

**Internship Report on  
Financial Viability of BRAC in Bangladesh**



**Internship Report on  
Financial Viability of BRAC in Bangladesh**

**Submitted To**

**Dr. Salehuddin Ahmed**

**Professor**

**BRAC University**

**Submitted By:**

**Nazia Huda**

**ID-16364031**

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**Department: MBA (Master of Business Administration)**

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## Letter of Transmittal

22nd July, 2018  
Dr. Salehuddin Ahmed  
Professor  
BRAC Business School  
BRAC University

**Subject:** Submission of Internship Report on “Financial Viability of BRAC in Bangladesh”.

Dear Sir,

This a great pleasure to submit our report on “Financial Viability of BRAC”. It was a golden opportunity for knowledge gathering and practical experiences. I firmly believe that, these knowledge and experiences will help me in my professional life. I have tried hard to fulfill your expectations by sharing details of each and every topic and avoiding unnecessary amplification of the topics.

I will be very much glad to hear from you for further clarification.

Sincerely,

-----  
Nazia Huda  
ID- 16364031  
MBA Program

Semester-Summer 2018

## Acknowledgement

At the beginning of preparing this report, I would like to convey gratitude to the Almighty Allah for his blessing in completing this report. I am obliged to my colleagues and university batch mates who helped me to organize this report and for their kind opinion, suggestions, instructions and support and appropriate guidelines for this.

I have received endless support and guidance in preparation of this report from numerous sources. I would like to take this opportunity to thank them all.

I would like to thank my honorable Dr. Salehuddin Ahmed, Professor, BRAC Business School, BRAC University for his valuable lectures which provides continuous guidance and assistance in preparation of this report.

## Executive Summary

BRAC has been operating in Bangladesh for more than 40 years and the development climate has changed over these years. Bangladesh, who used to be a low-income country, has achieved lower middle-income country status in 2015 and has a vision to become high middle-income country by 2021. In such circumstances development work from donor funding is forecasted to slow down since international donors will shift focus from Bangladesh to poorer countries. The objective of my report is to understand the current financial viability of BRAC based on financial performance of the organization in Bangladesh in above mentioned changing climate. BRAC's composition of income has changed and reliance on donor funding has reduced. BRAC's performance of financial ratio's like liquidity ratio and debt ratio is satisfactory and there is scope of improvement. The microfinance program has achieved operating self-sufficiency and the trend is that OSS will improve. Overall the institutional sustainability of BRAC depends on BRAC's ability to increase the size of income generating projects, microfinance and social enterprises.

## Table of Contents

| <b>SL.</b> | <b>Chapter Name</b>                     | <b>Page No</b> |
|------------|---|----------------|
| 1          | Organization Overview: BRAC             | 7-8            |
| 2          | Introduction                            | 8-9            |
| 3          | Literature Review                       | 10-11          |
| 4          | Methodology of the Study                | 11             |
| 5          | Analysis and Interpretation of the Data | 12-15          |
| 6          | Findings of Study                       | 16             |
| 7          | Recommendations                         | 17             |
| 8          | Conclusion                              | 17             |
| 9          | References                              | 18             |
| 10         | Appendix                                | 19-29          |

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## Organization Overview: BRAC

BRAC, an international development organization based in Bangladesh, is ranked the top global NGO as of 2018 measured by innovation, impact and governance. BRAC in Bangladesh is registered under the Societies Registration Act, 1860, was established by Sir Fazle Hasan Abed in 1972 after the independence of Bangladesh. BRAC is present in all 64 districts of Bangladesh as well as 10 other countries in Asia and Africa.

BRAC employs over 100,000 people, roughly 70 percent of who are women, and reaches 110 million people with its services that include microfinance, education, health, etc.

Known formerly as the Bangladesh Rehabilitation Assistance Committee, and then as the Bangladesh Rural Advancement Committee, and later as Building Resources Across Communities, BRAC was initiated in 1972 by Sir Fazle Hasan Abed at Shallah Upazillah in the district of Sunamganj as a small-scale relief and rehabilitation project to help returning war refugees after the Bangladesh Liberation War of 1971.

Until the mid-1970s, BRAC concentrated on community development through village development program that included agriculture, fisheries, cooperatives, rural crafts, adult literacy, health and family planning, vocational training for women and construction of community centers. BRAC started providing public healthcare in 1972 with an initial focus on curative care through paramedics and a self-financing health insurance scheme. The program went on to offer integrated health care services. A Research and Evaluation Division (RED) was set up to evaluate its activities and decide direction, and in 1977, BRAC began taking a more targeted approach by creating Village Organizations (VO) to assist the landless, small farmers, artisans, and vulnerable women. That same year BRAC set up a commercial printing press to help finance its activities. The handicraft retail chain called Aarong, was established the following year. Aarong services about 65,000 artisans, and sells gold and silver jewelry, hand loom, leather crafts, etc. In 1979, BRAC entered the health field by establishing a nationwide Oral Therapy Extension Program (OTEP), a campaign to combat diarrhea, the leading cause of the high child mortality rate in Bangladesh.

Microfinance, introduced in 1974, is BRAC's oldest program. It spans all districts of Bangladesh. It provides collateral-free loans to mostly poor, landless, rural women, enabling them to generate income and improve their standards of living. BRAC's microcredit program has funded over \$1.9 billion in loans in its first 40 years.

BRAC is one of the largest NGOs involved in primary education in Bangladesh. As of the end of 2012, it had more than 22,700 non-formal primary schools with a combined enrolment of 670,000 children. Its schools constitute three-quarters of all NGO non-formal primary schools in the country.

BRAC's education program provides non-formal primary education to those left out of the formal education system, especially poor, rural, or disadvantaged children, and drop-outs. They incentivize schooling by providing food, allowing flexible learning hours, and conferring scholarships contingent on academic performance.

Bangladesh has reduced the gap between male and female attendance in schools. The improvement in female enrollment, which has largely been at the primary level, is in part attributable to BRAC. Roughly 60% of the students in their schools are girls.

BRAC conducted one of the largest NGO responses to Cyclone Sidr which hit vast areas of the south-western coast in Bangladesh in mid-November 2007. BRAC distributed emergency relief materials, including food and clothing, to over 900,000 survivors, provided medical care to over 60,000 victims and secured safe supplies of drinking water. BRAC is now focusing on long-term rehabilitation, which will include agriculture support, infrastructure reconstruction and livelihood regeneration. In 2017, BRAC responded to the Rohingya crisis in Myanmar and stepped in to rehabilitate the Rohingyas displaced during the crisis.

Some of the main international donors of BRAC are Department for International Development (DFID), Government of the UK and Department of Foreign Affairs and Trade (DFAT), The United States Agency for International Development (USAID), The European Union (EU), Bill and Melinda Gates Foundation (BMGF), etc. BRAC is partly self-funded through a number of social enterprises that include a dairy and food project, Aarong, seed and agro, and chicken.

### **Introduction**

Financial viability is the ability of an entity to continue to achieve its operating objectives and fulfill its mission over the long term. Basically, financial viability is the ability to generate sufficient income to meet operating payments, debt commitments and, where applicable, to allow for growth, while maintaining service levels (Financial Viability, 2010). Since finance has a significant role in operations in all organizations, it is important to assess financial viability of an organization by investigating liquidity and long and short term profitability.

Assessment of financial viability is an integrated process involving a review of an organization's audited financial statements, financial performance reports, business plan and other information that supports financial analysis (Financial Viability, 2010).

BRAC has been operating in Bangladesh for more than 40 years and the development climate has changed over these years. Bangladesh, who used to be a low-income country, has achieved lower middle-income country status in 2015 and has a vision to become high middle-income country by 2021. Measured against the international extreme poverty line, poverty fell from 18.5% in 2010 to 13.8% in 2016 (The World Bank, 2017). In such circumstances development work from donor funding is forecasted to slow down since international donors will shift focus from Bangladesh to poorer countries. On the other hand reduction of extreme poverty increases scope for microfinance since microfinance



program does not work for 'extremely' poor. Meanwhile, BRAC has also started some revenue earning projects and social enterprises.

