

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JANATA BANK LIMITED

We have audited the accompanying revised financial statements of Janata Bank Limited, which comprise the balance sheet as at December 31, 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the securities and exchanges rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and TOR provided by management. 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risks assessment, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's 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 presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

The bank has determined the required provision for Super Annuation Fund (SAF) and Gratuity Fund as of 31 December 2009 at Tk. 1753.97 crore because of the implementation of new pay scale 2009 against which there exist a provision of Taka 1449.08 crore leaving a shortfall of Taka 304.89 crore for which no provision has been made in the financial statements.

In our opinion, except for the effects on the financial statement of the matter referred to in preceding paragraph the financial statements present fairly, in all material respect, give a true and fair view of the financial position of Janata Bank Ltd. as at December 31, 2009 and of its financial performance and its cash flows for the year then ended.

Subject to the above, 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 bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit which have been received from the branches not visited by us;
- iii) The bank's balance sheet and profit and loss account and its cash flows 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 bank's business;
- v) The financial position of the company at December 31, 2009 and the profit for the year then ended have been properly reflected in the financial statements; the financial statements have been prepared in accordance with the generally accepted accounting principles;
- vi) The financial statements have 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 for advances which are in our opinion, doubtful of recovery;
- viii) The financial statements 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) Guidelines of Core Risk Management issued by Bangladesh Bank vide BRPD Circular # 17 dated 7/10/2003 were not fully complied with;
- xii) The account of overseas subsidiary associate and branches were not audited by us;
- xiii) 80% of the risk-weighted assets of the branches allocated for audit have been audited by us;
- xiv) We have spent approximately 7100 man-hours for the audit of books and accounts of the bank.
- xv) This report supersedes our previous report dated March 25, 2010 as correction has been made by the management in the Financial Statements under BAS 8.

Sd/= **Howladar Yunus & Co.**
Chartered Accountants

Sd/= **A. Wahab & Co.**
Chartered Accountants

Dated, Dhaka
June 16, 2010

Janata Bank Limited
Revised Balance Sheet
As of 31 December 2009

PROPERTY AND ASSETS	Notes	31.12.2009 Taka	31.12.2008 Taka
Cash	3		
Cash in hand (Including foreign currency)		3,611,730,895	4,036,224,616
Balance with Bangladesh Bank and it's agent bank(s)		12,920,117,768	12,490,948,085
		16,531,848,663	16,527,172,701
Balance with other banks and financial institutions	4		
In Bangladesh		2,215,123,115	3,523,399,750
Outside Bangladesh		1,908,304,371	2,456,393,565
		4,123,427,486	5,979,793,315
Money at call on short notice	5	5,533,529,807	7,088,744,458
Investments:	6		
Government		70,617,630,895	57,255,466,440
Others		1,915,572,787	568,059,547
		72,533,203,682	57,823,525,987
Loans and Advances	7		
Loans, cash credit, overdrafts, etc.		157,540,717,889	137,184,639,985
Bills purchased & discounted		8,818,767,730	7,493,543,403
		166,359,485,619	144,678,183,388
Fixed Assets including premises, furniture and fix.	8	2,685,195,290	2,446,425,915
Other assets	9	25,896,092,822	32,613,451,158
Non -banking assets		-	-
TOTAL PROPERTY AND ASSETS		293,662,783,369	267,157,296,922
LIABILITIES AND CAPITAL			
Liabilities:			
Borrowings from other banks, financial institutions and agents	10	31,565,952	587,633
Deposits and other Accounts	11		
Current accounts and other accounts		49,424,716,702	42,563,114,833
Bills Payable		2,604,256,004	2,433,587,338
Savings bank deposits		72,351,530,297	68,045,122,155
Fixed deposits		121,794,543,476	108,293,926,408
Bearer certificates of deposits		-	-
Other deposits		-	-
		246,175,046,479	221,335,750,734
Other Liabilities	12	33,595,800,525	36,758,590,982
Total Liabilities		279,802,412,956	258,094,929,349
Capital/Shareholder's Equity :			
Paid-up Capital	13	5,000,000,000	2,593,900,000
Statutory Reserve	14	2,644,948,976	1,491,956,374
Legal Reserve	15	52,892,954	44,946,031
Other Reserve	16	6,141,468,825	2,645,620,801
Surplus in Profit/(Loss) Account	17	21,059,658	2,285,944,367
Total Shareholders' Equity		13,860,370,413	9,062,367,573
TOTAL LIABILITIES & SHARE HOLDERS' EQUITY		293,662,783,369	267,157,296,922

OFF-BALANCE SHEET ITEMS	Notes	31.12.2009 Taka	31.12.2008 Taka
<u>Contingent Liabilities</u>	18		
Acceptances & Endorsements		-	-
Letters of Guarantee		3,773,949,984	3,205,771,280
Irrevocable Letters of Credit		64,128,270,545	59,491,466,114
Bills for Collection		5,616,051,672	7,427,076,266
Other Contingent Liabilities		-	-
		73,518,272,201	70,124,313,660
Other Commitments:			
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 commitments		-	-
		-	-
Total off-Balance Sheet Items including Contingent Liabilities:		73,518,272,201	70,124,313,660

The annexed notes form an integral part of the Balance Sheet.

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Md. Belal Hossain
Sr. Consultant (Accounts)

Sd/=
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CEO & Managing Director

Sd/=
Dr. R. M. Debnath
Director

Sd/=
Dr. Jamaluddin Ahmed, FCA
Director

Sd/=
Chowdury Abdul Quayum
Director

Sd/=
Dr. Abul Barkat
Chairman

This is the Balance Sheet referred to in our report of even date.

Dated, Dhaka
16 June, 2010

Sd/=
Howladar Yunus & Co.
Chartered Accountants

Sd/=
A. Wahab & Co.
Chartered Accountants

Janata Bank Limited
Profit and Loss Account
For the year ended 31 December 2009

PARTICULARS	Notes	2009 Taka	2008 Taka
Interest income	19	14,867,965,209	12,953,199,215
Interest paid on deposits and borrowings etc.	20	(10,376,982,626)	(9,306,491,598)
Net Interest Income		4,490,982,583	3,646,707,617
Investment income	21	5,602,314,548	4,157,161,357
Commission, exchange and brokerage	22	2,870,042,705	3,115,680,661
Other operating income	23	733,788,146	696,002,901
Total Operating Income		13,697,127,982	11,615,552,536
Salary and allowances	24	3,996,581,522	3,614,838,109
Rent, taxes, insurance and electricity, etc.	25	415,175,831	364,630,527
Legal Expenses	26	5,370,963	5,575,795
Postage, stamp, telecommunication etc.	27	1,865,896	1,149,396
Stationery, printings , advertisements etc.	28	106,649,043	89,716,011
Chief executive's (MD) salary and fees		8,400,000	7,093,000
Directors' fees	29	1,062,000	918,000
Auditor's fees		2,166,608	1,739,541
Depreciation and repair of bank's assets	30	183,171,745	166,179,887
Other expenses	31	398,560,520	360,647,772
Total Operating Expenses		5,119,004,128	4,612,488,038
Profit/(Loss) before provision		8,578,123,854	7,003,064,498
Provision for loans and advances	32	688,063,124	485,000,000
Provision for off balance sheet items	33	35,200,000	468,591,137
Provision for other assets (Fraud forgery)		100,000,000	-
Provision for valuation adjustment	34	890,000,000	889,000,000
Provision for SAF & Gratuity	35	650,000,000	
Other provisions	36	450,000,000	411,149,592
Total provision		2,813,263,124	2,253,740,729
Total profit / (Loss) before income tax		5,764,860,730	4,749,323,769
Provision for taxation:	37		
Prior Year		793,305,697	2,396,370,517
Current Year		1,006,603,730	1,143,690,508
		1,799,909,427	3,540,061,025

PARTICULARS	Notes	2009	2008
		Taka	Taka
Deferred tax income/ (expense):	9.06		
Prior year		-	-
Current year		(983,076,823)	1,936,119,662
		(983,076,823)	1,936,119,662
Net profit/(loss) after taxation		2,981,874,480	3,145,382,406
Add: Transfer from other reserve		37,547,378	41,774,131
Less: Last year adjustment		(15,099,020)	-
Net Profit(Loss) after adjustment		3,004,322,838	3,187,156,537
Appropriations			
Statutory Reserve		1,152,972,146	949,864,754
Previous Year adjustment		-	303,964,762
General Reserve		-	-
Legal Reserve		7,916,798	15,435,205
		1,160,888,944	1,269,264,721
Surplus transferred to Retained Earnings	17	1,843,433,894	1,917,891,816
Earning per share (EPS)	13.04	78.02	83.88

The annexed notes form an integral part of the Profit and Loss Account.

