

**Janata Bank Limited and it's Subsidiaries Auditors' report and financial  
statements as at and for the year ended 31 December 2010**

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**Auditors' Report  
to the shareholders of  
Janata Bank Limited and its subsidiaries**

We have audited the accompanying consolidated financial statements of Janata Bank Limited and its subsidiaries, ("the Group") as well as the financial statements of Janata Bank Limited (the Bank) which comprise the consolidated and the separate balance sheet as at 31 December 2010, profit and loss account, statement of changes in equity, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the subsidiaries, Janata Capital and Investment Limited and Janata Exchange Company Srl, Italy were not audited by us as at 31 December 2010.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also the financial statements of the Bank in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of these consolidated financial statements of the Group and the financial statements of the Bank that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements of the Group and the financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and the financial statements of the Bank. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the financial statements of the Bank, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entities preparation and fair presentation of the consolidated financial statements of the Group and the financial statements of the Bank in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and the financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

- 1) The bank provided Tk. 14,922.26 million on account of Super Annuation Fund (SAF) and Gratuity Fund on 31 December 2010 instead of Tk. 17,827.88 million resulting in short provision of Tk. 2,905.62 million and in overstatement of profit to that extent and this is because of implementation of pay scale of the year 2009.
- 2) Tk. 1,322.94 million identified from 60 branches as bad and loss loan that remains classified as such for more than five years, was not written off, which is a non compliance of BRPD Circular No.2 dated 13 January 2003. As a result total loans and advances remain overstated by the same amount as also the provision for loans and advances and interest suspense. Total write off on this account for the bank's branches remain to be provided for.
- 3) Outstanding loan balance of Tk. 1,578.15 million should be considered as classified loan (bad and loss) by using qualitative judgement. In the profit and loss accounts, however interest income of Tk. 299 million (appx.) has been shown against of the said loan balance. As a result profit and loss accounts remain overstated by same amount. In addition to this, a further provision for bad and loss is required amounting Tk. 1,130.34 million. Therefore the net profit before tax of the Bank has been overstated by Tk. 1,429.54 million (Ref: note-7).

### **Qualified Opinion**

In our opinion, except for the effects of the matters described in the basis for Qualified Opinion paragraph and subject to the mandatory compliance with few regulations of Bangladesh Bank that do not conform to the requirements of Bangladesh Financial Reporting Standards (BFRS) which have been adequately disclosed in **note-2AA**, the financial statements prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2010 and the results of their financial performance and their cash flows for the year ended 31 December 2010 and comply with the Bank Companies Act, 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, and other applicable laws and regulations.

We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- iii) the consolidated balance sheet and consolidated profit and loss account of the Group and the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account and returns;
- iv) the expenditure incurred was for the purposes of the Group's and the Bank's business;

- v) the consolidated financial position of the Group and that of the Bank as at 31 December 2010 and the profit for the year then ended have been properly reflected in the consolidated financial statements except the matter described above in the basis for qualified opinion paragraph; and the consolidated financial statements of the Group and the financial statements of the Bank have been prepared in accordance with the generally accepted accounting principles;
- vi) the consolidated financial statements of the Group and the financial statements of the Bank have been drawn up in conformity with the Bank Companies Act, 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- vii) adequate provisions have been made except the matter described above in the basis for qualified opinion paragraph for advances which are, in our opinion, doubtful of recovery;
- viii) the consolidated financial statements of the Group and the financial statements of the Bank conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- ix) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- x) the information and explanations required by us have been received and found satisfactory;
- xi) we have reviewed over 90% of the risk weighted assets of the Bank and we have spent around 7,000 person hours for the audit of the books and accounts of the Bank;
- xii) capital adequacy ratio (CAR) as required by law, has been maintained adequately during the year; and
- xiii) guidelines of Core Risk Management issued by Bangladesh Bank vide BRPD circular 17 dated 7/10/2003 were not fully complied with.

Sd/-  
**Rahman Rahman Huq**  
Chartered Accountants

Sd/-  
**Aziz Halim Khair Choudhury**  
Chartered Accountants

Dhaka, 18 April 2011

**Janata Bank Limited and its subsidiaries**

**Consolidated Balance Sheet  
as at 31 December 2010**

	<b>Note</b>	<b>2010 Taka</b>	<b>2009 Taka</b>
<b><u>PROPERTY AND ASSETS</u></b>			
<b>Cash</b>	3(a)		
In hand (including foreign currencies)		4,138,804,956	3,616,728,531
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		13,470,754,109	12,920,117,768
		<b>17,609,559,065</b>	<b>16,536,846,299</b>
<b>Balance with other banks and financial institutions</b>	4(a)		
In Bangladesh		2,005,393,176	2,215,123,115
Outside Bangladesh		4,283,635,296	1,998,200,735
		<b>6,289,028,472</b>	<b>4,213,323,850</b>
<b>Money at call on short notice</b>	5	<b>3,607,144,341</b>	<b>5,533,529,807</b>
<b>Investments</b>	6 (a)		
Government		52,365,407,137	70,617,630,895
Others		5,508,131,896	1,915,572,787
		<b>57,873,539,033</b>	<b>72,533,203,682</b>
<b>Loans and advances</b>	7.2		
Loans, cash credit, overdrafts etc.		203,037,842,689	157,540,717,889
Bills purchased and discounted		23,740,015,131	8,818,767,730
		<b>226,777,857,820</b>	<b>166,359,485,619</b>
<b>Fixed assets including premises, furniture and fixtures</b>	8(a)	<b>6,327,980,098</b>	<b>2,697,802,380</b>
<b>Other assets</b>	9(a)	<b>27,224,764,668</b>	<b>26,927,216,534</b>
<b>Non - banking assets</b>		-	-
<b>Total assets</b>		<b>345,709,873,497</b>	<b>294,801,408,171</b>
<b><u>LIABILITIES AND CAPITAL</u></b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	10(a)	<b>50,488,931</b>	<b>31,565,952</b>
<b>Deposits and other accounts</b>	11(a)		
Current accounts and other accounts		51,535,113,639	49,424,716,702
Bills payable		3,238,018,927	2,604,256,004
Savings bank deposits		82,657,203,480	72,351,530,297
Fixed deposits		149,095,128,717	121,811,445,928
Bearer certificates of deposits		-	-
Other deposits		-	-
		<b>286,525,464,763</b>	<b>246,191,948,931</b>
<b>Other liabilities</b>	12(a)	<b>38,712,031,889</b>	<b>33,621,969,428</b>
<b>Total liabilities</b>		<b>325,287,985,583</b>	<b>279,845,484,311</b>
<b>Capital/shareholders' equity</b>			
Paid up capital	13.2	5,000,000,000	5,000,000,000
Share premium		-	-
Statutory reserve	14	4,187,614,331	2,623,234,587
Legal reserve	15(a)	64,071,480	54,353,263
Assets revaluation reserve	16.a(i)	4,251,013,927	1,476,203,820
Foreign investment revaluation reserve	16.a(ii)	138,446,832	141,170,290
Revaluation reserve for HTM	16(iii)	367,649,079	269,376,532
Revaluation reserve for HFT	16(iv)	1,238,393,681	3,668,437,453
Surplus in profit/(loss) account	17(a)	5,174,698,583	1,723,147,916
<b>Total shareholders' equity</b>		<b>20,421,887,914</b>	<b>14,955,923,861</b>
<b>Non-controlling interest</b>		-	-
<b>Total liabilities and shareholders' equity</b>		<b>345,709,873,497</b>	<b>294,801,408,171</b>

	Note	2010 Taka	2009 Taka
<b><u>OFF-BALANCE SHEET ITEMS</u></b>			
<b>Contingent liabilities of Janata Bank Ltd.</b>	18(a)		
Acceptances and endorsements		-	-
Letters of guarantee		6,870,546,666	3,773,949,984
Irrevocable letters of credit		92,790,973,849	64,128,270,545
Bills for collection		6,566,343,808	5,616,051,672
		<b>106,227,864,323</b>	<b>73,518,272,201</b>
<b>Other commitments</b>			
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>106,227,864,323</b>	<b>73,518,272,201</b>

*The annexed notes 1 to 42 form an integral part of these financial statements.*

Sd/-  
S. M. Aminur Rahman  
CEO & Managing Director

Sd/-  
Dr. R. M. Debnath  
Director

Sd/-  
Dabir Uddin Ahmed  
Director

Sd/-  
Dr. Jamaluddin Ahmed, FCA  
Director

Sd/-  
Dr. Abul Barkat  
Chairman

See annexed auditors' report to the shareholders of date.

Sd/-  
Rahman Rahman Huq  
Chartered Accountants

Sd/-  
Aziz Halim Khair Choudhury  
Chartered Accountants

Dhaka, 21 April 2011

**Janata Bank Limited and its subsidiaries**

**Consolidated Profit and Loss Account  
for the year ended 31 December 2010**

	<b>Note</b>	<b>2010 Taka</b>	<b>2009 Taka</b>
Interest income	19(a)	19,058,219,576	14,869,282,150
Interest paid on deposits and borrowings etc.	20(a)	(11,961,473,276)	(10,380,072,954)
<b>Net interest income</b>		<b>7,096,746,300</b>	<b>4,489,209,196</b>
Investment income	21(a)	6,978,059,759	5,617,899,778
Commission, exchange and brokerage	22(a)	3,494,462,233	2,890,670,607
Other operating income	23(a)	1,172,855,034	743,202,834
		<b>11,645,377,026</b>	<b>9,251,773,219</b>
<b>Total operating income (A)</b>		<b>18,742,123,326</b>	<b>13,740,982,415</b>
Salary and allowances	24(a)	5,173,490,528	4,028,020,321
Rent, taxes, insurance, electricity etc.	25(a)	471,605,402	415,175,831
Legal expenses	26(a)	5,870,999	5,370,963
Postage, stamp, telecommunication etc.	27(a)	12,559,353	1,865,896
Stationery, printing, advertisements etc.	28(a)	131,868,058	106,649,043
Chief Executive's salary and fees	29(a)	8,716,083	8,400,000
Directors' fees	30(a)	2,733,000	1,062,000
Auditors' fees	31(a)	4,394,636	2,166,608
Depreciation, repairs and maintenance	32(a)	216,689,661	185,241,980
Other expenses	33(a)	633,375,278	428,375,320
<b>Total operating expenses (B)</b>		<b>6,661,302,998</b>	<b>5,182,327,962</b>
<b>Profit/(Loss) before amortisation, provision &amp; tax ( C ) =(A-B)</b>		<b>12,080,820,328</b>	<b>8,558,654,453</b>
Amortisation of valuation adjustment (D)	9.5	998,571,947	998,571,947
<b>Profit/(Loss) before provision &amp; tax ( E ) =(C-D)</b>		<b>11,082,248,381</b>	<b>7,560,082,506</b>
Provision for loans and advances	34(a)	822,858,014	688,063,124
Provision for off-balance sheet items	35	330,000,000	35,200,000
Provision for other assets	36	-	100,000,000
Provision for SAF & Gratuity	37	1,000,000,000	650,000,000
Provision for diminution in value of investments	38	13,297,782	-
Other provisions	39(a)	1,075,000,000	450,000,000
<b>Total provision (F)</b>		<b>3,241,155,796</b>	<b>1,923,263,124</b>
<b>Total profit before tax G= (E-F)</b>		<b>7,841,092,585</b>	<b>5,636,819,382</b>
Provision for taxation	40(a)		
Current		2,081,620,780	1,799,909,427
Deferred	9.6 (i)	847,833,100	1,052,128,515
		<b>2,929,453,880</b>	<b>2,852,037,942</b>
<b>Net profit after tax</b>		<b>4,911,638,705</b>	<b>2,784,781,440</b>
<b>Net profit attributable to:</b>			
Equity holders' of the Bank		4,911,638,705	2,784,781,440
Non-controlling interest		-	-
		<b>4,911,638,705</b>	<b>2,784,781,440</b>
		<b>4,911,638,705</b>	<b>2,784,781,440</b>

	Note	2010 Taka	2009 Taka
<b>Appropriations</b>			
Statutory reserve (20%)		1,564,086,375	1,131,257,757
General reserve		-	-
Legal Reserve		9,277,294	7,916,798
		<b>1,573,363,669</b>	<b>1,139,174,555</b>
<b>Retained surplus</b>		<b>3,338,275,036</b>	<b>1,645,606,885</b>
<b>Earnings Per Share</b>	13(a)	<b>98.23</b>	<b>72.86</b>

*The annexed notes 1 to 42 form an integral part of these financial statements.*

Sd/- \_\_\_\_\_  
S. M. Aminur Rahman  
CEO & Managing Director

Sd/- \_\_\_\_\_  
Dr. R. M. Debnath  
Director

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Dabir Uddin Ahmed  
Director

Sd/- \_\_\_\_\_  
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Director

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See annexed auditors' report to the shareholders of date.

Sd/- \_\_\_\_\_  
Rahman Rahman Huq  
Chartered Accountants

Sd/- \_\_\_\_\_  
Aziz Halim Khair Choudhury  
Chartered Accountants

Dhaka, 21 April 2011

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# Janata Bank Limited and its subsidiaries

## Consolidated Cash Flow Statement for the year ended 31 December 2010

	2010 Taka	2009 Taka
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	17,684,239,251	15,401,709,340
Interest paid	(10,907,796,319)	(10,219,699,149)
Dividend received	90,118,553	22,277,355
Fees and commission receipt in cash	3,477,314,886	2,965,242,059
Cash payments to employees	(5,177,690,528)	(4,011,220,321)
Cash payments to suppliers	(131,868,058)	(106,649,043)
Income from investment	6,696,749,682	5,525,185,312
Receipt from other operating activities	1,149,239,498	711,779,184
Payments for other operating activities	(1,186,202,941)	(939,371,927)
Recoveries of previously written-off loans & advances	605,881,960	441,360,458
Income tax paid	(379,231,397)	-
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>11,920,754,587</b>	<b>9,790,613,268</b>
<b>Increase/decrease in operating assets and liabilities</b>		
Statutory deposits	-	-
Loans and advances to customers	(60,418,372,201)	(21,681,302,231)
Loans and advances to other banks	-	-
Other assets	(477,127,751)	1,523,802,461
Balance with other banks	(2,075,704,622)	1,766,469,465
Other liabilities	(1,788,429,246)	(7,531,626,149)
Deposits from other banks	(2,798,067,035)	2,788,693,230
Deposits from customers	43,131,582,867	22,067,504,967
	<b>(24,426,117,988)</b>	<b>(1,066,458,257)</b>
<b>Net cash flow from operating activities (A)</b>	<b>(12,505,363,401)</b>	<b>8,724,155,011</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase)/sales of Securities and Bond (others)	(3,592,559,109)	(1,347,513,240)
(Purchase)/sale of securities (Government)	15,993,088,764	(9,828,769,053)
(Purchase)/sale of property, plant and equipments	(757,761,933)	(374,392,090)
<b>Net cash flow from investing activities (B)</b>	<b>11,642,767,722</b>	<b>(11,550,674,383)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of loan capital and debt security	-	-
Payments for redemption of loan capital and debt security	-	-
Receipts from issue of ordinary share (Right share)	-	1,250,000,000
Dividend paid	(10,000,000)	-
(Payments)/receipt from borrowings	18,922,979	30,978,319
<b>Net cash flow from financing activities (C)</b>	<b>8,922,979</b>	<b>1,280,978,319</b>
<b>D. Net increase/decrease in cash (A+B+C)</b>	<b>(853,672,700)</b>	<b>(1,545,541,053)</b>
<b>E. Cash and cash equivalents at beginning of the year</b>	<b>22,070,376,106</b>	<b>23,615,917,159</b>
<b>F. Cash and cash equivalents at end of the year</b>	<b>21,216,703,406</b>	<b>22,070,376,106</b>

	<b>2010</b> <b>Taka</b>	<b>2009</b> <b>Taka</b>
<b>Cash and cash equivalents at end of the year represents</b>		
Cash in hand (including foreign currencies)	4,138,804,956	3,616,728,531
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	13,470,754,109	12,920,117,768
Money at call on short notice	3,607,144,341	5,533,529,807
	<b>21,216,703,406</b>	<b>22,070,376,106</b>

*The annexed notes 1 to 42 form an integral part of these financial statements.*

Sd/-  
S. M. Aminur Rahman  
CEO & Managing Director

Sd/-  
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Director

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Director

Sd/-  
Dr. Jamaluddin Ahmed, FCA  
Director

Sd/-  
Dr. Abul Barkat  
Chairman

**Janata Bank Limited and its subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 31 December 2010**

Particulars	Paid up capital	Statutory reserve	Legal reserve(UAE Branches)	Assets revaluation reserve	Revaluation reserve for HTM	Revaluation reserve for HFT	Foreign investment revaluation reserve	Retained earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>Balance as at 1 January 2010</b>	<b>5,000,000,000</b>	<b>2,623,234,587</b>	<b>54,353,263</b>	<b>1,476,203,820</b>	<b>269,376,532</b>	<b>3,668,437,453</b>	<b>141,170,290</b>	<b>1,723,147,916</b>	<b>14,955,923,861</b>
Exchange fluctuation of last year's profit	-	-	-	-	-	-	-	(199,979)	(199,979)
Currency transaction difference (JEC, Italy)	-	-	-	-	-	-	(2,723,458)	(290,898)	(3,014,356)
Adjustment of exchange equalisation fund	-	-	-	-	-	-	-	75,736,723	75,736,723
Surplus/(deficit) for revaluation reserve	-	-	(67,166)	-	170,908,778	(2,430,043,772)	-	-	(2,259,202,160)
Revaluation reserve addition during the year	-	-	-	3,050,564,346	-	-	-	-	3,050,564,346
Adjustment of deferred tax liability	-	-	-	(255,301,672)	(72,636,231)	-	-	-	(327,937,903)
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-	8,895,473	8,895,473
Currency transaction difference (UAE)	-	293,370	508,089	-	-	-	-	3,564,632	4,366,091
Net profit for the year	-	-	-	-	-	-	-	3,338,275,036	3,338,275,036
Surplus/(shortfall) of Janata Capital and Investment Ltd.	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(10,000,000)	(10,000,000)
Transferred to retained earnings	-	-	-	(20,452,567)	-	-	-	20,452,567	-
Transferred from deferred tax	-	-	-	-	-	-	-	15,117,114	15,117,114
Appropriation made during the year	-	1,564,086,375	9,277,294	-	-	-	-	-	1,573,363,669
<b>Balance as at 31 December 2010</b>	<b>5,000,000,000</b>	<b>4,187,614,331</b>	<b>64,071,480</b>	<b>4,251,013,927</b>	<b>367,649,079</b>	<b>1,238,393,681</b>	<b>138,446,832</b>	<b>5,174,698,583</b>	<b>20,421,887,914</b>

*The annexed notes 1 to 42 form an integral part of these financial statements.*

Sd/-  
S. M. Aminur Rahman  
CEO & Managing Director

Sd/-  
Dr. R. M. Debnath  
Director

Sd/-  
Dabir Uddin Ahmed  
Director

Sd/-  
Dr. Jamaluddin Ahmed, FCA  
Director

Sd/-  
Dr. Abul Barkat  
Chairman

**Janata Bank Limited**  
**Balance Sheet**  
**as at 31 December 2010**

<b>PROPERTY AND ASSETS</b>	<b>Note</b>	<b>2010 Taka</b>	<b>Dec' 31.2009 Taka (Re-Styled)*</b>	<b>Jan'01. 2009 Taka</b>
<b>Cash</b>	3			
Cash in hand (including foreign currencies)		4,126,838,534	3,611,730,895	4,036,224,616
Balance with Bangladesh Bank and it's agent bank(s) (including foreign currencies)		13,470,754,109	12,920,117,768	12,490,948,085
		17,597,592,643	16,531,848,663	16,527,172,701
<b>Balance with other banks and financial institutions</b>	4			
In Bangladesh		1,955,393,176	2,215,123,115	3,523,399,750
Outside Bangladesh		4,211,898,340	1,908,304,371	2,456,393,565
		6,167,291,516	4,123,427,486	5,979,793,315
<b>Money at call on short notice</b>	5	3,607,144,341	5,533,529,807	7,088,744,458
<b>Investments</b>	6			
Government		52,365,407,137	70,617,630,895	57,255,466,440
Others		5,148,595,610	1,915,572,787	568,059,547
		57,514,002,747	72,533,203,682	57,823,525,987
<b>Loans and advances</b>	7			
Loans, cash credit, overdrafts, etc.		201,992,193,398	157,540,717,889	137,184,639,985
Bills purchased and discounted		23,740,015,131	8,818,767,730	7,493,543,403
		225,732,208,529	166,359,485,619	144,678,183,388
Fixed assets including premises, furniture and fixture	8	6,299,906,482	2,685,195,290	2,446,425,915
<b>Other assets</b>	9	28,315,781,897	26,960,467,708	30,682,473,480
<b>Non-banking assets</b>		-	-	-
<b>TOTAL PROPERTY AND ASSETS</b>		<u>345,233,928,155</u>	<u>294,727,158,255</u>	<u>265,226,319,244</u>
<b>LIABILITIES AND CAPITAL</b>				
<b>Liabilities</b>				
Borrowings from other banks, financial institutions and agents	10	50,488,931	31,565,952	587,633
<b>Deposits and other accounts</b>	11			
Current accounts and other accounts		51,538,944,043	49,424,716,702	42,563,114,833
Bills payable		3,238,018,927	2,604,256,004	2,433,587,338
Savings bank deposits		82,657,203,480	72,351,530,297	68,045,122,155
Fixed deposits		149,132,723,984	121,794,543,476	108,293,926,408
Bearer certificates of deposits		-	-	-
Other deposits		-	-	-
		286,566,890,434	246,175,046,479	221,335,750,734
<b>Other liabilities</b>	12	38,226,221,808	33,595,800,525	36,758,590,982
<b>Total liabilities</b>		<u>324,843,601,173</u>	<u>279,802,412,956</u>	<u>258,094,929,349</u>
<b>Capital/shareholder's equity</b>				
Paid-up capital	13.2	5,000,000,000	5,000,000,000	2,593,900,000
Statutory reserve	14	4,187,614,331	2,623,234,587	1,491,956,374
Legal reserve	15	62,678,337	52,892,954	44,946,031
Assets revaluation reserves	16 (i)	4,251,013,927	1,476,203,820	1,497,793,563
Foreign investment revaluation reserves	16(ii)	115,800,000	115,800,000	115,800,000
Revaluation reserve for HTM	16 (iii)	367,649,079	269,376,532	168,726,898
Revaluation reserve for HFT	16(iv)	1,238,393,681	3,668,437,453	310,084,893
Surplus in profit/(loss) account	17	5,167,177,626	1,718,799,953	908,182,136
<b>Total shareholders' equity</b>		<u>20,390,326,982</u>	<u>14,924,745,299</u>	<u>7,131,389,895</u>
<b>TOTAL LIABILITIES &amp; SHARE HOLDERS' EQUITY</b>		<u>345,233,928,155</u>	<u>294,727,158,255</u>	<u>265,226,319,244</u>

	Note	2010 Taka	Dec' 31.2009 Taka	Jan'01. 2009 Taka
<b>OFF-BALANCE SHEET ITEMS</b>	18			
<b>Contingent Liabilities</b>				
Acceptances and endorsements		-	-	-
Letters of guarantee		6,870,546,666	3,773,949,984	3,205,771,280
Irrevocable letters of credit		92,790,973,849	64,128,270,545	59,491,466,114
Bills for collection		6,566,343,808	5,616,051,672	7,427,076,266
Other contingent liabilities		-	-	-
<b>Total</b>		106,227,864,323	73,518,272,201	70,124,313,660
<b>Other commitments</b>				
Documentary credits and other 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 commitment		-	-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<u>106,227,864,323</u>	<u>73,518,272,201</u>	<u>70,124,313,660</u>

\* Please see the note no. 9.5 and 9.6

*The annexed notes 1 to 42 form an integral part of these financial statements.*

Sd/-  
S. M. Aminur Rahman  
CEO & Managing Director

Sd/-  
Dr. R. M. Debnath  
Director

Sd/-  
Dabir Uddin Ahmed  
Director

Sd/-  
Dr. Jamaluddin Ahmed, FCA  
Director

Sd/-  
Dr. Abul Barkat  
Chairman

See annexed auditors' report to the shareholders of date.

