



# CHAIRPERSON'S STATEMENT



Photo: BRAC/Nasir Ali Mamun

# Annual Report 2016

Special Supplement  
23 August 2017



<b>5.4 M</b> TOTAL BORROWERS REACHED (INCREASE OF 10% FROM 2015)	<b>86,975</b> HOUSEHOLDS GRADUATED FROM EXTREME POVERTY IN BANGLADESH	<b>90%</b> OF HOUSEHOLDS RECEIVED HEALTHCARE ACROSS HARD-TO-REACH REGIONS	<b>USD 3.17 B</b> TOTAL DISBURSEMENT (INCREASE OF 26% FROM 2015)	<b>11,689</b> PEOPLE WERE EQUIPPED WITH SKILLS	<b>600,000</b> POTENTIAL LABOUR MIGRANTS EQUIPPED WITH INFORMATION ON SAFE MIGRATION
<b>158,587</b> PEOPLE SUPPORTED BEFORE, DURING AND AFTER NATURAL AND MANMADE DISASTERS	<b>1,600</b> FEMALE VILLAGE GROUP MEMBERS PARTICIPATED IN UNION COUNCIL ELECTIONS AND 580 WON SEATS	<b>444,000</b> PEOPLE ACCESSED AGRICULTURAL SERVICES	<b>18,900</b> MALARIA CASES TREATED	<b>120 M</b> PEOPLE REACHED THROUGH OUR SERVICE DELIVERY PROGRAMMES	<b>USD 3.7 M</b> RECOVERED ON BEHALF OF FEMALE CLIENTS
<b>200,134</b> PEOPLE, INCLUDING MEN AND BOYS, REACHED THROUGH GENDER INTEGRATION EFFORTS	<b>21,700</b> PEOPLE ACCESSING SAFE WATER	<b>1.3 M</b> PEOPLE SCREENED FOR TB SYMPTOMS	<b>3.5 M</b> CHILDREN, OVER HALF OF THEM GIRLS, ENROLLED IN 48,000 SCHOOLS AND CENTRES	<b>649</b> HOUSES BUILT BACK BETTER AFTER FIRES IN URBAN SLUMS	<b>400,000</b> CHILDREN BETWEEN THE AGES OF 3-5 ACCESSED EARLY CHILDHOOD DEVELOPMENT AND PRE-PRIMARY PROGRAMMES

We entered 2016 with 17 Sustainable Development Goals, the first of which was to end all forms of poverty by 2030. This is one of the most pressing yet exciting challenges we face today. For the first time in history we have the means to achieve this goal in the not-too-distant future.

BRAC is increasingly at the forefront of this movement. A provider and global advocate of holistic solutions to reduce poverty over the last 45 years, our ultra poor graduation model in particular is being championed as a solution to help reach the millions of households around the world that still live in extreme poverty.

Established in 2002, the ultra poor graduation approach targets households left behind by economic growth or mainstream development interventions. Our model supports them towards building sustainable livelihoods through a powerful combination of asset transfer, enterprise training, financial services, healthcare, mentoring and social integration. In Bangladesh alone our programme has put 1.77 million households on to sustained pathways out of poverty. With impacts confirmed by rigorous research both in Bangladesh and internationally, the ultra poor graduation approach has now been adapted in 59 programmes across 37 countries by other NGOs, governments and multilateral institutions.

Our work on extreme poverty also extends beyond our own programming. Our ultra poor graduation initiative comprises advocacy efforts and technical assistance on how to adapt and implement the approach effectively in different environments. With staff working across the US, UK, Bangladesh and BRAC country offices around the world, we are spearheading the movement to proliferate graduation and reach as many extreme poor households globally as possible. This year, for example, we started working with the Governments of Kenya and the Philippines to integrate the model into their poverty alleviation strategies.

Our development programmes are funded from internally-generated revenue and grants received from external sources. Our internal revenue totalled BDT 4,997 crore (USD 646 million) this year, making up 82% of our total annual revenue.

