

## **BRAC Bank Limited**

Auditors' Report and Financial Statements  
for the year ended 31 December 2005

**S. F. Ahmed & Co.**  
Chartered Accountants  
House 25, Road 13/A, Block- D  
Banani, Dhaka 1213

**AUDITORS' REPORT**  
**To the Shareholders of BRAC Bank Limited**

We have audited the accompanying Balance Sheet of BRAC Bank Limited as of 31 December 2005 and the related Profit and Loss Account and Statement of Changes in Equity, Cash Flow Statement and Liquidity Statement for the year then ended. The preparation of these Financial Statements is the responsibility of the Bank's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes, examining on a test basis evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles and significant estimates made by the management, as well as evaluating the overall Financial Statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Financial Statements prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the Bank's affairs as on 31 December 2005 and of the result of its operations for the year then ended.

**We also report that:**

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof ;
- (b) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of audit have been received from the branches not visited by us ;
- (c) the Bank's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts and returns;
- (d) the expenditure incurred were for the purpose of the Bank's business;
- (e) the financial position of the Bank at 31 December 2005 and the profit for the year then ended has been properly reflected in the Financial Statements and the Financial Statements have been prepared in accordance with the generally accepted accounting principles;
- (f) the Financial Statements have been drawn up in conformity with the Banking Companies Act, 1991, in accordance with the rules and regulations issued by the Bangladesh Bank;
- (g) adequate provisions have been made for loans & advances which are, in our opinion, doubtful of recovery;
- (h) the Financial Statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the Financial Statements; and
- (j) the information and explanations required by us have been received and found satisfactory.

Dated, Dhaka  
26 February 2006

**S. F. Ahmed & Co.**  
Chartered Accountants