Sd/-  
Rahman Rahman Huq  
Chartered Accountants

Sd/-  
Aziz Halim Khair Choudhury  
Chartered Accountants

Dhaka, 21 April 2011

**Janata Bank Limited**  
**Profit and Loss Account**  
**for the year 31 December 2010**

<b>PARTICULARS</b>	<b>Note</b>	<b>2010 Taka</b>	<b>2009 Taka (Re-stated)</b>
Interest income	19	19,027,541,063	14,867,965,209
Interest paid on deposits and borrowings etc.	20	(11,960,330,916)	(10,376,982,626)
<b>Net Interest Income</b>		7,067,210,147	4,490,982,583
Investment income	21	6,956,055,481	5,602,314,548
Commission, exchange and brokerage	22	3,459,612,651	2,870,042,705
Other operating income	23	1,170,721,669	733,788,146
<b>Total Operating Income (A)</b>		<b>18,653,599,948</b>	<b>13,697,127,982</b>
Salary and allowances	24	5,162,418,734	3,996,581,522
Rent, taxes, insurance and electricity, etc.	25	471,334,402	415,175,831
Legal expenses	26	5,720,999	5,370,963
Postage, stamp, telecommunication etc.	27	12,513,364	1,865,896
Stationery, printings , advertisements etc.	28	131,712,692	106,649,043
Chief Executive's salary and fees	29	4,200,000	8,400,000
Directors' fees	30	2,517,000	1,062,000
Auditor's fees	31	4,369,636	2,166,608
Depreciation, repairs and maintenance	32	215,336,259	183,171,745
Other expenses	33	607,071,521	398,560,520
<b>Total Operating Expenses (B)</b>		<b>6,617,194,607</b>	<b>5,119,004,128</b>
<b>Profit/(Loss) before amortization, provision &amp; tax ( C ) =(A-B)</b>		<b>12,036,405,341</b>	<b>8,578,123,854</b>
Amortization of valuation adjustment D)*	9.5	998,571,947	998,571,947
<b>Profit/(Loss) before provision &amp; tax ( E ) =(C-D)</b>		<b>11,037,833,394</b>	<b>7,579,551,907</b>
Provision for loans and advances	34	812,401,521	688,063,124
Provision for off balance sheet items	35	330,000,000	35,200,000
Provision for other Assets	36	-	100,000,000
Provision for SAF & Gratuity	37	1,000,000,000	650,000,000
Other provisions	39	1,075,000,000	450,000,000
<b>Total provision (F)</b>		<b>3,217,401,521</b>	<b>1,923,263,124</b>
<b>Total profit/(loss) before income tax G = (E-F)</b>		<b>7,820,431,873</b>	<b>5,656,288,783</b>
<b>Provision for taxation ( Including Ruler Tax) (H)</b>			
Prior year		-	793,305,697
Current year	40	2,064,623,940	1,006,603,730
		2,064,623,940	1,799,909,427
Deferred tax*	9.6 (i)	847,833,100	1,052,128,515
<b>Net profit/(loss) after taxation I = (G-H)</b>		<b>4,907,974,833</b>	<b>2,804,250,841</b>

	<b>Note</b>	<b>2010 Taka</b>	<b>2009 Taka (Re-stated)</b>
<b>Appropriations</b>			
Statutory Reserve		1,564,086,375	1,131,257,757
General Reserve		-	-
Legal Reserve		9,277,294	7,916,798
		<u>1,573,363,669</u>	<u>1,139,174,555</u>
<b>Surplus transferred to retained earnings</b>	17	<u>3,334,611,164</u>	<u>1,665,076,286</u>
<b>Earnings per share</b>	13.4	<u><b>98.16</b></u>	<u><b>73.37</b></u>

\* Please see the note no. 9.5 and 9.6

*The annexed notes 1 to 42 form an integral part of these financial statements.*

Sd/-  
S. M. Aminur Rahman  
CEO & Managing Director

Sd/-  
Dr. R. M. Debnath  
Director

Sd/-  
Dabir Uddin Ahmed  
Director

Sd/-  
Dr. Jamaluddin Ahmed, FCA  
Director

Sd/-  
Dr. Abul Barkat  
Chairman

See annexed auditors' report to the shareholders of date.

Sd/-  
Rahman Rahman Huq  
Chartered Accountants

Sd/-  
Aziz Halim Khair Choudhury  
Chartered Accountants

Dhaka, 21 April 2011

**Janata Bank Limited**

**Cash Flow Statement  
for the year ended 31 December 2010**

PARTICULARS	2010 Taka	2009 Taka
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	17,653,560,738	15,400,392,399
Interest paid	(10,906,653,959)	(10,216,608,821)
Dividend received	90,118,553	22,277,355
Fees and commission receipt in cash	3,442,465,304	2,944,614,157
Cash payments to employees	(5,166,618,734)	(4,004,981,522)
Cash payments to suppliers	(131,712,692)	(106,649,043)
Income from investment	6,674,745,404	5,509,600,082
Receipt from other operating activities	1,147,106,133	702,364,496
Payments for other operating activities	(1,154,675,112)	(884,357,127)
Recoveries of previously written-off loans & advances	605,881,960	441,360,458
Income tax paid	(379,231,397)	-
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<u>11,874,986,198</u>	<u>9,808,012,434</u>
<b>Increase/decrease in operating assets and liabilities</b>		
Statutory deposits	-	-
Loans and advances to customers	(59,372,722,910)	(21,681,302,231)
Loans and advances to other banks	-	-
Other assets	(1,529,373,895)	1,367,108,010
Balance with other banks	(2,043,864,030)	1,856,365,829
Other liabilities	(2,222,164,809)	(7,482,929,502)
Deposits from other banks	(2,798,067,035)	2,788,693,230
Deposits from customers	43,189,910,990	22,050,602,515
	<u>(24,776,281,689)</u>	<u>(1,101,462,149)</u>
<b>Net cash flow from operating activities (A)</b>	<u>(12,901,295,491)</u>	<u>8,706,550,285</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase)/sales of Securities and Bond (others)	(3,233,022,823)	(1,347,513,240)
(Purchase)/sale of securities (Government)	15,993,088,764	(9,828,769,053)
(Purchase)/sale of property, plant and equipments	(728,334,915)	(361,785,000)
<b>Net cash flow from investing activities (B)</b>	<u>12,031,731,026</u>	<u>(11,538,067,293)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of loan capital and debt security	-	-
Payments for redemption of loan capital and debt security	-	-
Receipts from issue of ordinary share (Right share)	-	1,250,000,000
Dividend paid	(10,000,000)	-
(Payments)/receipt from borrowings	18,922,979	30,978,319
<b>Net cash flow from financing activities (C)</b>	<u>8,922,979</u>	<u>1,280,978,319</u>
<b>D. Net increase/decrease in cash (A+B+C)</b>	(860,641,486)	(1,550,538,689)
<b>E. Cash and cash equivalents at beginning of the year</b>	<u>22,065,378,470</u>	<u>23,615,917,159</u>
<b>F. Cash and cash equivalents at end of the year</b>	<u><u>21,204,736,984</u></u>	<u><u>22,065,378,470</u></u>

	2010 Taka	2009 Taka
<b>Cash and cash equivalents</b>		
Cash in hand (including foreign currency)	4,126,838,534	3,611,730,895
Balance with Bangladesh Bank and it's agent bank's	13,470,754,109	12,920,117,768
Money at call on short notice	3,607,144,341	5,533,529,807
	<u>21,204,736,984</u>	<u>22,065,378,470</u>

*The annexed notes 1 to 42 form an integral part of these financial statements.*

Sd/-  
S. M. Aminur Rahman  
CEO & Managing Director

\_\_\_\_\_ Sd/-  
Dr. R. M. Debnath  
Director

Sd/-  
Dabir Uddin Ahmed  
Director

Sd/-  
Dr. Jamaluddin Ahmed, FCA  
Director

Sd/-  
Dr. Abul Barkat  
Chairman

**Janata Bank Limited**

**Statement of Changes in Equity  
for the year ended 31 December 2010**

Particulars	Paid up capital	Statutory reserve	Assets revaluation reserve	Revaluation reserve for HTM	Revaluation reserve for HFT	Foreign investment revaluation reserve	Legal reserve (UAE branches)	Retained surplus	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>Balance before prior year adjustment</b>	5,000,000,000	2,623,234,587	1,476,203,820	269,376,532	3,668,437,453	115,800,000	52,892,954	21,059,658	14,924,745,299
Prior year adjustment*								1,697,740,295	
<b>Restated balance as at 1 January 2010</b>	5,000,000,000	2,623,234,587	1,476,203,820	269,376,532	3,668,437,453	115,800,000	52,892,954	1,718,799,953	14,924,745,299
Incr. for rate fluctuation of UAE Dirham	-	293,370	-	-	-	-	508,089	3,564,632	4,366,091
Revaluation Reserve	-	-	-	170,908,778	(2,430,043,772)	-	-	-	(2,259,134,994)
decreased due to increase of interest rate of T.Bill & Bond	-	-	-	-	-	-	-	-	-
Statutory Reserve transferred from P/L A/c	-	1,564,086,375	-	-	-	-	-	-	1,564,086,375
Addition during the year	-	-	3,050,564,346	-	-	-	-	-	3,050,564,346
Legal Reserve transfer from P/L Account	-	-	-	-	-	-	9,277,294	-	9,277,294
Retained Profit / (Loss) for the year	-	-	-	-	-	-	-	3,334,611,164	3,334,611,164
Retained Earnings of Janata Capital and Investment Ltd. for the year	-	-	-	-	-	-	-	8,895,473	8,895,473
Transfer from exchange equalisation fund	-	-	-	-	-	-	-	75,736,723	75,736,723
Transferred from deferred tax	-	-	-	-	-	-	-	15,117,114	15,117,114
Dividend paid	-	-	-	-	-	-	-	(10,000,000)	(10,000,000)
Transferred to retained earnings	-	-	(20,452,567)	-	-	-	-	20,452,567	-
Transferred to deferred tax liability	-	-	(255,301,672)	(72,636,231)	-	-	-	-	(327,937,903)
<b>Balance as of 31st December 2010</b>	5,000,000,000	4,187,614,331	4,251,013,927	367,649,079	1,238,393,681	115,800,000	62,678,337	5,167,177,626	20,390,326,982
<b>Balance as of 31st December 2009</b>	5,000,000,000	2,623,234,587	1,476,203,820	269,376,532	3,668,437,453	115,800,000	52,892,954	1,718,799,953	14,924,745,299

\* Please see the note no. 9.5 and 9.6

*The annexed notes 1 to 42 form an integral part of these financial statements.*

Sd/-  
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CEO & Managing Director

Sd/-  
Dr. R. M. Debnath  
Director

Sd/-  
Dabir Uddin Ahmed  
Director

Sd/-  
Dr. Jamaluddin Ahmed, FCA  
Director

Sd/-  
Dr. Abul Barkat  
Chairman

**Janata Bank Limited**  
**Liquidity Statement**  
**Assets and Liabilities Maturity Analysis**  
**As of 31 December 2010**

Particulars	Not more than 1 month term	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
<b>Assets</b>						
Cash in hand (including balance with Bangladesh Bank and its agents)	1,635,557,393	-	-	15,962,035,250	-	17,597,592,643
Balance with other banks and financial institutions	4,447,291,516	1,330,000,000	240,000,000	150,000,000	-	6,167,291,516
Money at call on short notice	3,607,144,341	-	-	-	-	3,607,144,341
Investment	1,515,945,670	3,101,141,139	7,541,951,855	20,477,479,416	24,877,484,667	57,514,002,747
Loans and advances	33,254,625,460	48,859,630,250	52,241,526,350	46,598,520,250	44,777,906,219	225,732,208,529
Fixed assets including premises, furniture and fixture	4,546,835	24,532,145	152,635,420	842,536,425	5,275,655,657	6,299,906,482
Other assets	4,402,560,142	3,402,560,243	4,362,536,245	2,393,309,099	13,754,816,168	28,315,781,897
Non banking assets	-	-	-	-	-	-
<b>Total assets</b>	<b>48,867,671,357</b>	<b>56,717,863,777</b>	<b>64,538,649,870</b>	<b>86,423,880,440</b>	<b>88,685,862,711</b>	<b>345,233,928,155</b>
<b>Liabilities</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	-	-	-	2,412,000	48,076,931	50,488,931
Deposits	42,723,625,000	49,043,624,201	54,852,623,250	62,285,926,210	61,213,279,930	270,119,078,591
Other accounts	3,201,560,240	4,982,536,241	4,825,046,230	2,254,536,000	1,184,133,132	16,447,811,843
Provision and other liabilities	1,502,865,240	1,382,645,250	4,501,625,612	9,777,115,114	21,061,970,592	38,226,221,808
<b>Total liabilities</b>	<b>47,428,050,480</b>	<b>55,408,805,692</b>	<b>64,179,295,092</b>	<b>74,319,989,324</b>	<b>83,507,460,585</b>	<b>324,843,601,173</b>
<b>Net liquidity gap</b>	<b>1,439,620,877</b>	<b>1,309,058,085</b>	<b>359,354,778</b>	<b>12,103,891,116</b>	<b>5,178,402,126</b>	<b>20,390,326,982</b>

*The annexed notes 1 to 42 form an integral part of these financial statements.*

Sd/-  
S. M. Aminur Rahman  
CEO & Managing Director

Sd/-  
Dr. R. M. Debnath  
Director

Sd/-  
Dabir Uddin Ahmed  
Director

Sd/-  
Dr. Jamaluddin Ahmed, FCA  
Director

Sd/-  
Dr. Abul Barkat  
Chairman

**Janata Bank Limited and its subsidiaries**  
**Notes to the Financial Statements**  
**as at and for the year ended 31 December 2010**

**1 The Bank and its Activities**

**1.1 Reporting entity**

Janata Bank Limited is a state owned commercial Bank incorporated on 21 May 2007 under Companies Act, 1994 as a public limited company and governed by the Bank Companies Act, 1991. Janata Bank Limited took over the businesses, assets, liabilities, right, power, privilege and obligation of erstwhile Janata Bank through a vendor agreement signed between the Peoples Republic of Bangladesh and Janata Bank Limited on 15 November 2007 with a retrospective effect from 1 July 2007. The bank has 861 branches including four(4) overseas branches and two 100% owned subsidiaries named Janata Exchange Company Srl, Italy and Janata Capital and Investment Limited, Dhaka.

Bangladesh Bank issued license on 31.05.2007 in the name of Janata Bank Limited to conduct the banking business.

**1.2 Nature of business**

The Bank provides all kinds of commercial banking services to its customers including accepting deposits, extending loans & advances, discounting & purchasing bills, remittance, money transfer, foreign exchange transaction, guarantee, commitments etc. The principal activities of its one of the subsidiary Janata Exchange Company Srl, Italy (JEC) is to carry on the remittance of hard-earned foreign currency to Bangladesh. Another subsidiary company Janata Capital and Investment Limited, Dhaka is to act as issue manager, share underwriting and portfolio management. The Bank has opened an NRB branch at Motijheel, Dhaka to render exclusive service to non resident Bangladeshis.

**1.3 Subsidiaries of the Bank**

Janata Bank Limited has two 100% owned subsidiaries named Janata Exchange Company Srl, Italy and Janata Capital and Investment Limited, Dhaka.

**Janata Exchange Company Srl, Italy**

Janata Exchange Co. srl, Italy was incorporated on 18 January 2002 vide Ministry of Finance letter # Ag/Awe/e"vswKs/kv-7/wewea-12(2) 2000 dated 3 January 2001 and letter # Ag/Awe/e"vswKs/kv-7/12(2)2000/164 dated 27 June 2001 with 100% ownership of Janata Bank Limited having authorised capital of ITL 1.00 Billion and its paid-up capital is 600,000 EURO.

Apart from Rome Branch, JEC, Italy has another Branch in Milan, Italy, which was established vide MOF's approval Letter # অম/অবি/ব্যংকিং নীঃ/শা-1 /12 /(2)/200/ 3/352 dated 24 November 2002.

The Board of Directors of the company consists by the following persons.

Chairman: CEO & Managing Director of Janata Bank Limited.

Directors: 1. Chief Executive Officer of Janata Exchange Co.  
2. Economic Counsellor of Bangladesh Embassy in Rome.

## **Janata Capital and Investment Limited, Dhaka.**

Janata Capital and Investment Limited, Dhaka incorporated on 13 April 2010 vide incorporation certificate no. C-83898/10 issued by the Registrar of Joint Stock Companies and Firms (RJSC) with 100% ownership of Janata Bank Limited having Tk. 5,000 million authorised capital and its paid-up capital is Tk. 100 million. The company started its operations from 26 September 2010 and its main functions are issue manager, underwriting and portfolio management.

<b>Sl. No.</b>	<b>Name of the Directors</b>	<b>Status</b>
1	Mr. Md. Nazibar Rahman	Chairman
2	Dr. Jamaluddin Ahmed, FCA	Director
3	Advocate Balaram Podder	Director
4	Mr. Dabir Uddin Ahmed	Director
5	Dr. Md. Abdur Rouf Sarder	Director
6	Alhaj A K M Shahjahan Kamal	Director
7	Mr. S M Aminur Rahman	Director
8	Dr. Toufique Ahmed Choudhury	Director
9	Mr. Yousuf Haroon Abedi	Director
10	Alhaj Md. Momtaz Uddin	Director
11	Mr. Golam Abbas Chowdhury	Director
12	Ms. Khondaker Sabera Islam	Director
13	Ms. Abida Sultana	Director
14	Mr. Md. Jahangir Miah	Chief Executive

## **2 Significant Accounting Policies and basis of preparation**

### **2.1 Statement of compliance**

The financial statements of the Group and the Bank as at and for the year ended 31 December 2010 have been prepared under the historical cost convention except investments and in accordance with the "First Schedule" (section 38) of the Bank Companies Act, 1991 as amended by BRPD Circular No. 14 dated 25 June 2003, relevant Bangladesh Bank circulars, Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other laws and rules applicable in Bangladesh.

### **2.2 Basis of measurement**

The financial statements of the Bank have been prepared on the historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain crediting revaluation reserve.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortisation concept.
- Zero Coupon Bond at present value using amortisation concept.

## 2.3 Consolidation

### Basis of consolidation

The consolidated financial statements include the financial statements of Janata Bank Limited and its two subsidiaries named Janata Capital and Investment Limited, Dhaka and Janata Exchange Company Srl. Italy made upto the end of the financial year. The Consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standards 27. *Consolidated and Separate financial statements*. The Consolidated financial statements are prepared to a common financial year ended 31 December 2010.

## 2.4 Functional and presentation currency

These consolidated financial statements of the Group and the financial statements of the Bank are presented in Taka which is the Bank's functional currency. Financial information have been rounded off to the nearest Taka.

## 2.5 Use of estimates and judgements

The preparation of the consolidated financial statements of the Group and the financial statements of the Bank in conformity with BFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in notes 2.16 and 2.21.1.

## 2.6 Foreign currency conversion

Transactions in foreign currencies are translated into the respective functional currency of the operation at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the spot exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

## 2.7 Reporting period

The accounting period of the bank has been determined to be from 1 January to 31 December each year. These financial statements cover one year from 1 January to 31 December 2010.

## 2.8 Cash Flow Statements

Cash Flow Statements has been prepared in accordance with Bangladesh Accounting Standards (BAS) 7 "*Cash Flow Statements*" and under the guideline of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003. The Statements shows the Structure of Changes in cash and cash equivalents during the financial year.

## 2.9 Statement of changes in equity

Statement of changes in equity has been prepared in accordance with Bangladesh Accounting Standards (BAS) 1 "*Presentation of Financial Statements*" and relevant guidelines of Bangladesh Bank.

## 2.10 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the year as per following basis:

- a) Balance with other banks and financial institutions, money at call on short notice etc. on the basis of their maturity term.
- b) Investments on the basis of their residual maturity term.
- c) Loans and advances on the basis of their repayment/maturity schedule.
- d) Fixed assets on the basis of their useful lives.
- e) Other assets on the basis of their adjustment.
- f) Borrowings from other banks and financial institutions, as per their maturity/repayment term.
- g) Deposits and other accounts on the basis of their maturity term and behavioural past trend.
- h) Other long term liability on the basis of their maturity term.
- i) Provisions and other liabilities on the basis of their settlement.

## 2.11 Adoption of new accounting standards

Adoption of new accounting standards with effective from 1 January 2010, the Group/Bank has adopted the following Bangladesh Accounting Standards/ Bangladesh Financial Reporting Standards:

- i) BFRS 7: *Financial Instruments: Disclosures*
- ii) BAS 32: *Financial Instruments: Presentation*
- iii) BAS 39: *Financial Instruments: Recognition and Measurements*
- iv) BFRS 8: *Operating Segments*

## 2.12 Significant accounting policies

The accounting policy set out below have applied consistently to all periods presented in this consolidated financial statements and those of the bank and have been applied consistently by the Group entities excepts as explained in **note 2AA**.

## 2.13 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, money at call on short notice and prize bond.

## 2.14 Investments

All investments (other than government treasury securities and bonds) are initially recognised at cost, including acquisition charges associated with the investment. Premiums are amortised and discount accredited, using the effective or historical yield method. Accounting treatment of government treasury securities and bonds (categorised as HFT or/and HTM) is made following Bangladesh Bank BRPD circular letter no. 5, dated 26-05-2008.

### Held to maturity (HTM)

Investments which are intended to be held to maturity are classified as "*Held to Maturity*". These are measured at amortised cost at each year end by taking into account any discount or premium in acquisition. Any increase or decrease in value of such investments is booked to equity.

### Held for Trading (HFT)

Investment primarily held for selling or trading is classified in this category. After initial recognition, investments are marked to market weekly and any decrease in the present value is recognised in the profit and loss account and any increase is booked to Revaluation Reserve Account through Profit and Loss Account as per Bangladesh Bank DOS Circular No. 5, dated 28 January 2009.

Investments are stated as per following bases:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills/bonds(HFT)	Cost	Fair value	Loss to P & L, gain to Revaluation Reserve through P & L.
Govt. T-bills/bonds(HTM)	Cost	Amortised cost	Increase or decrease in value to equity.
Debenture/Bond	Face value	None	None
Shares	Cost	Lower of cost & market value	Loss to P&L but no unrealized gain booking.
Prize bond	Cost	None	None

### REPO and Reverse REPO

Since 1 September 2010 transactions of REPO and Reverse REPO are recorded based on DOS Circular No. 6, dated 15 July 2010 of Bangladesh Bank. In case of repo of both coupon and non-coupon bearing (Treasury bill) security, JBL adjusted the Revaluation Reserve Account for HFT securities and stopped the weekly revaluation (if the revaluation date falls within the repo period) of the same security. For interest bearing security, JBL stopped the accrual of interest during REPO period.

## 2.15 Loans, advances and provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans and contingent assets, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instruction contained in BCD Circular no.12 dated 4 September 1995, BRPD circular no. 16 dated 6 December 1998, BRPD circular no. 9 dated 14 May 2001, BRPD circular no 9 and 10 dated 20 August 2005, a BRPD circular no. 5 dated 27 April 2005, BRPD circular no.5 dated 5 June 2006, BRPD circular no. 8 dated 7 August 2007, BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 5 dated 27 April 2005.

#### General provision on:

	Rates
Unclassified general loans and advances	1%
Unclassified small enterprise financing	2%
Unclassified short term agricultural credit and micro credit	5%
Unclassified loans for housing finance and on loans for professionals	2%
Unclassified consumer financing other than housing financing and loans for professionals	5%
Special Mention Account (SMA)	5%
Off balance sheet exposure	1%

#### Specific provision on:

Substandard loans and advances	20%
Doubtful loans and advances	50%

Bad/loss loans and advances

100%

### **Written off loans and advances**

Loans and advances/investments are written off as per guidelines of Bangladesh Bank. These written off however will not undermine /affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

### **Securities against Loan**

*Project loan* : Land and building are taken as security in the form of mortgage and plant & machinery are taken in the form of hypothecation.

*Working capital and trading loan* : Goods are taken as security in the form of pledge and also goods are taken as security in the form of hypothecation along with land and building as mortgage (value not less than 1.50 times covering the loan amount) in the form of collateral security.

*House building loan*: Land and building are taken as security in the form of mortgage.

