
Unrealized exchange gains/(loss)		9,213,634	(7,272,706)	58,618	(58,066)
Total comprehensive income		160,990,445	74,606,106	1,024,243	595,658

BRAC RWANDA MICROFINANCE COMPANY PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

ASSETS	Notes	2018 Frw	2018 USD
Non-Current Assets			
Property and equipment	5	9,638,926	10,965
Intangible asset	6	17,347,178	19,733
Balances with other financial institutions	7	<u>300,000,000</u>	<u>341,258</u>
		<u>326,986,104</u>	<u>371,956</u>
Current Assets			
Other receivables	8	9,445,321	10,744
Cash and cash equivalents	9	<u>93,143,472</u>	<u>105,953</u>
		<u>102,588,793</u>	<u>116,697</u>
TOTAL ASSETS		<u>429,574,897</u>	<u>488,653</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	10	370,000,000	420,885
Shares application money awaiting allotment	11	134,454,637	152,946
Retained earnings	12	<u>(117,293,688)</u>	<u>(133,425)</u>
Shareholders' funds		<u>387,160,949</u>	<u>440,406</u>
Non-Current Liabilities			
Amount due to related parties	13	<u>30,824,386</u>	<u>35,064</u>
Current Liabilities			
Other Payables	14	<u>11,589,562</u>	<u>13,183</u>
Total Liabilities		<u>42,413,948</u>	<u>48,247</u>
TOTAL EQUITY AND LIABILITIES		<u>429,574,897</u>	<u>488,653</u>

BRAC RWANDA MICROFINANCE COMPANY PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Notes	2018 Frw	2018 USD
Income	15	<u>5,623,513</u>	<u>6,416</u>
Staff costs	16	(47,728,546)	(54,459)
Other operating expenses	17	(74,931,236)	(85,498)
Depreciation	18	<u>(257,419)</u>	<u>(294)</u>
Total Operating expenses		<u>(122,917,201)</u>	<u>(140,251)</u>
Profit/ (Loss) before tax		<u>(117,293,688)</u>	<u>(133,835)</u>
Income tax expense		-	-
Profit/(Loss) after tax		<u>(117,293,688)</u>	<u>(133,835)</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income		<u>(117,293,688)</u>	<u>(133,835)</u>

BRAC UGANDA
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 Ushs '000	2017 Ushs '000	2018 USD	2017 USD
Grant income	3	56,841,213	52,842,054	15,226,113	14,780,581
Other income	4	5,742,381	7,260,504	1,538,217	2,030,853
Total income		62,583,594	60,102,558	16,764,330	16,811,434
Staff costs and other benefits	6	(10,733,618)	(9,926,210)	(2,875,225)	(2,776,484)
Training, workshops & seminars	7	(8,428,821)	(6,817,424)	(2,257,837)	(1,906,918)
Occupancy expenses	8	(1,281,596)	(1,566,214)	(343,302)	(438,090)
Program supplies, travel and other general expenses	9	(40,355,216)	(36,296,660)	(10,809,993)	(10,152,629)
Depreciation	11	(380,020)	(335,072)	(101,796)	(93,724)
Total expenses		(61,179,271)	(54,941,580)	(16,388,153)	(15,367,845)
Operating surplus		1,404,323	5,160,978	376,177	1,443,589
Taxation	10	-	-	-	-
Surplus reserve		1,404,323	5,160,978	376,177	1,443,589
Other Comprehensive income					
Foreign exchange (loss)/ gains	5	(128,182)	133,107	(34,336)	37,232
Total Comprehensive income		1,276,141	5,294,085	341,841	1,480,821