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Dated, Dhaka
16 June 2010

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Chartered Accountants

Janata Bank Limited
Cash Flow Statement
For the year ended 31st Dec' 2009

	2009 Taka	2008 Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipt in cash	14,366,372,419	12,533,641,880
Interest payments	(7,979,664,606)	(7,090,537,657)
Dividend receipts	22,277,355	17,659,717
Fees and commission receipt in cash	2,857,347,080	3,049,403,858
Cash Payments to employees	(4,004,981,522)	(3,625,845,832)
Cash Payments to suppliers	(106,649,043)	(89,716,011)
Income from investment	5,542,714,193	4,139,501,641
Receipt from other operating activities	685,548,270	679,186,675
Payments for other operating activities	(654,439,025)	(660,619,166)
Cash flow from operating activities before changes in working capital	10,728,525,121	8,952,675,105
Increase/decrease in Operating Assets & Liabilities:		
Statutory deposits	566,128,360	237,817,894
Loans and advances to customers	(21,681,302,231)	(23,473,728,414)
Loans and advances to other banks	-	-
Other assets	6,296,809,803	1,967,432,370
Balance with other banks	1,856,365,829	1,348,609,556
Other liabilities	(10,403,199,130)	(7,643,108,661)
Deposits from other banks	2,872,179,476	83,486,246
Deposits from customers	21,967,116,269	22,616,372,434
	1,474,098,376	(4,863,118,575)
Net cash flow from operating Activities (A)	12,202,623,497	4,089,556,530
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Securities and Bond (others)	(1,310,190,240)	177,314,018
(Purchase)/Sale of securities(Govt.)	(13,362,164,455)	(2,137,909,614)
(Purchase)/sale of property, plant and equipments	(361,785,811)	(129,358,056)
Purchase/sale of subsidiary	-	-
Net cash flow from investing activities (B)	(15,034,140,506)	(2,089,953,652)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issue of loan capital & debt security	-	-
Payments for redemption of loan capital & debt security	-	-
Receipts from issue of ordinary share (Right share)	1,250,000,000	-
Dividend paid	-	-
(Payments)/Receipt from borrowings	30,978,319	(2,530,800,000)
Net cash flow from financing activities (C)	1,280,978,319	(2,530,800,000)
D. Net increase/Decrease in cash (A+B+C)	(1,550,538,690)	(531,197,122)
E. Cash and cash equivalents at beginning of the year	23,615,917,159	24,147,114,281
F. Cash and cash equivalents at end of the year	22,065,378,469	23,615,917,159

2009 Taka	2008 Taka
3,611,730,895	4,036,224,616
12,920,117,768	12,490,948,085
5,533,529,807	7,088,744,458
22,065,378,470	23,615,917,159

Note: Cash & Cash Equivalents:

Cash in hand
Balance With Bangladesh Bank & it's agent bank's
Money at call & short notice

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Chairman

This is the Profit and Loss account referred to in our report of even date.

Dated, Dhaka
16 June 2010

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Chartered Accountants

Sd/= **A. Wahab & Co.**
Chartered Accountants

Janata Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2009

Particulars	Paid up Capital	Statutory Reserve	Other Reserve	Legal Reserve (UAE branches)	Retained Surplus	Total
Balance as at 01 January 2009	2,593,900,000	1,491,956,374	2,645,620,801	44,946,031	2,285,944,367	9,062,367,573
Issue of Bonus share	1,156,100,000	-	-	-	(1,156,100,000)	-
Issue of Right share	1,250,000,000	-	-	-	-	1,250,000,000
Tran.from unused prov.for cash Incentive for recovery of CL advances	-	-	-	-	39,064,335	39,064,335
Inec. for rate fluctuation of UAE Dirham	-	20,456	-	30125	200,832	251,413
Adjust.of Depn.of revalued Assets	-	-	(37,547,378)	-	-	(37,547,378)
Gain on revaluation of T. bill as per B.B. guideline	-	-	3,533,395,402	-	-	3,533,395,402
Adjustment agst.JEC capital a/c from JEC net profit of 2006&07	-	-	-	-	33,843,410	33,843,410
Statutory Reserve transferred from P/L A/c	-	1,152,972,146	-	-	-	1,152,972,146
Adjustment against unaccounted AIT on L/c Com. (From 2000 to 2008')	-	-	-	-	206,084,596	206,084,596
Legal Reserve	-	-	-	7,916,798	-	7,916,798
Retained Profit / (Loss) for the year	-	-	-	-	1,843,433,894	1,843,433,894
Prior year's Adjustment of deferred tax account as per BAS 8	-	-	-	-	(3,231,411,776)	(3,231,411,776)
Balance as of 31 December 2009	5,000,000,000	2,644,948,976	6,141,468,825	52,892,954	21,059,658	13,860,370,413
Balance as of 31 December 2008	2,593,900,000	1,491,956,374	2,645,620,801	44,946,031	2,285,944,367	9,062,367,573

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Janata Bank Limited
Liquidity Statement
Assets and Liability Maturity Analysis
As of 31 December 2009

Particulars	Up to 01 month	01 to 03 months	03 to 12 months	01 to 05 years	More than 05 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets:						
Cash in hand and with Bangladesh Bank	16,531,848,663	-	-	-	-	16,531,848,663
Balance with other banks and financial institutions	485,594,689	350,000,000	1,600,000,000	1,687,832,797	-	4,123,427,486
Money at call on short notice	5,533,529,607	-	-	-	-	5,533,529,607
Investment	2,394,016,026	7,510,480,236	14,111,914,248	20,366,876,023	28,149,917,149	72,533,203,682
Loans and Advances	23,411,250,700	34,747,520,350	39,250,215,100	35,951,215,300	32,999,284,169	166,359,485,619
Fixed assets including premises, furniture and fixtures	-	48,617,495	82,540,600	251,460,430	2,302,576,965	2,685,195,490
Other assets	2,202,530,260	2,352,510,500	4,752,035,260	4,118,952,515	12,470,064,287	25,896,092,822
Non banking assets	-	-	-	-	-	-
Total Assets	50,558,769,945	45,009,128,581	59,796,705,208	62,376,337,065	75,921,842,570	293,662,783,369
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents		-	-	-	31,565,952	31,565,952
Deposits	46,353,625,400	38,292,034,823	47,787,035,400	55,856,025,700	38,179,515,730	226,468,237,053
Other accounts	4,402,536,000	6,209,050,240	5,101,230,250	2,616,560,046	1,377,432,890	19,706,809,426
Provision and other liabilities	1,652,325,300	270,825,360	3,251,025,240	817,481,625	27,604,143,000	33,595,800,525
Total Liabilities	52,408,486,700	44,771,910,423	56,139,290,890	59,290,067,371	67,192,657,572	279,802,412,956
Net Liquidity Gap	(1,849,716,755)	237,218,158	3,657,414,318	3,086,269,694	8,729,184,998	13,860,370,413

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16 June 2010

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Janata Bank Limited.
Notes to the Financial Statements
For the year ended 31 December 2009

1.0 Background information

1.1 Legal status of the Bank

Janata Bank Limited is a state owned commercial bank which was incorporated as a Public Limited Company on 21 May 2007 as per Companies Act 1994 and took over the business of the then Janata Bank with all of its assets, liabilities, right, power, privilege and obligation on a going concern basis 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. All of its operational activities are governed by the Bank Companies Act 1991 . The Bank has eight hundred fifty one (851) branches including four (04) overseas branches and a 100% owned subsidiary Janata Exchange Company srl. Italy as of 31 December, 2009.

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 loan & advances, discounting & purchasing bills, remittance, money transfer, foreign exchange transaction, guarantee, commitments etc. The principal activities of its subsidiary are to carry on the remittance of hard-earned foreign currency to Bangladesh. Keeping this service in mind, the Bank has opened an NRB branch to render exclusive service to non resident Bangladeshis.

Janata Bank Ltd. has a plan to switch over to a multi disciplinary financial institution by conducting Merchant Banking business and Islamic Banking operation.

1.3 Subsidiary Company-Janata Exchange Company srl. Italy

A subsidiary Company named Janata Exchange Co. srl. Italy was incorporated on 18, Jan-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 having authorized capital of ITL 1.00 Billion and its paid-up capital is Euro=600.000.

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 24 November 2002.

The board of directors of the company is as under:

Chairman : CEO & Managing Director of Janata Bank Limited

Director's : (1) Chief of Exchange Company

(2) Economic Counselor of Bangladesh Embassy in Rome.

The financial statements of Janata Exchange Co. srl Italy (JEC) has not been consolidated with the Bank's account rather annual audited statements of accounts of JEC for the year 2009 has been shown in annexure-05.

2.0 Significant accounting policies

2.1 Scope and objective:

The accounting policy comprises of principles, basic assumptions, concepts, rules, practices, and procedures prescribed by the regulatory authority and adopted by the management for preparation and presentation of financial statements. The purpose of accounting policy is to provide the appropriate organizational and methodological directions in observance of an uniform accounting activity in the Bank.