*Overdraft* : FDR's are taken in pledge. The balance in DPS/JBSPS/SDPS A/C is taken in lien.

*Public sector loan* : In most cases Govt. Guarantee is taken and no security is taken for government loan and Crops loans in agriculture sector.

## **2.16 Fixed assets and depreciation**

- i) Fixed assets are stated at cost less accumulated depreciation as per BAS-16 "*Property, Plant and Equipment*". Acquisition cost of an asset comprises the purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.
- ii) Depreciation is charged at the following rates on all fixed assets on the basis of estimated useful lives as determined by fixed asset policy of the Bank. In all cases depreciation is calculated on the reducing balance method except Motor vehicles, Bi-cycles and Computer which are depreciated on straight line method. Depreciation is charged at the applicable rates proportionately on assets purchased in the first half of the year from the month of their acquisition. No depreciation is charged on addition of assets in the second half and disposed the assets in the first half of the year.
- iii) Depreciation rates used for each type of fixed assets are as follows:

<b>Particulars of fixed assets</b>	<b>Rate of depreciation p.a.</b>	<b>Estimated useful lives (Years)</b>
Buildings	2.50%	-
Furniture and fixtures	10.00%	-
Machineries and equipment	20.00%	5
Computers	20.00%	5
Vehicles	20.00%	5

- iv) Repairs and maintenance are charged to profit and loss account as expense when incurred.

- v) The fixed assets of the Bank has been revalued four times, in the year of 1998 by Taka. 371.52 million, in 2004 by Taka. 590.27 million and in the year 2007 following the instruction of vendor's agreement signed between Janata Bank Ltd. and Ministry of Finance revaluation of all assets except electrical equipment has done by Taka 1,152.02 million and in 2010 land & building has been revalued by Taka 3046.60 million based on physical verification conducted by independent survey firm, Geodetic Survey Corporation. The calculation is based on average sale and purchase price of last six month of respective localities.

average sale and purchase price of last six month of respective localities.

#### **2.17 Other assets**

Other assets include all other financial assets and include fees and other unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamp. Details are shown in note no. 9.

#### **2.18 Borrowings from other banks, financial institutions and agents**

Borrowings from other banks, financial institutions and agents includes borrowing from Bangladesh Bank and International Development Association (IDA) under Credit for Enterprise Growth and Bank Modernisation Project (EGBMP).

#### **2.19 Deposits and other accounts**

Deposits and other accounts include non interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposits, saving deposits and fixed deposits.

#### **2.20 Other liabilities**

Other liabilities comprise items such as provision for loans and advances/investments/other assets, taxation, super Annuation fund, gratuity fund and off balance sheet items and also includes interest payable, interest suspense, accrued expenses etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Ordinance, 1984 and internal policy of the Bank.

#### **2.21 Revenue recognition**

The revenue during the year has been recognised following all conditions of revenue recognitions as prescribed by *BAS-18 "Revenue"*.

##### **2.21.1 Interest income**

Interest on unclassified (excluding Special Mentioned Account [SMA]) loans and advances have been accounted for as income on accrual basis, interest on classified loans and advances (including SMA) has been credited to interest suspense account with actual receipt of interest there from having credited to income as and when received as per instruction of Bangladesh Bank.

##### **2.21.2 Fees and commission income**

Fees and commission income arises on services provided by the Bank and recognised on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

##### **2.21.3 Dividend income**

Dividend income from shares is recognised at the time when it is declared and ascertained.

##### **2.21.4 Interest paid on borrowings and deposits**

Interest paid on borrowings and deposits are calculated on 360 days in a year and recognised on accrual basis.

##### **2.21.5 Interest income from investments**

Interest income on investments in Government and other securities, debentures and bonds is accounted for on accrual basis.

## **2.21.6 Management and other expenses**

Expenses incurred by the Bank are recognised on actual and accrual basis.

## **2.22 Provision for taxation**

### **Current tax**

Provision for current income tax has been made @ 42.5% as prescribed in the Finance Act, 2010 of the profit made by the Bank considering major taxable allowances and disallowances.

### **Deferred tax**

Deferred Tax is calculated on the taxable/deductible temporary differences between tax base amount and carrying amount of assets and liabilities as required by Bangladesh Accounting Standards (BAS)-12 *"Income taxes"*.

## **2.23 Retirement benefits**

The Bank operates two alternative retirement benefit schemes for its permanent employees, elements of which are as under:

### **a) Contributory Provident Fund (CPF) scheme**

1. Employee's contribution 10%
2. Bank's contribution 10%
3. This fund is operated by a Board comprising twelve (12) trustees.
4. Gratuity: Employees enjoying contributory provident fund facilities are entitled to gratuity for 2 months last basic pay drawn for each completed year of service subject to completion of minimum 10 years of service. The scheme is operated on cash basis.

### **b) General pension fund scheme**

#### **i) Super Annuation Fund (SAF)**

The Bank operates Pension Scheme. The Bank was paying 40% of basic salary of each employee in each month w.e.f. 2004 to 30-06-2009 to the Super Annuation Fund for payment of pension to the retiring employees. The paying rate has been reduced to 25% of basic salary of each employees in each month from July, 2009. Contribution to the Super Annuation Fund is an allowable expenditure as per Income Tax Ordinance, 1984.

#### **ii) General Provident Fund (GPF)**

Employees opted for pensions are also contributing 10%-30% as per their desire to GPF which is also operated by the same Trustee Board as CPF. The Bank does not contribute any amount against these employees to GPF.

iii) **Pension and Gratuity benefit**

Pension and Gratuity benefit payable as at 31 December 2010 calculated by the management has been provided in the books of accounts.

c) **Leave Encashment**

The Officer/Staff who has been opted for Pension and General Provident Fund, will be entitled to leave encashment facilities for twelve months at the time of retirement as per letter No. MF/FD/Reg-2/leave616/84/9 dated 21.01.1985 of Finance Division, Ministry of Finance, Govt. of Bangladesh. But if a staff (not officer) has enjoyed /will enjoy leave encashment facilities before retirement , will be provided with the rest amount after deduction of the amount enjoyed earlier, as per letter No. MF/B & 1/Banking/2/1/80/101 dated 31.05.80 of previous Banking & Investment Division, Ministry of Finance, and Government of Bangladesh. The leave encashment benefit is paid to the incumbent debiting δExpenditure A/C Leave Encashment Code No.-1217ö. Therefore, No fund is created for this scheme.

d) **Death relief grant scheme**

The Bank operates a death relief scheme since 1 January 1991, which replaced the previous group insurance scheme. The scheme is applicable to all employees of the bank and payments out of this fund are made to the successors of the employees on their death as per rate prescribed in the scheme.

e) **Benevolent Fund**

Benevolent fund is initiated in 1986 and it is funded by the monthly subscription of executives/officers/staffs, sale proceeds of old news papers, income from investment and grant from Bank's operating profit. Expenditures from these funds are scholarship, award to the children of employee for securing good result in the public examination and university levels, marriage assistance and contribution to family members when any employee expires.

2.24 **Provision for Off -Balance Sheet Exposures**

In compliance with Bangladesh Bank guidelines Off-Balance Sheet items have been disclosed under contingent liabilities. As per BRPD Circular No.10 dated 18 September 2007, the bank is required to maintain provision @ 1% against Off-Balance Sheet Exposures.

2.25 **Provision for Nostro Accounts**

According to guideline of Foreign Exchange Policy Department of Bangladesh Bank, Circular No. FEOD (FEMO)/01/2005-677 dated 13 September 2005, Bank does not require to make additional provision regarding the un-reconciled debit balance as at Balance Sheet date since the previous provision is adequate for the unreconciled debit entries.

## 2.26 Contingent Liabilities

Any possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

Any present obligation that arises from past events but is not recognised because:

- \* it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- \* the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised.

## 2.27 Earnings Per Share

Earnings Per Share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 31 December 2010 as per BAS- 33 "*Earnings Per Share*". Diluted earning per share was not required to be calculated as there were no dilution possibilities during the year.

## 2.28 Reconciliation of books and account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the unreconciled balances within non material level.

Details of un-reconciled entries of Inter Branch Transaction Accounts (IBTA) as on 31 December 2010 are given in note no.12.2.

## 2.29 General

- a) Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- b) Previous year's figures have been rearranged, where necessary, in order to conform to current year's presentation.

### 2.A I) Credit Rating of the Bank

As per the BRPD circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the Financial Statements dated 31 December 2009. The following ratings had been awarded :

	Bases of information (as on or period)	Long term	Short term	On the basis Govt. support
Entity Rating	31 December 2009	A	ST-2	AAA in long run & ST1 in short run
Entity Rating	31 December 2008	BBB1	ST-3	AAA in long run & ST1 in short run

## II) Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

Name of BAS	BAS No.	Status
Presentation of Financial Statements	1	* Applied
Inventories	2	N/A
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Segment Reporting	14	Not applied
Property, Plant and Equipments	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Govt. Grants and disclosures of Govt. Assistances	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Consolidated and Separate Financial Statements	27	Applied
Investments in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	* Applied
Earning Per Share	33	Applied
Interim Financial Reporting	34	N/A
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	* Applied
Investment Property	40	N/A
Agriculture	41	N/A
<b><u>Bangladesh Financial Reporting Standards (BFRS)</u></b>		
First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
Share Base Payments	2	N/A
Business Combinations	3	Applied
Insurance contract	4	N/A
Non- Current Assets Held for Sale and discontinued operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	*Applied
Operating Segments	8	Not applied

\* Subject to departure described in **note 2AA**

## III) Risk Management

The possibility of losses, financial or otherwise is defined as risk. The risks are inherent in banking business in the context of recovery of credit, maintaining liquidity market and operational affect. It is responsibility of the management to identify measure & mitigate the risks. The risk management of the Bank covers 6 (six) core risk areas in the banking business and issued necessary guidelines as under to control and minimise the affected loss:-

- i) Credit Risk
- ii) Foreign Exchange Risk Management
- iii) Assets- Liability Management
- iv) Prevention of Money Laundering
- v) Internal Control and Compliance risk management
- vi) Information and Communication Technology

Janata Bank Limited has developed separate guidelines to exercise in each of above risk oriented area for managing its own core risks.

### **Credit risk management**

Credit risk is the risk to a financial institution's earning and capital when an obligor or a third party does not comply with the terms and conditions of the loan and fail to meet its obligations to the bank. It is a potential loss arising from the failure of a counter party to perform as per contractual agreement with the bank, basically failure in repayment.

The Bank ensures to adopt the following risk assessment procedures before approving sanction of any credit facility. The risk assessment procedures include borrower risk analysis, financial analysis, industrial appraisal, historical performance of the customer, security against credit facility etc. The assessment initiated from the branch level, counter checking & cross checking done by the controlling office in accordance with business and sanctioning power.

The proposals belongs to the authority of Head office, are reviewed by the concerned credit department in term of credit policies, risk grading, business and management quality and then reviewed by the credit committee. Thereafter placed to board with their recommendation or otherwise rejected of deemed not to be feasible.

Apart from customer department, a separate risk management department has been created to mitigate the various types of credit risk in determining single borrower/large loan limit; the instructions of regulatory bodies are strictly followed.

### **Asset-Liability Risk Management**

Asset- Liability Risk is comprises of two components, Liquidity Risk and Interest Rate Risk.

#### **i) Liquidity Risk**

Liquidity risk is defined as a potential loss arising from the Bank's inability to meet its contractual obligations & financial commitments, whenever due.

Liquidity risk is managed in accordance with a framework of asset liability management guideline, liquidity policies, contracts, and limits approved by the ALCO of the Bank. These policies are established to control, limit and to ensure that the Bank maintains well diversified sources of funding as well as sufficient liquidity to meet all of its contractual obligations when due. The Bank meet the liquidity crisis by taking call loan, short term deposit from other banks & financial institutions and sale of securities on repurchase agreement (REPO).

#### **ii) Interest Rate Risk**

Interest rate risk is the risk of loss in the Bank's interest margin or net equity value arising from changes in interest rates and their implied volatility. Janata Bank Limited has established an Asset Liabilities Committee (ALCO) to screen out and determine the maximum risk exposure regarding liquidity requirement of the Bank, mismatch in the maturity of assets and liabilities, deposit lending ratio and growth, capital adequacy, pricing strategy and the way to meet the liquidity crisis in any adverse situation.

### **Foreign Exchange Risk Management**

Foreign exchange risk is a risk that a bank may suffer losses as a result of adverse movements in either spot or forward rate or combination of the two, in individual foreign currency. This risk is associated with the transactions involved in import, export, remittance and foreign currency in hand and bank.

To mitigate the risk involved in foreign exchange business, the foreign exchange dealing operation in Janata Bank limited is performed through Dealing Room (Front Office), Mid Office and Back Office. The dealers manage market risks, avoid adverse exchange fluctuation, look for better investment of funds, maintain sound liquidity and protect the Bank from any unforeseen loss in the situation of any market volatility. The Mid Office and Back Office are assigned the responsibility of related support functions. Dealing room is restricted for all excepting dealers and authorised executives.

The dealing room is equipped with modern facilities i.e Reuters's information, SWIFT, receptors monitor, telephone, voice recorder etc. Moreover stop/loss limit, trading limit, over night limit is given by the concerned authorities. The daily blotter and mark to market revaluation report is placed to management for their review.

### **Internal Control & Compliance Risk Management**

Internal control is a process to control overall activities of the Bank through establishing policies, procedures, observance of instructions of regulatory authorities with a view to avoid any possible loss from the lack of corporate governance.

To mitigate the operational risk, the Bank ensured effective internal control systems for all of its operational activities by intensifying the internal audit function, comprehensive and risk based inspection in all branches and head office. The Compliance Division ensures the settlement of objections or irregularities mentioned in the audit reports under a strong monitoring process of the Management Committee (MANCOM). Besides there is a division named Vigilance Department under the direct supervision of CEO and MD to act at any sudden occurrence of loss or irregularities.

The Bank with the support of an Expert Team, has undertaken a program for up grading its Standard Operating Procedures (SOP) in the area of credit, audit, information technology and accounts as per international best practices.

### **Money Laundering Risk Management**

Money Laundering means any offence under the law which is set out in Section 2 (Two) of the Prevention of Money Laundering Act 2009 (Act No. 8 of 2009). The offences are as under:

- (i) Properties acquired or earned directly or indirectly through illegal means;
- (ii) Illegal transfer, conversion, concealment of location or assistance in the above act of the properties acquired or earned directly or indirectly through legal or illegal means."

The Bank has formulated the policies and procedures under the provision of Money Laundering Act and in consideration of all control points suggested by Bangladesh Bank to control laundering of money earned illegally which is harmful for the economy of the country. The Board and the management are fully committed to prevent money laundering and terrorist financing.

To mitigate the money laundering risk, monthly CTR/STR reports are provided to Bangladesh Bank, introduced KYC report mentioning the transaction profile, proper address, valid source of income etc. which are verified at the time of opening any kind of Account. Employees are provided training regularly on how to identify a suspicious transaction and what is the role of bank management to report in this regard.

## Information and Communication Technology

Janata Bank Limited follows the guideline stated in BRPD circular no. 14 dated 23 October 2005 regarding Guideline on Information and Communication Technology for scheduled Banks. IT management deals with IT policy documentation, internal IT audit and training etc. The objective of IT management is to achieve the highest levels of technology service quality by minimum operational risk. Physical security involves providing environmental safeguards as well as controlling physical access to equipment and data. IT department has controls over Password, User ID maintenance, input control, network security, virus protection, internet and e-mail. Data centre has been set up and disaster recovery plan has been formulated as part of Business Continuity Planning (BCP).

## IV) Audit Committee Disclosures

In compliance with the BRPD Circular No. 12 dated 23 December 2002 of Bangladesh Bank, an audit committee of JBL Board was first constituted by the Board of Directors of Janata Bank Limited (JBL) in its 773rd meeting held on 30.12.2002 and thereafter last reconstituted in the 119th Board Meeting held on 09.11.2009 which was duly confirmed by the Board in the next 120th Board Meeting held on 19.11.2009.

Sl. no.	Name	Status with JBL	Status with the Committee
i)	Mr. Chowdhury Abdul Quayum	Director	Chairman
ii)	Dr. Jamaluddin Ahmed, FCA	Director	Member
iii)	Dr. R.M. Debnath	Director	Member

The company secretary acts as Secretary of the Audit Committee of the Board.

During the Year 2010, the Audit Committee of the Board conducted 14 (Fourteen) meetings in which among other things, the following issues were reviewed/discussed:

- \* Reviewing and approving the "Annual Audit Plan 2010".
- \* Reviewing the compliance and related risk level of Branches and various Departments.
- \* Reviewing the current status of report findings of Howlader Yunus & Co and A. Wahab & Co.- Chartered Accountants.
- \* Reviewing the inspection report 2008 of Bangladesh Bank Inspection Team and recommend for implementation of their observations.
- \* Restructuring of Internal Audit Function and advising to conduct special inspection.
- \* Provide guidance and assistances to prepare a separate pay scale for state owned commercial bankø.
- \* Reviewing of the management report for the year ended 31st December 2009 on JBL as submitted by the External Auditors and its subsequent compliance thereof.
- \* Reviewing the annual report on the Financial Health of the Bank-2009.
- \* Reviewing and recommended for approval of revised budget for the year 2010 and budget for the year 2011.
- \* The Minutes of the audit committee meetings containing various suggestions and recommendations to the management and the management are placed to the Board for ratification on regular basis.

**2AA Disclosure of deviations from few requirements of BAS/BFRS due to mandatory compliance of Bangladesh Bank's requirements:**

Bangladesh Bank is the prime regulatory body for banks in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of BAS and BFRS. As such the company has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below along with financial impact where applicable:

1. As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment. As such the company measures and recognises investment in quoted and unquoted shares at cost if the year end market value (for quoted shares) and book value (for unquoted shares) are higher than the cost. At the year-end the company's market value of quoted shares was higher than cost price by Tk.6894.06 million (**details in Annexure-3**). However as per requirements of BAS 39 investment in shares falls either under 'at fair value through profit and loss account' or under 'available for sale' where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively.
2. According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2009 loss on revaluation of Government securities (T-bill/T-bond) should be charged in profit and loss account, and gain on such revaluation should be recorded under Revaluation Reserve Account. At the year end the company has accumulated revaluation gain of Tk.1,238.39 million for T-bills (HFT). However as per requirement of BAS 39, such T-bills and T-bonds will fall under the category of 'Held for Trading' and 'Held to Maturity' where any change in the fair value of held for trading is recognised in profit and loss account, and amortised cost method is applicable for held to maturity using an effective interest rate.
3. As per BRPD circular no. 5 dated 5 June 2006 a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However such general provision cannot satisfy the conditions of provision as per IAS 37. At the year end the company has recognised an accumulated general provision of **Tk. 2152.10 million** in the balance sheet under liabilities as per Bangladesh Bank's requirement.
4. As per BRPD circular no. 10 dated 18 September 2007 a general provision at 1% is required to be provided for all off-balance sheet risk exposures. However such general provision cannot satisfy the conditions of provision as per BAS 37. At the year end the company has recognized an accumulated general provision of Tk.1,066.40 million in the balance sheet under liabilities as per Bangladesh Bank's requirement.
5. Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a Single Comprehensive Income (OCI) Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.
6. As per Bangladesh Bank guidelines financial instruments are categorised, recognised and measured differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 have not been made in the accounts.

## 2B Related party disclosures

The Bank provides banking service to the different ministries and corporation in the form of advances, letter of credit, bank guarantee etc. but the Bank had no transactions with the directors of the Bank as a related party.

### Directors' interest in different entities

Name of Directors	Status with the Bank	Name of the firms/companies in which interested as proprietor,	Status
Dr. Abul Barkat	Chairman	1 Department of Economics, University of Dhaka 2 Human Development Research Center	Professor & Chairman Chief Adviser (Hon.)
Mr. Enamul Huq Choudhury	Director		
Mr. Chowdhury Abdul Quayum	Director		
Dr. Jamaluddin Ahmed, FCA	Director	1 Hoda Vasi Chowdhury & Co, Chartered Accountants 2 Janata Capital & Investment Ltd.	Partner Director
Dr. Fahmida Khatun	Director	1 Research Center for Policy Dialogue	Additional Director
Mr. Md.Nazibar Rahman	Director	1 FBCCI 2 Janata Capital and Investment Ltd. 3 M/S Ushan Enterprise and Advanced Care	Director Chairman Proprietor
Advocate Balaram Podder	Director	1 Janata Capital and Investment 2 M/S Podder Enterprise 3 Palli Unnayan Procheta (PUP)	Director Proprietor President
Mr .Dabiruddin Ahmed	Director	Janata Capital and Investment	Director
Dr. Md. Abdur Rouf Sardar	Director	1 Janata Capital and Investment 2 Bangladesh Medical College Hospital 3 Bangladesh Medical Association	Director Director Vice President
Al-haj A.K.M. Shahjahan Kamal	Director	1 Mebfen Trade International Ltd. 2 Janata Capital and Investment Ltd. 3 M/S Asia Construction 4 Nabojagaron Multipurpose Co-operative Society Ltd.	Chairman Director Proprietor President
Dr. R.M.Debnath	Director		
Mr. Md. Emdadul Hoque	Director	1 Bangladesh Commerce Bank Ltd. 2 Meghna Petroleum Limited 3 Bangladesh Petroleum Corporation 4 Patuakhali Science and Technology University	Director Director Director Director
Mr. S.M. Aminur Rahman	CEO & MD	1 IIDFC 2 JCIL 3 ICB	Ex-Officio Director Ex-Officio Director

ii) **Significant contracts where Bank is a party & wherein Directors have interest:** Nil

iii) **Related Party Transactions :** No transaction made during the year.

iv) **Lending Policies to Related Parties :**

Related parties are allowed Loans and Advances as per General Loan Policy of the Bank.

v) **Business other than Banking business with any related concern of the Directors as per Section-18(2) of the Bank Companies Act 1991:** Nil

vi) **Investments in the Securities of Directors and their related concern :** Nil

## **2 C Corporate Social Responsibility**

With industrialisation, the impacts of business on society and the environment assumed an entirely new dimension. For this, Corporate Social Responsibility has become a criterion of socially lawful business endeavour and the acceptance of it, is growing day by day. Countries of developed economy have taken the idea of "Social Responsibility" with that of "Achieving Highest Profit". Being one of the famous state owned commercial banks in Bangladesh, Janata Bank Limited has also realised its responsibilities to the society and contributed to the amelioration of the social life of the destitute people, infra-structure and environment etc. For making its entrepreneurship a success, it, for the first time, budgets Tk. 2.50 crore in 2009. Following the way, in 2010, it has devoted Tk. 7.00 crore for conducting its CSR activities. Here is a break-down of the categories in which Janata Bank Limited has allocated substantial amount of money for the purpose of CSR activities in 2010.

<b>SI No</b>	<b>Description</b>	<b>Amount in million</b>
1	Education and Research	6.77
2	Health and Treatment	16.00
3	Poverty reduction and rehabilitation	14.37
4	Fund reserved for repaying loan interest of the end marginal farmers and for leather sector business promotion.	11.10
5	History, Culture and Art	9.60
6	Information Technology	2.92
7	Natural Calamity	7.95
8	Miscellaneous	0.49

	Note	2010 Taka	2009 Taka
<b>3. Cash</b>			
Cash in hand (including foreign currencies)	3.1	4,126,838,534	3,611,730,895
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	3.2	13,470,754,109	12,920,117,768
		<b>17,597,592,643</b>	<b>16,531,848,663</b>
<b>3.1 Cash in hand (including foreign currencies)</b>			
Local Currency		3,891,050,854	3,507,176,540
Foreign Currency		235,787,680	104,554,355
		<b>4,126,838,534</b>	<b>3,611,730,895</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s): (including foreign currencies)</b>			
Bangladesh Bank:			
In Local Currency)		13,367,808,075	11,602,536,439
In Foreign Currency ( Clearing Account)		(960,354,010)	83,716,282
		12,407,454,065	11,686,252,721
Sonali Bank (as an agent of Bangladesh Bank)-local currency		1,063,300,044	1,233,865,047
		<b>13,470,754,109</b>	<b>12,920,117,768</b>

### 3.3 Cash Reserve Requirement (CRR) 5.5% of average demand and Time Liabilities

As per MPD circular No.4 dated 1 December 2010 of Bangladesh Bank ( Effective from 15 December 2010), all scheduled Banks are required to maintain a CRR minimum 5.5% on daily basis based on weekly average demand and time liabilities of immediate preceding two months (i.e CRR of December 2010 will be based on weekly average balance of October 2010 ) and minimum 6% on bi-weekly basis . JBL however has been maintaining it's CRR on bi- weekly basis.