The objective of my report is to understand the current financial viability of BRAC based on financial performance of the organization in Bangladesh in above mentioned changing climate. Some of the questions I will explore are what portion of BRAC's income is from Donor grants, Income generating projects, program enterprises and Microfinance? Has the composition changed over the years? What is the trend in the financial ratios? Has the microfinance program achieved operating self-sufficiency? Finally, is financial viability of BRAC associated with institutional sustainability?

For proper assessment of financial viability study of any organization many documents are required. According to Australia Registrar Community Housing, 2010 the initial focus of the financial viability assessment is an organization's audited financial statements for the previous financial year. The results are assessed with the budget and financial projections in the business plan. The trends in actual results over a three year period are then assessed and projected forward over one to three years. To place these results into a broader context, the organization's business plan is used in order to understand their future plans as well as their perspective on the business, growth (where applicable) and risks. The business plan will provide insights into the organization's resource management, growth plans (where applicable), capital structure and liquidity. The business plan provides the roadmap to guide the organization towards its long term goals. The financial plan is a vehicle to allow the organization to realize its long term goals. For my study I was able to acquire the audited financial statements for the year 2012 to 2016. I could not get access to the business plan which has the budgets and the financial projections. So the results of my study on BRAC may not be fully accurate. I would be able to achieve further conclusive results if I could also assess the business and financial plans. Also since financial viability is a very serious concern for any organization I was not able to secure any face to face interview with any BRAC staff which would have given me a deeper understanding of the financial sustainability of BRAC.

## Literature Review

A study on NGO sector funding in Central Asia with focus on Kyrgyzstan and Kazakhstan found that the main challenges of NGOs is how to sustain and support NGO activities financially (Alymkulova & Seipulnik, 2005). According to Alymkulova and Seipulnik, The primary reasons why NGOs need to find different strategies for long-term survival are: Decreased donor funding in general, decreased allocations for the Central Asian region, donor focus on new markets, specifically and decreased amounts for the social programs.

The most sustainable financing strategy is to diversify income sources. A sustainable approach to NGO financing is one that avoids dependency on any single source of revenue, external or internal. It is difficult to determine a formula for the percentages that need to be derived from various sources in order to support a “financially sustainable NGO.” However, a balance between externally and internally generated resources is necessary to allow an organization to meet its operating and administrative expenses while maintaining the freedom to determine its program priorities and projects, irrespective of donor preferences (Alymkulova & Seipulnik, 2005).

According to Low and Davenport financial sustainability is one of the core challenges of NGOs in the Pacific region. The NGO sustainability is at risk once donor funding of the project ends and the project does not generate income by that time. Also it is very difficult to get funding for core administrative costs for example salaries and rent and even if they do NGOs struggle to become financially self-sustaining over the years (Low & Davenport, 2002). Low and Davenport also noted that securing funding is not enough but the organization should also have the capacity to deliver the agreed upon terms. In some cases lack of capacity can also affect organization’s sustainability.

A recent study of the budgets of Bangladesh’s 11 largest NGOs reveals that as these NGOs became more concerned with maintaining inflows of donor funds, service delivery programs like microcredit and economic technical assistance increasingly absorbed their resources to the point that social mobilization programs geared towards facilitating collective action among the poor have been completely marginalized in the NGO budgets (Devine, 2003). Furthermore, the donors predicate their funding on NGO financial sustainability. Thus, as donor funds for the biggest NGOs run out, these NGOs must make up their budget shortfall through revenues from microcredit interest payments, or other fees charged to the poor in exchange for NGO services. This introduction of the concept of interest payments and fees for services into the programs of many NGOs has undermined their former ability to act as legitimate representatives of the poor and weakened their ability to engage in social mobilization. At the local level, individual NGO members have become increasingly dissatisfied and criticize these NGOs for being more interested in financial self-sufficiency than in the welfare and empowerment of the poor (Devine, 2003 as cited in Rahman, 2006).

When it comes to microfinance, subsidy is a crucial factor in analyzing sustainability of microfinance in general and MFIs in particular. Majority of microfinance programs in the world are subsidized in different ways; sustainability of the programs poses a question in the mind of academics and researchers. Even front line institution like Grameen Bank of Bangladesh may experience a high

repayment rate, but also depends on subsidies due to higher value towards social sector (Morduch, 2000 as cited in Kinde, 2012). Kinde notes that institution's financial sustainability falls as subsidy income rises.

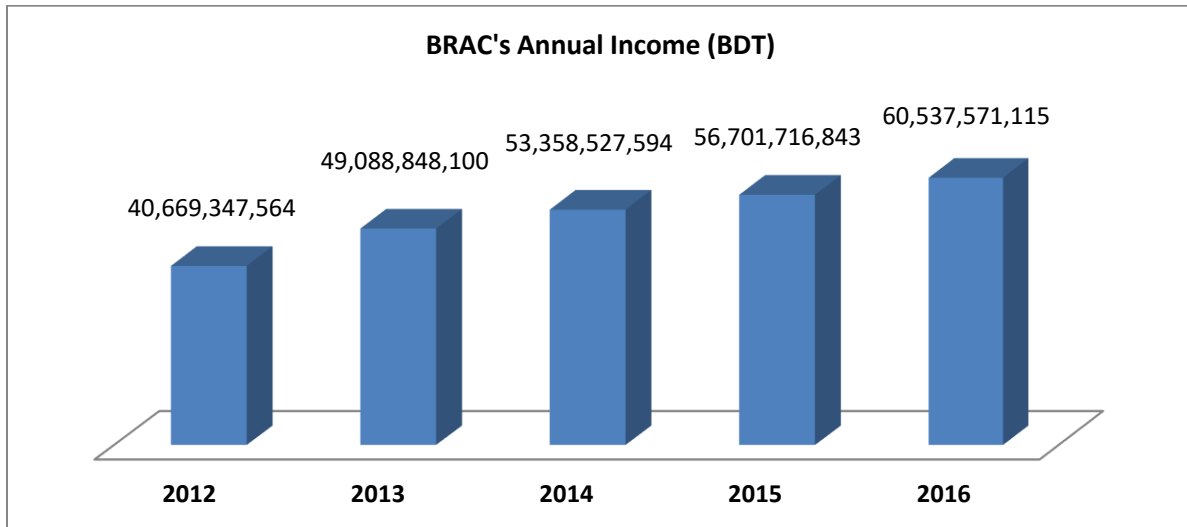
The breadth of outreach refers to the number of poor served by a microfinance institution. Larger number of borrowers is assumed to be the biggest sustainability factor; on the contrary, Ganka (2010) on Tanzanian microfinance institutions reports negative and significant relationship between breadth of outreach and financial sustainability. Ganka concludes on the result that increased in number of borrower itself does not improve financial sustainability of microfinance institutions. The reason could be increased inefficiency as a result of increased number of borrowers.

The OSS is defined as the ratio of an MFI's operating revenues to its operating expenses including the financial costs and impairment losses on loans. According to Schäfer and Fukasawa (2011) the number of borrowers, the write-off ratio, and the depositors/borrowers ratio were found to be important factors determining the sustainability of an MFI. The MFIs in the Eastern Europe/Central Asia exhibited the better operational self-sufficiency than those in the benchmark region, Asia (Schäfer & Fukasawa, 2011).