2.2 Basis for preparation of financial statements

These financial statements as of December 31, 2009 have been prepared in accordance with the " First Schedule" of the Bank Companies Act 1991 as amended, under section 38 (4) of that Act, Bangladesh Bank's Circulars, International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and other rules and regulations applicable in Bangladesh on a going concern basis under historical cost convention. The Accounting period of the Bank covers the period from 1st January 2009 to 31st December 2009.

2.3 Basis for Consolidation of Accounts

The statement of affairs and income & expenditure account of all branches and head office have been consolidated based on which the financial statement for the year is prepared.

2.4 Accounts of overseas branches

Figures relating to the bank's overseas branches' accounts in the UAE have been incorporated in these accounts on the basis of accounts certified by independent Chartered Accountants of that country and converted into taka currency at the rates prevailing on 31 December 2009

2.5 Accruals & Deferrals

Deferrals and accruals have been made as per guidance of framework set forth in the International Accounting Standards; accordingly financial statements have been prepared. Accrual basis of accounting has been followed. Under this basis, the effects of transactions and other events are recognized when they occur but not merely when the amount is received or paid.

2.6 Revenue Recognition

The revenue have been recognized in term of Bangladesh Accounting Standard (BSA) 18. Accordingly interest on loans, investment, fees & commission, dividend and interest expenses etc have been recognized. The recognition criteria have been described item wise as under:

2.7 Investment and related income:

- a) Investments securities both held for trading and held to maturity are stated at cost. Investments in securities held for trading are stated at mark to market.
- b) Income on investments other than shares of Joint Stock Companies is accounted for on accrual basis.
- c) Net increase in securities held for trading during the period due to revaluation at mark to market basis has been credited to profit and loss account.
- d) Dividend income on shares of joint stock companies is accounted for in the year of receipt of such dividend.
- e) Interest on loans and advances, investment and other assets and discount income are stated at gross amount as per requirement of BRPD Circular # 14 dated 25 June 2003.

2.8 Fees & Commission

- a) Commission charged to customers on letter of credit and guarantee is credited to income at the time of effecting the transactions.
- b) Fees and commission on bills discounted and purchased are recognized at the time of realization.

2.9 Loans and advances:

A. Interest on loans and advances

- i. Interest on unclassified loans is calculated on a daily product basis but charged and accounted for quarterly basis and in some cases half yearly & yearly basis. No interest is charged on bad/loss loans and advances.

- ii. Interest is calculated on classified loans and advances as per Bangladesh Bank BRPD Circular nos. 16/1998, 09/2005 & 05/2006 and kept in interest suspense account and credited to income on realization. The same procedure is followed for special mentioned account (SMA).

B. Provision for loans and advances

Provision for loans and advances has been made on the basis of instructions contained in Bangladesh Bank BRPD Circular no. 05/2006 and as per periodical review by the management.

Provisions for loans and advances have been created as per rate prescribed below:

Provision for Unclassified Loan & Advances	1.00%
Provision for SME	2.00%
Provision for STAC, MC and SMA	5.00%
Provision for Substandard Loan & Advances	20.00%
Provision for Doubtful Loan & Advances	50.00%
Provision for Bad & Loss Loan & Advances	100.00%

C. Written off of loans and advances

Loans and advances with no realistic prospect of recovery have been written off against which full provisions were made and legal cases have been filed but remained pending, except the state owned enterprises for which no legal actions have been taken. Detailed memorandum records for all such written off accounts are maintained without reducing the Bank's claim.

D. Presentation of loans & advances

Advances are shown at gross amount as assets while interest suspense and loan loss provision against classified advances are shown as liabilities in the Balance Sheet as per BRPD Circular No. 14 dated 25 June 2003.

- i) Staff loan of Taka 10868.90 million allowed at concessional rate as approved by the authority are shown under advances as per BRPD Circular no. 14, dated 25 June 2003.

E. Securities against Loan

1. Project loan: Land and building are taken as security in the form of mortgage and plant & machinery are taken in the form of hypothecation.
2. 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.

3. House building loan: Land and building are taken as security in the form of mortgage.
4. Overdraft: FDR's are taken in pledge. The balance in DPS/JBSPS/SDPS A/C's is taken in "lien".
5. In most cases Govt. Guarantee is taken against public sector loan.
6. No security is taken for Govt. loan and Crops Loan to Agriculture sector.

2.10 Interest on Deposits & Other Expenses

Interest paid on deposits and borrowings together with other expenses are recognized on accrual basis.

2.11 Fixed Assets

As per management decision revaluation of fixed assets of the Bank was done thrice earlier. In 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 was done by an aggregate amount of Taka 1,152,016,458.

- a) Land & Buildings have been revalued based on physical verification by an independent survey firm appointed by Board of Directors. The calculation is based on average sale and purchase price of last six month of respective locality. Revaluation of assets under Furniture & Fixture, Transport, Vehicle and Computer has been done by the Bank management considering the useful life of the respective assets based on physical verification.
- b) Depreciation is charged at the following rates per annum on reducing balance method on all fixed assets other than motor vehicles, bi-cycles and computer, which are depreciated on straight-line method at the rate of 20% per annum.

Building	2.5%
Furniture and fixtures. Library books	10.0%
Electrical installation and machinery, Motor Vehicle	20.0%
Type writers and calculating machines Computer Accessories	20.0%

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 purchased in the second half. No depreciation is charged on the assets which were disposed in the first half of the year and depreciation is charged on the assets which were disposed off in the second half of the year.

- c) Upon retirement of items of fixed assets the net book values are eliminated from the accounts and the resulting gains or losses, if any, are transferred to profit and loss account.

- d) Repairs and maintenance expenses of fixed assets are charged to profit and loss account, when incurred.

2.12 Foreign currency translation/conversion

Foreign currency transactions are converted into equivalent taka currency using the ruling exchange rate on the date of respective transaction. Assets and liabilities as at 31 December 2009 in foreign currencies are translated into taka currency at the average of prevailing selling and buying rate of the concerned currency of that day. Difference arising through transactions and revaluation on different dates of the year have been adjusted by debiting/crediting to the Profit and Loss Account.

2.13 Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in taka terms at the rates of exchange ruling on the balance sheet date.

2.14 Earning Per Share

The Company calculates Earning Per Share (EPS) in accordance with BAS 33: Earning Per Share, which has been shown on the face of profit & loss account, and the computation of EPS is stated in Note 13.04.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighting factor. The time weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the year.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding for the year.

Diluted earnings per share

For the purpose of calculating diluted earning per share, the net profit attributable to ordinary shareholders and the weighted average number of shares outstanding has been adjusted for the effects of all dilutive potential ordinary shares.

2.15 Related Party Transactions

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.

2.16 Post balance sheet events:

No material event occurred after the Balance Sheet date that could affect the values sated in the financial statement.

2.17 Assets pledged as Security

The Bank has no secured liabilities and no assets of the Bank was pledged as security against any liabilities during the year 2009.

2.18 Provision for Taxation

- i **Past tax liability of Janata Bank:** Income tax assessments till 2003-2004 have been finalized. Assessments for the year 2004-05,2005-2006, 2006-2007 and 2007- 2008 are under process. Income tax provision for Tk.1006.60 million has been considered for the year ended 31st December, 2009 on the basis of estimated assessment made by the Tax Consultant including income tax Tk 548.48 million for the year 2005-06 and Tk. 244.83 million for the year 2004-05.
- ii 793.31 million for the prior year 2004 -2005, 2005-2006. A total refund of Tk. 3231.4 million is receivable from tax authority after completion of assessment upto the income year 2002.
- iii **Current Tax:** Income tax has been provided @ 42.5% on the Taxable profit for the year ended 31 December 2009 as per ITO 1984.
- iv **Deferred Tax :** As per Bangladesh Accounting Standard 12 deferred tax has been calculated. Detailed calculation has been shown in note number 9.06.

2.19 Liquidity statement:

The Liquidity Statement has been prepared in accordance with grouping of the value of the remaining assets and liabilities as on the reporting date.

2.20 Off- setting of asset and liability:

The values of any asset or liability as shown in the balance sheet are not off-set by way of deduction from another liability or asset unless there exists a legal right therefore. No such incident took place during the period.

2.21 Reconciliation:

a) NOSTRO A/C reconciliation position up to 31 December 2009 is given below:

SL No	Outstanding period	Outstanding				Total Outstanding Entries
		As per Statement		As per Ledger		
		Nos. of Debit Entries	Nos. of Credit Entries	No. of Debit Entries	Nos. of Credit Entries	
1	For Jan-Dec'05	02	-	-	-	02
2	For Oct'09	-	05	-	-	05
2	For Nov'09	-	08	-	10	18
3	For Dec.-09	0	24	-	12	36
Total :		02	37	-	22	61

b) Inter branch reconciliation:

Details of un-reconciled entries of Inter Branch Transaction Accounts (IBTA) as on 31 December 2009 are given in note no.12.01.