We continue to invest in a range of socially-responsible companies. This year we consolidated BRAC Bank, an institution that was founded at a time when it was almost impossible for small and medium enterprise entrepreneurs to obtain financing from the banking sector in Bangladesh. We took banking solutions to entrepreneurs, and have disbursed over USD 4.37 billion since inception. More than half of our lending today is still to small and medium enterprises.

Our home-grown solutions in education, health, microfinance and other development areas now reach 10 countries outside of Bangladesh. This year we continued our expansion in Nepal, moving from the relief we provided after the 2015 earthquake into education and health. We have also launched a five-year strategy for Africa which will take us into five new countries by 2020.

We have never faced bigger challenges but I truly believe that, as a global community, we have never been more equipped, more connected or more ready to face them. I am filled with a genuine feeling of hope as we look ahead into 2017. I look forward to sharing the journey with you.

*Sir Fazle Hasan Abed, KCMG*  
Founder and Chairperson



**BRAC**  
(Registered in Bangladesh under the Societies Registration Act, 1960)  
Balance Sheet  
as at 31 December 2016

	2016 Taka	2015 Taka
<b>ASSETS</b>		
Cash and bank balances	17,489,571,753	16,916,796,552
Advances, deposits and prepayments	7,295,740,591	4,078,719,030
Inventories	3,768,066,753	3,518,982,401
Grants and accounts receivable	2,407,292,289	1,795,343,586
Microfinance loans	135,838,491,181	108,342,249,742
Motorcycle loans	803,055,814	807,014,427
Investments in securities and others	1,623,801,300	1,617,150,000
Investments in related undertakings	14,729,921,204	13,400,860,055
Property, plant and equipment	15,735,398,674	14,089,310,523
<b>TOTAL ASSETS</b>	<b>199,691,339,559</b>	<b>164,564,196,316</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Liabilities for expenses and materials	7,289,576,607	6,359,703,947
Bank overdrafts	13,479,844,500	14,388,244,446
Term loans	32,992,032,670	28,431,425,075
Members' savings deposits	50,118,837,575	40,298,457,331
Grants received in advance	1,214,294,835	971,116,244
Deferred income	456,219,613	200,469,723
Other long term liabilities	12,056,575,743	11,251,247,075
Provision for taxation	2,037,941,030	1,551,941,030
<b>TOTAL LIABILITIES</b>	<b>119,645,322,573</b>	<b>101,389,654,871</b>
<b>NET ASSETS</b>		
Unrestricted	78,907,318,888	62,043,960,522
Temporarily restricted	1,138,698,098	1,137,580,923
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>199,691,339,559</b>	<b>164,564,196,316</b>

The annexed notes form an integral part of these statements.

*Sir Fazle Hasan Abed*  
Chairperson, Governing Body  
BRAC  
Dhaka, March 15, 2017

*Chief Financial Officer*  
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 2016