### **Methodology of the Study**

For my study I have analyzed the audited financial statements of BRAC in Bangladesh from calendar year 2012 to year 2016 to do a 5-year trend analysis. I will be mainly use numbers in the balance sheet and the income statements and some additional numbers from the Notes to calculate important ratios and interpret the ratios. Firstly I will calculate the composition of income of BRAC. I will also see what composition of the income is from donor grants, income generating development project, microfinance, and microfinance and I will analyze how the composition has changed. Next I will analyze the liquidity ratio of BRAC based on current assets and current liabilities. After that I will analyze the debt management ratio based on total assets and total debt of BRAC. Finally, I will study the microfinance program since profitability of Microfinance program is important for any Microfinance Institution to be self-sustainable. I will analyze to what extent BRAC's microfinance program has achieved operating self-sufficiency. I will reach my conclusion and share my recommendations based on my interpretation of the ratios.

### Analysis and Interpretation of the Data



BRAC's annual income has been steadily increasing over the years. In 2012 their annual income was BDT 40,669 million and in 2016 their annual income was BDT 60,537 million. Over 5 years their income has increased by 33%.

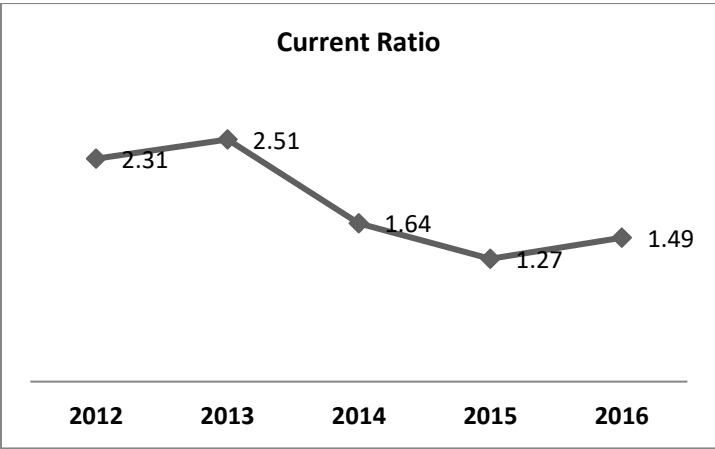
| <b>Composition of Income</b> |             |             |             |             |             |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
|                              | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> |
| Donor Grants                 | 29%         | 34%         | 31%         | 24%         | 17%         |
| Income Generating Projects   | 19%         | 16%         | 3%          | 2%          | 1%          |
| Microfinance                 | 36%         | 36%         | 40%         | 47%         | 53%         |
| Social Enterprises           | 10%         | 9%          | 25%         | 24%         | 23%         |
| Others                       | 5%          | 4%          | 1%          | 3%          | 6%          |
| <b>Total</b>                 | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

The composition of BRAC's income consists has changed in 5 years. BRAC's income mainly consists of donor grants, income from development projects, microfinance service fees, income from social enterprises. BRAC has other types of income too for example interest on bank deposit, income from investment, income from house property, etc.

Portion of Income that was from donor grant has almost halved over 5 years. It increased to 34% in 2013 from 29% in 2012 and then dropped to 17% by 2016. Portion of Income that was from income generating development project has also declined significantly over 5 years. It was 19% in 2012 and it

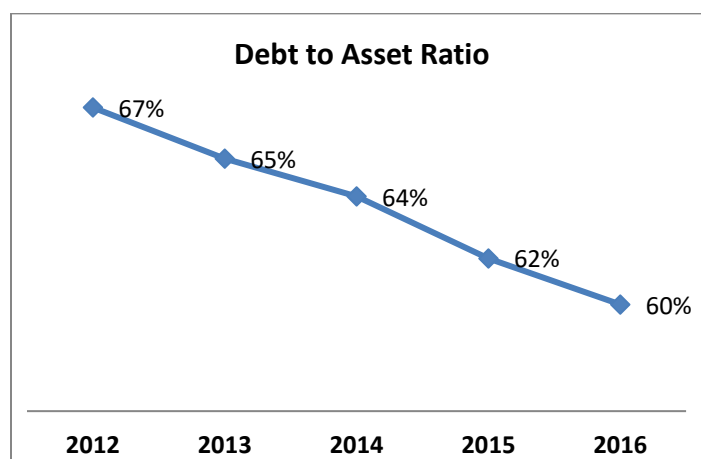
dropped significantly to 3% in 2014 and then it steadily fell to 1% by 2016. On the other hand proportion of income from microfinance has increased steadily from 36% in 2012 to 53% in 2016. Proportion of income from social enterprises has also increased from 2012 to 2016. Income was 10% in 2012 and it has increased to 23% by 2016 but there have been significant fluctuations. It fell to its lowest of 9% in 2013 and rose to its highest of 25% in 2014 before steadily declining to 23%. There has been some fluctuations in other income over the years starting at 5% in 2012, dropping to lowest of 1% in 2014 and finally ending at 6% in 2016.

| <b>Liquidity Ratio:</b>                                 |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | <b>2012</b>       | <b>2013</b>       | <b>2014</b>       | <b>2015</b>       | <b>2016</b>       |
|   | <b>BDT</b>        | <b>BDT</b>        | <b>BDT</b>        | <b>BDT</b>        | <b>BDT</b>        |
| Current Asset   | 22,635,141,829    | 24,041,581,198    | 27,245,042,159    | 26,307,811,569    | 30,960,671,386    |
| Current Liability                                       | 9,795,470,648     | 9,577,694,869     | 16,592,115,938    | 20,662,886,413    | 20,769,421,107    |
| <b>Current Ratio= Current Asset÷Current Liabilities</b> | <b>2.31 times</b> | <b>2.51 times</b> | <b>1.64 times</b> | <b>1.27 times</b> | <b>1.49 times</b> |



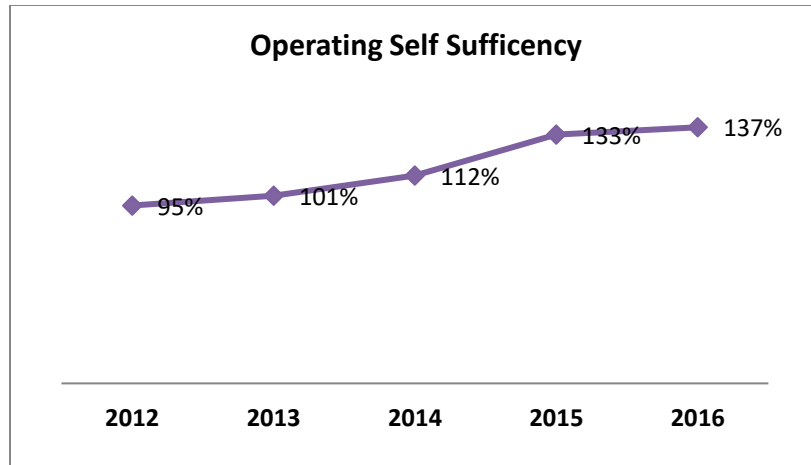
The current ratio has fluctuated during 2012 to 2016. It started at 2.31 in 2012 and rose to the maximum of 2.51 in 2013 and then fell to a minimum of 1.27 in 2015 and ended at 1.49 in 2016.

| <b>Debt Ratio:</b>                                 |                |                 |                 |                 |                 |
|--|----------------|-----------------|-----------------|-----------------|-----------------|
|  | <b>2012</b>    | <b>2013</b>     | <b>2014</b>     | <b>2015</b>     | <b>2016</b>     |
|  | <b>BDT</b>     | <b>BDT</b>      | <b>BDT</b>      | <b>BDT</b>      | <b>BDT</b>      |
| Total Debt   | 65,649,646,408 | 73,275,164,464  | 88,831,101,367  | 101,382,654,871 | 119,645,322,573 |
| Total Asset  | 97,782,507,404 | 112,283,495,077 | 139,062,292,484 | 164,564,196,316 | 199,691,339,559 |
| <b>Debt to Asset Ratio= Total Debt÷Total Asset</b> | <b>67.14%</b>  | <b>65.26%</b>   | <b>63.88%</b>   | <b>61.61%</b>   | <b>59.92%</b>   |