2.22 Segment reporting:

For the purpose of Segment Reporting as per Bangladesh Accounting Standards-14, the following segments relating to revenue, expenses, assets and liabilities have been identified and shown in the related notes accordingly as primary/ secondary segments.

- banking operations comprising branches of the banking entity,
- treasury operations comprising the banking entity
- Domestic operations in line with geographical segments.

Loans and Advances have been written off which have no realistic prospect of recovery, against which full provision have been kept and legal cases are pending except the state owned enterprise for which no legal actions have been initiated. However, this write off will not reduce the claim of the Bank against borrower in any way.

2.23 Write off of Other Assets:

Other Assets have been written off which have no realistic prospect of recovery and full provision has been kept. However, this write off will not off-set the claim of the Bank against the debtors in any way.

2.24 Retirement benefit scheme

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. Employees' 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 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) **Superannuation Fund**

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 employee in each month from July, 2009. Contribution to the Super Annuation Fund is an allowable expenditure as per tax rule.

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 & Gratuity benefit payable as of 31.12.2009 as 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/leave-16/84/9 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

“Expenditure A/C Leave Encashment Code No.-1217”. Therefore, No fund is created for this scheme.

d) Death relief grant scheme

The Bank operates a death relief scheme since 01 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/officer/staff, sale proceed of old news papers, income from investment and grant from Bank's operating profit. Expenditures from these fund 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.

2.25 Corporate Social Responsibility

Janata Bank Ltd. is placing value on contributing in development and welfare activities in the society for betterment of the social life for the common people. The bank has adopted a policy to earmark a substantial amount of net profit to carryout social activities and as a part of policy implementation; we allocated Tk.2.50 crore for the year 2009. The bank conducted following CSR activities in the year 2009:

- 1) Financial assistance in education and research work including donation to hold 45th annual convocation of Dhaka University.
- 2) Financial assistance for health and medicare services to the distressed people of the society including donation to Dhaka Ahsania Mission Cancer Hospital.
- 3) Financial assistance for poverty alleviation.
- 4) Donation to Prime Minister Relief Fund for assistance to Ayla affected peoples in the south west coastal district of the country.
- 5) Donation to tribal woman freedom fighter named Kakon Bibi for improvement of her distressed life.
- 6) Financial assistance for protection and improvement of history & culture including donation to "Nagarik Committee" for celebration of 400th years of Dhaka city.
- 7) Financial Assistance for making liberation based films .

2.26 Audit Committee

a) Constitution of the Committee

The Bank has constituted an audit committee vide BRPD Circular # 12 dated 23 December 2002 with a view to act as a bridge among the board of directors and executives so that the committee can play an effective role in establishing an efficient, strong and secured banking system. Audit Committee as of 31 December 2009 comprises three members of the board of directors as follows:

SL#	Name of the Members	Status with Bank	Status with Committee
1	Chowdhury Abdul Quayum	Director	Chairman
2	Dr. Jamaluddin Ahmed FCA	Director	Member
3	Dr. R.M. Debnath	Director	Member

The Committee conducted 15 (fifteen) meeting with senior management to oversee/review various function in compliance with Bangladesh Bank's circular. Among others, the following issues were reviewed and discussed in the meetings:-

- i. Reviewed the draft copy of audited financial statement as of 31st December 2008 of the Bank in presence of external auditor. Advised the bank management to ensure compliance with BRPD circular-14 dated 25th June 2003 and International Accounting Standard in preparation of financial statements.
- ii. Reviewed the Audit Report of Internal Auditor, External Auditor and Commercial Auditor as on December-2008.
- iii. Reviewed the inspection report 2008 of Bangladesh Bank Inspection Team and recommend for implementation of their observations.
- iv. Restructuring of Internal Audit Function and advised to conduct special inspection.
- v. Recommendation to introduce Car Loan Scheme for the Executive of the Bank.
- vi. Reviewed the Employees House Building Finance Rule-2009 and its necessary amendment.
- vii. Reviewed and recommended for approval of revised budget for the year 2009 and budget for the year 2010.
- viii. Provide guidance and assistance to prepare a separate Pay scale for State Owned Commercial Banks and implementation of Govt. new pay scale.

2.27 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 5 (five) core risk areas in the banking business and issued necessary guidelines as under to control and minimize the affected loss:-

1. Credit Risk Management
2. Assets /Liability Risk Management
3. Foreign Exchange Risk Management
4. Internal Control and Compliance Risk Management and
5. Money Laundering Risk. Management

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

i. Credit Risk Management

Credit risk is the risk to a financial institution's earning and capital when an obligor or a third party will 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, counterchecking & cross checking done by the controlling office in accordance with business and sanctioning power.

The proposal belonging to the authority of Head office, are reviewed by the concerned credit division 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 credit 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.

ii. Asset-Liability Risk Management

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

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 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).

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 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.

iii. 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 authorized 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 are given by the concerned authorities. The daily blotter and mark to market revaluation report is placed to management for their review.

iv. 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.

v. 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 polices 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 is 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.

2.28 Credit Rating of Janata Bank Limited.

Bangladesh Bank has made mandatory from January 2007 for all Banks to have themselves credit rated by a credit rating agency vide BRPD circular No. 6 of 5 July 2006. Janata Bank has appointed credit rating Agency of Bangladesh Ltd. (CRAB) to conduct credit Rating of the bank. They have already completed the rating on the basis of activities ended on 31st December, 2008 with the rating status mentioned below.

Rating for the year 2008 is as under:

Period	Long Term	Short Term	On the basis Govt. support
31 December 2008	BBB1	ST 3	AAA in long run & ST1 in short run.
31 December 2007	BBB1	ST 3	Do

2.29 Implementation of the New Capital Accord (Basel-II) :

The requirement of maintaining minimum capital in consideration of credit, market and operational risk as per methodology prescribed in the BASEL II framework has been put in effect w.e.f. 1st January 2009 by the Janata Bank Ltd. The reporting on capital requirement under BASEL II will run in parallel with the present reporting under BASEL I till 31st December 2009, thereafter new capital accord will come in force w.e.f. 1st January 2010. Janata Bank is aware of the eventualities and impact on capital requirement as per guideline of Basel II. The Bank has undertaken the following steps as a part of implementation of BASEL II accord under the guidance of Bangladesh Bank.

- Basel-II implementation unit has formed consisting of 7 members headed by Deputy Managing Director.
- Continuous training program are being conducted for the relevant officers and executives on the role of branch management for providing risk related information for calculation of minimum capital requirement.
- Information formats on credit and market risk according to the risk weight of counterparties have been prepared and delivered to all branches with necessary guidance for compliance.
- A software is in process of development to maintain database of counterparties in respect of credit, investment, placement, their grading, maturity, financial securities etc. from where report on capital requirement can be prepared.
- Risk management processes covering the assets, liabilities, lending, foreign currency dealing and internal control have been initiated for all business units;
- SOP is prepared for business functionality for strengthening the control measures and risk management as per internationally accepted best practices;
- Implementation of strong IT platform is in process and will cover the substantial operation by the year 2010.
- Strong oversight by the Board, Executive Committee and the Audit Committee by adhering to good corporate governance.
- Adequate disclosure requirement is ensured in compliance of market discipline under BASEL II.

2.30 General:

- i) Figures have been rounded off to the nearest taka.
- ii) Previous year's figure shown for comparison purpose, have been rearranged, where ever necessary to conform current year's presentation.

