

**BRAC Bank Limited**  
Balance Sheet  
as at 31 December 2007

<b>PROPERTY AND ASSETS</b>	<b>Notes</b>	<b>2007 Taka</b>	<b>2006 Taka</b>
<b>Cash:</b>	3		
In hand (including foreign currencies)		511,730,011	365,963,636
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		2,581,331,135	1,806,423,803
		3,093,061,146	2,172,387,439
<b>Balance with other banks and financial institutions:</b>	4		
In Bangladesh		2,915,623,486	2,274,811,764
Outside Bangladesh		170,449,420	60,389,066
		3,086,072,906	2,335,200,830
<b>Money at call and on short notice</b>	5	100,000,000	600,000,000
<b>Investments:</b>	6		
Government securities		4,893,785,452	3,554,997,837
Others		103,071,265	213,014,234
		4,996,856,717	3,768,012,071
<b>Loans and advances:</b>	7		
Loans, cash credits, overdrafts, etc.		32,446,123,378	19,541,741,031
Bills discounted and purchased		14,978,802	15,424,349
		32,461,102,180	19,557,165,380
<b>Fixed assets including premises, furniture and fixtures</b>	8	942,929,286	389,375,132
<b>Other assets</b>	9	1,702,573,183	1,189,674,221
<b>Non-banking assets</b>		-	-
<b>Total assets</b>		<u>46,382,595,418</u>	<u>30,011,815,073</u>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities:</b>			
Borrowings from other banks, financial institutions and agents	10	2,240,000,000	1,332,974,167
<b>Deposits and other accounts:</b>	11		
Current deposits and other accounts		5,543,600,799	3,060,293,660
Bills payable		464,648,880	113,744,828
Savings bank deposits		3,985,564,159	2,936,582,930
Fixed deposits		27,307,976,282	16,742,577,461
Other deposits		66,617,653	148,722,810
		37,368,407,773	23,001,921,689
<b>Other liabilities</b>	12	3,702,158,971	3,559,726,180
<b>Total liabilities</b>		<u>43,310,566,744</u>	<u>27,894,622,036</u>

	Notes	2007 Taka	2006 Taka
<b>Capital/shareholders' equity:</b>			
Ordinary share capital	13	1,200,000,000	1,000,000,000
Redeemable preference share capital	14	500,000,000	150,000,000
Share premium	15	350,000,000	350,000,000
Statutory reserve	16	504,071,923	251,204,796
Exchange equalisation reserve		45,000	45,000
Retained earnings	17	517,911,751	365,943,241
Total shareholders' equity		3,072,028,674	2,117,193,037
<b>Total liabilities and shareholders' equity</b>		<b>46,382,595,418</b>	<b>30,011,815,073</b>

OFF BALANCE SHEET ITEMS

**Contingent liabilities:**

Acceptance and endorsements	33	222,882,782	-
Letters of guarantee		269,968,985	216,575,186
Irrecoverable letters of credit		1,437,314,301	873,612,300
Bills for collection		69,227,653	-
Tax liability		3,367,206	3,367,206
Other contingent liabilities		153,785,106	225,672,648
		2,156,546,033	1,319,227,340

**Other commitments:**

Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
<b>Total off balance sheet items including contingent liabilities</b>	<b>2,156,546,033</b>	<b>1,319,227,340</b>

The annexed notes 1 to 34 form an integral part of these financial statements.

  
Managing Director & CEO

  
Director

  
Director

  
Chairman

As per our report of same date.

  
Auditors

Dhaka, 28 January 2008

**BRAC Bank Limited**  
**Cash Flow Statement**  
for the year ended 31 December 2007

	<u>2007</u> <u>Taka</u>	<u>2006</u> <u>Taka</u>
<b>A) Cash flows from operating activities:</b>		
Interest receipts	5,321,401,584	3,189,776,361
Interest payment	(2,571,236,238)	(1,634,640,822)
Dividends receipts	5,087,381	2,559,909
Fees and commissions receipts	774,387,965	515,404,192
Cash payments to employees	(798,107,257)	(504,271,722)
Cash payments to suppliers	(234,401,764)	(171,187,022)
Income tax paid	(212,585,997)	(231,630,144)
Receipts from other operating activities	16,605,838	4,325,882
Payment for other activities :		
Rent, rates, taxes etc.	(109,452,384)	(65,186,136)
Audit fees	(581,150)	(470,000)
Directors fees and expenses	(399,144)	(791,093)
Repair and maintenance	(48,507,565)	(28,146,562)
Other expenses	(292,149,239)	(178,905,401)
Legal expenses	(5,246,161)	(8,558,484)
Operating profit before changes in operating assets and liabilities (i)	1,844,815,869	888,278,958
Increase/(decrease) in operating assets and liabilities:		
Loans and advances	(12,903,936,800)	(7,765,852,859)
Other assets	(300,312,965)	(447,514,717)
Deposits from customers	14,366,486,085	9,592,911,299
Other liabilities	(1,165,549,450)	1,611,702,125
Cash utilised in operating assets and liabilities (ii)	(3,313,130)	2,991,245,848
Net cash inflow/(outflow) from operating activities (i+ii)	<u>1,841,502,739</u>	<u>3,879,524,806</u>
<b>B) Cash flows from investing activities:</b>		
Encashment/(investment) of treasury bills	494,284,989	(499,927,229)
Encashment/(investment) of treasury bonds	(1,833,497,304)	(1,181,817,608)
Sale/(investment) of shares	(50,000,000)	20,000,000
Redemption of debenture	100,000,000	-
Encashment of zero coupon bonds	59,942,969	57,485,765
Encashment of prize bonds	424,700	61,600
Acquisition of fixed assets	(685,128,143)	(284,037,361)
Proceeds from disposal of fixed assets	490,000	2,718,630
Net cash inflow/(outflow) from investing activities	<u>(1,913,482,789)</u>	<u>(1,885,516,203)</u>
<b>C) Cash flows from financing activities:</b>		
Proceeds from issue of ordinary shares	-	500,000,000
Proceeds from issue of redeemable preference shares	350,000,000	150,000,000
Proceeds from share premium	-	350,000,000
Payment of dividend on preference share	(13,500,000)	-
Borrowings from other banks	1,340,000,000	190,000,000
Repayment to Bangladesh Bank	(432,974,167)	(330,417,500)
Net cash flow from financing activities	<u>1,243,525,833</u>	<u>859,582,500</u>
<b>D) Net increase in cash and cash equivalents (A+B+C)</b>	1,171,545,783	2,853,591,103
<b>E) Effects of exchange rate changes on cash and cash equivalent</b>	-	-
<b>F) Cash and cash equivalents at beginning of the year</b>	5,107,588,269	2,253,997,166
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>	<u>6,279,134,052</u>	<u>5,107,588,269</u>
<b>Cash and cash equivalents at end of the year:</b>		
Cash in hand (including foreign currency)	511,730,011	365,963,636
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	2,581,331,135	1,806,423,803
Balance with other banks and financial institutions	3,086,072,906	2,335,200,830
Money at call and on short notice	100,000,000	600,000,000
	<u>6,279,134,052</u>	<u>5,107,588,269</u>