The debt to asset ratio has steadily declined over the 5 years. Debt to asset ratio was 67% on 2012 and it declined to 60% in 2016.

| <b>Microfinance Self Sufficiency Ratio:</b>  |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | <b>2012</b>    | <b>2013</b>    | <b>2014</b>    | <b>2015</b>    | <b>2016</b>    |
|  | <b>BDT</b>     | <b>BDT</b>     | <b>BDT</b>     | <b>BDT</b>     | <b>BDT</b>     |
| Operating Revenue  | 14,774,933,599 | 17,802,363,604 | 21,106,797,751 | 26,682,363,975 | 31,937,554,303 |
| Operating Expense+ Financial Costs   | 11,714,555,867 | 12,815,333,779 | 13,365,418,399 | 15,244,367,848 | 18,286,281,951 |
| Impairment Losses on Loans   | 3,770,470,631  | 4,876,369,480  | 5,563,901,665  | 4,764,190,901  | 4,964,216,254  |
| <b>Operating Self Sufficiency= Operating Revenue÷( Operating Expense+ Financial Costs+ Impairment Losses on Loans)</b> | <b>95.41%</b>  | <b>100.63%</b> | <b>111.50%</b> | <b>133.35%</b> | <b>137.36%</b> |



The operating self-sufficiency ratio (OSS) has steadily increased. It was 95% in 2012 and it steadily went up to 137% in 2016.

## Findings of Study

From the trend in income we can see that income is rising over the years. The composition of income has changed noticeably over the years. Proportion of donor grants has declined over the years which mean that BRAC is trying to rely less on donor grants and find other sources of income which is a good indicator for the financial viability of BRAC. Proportion of income generating development project has declined which means that BRAC has still not managed to design large scale projects which can sustain on its own income. Microfinance portion of the income has been increasing over time and by 2016 the microfinance program generated more than half of the total income. So it is seen that BRAC's reliance on microfinance program is increasing. BRAC's reliance on income from social enterprises is also increasing. In 5 years the proportion of income from social enterprises fluctuated but by 2016 the portion of income has doubled.

To determine the liquidity condition of BRAC, the current ratio was used. Liquidity management can be very important for the financial viability of a company. A company with poor liquidity ratio may have sustainability issues as everyday operations may be hampered. The current ratio measures the organization's ability to short term obligations with its current assets. Current ratio below 1 indicates poor financial health and a ratio between 1 and 3 are considered optimum. Between 2012 and 2016 BRAC's current ratio fluctuated between 1.27 and 2.51. So BRAC's liquidity management is good but not steady.

Debt to assets ratio, a debt management ratio, is a measure of the company's assets that are financed by debt, rather than equity. The higher the ratio, the higher the financial risk. A ratio over 100% is considered bad financial health and the organization may go bankrupt soon. In case of BRAC their debt to asset ratio is quite high but there is a declining trend in debt to asset ratio which is a good sign. The ratio was 67% in 2012 and it reduced by 7% to 60% by 2016. This means that BRAC is trying to improve their financial risk and making they are more financially sustainable.

Operating Self-Sufficiency (OSS) ratio indicates whether or not enough revenue has been earned to cover the organization's costs that are the operating, financial and loan loss expenses. For a MFI to be self-sustaining the OSS ratio should be more than 100%. In case of BRAC OSS ratio was 95% in 2012 but it increased to 101% in 2013. After that the OSS ratio has been increasing and in 2016 the OSS ratio was 137%. The trend suggests that BRAC's Microfinance program is self-sustaining.



## Recommendations

BRAC has an upward trend in income; but they need to improve their composition of income. Even though BRAC's proportion of donor grant income has reduced over time, they have to reduce it even further to achieve self-sustainability since the forecast is that international donor funding in Bangladesh will reduce as Bangladesh graduates to higher middle-income country. Also BRAC needs to increase income from their income generating development projects. There has been a decline in income from income generating projects which is precarious to the financial viability of BRAC. Since there is scope for profit in both microfinance program and social enterprises, BRAC should focus more on how to raise income in these two sectors.

BRAC's liquidity management is satisfactory but there is scope for improvement. Their liquidity ratio fluctuates a lot and at times comes close to 1 which is very risky and so BRAC should aim to keep the ratio steady at 2 at any given time.

BRAC has improved in debt management which is why their debt to asset ratio is declining. Even though the ratio is declining, the ratio is still quite high and they need to bring it down to reduce financial risk.

BRAC's OSS ratio is good and they need to focus on increasing it in order to grow and achieve institutional sustainability.

## Conclusion

The objective of my report is to understand the current financial viability of BRAC based on financial performance of the BRAC in Bangladesh when extreme poverty reduces in Bangladesh and grants from major international donors decline. I have learned that BRAC's composition of income has changed and reliance on donor funding has reduced. BRAC's performance of financial ratio's like liquidity ratio and debt ratio is satisfactory and there is scope of improvement. The microfinance program has achieved operating self-sufficiency and the trend is that OSS will improve. Overall the institutional sustainability of BRAC depends on BRAC's ability to increase the size of income generating projects, microfinance and social enterprises.

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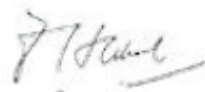
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## Appendix

**BRAC**  
(Registered in Bangladesh under the Societies Registration Act, 1960)  
**Balance Sheet**  
as at 31 December 2012

|   | Notes | 2012<br>Taka          | 2011<br>Taka          |
|---|-------|-----------------------|-----------------------|
| <b>ASSETS</b>                           |       |                       |                       |
| Cash and bank balances                  | 3     | 16,049,453,079        | 10,726,197,131        |
| Advance, deposits and prepayments       | 4     | 2,222,130,860         | 2,257,580,907         |
| Inventories                             | 5     | 3,054,105,958         | 3,109,682,789         |
| Grants and accounts receivable          | 6     | 1,309,451,932         | 1,522,043,694         |
| Microfinance loans                      | 7     | 56,297,005,220        | 48,399,046,115        |
| Motorcycle loans                        | 8     | 602,663,398           | 743,562,017           |
| Investments in securities and others    | 9     | 232,100,000           | 235,000,000           |
| Investments in related undertakings     | 10    | 8,096,697,120         | 7,399,808,731         |
| Property, plant and equipment           | 11    | 9,916,899,837         | 7,838,616,600         |
| <b>TOTAL ASSETS</b>                     |       | <b>97,782,507,404</b> | <b>82,231,537,984</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |       |                       |                       |
| <b>Liabilities:</b>                     |       |                       |                       |
| Liabilities for expenses and materials  | 12    | 4,788,834,426         | 4,046,695,193         |
| Bank overdrafts                         | 13    | 5,006,636,222         | 5,120,907,332         |
| Term loans                              | 14    | 12,940,746,146        | 11,165,623,568        |
| Members' savings deposits               | 15    | 24,907,281,663        | 22,364,367,269        |
| Grants received in advance account      | 16    | 8,697,918,904         | 5,762,859,156         |
| Deferred income                         | 17    | 250,895,452           | 216,957,532           |
| Other long term liabilities             | 18    | 8,216,392,565         | 6,374,465,005         |
| Provision for taxation                  |       | 840,941,030           | 640,941,030           |
| <b>Total Liabilities</b>                |       | <b>65,649,646,408</b> | <b>55,892,816,085</b> |
| <b>Net Assets:</b>                      |       |                       |                       |
| Unrestricted                            |       | 31,200,446,939        | 25,679,805,212        |
| Temporarily restricted                  |       | 932,414,057           | 858,916,687           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> |       | <b>97,782,507,404</b> | <b>82,231,537,984</b> |

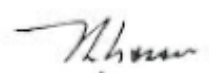
The annexed notes form an integral part of these statements.