		31.12.2009 Taka	31.12.2008 Taka	
3.00 Cash :				
Cash in hand				
Local Currency :		3,507,176,540	3,785,723,338	
Foreign Currency		104,554,355	250,501,278	
	(i)	3,611,730,895	4,036,224,616	
Balance with Bangladesh Bank and its agent bank(s):				
Bangladesh Bank				
In Local Currency)		11,602,536,439	10,701,977,426	
In Foreign Currency (Clearing Account)		83,716,282	-	
		11,686,252,721	10,701,977,426	
Sonali Bank				
Local Currency		1,233,865,047	1,788,970,659	
	(ii)	12,920,117,768	12,490,948,085	
	(i+ii)	16,531,848,663	16,527,172,701	
3.01 Cash Reserve Requirement (CRR) 5% of average demand and Time Liabilities:				
As per BRPD circular no. 12 dated August 2005 Janata Bank Ltd. has to maintain CRR @ 5% of daily average of demand and time liabilities on fortnightly basis. The required reserve and actual reserve held are as follows:				
Required Reserve		10,810,000,000	9,710,000,000	
Actual Reserve held with B.Bank & it's agent		12,920,117,768	12,490,948,085	
Surplus/(Deficit)		2,110,117,768	2,780,948,085	
4.00 Balance with other banks and financial institutions:				
In Bangladesh (4.01)		2,215,123,115	3,523,399,750	
Outside Bangladesh (4.02)		1,908,304,371	2,456,393,565	
		4,123,427,486	5,979,793,315	
4.01 In Bangladesh:				
Current Deposits		-	3,399,750	
Short Term Deposits		5,657,122	-	
Fixed Deposits		2,209,465,993	3,520,000,000	
		2,215,123,115	3,523,399,750	
4.02 Outside Bangladesh-current deposit (NOSTRO and other account balances in foreign currency):				
	Foreign Currency	Exchange Rate (Average at BDT)	31.12.2009 Taka	31.12.2008 Taka
ACU Dollar	7,356,635.55	68.9750	507,423,935	429,127,252
Australian Dollar	81,300.00	61.4879	4,998,967	7,097,388
Canadian Dollar	126,678.21	65.90	8,348,601	6,729,991
Swiss Frank (CHF)	46,867.22	66.3733	3,110,734	889,164
EURO	5,537,991.80	98.6886	546,536,870	25,273,183
Great Britain Pound	589,465.13	109.2116	64,376,430	29,839,534
Japanese Yen	35,737,660.00	0.7497	26,792,523	75,472,078
Saudi Real	6,407.72	18.3847	117,804	145,218
US Dollar	(18,074,144.75)	68.9750	(1,246,664,132)	(2,005,337,693)
Shadow General Ledger balance			(84,958,268)	(1,430,763,886)
Add: Outstanding debit entries recorded by jan'09 adjusted on 31-12-08	72,255,982.00	68.8900	-	(4,977,714,600)
			-	(6,408,478,486)
Less : Outstanding Credit entries recorded by jan'09 adjusted on 31-12-08	112,712,844.00	68.4000	-	7,709,558,528
Adjusted balance on 31-12-2008			-	1,301,080,042
Abu Dhabi dirham (Central Bank)	81,750,914.00	18.8112	1,537,832,797	776,743,852
Abu Dhabi dirham (Others Bank)	24,210,568.27	18.8112	455,429,842	378,569,671
			1,908,304,371	2,456,393,565

4.03 NOSTRO and Other Foreign Currency Account (Account Wise)

	31.12.2009	31.12.2008
	Taka	Taka
1 Citibank N.A Mumbai	13,158,256	104,398,801
2 The HSBC Bank Ltd. Mumbai	4,721,975	24,610,934
3 Standard Chartered Bank (KOL)	299,546,392	82,588,395
4 A.B. Bank Limited Mumbai	(14,051,758)	2,871,635
5 Bhutan National Bank	3,229,392	3,225,413
6 Rastrya Banijja Bank Kathmandhu	7,635,098	14,652,469
7 Sonali Bank (Kolkata)	23,130,448	15,609,325
8 Peoples Bank Colombo	4,344,505	6,641,694
9 Bank Tejarat Thehran	343,156	795,868
10 ICICI Bank Ltd. Mumbai	71,548,733	46,105,644
11 HSBC Karachi	1,554,052	27,224,269
12 State Bank of India (Kolkata)	15,323	4,151,460
13 AMEX Bank Ltd.(Kolkata)	92,236,187	88,578,751
14 United Bank Ltd. Karachi	-	2,218,124
15 Rupali Bank Ltd. Karachi	12,176	5,454,471
16 National Australia Bank	4,998,967	7,097,388
17 Bank of Montreal Canada	7,996,663	6,646,670
18 HSBC Canada	351,938	83,321
19 Union Bank of Switzerland	3,110,734	889,164
20 Banka-Intesa SPA, Italy	7,526,425	(7,014,501)
21 ING Bank N.V. Netherlands	4,482,780	399,287
22 Stan. Chart. Bank London	647,734,438	192,957,522
23 Societe generale paris	29,734	342,728
24 Standard Chartered GMBH F.F.	6,622,473	(158,017,909)
25 Sonali Bank UK. Ltd London	426,026	399,673
26 Banca nazionale DEL Lavoro SPA	(85,039,535)	(28,947,178)
27 Commerz Bank F. FURT	(115,096,390)	27,043,177
28 ING Belgium NV/SA	123,888	10,472,743
29 Emporiki Bank of Greece SA	-	3,245
30 Deutsche Bank F.F. GERMANY	(5,895,916)	(12,365,605)
31 S.C.B London	61,716,605	24,912,698
32 NAT-WEST Bank PLC London	(3,038,817)	479,163
33 HSBC PLC London (URO)	0	4,664,595
34 HSBC PLC London (GBP)	2,794,010	-
35 Janata Bank Abu Dhabi-1	3,693	3,379
36 Sonali Bank UK. London Ltd.	2,900,938	(220,301)
37 Bank AL -JAZIRA,Jeddah	117,804	145,218
38 HSBC Bank Ltd. N.Y.	(2,144,707,129)	(1,666,642,147)
39 Mashreq Bank ,Yew York	(3,827,980)	(527,936,507)
40 American Express Bank Ltd. N.Y.	-	(725,136,992)
41 Bank America Int. LTD. N.Y.	3,718,663	1,335,588
42 D.B.T.C. Americas N. Y.	222,783,790	(10,266,229)
43 Habib American Bank N.Y.	466,375	7,076,142
44 Wachovia Bank N.A.	67,015,874	(32,303,782)
45 J.B. Abu Dhabi A/C-2	30,906,175	14,525,081
46 Citi bank NA New York	47,497,050	(102,087,300)
47 NATL. Commercial Bank (SEM)	1,185,898	(1,783,988)
48 Standard Chartered Bank Tokyo.	26,219,765	1,037,882,442
49 AMEX Bank Ltd. Japan	-	68,090,544
50 ICIC Bank Ltd. (USD) Hong Kong	(18,318,702)	-
51 Wachovia Bank ERO	85,622,946	-
52 Bot-Mitsubishi Ltd. Japan	572,758	7,381,531
53 Standard Chartered Bank N.Y.	546,615,856	-
	(84,958,268)	(1,430,763,886)
Add: Outstanding Debit entries recorded by jan'09 adjusted on 31-12-08	-	(4,977,714,600)
	-	(6,408,478,486)
Less : Outstanding Credit entries recorded by jan'09 adjusted on 31-12-08	-	7,709,558,528
Adjusted balance on 31-12-2009	(84,958,268)	1,301,080,042
UAE Central Bank	1,537,832,797	776,743,852
UAE Others Bank	455,429,842	378,569,671
	1,908,304,371	2,456,393,565

	31.12.2009 Taka	31.12.2008 Taka
4.04 Maturity grouping of balance with other banks (In Bangladesh)		
Below 1 month	115,123,115	1,503,399,750
Over 1 months but less than 6 months	350,000,000	1,024,527,951
Over 6 months but less than 1 year	1,600,000,000	760,000,000
Over 1 year but less than 3 years	150,000,000	235,472,049
Above 3 years	-	-
	<u>2,215,123,115</u>	<u>3,523,399,750</u>
5.00 Money at call on short notice		
In Bangladesh :		
ICB Islamic Bank Ltd. ***	99,700,000	99,900,000
Premier bank Ltd.	300,000,000	-
Eastern Bank Ltd.	-	500,000,000
Bank Asia Ltd.	-	200,000,000
Peoples Leasing	100,000,000	
Prime Finance	50,000,000	
NCC Bank Limited	-	100,000,000
AB Bank Limited	600,000,000	400,000,000
Mercantile Bank Limited	-	250,000,000
First Security Bank Limited	-	500,000,000
Sub-total	<u>1,149,700,000</u>	<u>2,049,900,000</u>
Outside Bangladesh :		
BCCI Luxembourg	57,253,807	57,215,458
NBAD	3,009,792,000	3,477,741,000
Abu Dhabi Commercial Bank	1,316,784,000	1,503,888,000
Sub-total	<u>4,383,829,807</u>	<u>5,038,844,458</u>
Total	<u>5,533,529,807</u>	<u>7,088,744,458</u>