**BRAC Bank Limited**

Statement of Changes in Equity  
for the year ended 31 December 2007

	Ordinary share capital Taka	Redeemable preference share capital Taka	Share premium Taka	Statutory reserve Taka	Exchange equalisation reserve Taka	Retained earnings Taka	Total Taka
Balance as at 1 January 2006	500,000,000	-	-	58,396,570	45,000	224,490,340	782,931,910
Adjustment in respect of earlier years	-	-	-	51,736,000	-	(51,736,000)	-
Issue of redeemable preference share	-	150,000,000	-	-	-	-	150,000,000
Share premium	-	-	350,000,000	-	-	-	350,000,000
Statutory reserve	-	-	-	141,072,226	-	-	141,072,226
Issue of ordinary shares	500,000,000	-	-	-	-	-	500,000,000
Net profit for the year	-	-	-	-	-	193,188,901	193,188,901
<b>Balance as at 31 December 2006</b>	<b>1,000,000,000</b>	<b>150,000,000</b>	<b>350,000,000</b>	<b>251,204,796</b>	<b>45,000</b>	<b>365,943,241</b>	<b>2,117,193,037</b>
Issue of redeemable preference share	-	350,000,000	-	-	-	-	350,000,000
Statutory reserve	-	-	-	252,867,127	-	-	252,867,127
Issue of bonus share	200,000,000	-	-	-	-	(200,000,000)	-
Dividends on preference share	-	-	-	-	-	(13,500,000)	(13,500,000)
Net profit for the year	-	-	-	-	-	365,468,510	365,468,510
<b>Balance as at 31 December 2007</b>	<b>1,200,000,000</b>	<b>500,000,000</b>	<b>350,000,000</b>	<b>504,071,923</b>	<b>45,000</b>	<b>517,911,751</b>	<b>3,072,028,674</b>

**BRAC Bank Limited**  
Statement of Liquidity  
(Maturity Analysis of Assets and Liabilities)  
as at 31 December 2007

	<u>Upto one month Taka</u>	<u>One to three months Taka</u>	<u>Three to twelve months Taka</u>	<u>One to five years Taka</u>	<u>More than five years Taka</u>	<u>Total Taka</u>
<b>ASSETS:</b>						
Cash in hand	3,093,061,146	-	-	-	-	3,093,061,146
Balance with other banks and financial institutions	1,056,072,906	550,000,000	1,380,000,000	100,000,000	-	3,086,072,906
Money at call and on short notice	100,000,000	-	-	-	-	100,000,000
Investments	769,893,296	49,444,488	62,302,298	175,382,818	3,939,833,817	4,996,856,717
Loans and advances	3,239,223,130	4,918,858,256	13,901,552,281	10,314,818,765	86,649,748	32,461,102,180
Fixed assets including leased assets	19,094,318	47,806,515	143,438,403	478,253,734	254,336,316	942,929,286
Other assets	132,120,115	187,923,624	1,088,439,936	294,089,508	-	1,702,573,183
Non-banking assets	-	-	-	-	-	-
<b>Total assets</b>	<b>8,409,464,911</b>	<b>5,754,032,883</b>	<b>16,575,732,918</b>	<b>11,362,544,825</b>	<b>4,280,819,881</b>	<b>46,382,595,418</b>
<b>LIABILITIES:</b>						
Borrowings from other banks, financial institutions and agents	1,240,000,000	500,000,000	500,000,000	-	-	2,240,000,000
Deposits	5,796,818,974	10,201,891,623	13,543,915,160	6,882,081,634	943,700,382	37,368,407,773
Provisions and other liabilities	358,504,871	393,865,452	1,544,044,884	1,405,743,764	-	3,702,158,971
<b>Total liabilities</b>	<b>7,395,323,845</b>	<b>11,095,757,075</b>	<b>15,587,960,044</b>	<b>8,287,825,398</b>	<b>943,700,382</b>	<b>43,310,566,744</b>
<b>Net liquidity difference</b>	<b>1,014,141,066</b>	<b>(5,341,724,192)</b>	<b>987,772,874</b>	<b>3,074,719,427</b>	<b>3,337,119,499</b>	<b>3,072,028,674</b>

Net liquidity difference represents the 'Capital/Shareholders Equity' of the Bank.