Chairperson, Governing Body  
BRAC  
Dhaka, March 14, 2013



Group CFO  
BRAC

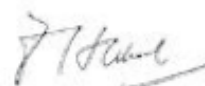


Executive Director  
BRAC

**BRAC**  
(Registered in Bangladesh under the Societies Registration Act, 1960)  
**Statement of Income and Expenditure**  
for the year ended 31 December 2012

| Notes  | Unrestricted<br>Taka | Temporarily<br>Restricted<br>Taka | Total<br>2012<br>Taka |                       |
|--|----------------------|-----------------------------------|-----------------------|-----------------------|
| <b>Income</b>                                      |                      |                                   |                       |                       |
| Donor grants                                       | 19                   | 4,524,208                         | 11,847,794,069        | 11,852,318,277        |
| Revenue from:                                      |                      |                                   |                       |                       |
| - Income Generating Projects                       | 7,861,356,580        | -                                 | 7,861,356,580         |                       |
| - Program Support Enterprises                      | 4,124,249,679        | -                                 | 4,124,249,679         |                       |
| Service charges on microfinance loans              | 14,774,933,599       | -                                 | 14,774,933,599        |                       |
| Interest on bank accounts and fixed deposits       | 20                   | 1,137,822,692                     | 140,633,921           | 1,278,456,613         |
| Investment income                                  | 21                   | 126,946,311                       | -                     | 126,946,311           |
| Other income                                       | 22                   | 535,221,235                       | 15,144,461            | 550,365,696           |
| Income from House Property                         |                      | 100,720,809                       | -                     | 100,720,809           |
| <b>Total income</b>                                |                      | <b>28,665,775,113</b>             | <b>12,003,572,451</b> | <b>40,669,347,564</b> |
| <b>Expenditure</b>                                 |                      |                                   |                       |                       |
| Income Generating Projects                         | 6,968,350,392        | -                                 | 6,968,350,392         |                       |
| Program Support Enterprises                        | 3,638,907,643        | -                                 | 3,638,907,643         |                       |
| House property related expenses                    | 93,188,884           | -                                 | 93,188,884            |                       |
| Education Programme                                | 191,063,781          | 4,066,273,202                     | 4,277,356,983         |                       |
| Ultra Poor Programme                               | -                    | 2,045,763,965                     | 2,045,763,965         |                       |
| Community Empowerment Programme                    | 2,912,978            | 214,314,062                       | 217,227,040           |                       |
| Human Rights and Legal Aids Services               | -                    | 195,539,238                       | 195,539,238           |                       |
| Policy Advocacy                                    | -                    | 39,777,955                        | 39,777,955            |                       |
| Health Programme                                   | 170,093,323          | 3,540,177,955                     | 3,710,271,278         |                       |
| Water, Sanitation and Hygiene Programme            | -                    | 1,339,321,154                     | 1,339,321,154         |                       |
| Gender, Justice and Diversity                      | -                    | 138,151,582                       | 138,151,582           |                       |
| Micro Finance Programme                            | 11,714,555,867       | -                                 | 11,714,555,867        |                       |
| Agriculture and Food Security                      | 10,069,482           | 254,204,740                       | 264,294,222           |                       |
| Other Development Projects                         | 264,275,126          | 76,551,208                        | 340,826,334           |                       |
| <b>Total expenditure</b>                           |                      | <b>23,073,457,476</b>             | <b>11,930,075,081</b> | <b>35,003,532,557</b> |
| Surplus of income over expenditure before taxation |                      | 5,592,317,637                     | 73,497,370            | 5,665,815,007         |
| Taxation   | 24                   | (200,000,000)                     | -                     | (200,000,000)         |
| <b>Net surplus for the year</b>                    |                      | <b>5,392,317,637</b>              | <b>73,497,370</b>     | <b>5,465,815,007</b>  |

The annexed notes form an integral part of these statements.

  
Chairperson, Governing Body  
BRAC  
Dhaka, March 14, 2013

  
Group CFO  
BRAC

  
Executive Director  
BRAC

**BRAC**  
(Registered in Bangladesh under the Societies Registration Act, 1860)  
**Balance Sheet**  
as at 31 December 2013

|   | Notes | 2013<br>Taka           | 2012<br>Taka          |
|---|-------|------------------------|-----------------------|
| <b>ASSETS</b>                           |       |                        |                       |
| Cash and bank balances                  | 3     | 16,000,062,561         | 16,049,453,079        |
| Advances, deposits and prepayments      | 4     | 2,759,742,135          | 2,222,130,860         |
| Inventories                             | 5     | 3,633,396,664          | 3,054,105,958         |
| Grants and accounts receivable          | 6     | 1,648,357,818          | 1,309,451,932         |
| Microfinance loans                      | 7     | 67,013,205,289         | 56,297,005,220        |
| Motorcycle loans                        | 8     | 739,565,719            | 602,663,398           |
| Investments in securities and others    | 9     | 237,350,000            | 232,100,000           |
| Investments in related undertakings     | 10    | 9,626,307,409          | 8,096,697,120         |
| Property, plant and equipment           | 11    | 10,625,485,462         | 9,916,899,837         |
| <b>TOTAL ASSETS</b>                     |       | <b>112,283,495,077</b> | <b>97,782,507,404</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |       |                        |                       |
| <b>Liabilities:</b>                     |       |                        |                       |
| Liabilities for expenses and materials  | 12    | 5,882,838,350          | 4,788,824,426         |
| Bank overdrafts                         | 13    | 3,694,856,519          | 5,006,636,222         |
| Term loans                              | 14    | 15,402,000,309         | 12,940,746,146        |
| Members' savings deposits               | 15    | 29,034,851,689         | 24,907,281,663        |
| Grants received in advance account      | 16    | 8,061,468,930          | 8,697,918,904         |
| Deferred income                         | 17    | 272,431,158            | 250,895,452           |
| Other long term liabilities             | 18    | 9,879,776,479          | 8,216,392,565         |
| Provision for taxation                  |       | 1,046,941,030          | 840,941,030           |
| <b>Total Liabilities</b>                |       | <b>73,275,164,464</b>  | <b>65,649,646,408</b> |
| <b>Net Assets:</b>                      |       |                        |                       |
| Unrestricted                            |       | 37,976,777,730         | 31,200,446,939        |
| Temporarily restricted                  |       | 1,031,552,883          | 932,414,057           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> |       | <b>112,283,495,077</b> | <b>97,782,507,404</b> |

The annexed notes form an integral part of these statements.



Chairperson, Governing Body  
BRAC  
Dhaka, March 13, 2014



Chief Financial Officer  
BRAC



Executive Director  
BRAC

**BRAC**  
(Registered in Bangladesh under the Societies Registration Act, 1860)  
**Statement of Income and Expenditure**  
for the year ended 31 December 2013