#### 3.3.1 Cash Reserve Requirement (CRR)

Average demand and time liabilities of Oct'2010 & 2009 (Excluding inter bank deposit)	265,183,781,000	216,199,815,000
Required reserve( 6% of average demand and time deposit)	15,911,027,000	10,809,990,750
Actual reserve held with Bangladesh Bank	16,021,050,000 *	12,108,043,000
<b>Surplus/(shortfall)</b>	<b>110,023,000</b>	<b>1,298,052,250</b>

\* As per Bangladesh Bank statements.

#### 3.3.2. Statutory Liquidity Ratio (SLR)

As per MPD circular No.5 dated 1 December 2010 of Bangladesh Bank (Effective from 15 December 2010), all scheduled Banks are required to maintain a SLR minimum 19% based on weekly average demand and time liabilities of immediate preceding two months (i.e. SLR of December 2010 will be based on weekly average balance of October 2010 ) against which , JBL has maintained the SLR minimum 18.5% as per MPD circular no. 2, dated 4 May 2010 which was effective upto 15 December 2010. The Bank SLR was more than 19% as shown in the Balance Sheet in the following:

Average demand and Time Liabilities of Oct'2010 & 2009 (Excluding inter bank deposit)		
Required reserve (19% of average demand and time deposit)	50,384,918,000	38,915,967,000
Actual reserve maintained (Note 3.3.3)	73,498,031,000	88,296,667,000
<b>Surplus/(shortfall)</b>	<b>23,113,113,000</b>	<b>49,380,700,000</b>

#### 3.3.3 Actual reserve maintained

Cash in hand	3,889,403,000	3,986,412,000
Balance with Bangladesh Bank as per Bangladesh Bank statement	16,021,050,000	12,108,043,000
Balance with agents Bank (Sonali Bank Ltd.) as per statement	1,063,304,000	1,628,218,000
Securities	52,524,274,000	70,573,994,000
	<b>73,498,031,000</b>	<b>88,296,667,000</b>

	Note	2010 Taka	2009 Taka
<b>3 (a) Consolidated cash</b>			
<b>Cash in hand</b>			
Janata Bank Limited (3.1)		4,126,838,534	3,611,730,895
Janata Capital and Investment Limited		-	-
Janata Exchange Company Limited Srl, Italy		11,966,422	4,997,636
		<b>4,138,804,956</b>	<b>3,616,728,531</b>
<b>Balance with Bangladesh Bank and its agent bank(s):</b>			
Janata Bank Limited (3.2)		13,470,754,109	12,920,117,768
Janata Capital and Investment Limited		-	-
Janata Exchange Company Limited Srl, Italy		-	-
		<b>13,470,754,109</b>	<b>12,920,117,768</b>
		<b>17,609,559,065</b>	<b>16,536,846,299</b>
<b>4 Balance with other banks and financial institutions:</b>			
In Bangladesh	4.1	1,955,393,176	2,215,123,115
Outside Bangladesh	4.2	4,211,898,340	1,908,304,371
		<b>6,167,291,516</b>	<b>4,123,427,486</b>
<b>4.1 Balance in Bangladesh</b>			
Current Deposits	4.1.1	6,525,131	5,657,122
Short Term Deposits	4.1.2	368,045	365,993
Fixed Deposits	4.1.3	1,948,500,000	2,209,100,000
		<b>1,955,393,176</b>	<b>2,215,123,115</b>
<b>4.1.1 In Current Deposits</b>			
AB Bank Limited		6,525,131	5,657,122
		<b>6,525,131</b>	<b>5,657,122</b>
<b>4.1.2 In Short Term Deposit Accounts with</b>			
Eastern Bank Limited		39,510	39,165
United Commercial Bank Limited		65,180	63,324
Dhaka Bank Limited		81,847	81,220
National Bank Limited		34,843	35,281
Dutch Bangla Bank Limited		56,549	57,819
Investment Corporation of Bangladesh		33,967	34,087
Rajshahi Krisi Unnayan Bank		688	1,165
Social Investment Bank Limited		55,460	53,932
		<b>368,045</b>	<b>365,993</b>
<b>4.1.3 In Fixed Deposit Accounts with banks and NBFIs</b>			
Prime Finance & Investment Limited		300,000,000	200,000,000
Fareast Finance & investment Limited		50,000,000	-
Peoples Leasing & Finance Limited		270,000,000	200,000,000
First Security Islamic Bank Limited		100,000,000	-
Delta Brac Housing Limited		150,000,000	170,000,000
ICB Islami Bank Limited		148,500,000	149,100,000
Lanka Bangla Finance Limited		170,000,000	190,000,000
Industrials & Infrastructural Development Finance Company-IIDFC		100,000,000	100,000,000
Premier Leasing & Finance Limited		70,000,000	150,000,000
Union Capital Limited		100,000,000	170,000,000
United Leasing Company Limited		-	100,000,000
First Leasing		-	40,000,000
Fidelity Assets		190,000,000	-
National Bank of Pakistan		-	300,000,000
Bangladesh Finance & Investment		50,000,000	100,000,000
Phoenix Finance & Investment		100,000,000	50,000,000
Uttara Finance		-	50,000,000
National Housing & Finance		50,000,000	50,000,000
Bangladesh Commercial Bank		-	50,000,000
Oman Bangladesh Leasing		-	20,000,000
International Leasing		100,000,000	120,000,000
		<b>1,948,500,000</b>	<b>2,209,100,000</b>

	Note	2010 Taka	2009 Taka
<b>4.2 Balance outside Bangladesh</b>	<b>4.2.1</b>		
Citibank N.A, Mumbai		41,913,989	13,158,256
HSBC, Mumbai		4,903,806	4,721,975
Standard Chartered Bank (Kolkata)		58,615,951	299,546,392
AB Bank Limited, Mumbai		171,928,177	(14,051,758)
Bhutan National Bank		446,111	3,229,392
Rasthya Banijja Bank, Kathmandu		7,227,465	7,635,098
Sonali Bank (Kolkata)		40,266,089	23,130,448
Peoples Bank Colombo		2,462,619	4,344,505
Bank Tejarat, Tehran		-	343,156
ICICI Bank Ltd, Mumbai		140,080,260	71,548,733
HSBC, Karachi		24,835,608	1,554,052
State Bank of India (Kolkata)		15,682	15,323
AMEX Bank Ltd.(Kolkata)		89,520,404	92,236,187
Rupali Bank Ltd, Karachi		12,461	12,176
National Australia Bank		2,959,943	4,998,967
Bank of Montreal Canada		4,743,454	7,996,663
HSBC, Canada		280,826	351,938
Union Bank of Switzerland		(115,804,081)	3,110,734
Banka-Intesa SPA, Italy		(90,847,357)	7,526,425
ING Bank N.V. Netherlands		2,766,141	4,482,780
Standard Chartered Bank, London		-	647,734,438
Society General Paris		(1,839,831)	29,734
Standard Chartered GMBH F.F.		253,535,855	6,622,473
Sonali Bank UK. Ltd London		13,605,336	426,026
Banca nazionale DEL Lavoro SPA		1,885,526	(85,039,535)
Commerz Bank F. FURT		(86,251,010)	(115,096,390)
ING Belgium NV/SA		(28,865,715)	123,888
Deutsche Bank F.F. GERMANY		14,728,294	(5,895,916)
Standard Chartered Bank, London		55,299,554	61,716,605
NATWEST Bank PLC, London		4,487,465	(3,038,817)
HSBC PLC London (GBP)		9,935,750	2,794,010
Janata Bank Abu Dhabi-1		3,716	3,693
Sonali Bank UK. London Ltd.		(3,609,304)	2,900,938
Bank AL -JAZIRA,Jeddah		64,605	117,804
HSBC, N.Y.		(484,238,250)	(2,144,707,129)
Mashreq Bank ,Yew York		129,446,210	(3,827,980)
Bank America Int. LTD. N.Y.		(8,998,507)	3,718,663
D.B.T.C. Americas N. Y.		(51,620,053)	222,783,790
Habib American Bank N.Y.		56,942,544	466,375
Wachovia Bank N.A.		134,575,329	67,015,874
Janata.Bank Limited, Abu Dhabi A/C-2		(2,297,246)	30,906,175
Citi bank N.A. New York		(120,123,764)	47,497,050
National Commercial Bank (SEM)		4,867,453	1,185,898
Standard Chartered Bank Tokyo.		45,611,164	26,219,765
ICIC Bank Ltd. (USD) Hong Kong		39,884,269	(18,318,702)
Wachovia Bank EURO		4,642,664	85,622,946
BOT-Mitsubishi Ltd, Japan		6,188,498	572,758
Standard Chartered Bank N.Y.		(108,249,342)	546,615,856
ALPHA Bank A.E. Athens, Greece		(4,186,497)	-
Sonali Bank UK. London Ltd (USD)		8,472,909	-
		<b>270,225,170</b>	<b>(84,958,268)</b>
UAE Central Bank		3,282,014,429	1,537,832,797
UAE other Bank		659,658,741	455,429,842
		<b>4,211,898,340</b>	<b>1,908,304,371</b>

		Note	2010 Taka	2009 Taka
<b>4.2.1 Balance outside Bangladesh in foreign currency</b>				
	Foreign Currency	Exchange Rate (Average at BDT)	2010 Taka	2009 Taka
ACU Dollar	8,248,032.65	70.5900	582,228,624	507,423,935
Australian Dollar	40,885.56	72.3958	2,959,943	4,998,967
Canadian Dollar	70,583.22	71.1824	5,024,280	8,348,601
Swiss Frank (CHF)	1,536,080.10	75.3894	(115,804,081)	3,110,734
EURO	758,044.35	81.7350	61,958,766	546,536,870
Great Britain Pound	758,708.97	103.0690	78,199,393	64,376,430
Japanese Yen	59,253,788.00	0.8742	51,799,662	26,792,523
Saudi Real	3,407.72	18.9584	64,605	117,804
US Dollar	(5,612,778.34)	70.5900	(396,206,023)	(1,246,664,132)
<b>Shadow General Ledger balance</b>			<b>270,225,170</b>	<b>(84,958,268)</b>
Abu Dhabi dirham ( Central Bank)	172,811,273.70	18.9919	3,282,014,429	1,537,832,797
Abu Dhabi dirham ( Others Bank)	34,733,688.56	18.9919	659,658,741	455,429,842
			<b>4,211,898,340</b>	<b>1,908,304,371</b>

**4.3 Balance with other banks and financial institutions  
(according to remaining maturity grouping)**

**Receivable**

On demand	3,948,566,346	1,908,304,371
In not more than one month	498,725,170	115,123,115
In more than 1 months but less than 3 months	1,330,000,000	350,000,000
In more than 3 months but less than 1 year	240,000,000	1,600,000,000
In more than 1 year but less than 5 years	150,000,000	150,000,000
Above 5 years	-	-
	<b>6,167,291,516</b>	<b>4,123,427,486</b>

**4(a) Consolidated balance with other banks and financial institutions**

**In Bangladesh**

Janata Bank Limited (4.1)	1,955,393,176	2,215,123,115
Janata Capital and Investment Limited, Dhaka	148,409,071	-
Janata Exchange Company Limited Srl, Italy	-	-
	2,103,802,247	2,215,123,115
Less: Inter company balance eliminated	98,409,071	-
	<b>2,005,393,176</b>	<b>2,215,123,115</b>

**Outside Bangladesh**

Janata Bank Limited (4.2)	4,211,898,340	1,908,304,371
Janata Capital and Investment Limited, Dhaka	-	-
Janata Exchange Company Limited Srl, Italy	71,736,956	89,896,364
	4,283,635,296	1,998,200,735
	<b>6,289,028,472</b>	<b>4,213,323,850</b>

	<b>Note</b>	<b>2010 Taka</b>	<b>2009 Taka</b>
<b>5 Money at call on short notice</b>			
In Bangladesh	5.1	700,555,555	1,149,700,000
Outside Bangladesh	5.2	<u>2,906,588,786</u>	<u>4,383,829,807</u>
		<u><b>3,607,144,341</b></u>	<u><b>5,533,529,807</b></u>
<b>5.1 In Bangladesh:</b>			
ICB Islamic Bank Ltd.		100,555,555	99,700,000
Premier bank Ltd.		-	300,000,000
Peoples Leasing		100,000,000	100,000,000
Far East Finance		-	50,000,000
AB Bank Limited		<u>500,000,000</u>	<u>600,000,000</u>
		<u><b>700,555,555</b></u>	<u><b>1,149,700,000</b></u>
<b>5.2 Outside Bangladesh :</b>			
BCCI Luxembourg		57,803,786	57,253,807
National Bank of Abudhabi		-	3,009,792,000
MASHREQ Bank		2,848,785,000	-
Abudhabi Commercial Bank		<u>-</u>	<u>1,316,784,000</u>
		<u><b>2,906,588,786</b></u>	<u><b>4,383,829,807</b></u>

	Note	2010 Taka	2009 Taka
<b>6. Investments</b>			
Government	6.1	52,365,407,137	70,617,630,895
Others	6.2	5,148,595,610	1,915,572,787
		<u>57,514,002,747</u>	<u>72,533,203,682</u>
<b>6.1 Government securities (Considered as SLR)</b>			
Treasury bills	6.1.1	4,958,292,882	18,213,268,030
Govt. Notes/Bonds	6.1.2	47,360,175,255	52,346,961,725
Prize bond		46,939,000	57,401,140
		<u>52,365,407,137</u>	<u>70,617,630,895</u>
<b>6.1.1 Treasury bills:</b>			
Primary		4,958,292,882	17,513,268,030
Reverse Repo		-	700,000,000
		<u>4,958,292,882</u>	<u>18,213,268,030</u>
<b>6.1.2 Government Notes/ Bonds</b>			
2-15 years Special Treasury Bond		17,570,800,000	21,570,800,000
5 years (Sick Industries) Treasury Bond		-	2,703,000
5 years Bangladesh Govt.Treasury Bond		12,237,430,177	11,020,338,387
5 years Treasury Bond (BSFIC)		206,739,000	206,739,000
10 years Bangladesh Govt.Treasury Bond		9,436,655,982	12,808,742,468
15 years Bangladesh Govt.Treasury Bond		4,100,829,051	3,348,262,104
20 years Bangladesh Govt.Treasury Bond		2,692,908,444	2,085,968,165
25 years (JSAP) Treasury Bond		999,339,000	1,052,935,000
Bangladesh House Building Finance Corporation		75,000,000	210,000,000
Bangladesh Steel & Engineering Corporation		20,000,000	20,000,000
Debenture Before Liberation		20,473,601	20,473,602
		<u>47,360,175,255</u>	<u>52,346,961,726</u>
<b>6.2 Others (Investment in other securities)</b>			
Debentures		260,370,720	199,289,910
Corporate bond	6.2.1	690,000,000	60,000,000
Pre liberation govt. securities		17,889,622	17,889,622
Ordinary Shares (Quoted and Unquoted)	6.2.2	4,180,335,268	1,638,393,255
		<u>5,148,595,610</u>	<u>1,915,572,787</u>

	<b>2010 Taka</b>	<b>2009 Taka</b>
<b>6.2.1 Corporate bond</b>		
Prime Bank Ltd. Bond	140,000,000	-
Mutual Trust bank Bond	100,000,000	-
National Bank Subordinate Bond	200,000,000	-
Dhaka Bank Subordinate Bond	200,000,000	-
Prime Finance Industrial Bond	-	10,000,000
Ansar VDP Unnayan Bank Bond	50,000,000	50,000,000
	<u>690,000,000</u>	<u>60,000,000</u>
<b>6.2.2 Ordinary Shares (Quoted and Unquoted - Annexure-3)</b>		
Quoted-Fully paid-up ordinary shares	1,988,634,293	1,312,511,920
Unquoted-Fully paid-up ordinary shares	2,191,700,975	325,881,335
	<u>4,180,335,268</u>	<u>1,638,393,255</u>
<b>6.3 Classified Investment</b>		
Pre-liberation Govt. Securities	17,889,622	17,889,622
Other Debentures	53,679,286	90,049,907
Pre- liberation Debentures	20,473,602	20,473,602
Shares	24,241,711	16,694,144
	<u>116,284,221</u>	<u>145,107,275</u>
<b>6(a) Consolidated Investments</b>		
Government securities		
Janata Bank Limited (6.1)	52,365,407,137	70,617,630,895
Janata Capital and Investment Limited	-	-
Janata Exchange Company Limited Srl, Italy	-	-
	<u>52,365,407,137</u>	<u>70,617,630,895</u>
Others		
Janata Bank Limited (6.2)	5,148,595,610	1,915,572,787
Janata Capital and Investment Limited	331,311,973	-
Janata Exchange Company Limited Srl, Italy	28,224,313	-
	<u>5,508,131,896</u>	<u>1,915,572,787</u>
	<u>57,873,539,033</u>	<u>72,533,203,682</u>

		2010 Taka	2009 Taka
<b>6.2</b>	<b>Maturity grouping of Investment</b>		
	<b>Receivable</b>		
	On demand	1,515,945,669	2,394,016,027
	Less than 3 months	3,101,141,139	7,510,480,236
	More than 3 months but less than 1 year	7,541,951,855	14,111,914,248
	More than 1 year but less than 5 years	20,477,479,416	20,366,876,023
	More Than 5 years	24,877,484,668	28,149,917,148
		<b>57,514,002,747</b>	<b>72,533,203,682</b>

**7 Loans and advances**

Loans, cash credit and overdrafts	7.c(i)+7.c(ii)+7.c(iii)	201,992,193,398	157,540,717,889
Bills purchased and discounted	7.c(iv)	23,740,015,131	8,818,767,730
		<b>225,732,208,529</b>	<b>166,359,485,619</b>

\* The loan referred in point(3) in the basis for qualified opinion of audit report has been rescheduled for the 4th time on 31 March 2010 and the project went for production on 29 September 2010. Since then the party had exported Tk.300 million (appx) and value has been repatriated. Out of the export proceeds Tk.30.03 million has been adjusted towards recovery of the loan. Another Tk.10 million of export earning is under process of realisation which has been agreed to be utilised towards adjustment of loan installment. Projected export target of the project is Tk. 860 million for the year 2011. The loan case is now regular.

**7(a) Maturity grouping of loans and advances**

Loans and advances are repayable:

Receivable on demand	33,254,625,460	23,411,250,700
Within 3 months	48,859,630,250	34,747,520,350
Within 3 months to 12 months	52,241,526,350	39,250,215,100
Within 1 year to 5 years	46,598,520,250	35,951,215,300
More than 5 years	44,777,906,219	32,999,284,169
	<b>225,732,208,529</b>	<b>166,359,485,619</b>

**7(b) Loans, cash credit and overdraft etc.  
(including bills purchased and discounted)**

In Bangladesh 7b(i)	224,189,289,521	165,097,576,909
Outside Bangladesh 7 b (ii)	1,542,919,008	1,261,908,710
	<b>225,732,208,529</b>	<b>166,359,485,619</b>

**7.b(i) In Bangladesh**

Loans	123,565,118,542	93,240,242,649
Cash Credits	74,698,314,288	60,760,487,618
Overdrafts	2,363,542,121	2,444,400,958
Bills purchased and discounted	23,562,314,570	8,652,445,684
	<b>224,189,289,521</b>	<b>165,097,576,909</b>

**7.b(ii) Outside Bangladesh**

Loans	554,198,831	482,140,077
Cash Credits	35,801,218	23,641,875
Overdrafts	775,218,398	589,804,712
Bills purchased and discounted	177,700,561	166,322,046
	<b>1,542,919,008</b>	<b>1,261,908,710</b>

**7.c Loans, cash credit and overdraft -including  
bills purchased and discounted (Loan category wise)**

Loans	7.c.(i)	124,119,317,373	93,722,382,726
Cash Credits	7.c.(ii)	74,734,115,506	60,784,129,493
Overdrafts	7.c.(iii)	3,138,760,519	3,034,205,670
Bills purchased and discounted	7.c.(iv)	23,740,015,131	8,818,767,730
		<b>225,732,208,529</b>	<b>166,359,485,619</b>

	2010 Taka	2009 Taka
<b>7.c.(i) Loans</b>		
Rural Credit	14,578,177,142	12,854,947,628
Loan small scale industries	35,938,212,729	21,711,106,366
Transport Loans	69,535,494	35,091,453
General House Building Loan	1,164,681,089	1,181,843,446
Loan General	4,289,276,942	2,579,487,048
Loan against import merchandise	1,801,867,226	1,719,776,675
Loan against trust receipts	32,954,717,918	22,896,533,617
Packing Credit	2,577,674,029	1,389,753,949
Staff House Building Loan	11,557,166,418	9,475,150,494
Loans against P.F.	406,181,732	504,613,007
Loan against DPS/SPS	29,507,749	107,136,242
Rural Housing	541,852	10,560,960
Staff Cyclone Advances	4,039	4,039
Bridge Finance	30,037,017	48,303,189
Credit Card	3,963,980	3,019,349
Credit Line to NBF	-	35,629,920
Payment against document (PAD)-Cash	13,660,466,597	11,966,380,718
Payment against document (PAD)-AID/ Grant etc.	10,602,322	988,391
Payment against document (PAD)-WES	176,067,546	216,805,284
Payment against document(PAD)-Inland	6,627,598	184,054,867
Payment against document(PAD)-Back to Back	4,091,455,966	4,976,485,352
Payment against document(PAD)-GMT	205,034,484	170,999,687
Loan against Cash subsidy/Cash Assistance	12,800,000	1,339,241
Payment against document(PAD)-F.C cash	107,703,162	212,769,436
Payment against document(PAD) -EDF	74,415,204	8,336,392
Demand Loan (Cash)	-	914,190,039
Loan through Merchant Bank	-	254,676,469
Staff computer Loan	135,328,981	171,368,213
Executive Car Loan	237,345,362	91,031,254
Special Loan for service holders	470,361	-
Loans Foreign bills	(639,008)	1
Loan against micro savings deposit	93,442	-
	<b>124,119,317,373</b>	<b>93,722,382,726</b>
<b>7.c.(ii) Cash Credit:</b>		
Cash Credit	66,152,650,521	53,772,704,028
Export Cash Credit	8,577,826,185	7,007,786,665
Weavers Cash Credit	3,638,800	3,638,800
	<b>74,734,115,506</b>	<b>60,784,129,493</b>
<b>7.c.(iii) Overdraft:</b>		
Clean overdraft	44,465,663	43,820,878
Temporary Overdraft	81,043,484	76,559,038
Secured Overdraft	3,013,251,372	2,913,825,754
	<b>3,138,760,519</b>	<b>3,034,205,670</b>
<b>7.c.(iv) Bills purchased and discounted (7.c.iv (a) )</b>		
Local Bills Purchased	81,360,866	71,001,016
Inland Bills Purchased	203,418,277	192,148,284
T.T. Purchased	50,000	-
Foreign Documentary Bills Purchased (FDBP)	9,703,581,221	6,046,278,231
Local Documentary Bill Purchased (LDBP)	13,751,604,767	2,509,340,199
	<b>23,740,015,131</b>	<b>8,818,767,730</b>
<b>7.c.iv(a) Bills purchased and discounted</b>		
In Bangladesh	23,562,314,570	8,652,445,684
Outside Bangladesh	177,700,561	166,322,046
	<b>23,740,015,131</b>	<b>8,818,767,730</b>
<b>7.c.iv(b) Maturity grouping of bills purchased and discounted</b>		
Payable within 1 month	6,124,312,560	1,902,560,230
Over 1 month but less than 3 months	10,719,912,679	5,206,020,380
Over 3 months but less than 6months	6,452,536,250	1,581,294,269
6 months or more	443,253,642	128,892,851
	<b>23,740,015,131</b>	<b>8,818,767,730</b>

	2010 Taka	2009 Taka
<b>7.d Loans and advances on the basis of significant concentration</b>		
<b>7.d..1 Loans and advances to Directors, executives and customers group (loan amount more than 10% of bank's total capital)</b>		
i) Advances to allied concerns of directors	-	-
ii) Advances to Chief Executive and other Senior Executives	28,101,668	17,509,282
iii) Advances to customers (loan amount more than 10% of bank's total capital): note: 7.c		
No. of client	21	15
Loan amount	98,713,900,000	73,845,400,000