	Unrestricted Taka	Temporarily Restricted Taka	Total 2016 Taka
<b>Income</b>			
Donor grants	-	10,576,643,869	10,576,643,869
Social Enterprises	14,149,911,220	-	14,149,911,220
Microfinance Programme	31,837,554,303	-	31,837,554,303
Self-financing Social Development Programmes	960,359,527	-	960,359,527
Investment income	2,147,416,695	-	2,147,416,695
Community contributions	-	1,277,068,747	1,277,068,747
Household Property	85,616,754	-	85,616,754
<b>Total income</b>	<b>48,683,856,499</b>	<b>11,853,712,616</b>	<b>60,537,569,115</b>
<b>Expenditure</b>			
Social Enterprises	12,316,093,802	-	12,316,093,802
Micro Finance Programme	18,286,281,951	-	18,286,281,951
House Property	47,388,905	-	47,388,905
Agriculture and Food Security	-	152,339,096	152,339,096
Community Empowerment Programme	4,513,947	373,789,848	378,283,895
Education Programme	224,993,467	4,007,403,450	4,232,396,917
Gender, Justice and Diversity	-	151,869,846	151,869,846
Health Programme	4,574,480	3,736,352,197	3,740,926,677
Human Rights and Legal Aids Services	-	275,116,681	275,116,681
Policy Advocacy	-	151,053,311	151,053,311
Water, Sanitation and Hygiene Programme	-	204,137,601	204,137,601
Ultra Poor Programme	-	2,053,016,421	2,053,016,421
Other Development Projects	347,476,077	896,337,441	1,243,813,518
<b>Total expenditure</b>	<b>31,231,322,629</b>	<b>12,001,395,992</b>	<b>43,232,718,621</b>
Surplus/(deficit) of income over expenditure	17,452,533,870	(147,683,376)	17,304,850,494
BRAC Contribution to support Donor Funded Programmes	(148,800,551)	148,800,551	-
Surplus of income over expenditure before taxation	17,303,735,319	1,117,175	17,304,852,494
Taxation	(486,000,000)	-	(486,000,000)
<b>Net surplus for the year</b>	<b>16,817,735,319</b>	<b>1,117,175</b>	<b>16,818,852,494</b>

The annexed notes form an integral part of these statements.

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Chairperson, Governing Body  
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Dhaka, March 15, 2017

*Chief Financial Officer*  
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Schedule of donation received