|  | Notes | Unrestricted<br>Taka  | Temporarily<br>Restricted<br>Taka | Total<br>2013<br>Taka |
|--|-------|-----------------------|-----------------------------------|-----------------------|
| <b>Income</b>                                      |       |                       |                                   |                       |
| Donor grants                                       | 19    | 49,177,006            | 16,679,497,940                    | 16,728,674,946        |
| Revenue from:                                      |       |                       |                                   |                       |
| -Income Generating Projects                        | 20    | 8,065,228,858         | -                                 | 8,065,228,858         |
| - Program Support Enterprises                      |       | 4,300,606,367         | -                                 | 4,300,606,367         |
| Service charges on microfinance loans              |       | 17,802,363,604        | -                                 | 17,802,363,604        |
| Interest on bank accounts and fixed deposits       | 21    | 1,032,202,094         | 137,732,347                       | 1,169,934,441         |
| Investment income                                  | 22    | 419,026,368           | -                                 | 419,026,368           |
| Other income                                       | 23    | 486,282,627           | 13,966,545                        | 500,249,172           |
| Income from House Property                         |       | 100,732,324           | -                                 | 100,732,324           |
| <b>Total income</b>                                |       | <b>32,257,619,268</b> | <b>16,831,228,832</b>             | <b>49,088,848,100</b> |
| <b>Expenditure</b>                                 |       |                       |                                   |                       |
| Income Generating Projects                         |       | 7,153,736,687         | -                                 | 7,153,736,687         |
| Program Support Enterprises                        |       | 4,013,429,845         | -                                 | 4,013,429,845         |
| House property related expenses                    |       | 74,452,205            | -                                 | 74,452,205            |
| Education Programme                                |       | 187,470,309           | 6,887,804,854                     | 7,075,275,163         |
| Ultra Poor Programme                               |       | -                     | 2,391,244,399                     | 2,391,244,399         |
| Community Empowerment Programme                    |       | 4,544,115             | 336,463,722                       | 341,007,837           |
| Human Rights and Legal Aids Services               |       | -                     | 195,566,393                       | 195,566,393           |
| Policy Advocacy                                    |       | -                     | 86,040,129                        | 86,040,129            |
| Health Programme                                   |       | 134,724,016           | 4,323,868,916                     | 4,458,592,932         |
| Water, Sanitation and Hygiene Programme            |       | -                     | 1,535,677,979                     | 1,535,677,979         |
| Gender, Justice and Diversity                      |       | -                     | 209,703,788                       | 209,703,788           |
| Micro Finance Programme                            |       | 12,815,333,779        | -                                 | 12,815,333,779        |
| Agriculture and Food Security                      |       | -                     | 527,051,524                       | 527,051,524           |
| Other Development Projects                         |       | 430,840,586           | 238,666,302                       | 669,506,888           |
| Grants   | 24    | 964,488,882           | -                                 | 964,488,882           |
| <b>Total expenditure</b>                           |       | <b>25,799,022,424</b> | <b>16,732,090,006</b>             | <b>42,531,112,430</b> |
| Surplus of income over expenditure before taxation |       | 6,458,596,844         | 99,138,826                        | 6,557,735,670         |
| Taxation   | 25    | (206,000,000)         | -                                 | (206,000,000)         |
| <b>Net surplus for the year</b>                    |       | <b>6,252,596,844</b>  | <b>99,138,826</b>                 | <b>6,351,735,670</b>  |

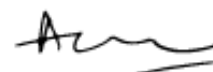
The annexed notes form an integral part of these statements.



Chairperson, Governing Body  
BRAC  
Dhaka, March 13, 2014



Chief Financial Officer  
BRAC



Executive Director  
BRAC

**BALANCE SHEET CONVERTED TO USD**  
as at December 31, 2014  
(NOT PART OF AUDITED FINANCIAL STATEMENTS)

|   | 2014                   |                      | 2013                   |                      |
|---|------------------------|----------------------|------------------------|----------------------|
|   | BDT                    | USD                  | BDT                    | USD                  |
| <b>ASSETS</b>                           |                        |                      |                        |                      |
| Cash in hand and at banks               | 18,663,715,348         | 239,278,402          | 16,000,082,561         | 205,129,264          |
| Advance, deposits and prepayments       | 3,297,318,487          | 42,273,314           | 2,759,742,135          | 35,381,309           |
| Inventories                             | 3,477,460,108          | 44,582,822           | 3,633,398,684          | 46,582,034           |
| Grants and accounts receivable          | 1,806,548,216          | 23,160,875           | 1,648,357,818          | 21,132,793           |
| Microfinance loans                      | 85,680,765,603         | 1,098,471,354        | 67,013,205,289         | 859,143,656          |
| Motorcycle loans                        | 796,996,894            | 10,217,909           | 739,565,719            | 9,481,612            |
| Investments in securities and others    | 1,291,350,000          | 16,555,769           | 237,350,000            | 3,042,949            |
| Investments in related undertakings     | 12,543,181,846         | 160,810,024          | 9,626,307,409          | 123,414,198          |
| Property, plant and equipment           | 11,504,955,982         | 147,499,436          | 10,625,485,462         | 136,224,173          |
| <b>TOTAL ASSETS</b>                     | <b>139,062,292,484</b> | <b>1,782,849,904</b> | <b>112,283,495,077</b> | <b>1,439,531,988</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                        |                      |                        |                      |
| <b>Liabilities:</b>                     |                        |                      |                        |                      |
| Liabilities for expenses and materials  | 5,599,599,179          | 71,789,733           | 5,882,838,350          | 75,421,004           |
| Bank overdrafts                         | 10,992,516,759         | 140,929,702          | 3,694,856,519          | 47,369,955           |
| Term loans                              | 19,075,261,360         | 244,554,633          | 15,402,000,309         | 197,461,542          |
| Members' savings deposits               | 34,180,809,446         | 438,215,606          | 29,034,851,689         | 372,241,688          |
| Grants received in advance account      | 6,740,890,268          | 86,421,670           | 8,061,468,930          | 103,352,166          |
| Deferred income                         | 235,500,016            | 3,019,231            | 272,431,158            | 3,492,707            |
| Other long term liabilities             | 10,619,583,309         | 136,148,504          | 9,879,776,479          | 126,663,801          |
| Provision for taxation                  | 1,386,941,030          | 17,781,295           | 1,046,941,030          | 13,422,321           |
| <b>Total Liabilities</b>                | <b>88,831,101,367</b>  | <b>1,138,860,273</b> | <b>73,275,164,464</b>  | <b>939,425,184</b>   |
| <b>Net Assets:</b>                      |                        |                      |                        |                      |
| Capital fund                            |                        |                      |                        |                      |
| Unrestricted                            | 49,131,940,934         | 629,896,679          | 37,976,777,730         | 486,881,766          |
| Temporarily restricted                  | 1,099,250,183          | 14,092,951           | 1,031,552,883          | 13,225,037           |
|   | 50,231,191,117         | 643,989,630          | 39,008,330,613         | 500,106,803          |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>139,062,292,484</b> | <b>1,782,849,904</b> | <b>112,283,495,077</b> | <b>1,439,531,988</b> |

Exchange rate: 1 US \$ = Tk.78



**Statement of Income and Expenditure Converted to USD**

as at December 31, 2014

(NOT PART OF AUDITED FINANCIAL STATEMENTS)