	31.12.2009 Taka	31.12.2008 Taka
6.00 Investments:		
a) Government securities (Considered as SLR)		
i) Treasury bills:		
Primary	17,513,268,030	6,564,244,252
Reverse Repo	700,000,000	-
	18,213,268,030	6,564,244,252
ii) Govt. Notes/ Bonds		
3 years Special Treasury Bond-2008	-	2,050,250,000
25 years (JSAP) Treasury Bond	1,052,935,000	1,174,067,000
5 years (Sick Industries) Treasury Bond	2,703,000	86,013,500
2-15 years Special Treasury Bond	21,570,800,000	25,570,800,000
3 years (T&T Mobile) Treasury Bond	-	652,800,079
5 years Bangladesh Govt. Treasury Bond	11,020,338,387	8,714,939,740
5 years Treasury Bond (BSFIC)	206,739,000	206,739,000
15 years Bangladesh Govt. Treasury Bond	3,348,262,104	2,675,574,814
20 years Bangladesh Govt. Treasury Bond	2,085,968,165	625,044,914
10 years Bangladesh Govt. Treasury Bond	12,808,742,468	8,605,197,525
	52,096,488,124	50,361,426,572
iii) Prize bond	57,401,140	44,322,015
iv) Others:		
Debentures	250,473,601	285,473,601
Sub-Total	70,617,630,895	57,255,466,440
b) Other investments		
i) Shares of Joint Stock Companies		
Quoted-Fully paid-up ordinary shares	1,312,511,920	153,690,299
Unquoted-Fully paid-up ordinary shares	325,881,335	102,953,134
	1,638,393,255	256,643,433
ii) Debenture & bond (Considered as SLR):		
Debenture	199,289,910	223,526,492
Bonds		
Prime Finance Industrial Bond	10,000,000	20,000,000
Ansar VDP Unnayan Bank Bond	50,000,000	50,000,000
Zero Coupon Bond		
	259,289,910	293,526,492
iii) Others (Considered as SLR)		
Pakistan Government Securities of pre-liberation period	17,889,622	17,889,622
iv) Gold etc.	-	-
Sub-Total	1,915,572,787	568,059,547
Total investment	72,533,203,682	57,823,525,987

Detetails of shares and debentures are given in annexure-3 and 4

6.01 SLR requirement was Tk.38916.00 million and kept Tk 88,296.70 million as on 31 December 2009 as per BRPD (P) 683/2005-2996 dated 25-08-2005 Some portion of SLR have been maintained with Bangladesh Bank and Sonali Bank while major portion are in the form of Government Bonds/Securities shown in investment portfolio.

6.01(a) Sectoral Classified of Investment

Pre-liberation Govt. Securities	17,889,622	17,889,622
Other Debentures	90,049,907	94,689,364
Pre- liberation Debentures	20,473,602	20,473,603
Shares	16,694,144	20,665,368
Total	145,107,275	153,717,957

	31.12.2009 Taka	31.12.2008 Taka
6.02 Maturity grouping of Investment		
Repayable on demand	2,394,016,027	299,751,069
Not more 3 months	7,510,480,236	3,300,266,603
More than 3 months but not more than 01 year	14,111,914,248	10,241,378,700
More than 1 year but not more than 5 years	20,366,876,023	19,827,468,815
More Than 5 years	28,149,917,148	24,154,660,800
	72,533,203,682	57,823,525,987
7.00 Loans and advances		
(A) Break-up of loans and advances:		
i) Loans, cash credit and overdraft, etc. (including bills purchased and discounted).		
In Bangladesh	165,097,576,909	143,568,035,305
Outside Bangladesh	1,261,908,710	1,110,148,083
Total loans and advances	166,359,485,619	144,678,183,388
ii) Maturity grouping of loans and advances		
Loans and advances are repayable:		
Repayable on demand	23,411,250,700	30,902,325,700
Within 3 months	34,747,520,350	33,203,612,500
Within 3 months to 12 months	39,250,215,100	35,150,215,100
Within 1 year to 5 years	35,951,215,300	23,951,215,300
More than 5 years	32,999,284,169	21,470,814,788
	166,359,485,619	144,678,183,388
(B) Nature wise loans and advances		
i) In Bangladesh		
a) Loans	93,240,242,649	78,983,545,987
b) Cash Credits	60,760,487,618	53,036,743,897
c) Overdrafts	2,444,400,958	4,197,938,932
	156,445,131,225	136,218,228,816
Bills discounted and purchased	8,652,445,684	7,349,806,488
	165,097,576,909	143,568,035,304
ii) Outside Bangladesh		
a) Loans	482,140,077	463,255,374
b) Cash Credits	23,641,875	15,122,022
c) Overdrafts	589,804,712	488,033,773
	1,095,586,664	966,411,169
Bills discounted and purchased	166,322,046	143,736,915
	1,261,908,710	1,110,148,084
Total (i + ii)	166,359,485,619	144,678,183,388

(C) Details of Nature Wise Loans & Advances
Loans:

i)a) Loans, Cash Credit, Overdraft etc.

	31.12.2009	31.12.2008
	Taka	Taka
Rural Credit	12,854,947,628	11,496,535,926
Loan S.S.I	21,711,106,366	17,161,362,646
Transport Loans	35,091,453	30,854,188
General House Building Loan	1,181,843,446	1,050,217,561
Loan General	2,579,487,048	2,011,914,300
LIM	1,719,776,675	1,569,672,704
LTR	22,896,533,617	16,047,056,651
Paking Credit	1,389,753,949	1,334,830,330
Staff House Building Loan	9,475,150,494	8,383,615,441
Loans against P.F.	504,613,007	605,593,361
Loan against DPS/SPS	107,136,242	176,118,632
Rural Housing	10,560,960	472,210
Staff Cyclone Advances	4,039	4,039
Bridge Finance	48,303,189	76,881,224
Credit Card	3,019,349	1,664,407
Credit Line to NBF	35,629,920	223,336,482
PAD(Cash)	11,966,380,718	10,037,314,834
PAD(AID/ Grant etc.)	988,391	34,916,450
PAD(WES)	216,805,284	277,767,273
PAD (Inland)	184,054,867	8,933,597
PAD (Back to Back)	4,976,485,352	2,166,757,703
(PAD (GMT.)	170,999,687	881,338,174
Loan against Cash subsidy/Cash Assistance	1,339,241	146,618,541
FDBP (Others)	-	1,087,247,606
FDBP Garments	-	3,085,452,956
PAD (F.C cash)	212,769,436	205,961,132
PAD (EDF)	8,336,392	230,015,181
Demand Loan (Cash)	914,190,039	1,114,347,812
Loan through Marchant Bank	254,676,469	-
Staff computer Loan	171,368,213	-
Executive Car Loan	91,031,254	-
Loans Foreign bills	1	-
	93,722,382,726	79,446,801,361

b) **Cash Credit:**

Cash Credit		
Export Cash Credit	53,772,704,028	47,991,573,747
Weavers Cash Credit	7,007,786,665	5,056,653,372
	3,638,800	3,638,800

c) **Overdraft:**

Clean overdraft	43,820,878	44,204,018
Temporary Overdraft	76,559,038	1,295,784,009
Secured Overdraft	2,913,825,754	3,345,984,678

	3,034,205,670	4,685,972,705
Sub total Loans, Cash Credit & Overdraft (a+b+c)	157,540,717,889	137,184,639,985

ii) Bills Purchased and Discounted

Local Bills Purchased	71,001,016	61,962,865
Inland Bills Purchased	192,148,284	444,330,092
T.T. Purchased	-	50,000
Foreign Bills Purchased	2,720,798,376	2,903,798,203
FDBP Local Documentary Bill Purchase	5,834,820,054	4,083,402,243

Sub total:	8,818,767,730	7,493,543,403
Total Loans & Advances (i+ii)	166,359,485,619	144,678,183,388

	31.12.2009 Taka	31.12.2008 Taka
(d) Significant concentration of loans and advances:		
i) Advances to allied concerns of directors	-	-
ii) Advances to Chief Executive and other Senior Executiv	17,509,282	20,982,451
iii) Advances to customers group (loan amount more than 10% of bank's total capital):		
No. of client	15	31
Loan amount	73,845,400,000	75,711,700,000
Classified loan therein:		
Sub Standard (SS)	-	96,600,000
Doubtful (DF)	-	-
Bad/Loss (BL)	-	893,500,000
	<u>-</u>	<u>990,100,000</u>

Details of Advances to customers group (loan amount more than 10% of bank's total capital)