Name of the projects	Donor	2016 Taka	2015 Taka
Vision Bangladesh Project	Orbis International BRAC-UK	2,180,000 70,855	482,669 70,855
Strategic Partnership Arrangement (SPA)	DFAT DFID Sub Total	8,966,700,000 1,225,125,000 8,091,825,000	3,008,070,416 1,756,125,832 4,764,196,248
IED BRACU	ODI EKN Adam Smith International Royal Tropical Institute UNESCO Sub Total	- - - - - 1,900,741	217,406 2,074,222 5,882,276 1,596,448 180,741 29,011,093
BRAC Education Program (BEP-II)	CIAD/DFATD Bencom S.L.L.	- -	59,789,781 7,930,000
Assistant and Support to the Victims of Rana Plaza	World Fish BRAC-USA	- 15,837,185	3,362,727 1,596,448
Coordination and Change Enabling Project	GIZ	533,780	24,324,233
CPR Phase IV	Euroconsult Mott Mac Donald	20,155,413	20,504,303
BRAC New Initiative of HRLS	AVRDC (The World Vegetable Centre)	-	33,518,658
Char Development and Settlement Program	EKN	42,372,881	123,712,564
Improving Income, Nutrition and Health in Bangladesh	The Global Fund	1,081,346,115	1,023,178,767
BRAC Water Sanitation and Hygiene Program (WASH-II)	The Global Fund University Research Company LLC.	218,170,791 -	25,386,236 263,878,601
Reduction TB Prevalence	EACI-QATAR	25,628,608	25,418,728
BRAC Boat School	EACI-QATAR	132,020,202	61,249,544
BRAC Urban Slum School	Salfer World	5,401,662	4,794,555
Community Safety Initiatives	Family Health International	84,992,436	19,523,213
Alive and Thrive Project	The Global Alliance for Improved Nutrition	166,986,220	147,343,869
BRAC Emergency Preparedness Project	BRAC-USA	36,514,251	7,537,380
BRAC HRLS Property Rights Program	BRAC-USA	-	80,568,087
National Food Security Nutritional Surveillance Project	EC	-	24,809,403
Changing Social Norms and Supporting Adolescent Empowerment	UNICEF	32,665,554	22,584,299
Monitoring and Evaluation of the School Nutrition	UNICEF	-	489,690
Sustainable Human Development and Empowerment of Vulnerable Women affected Climate Change	The Global Alliance for Improved Nutrition	(30,832)	29,500,400
Urban School Nutrition Programme	UNICEF	-	7,117,244
Engaging Communities for Behaviour Social Change in Cox's Bazar District	UNICEF	11,100,991	6,136,666
COMDIS-HSD	Social Marketing Company Center for Development Research	30,271,792 -	56,922,875 -
Marketing Innovation for Health (MIH) Program	Women Win	5,861,250	10,548,496
Technology (e-ante) assessment and farm House hold Segmentation for Inclusive Poverty Reduction and Sustainable Growth	University of Bonn	-	17,115,834
Building Young Women's Leadership through Sports	AVRDC (The World Vegetable Centre)	-	1,386,027
Economic Empowerment for Poor and Vulnerable Women in Bangladesh	WFP	3,292,351	386,781
Guiding Pro-Poor Investments in the Nexus among Domestic Water Quality and Quantity	World Fish	5,264,137	5,264,137
Root and Tuber Crops Research and Dev. Prog. For Food Security Asia and Pacific Region	World Spring	47,610,353	14,852,968
Improving Maternal & Child Nutrition	Family Health International	11,966,210	115,038,624
Acoustic Agricultural System	WFP	18,857,853	18,574,802
Pilot project of distributing reading glasses	WFP	72,131,109	65,951,114
Shakra Project	Global Development Network Inc.	-	11,771,538
BRAC School Meal Piling	UNDP	-	475,505
Safe Migration for Bangladesh Workers	Bill and Melinda Gates Foundation Government of Bangladesh	3,119,279 -	117,628,656 -
Impact Assessment of Credit Program for the Tenant Farmers	British Council CIMMYT-India	3,925,730 -	28,497,370 3,241,663
Early Recovery Facility of UNDP Bangladesh	UNICEF	899,249	936,902
BRAC Innovation Fund for Digital Financial Services	Novib BRAC University	18,562,430 -	4,013,878 3,211,476
Developing Interactive Multimedia Digital Version of Primary Education Contents	Chevron Bangladesh The University of British Columbia (UBC)	3,855,358 15,927,010	2,832,000 13,828,850
English & ICT for Adolescent Phase-2	WFP	24,476,521	4,391,355
Ensure Sufficient Food & Nutrition Through Maize Cultivation for Marginalized group of people in Bangladesh	CBT Education Trust	-	7,763,023
Livelihood Skills Training for Out of School Working Children	Global Alliance for Improved Nutrition	-	4,174,834
Pop Culture with a purpose Edus_ViWV	Global Alliance for Improved Nutrition	-	6,561,594
Road Safety Awareness campaign Project	BRAC-UK	3,584,385	835,188
Targeting the Ultra poor Nations	Charity Water	-	48,187,433
Supporting and Learning Materials Research of Retirement Program	ICD	-	-
BRAC Health Security Program	ICD	-	-
BRAC USI RTK Project	ICD	-	-
English through Mobile for Adolescent girl	ICD	-	-
Graduation as Resilience	ICD	-	-
YB REACH WAVE 3	ICD	-	-
Increase Access to Improved Water Sanitation and Hygiene Service	ICD	-	-