|  | 2014                  |                    | 2013                  |                    |
|--|-----------------------|--------------------|-----------------------|--------------------|
|  | BDT                   | USD                | BDT                   | USD                |
| <b>Income</b>                                      |                       |                    |                       |                    |
| Donor grants                                       | 16,226,200,866        | 206,028,216        | 16,728,674,946        | 214,470,192        |
| Revenue from:                                      |                       |                    |                       |                    |
| - Social Enterprises                               | 8,654,361,118         | 110,953,348        | 8,065,228,858         | 103,400,370        |
| - Program Support Enterprises                      | 4,492,976,308         | 57,602,260         | 4,300,606,387         | 55,135,979         |
| Service charges on microfinance loans              | 21,106,797,751        | 270,599,971        | 17,802,363,604        | 228,235,431        |
| Interest on bank accounts and fixed deposits       | 1,292,065,957         | 16,564,948         | 1,169,934,441         | 14,999,160         |
| Investment income                                  | 662,691,206           | 8,496,041          | 419,026,368           | 5,372,133          |
| Other Income                                       | 832,069,183           | 10,667,554         | 502,281,172           | 6,439,502          |
| Income from House Property                         | 91,365,205            | 1,171,349          | 100,732,324           | 1,291,440          |
| <b>Total income</b>                                | <b>53,358,527,594</b> | <b>684,083,687</b> | <b>49,088,848,100</b> | <b>629,344,206</b> |
| <b>Expenditure</b>                                 |                       |                    |                       |                    |
| Social Enterprises                                 | 7,615,422,453         | 97,633,621         | 7,153,738,687         | 91,714,599         |
| Program Support Enterprises                        | 4,116,999,780         | 52,782,048         | 4,013,429,845         | 51,454,229         |
| House Property                                     | 100,942,249           | 1,294,131          | 74,452,205            | 954,515            |
| Education Programme                                | 5,069,581,690         | 64,994,637         | 7,075,275,163         | 90,708,656         |
| Ultra Poor Programme                               | 2,406,137,155         | 30,847,912         | 2,391,244,399         | 30,656,979         |
| Community Empowerment Programme                    | 317,494,967           | 4,070,449          | 341,007,837           | 4,371,895          |
| Human Rights and Legal Services                    | 240,445,413           | 3,082,634          | 195,568,393           | 2,507,287          |
| Policy Advocacy                                    | 156,788,921           | 2,010,114          | 86,040,129            | 1,103,079          |
| Health Programme                                   | 4,821,668,757         | 61,816,266         | 4,458,592,932         | 57,161,448         |
| Water, Sanitation and Hygienic Programme           | 2,419,632,575         | 31,020,930         | 1,535,677,979         | 19,688,179         |
| Gender, Justice and Diversity Programme            | 298,568,038           | 3,827,795          | 209,703,788           | 2,688,510          |
| Micro Finance Programme                            | 13,365,418,399        | 171,351,518        | 12,815,333,779        | 164,299,151        |
| Agriculture and Food Security                      | 520,785,414           | 6,676,736          | 527,051,524           | 6,757,071          |
| Other Development Projects                         | 465,759,212           | 5,971,272          | 669,506,888           | 8,583,422          |
| Grants   | -                     | -                  | 984,488,862           | 12,621,652         |
| <b>Total expenditure</b>                           | <b>41,915,645,023</b> | <b>537,380,064</b> | <b>42,531,112,430</b> | <b>545,270,672</b> |
| Surplus of income over expenditure before taxation | 11,442,882,571        | 146,703,623        | 6,557,735,670         | 84,073,534         |
| Taxation   | (340,000,000)         | (4,358,974)        | (206,000,000)         | (2,641,026)        |
| <b>Net surplus for the year</b>                    | <b>11,102,882,571</b> | <b>142,344,648</b> | <b>6,351,735,670</b>  | <b>81,432,509</b>  |

Exchange rate: 1 US \$ = Tk.78

**BRAC**  
(Registered in Bangladesh under the Societies Registration Act, 1860)  
**Balance Sheet**  
as at 31 December 2015

|   | Notes | 2015<br>Taka           | 2014<br>Taka           |
|---|-------|------------------------|------------------------|
| <b>ASSETS</b>                           |       |                        |                        |
| Cash and bank balances                  | 3     | 16,916,766,552         | 18,663,715,348         |
| Advances, deposits and prepayments      | 4     | 4,076,719,030          | 3,297,318,487          |
| Inventories                             | 5     | 3,518,962,401          | 3,477,460,106          |
| Grants and accounts receivable          | 6     | 1,795,343,586          | 1,806,548,216          |
| Microfinance loans                      | 7     | 108,342,249,742        | 85,680,765,603         |
| Motorcycle loans                        | 8     | 807,014,427            | 796,996,894            |
| Investments in securities and others    | 9     | 1,617,150,000          | 1,291,350,000          |
| Investments in related undertakings     | 10    | 13,400,680,055         | 12,543,181,846         |
| Property, plant and equipment           | 11    | 14,089,310,523         | 11,504,955,982         |
| <b>TOTAL ASSETS</b>                     |       | <b>164,564,196,316</b> | <b>139,062,292,484</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |       |                        |                        |
| <b>LIABILITIES</b>                      |       |                        |                        |
| Liabilities for expenses and materials  | 12    | 6,359,703,947          | 5,599,599,179          |
| Bank overdrafts                         | 13    | 14,300,182,466         | 10,992,516,759         |
| Term loans                              | 14    | 26,516,487,055         | 19,075,261,360         |
| Members' savings deposits               | 15    | 40,228,457,331         | 34,180,809,446         |
| Grants received in advance              | 16    | 971,166,244            | 6,740,890,268          |
| Deferred income                         | 17    | 200,469,723            | 235,500,016            |
| Other long term liabilities             | 18    | 11,251,247,075         | 10,619,583,309         |
| Provision for taxation                  |       | 1,551,941,030          | 1,386,941,030          |
| <b>TOTAL LIABILITIES</b>                |       | <b>101,382,654,871</b> | <b>88,831,101,367</b>  |
| <b>NET ASSETS:</b>                      |       |                        |                        |
| Unrestricted                            |       | 62,043,960,522         | 49,131,940,934         |
| Temporarily restricted                  |       | 1,137,580,923          | 1,099,250,183          |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> |       | <b>164,564,196,316</b> | <b>139,062,292,484</b> |

The annexed notes form an integral part of these statements.

  
Chairperson, Governing Body  
BRAC

  
Chief Financial Officer  
BRAC


  
Executive Director  
BRAC

Dhaka, March 15, 2016

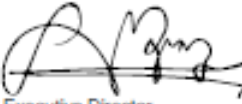
**BRAC**  
(Registered in Bangladesh under the Societies Registration Act, 1860)  
**Statement of Income and Expenditure**  
for the year ended 31 December 2015

|  | Notes | Unrestricted<br>Taka  | Temporarily<br>Restricted<br>Taka | Total<br>2015<br>Taka |
|--|-------|-----------------------|-----------------------------------|-----------------------|
| <b>Income</b>  |       |                       |                                   |                       |
| Donor grants   | 19    | 991,300               | 13,785,000,917                    | 13,785,992,217        |
| Social Enterprises                                   | 20    | 13,345,427,760        | -                                 | 13,345,427,760        |
| Microfinance Programme                               | 21    | 26,682,363,975        | -                                 | 26,682,363,975        |
| Self-financing Social Development Programmes         | 22    | 1,055,881,151         | -                                 | 1,055,881,151         |
| Investment Income                                    | 23    | 1,739,681,517         | -                                 | 1,739,681,517         |
| House Property                                       |       | 92,370,223            | -                                 | 92,370,223            |
| <b>Total income</b>                                  |       | <b>42,916,715,926</b> | <b>13,785,000,917</b>             | <b>56,701,716,843</b> |
| <b>Expenditure</b>                                   |       |                       |                                   |                       |
| Social Enterprises                                   |       | 11,747,263,079        | -                                 | 11,747,263,079        |
| Micro Finance Programme                              |       | 15,244,367,848        | -                                 | 15,244,367,848        |
| House Property                                       |       | 99,443,136            | -                                 | 99,443,136            |
| Agriculture and Food Security                        |       | -                     | 334,185,896                       | 334,185,896           |
| Community Empowerment Programme                      |       | 12,604,271            | 352,315,317                       | 364,919,588           |
| Education Programme                                  |       | 483,819,965           | 5,085,394,082                     | 5,569,214,047         |
| Gender, Justice and Diversity                        |       | 14,269,674            | 388,363,870                       | 402,633,544           |
| Health Programme                                     |       | 46,625,417            | 4,532,330,758                     | 4,578,956,175         |
| Human Rights and Legal Aids Services                 |       | -                     | 271,203,344                       | 271,203,344           |
| Policy Advocacy                                      |       | -                     | 170,883,319                       | 170,883,319           |
| Water, Sanitation and Hygiene Programme              |       | -                     | 1,218,247,312                     | 1,218,247,312         |
| Ultra Poor Programme                                 |       | -                     | 2,779,602,037                     | 2,779,602,037         |
| Other Development Projects                           |       | 133,756,644           | 717,554,776                       | 851,311,420           |
| <b>Total expenditure</b>                             |       | <b>27,782,150,034</b> | <b>15,850,080,711</b>             | <b>43,632,230,745</b> |
| Surplus(deficit) of income over expenditure          |       | 15,134,565,892        | (2,065,079,794)                   | 13,069,486,098        |
| BRAC Contribution to support Donor Funded Programmes | 25    | (2,103,410,534)       | 2,103,410,534                     | -                     |
| Surplus of income over expenditure before taxation   |       | 13,031,155,358        | 38,330,740                        | 13,069,486,098        |
| Taxation   | 26    | (165,000,000)         | -                                 | (165,000,000)         |
| <b>Net surplus for the year</b>                      |       | <b>12,866,155,358</b> | <b>38,330,740</b>                 | <b>12,904,486,098</b> |

The annexed notes form an integral part of these statements.