Name of Group	Funded	Non funded	31.12.2009 Taka in Million	Status Of Loan
BPC	16,536.40	4,190.00	20,726.40	UC
BJMC	1,965.00	1.90	1,966.90	UC
BCIC	10,762.90	3,818.20	14,581.10	UC
BADC	8,218.40	1,563.70	9,782.10	UC
City Group	1,581.10	310.90	1,892.00	UC
Megna Group	331.50	1,387.60	1,719.10	UC
Basundhara Group	4,028.30	45.80	4,074.10	UC
Jamuna Group	3,380.70	165.40	3,546.10	UC
Abul Khair Group	1,083.50	-	1,083.50	UC
Nasa Group	1,624.00	121.00	1,745.00	UC
KDS Group	1,443.00	621.20	2,064.20	UC
Beximco Pharma	2,063.40	371.80	2,435.20	UC
Beximco Group	3,694.80	1,691.40	5,386.20	UC
Tharmex Group	939.30	723.20	1,662.50	UC
Square Group	274.10	906.90	1,181.00	UC
Sub Total:	57,926.40	15,919.00	73,845.40	

iv) Industry-wise distribution of loans and advances

Industrial Sector	31.12.2009 Taka in Million	31.12.2008 Taka in Million
Jute Industries	9,201.20	8,809.30
Jute Trade	166.70	100.30
Tannery (Industry & Trade)	5,315.80	4,613.30
Textile (Industry & Trade)	5,662.60	6,520.00
Transport	31.20	30.80
Steel & Engineering	2,217.70	1,515.00
Tea	87.70	86.20
Sugar Mills	2,962.00	2,559.60
House Building	1,159.50	1,050.00
Rural Credit	12,854.90	11,496.50
Bricks	1,203.30	1,439.90
Cold Storage	66.70	160.10
Food (Industry & Trade)	1,642.20	1,257.10
Export Credit	19,082.70	15,550.00
Import Credit	32,704.80	32,510.00
Industrial Credit	22,372.07	17,160.00
Others	49,628.41	39,820.10
Total	166,359.48	144,678.20

v) Geographical area-wise loans and advances

Area wise Breakup	31.12.2009	31.12.2008
	Taka in Million	Taka in Million
Dhaka	115,096	101,537
Chittagong	21,772	17,750
Khulna	12,720	10,516
Rajshahi	12,984	11,531
Sylhet	1,092	944
Barisal	1,433	1,290
Overseas Branches (UAE Branches)	1,262	1,110
	166,359	144,678

e) Classification status of loans and advances

In Bangladesh:

Unclassified (Including staff loan Tk.10868.96 million)

Standard	150,802	124,404
SMA	871	2,636
Sub-standard	2,046	1,995
Doubtful	1,128	1,352
Bad / Loss	10,250	13,181
	165,097	143,568

Outside Bangladesh

Unclassified	649	494
Bad/Loss	613	616
	1,262	1,110
	166,359	144,678

f) Movement of Classified Loans & advance in Bangladesh

Opening Classified advances	16,528	20,927
Less: Reduction :		
Cash Recovery	1,929	1,798
Write-Off	1,564	4,439
Intt. Waiver	321	201
Re-Scheduling	2,449	2,801
	6,263	9,239
	10,265	11,687
Add: Newly classified Loans & Advances	3,158	4,841
	13,423	16,528

	31.12.2009 Taka	31.12.2008 Taka
g) Particulars of loans and advances		
i) Loans considered good in respect of which the bank is fully secured.	102,167,236,899	89,252,030,250
ii) Loans considered good against which the bank holds no other security than the debtor's personal guarantee.	6,197,548,720	7,402,530,740
iii) Loans considered good and secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors.	57,994,700,000	48,023,622,398
iv) Loans adversely classified; provision not maintained there against	-	-
	166,359,485,619	144,678,183,388
v) Loans due by directors or officers of the bank or any of these either separately or jointly with any other persons.	10,868,963,000	9,633,313,000
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.	10,868,963,000	9,633,313,000
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 recognized.	14,907,000,000	19,780,405,600
a. 1. (Decrease)/increase in provision	(302,379,483)	2,647,351,089
b. 2. Amount realized against loan previously written-off (Cash realized Tk. 49,97,47,958) Out of cash realised from written-off loans Tk. 5,83,87.500/- received on 17-01-2010 from Imamgonj Corpt. Br. Dhaka	604,300,000	988,600,000
c. Provision kept against loan classified as bad/loss as on 31.12.09 (Excluding General. Prov. For UC Loan)	7,013,370,349	7,366,549,832
xi) a. Cumulative amount of loan previously written off	18,378,400,000	14,927,900,000
b. Amount of loan written off during the year	1,563,900,000	4,439,100,000
c. Amount of written-off loan; for which suit filed	16,651,600,000	14,979,900,000
7.01 Provision required and held for Loans and advances		
Provision required for loans and advances	8,748,404,179	9,050,783,662
i) Existing book balance of provision(Including Gen. Prov for UC Loans)	8,060,341,055	8,565,783,662
ii) Add: Provision made during the year (including Gen. Prov. For UC Loan)	688,063,124	485,000,000
iii) Total provision held (including Gen. Prov. For UC Loan)	8,748,404,179	9,050,783,662

	31.12.2009 Taka	31.12.2008 Taka
7.02 Bills discounted & purchased		
a. Bills discounted & purchased		
Payable in Bangladesh	2,772,489,499	506,342,957
Payable outside Bangladesh	6,046,278,231	6,987,200,446
	8,818,767,730	7,493,543,403
b. Maturity grouping of bills discounted and purchased		
Payable within 1 month	1,902,560,230	1,600,200,000
Over 1 month but less than 3 months	5,206,020,380	4,305,030,000
Over 3 months but less than 6months	1,581,294,269	1,359,420,552
6 months or more	128,892,851	228,892,851
	8,818,767,730	7,493,543,403
8.00 Fixed Assets including premises and furniture, fixture		
Land and building less accumulated depreciation	2,001,767,174	2,026,024,841
Furniture and fixture less accumulated depreciation	334,399,355	294,856,118
Computer less accumulated depreciation	349,028,761	125,544,956
	2,685,195,290	2,446,425,915
Details are given in Annexure-1.		
9.00 Other assets (non-income generating)		
i. Investment in Subsidiary (JEC)	33,843,410	-
ii. Stamps	7,706,071	7,267,553
iii. Stationary	104,770,268	77,901,097
iv. Advance deposit	8,954,742	8,798,770
v. Income accrued on investment	1,435,652,986	1,365,215,875
vi. Sundry assets (Note-9.01)	12,799,167,601	15,133,499,238
vii. Suspense account (9.04)	1,499,751,017	929,469,349
viii. Tripura Modern Bank	29,463	29,463
ix. General Blocked Account	10,441,963	10,441,963
x. Demonetized notes	15,576,759	15,588,859
xi. Cash remittance	361,868,150	342,420,000
xii. Stock of spare parts and electrical goods	1,202,291	1,202,291
xiii. Valuation Adjustment (Note-9.05)	7,110,214,510	8,000,214,510
xiv. Deferred tax assets (Note - 9.06)	2,506,913,591	6,721,402,190
	25,896,092,822	32,613,451,158

9.01 Sundry Assets

	31.12.2009 Taka	31.12.2008 Taka
Advance Rent paid	74,525,528	37,322,370
Adjusting Account Debit	562,528,290	523,640,639
DD paid without advice (Local)	1,399,475,029	1,504,945,314
D.D paid without Advice (Foreign)	1,567,628,818	2,487,568,598
DD Cancelled	456,725	1,701,433
Transfer Delivery	10,459,192	26,641,858
Excise Duty	24,289	27,445
Gift Cheque	24,869	22,171
Protested Bill	172,269,626	162,349,132
Demonetized Notes	4,567,046	4,567,146
Defective Notes	4,672,220	12,244,870
Food Procurement Bill	2,674,641	10,137,675
Revenue Stamp	1,682,625	3,266,920
Exempted Interest On Agri Loan	7,857,369	125,397,408
Exempted Interest On Waiver Credit	198,914,232	193,438,394
X.P.B. /Duty Draw Back	3,548,023	32,367,969
Exempted Surcharge on Agriculture Loan	453,504	1,393,804
Army Pension	1,229,080,896	1,296,427,110
Civil Pension	34,619,435	21,657,107
Bank Pension	112,113,750	80,869,464
Cyclone Advance	-	97,302
Clearing House	372,510,208	196,497,639
Development Surcharge	409	409
Defense Certificate P/ Bond	197,033,523	158,785,865
Till Money	400,500	366,000
Interest Subsidy	715,925	724,244
Legal Charges	357,931	165,908
Cash Subsidy	118,864,358	-
Tax at Source	-	74,700,277
Special Exchange	155,246	10,878,129
Insurance Claim Against Car	4,375	4,375
Cash Shortage	16,046	16,046
Interest Free Block Account	82,609	227,239
Purchase of Books	5,884	5,884
Constriction of Building	1,092,556	816,011
Advance Income Tax	2,840,400,831	2,221,746,772
Income Tax refundable	3,231,411,776	3,231,411,776
Receivable from the Govt.	9,938,698	9,938,698
Frozen Food Industries	-	53,276,706
Machine Tools Factory Ltd.	41,631,681	41,631,681
Accrued Interest On PSP -GPF	-	86,876,166
Accrued Interest On FDR -GPF	121,323,145	103,843,688
Accrued Interest On PSP -CPF	-	6,055,096
Accrued Interest On FDR -CPF	7,033,972	7,078,903
BRDB - Upuzilla Central Co-operative Association (UCCA)	29,608,303	29,608,303
Employees Fund Management Cell -CPF	21,520,707	19,311,333
Employees Fund Management Cell-GPF	94,465,154	93,575,316
Capital Work-in progress	149,619,977	
Others	74,484,530	688,947,174
Exempted Jute Loan	-	42,823,990
Exemption Loan A/C Ctg . Steel Mills Ltd	-	1,458,900,000
Bangladesh Bank Clearing Account (USD)	-	(79,779,289)
Bangladesh Bank Clearing Account (GBP)	-	151,625,419
Bangladesh Bank Clearing Account (EURO)	-	(144,232,048)
Sales Purchase WES Fund	39,678,329	40,033,083
Special Exchange	19,404,463	19,404,463
Treasury bond GPF	31,912,822	17,800,154
Treasury bond CPF	5,688,127	4,103,813
Abu Dhabi Branches (Sundry Assets)	2,229,409	60,245,886
	12,799,167,601	15,133,499,238