**Classified loan therein:**

Sub Standard (SS)	-	-
Doubtful (DF)	-	-
Bad/Loss (BL)	-	-
	<u>-</u>	<u>-</u>

**iv) Large loans details (loan amount more than 10% of bank's total capital)**

	Name of Group	Funded	Non funded	31.12.2010 Taka in Million	Status of Loan
1	Bangladesh Petroleum Corporation	17,860.60	6.00	17,866.60	UC
2	Bangladesh Jute Mills Corporation	1,312.80	545.60	1,858.40	UC
3	Bangladesh Chemical Industries Corp.	9,424.30	6,362.80	15,787.10	UC
4	Bangladesh Agricultural Development Corp.	6,446.80	1,472.30	7,919.10	UC
5	City Group	1,135.30	468.60	1,603.90	UC
6	Bashundhara Group	3,805.40	399.60	4,205.00	UC
7	Jamuna Group	5,002.80	118.70	5,121.50	UC
8	Abul Khair Group	1,524.30	-	1,524.30	UC
9	Nasa Group	1,998.50	262.70	2,261.20	UC
10	KDS Group	1,402.40	970.10	2,372.50	UC
11	Beximco Group	11,041.00	599.30	11,640.30	UC
12	Tharmex Group	2,435.70	229.10	2,664.80	UC
13	Partex Group	1,984.00	376.30	2,360.30	UC
14	S. Alam Group	4,079.50	1,088.20	5,167.70	UC
15	S. Alam Group Vegetable	2,786.00	255.70	3,041.70	UC
16	S. Alam Group S. Edible Oil	1,298.70	842.10	2,140.80	UC
17	Ibrahim Group	1,690.90	738.70	2,429.60	UC
18	Chowdhury Group	1,598.10	419.50	2,017.60	UC
19	Platinum Jubilee Jute Mills	2,059.20	-	2,059.20	UC
20	Amin Jute Mills	1,613.30	-	1,613.30	UC
21	Meghna Group	691.10	2,367.90	3,059.00	UC
		<u>81,190.70</u>	<u>17,523.20</u>	<u>98,713.90</u>	

v) Industry-wise distribution of loans and advances	2010	2009
	Taka in Million	Taka in Million
Jute Industries	12,703.80	9,201.20
Jute Trade	237.60	166.70
Tannery (Industry & Trade)	4,722.50	5,315.80
Textile (Industry & Trade)	7,452.00	5,662.60
Transport	31.80	31.20
Steel & Engineering	2,726.50	2,217.70
Tea	88.50	87.70
Sugar Mills	3,790.10	2,962.00
House Building	1,512.10	1,159.50
Rural Credit	14,578.20	12,854.90
Bricks	1,427.50	1,203.30
Cold Storage	285.00	66.70
Food (Industry & Trade)	1,895.70	1,642.20
Export Credit	28,266.50	19,082.70
Import Credit	52,760.00	32,704.80
Industrial Credit	40,054.00	22,372.07
Others	53,201.42	49,628.41
	<b>225,733.22</b>	<b>166,359.48</b>

vi) Geographical area-wise loans and advances

	2010	2009
Area wise Breakup	Taka in Million	Taka in Million
<b>Inside Bangladesh</b>		
Dhaka	156,600	115,096
Chittagong	31,302	21,772
Khulna	17,601	12,720
Rajshahi	8,530	7,315
Rangpur	6,736	5,668
Sylhet	1,244	1,092
Barisal	2,176	1,433
	<u>224,189</u>	<u>165,097</u>
<b>Outside Bangladesh</b>		
Overseas Branches (UAE Branches)	1,543	1,262
	<u><b>225,732</b></u>	<u><b>166,359</b></u>

e) Classification status of loans and advances

**In Bangladesh:**

**Unclassified**

Standard (Including staff loan Tk.12863.50 million)

Special Mention Account(SMA)

**Sub-total**

**Classified**

Sub-standard

Doubtful

Bad/Loss

**Sub-total**

**Outside Bangladesh**

Unclassified

**Classified:**

Bad/Loss

**Sub-total**

**Grand total**

f) Movement of Classified Loans & advance in Bangladesh

Opening Classified advances	13,423	16,528
Less:		
Cash Recovery	1,223	1,929
Write-Off	1,445	1,564
Interest Waiver	165	321
Re-Scheduling	2,728	2,449
	<u>5,561</u>	<u>6,263</u>
	<b>7,862</b>	<b>10,265</b>
Add: Newly classified Loans & Advances	3,330	3,158
<b>Balance of classified Loans &amp; Advances</b>	<u><b>11,192</b></u>	<u><b>13,423</b></u>

		<b>2010 Taka</b>	<b>2009 Taka</b>
<b>g)</b>			
i)	Loans considered good in respect of which the bank is fully secured.	204,557,449,085	102,167,236,899
ii)	Loans considered good against which the bank holds no other security than the debtor's personal guarantee.	5,662,529,250	6,197,548,720
iii)	Loans considered good and secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors.	15,512,230,194	57,994,700,000
iv)	Loans adversely classified; provision not maintained there against.	-	-
		<b>225,732,208,529</b>	<b>166,359,485,619</b>
v)	Loans due by directors or officers of the bank or any of these either separately or jointly with any other persons.	12,863,439,000	10,868,963,000
vi)	Loans due from companies or firms in which the directors of the bank have interest as directors, partners or managing agents or in case of private companies as members.	-	-
vii)	Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	12,863,439,000	10,868,963,000
(viii)	Maximum total amount of advances including temporary advances granted during the year to the company or firm in which the directors of the bank are interested as directors, partners, managing agents or in the case of private companies as members.	-	-
ix)	Due from Banking Companies	-	-
x)	Amount of classified loans against which no interest income has been recognised.	154,640,000	14,907,000,000
	a. (Decrease)/increase in provision	228,196,554	(302,379,483)
	b. Amount realised against loan previously written-off (Cash recovery Tk. 60,58,81,960 including Tk.5,84,00,000 for 2009 )	850,900,000	604,300,000
	c. Provision kept against classified loan as on 31.12.10 (Excluding General. Prov. For UC Loan)	6,823,160,563	701,203,017
	<b><i>Details of loans written off</i></b>		
xi)	a. Cumulative amount of loan previously written off	18,924,200,000	17,479,000,000
	b. Amount of loan written off during the year	1,445,200,000	1,563,900,000
	c. Amount of written-off loan; for which suit filed	17,925,400,000	16,651,600,000

	2010 Taka	2009 Taka
<b>7.1 Details of provision required and held for loans and advances</b>		
Provision required for loans and advances	8,975,260,563	8,748,404,179
Total provision held for Loans and Advances	8,975,260,563	8,748,404,179
Book balance of provision of Loans & Advances before provision for the year	7,922,859,042	8,060,341,055
Add: Provision made for loans & advances during the year	812,401,521	688,063,124
Add: Transfer from surplus provision of Other Assets & Investment	240,000,000	-
<b>Provision Excess/(Shortfall)</b>	<b>8,975,260,563</b>	<b>8,748,404,179</b>
<b>7.2 Consolidated loans and advances</b>		
Janata Bank Limited (Note 7)	201,992,193,398	157,540,717,889
Janata Capital and Investment Limited	1,045,649,291	-
Janata Exchange Company Limited Srl, Italy	-	-
	203,037,842,689	157,540,717,889
Less: Inter company balance eliminated	-	-
	203,037,842,689	157,540,717,889
Janata Bank Limited - Note 7.c.(iv)	23,740,015,131	8,818,767,730
Janata Capital and Investment Limited	-	-
Janata Exchange Company Limited Srl, Italy	-	-
	23,740,015,131	8,818,767,730
	<b>226,777,857,820</b>	<b>166,359,485,619</b>

	Note	2010 Taka	2009 Taka
<b>8. Fixed assets including premises, furniture and fixture less depreciation (Detail in Annexure-1)</b>			
Land and building less accumulated depreciation		5,142,214,770	2,001,767,174
Furniture and fixture, Machinery & Equipment and Vehicle less accumulated depreciation		397,679,246	334,399,355
Computer less accumulated depreciation		760,012,466	349,028,761
		<b>6,299,906,482</b>	<b>2,685,195,290</b>
<b>8(a) Consolidated fixed assets including premises, furniture and fixtures (Detail in Annexure-2)</b>			
Cost less accumulated depreciation			
Janata Bank Limited (Note-8)		6,299,906,482	2,685,195,290
Janata Capital and Investment Limited		5,617,992	-
Janata Exchange Company Limited Srl, Italy		22,455,624	12,607,090
		<b>6,327,980,098</b>	<b>2,697,802,380</b>
<b>9. Other assets</b>			
Income generating		-	-
Non income generating			
i. Investment in Janata Exchange Company (JEC)	9.1	33,843,410	33,843,410
ii. Investment in JCIL Dhaka	9.2	1,251,351,600	-
iii. Stamps		6,943,088	7,706,071
iv. Stationary		134,861,557	104,770,268
v. Advance deposit		8,254,916	8,954,742
vi. Income accrued on investment		1,626,844,510	1,435,652,986
vii. Sundry assets	9.3	14,450,377,954	12,799,167,601
viii. Suspense account	9.4	1,921,358,295	1,499,751,017
ix. Tripura Modern Bank		29,463	29,463
x. General Blocked Account		10,441,963	10,441,963
xi. Demonetised 100 Taka notes		15,576,619	15,576,759
xii. Cash remittance		332,419,080	361,868,150
xiii. Stock of spare parts and electrical goods		1,202,291	1,202,291
xiv. Valuation Adjustment	9.5	6,990,003,630	7,988,575,577
xv. Deferred tax assets	9.6	1,532,273,521	2,692,927,410
		<b>28,315,781,897</b>	<b>26,960,467,708</b>

### 9.1 Investment in Subsidiary (JEC)

Janata Exchange Co. srl. Italy was incorporated on 18 January 2002 vide Ministry of Finance letter # Ag/Awe/e"vswKs/kv-7/wewea-12(2) 2000 dated 3 January 2001 and letter # Ag/Awe/e"vswKs/kv-7/12(2)2000/164 dated 27 June 2001 with 100% ownership of Janata Bank Limited having authorised capital of ITL 1.00 Billion and its paid-up capital is 600,000 EURO.

Apart from Rome Branch, JEC, Italy has another Branch in Milan, Italy, which was established vide

MOF's approval Letter # Ag/Awe/e"vswKs bxt/kv-1 /12 /(2)/200/ 3/352 dated 24 November 2002.

### 9.2 Investment to JCIL Dhaka

Janata Capital and Investment Limited Dhaka incorporated on 13 April 2010 vide incorporation certificate no. C-83898/10 issued by the Registrar of Joint Stock Companies and Firms (RJSC) with 100% ownership of Janata Bank Limited having Tk. 5,000 million authorised capital and its paid-up capital is Tk. 100 million. The company starts its operations from 26 September 2010 and its main functions are issue manager, underwriting and portfolio management.

The break up of investment to JCIL are shown below:

	<u>Taka</u>
i) Paid up capital	100,000,000
ii) Investment:	
Before forming a Company	851,351,600
After forming a Company	<u>300,000,000</u>
	<u><u>1,251,351,600</u></u>

<b>9.3 Sundry assets</b>	<b>2010 Taka</b>	<b>2009 Taka</b>
Advance rent paid	89,157,356	74,525,528
Adjusting account debit	810,869,466	562,528,290
D.D paid without advice (Local )	1,580,858,714	1,399,475,029
D.D paid without Advice (Foreign )	616,955,420	1,567,628,818
D.D Cancelled	1,361,711	456,725
Transfer Delivery	39,374,056	10,459,192
Excise Duty	21,370	24,289
Gift Cheque	26,242	24,869
Protested Bill	174,102,073	172,269,626
Demonetised Notes	4,566,696	4,567,046
Defective Notes	9,391,760	4,672,220
Food Procurement Bill	10,471,650	2,674,641
Revenue Stamp	1,481,023	1,682,625
Exempted Interest On Agri Loan	12,699,418	7,857,369
Exempted Interest On Waiver Credit	163,389,860	198,914,232
X.P.B. /Duty Draw Back	7,177,101	3,548,023
Exempted Surcharge on Agriculture Loan	1,055,261	453,504
Army Pension (Defence)	1,597,573,582	1,229,080,896
Civil Pension	37,151,902	34,619,435
Bank Pension	215,479,250	112,113,750
Cyclone Advance	-	-
Clearing House	321,415,610	372,510,208
Development Surcharge	409	409
Defence Certificate P/ Bond	170,875,354	197,033,523
Till Money	366,000	400,500
Interest Subsidy	1,040,632	715,925
Legal Charges	400,826	357,931
Cash Subsidy	168,816,358	118,864,358
Tax at Source	(8,861)	-
Special Exchange	155,246	155,246
Insurance Claim Against Car	4,375	4,375
Cash Shortage	16,046	16,046
Interest Free Block Account	82,609	82,609
Purchase of Books	5,884	5,884
Construction of Building	1,322,109	1,092,556
Advance Income Tax deducted at source	3,151,118,689	2,840,400,831
Income Tax paid in advance	379,231,397	-
Income Tax refundable (9.7.a)	3,231,411,776	3,231,411,776
Receivable from the Govt.	11,275,698	9,938,698
Machine Tools Factory Ltd.	41,631,681	41,631,681
Accrued Interest On FDR -GPF	23,723,703	121,323,145
Accrued Interest On FDR -CPF	1,664,794	7,033,972
BRDB - Upazilla Central Co-operative Association (UCCA)	29,608,302	29,608,303
Employees Fund Management Cell -CPF	-	21,520,707
Employees Fund Management Cell-GPF	-	94,465,154
Capital Work-in progress	46,805,000	149,619,977
Interest on loans & commission receivables	1,240,886,563	74,484,530
Sales Purchase WES Fund	39,634,033	39,678,329
Special Exchange	19,404,462	19,404,463
Treasury bond GPF	-	31,912,822
Treasury bond CPF	4,853,670	5,688,127
Abu Dhabi Branches (Sundry Assets)	-	2,229,409
Refund Warrant of Active fine Ceramic	151,693,000	-
Advance to JEC Operator	31,245,920	-
Advance to WCMT (Greece) Operation	7,912,186	-
Marcantile court building	620,572	-
	<b>14,450,377,954</b>	<b>12,799,167,601</b>

	2010 Taka	2009 Taka
<b>9.4 Details of Suspense Account</b>		
Sundry Debtors	683,997,058	485,340,493
Advance Against TA/DA	6,604,120	9,337,967
Advance Against Postage	330,186	94,304
Advance for Exps. for New Branch	1,052,329	2,015,382
Gift Cheque	116,205	175,241
Legal Charge	366,019	354,816
Revenue Stamp	104,243	92,516
Prize Bond/D.S.C/B.S.P etc.	557,340,623	664,578,274
Incentive bonus	531,198,032	314,851,558
Pension bill	456,748	342,743
Air Port Booth	12,127,766	11,837,818
Hajj Booth	126,969,000	10,706,269
Excise duty	5,813	2,438
Petty Cash	27,332	21,198
Prime Minister's Relief Fund	662,821	-
	<b>1,921,358,295</b>	<b>1,499,751,017</b>

- 9.5** Janata Bank Limited has taken over the entire assets and liabilities of former Janata Bank through a vendors' agreement executed between the Government of the People's Republic of Bangladesh and the Janata Bank Limited on 15 November 2007 with retrospective effect from 1 July 2007. A decision arrived unanimously in a meeting of representatives from the Ministry of Finance of the Government of the People's Republic of Bangladesh, Bangladesh Bank, Securities & Exchange Commission (SEC) and three state-owned commercial banks that goodwill has been created as Janata Bank has issued shares in the name of the Government of the People's Republic of Bangladesh although there exists accumulated loss as on 30 June 2007. It was also decided that as there exists no specific heads of accounts the amount goodwill should be shown as valuation adjustment under "Other Assets" and be gradually written off within the next 10 (Ten) years which was started from 2008.

Opening balance of Valuation Adjustment	7,988,575,577	8,987,147,524
Less: Amortisation during the year	998,571,947	998,571,947
	<b>6,990,003,630</b>	<b>7,988,575,577</b>

Due to prior period error in deferred tax calculation, the valuation adjustment in 2009 has been restated as per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

- 9.6** Deferred Tax Assets for the period from January 2010 to December 2010 have been computed in accordance with the provisions of BAS-12 based on deductible temporary difference in the carrying amount of the assets and liabilities with its tax bases as follows:

**9.6 (i) Asset:**

**Property and equipment:**

Accounting	1,396,161,370	796,495,290
Tax	1,060,290,433	580,732,618
Taxable/(Deductible) Temporary Differences	<u>335,870,937</u>	<u>215,762,672</u>

**Liability:**

**Super-Annuation Fund:**

Accounting	8,744,934,898	10,009,101,227
Tax	2,780,000,000	2,250,000,000
Taxable/(Deductible) Temporary Differences	<u>(5,964,934,898)</u>	<u>(7,759,101,227)</u>

**Gratuity Fund:**

Accounting	246,321,820	270,268,580
Tax	94,808,535	38,128,477
Taxable/(Deductible) Temporary Differences	<u>(151,513,285)</u>	<u>(232,140,103)</u>
Net Taxable/(Deductible) Temporary Differences	<u>(5,780,577,246)</u>	<u>(7,775,478,658)</u>

Applicable tax rate	0.4250	0.4250
<b>Deferred Tax (Asset)/Liability</b>	<b>(2,456,745,330)</b>	<b>(3,304,578,430)</b>
<b>Deferred tax (income)/expense for the year</b>	<b>847,833,100</b>	<b>1,052,128,515</b>

## 9.6.(ii)

	2010 Taka	2009 Taka
Deferred Tax (Asset) ( note no. 9.6 (i) )	(2,456,745,330)	(3,304,578,430)
	924,471,809	611,651,020
	<b>(1,532,273,521)</b>	<b>(2,692,927,410)</b>

## 9.6 (iii)

	70,684,469	19,267,769
	582,046,716	393,278,858
	271,740,624	199,104,393
	924,471,809	611,651,020
	611,651,020	553,215,447
	327,937,903	74,393,208
	(15,117,114)	(15,957,635)
	924,471,809	611,651,020

## 9.7(a) Income tax refundable

Year wise break up of refundable tax:

	8,920,000	8,920,000
	45,483,231	45,483,231
	(13,541,574)	(13,541,574)
	42,105,695	42,105,695
	39,903,811	39,903,811
	50,174,921	50,174,921
	126,325,623	126,325,623
	77,281,402	77,281,402
	104,426,625	104,426,625
	204,925,123	204,925,123
	240,322,756	240,322,756
	225,181,325	225,181,325
	278,055,805	278,055,805
	380,886,212	380,886,212
	556,745,027	556,745,027
	284,250,246	284,250,246
	166,854,247	166,854,247
	<b>3,231,411,776</b>	<b>3,231,411,776</b>

## Net Deferred Tax Assets

Less: Deferred Tax Liability ( note no. 9.7(b) )

## Net Deferred Tax (Assets)/ Liabilities

Due to prior period error in deferred tax calculation, the deferred tax assets for 2009 has been restated as per the policies, Changes in Accounting Estimates and Errors".

## 9.7(b) Classification of other assets and provision therein

i. Amount classified	Deferred Tax liability for land	679,557,000	869,237,000
ii. Provision required for other assets	Deferred Tax liability for fixed assets except land	569,568,000	818,668,000
iii. Provision old balance	Opening balance	1,140,514,911	1,040,514,911
iv. Add: Provision made during the year (note-36)	Add: Addition during the year	-	100,000,000
v. Less: Transfer to provision for classified loan	Less: Transfer to retained earnings	(200,000,000)	-
vi. Less: Transfer to provision for NOSTRO A/c		(84,500,000)	-
		<b>856,014,911</b>	<b>1,140,514,911</b>
v. Provision excess/(shortfall) for other assets (ii-iv)		<b>286,446,911</b>	<b>321,846,911</b>

## Movement of Deferred Tax liability for revaluation

	Year	Asset. year	
9.a Consolidated other assets	1986	1987-88	
	1987	1988-89	
	1988	1989-90	
Janata Bank Limited (Note-9)	1989	1990-91	26,960,467,708
Janata Capital and Investment Limited	1990	1991-92	-
Janata Exchange Company Limited Srl, Italy	1991	1992-93	592,236
	1992	1993-94	26,961,059,944
	1993	1994-95	33,843,410
Less: Investment in subsidiary:	1994	1995-96	-
Janata Capital and Investment Limited	1995	1996-97	33,843,410
Janata Exchange Company Limited Srl, Italy	1996	1997-98	-
Inter company balance eliminated	1997	1998-99	-
	1998	2000-01	26,927,216,534
	1999	2001-02	
	2000	2002-03	
	2001	2003-04	
	2002	2004-05	
	2003		

	Note	2010 Taka	2009 Taka
<b>10</b>	<b>Borrowings from other banks, financial institutions and agents</b>		
In Bangladesh	10.1	50,488,931	31,565,952
Outside Bangladesh		-	-
		<b>50,488,931</b>	<b>31,565,952</b>
<b>10.1</b>	<b>Borrowing in Bangladesh</b>		
From Bangladesh Bank		587,633	587,633
IDA Credit for EGBMP		49,901,298	30,978,319
		<b>50,488,931</b>	<b>31,565,952</b>
<b>10.2</b>	<b>Security wise grouping</b>		
Secured (By Bangladesh Bank Deposits)		587,633	587,633
Unsecured		49,901,298	30,978,319
		<b>50,488,931</b>	<b>31,565,952</b>
<b>10.3</b>	<b>Maturity wise grouping</b>		
Repayable on Demand		-	-
Others		50,488,931	31,565,952
		<b>50,488,931</b>	<b>31,565,952</b>
<b>10.a</b>	<b>Consolidated borrowing from other banks, financial institutions and agents</b>		
Janata Bank Limited (Note- 10)		50,488,931	31,565,952
Janata capital and Investment Limited		-	-
Janata Exchange Company Limited Srl, Italy		-	-
		<b>50,488,931</b>	<b>31,565,952</b>
<b>Less: Inter company balance eliminated</b>		<b>-</b>	<b>-</b>
		<b>50,488,931</b>	<b>31,565,952</b>
<b>11</b>	<b>Deposits and other accounts</b>		
Current accounts and other accounts	11.1	51,538,944,043	49,424,716,702
Bills payable	11.2	3,238,018,927	2,604,256,004
Savings bank deposits	11.3	82,657,203,480	72,351,530,297
Fixed deposits	11.4	149,132,723,984	121,794,543,476
		<b>286,566,890,434</b>	<b>246,175,046,479</b>
<b>11.1</b>	<b>Current accounts and other accounts</b>		
Current account		30,722,094,563	27,770,762,255
Overdue fixed deposits		10,869,658	11,267,826
Deposit from Bank		64,324,561	2,773,910,273
Sundry deposits		15,067,067,539	14,467,081,581
Foreign currency deposits-WES		559,748,236	208,429,319
Foreign currency deposits-FCF		5,105,722,079	4,188,960,302
Call deposit		19,999	19,999
Convertible taka account		729,612	729,612
Q-Cash deposit		8,342,996	3,529,735
NRB Escrow A/c		-	1,000
Resident foreign currency deposits		24,800	24,800
		<b>51,538,944,043</b>	<b>49,424,716,702</b>