  
Chairperson, Governing Body  
BRAC

  
Chief Financial Officer  
BRAC

  
Executive Director  
BRAC

Dhaka, March 15, 2016

**BALANCE SHEET CONVERTED TO USD**  
**as at December 31, 2016**  
**(NOT PART OF AUDITED FINANCIAL STATEMENTS)**

|   | 2016                   |                      | 2015                   |                      |
|---|------------------------|----------------------|------------------------|----------------------|
|   | Taka                   | US \$                | Taka                   | US \$                |
| <b>ASSETS</b>                           |                        |                      |                        |                      |
| Cash in hand and at banks               | 17,489,571,753         | 224,225,279          | 16,916,766,552         | 216,881,622          |
| Advance, deposits and prepayments       | 7,295,740,591          | 93,535,136           | 4,076,719,030          | 52,265,629           |
| Inventories                             | 3,768,066,753          | 48,308,548           | 3,518,982,401          | 45,115,159           |
| Grants and accounts receivable          | 2,407,292,289          | 30,862,722           | 1,795,343,586          | 23,017,225           |
| Microfinance loans                      | 135,838,491,181        | 1,741,519,118        | 108,342,249,742        | 1,389,003,202        |
| Motorcycle loans                        | 803,055,814            | 10,295,587           | 807,014,427            | 10,346,339           |
| Investments in securities and others    | 1,623,801,300          | 20,817,965           | 1,617,150,000          | 20,732,692           |
| Investments in related undertakings     | 14,729,921,204         | 188,845,144          | 13,400,660,055         | 171,803,334          |
| Property, plant and equipment           | 15,735,398,674         | 201,735,880          | 14,089,310,523         | 180,632,186          |
| <b>TOTAL ASSETS</b>                     | <b>199,691,339,559</b> | <b>2,560,145,379</b> | <b>164,564,196,316</b> | <b>2,109,797,388</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                        |                      |                        |                      |
| <b>Liabilities:</b>                     |                        |                      |                        |                      |
| Liabilities for expenses and materials  | 7,289,576,607          | 93,456,110           | 6,359,703,947          | 81,534,666           |
| Bank overdrafts                         | 13,479,844,500         | 172,818,519          | 14,303,182,466         | 183,374,134          |
| Term loans                              | 32,992,032,670         | 422,974,778          | 26,516,487,055         | 339,954,962          |
| Members' savings deposits               | 50,118,837,575         | 642,549,200          | 40,228,457,331         | 515,749,453          |
| Grants received in advance account      | 1,214,294,835          | 15,567,883           | 971,166,244            | 12,450,849           |
| Deferred income                         | 456,219,613            | 5,848,969            | 200,469,723            | 2,570,125            |
| Other long term liabilities             | 12,056,575,743         | 154,571,484          | 11,251,247,075         | 144,246,757          |
| Provision for taxation                  | 2,037,941,030          | 26,127,449           | 1,551,941,030          | 19,896,680           |
| <b>Total Liabilities</b>                | <b>119,645,322,573</b> | <b>1,533,914,391</b> | <b>101,382,654,871</b> | <b>1,299,777,626</b> |
| <b>Net Assets:</b>                      |                        |                      |                        |                      |
| Capital fund                            |                        |                      |                        |                      |
| Unrestricted                            | 78,907,318,888         | 1,011,632,293        | 62,043,960,522         | 795,435,391          |
| Temporarily restricted                  | 1,138,698,098          | 14,598,694           | 1,137,580,923          | 14,584,371           |
|   | 80,046,016,986         | 1,026,230,987        | 63,181,541,445         | 810,019,762          |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>199,691,339,559</b> | <b>2,560,145,379</b> | <b>164,564,196,316</b> | <b>2,109,797,388</b> |

Exchange rate: 1 US \$ = Tk.78

**Statement of Income and Expenditure Converted to USD**

for the year ended December 31, 2016

**(NOT PART OF AUDITED FINANCIAL STATEMENTS)**

|  | 2016                  |                    | 2015                  |                    |
|--|-----------------------|--------------------|-----------------------|--------------------|
|  | Taka                  | US \$              | Taka                  | US \$              |
| <b>Income</b>                                      |                       |                    |                       |                    |
| Donor grants                                       | 10,576,643,869        | 135,597,998        | 13,785,992,217        | 176,743,490        |
| Social Enterprises                                 | 14,149,911,220        | 181,409,118        | 13,345,427,760        | 171,095,228        |
| Microfinance Programme                             | 31,937,554,303        | 409,455,824        | 26,682,363,975        | 342,081,589        |
| Self-financing Social Development Programme        | 960,359,527           | 4,619,994          | 995,628,970           | 12,764,474         |
| Investment Income                                  | 2,147,416,695         | 27,530,983         | 1,739,681,517         | 22,303,609         |
| Community Contribution                             | 1,277,068,747         | 16,372,676         | 60,252,181            | 772,464            |
| House Property                                     | 88,616,754            | 1,136,112          | 92,370,223            | 1,184,234          |
| <b>Total income</b>                                | <b>60,537,571,115</b> | <b>776,122,707</b> | <b>56,701,716,843</b> | <b>726,945,088</b> |
| <b>Expenditure</b>                                 |                       |                    |                       |                    |
| Social Enterprises                                 | 12,316,093,802        | 157,898,638        | 11,747,263,079        | 150,605,937        |
| Micro Finance Programme                            | 18,286,281,951        | 234,439,512        | 15,244,367,848        | 195,440,613        |
| House Property                                     | 47,388,905            | 607,550            | 99,443,136            | 1,274,912          |
| Agriculture and Food Security                      | 152,339,096           | 1,953,065          | 334,185,896           | 4,284,435          |
| Community Empowerment Programme                    | 378,283,895           | 4,849,794          | 364,919,588           | 4,678,456          |
| Education Programme                                | 4,232,396,917         | 54,261,499         | 5,569,214,047         | 71,400,180         |
| Gender, Justice and Diversity                      | 151,869,846           | 1,947,049          | 402,633,544           | 5,161,969          |
| Health Programme                                   | 3,740,926,677         | 47,960,598         | 4,578,956,175         | 58,704,566         |
| Human Rights and Legal Aids Services               | 275,116,681           | 3,527,137          | 271,203,344           | 3,476,966          |
| Policy Advocacy                                    | 151,053,311           | 1,936,581          | 170,883,319           | 2,190,812          |
| Water, Sanitation and Hygiene Programme            | 204,137,601           | 2,617,149          | 1,218,247,312         | 15,618,555         |
| Ultra Poor Programme                               | 2,053,016,421         | 26,320,723         | 2,779,602,037         | 35,635,924         |
| Other Development Projects                         | 1,243,813,518         | 15,946,327         | 851,311,420           | 10,914,249         |
| <b>Total expenditure</b>                           | <b>43,232,718,621</b> | <b>554,265,623</b> | <b>43,632,230,745</b> | <b>559,387,574</b> |
| Surplus of income over expenditure before taxation | 17,304,852,494        | 221,857,083        | 13,069,486,098        | 167,557,514        |
| Taxation   | (486,000,000)         | (6,230,769)        | (165,000,000)         | (2,115,385)        |
| <b>Net surplus for the year</b>                    | <b>16,818,852,494</b> | <b>215,626,314</b> | <b>12,904,486,098</b> | <b>165,442,129</b> |

Exchange rate: 1 US \$ = Tk.78