Schedule of donation received

Name of the projects	Donor	2016 Taka	2015 Taka
Improving Educational Outcome of Female Disadvantaged School Student	MONASH University	-	2,205,421
Agri-Business for Trade Competitiveness Project	KATALYST Engender Health	- -	1,000,000 -
Improving Demand and Referral Linkage for injectable Long acting and permanent methods of contraceptives	BRAC-USA	18,211,261	19,133,935
Technology Adoption and Food Security in Rural Bangladesh	Agri-Business for Trade Competitiveness Project	-	3,916,978
Neuro Developmental Disability (NDD) Project	Agri-Business for Trade Competitiveness Project	1,030,096	15,866,307
Establish Reintegration & Referral Service for Returnee migrant Workers	UN Women	-	3,369,148
Prevent and Respond to Sexual and Gender Based Violence	UNDP	12,379,609	10,530,724
BRAC School Wash in School	Agri-Business for Trade Competitiveness Project	-	204,137,601
Building Blocks of Early Years Learning in Bangladesh	POTIUCUS	37,900,000	46,974,750
Community Based Digital Fee Testing Project	Care-Bangladesh	1,071,495	23,150,654
Community Based Intervention for the Empowerment of Women	I/O	-	5,368,194
Community Water Management for Improved food Security nutrition and livelihoods in the poorest of	IFRI	-	3,288,090
Holistic Empowerment of Early Childhood Development	BRAC-USA	-	4,626,533
National Early Childhood Development Support Program	UNICEF	162,811,314	123,039,350
Water, Sanitation and Hygiene Program in Southern part of Bangladesh	EDGE Consulting Ltd.	-	1,700,000
School Feeding Program at Gabandha	WFP	12,565,382	3,047,624
Training Program on Non Communicable Disease Control	Government of Bangladesh	-	16,042,151
Working with Children at Risk in the Slums of Dhaka	BRAC-UK	14,648,904	11,673,015
Finika Care Plus Project	Engender Health	3,264,597	2,866,028
Strengthening Strategic Communication for Development Support	UNICEF	-	177,145
BRAC Water Sanitation and Hygiene Program (WASH-II)	GOB	17,145,026	6,813,946
Skills Development and Self-Employment Program	I/O	10,411,026	1,897,257
Ensuring Long Term Medical Services & Post Award Livelihood Support for the Victims of Rana Plaza	BRAC - USA	-	1,700,000
Breast Feeding Promotion and Support to public Health Care	MDF-Training & Consultancy	-	48,997,513
Capacity Building to address issues of SPH, Gender and Emotional wellbeing in technical, vocational, higher and general education	MDF-Training & Consultancy	6,834,182	7,772,897
Capacity Building to promote day-care services and women's employability in the RMG Sector	MDF-Training & Consultancy	5,847,896	20,633,059
SUSTAIN	The International Potato Center	-	3,923,825
Delivering maternal health care through mobile biometrics in Dhaka Urban Slums	SciPrints	4,302,775	1,279,259
Technology Adoption and diffusion the system of Rice intensification and Food Security in Rural Bangladesh	Monash University	6,047,735	2,200,243
Improving mother and child nutrition in Bangladesh	Children's Investment Fund Foundation	-	54,878,589
Adolescent Sexuality and Reproductive Health in Bangladesh	BRAC - USA	7,263,839	-
Agri-Business for Trade Competitiveness Project	BRAC - USA	1,750,000	-
BRAC Chevron (BP) Enterprise Development Pilot Project	BRAC - USA	79,303,960	-
BRAC Play Lab Project	BRAC - USA	48,826,583	-
Breast Feeding Promotion and Support to public Health Care	BRAC - USA	7,263,355	-
Community Life Prevention Project	SCB	2,556,583	-
Editorial and Publishing Services, within the Teaching and Learning Materials Research and Refinement Programme	EDCO-DFD	-	782,500
End TB TARGETS	UNICEF	6,206,289	-
English and digital for Girl's Education	WHO	4,824,100	-
Ensuring Clean and safe Birthing through Promotion Safe Birth kits	British Council	1,185,425	-
Financial Literacy for Adolescent in Chittagong	BRAC - USA	8,889,396	-
Innovation for Improving Early Grad Reading Activity	UNICEF	10,547,166	-
Institutional Development Project	SCB	2,285,418	-
Non Communicable Disease Control programme	UNICEF	71,927,837	-
Unlocking the production Potential of "poor communities" in Coastal IFRI	DFD-UK	4,072,600	-
USAD Livestock production for Improved nutrition Program	ACD/VOCA	2,270,651	-
Policy Advocacy Intervention of Bangladesh MYOH Home Fortification	The Global Alliance for Improved Nutrition	3,703,479	-
BRAC Water, Sanitation and Hygiene (WASH) Program	UNICEF	9,762,000	-
Guiding Pro-Poor Investments in the Nexus among Domestic Water Quality and Quantity	University of Bonn	400,470	