	Note	2010 Taka	2009 Taka
11.2	<b>Bills payable</b>		
	Pay order issued	2,442,257,011	2,152,283,758
	Pay slip issued	20,384,742	23,697,902
	Demand Draft payable	634,606,404	305,012,027
	Telephonic Transfer Payable	73,011,561	62,465,871
	Mobile Transfer Payable	3,647,007	1,507,414
	FMT	100,569	71,969
	Home remittance	60,148	72,048
	Foreign remittance payable	63,337,635	58,404,279
	FDD Payable	601,894	728,779
	Cover IRSTCC and IRSTDD	11,956	11,957
		<b>3,238,018,927</b>	<b>2,604,256,004</b>
11.3	<b>Savings bank deposits</b>		
	Savings deposit	82,513,542,456	72,215,629,712
	SB -General	140,579,424	132,773,416
	Gift cheque	3,081,600	3,127,169
		<b>82,657,203,480</b>	<b>72,351,530,297</b>
11.4	<b>Fixed deposits</b>		
	Fixed deposits	103,131,083,209	78,844,595,133
	Short term deposits	41,484,267,041	35,683,323,375
	Deposit from banks	9,787,880	98,269,203
	Convertible Taka Account-STD	710,555,495	1,266,458,432
	Deposit pension scheme	688,688,893	680,520,394
	JB pension scheme	1,170,228,910	4,289,328,976
	JB deposit scheme	1,756,039,785	664,163,324
	Non resident foreign currency deposit	29,747,793	233,325,370
	Medical deposit scheme	85,996,595	19,175,640
	Education deposit scheme	63,232,382	15,383,629
	Micro savings deposits	3,096,001	-
		<b>149,132,723,984</b>	<b>121,794,543,476</b>
11 (i)	<b>Deposit and other accounts</b>		
	Inter-bank deposits	74,112,441	2,872,179,476
	Other Deposits	286,492,777,993	243,302,867,003
		<b>286,566,890,434</b>	<b>246,175,046,479</b>
11 (ii)	<b>Deposits &amp; Other Accounts ( Geographic wise)</b>		
	In Bangladesh	280,012,858,028	240,270,155,321
	Outside Bangladesh (UAE)	6,554,032,406	5,904,891,158
		<b>286,566,890,434</b>	<b>246,175,046,479</b>

	Note	2010 Taka	2009 Taka
<b>11.5 Maturity-wise grouping</b>			
<b>Repayable</b>			
On demand		30,722,094,563	35,256,161,400
Within one month		15,203,096,677	24,501,085,063
In more than 1 month but less than 6 months		58,243,536,240	42,388,265,650
In more than 6 month but less than 1 year		55,460,293,682	47,472,585,746
In more than 1 year and less than 5 years		64,540,462,210	61,371,543,609
In more than 5 years but less than 10 years		62,395,773,480	35,183,442,354
Over 10 years*		1,633,582	1,962,657
		<b>286,566,890,434</b>	<b>246,175,046,479</b>
*The amount of Taka 1,633,582 unclaimed more than 10 years, the Bank management is in the process of depositing in Bangladesh Bank as per Bank Companies Act,1991.			
<b>11(a) Consolidated deposits and other accounts</b>			
<b>Deposit and other accounts</b>			
Current accounts and other accounts	11.a.(i)	51,535,113,639	49,424,716,702
Bills payable	11.a.(ii)	3,238,018,927	2,604,256,004
Savings bank deposits	11.a.(iii)	82,657,203,480	72,351,530,297
Fixed deposits	11.a.(iv)	149,095,128,717	121,811,445,928
		<b>286,525,464,763</b>	<b>246,191,948,931</b>
<b>11.a.(i) Current accounts and other accounts</b>			
Janata Bank Limited (11.1)		51,538,944,043	49,424,716,702
Janata Capital and Investment Limited		-	-
Janata Exchange Company Limited Srl, Italy		-	-
		<b>51,538,944,043</b>	<b>49,424,716,702</b>
Less: Inter company balance eliminated		3,830,404	-
		<b>51,535,113,639</b>	<b>49,424,716,702</b>
<b>11.a.(ii) Bills payable</b>			
Janata Bank Limited (11.2)		3,238,018,927	2,604,256,004
Janata capital and Investment Limited		-	-
Janata Exchange Company Srl, Italy		-	-
		<b>3,238,018,927</b>	<b>2,604,256,004</b>
<b>11.a.(iii) Savings bank deposits</b>			
Janata Bank Limited (11.3)		82,657,203,480	72,351,530,297
Janata capital and Investment Limited		-	-
Janata Exchange Company Srl, Italy		-	-
		<b>82,657,203,480</b>	<b>72,351,530,297</b>
<b>11.a.(iv) Fixed deposits</b>			
Janata Bank Limited (11.4)		149,132,723,984	121,794,543,476
Janata capital and Investment Limited		-	-
Janata Exchange Company Srl, Italy		56,983,400	16,902,452
		<b>149,189,707,384</b>	<b>121,811,445,928</b>
Less: Inter company balance eliminated		94,578,667	-
		<b>149,095,128,717</b>	<b>121,811,445,928</b>

	2010 Taka	2009 Taka
<b>12. Other liabilities</b>		
Adjusting account credit	3,743,570,596	2,612,290,907
Inter branch adjustment (12.2)	3,745,417,565	952,081,773
Death relief grant scheme	(769,210)	1,487,170
U.K branch profit/loss adjustment account	631,380	631,380
Exchange equalisation fund	-	75,736,723
Re-finance for loan to unemployed Doctors	1,600,000	1,600,000
Insurance fund for building	4,236,086	4,236,086
Insurance fund	48,860,551	43,860,551
Benevolent fund	120,000,000	40,000,000
Computer payable/ Sundry creditor	215,295,709	307,605,859
5 years Treasury bond	33,909,158	33,909,159
Special blocked account	5,205,261	5,205,261
Provision for Ruler's tax ( UAE)	24,425,896	20,976,789
Interest suspense (12.4.c)	2,843,351,574	2,974,774,238
Provision for ex-gratia (Old)	13,246,128	15,588,658
Provision for Incentive bonus	1,315,589,848	762,450,358
Provision for income tax (Note 12.1 )	8,587,002,244	6,546,804,200
Provision for classified loans and advances (Note-12.2.a)	6,823,160,563	7,012,030,179
Provision for un classified loans and advances (Note-12.4.b)	2,152,100,000	1,735,033,830
Provision for investments	121,600,000	161,600,000
Provision for other assets	856,014,911	1,056,014,911
Provision for NOSTRO Account (12.3.(ii)	84,500,000	84,500,000
Provision for Super Annuation Fund (SAF)	5,964,934,898	7,759,101,227
Provision for gratuity (Note- 37)	151,513,285	232,140,102
Provision for call loan, for misappropriation & for personal loans of overseas branches	66,616,402	64,101,454
Rural housing credit programme	8,386,643	10,669,770
Salary & allowances payable to CEO & MD and Consultants	7,211,348	7,211,348
Interest Payable to IDA Credit	2,580,364	753,218
Contributory Provident Fund	-	32,400,000
General Provident Fund	-	228,000,000
GPF	75,095,851	34,860,230
CPF	30,097	15,320,820
Provision for CSR	71,002,650	25,000,000
Provision for Off- balance sheet items (Note-35)	1,066,443,137	736,443,137
Others	240,785	-
Bills payable for accrued expenses	71,494,737	-
Provision for credit card risk coverage	80,487	41,016
Bulgarian foreign trade Bank	1,340,171	1,340,170
Agrani Bank Payable	302,693	-
	<b>38,226,221,808</b>	<b>33,595,800,525</b>

#### 12.1 Provision for income taxes

##### Year wise break up of provision for Income Tax:

<u>Income year</u>	<u>Assessment year</u>		
2003	2004-05	368,593,307	368,593,307
2004	2005-06	548,476,622	548,476,622
2006	2007-08	2,396,370,517	2,396,370,517
2007	2008-09	1,083,069,516	1,083,069,516
2008	2009-10	1,143,690,508	1,143,690,508
2009	2010-11	1,006,603,730	1,006,603,730
2010	2011-12	2,040,198,044	-
		<b>8,587,002,244</b>	<b>6,546,804,200</b>

Income tax assessments till 2003-04 have been finalised. Assessments for the year 2004-05, 2005-06, 2006-07, 2007- 08 and 2008-09 are under process. Income tax provision for Tk.2,040.2 million has been considered for the year ended 31 December 2010 on the basis of estimated assessment made by the Tax Consultant.

## 12.2 Inter branch adjustment account Tk. 3,745,417,565

a) Branch adjustment Account represents outstanding inter branch and Head Office transaction

	Debit	Credit	Net Balance
<b>In 2010</b>			
In Bangladesh	1,105,062,748,285	1,108,728,483,441	3,665,735,156
Outside Bangladesh	695,238,618	774,921,027	79,682,409
	<u>1,105,757,986,903</u>	<u>1,109,503,404,468</u>	<u>3,745,417,565</u>

Subsequent position of the inter branch adjustment account are summarised below:

	No of unreconciled entries	Debit	No of unreconciled entries	Credit
1 to 6 months	1,851	18,313,302,702	150,699	69,795,538,147
6 to 12 months	2,096	35,535,865,919	75,919	39,798,470,347
More than 12 months	49	48,155,468	11,096	1,415,078,194
	<u>3,996</u>	<u>53,897,324,089</u>	<u>237,714</u>	<u>111,009,086,688</u>

12.3(i) Summarised Statement of unreconciled entries of Nostro Account as at 31 December 2010 are given below.

	As per our book (GL)		As per their book (statement)	
	Debit (USD)	Credit (USD)	Debit (USD)	Credit (USD)
Up to 3 months	2,003,992	4,429,162	61,207,451	62,647,194
More than 3 months but less than 6 months	795	99,168	21,852	1,182,165
More than 6 months but less than 9 months	-	127,585	48,690	340,000
More than 9 months but less than 12 months	-	-	-	-
More than 12 months	-	-	1,301,364	-
	<u>2,004,786</u>	<u>4,655,915</u>	<u>62,579,357</u>	<u>64,169,360</u>

Subsequent position of the Nostro Account are as follows

	As per our book (GL)		As per their book (statement)	
	Debit (USD)	Credit (USD)	Debit (USD)	Credit (USD)
Up to 3 months	-	118,688	838,591	1,612,594
More than 3 months but less than 6 months	-	71,352	-	259,913
More than 6 months but less than 9 months	-	57,409	-	318,371
More than 9 months but less than 12 months	-	-	-	-
More than 12 months	-	-	1,301,364	-
	<u>-</u>	<u>247,448</u>	<u>2,139,955</u>	<u>2,190,878</u>

2010	2009
Taka	Taka

12.3(ii) Provision for Nostro Account Tk. 84,500,000

Opening balance	84,500,000	84,500,000
Provision made during the year	-	-
	<u>84,500,000</u>	<u>84,500,000</u>

**Provision for Nostro Reconciliation:** Provision for nostro accounts of Tk. 84,500,000 has been carried from previous years so no further provision required for 2010.

	2010 Taka	2009 Taka
<b>12.4 a Provision for classified loans and advances</b>		
i) In Bangladesh		
Balance as on 1 January 2010	6,477,206,952	6,806,109,317
Add: Transfer from surplus provision of classified other assets (9.7(b))	200,000,000	-
Transfer from provision for classified investment	40,000,000	-
	<u>6,717,206,952</u>	<u>6,806,109,317</u>
Less: i. Fully provided debts written off including interest waiver	<u>1,433,325,226</u>	<u>1,407,525,947</u>
ii. Recoveries and provisions no longer required	<u>-</u>	<u>-</u>
	<u>1,433,325,226</u>	<u>1,407,525,947</u>
	<b><u>5,283,881,726</u></b>	<b><u>5,398,583,370</u></b>
Add: i. Recoveries of amounts previously written off	605,881,960	441,360,458
ii. Specific provision for the year ended 2010 including general provision on unclassified loans	379,889,277	637,263,124
	<u>985,771,237</u>	<u>1,078,623,582</u>
<b>Provision held as at 31 December 2010</b>	<b><u>6,269,652,963</u></b>	<b><u>6,477,206,952</u></b>
ii) Outside Bangladesh		
Balance as on 1 January 2010	<u>534,823,227</u>	<u>559,100,345</u>
Add: Exchange fluctuation	<u>3,238,299</u>	<u>365,870</u>
	<u>538,061,526</u>	<u>559,466,215</u>
Less: Fully provided debts written off	<u>-</u>	<u>-</u>
Recoveries and provisions no longer required	<u>-</u>	<u>24,848,394</u>
	<u>-</u>	<u>24,848,394</u>
	<b><u>538,061,526</u></b>	<b><u>534,617,821</u></b>
Add: Recoveries of amounts previously written off	15,446,074	205,406
Specific provision for the year	15,446,074	205,406
	<u>-</u>	<u>-</u>
Net charge to profit & loss account during the year	<u>-</u>	<u>-</u>
<b>Provision held as at 31 December 2010</b>	<b><u>553,507,600</u></b>	<b><u>534,823,227</u></b>
<b>Total (i+ii)</b>	<b><u>6,823,160,563</u></b>	<b><u>7,012,030,179</u></b>
<b>b. Provision for unclassified loans and advances</b>		
Balance as on 1 January 2010	<u>1,735,033,830</u>	<u>1,684,233,830</u>
Provision made during the year (Note-34)	<u>417,066,170</u>	<u>50,800,000</u>
Balance of provision on 31 December 2010	<b><u>2,152,100,000</u></b>	<b><u>1,735,033,830</u></b>
<b>c. Interest suspense account</b>		
i) In Bangladesh :		
Balance as on 1 January 2010.	<u>2,896,504,643</u>	<u>3,336,198,151</u>
Add: Transferred during the year	<u>744,634,089</u>	<u>481,734,542</u>
	<u>3,641,138,732</u>	<u>3,817,932,693</u>
Less: Recovered/transferred to income account	<u>700,164,413</u>	<u>629,881,909</u>
Written off during the year	<u>176,876,638</u>	<u>291,546,141</u>
	<u>877,041,051</u>	<u>921,428,050</u>
<b>Provision held as at 31 December 2010</b>	<b><u>2,764,097,681</u></b>	<b><u>2,896,504,643</u></b>
ii) Outside Bangladesh		
Balance as on 1 January 2010	<u>78,269,595</u>	<u>78,153,141</u>
Add/(less): Exchange fluctuation	<u>751,856</u>	<u>52,383</u>
	<u>79,021,451</u>	<u>78,205,524</u>
Add: Transferred during the year	<u>242,337</u>	<u>-</u>
Written off during the year	<u>-</u>	<u>-</u>
Less: Recovered/Transferred to income account	<u>(9,895)</u>	<u>64,071</u>
Written off during the year	<u>-</u>	<u>-</u>
<b>Provision held as at 31 December 2010</b>	<b><u>79,253,893</u></b>	<b><u>78,269,595</u></b>
<b>Total (i+ ii)</b>	<b><u>2,843,351,574</u></b>	<b><u>2,974,774,238</u></b>
<b>12(a) Consolidated other liabilities</b>		
Janata Bank Limited (Note-12)	<u>38,226,221,808</u>	<u>33,595,800,525</u>
Janata Capital and Investment Limited	<u>458,664,190</u>	<u>-</u>
Janata Exchange Company Limited Srl, Italy	<u>27,668,166</u>	<u>26,168,903</u>
	<u>38,712,554,164</u>	<u>33,621,969,428</u>
Less: Inter company balance eliminated	<u>522,275</u>	<u>-</u>
	<b><u>38,712,031,889</u></b>	<b><u>33,621,969,428</u></b>

### 13. Share Capital

#### 13.1 Authorised capital: Tk. 20,000,000,000

20,00,00,000 ordinary shares @ Tk. 100/- each

#### 13.2 Issued subscribed and fully paid-up capital: Tk. 5,000,000,000

The paid-up capital of the Bank is Tk. 5,000,000,000 divided into 50,000,000 ordinary shares of Tk. 100/- each of which fully paid up by the Government of the People's Republic of Bangladesh as a sole owner of the Bank. Accordingly Share Certificate has been issued in the name of the Government including Chairman & 11(Eleven) Directors of the Bank. Details of share capital are as under:

#### 13.3 Name of shareholders

		As at 31 December 2010	
Sl. No.	Name of Directors	No. of shares	Taka
01	Government of the People's Republic of Bangladesh represented by Finance Secretary, Ministry of Finance.	49,999,988	4,999,998,800
02	Dr. Abul Barkat	1	100
03	Mr. Enamul Haq Choudhury	1	100
04	Mr. Chowdhury Abdul Quayum	1	100
05	Dr. Jamaluddin Ahmed, FCA	1	100
06	Dr. Fahmida Khatun	1	100
07	Mr. Md. Nazibar Rahman	1	100
08	Advocate Balaram Podder	1	100
9	Mr. Dabir Uddin Ahmed	1	100
10	Dr. Md. Abdur Rouf Sardar	1	100
11	Alhaj A K M Shahjahan kamal	1	100
12	Dr. R M Debnath	1	100
13	Md. Enamul Huq Choudhury	1	100
<b>Total :</b>		<b>50,000,000</b>	<b>5,000,000,000</b>

#### 13.4 Calculation of Earning Per Share (EPS)

		As at 31 December 2010	
		No. of Shares	Taka
i)	Paid up capital	25,939,000	2,593,900,000
ii)	Stock Dividend issued favouring Govt. as on 29.09.2009	11,561,000	1,156,100,000
iii)	Right share issued favouring Govt.as on 11.12.2009	12,500,000	1,250,000,000
		<b>50,000,000</b>	<b>5,000,000,000</b>
		<b>2010</b>	<b>2009</b>
		<b>Taka</b>	<b>Taka</b>
Net Profit after tax		4,907,974,833	2,804,250,841
Weighted average number of share		50,000,000	38,219,178
Earnings Per Share		<b>98.16</b>	<b>73.37</b>

### 13.5 Capital adequacy

Details of the Capital Requirement & Capital Surplus/(Shortfall) of the Bank as per requirement of Section 13(2) of Bank Companies Act, 1991 and BRPD Circular 10 dated 25 November 2002 and BRPD circular no.35 dated 29 December 2010.

	2010	2009
	Taka (Million)	Taka (Million)
Total assets (including off Balance Sheet amount)	451,461.79	368,245.44
Risk weighted assets (note:13.5.i)	255,255.70	106,927.33
i) Required capital ( 9% of risk weighted assets)	22,973.01	10,692.73
ii) <b>Capital held:</b>	<b>23,454.06</b>	<b>14,764.93</b>
Core capital (Note-13.6)	14,417.46	9,394.92
Supplementary Capital (Note-13.7)	9,036.60	5,370.01
iii) <b>Capital Surplus/(Shortfall) (i-ii)</b>	<b>481.05</b>	<b>4,072.20</b>
iv) Provision Surplus/(Shortfall) (note nos.7.1 and 9.1)	-	-
v) <b>Adjusted capital Surplus / (Shortfall) (iii+iv)</b>	<b>481.05</b>	<b>4,072.20</b>

#### 13.5.i Risk weighted assets

*Credit risk:*

On-Balance sheet

Off-Balance sheet

*Market risk*

*Operation risk*

192,024.50	98,589.00
16,184.40	8,339.00
27,869.00	-
19,177.80	-
<b>255,255.70</b>	<b>106,928.00</b>

10% risk weighted assets is required for the year ended 31 December 2009.

### 13.6 Core capital (Tier-i)

Paid-up Capital	5,000.00	5,000.00
Statutory Reserve	4,187.61	2,623.23
Legal Reserve	62.67	52.89
Retained Surplus/ (Shortfall)	5,167.18	1,718.80
	<b>14,417.46</b>	<b>9,394.92</b>

### 13.7 Supplementary Capital (Tier-ii)

Revaluation surplus	2,125.50	738.10
Exchange gain of UAE Loan A/C and Capital Reserve	115.80	115.80
Exchange equalisation account	-	75.73
General provision on unclassified loans including - provision for off-balance sheet items	3,218.50	2,471.47
Revaluation reserve for securities 50% ( HFT & HTM including ICB shares)*	3,576.80	1,968.91
Revaluation reserve for equity instrument 10%	-	-
	<b>9,036.60</b>	<b>5,370.01</b>

\*As per ICB Ordinance 1976 (Ordinance no. XL of 1976, Section-5), ICB Shares may be treated as approved securities. Janata Bank Limited has taken Tk. 2,773.80 million being 50% of revaluation of ICB shares as supplementary capital (Tier-ii).

As per Basel-II ( August 2010), Chapter-I, clause 1.4, Bank should take 50% of the revaluation reserve for securities eligible for Tier-ii. But Janata Bank Limited did not create any reserve against approved securities (ICB shares) & there is no effect of this amount in the financial statements except for calculating supplementary capital (Tier-ii)

### 13.8 Capital Adequacy Ratio

Core Capital (Tier-I)	5.65%	8.79%
Supplementary Capital (Tier-II)	3.54%	5.02%
	<b>9.19%</b>	<b>13.81%</b>

### 13(a) Consolidated earnings per share

	Taka	Taka
Net profit after tax for the year ended 31 December 2010	4,911,638,705	2,784,781,440
Number of ordinary shares outstanding	50,000,000	38,219,178
Earnings Per Share (EPS)	<b>98.23</b>	<b>72.86</b>

<b>14. Statutory Reserve</b>		
	<b>2010</b>	<b>2009</b>
	<b>Taka</b>	<b>Taka</b>
Opening balance	2,623,234,587	1,491,956,374
Adjustment for exchange fluctuation held in UAE branches.	293,370	20,456
Add: Transfer from current years profit	1,564,086,375	1,131,257,757
	<b>4,187,614,331</b>	<b>2,623,234,587</b>
<b>15. Legal Reserve ( UAE Branches)</b>		
Opening Balance	52,892,954	44,946,031
Adjustment for exchange fluctuation held in UAE branches	508,089	30,125
Add: Transferred during the year	9,277,294	7,916,798
	<b>62,678,337</b>	<b>52,892,954</b>
<b>15(a) Consolidated Legal reserve</b>		
Janata Bank Limited (Note-15)	62,678,337	52,892,954
Janata Capital and Investment Limited	-	-
Janata Exchange Company Limited Srl, Italy	1,393,143	1,460,309
	<b>64,071,480</b>	<b>54,353,263</b>
<b>16 (i) Assets Revaluation Reserves</b>		
<b>Opening revaluation gain</b>	<b>1,476,203,820</b>	<b>1,926,297,825</b>
Less: Transferred to Retained Earnings	(20,452,567)	(37,547,378)
Addition during the year	3,050,564,346	-
Less: Transferred to Deferred Tax liability	(255,301,672)	(412,546,627)
	<b>4,251,013,927</b>	<b>1,476,203,820</b>
<b>16.a(i) Consolidated assets revaluation reserve</b>		
Janata Bank Limited (Note-16(i))	4,251,013,927	1,476,203,820
Janata Capital and Investment Limited	-	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>4,251,013,927</b>	<b>1,476,203,820</b>
<b>16 (ii) Foreign investment revaluation reserve</b>		
Opening balance	115,800,000	115,800,000
	<b>115,800,000</b>	<b>115,800,000</b>
Deferred tax liability for temporary differences related to investment in overseas branches was not recognised because the company controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.		
<b>16.a (ii) Consolidated Foreign Investment Revaluation Reserve</b>		
Opening balance	141,170,290	115,800,000
Foreign currency translation Gain ( loss ) ( Italy)	(2,723,458)	25,370,290
	<b>138,446,832</b>	<b>141,170,290</b>
<b>16( iii) Revaluation Reserve for Held To Maturity(HTM)</b>		
Opening balance	269,376,532	293,438,083
Add: Transfer from revaluation surplus during the year	170,908,778	175,042,842
Add: Deferred tax liability addition during the year	(72,636,231)	-
Less: Transferred to Deferred Tax liability	-	(199,104,393)
Closing balance:	<b>367,649,079</b>	<b>269,376,532</b>
<b>16(iv) Revaluation Reserve for Held For Trading(HFT)</b>		
Opening balance	3,668,437,453	310,084,893
Less: adjustment during the year	(2,430,043,772)	-
Add: Revaluation reserve during the year	-	3,358,352,560
Transferred from Assets revaluation reserve	-	-
Closing balance	<b>1,238,393,681</b>	<b>3,668,437,453</b>