BRAC UGANDA
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Notes	2018 Ushs '000	2017 Ushs '000	2018 USD	2017 USD
ASSETS					
Non-current assets					
Property and equipment	11	1,453,962	1,520,122	391,350	418,527
Current assets					
Cash and bank	12	50,250,820	48,586,830	13,525,555	13,377,136
Inventory	13	937,096	1,435,095	252,230	395,117
Due from related parties	14	876,620	13,947	235,952	3,840
Other receivables	15	317,513	5,134,796	85,462	1,413,734
Total Current Assets		52,382,049	55,170,668	14,099,199	15,189,827
Total Assets		53,836,011	56,690,790	14,490,549	15,608,354
Liabilities					
Other payables	16	2,746,539	3,014,699	739,261	830,020
Due to related parties	17	1,135,439	3,465,565	305,616	954,154
Total Liabilities		3,881,978	6,480,264	1,044,877	1,784,174
Capital fund					
Donor funds	18	28,396,866	29,929,500	7,643,326	8,240,320
Retained surplus		21,557,167	20,281,026	5,802,346	5,583,860
Total Capital Fund		49,954,033	50,210,526	13,445,672	13,824,180
Total liabilities and capital fund		53,836,011	56,690,790	14,490,549	15,608,354

Ratios for the Six Microfinance Entities:

Current Ratio:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

2017:

$$\text{Uganda} = \frac{54489972}{25380367} = 2.147$$

$$\text{Tanzania} = \frac{40312734}{21484513} = 1.876$$

$$\text{Myanmar} = \frac{9810694}{3595030} = 2.729$$

$$\text{Liberia} = \frac{5207539}{1602100} = 3.250$$

$$\text{Sierra Leone} = \frac{6186}{1280} = 4.833$$

2018:

$$\text{Uganda} = \frac{14099199}{739261} = 19.072$$

$$\text{Tanzania} = \frac{43944378}{16308006} = 2.695$$

$$\text{Myanmar} = \frac{17883773}{9709878} = 1.842$$

$$\text{Liberia} = \frac{6033880}{996894} = 3.022$$

$$\text{Sierra Leone} = \frac{7708}{1725} = 4.468$$

$$\text{Rwanda} = \frac{116697}{13183} = 8.852$$

2019:

$$\text{Uganda} = 61628112 / 4605587 = 1.338$$

$$\text{Tanzania} = 820216 / 591014 = 1.388$$

$$\text{Myanmar} = 31505976 / 15578842 = 2.022$$

$$\text{Liberia} = 7587760 / 3156047 = 2.404$$

$$\text{Sierra Leone} = 9401 / 2351 = 3.999$$

$$\text{Rwanda} = 1021937 / 351240 = 2.910$$

Total Asset Turnover:

$$\text{Total Asset turnover} = \text{Interest Income} / \text{Total Assets}$$

2017:

$$\text{Uganda} = 20311806 / 55677033 = 0.365$$

$$\text{Tanzania} = 16332617 / 40523925 = 0.403$$

$$\text{Myanmar} = 1852135 / 10003967 = 0.185$$

$$\text{Liberia} = 1828979 / 5324237 = 0.344$$

$$\text{Sierra Leone} = 2377 / 6350 = 0.374$$

2018:

$$\text{Uganda} = 16764330 / 14490549 = 1.157$$

$$\text{Tanzania} = 18174269 / 44345392 = 0.41$$

$$\text{Myanmar} = 2300396 / 18061887 = 0.127$$

$$\text{Liberia} = 2298567 / 6109012 = 0.376$$

$$\text{Sierra Leone} = 3308 / 7826 = 0.423$$

$$\text{Rwanda} = 6416 / 488653 = 0.013$$

2019:

$$\text{Uganda} = 20426849 / 71153406 = 0.287$$

$$\text{Myanmar} = 3976377 / 31738859 = 0.125$$

$$\text{Liberia} = 2980317 / 7787268 = 0.383$$

$$\text{Sierra Leone} = 4342 / 9513 = 0.456$$

$$\text{Rwanda} = 33217 / 1200186 = 0.028$$

Fixed Asset Turnover:

$$\text{Fixed Asset turnover} = \text{Interest Income} / \text{Fixed Assets}$$

2017:

$$\text{Uganda} = 20311806/1187061 = 17.111$$

$$\text{Tanzania} = 16332617/211191 = 770.734$$

$$\text{Myanmar} = 1852135/193273 = 9.583$$

$$\text{Liberia} = 1828979/116698 = 15.673$$

$$\text{Sierra Leone} = 2377/164 = 14.494$$

2018:

$$\text{Uganda} = 16764330/391350 = 42.837$$

$$\text{Tanzania} = 18174269/401014 = 45.321$$

$$\text{Myanmar} = 2300396/178114 = 12.915$$

$$\text{Liberia} = 2298567/75132 = 30.594$$

$$\text{Sierra Leone} = 3308/118 = 28.034$$

$$\text{Rwanda} = 6416/371956 = 0.017$$

2019:

$$\text{Uganda} = 20426849/9525294 = 2.144$$

$$\text{Myanmar} = 3976377/232883 = 17.075$$

$$\text{Liberia} = 2980317/199508 = 14.938$$

$$\text{Sierra Leone} = 4342/112 = 38.768$$

$$\text{Rwanda} = 33217/178249 = 0.186$$

Debt Ratio:

$$\text{Debt Ratio} = (\text{Total Debt}/\text{Total Assets}) * 100$$

2017:

$$\text{Uganda} = 25621442/55677033 = 40\%$$

$$\text{Tanzania} = 29566605/40523925 = 72\%$$

$$\text{Myanmar} = 4435414/10003967 = 44\%$$

$$\text{Liberia} = 2205706/5324237 = 41\%$$

$$\text{Sierra Leone} = 2241/6350 = 35\%$$

2018:

$$\text{Uganda} = 1044877/14490549 = 7.21\%$$

$$\text{Tanzania} = 17269138/44345392 = 39\%$$

$$\text{Myanmar} = 10778965/18061887 = 60\%$$

$$\text{Liberia} = 2592938 / 6109012 = 42\%$$

$$\text{Sierra Leone} = 2715 / 7826 = 35\%$$

$$\text{Rwanda} = 48247 / 488653 = 9.87\%$$

2019:

$$\text{Uganda} = 52872777 / 71153406 = 74\%$$

$$\text{Tanzania} = 900227 / 864222 = 104\%$$

$$\text{Myanmar} = 17093657 / 31738859 = 54\%$$

$$\text{Liberia} = 3857293 / 7787268 = 50\%$$

$$\text{Sierra Leone} = 3531 / 9513 = 37\%$$

$$\text{Rwanda} = 538957 / 1200186 = 45\%$$

Operating Profit Margin:

$$\text{Operating Profit Margin} = (EBIT / \text{Interest Income}) * 100$$

2017:

$$\text{Uganda} = 21582532 / 20311806 = 106\%$$

$$\text{Tanzania} = 17676924 / 16332617 = 108\%$$

$$\text{Myanmar} = 2173129/1852135 = 117\%$$

$$\text{Liberia} = 2061384/1828979 = 113\%$$

$$\text{Sierra Leone} = 2630/2377 = 111\%$$

2018:

$$\text{Uganda} = 376177/16764330 = 2\%$$

$$\text{Tanzania} = 19126891/18174269 = 105\%$$

$$\text{Myanmar} = 2774469/2300396 = 121\%$$

$$\text{Liberia} = 2438865/2298567 = 106\%$$

$$\text{Sierra Leone} = 3473/3308 = 105\%$$

2019:

$$\text{Uganda} = 21880674/20426849 = 107\%$$

$$\text{Myanmar} = 4902443/3976377 = 123\%$$

$$\text{Liberia} = 3165008/2980317 = 106\%$$

$$\text{Sierra Leone} = 4560/4342 = 105\%$$

$$\text{Rwanda} = 65956/33217 = 198\%$$

Net Profit Margin:

$$\text{Net Profit Margin} = \left(\frac{\text{Net Profit After Tax}}{\text{Interest Income}} \right) * 100$$

2017:

$$\text{Uganda} = 6091360 / 20311806 = 30\%$$

$$\text{Tanzania} = 4224547 / 16332617 = 26\%$$

$$\text{Myanmar} = 36410 / 1852135 = 2\%$$

$$\text{Liberia} = 595658 / 1828979 = 33\%$$

$$\text{Sierra Leone} = 1007 / 2377 = 42\%$$

2018:

$$\text{Uganda} = 341841 / 16764330 = 2\%$$

$$\text{Tanzania} = 4555509 / 18174269 = 25\%$$

$$\text{Myanmar} = 248401 / 2300396 = 11\%$$

$$\text{Liberia} = 1024243 / 2298567 = 45\%$$

$$\text{Sierra Leone} = 806 / 3308 = 24\%$$

2019:

$$\text{Uganda} = 3161/20426849 = 0.015\%$$

$$\text{Myanmar} = 695114/3976377 = 17\%$$

$$\text{Liberia} = 963835/2980317 = 32\%$$

$$\text{Sierra Leone} = 1439/4342 = 33\%$$

Return on Asset:

$$\text{Return on Asset} = \left(\frac{\text{Net Profit After Tax}}{\text{Total Assets}} \right) * 100$$