	2010 Taka	2009 Taka (Re-stated)
<b>17 Surplus in profit/(loss) account</b>		
Opening retained surplus	1,718,799,953	908,182,136
Add:		
Provision no longer required	-	-
Trans. from Net profit- JEC Italy (2006 & 2007)	-	33,843,410
Trans. from prov. for unused cash incentive for recovery	-	39,064,335
Add: Trans. from income of 5% L/c Comm. from 2000 to 2008	-	206,084,596
Add: Trans. from exchange equalisation fund	75,736,723	-
Add: Retained earnings of JCIL, Dhaka for 2009	8,895,473	-
	<b>1,803,432,149</b>	<b>1,187,174,477</b>
Transferred to issuance of bonus share	-	(1,156,100,000)
	<b>1,803,432,149</b>	<b>31,074,477</b>
Add: Incr./ (Decr) of UAE R/ Earnings for rate fluctuation	3,564,632	200,832
	<b>1,806,996,781</b>	<b>31,275,309</b>
Add: Current year's surplus transferred from profit & loss account	3,334,611,164	1,665,076,286
	<b>5,141,607,945</b>	<b>1,696,351,595</b>
Dividend paid	(10,000,000)	-
Last year adjustment	-	(15,099,020)
Transferred from asset revaluation reserve	20,452,567	37,547,378
Transferred from deferred tax	15,117,114	-
	<b>5,167,177,626</b>	<b>1,718,799,953</b>
<b>17(a) Consolidated surplus in profit/(loss) account</b>		
Janata Bank Limited (Note-17)	5,167,177,626	1,718,799,953
Janata Capital and Investment Limited	15,211,915	-
Janata Exchange Company Limited Srl, Italy	(7,400,060)	4,827,558
	<u>5,174,989,481</u>	<u>1,723,627,511</u>
Less: Exchange difference	(290,898)	(479,595)
	<b>5,174,698,583</b>	<b>1,723,147,916</b>
<b>18. Contingent Liabilities</b>		
<b>i) Guarantees issued favouring:</b>		
Director	-	-
Government	3,082,246,158	1,405,862,675
Bank & other financial institutions	201,657,066	162,960,676
Others	3,586,643,442	2,205,126,633
	<u>6,870,546,666</u>	<u>3,773,949,984</u>
<b>ii) Commitments:</b>		
Documentary credits and short term trade related transactions	92,790,973,849	64,128,270,545
Bills for collection	6,566,343,808	5,616,051,672
	<u>99,357,317,657</u>	<u>69,744,322,217</u>
	<b>106,227,864,323</b>	<b>73,518,272,201</b>

	2010 Taka	2009 Taka
<b>18 (a) Consolidated Contingent Liabilities</b>		
Janata Bank Limited (note no. 18)	106,227,864,323	73,518,272,201
Janata Capital and Investment Limited	-	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>106,227,864,323</b>	<b>73,518,272,201</b>
<b>19. Interest Income</b>		
Interest on loans and advances (Note:19.1)	18,554,251,806	14,513,137,863
Interest on call loans	473,289,257	354,827,346
	<b>19,027,541,063</b>	<b>14,867,965,209</b>
<b>19.1 Interest on loans and advances</b>		
Loan including Small Loan	4,493,820,579	3,361,714,609
Loan against import merchandise.	230,207,682	93,921,000
Loan against trust receipts.	2,899,495,210	2,166,981,458
Packing Credit	198,951,666	91,793,037
Inland Bills Purchased (IBP)	15,776,415	22,280,136
Foreign Bill Purchased (FBP)	873,301,758	468,083,749
Payment Against Document(PAD)	2,234,642,200	1,750,325,445
Overdrafts	241,602,608	263,989,036
Cash Credits	6,535,484,288	5,703,821,316
Penal Interest on DPS/SPS	14,643,925	19,924,450
Penal Interest on FDR	1,672,992	872,758
Interest Miscellaneous	807,489,806	559,909,017
Interest on Q-Cash Overdraft	1,130	220,067
Interest on Foreign Currency.	2,685,487	4,311,327
Interest on Credit Card	698,475	662,830
Discount on bill purchased	2,082,291	-
Income on credit line	1,664,937	-
Special Notice	29,914	2,347,018
Interest on micro savings deposits loan	443	-
	<b>18,554,251,806</b>	<b>14,513,137,863</b>
<b>19(a) Consolidated interest income</b>		
Janata Bank Limited (Note-19)	19,027,541,063	14,867,965,209
Janata Capital and Investment Limited	30,569,227	-
Janata Exchange Company Limited Srl, Italy	109,286	1,316,941
	<b>19,058,219,576</b>	<b>14,869,282,150</b>

	2010 Taka	2009 Taka
<b>20. Interest paid on deposits and borrowings etc.</b>		
Interest on deposits - Note-20.1	11,834,903,726	10,278,590,949
Interest on borrowings -Note-20.2	123,282,644	85,403,070
Discount paid	2,044,146	12,219,879
Interest on IDA Credit	-	753,218
Interest on Overseas A/C	100,400	15,510
	<b>11,960,330,916</b>	<b>10,376,982,626</b>
<b>20.1 Interest Paid on Deposit</b>		
Interest paid on Saving Bank Deposit	2,359,091,018	2,141,247,355
Interest paid on Fixed & O.D F.D Deposit	7,220,696,314	5,927,962,836
Interest paid on Call Deposit	-	4,162,530
Interest paid on Short Term Deposit	1,089,335,411	800,895,177
Interest paid on Cash Security	57,134	94,148
Interest paid on G.P.F/C.P.F	560,421,799	505,449,877
Interest paid on Block Time Deposit	10,337	126,537
Interest paid on Deposit Pension Scheme	107,554,510	123,972,335
Interest paid on N.R.F.C.D	4,249,816	13,539,804
Interest paid on Gift Cheque	46,553	72,045
Interest paid on JBSPS	398,053,403	725,368,045
Interest paid on JBDS	85,220,721	33,707,616
Interest paid on MDS	3,205,651	325,816
Interest paid on EDS	2,739,520	299,781
Interest paid on Others	4,105,001	1,111,503
Interest paid on Q-Cash	116,184	83,850
Interest paid on L/C and L/G margin	354	171,694
	<b>11,834,903,726</b>	<b>10,278,590,949</b>
<b>20.2 Interest Paid on Borrowings</b>		
Bangladesh Bank Borrowings	-	36,880,434
Other Banks Borrowings	23,870,511	48,451,201
Sonali Bank Borrowings	29,555	71,435
Interest on REPO	99,375,678	-
Penal Interest paid to bank	6,900	-
	<b>123,282,644</b>	<b>85,403,070</b>
<b>20 (a) Consolidated Interest paid on deposits and borrowings etc.</b>		
Janata Bank Limited (Note-20)	11,960,330,916	10,376,982,626
Janata Capital and Investment Limited	-	-
Janata Exchange Company Limited Srl, Italy	1,142,360	3,090,328
	<b>11,961,473,276</b>	<b>10,380,072,954</b>

	<b>2010 Taka</b>	<b>2009 Taka</b>
<b>21. Investment Income</b>		
Interest on government securities	4,193,844,895	4,575,780,776
Interest on debenture	41,659,354	16,400,827
Dividend on shares	90,118,553	59,600,355
Other investment income	2,452,898,599	950,532,590
Interest on bond	167,494,793	-
Interest on reverse REPO	10,039,287	-
	<b><u>6,956,055,481</u></b>	<b><u>5,602,314,548</u></b>
<b>21(a) Consolidated on Investment Income</b>		
Janata Bank Limited (Note-21)	6,956,055,481	5,602,314,548
Janata Capital and Investment Limited	14,705,532	-
Janata Exchange Company Limited Srl, Italy	7,298,746	15,585,230
	<b><u>6,978,059,759</u></b>	<b><u>5,617,899,778</u></b>
<b>22. Commission, exchange and brokerage</b>		
Commission	780,482,436	644,033,917
Exchange	2,689,415,908	2,232,648,185
Less: Exchange loss	(23,095,630)	(21,584,612)
Brokerage	12,809,937	14,945,215
	<b><u>3,459,612,651</u></b>	<b><u>2,870,042,705</u></b>
<b>22 (a) Consolidated Commission, exchange and brokerage</b>		
Janata Bank Limited (Note-22)	3,459,612,651	2,870,042,705
Janata Capital and Investment Limited	19,630,997	-
Janata Exchange Company Limited Srl, Italy	15,218,585	20,627,902
	<b><u>3,494,462,233</u></b>	<b><u>2,890,670,607</u></b>

	<b>2010</b>	<b>2009</b>
	<b>Taka</b>	<b>Taka</b>
<b>23. Other operating income</b>		
Rent	5,486,289	3,742,218
Computer	11,444	27,311
Incidental charge recoveries	48,827,204	81,594,518
Miscellaneous earnings	420,155,174	582,809,078
Postage recoveries	22,837,109	23,214,449
Trunk call & SWIFT charges	23,013,986	16,936,136
Write Off loan recovery	1,647,706	1,613,848
Service charge on rural credit	3,687,251	4,933,193
Legal Charges recoveries	5,286,058	1,023,303
Income from Revaluation of Gold/Silver	-	2,314,985
Income from non-banking assets	380	7,524
Account maintenance fee	610,391,322	-
Rebate	29,377,746	15,571,583
	<b><u>1,170,721,669</u></b>	<b><u>733,788,146</u></b>
<b>23(a) Consolidated other operating income</b>		
Janata Bank Limited (Note-23)	1,170,721,669	733,788,146
Janata Capital and Investment Limited	379,829	-
Janata Exchange Company Limited Srl, Italy	1,753,536	9,414,688
	<b><u>1,172,855,034</u></b>	<b><u>743,202,834</u></b>
<b>24. Salary &amp; allowances</b>		
Basic Salary	2,527,044,299	1,682,412,123
Allowances	1,032,128,832	1,150,732,076
Festival Bonus	401,796,088	254,487,139
Leave Salary Encashment	162,046,412	86,958,899
Pension & Gratuity	521,389,223	460,202,368
Lunch Subsidy	463,545,160	330,705,311
Employees Income Tax	13,771,982	9,019,507
Provident Fund	11,211,348	12,256,125
Welfare & Recreation	27,281,600	8,698,274
Medical Expenses	2,203,790	1,109,700
	<b><u>5,162,418,734</u></b>	<b><u>3,996,581,522</u></b>
<b>24(a) Consolidated salary and allowances</b>		
Janata Bank Limited (Note-24)	5,162,418,734	3,996,581,522
Janata Capital and Investment Limited	2,124,238	-
Janata Exchange Company Limited Srl, Italy	8,947,556	31,438,799
	<b><u>5,173,490,528</u></b>	<b><u>4,028,020,321</u></b>

	<b>2010 Taka</b>	<b>2009 Taka</b>
<b>25. Rent, Taxes, Insurance, Electricity etc.</b>		
Rent, Rates & Taxes	294,993,836	257,066,115
Insurance	135,818,454	121,433,917
Lighting	40,522,112	36,675,799
	<b>471,334,402</b>	<b>415,175,831</b>
<b>25(a) Consolidated rent, taxes, insurance, electricity etc.</b>		
Janata Bank Limited (Note-25)	471,334,402	415,175,831
Janata Capital and Investment Limited	271,000	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>471,605,402</b>	<b>415,175,831</b>
<b>26. Legal Expenses</b>		
Legal Charges	4,926,143	2,627,509
Stamps, Power of Attorney & N.P Exp.	794,856	2,743,454
	<b>5,720,999</b>	<b>5,370,963</b>
<b>26(a) Consolidated Legal Expenses</b>		
Janata Bank Limited (Note-26)	5,720,999	5,370,963
Janata Capital and Investment Limited	150,000	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>5,870,999</b>	<b>5,370,963</b>
<b>27. Postage, stamp, telecommunication etc.</b>		
Postage	727,622	95,200
Telegram/Telex/TP	536,186	180,260
Telephone/Trunk Call (Office)	5,882,946	612,500
Telephone/Trunk Call (Residence)	2,027,602	630,250
Others	3,002,726	325,400
Internet/E-mail/Internet Fax/SWIFT	336,282	22,286
	<b>12,513,364</b>	<b>1,865,896</b>
<b>27(a) Consolidated postage, stamp, telecommunication etc.</b>		
Janata Bank Limited (Note-27)	12,513,364	1,865,896
Janata Capital and Investment Limited	45,989	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>12,559,353</b>	<b>1,865,896</b>

	<b>2010</b>	<b>2009</b>
	<b>Taka</b>	<b>Taka</b>
<b>28. Stationery, Printing and Advertisement</b>		
Office Stationery	39,647,862	35,325,549
Security stationery	21,355,563	22,806,413
Computer Stationery	25,219,163	18,343,769
Petty Stationery	14,520,248	13,908,372
Advertisement	30,969,856	16,264,940
	<b>131,712,692</b>	<b>106,649,043</b>
<b>28(a) Consolidated stationery, printing, advertisements etc.</b>		
Janata Bank Limited (Note-28)	131,712,692	106,649,043
Janata Capital and Investment Limited	155,366	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>131,868,058</b>	<b>106,649,043</b>
<b>29. Chief Executive's salary and fees</b>		
Basic salary	3,000,000	-
Allowances	1,200,000	-
	<b>4,200,000</b>	<b>8,400,000</b>
Salary paid to managing Director on gross basis in the year 2009		
<b>29 (a) . Consolidated Chief Executive's salary and fees</b>		
Janata Bank Limited (Note-29)	4,200,000	8,400,000
Janata Capital and Investment Limited	750,000	-
Janata Exchange Company Limited Srl, Italy	3,766,083	-
	<b>8,716,083</b>	<b>8,400,000</b>
<b>30. Directors' Fees</b>		
a) Total fees paid for attending board meetings	2,517,000	1,062,000
b) Other financial benefit	-	-
	<b>2,517,000</b>	<b>1,062,000</b>
<b>30(a) Consolidated directors' fees and expenses</b>		
Janata Bank Limited (Note-30)	2,517,000	1,062,000
Janata Capital and Investment Limited	216,000	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>2,733,000</b>	<b>1,062,000</b>

	<b>2010</b>	<b>2009</b>
	<b>Taka</b>	<b>Taka</b>
<b>31. Auditors' Fees</b>		
Statutory & special audit (Bangladesh)	3,515,000	1,414,160
Statutory audit (UAE)	854,636	752,448
	<b>4,369,636</b>	<b>2,166,608</b>
<b>31.a Consolidated auditors' fees</b>		
Janata Bank Limited (Note-31)	4,369,636	2,166,608
Janata Capital and Investment Limited	25,000	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>4,394,636</b>	<b>2,166,608</b>
<b>32. Depreciation, Repairs and Maintenance</b>		
<b>i) Depreciation:</b>		
Furniture & Fixture	26,697,137	22,514,183
Vehicles	16,274,723	12,003,509
Machinery & Equipment	21,336,813	21,053,512
Computer	74,736,241	41,662,211
Property	25,143,155	25,783,021
	<b>164,188,069</b>	<b>123,016,436</b>
<b>ii) Repairs and Maintenance</b>		
Furniture & Fixture	7,351,140	7,546,461
Vehicles	8,849,167	10,511,703
Machinery & Equipment	6,899,453	5,343,850
Premises	19,565,602	24,319,521
Computer	8,482,828	12,433,774
	<b>51,148,190</b>	<b>60,155,309</b>
<b>Total Depreciation &amp; Repair Maintenance (i+ii)</b>	<b>215,336,259</b>	<b>183,171,745</b>
<b>32(a) Consolidated depreciation and repair</b>		
Janata Bank Limited (Note-32)	215,336,259	183,171,745
Janata Capital and Investment Limited	375,613	-
Janata Exchange Company Limited Srl, Italy	977,789	2,070,235
	<b>216,689,661</b>	<b>185,241,980</b>

	<b>2010</b>	<b>2009</b>
	<b>Taka</b>	<b>Taka</b>
<b>33. Other Expenses</b>		
Entertainment	69,918,304	56,425,310
Car Expenses	126,531,661	65,062,322
Subscription	18,754,783	16,614,765
Donation	6,000	7,800
Travelling	45,051,700	40,273,723
Cartage & Freight	66,427,129	54,785,916
Miscellaneous	84,146,225	60,550,334
Business Development	114,116,400	21,222,149
Cash Carrying Charges	10,305,316	9,943,564
Outsourcing Security Expenses	40,903,789	27,047,296
Training Expenses.	12,405,148	8,509,724
H.O Admn. Exp.(UAE branches)	13,685,613	13,475,762
Provision for Ruler Tax	2,402,550	23,085,299
Computer	2,416,903	467,224
Loss on Sale of Property & Assets	-	1,089,332
	<b>607,071,521</b>	<b>398,560,520</b>
<b>33(a) Consolidated other expenses</b>		
Janata Bank Limited (Note-33)	607,071,521	398,560,520
Janata Capital and Investment Limited	5,209,349	-
Janata Exchange Company Limited Srl, Italy	21,094,408	29,814,800
	<b>633,375,278</b>	<b>428,375,320</b>
<b>34. Provision for loans and advances</b>		
For bad & doubtful loans and advances ( Including UAE branches)	395,335,351	637,263,124
Provision made for unclassified loans during the year	417,066,170	50,800,000
	<b>812,401,521</b>	<b>688,063,124</b>
<b>34(a) Consolidated provision for Loans and advances</b>		
Janata Bank Limited (Note-34)	812,401,521	688,063,124
Janata Capital and Investment Limited	10,456,493	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>822,858,014</b>	<b>688,063,124</b>
<b>35. Provision for off- Balance Sheet items</b>		
Opening Balance	736,443,137	701,243,137
Add: Transferred during the year	330,000,000	35,200,000
	<b>1,066,443,137</b>	<b>736,443,137</b>
Provision for off Balance Sheet items has been maintained @ 1% of the total outstanding balance shown in the balance Sheet.		
<b>36. Provision for Other Assets</b>		
Provision made during the year	-	100,000,000
	<b>-</b>	<b>100,000,000</b>

	2010 Taka	2009 Taka
<b>37. Provision for Super Annuation Fund and Gratuity</b>		
Fund required for:		
Super Annuation Fund (SAF)	17,387,600,000	17,059,037,498
Gratuity-		
In Bangladesh	426,100,000	466,505,600
Outside Bangladesh ( Overseas Branches)	14,181,717	# 14,166,329
	440,281,717	480,671,929
Total fund required	17,827,881,717	17,539,709,427
Less: Fund transferred to Trustee (SAF)	8,805,816,590	6,459,388,349
Fund kept for gratuity:		
In Bangladesh	137,331,568	258,147,943
Outside Bangladesh ( Overseas Branches)	14,181,717	14,166,329
	8,957,329,875	6,731,702,621
	8,870,551,842	10,808,006,806
Provision:		
Opening balance	4,964,934,898	7,109,101,227
During the year	1,000,000,000	650,000,000
Total provision	5,964,934,898	7,759,101,227
Excess/(Shortfall)	<b>(2,905,616,944)</b>	<b>(3,048,905,579)</b>

The Bank has determined the required provision for Super Annuation Fund (SAF) and gratuity fund for its employees as of 31 December 2010 at Taka 17,827.88 million against which there exists a provision of Taka 14,922.26 million. This provision is sufficient to cover the next 10 years requirement against retirement benefit. Out of the provision made, Taka 8,805.82 million including Tk. 2,780 million of current year has so far been transferred to the said fund and the remaining balance shall be transferred @ 25% per annum after year end review by the management.

The shortfall in the provision for SAF and Gratuity fund as at 31 December 2010 was due to implementation of new pay scale 2009. however, the shortfall amount of Tk.2905.62 million is expected to be provided within the next three years.

**38 Consolidated provision for diminution in value of investments**

Janata Bank Limited	-	-
Janata Capital and Investment Limited	13,297,782	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>13,297,782</b>	<b>-</b>

	2010 Taka	2009 Taka
<b>39. Other Provisions</b>		
Provision for Incentive Bonus	900,000,000	380,000,000
Provision for Insurance Fund	5,000,000	5,000,000
Provision for Benevolent Fund	100,000,000	40,000,000
Provision for CSR	70,000,000	25,000,000
Provision for Ruler Tax (UAE Branches)	-	-
	<b>1,075,000,000</b>	<b>450,000,000</b>
<b>39(a) Consolidated other provision</b>		
Janata Bank Limited (Note-39)	1,075,000,000	450,000,000
Janata Capital and Investment Limited	-	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>1,075,000,000</b>	<b>450,000,000</b>

#### 40. Provision for Taxation

Income Tax has not been considered on the loans & advances and other assets written off during the year on the ground that income tax has been provided fully on the provision for doubtful debts made against the said loans and advances written off during the year 2010. Provision for taxation including rulers tax has been made by Tk 2,064,623,940.

#### 40(a) Consolidated provision for Taxation

##### Current tax

Janata Bank Limited	2,064,623,940	1,799,909,427
Janata Capital and Investment Limited	16,996,840	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>2,081,620,780</b>	<b>1,799,909,427</b>

##### Deferred tax

Janata Bank Limited	847,833,100	1,052,128,515
Janata Capital and Investment Limited	-	-
Janata Exchange Company Limited Srl, Italy	-	-
	<b>847,833,100</b>	<b>1,052,128,515</b>
	<b>2,929,453,880</b>	<b>2,852,037,942</b>

#### 41.1 Employees

Number of employees and remuneration thereof as per the schedule XI of the Companies Act, 1994 the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 per annum or Taka 3,000 per month were 12,713 at the end of 2010 as against 12,931 in 2009.

#### 41.2 Subsequent events

There were no subsequent events to report which had an influence on the financial statements for the year ended 31 December 2010 at the reporting date.

	2010 <u>Taka (Million)</u>	2009 <u>Taka (Million)</u>
<b>42. High Lights/ Key Indicators of JBL</b>		
Authorised capital	20,000.00	20,000.00
Paid-up capital	5,000.00	5,000.00
Required Capital (9% of RWA)	22,973.00	10,692.73
Capital kept	23,454.06	14,764.93
<b>Capital surplus/(shortfall)</b>	<b>481.06</b>	<b>4,072.20</b>
Total assets	345,233.93	294,727.15
Total deposits	286,566.89	246,175.05
Total Investment	57,514.00	72,533.20
Total loans and advances	225,732.21	166,359.49
Import	183,743.90	118,525.00
Export	118,515.20	88,653.00
Foreign remittance	52,639.70	56,190.00
Total contingent liabilities (Off balance sheet item)	106,227.86	73,518.27
Total loans deposits ratio	78.77%	67.58%
Total classified loans to total loans & advances (Excluding overseas branches)	5.30%	8.70%
Total operating profit	11,037.00	7,579.55
Profit after provision and tax	4,907.97	2,804.25
<b>Classified loans &amp; advances during the year:</b>		
In Bangladesh	11,192.00	13,424.00
Outside Bangladesh	635.00	613.00
<b>Total</b>	<b>11,827.00</b>	<b>14,037.00</b>
Provision held against classified advances (including general provision for unclassified loans and advances)	8,975.26	8,748.40
Cost of deposit	4.17%	4.22%
Operating cost	2.31%	2.08%
Cost of fund	6.48%	6.96%
Performing assets/loans (including overseas)	213,905.21	152,322.49
Non performing assets/loans (including overseas)	11,827.00	14,037.00
Return On Investment (ROI)	4.89%	4.13%
Return On Assets (ROA)	1.42%	0.95%
Earning cost ratio	0.61	0.64
Total reduction of classified advances	5,561.10	6,263.20
Cash recovery	1,222.90	1,929.40
Non interest income	7,282.90	4,722.10
Earning Per Share	<b>98.16</b>	<b>73.37</b>

Sd/-  
S. M. Aminur Rahman  
CEO & Managing Director

Sd/-  
Dr. R. M. Debnath  
Director

Sd/-  
Dabir Uddin Ahmed  
Director

Sd/-  
Dr. Jamaluddin Ahmed, FCA  
Director

Sd/-  
Dr. Abul Barkat  
Chairman

**Janata Bank Limited**  
**Schedule of Fixed Assets**  
**As at 31 December 2010**

**Annexure 1**

**A. Cost**

(Amount in '000 )

SL No.	Name of Assets	C O S T				D E P R E C I A T I O N					Written down Value as on 31.12.10	Written down Value as on 31.12.09
		Opening Balance as on 01.01.10	Addition during the year	Sales/ Transfer/ Adjustment	Balance as on 30.12.10	Rate (%)	Opening Balance as on 01.01.10	Charged during the year	Adjustment during the year	Balance as on 31.12.10		
	1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7+8-9)	11	12
1	Land	31,316	35,950	-	67,266	-	-	-	-	-	67,266	31,316
2	Building	188,286	80,413	1,337	267,362	2.5	44,635	3,558	-	48,193	219,169	143,652
	<b>Sub-total</b>	<b>219,602</b>	<b>116,363</b>	<b>1,337</b>	<b>334,628</b>		<b>44,635</b>	<b>3,558</b>	<b>-</b>	<b>48,193</b>	<b>286,435</b>	<b>174,968</b>
3	<b>Machinery and Equipment:</b>											
	a) Office Equipment	144,695	11,563	742	155,516	20	95,416	10,856	-	106,272	49,244	49,279
	b) Electrical Equipment	65,565	15,722	658	80,629	20	64,447	2,413	-	66,860	13,769	1,118
	c) Fire Extinguish & Arms	7,473	218	-	7,691	20	6,523	228	-	6,751	940	950
	d) Weighting Machine	368	92	-	460	20	181	1	-	182	278	187
	<b>Sub-total</b>	<b>218,101</b>	<b>27,595</b>	<b>1,400</b>	<b>244,296</b>		<b>166,567</b>	<b>13,498</b>	<b>-</b>	<b>180,065</b>	<b>64,231</b>	<b>51,534</b>
4	<b>Furniture and Fixture:</b>	<b>354,822</b>	<b>42,684</b>	<b>854</b>	<b>396,652</b>	<b>10</b>	<b>160,261</b>	<b>26,248</b>	<b>-</b>	<b>186,509</b>	<b>210,143</b>	<b>194,561</b>
5	<b>Vehicle</b>											
	a) Car	134,494	59,491	-	193,985	20	116,583	10,896	-	127,479	66,506	17,912
	b) Cycle and Scuter	4,325	73	-	4,398	20	3,997	104	-	4,101	297	328
	<b>Sub-total</b>	<b>138,819</b>	<b>59,564</b>	<b>-</b>	<b>198,383</b>		<b>120,580</b>	<b>11,000</b>	<b>-</b>	<b>131,580</b>	<b>66,803</b>	<b>18,240</b>
6	<b>Computer</b>	<b>626,792</b>	<b>514,813</b>	<b>29,093</b>	<b>1,112,512</b>	<b>20</b>	<b>279,026</b>	<b>74,315</b>	<b>-</b>	<b>353,341</b>	<b>759,171</b>	<b>347,766</b>
	<b>A. Grand total (1+2+3+4+5+6)</b>	<b>1,558,136</b>	<b>761,019</b>	<b>32,684</b>	<b>2,286,471</b>		<b>771,069</b>	<b>128,619</b>	<b>-</b>	<b>899,688</b>	<b>1,386,783</b>	<b>787,069</b>

**B. Revaluation**

SL No.	Name of Assets	C O S T				D E P R E C I A T I O N					Written down Value as on 31.12.10	Written down Value as on 31.12.09
		Opening Balance as on 01.01.10	Revaluation during the year	Sales/ Transfer/ Adjustment	Balance as on 31.12.10	Rate (%)	Opening Balance as on 01.01.10	Charged during the year	Adjustment during the year	Balance as on 31.12.10		
	1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7+8-9)		
1	Land	963,388	2,570,835	-	3,534,223	-	-	-	-	-	3,534,223	963,388
2	Building	974,211	479,729	-	1,453,940	2.5	110,799	21,585	-	132,384	1,321,556	863,411
	<b>Sub-total</b>	<b>1,937,599</b>	<b>3,050,564</b>	<b>-</b>	<b>4,988,163</b>		<b>110,799</b>	<b>21,585</b>	<b>-</b>	<b>132,384</b>	<b>4,855,779</b>	<b>1,826,799</b>
3	<b>Machinery and Equipment</b>											
	a) Office Equipment	-	-	-	-	20	-	-	-	-	-	-
	b) Electrical Equipment	127,351	-	-	127,351	20	88,150	7,840	-	95,990	31,361	39,201
	c) Fire Extinguish & Arms	-	-	-	-	20	-	-	-	-	-	-
	d) Weighting Machine	-	-	-	-	20	-	-	-	-	-	-
	<b>Sub-total</b>	<b>127,351</b>	<b>-</b>	<b>-</b>	<b>127,351</b>		<b>88,150</b>	<b>7,840</b>	<b>-</b>	<b>95,990</b>	<b>31,361</b>	<b>39,201</b>
4	<b>Furniture and Fixture:</b>	<b>5548</b>	<b>-</b>	<b>-</b>	<b>5,548</b>	<b>10</b>	<b>1,054</b>	<b>449</b>	<b>-</b>	<b>1,503</b>	<b>4,045</b>	<b>4,494</b>
5	<b>Vehicle</b>											
	a) Car	41,204	-	-	41,204	20	14,833	5,274	-	20,107	21,097	26,370
	b) Cycle and Scoter	-	-	-	-	20	-	-	-	-	-	-
	<b>Sub-total</b>	<b>41,204</b>	<b>-</b>	<b>-</b>	<b>41,204</b>		<b>14,833</b>	<b>5,274</b>	<b>-</b>	<b>20,107</b>	<b>21,097</b>	<b>26,370</b>
6	<b>Computer</b>	<b>2,104</b>	<b>-</b>	<b>-</b>	<b>2,104</b>	<b>20</b>	<b>842</b>	<b>421</b>	<b>-</b>	<b>1,263</b>	<b>841</b>	<b>1,262</b>
	<b>B. Grand total (1+2+3+4+5+6)</b>	<b>2,113,806</b>	<b>3,050,564</b>	<b>-</b>	<b>5,164,370</b>	<b>-</b>	<b>215,678</b>	<b>35,569</b>	<b>-</b>	<b>251,247</b>	<b>4,913,123</b>	<b>1,898,126</b>
	<b>Total (A+B)</b>	<b>3,671,942</b>	<b>3,811,583</b>	<b>32,684</b>	<b>7,450,841</b>	<b>-</b>	<b>986,747</b>	<b>164,188</b>	<b>-</b>	<b>1,150,935</b>	<b>6,299,906</b>	<b>2,685,195</b>

**Janata Bank Limited**  
**Consolidated Schedule of Fixed Assets**  
**as on 31 December 2010**

Annexure 2

**A. Cost**

(Amount in '000 )

SL No.	Name of Assets	COST				DEPRECIATION					Written down Value as on 31.12.10	Written down Value as on 31.12.09
		Opening Balance as on 01.01.10	Addition during the year	Sales/ Transfer/ Adjustment	Balance as on 30.12.10	Rate (%)	Opening Balance as on 01.01.10	Charged during the year	Adjustment during the year	Balance as on 31.12.10		
	1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7+8-9)	11	12
1	Land	31,316	35,950	-	67,266	-	-	-	-	-	67,266	31,316
2	Building	188,286	80,413	1,337	267,362	2.5	44,635	3,558	-	48,193	219,169	143,652
	<b>Sub-total</b>	<b>219,602</b>	<b>116,363</b>	<b>1,337</b>	<b>334,628</b>		<b>44,635</b>	<b>3,558</b>	<b>-</b>	<b>48,193</b>	<b>286,435</b>	<b>174,968</b>
3	<b>Machinery and Equipment:</b>											
	a) Office Equipment	146,093	11,669	742	157,020	20	95,416	10,951	-	106,367	50,653	49,279
	b) Electrical Equipment	65,831	15,722	658	80,895	20	64,447	2,430	-	66,877	14,018	1,118
	c) Fire Extinguish & Arms	7,473	218	-	7,691	20	6,523	228	-	6,751	940	950
	d) Weighting Machine	368	92	-	460	20	181	1	-	182	278	187
	<b>Sub-total</b>	<b>219,765</b>	<b>27,701</b>	<b>1,400</b>	<b>246,066</b>		<b>166,567</b>	<b>13,610</b>	<b>-</b>	<b>180,177</b>	<b>65,889</b>	<b>51,534</b>
4	<b>Furniture and Fixture:</b>	368,781	53,510	854	421,437	10	160,261	27,290	-	187,551	233,886	194,561
5	<b>Vehicle</b>											
	a) Car	134,494	59,491	-	193,985	20	116,583	10,896	-	127,479	66,506	17,912
	b) Cycle and Scuter	4,325	73	-	4,398	20	3,997	104	-	4,101	297	328
	<b>Sub-total</b>	<b>138,819</b>	<b>59,564</b>	<b>-</b>	<b>198,383</b>		<b>120,580</b>	<b>11,000</b>	<b>-</b>	<b>131,580</b>	<b>66,803</b>	<b>18,240</b>
6	<b>Computer</b>	629,559	514,905	29,093	1,115,371	20	279,026	74,501	-	353,527	761,844	347,766
	<b>A. Grand total (1+2+3+4+5+6)</b>	<b>1,576,526</b>	<b>772,043</b>	<b>32,684</b>	<b>2,315,885</b>		<b>771,069</b>	<b>129,959</b>	<b>-</b>	<b>901,028</b>	<b>1,414,857</b>	<b>787,069</b>

**B. Revaluation**

SL No.	Name of Assets	COST				DEPRECIATION					Written down Value as on 31.12.10	Written down Value as on 31.12.09
		Opening Balance as on 01.01.10	Revaluation during the year	Sales/ Transfer/ Adjustment	Balance as on 31.12.10	Rate (%)	Opening Balance as on 01.01.10	Charged during the year	Adjustment during the year	Balance as on 31.12.10		
	1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7+8-9)		
1	Land	963,388	2,570,835	-	3,534,223	-	-	-	-	-	3,534,223	963,388
2	Building	974,211	479,729	-	1,453,940	2.5	110,799	21,585	-	132,384	1,321,556	863,411
	<b>Sub-total</b>	<b>1,937,599</b>	<b>3,050,564</b>	<b>-</b>	<b>4,988,163</b>		<b>110,799</b>	<b>21,585</b>	<b>-</b>	<b>132,384</b>	<b>4,855,779</b>	<b>1,826,799</b>
3	<b>Machinery and Equipment</b>											
	a) Office Equipment	-	-	-	-	20	-	-	-	-	-	-
	b) Electrical Equipment	127,351	-	-	127,351	20	88,150	7,840	-	95,990	31,361	39,201
	c) Fire Extinguish & Arms	-	-	-	-	20	-	-	-	-	-	-
	d) Weighting Machine	-	-	-	-	20	-	-	-	-	-	-
	<b>Sub-total</b>	<b>127,351</b>	<b>-</b>	<b>-</b>	<b>127,351</b>		<b>88,150</b>	<b>7,840</b>	<b>-</b>	<b>95,990</b>	<b>31,361</b>	<b>39,201</b>
4	<b>Furniture and Fixture:</b>	5,548	-	-	5,548	10	1,054	449	-	1,503	4,045	4,494
5	<b>Vehicle</b>											
	a) Car	41,204	-	-	41,204	20	14,833	5,274	-	20,107	21,097	26,370
	b) Cycle and Scuter	-	-	-	-	20	-	-	-	-	-	-
	<b>Sub-total</b>	<b>41,204</b>	<b>-</b>	<b>-</b>	<b>41,204</b>		<b>14,833</b>	<b>5,274</b>	<b>-</b>	<b>20,107</b>	<b>21,097</b>	<b>26,370</b>
6	<b>Computer</b>	2,104	-	-	2,104	20	842	421	-	1,263	841	1,262
	<b>B. Grand total (1+2+3+4+5+6)</b>	<b>2,113,806</b>	<b>3,050,564</b>	<b>-</b>	<b>5,164,370</b>		<b>215,678</b>	<b>35,569</b>	<b>-</b>	<b>251,247</b>	<b>4,913,123</b>	<b>1,898,126</b>
	<b>Total (A+B)</b>	<b>3,690,332</b>	<b>3,822,607</b>	<b>32,684</b>	<b>7,480,255</b>		<b>986,747</b>	<b>165,528</b>	<b>-</b>	<b>1,152,275</b>	<b>6,327,980</b>	<b>2,685,195</b>

**Janata Bank Limited**  
**Schedule of share Purchases from Primary and Secondary Market**  
**Held by the Bank as on 31 December 2010**

SL.no.	Name of Company / Institution	Nos. of Share Holding	Face Value (Tk.)	Cost Price Per Unit (Tk.)	Total Cost price (Tk.)	Market price (Tk.)	Total Market value on 31-12-10
1	AL Arafah Bank Ltd	52,550	10	10.74	564,342	66.78	3,509,289
2	Beximco	55,000	10	272.61	14,993,599	312.18	17,169,900
3	BRAC Bank	63,175	100	647.33	42,189,643	866.61	56,481,307
4	BSRM Steel	12,070	100	1,204.93	14,543,564	2,126.94	25,672,166
5	City Bank	16,577	100	374.39	6,206,319	1,005.12	16,661,874
6	DBH	26,206	100	2,014.68	52,796,593	2,510.85	65,799,335
7	Exim Bank Ltd*	170,511	10	14.29	2,436,883	60.59	10,331,261
8	IBBL Bond	118,190		954.55	112,818,497	966.78	114,263,728
9	Heidelberg Cement	7,065	100	2,040.06	14,413,008	3,600.63	25,438,451
10	Jamuna Oil	70,800	10	363.55	25,738,999	332.67	23,553,036
11	Lafarge Surma Cement	49,500	100	579.00	28,660,290	558.04	27,622,980
12	Meghna Petroleum	357,374	10	175.40	62,684,238	236.82	84,633,311
13	NBL	45,580	10	70.78	3,226,121	193.26	8,808,791
14	National Life Insurance	7,000	100	2,037.71	14,263,947	7,525.72	52,680,040
15	Nitol Insurance	40	100	279.53	11,181	954.78	38,191
16	Prime Bank	2,244	10	313.95	704,512	963.53	2,162,161
17	Power grid	10,670	100	663.65	7,081,106	919.25	9,808,398
18	S Alam Cr Steels	12,553	100	751.12	9,428,792	828.09	10,395,014
19	Samit Port Ltd	321,700	100	187.86	60,433,269	174.53	56,146,301
20	South East Bank Ltd	22,614	100	168.06	3,800,534	603.09	13,638,277
21	Premier Leasing	13,050	100	762.15	9,946,114	1,110.22	14,488,371
22	Square Pharma	15,379	100	2,981.54	45,853,047	3,531.00	54,303,249
23	Summit Power	988,730	10	128.43	126,978,403	139.28	137,710,314
24	United Leasing	1,002	100	404.87	405,684	1,706.20	1,709,612
25	Uttara Bank Ltd	9,050	10	1,022.68	9,255,249	1,676.93	15,176,217
26	Pubali Bank	93,890	10	60.11	5,644,125	108.24	10,162,654
27	Delta Life	286	100	7,404.54	2,117,698	38,899.30	11,125,200
28	Renata	4,921	100	9,834.04	48,393,323	12,937.50	63,665,438
29	Bextex	77,500	10	76.20	5,905,500	75.63	5,861,325

SL.no.	Name of Company / Institution	Nos. of Share Holding	Face Value (Tk.)	Cost Price Per Unit (Tk.)	Total Cost price (Tk.)	Market price (Tk.)	Total Market value on 31-12-10
30	BXPHERMA	140,675	10	125.26	17,621,279	135.34	19,038,955
31	National Polymer	1,530	100	1,036.93	1,586,503	896.94	1,372,318
32	Social Islamic Bank	61,920	10	19.37	1,199,320	52.78	3,268,138
33	Fareast Life	27,500	10	197.41	5,428,774	400.88	11,024,200
34	Progati Life	3,450	100	2,863.76	9,879,959	4,282.50	14,774,625
35	East Land Insurance	1,400	100	1,024.03	1,433,643	1,585.86	2,220,204
36	Anlima Yarn	35,200	100	181.14	6,376,091	280.69	9,880,288
37	Grameen Phone Ltd.	145,600	10	270.91	39,444,788	246.97	35,958,832
38	ICB Islamic Bank	100,000	10	12.72	1,271,671	19.63	1,963,000
39	Progressive Life	5,200	100	2,389.04	12,423,014	3,298.57	17,152,564
40	UCBL	193,770	10	114.92	22,267,930	227.46	44,074,924
41	EBL 1st MF	52,000	10	19.23	1,000,123	18.13	942,760
42	Trust Bank	17,150	100	535.07	9,176,481	754.75	12,943,963
43	BD Lamps	4,265	100	2,834.64	12,089,719	2,597.26	11,077,314
44	Beacon Pharmaceuticals	500,000	10	10.00	5,000,000	10.00	5,000,000
45	Malek Spinning Mills	400,000	10	25.00	10,000,000	25.00	10,000,000
46	Beximco Pharmaceuticals Ltd	1,756,084	10	113.89	200,000,000	100.00	175,608,400
47	IFIC MF	150,000	10	10.00	1,500,000	15.91	2,386,500
48	Trust Bank MF	500,000	10	10.00	5,000,000	16.22	8,110,000
49	Beximco Pharmaceuticals Ltd	12,539	10	113.90	1,428,200	100.00	1,253,900
50	Aftab automobiles Ltd	1,000,000	10	100.00	100,000,000	100.00	100,000,000
51	Active Fine Chemical Ltd	400,000	10	10.00	4,000,000	10.00	4,000,000
52	Belhasha Accom & Associates Ltd	200,000,000	10	10.00	2,000,000,000	10.00	2,000,000,000
53	1st Janata Bank M.F	50,000,000	10	10.00	500,000,000	10.00	500,000,000
54	PHP 1st MF	500,000	10	10.00	5,000,000	10.00	5,000,000
55	Popular Life 1st M.F	500,000	10	10.00	5,000,000	10.00	5,000,000
56	Summit Power (Preference Share)	764,469	10	100.00	76,446,900	100.00	76,446,900
57	Summit Power (Preference Share)	16,187	10	100.00	1,618,750	100.00	1,618,700
58	PHP 1st MF	500	10	10.00	5,000	10.00	5,000
59	East Pakistan Co-operative Ins. Co.	22,500	10	10.00	225,000	-	-
60	National Shipping Corporation	10,964	100	11.57	126,859	-	-
61	State Bank of India	10	100	100.00	1,000	-	-
62	United Management Ltd	36,000	10	10.00	360,000	-	-

SL.no.	Name of Company / Institution	Nos. of Share Holding	Face Value (Tk.)	Cost Price Per Unit (Tk.)	Total Cost price (Tk.)	Market price (Tk.)	Total Market value on 31-12-10
63	United Bank of India Ltd	2	10	10.00	20	-	-
64	Gul Ahmed Jute Mills Ltd.	44,900	10	11.17	501,500	-	-
65	Investment Corporation of Bangladesh	1,336,420	100	49.97	66,781,000	4,201.00	5,614,300,420
66	Padma Oil Co Ltd	876,350	10	2.52	2,210,012	832.24	729,333,524
67	Bangladesh Shipping Co Ltd	1,077	100	89.61	96,508	3,228.57	3,477,170
68	National Tea Co Ltd	4,422	100	98.86	437,175	5,780.56	25,561,636
69	Paper Converting and Packaging Ltd	2,956	100	98.75	291,905	-	-
70	Specialised Jute yarn and towain manufacturing Co Ltd	33,790	10	9.75	329,453	-	-
71	Swan Textile Mills Ltd	1,000	100	97.50	97,500	-	-
72	Azadi Printers Ltd	756	100	100.00	75,600	60.00	45,360
73	Safco Spinning Mills Ltd	50	100	100.00	5,000	753.35	37,668
74	IFIC	73,500	100	106.19	7,804,699	-	-
75	Eastern Bank Ltd	3,680,900	10	8.03	29,550,759	130.78	481,388,102
76	Karmasangsthan Bank Ltd	300,000	100	100.00	30,000,000	-	-
77	Central Depository Bangladesh Ltd	3,855,164	100	17.18	66,249,840	-	-
78	IIDFC	182,160	100	100.00	18,216,000	-	-
79	Bangladesh Commerce Bank Ltd	674,982	100	100.00	67,498,200	-	-
80	ICB Islamic Bank Limited	5,441,800	10	10.00	54,418,000	19.63	106,822,534
81	8th Mutual Fund Ltd	924	100	100.00	92,400	915.86	846,255
82	Eastern Cable Ltd	824	100	99.39	81,900	719.71	593,041
83	Jute Spinners Ltd	850	100	100.00	85,000	2,080.00	1,768,000
84	Beximco Pharmaceuticals Ltd	29,645	10	7.25	214,830	135.34	4,012,154
85	Monno Fabrics Ltd	16,150	100	150.00	2,422,500	135.46	2,187,679
86	Apex Weaving and Spinning Ltd	4,489	100	89.11	400,000	204.07	916,070
87	Apex Tannery Ltd	1,200	100	89.16	106,995	1,806.83	2,168,196
88	Meghna Cement Mills Ltd	11,810	10	10.00	118,100	346.00	4,086,260
89	Square Textiles Mills Ltd	1,911	10	10.00	19,110	208.56	398,558
90	United Leasing Ltd	3,140	10	50.40	158,250	1,706.20	5,357,468
91	Atlas Bangladesh Ltd	8,687	10	36.35	315,735	392.22	3,407,215
92	BATBC	3,900	10	85.92	335,075	715.31	2,789,709
93	Singer Bangladesh Ltd	130	100	2,177.19	283,035	7,151.82	929,737
94	Bangladesh Oxygen Ltd	4,800	10	141.08	677,190	696.79	3,344,592
95	Bextex	3,860	10	8.38	32,345	75.63	291,932

SL.no.	Name of Company / Institution	Nos. of Share Holding	Face Value (Tk.)	Cost Price Per Unit (Tk.)	Total Cost price (Tk.)	Market price (Tk.)	Total Market value on 31-12-10
96	Apex Spinning and Finishing Mills Ltd	480	100	214.17	102,800	1,093.09	524,683
97	Beximco Pharmaceuticals Ltd	7,930	10	44.45	352,470	135.34	1,073,246
98	Reckit Benkiser BD Ltd	250	10	76.76	19,190	1,210.50	302,625
99	Square Pharmaceuticals Ltd	2,038	100	152.91	311,630	3,531.01	7,196,198
100	Beximco Ltd.	750	10	224.67	168,500	312.18	234,135
101	Appex Footwear Industries Ltd	770	100	184.91	142,380	4,122.81	3,174,564
102	Bata Shoe Company Ltd	4,000	10	109.51	438,020	659.76	2,639,040
103	Monno Ceramic Industries Ltd	770	100	764.99	589,041	1,145.28	881,866
104	Confidence Cement Mills Ltd	7,800	10	60.69	473,400	292.82	2,283,996
105	Heidelberg Cement	747	100	467.57	349,277	3,600.63	2,689,671
106	BGIC	12,680	10	19.36	245,490	76.69	972,429
107	IDLC	432	100	362.63	156,654	4,623.16	1,997,205
108	Bank Asia Ltd.	1,500	100	875.10	1,312,648	860.13	1,290,195
109	NCC Bank	20,000	10	76.44	1,528,812	69.04	1,380,800
110	Standard Bank Ltd.	1,400	100	691.01	967,413	653.37	914,718
111	Prime Bank Ltd.	200	10	880.20	176,039	963.53	192,706
112	South East Bank	4,000	100	556.39	2,225,550	603.09	2,412,360
113	Islami Bank BD Ltd.	1,000	100	787.36	787,364	810.69	810,690
114	PLFSL	46,800	10	295.89	13,847,703	288.83	13,517,244
115	Prime Finance	19,000	10	487	9,260,889	456	8,670,270
116	National Tubes	1,810	100	1,646	2,979,761	1,473	2,665,877
117	Active Fine Chemicals	20,000	10	119	2,380,436	120	2,400,600
118	Green dealta Ins	1,000	100	368	368,248	323	323,440
119	Nitol Insurance	2,800	100	1,014	2,840,333	946	2,648,184
Total Taka					<b>4,180,335,268</b>		<b>11,074,397,696</b>

**Janata Bank Limited**  
**Schedule of Debenture ( Govt. and Non-Govt.)**  
**Held by the Bank as on 31 December 2010**

**Annexure-4**

<b>Sl. No.</b>	<b>Name of Company</b>	<b>Amount in Taka</b>
1	Bangladesh House Building Finance Corp.	175,000,000
2	Bangladesh Steel & Engineering Corp.	20,000,000
3	Pioneer Pharmaceuticals Co. Ltd.	100,000
4	Rupon Oil & Feeds Ltd.	50,000
5	Monir Chemicals Co Ltd.	145,000
6	Bay-sodium Chemicals Co Ltd.	25,000
7	Bengal Carpet Inds. Ltd.	29,000
8	Ismail Carpet Industries Ltd.	48,000
9	Mirjabo Steel Ltd.	150,000
10	Allied Jute Mills Ltd.	4,565,187
11	Debenture Before Liberation	20,473,602
12	Beximco Synthetics Ltd.	15,291,432
13	Beximco Textiles Ltd.	86,133,600
14	Beximco Denims Ltd.	53,833,500
<b>Total</b>		<b>375,844,321</b>