2017:

$$\text{Uganda} = 6091360/55677033 = 10.9\%$$

$$\text{Tanzania} = 4224547/40523925 = 10.4\%$$

$$\text{Myanmar} = 36410/10003967 = 0.36\%$$

$$\text{Liberia} = 595658/5324237 = 11.2\%$$

$$\text{Sierra Leone} = 1007/6350 = 15.9\%$$

2018:

$$\text{Uganda} = 341841/14490549 = 2.4\%$$

$$\text{Tanzania} = 4555509 / 44345392 = 10.3\%$$

$$\text{Myanmar} = 248401 / 18061887 = 1.4\%$$

$$\text{Liberia} = 1024243 / 6109012 = 16.8\%$$

$$\text{Sierra Leone} = 806 / 7826 = 10.3\%$$

2019:

$$\text{Uganda} = 3161 / 71153406 = 3.4\%$$

$$\text{Myanmar} = 695114 / 31738859 = 2.2\%$$

$$\text{Liberia} = 963835 / 7787268 = 12.4\%$$

$$\text{Sierra Leone} = 1439 / 9513 = 15.1\%$$

Return on Equity:

$$\text{Return on Equity} = \left(\frac{\text{Net Profit After Tax}}{\text{Total Equity}} \right) * 100$$

2017:

$$\text{Uganda} = 6091360 / 30055591 = 20\%$$

$$\text{Tanzania} = 4224547 / 18510626 = 23\%$$

$$\text{Myanmar} = 36410 / 5568553 = 1\%$$

$$\text{Liberia} = 595658/3118531 = 19\%$$

$$\text{Sierra Leone} = 1007/4109 = 25\%$$

2018:

$$\text{Uganda} = 341841/13445672 = 3\%$$

$$\text{Tanzania} = 4555509/27076255 = 17\%$$

$$\text{Myanmar} = 248401/7282923 = 3\%$$

$$\text{Liberia} = 1024243/3516074 = 29\%$$

$$\text{Sierra Leone} = 806/5111 = 16\%$$

2019:

$$\text{Uganda} = 3161/18280630 = 13\%$$

$$\text{Myanmar} = 695114/14645202 = 5\%$$

$$\text{Liberia} = 963835/3929975 = 25\%$$

$$\text{Sierra Leone} = 1439/5982 = 24\%$$

BRAC Bangladesh versus BRAC International Ratios:

Current Ratio:

$$\text{BRAC Bangladesh} = \frac{3333600435}{1130271272}$$
$$= 2.95$$

$$\text{BRAC International} = \frac{194792807}{70413266}$$
$$= 2.77$$

Total Asset Turnover:

$$\text{BRAC Bangladesh} = \frac{943174284}{3563431267}$$
$$= 0.26$$

$$\text{BRAC International} = \frac{108,009,727}{207,831,774}$$
$$= 0.52$$

Fixed Asset Turnover:

$$\text{BRAC Bangladesh} = \frac{943174284}{229830832}$$
$$= 4.1$$

$$\text{BRAC International} = \frac{108,009,727}{13,038,967}$$
$$= 8.28$$

Debt Ratio:

$$\text{BRAC Bangladesh} = \frac{2146422350}{3563431267}$$

$$= 0.6$$

$$\text{BRAC International} = \frac{101615694}{207,831,774}$$

$$= 0.49$$

Net Profit Margin:

$$\text{BRAC Bangladesh} = \frac{193254995}{943174284}$$

$$= 0.2$$

$$\text{BRAC International} = \frac{18,743,917}{108,009,727}$$

$$= 0.17$$

Return on asset:

$$\text{BRAC Bangladesh} = \frac{193254995}{3563431267}$$

$$= 0.05$$

$$\text{BRAC International} = \frac{18,743,917}{207,831,774}$$

$$= 0.09$$