9.02 Year wise tax at source refundable

<u>Year</u>	<u>Asstt. Year</u>	31.12.2009 Taka	31.12.2008 Taka
1986	1987-88	8,920,000	8,920,000
1987	1988-89	45,483,231	45,483,231
1988	1989-90	(13,541,574)	(13,541,574)
1989	1990-91	42,105,695	42,105,695
1990	1991-92	39,903,811	39,903,811
1991	1992-93	50,174,921	50,174,921
1992	1993-94	126,325,623	126,325,623
1993	1994-95	77,281,402	77,281,402
1994	1995-96	104,426,625	104,426,625
1995	1996-97	204,925,123	204,925,123
1996	1997-98	240,322,756	240,322,756
1997	1998-99	225,181,325	225,181,325
1998	1999-2000	278,055,805	278,055,805
1999	2000-2001	380,886,212	380,886,212
2000	2001-2002	413,111,301	413,111,301
2001	2002-2003	556,745,027	556,745,027
2002	2003-2004	284,250,246	284,250,246
2003	2004-2005	166,854,247	166,854,247
		3,231,411,776	3,231,411,776

9.03 Classification of other assets and provision shortfall therein

	31.12.2009 Taka	31.12.2008 Taka
i. Amount classified	869,237,000	2,670,712,390
ii. Provision required for other assets	818,668,000	2,670,712,390
iii. Provision old balance	1,040,514,911	2,679,942,377
iv. Add: Provision made during the year/ period	100,000,000	-
Total Balance as on 31-12-09	1,140,514,911	2,679,942,377
v. Provision excess/ (shortfall) for other assets (iv-ii)	321,846,911	9,229,987

Out of provision taka 1140.51 million, taka 194.80 million is for unrecorded liabilities, taka 84.50 million for NOSRTRO Account un reconciled entires and Taka 41.80 million for Balance with Bangladesh Bank clearing account balances.

9.04 Details of Suspense Account (Bangladesh)

	31.12.2009 Taka	31.12.2008 Taka
Sundry Debtors	485,340,493	187,777,542
Advance Against TA/DA	9,337,967	3,864,840
Advance Against Postage	94,304	498,085
Advance for Exps. for New Branch	2,015,382	437,854
Gift Cheque	175,241	76,674
Legal Charge	354,816	441,029
Revenue Stamp	92,516	143,020
Prize Bond/D.S.C/B.S.P etc.	664,578,274	579,200,563
Incentive bonus	314,851,558	118,937,837
Pension bill	342,743	339,355
Air Port Booth	11,837,818	25,299,561
Hajj Booth	10,706,269	12,453,587
Excise duty	2,438	
Petty Cash	21,198	(600)
	1,499,751,017	929,469,349

9.05 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 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.

9.06 Deferred Tax Assets for the year 2009 have been computed in accordance with provision BAS-12 based on deductible temporary difference in the carrying amount of the assets and liabilities with its tax based as follows:

	31.12.2009 Taka	31.12.2008 Taka
i) Written Down Value of Fixed Assets		
a) Carrying amount at balance sheet date	796,495,290	314,577,184
b) Tax base	580,732,668	367,888,825
c) Taxable/(Deductible) Temporary Difference (a-b)	215,762,622	(53,311,641)
ii) Revaluation Reserve		
a) Carrying amount at balance sheet date	1,888,700,000	1,926,036,731
b) Tax base	-	-
c) Taxable/(Deductible) Temporary Difference (a-b)	1,888,700,000	1,926,036,731
iii) Employees Liabilities		
a) Carrying amount at balance sheet date	(12,659,876,749)	(12,035,053,256)
b) Tax base	4,656,793,908	2,406,793,908
c) Taxable/(Deductible) Temporary Difference (a-b)	(8,003,082,841)	(9,628,259,348)
iv) Total Temporary Difference	(5,898,620,219)	(7,755,534,258)
v) Tax rate	42.5%	45%
vi) Deferred Tax Assets	(2,506,913,591)	(3,489,990,416)
vii) Tax credit up to assessment year 2004-05	-	(3,231,411,776)
viii) Total deferred Tax (Assets) / Liability	(2,506,913,591)	(6,721,402,190)
ix) Opening Deferred Tax	(6,721,402,190)	(4,785,282,530)
x) Increase/Decrease of Deferred Tax (Assets)/Liabilities	4,214,488,599	(1,936,119,660)
xi) Correction made against earlier year adjustment through retained earnings	(3,231,411,776)	-
xii) Increase/Decrease of Deferred Tax (Assets)/Liabilities	983,076,823	(1,936,119,660)

Correction has been made under BAS 8 in the above deferred tax account for the amount as mentioned under (xi) above due to occurrence of fundamental error in respect of earlier year which has been adjusted debiting retained earnings.

	31.12.2009 Taka	31.12.2008 Taka
10.00 Borrowings from other banks, financial institutions and agents		
a. (i) In Bangladesh - a(i)	31,565,952	587,633
(ii) Outside Bangladesh	-	3,272,722,439
	31,565,952	3,273,310,072
Less: Credited with branch adjustment A/c	-	(2,731,843,928)
	31,565,952	541,466,144
Less: Adjustment with NOSTRO Debit balance	-	(540,878,511)
Adjusted balance shown in Accounts	31,565,952	587,633
a (i) Borrowing in Bangladesh		
i) From Bangladesh Bank	587,633	-
ii) IDA Credit for EGBMP	30,978,319	-
	31,565,952	-
b. (i) Secured (By Bangladesh Bank Deposits)	587,633	587,633
(ii) Unsecured	30,978,319	-
	31,565,952	587,633
c. Maturity-wise grouping		
(i) Repayable on Demand	-	-
(ii) Others	31,565,952	587,633
	31,565,952	587,633
11.00 Deposit and other accounts		
Inter-bank deposits	2,872,179,476	83,486,246
Other Deposits	243,302,867,003	221,252,264,488
	246,175,046,479	221,335,750,734
11.00(i) Deposit and other accounts		
In Bangladesh	240,270,155,321	215,851,209,623
Outside Bangladesh (UAE)	5,904,891,158	5,484,541,111
	246,175,046,479	221,335,750,734
11.00(ii) Maturity-wise grouping		
Repayable on demand	35,256,161,400	30,798,359,500
Repayable within 1 month	24,501,085,063	17,521,289,834
Over 1 month but within 6 months	42,388,265,650	35,204,025,700
Over 6 months but within 1 year	47,472,585,746	45,235,623,230
Over 1 year but within 5 years	61,371,543,609	58,307,540,355
Over 5 years but within 10 years	35,183,442,354	34,263,992,588
Over 10 years	1,962,657	4,919,527
	246,175,046,479	221,335,750,734

Unclaimed deposits over 10 years was Tk. 19,62,657 on 31 December 2009 which is under process to deposit with Bangladesh Bank as per the requirement of the Bank Companies Act 1991.

	31.12.2009 Taka	31.12.2008 Taka
12.00 Other liabilities		
Adjusting account credit	2,612,290,907	2,369,684,407
Inter branch adjustment	952,081,773	2,811,467,417
Death relief grant scheme	1,487,170	720,750
U.K branch profit/loss adjustment account	631,380	631,380
Exchange equalization fund	75,736,723	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	43,860,551	38,860,551
Benevolent fund	40,000,000	40,000,000
Computer payable/ Sundry creditor	307,605,859	81,532,315
5 years Treasury bond	33,909,159	33,909,159
Special blocked account	5,205,261	5,217,361
Provision for Ruler's tax	20,976,789	39,865,296
Interest suspense	2,974,774,238	3,414,351,292
Provision for ex-gratia (Old)	15,588,658	15,795,476
Provision for Incentive bonus	762,450,358	503,776,388
Provision for income tax (Note 12.00 (a))	6,546,804,200	4,746,894,772
Provision for bad & doubtful debts including general provision for unclassified loans (Note-12.02)	8,748,404,179	9,050,783,662
Provision for investment	161,600,000	161,600,000
Provision for other assets	1,140,514,911	2,679,942,377
Provision for Super Annuation Fund (SAF)	7,759,101,227	9,357,990,768
Provision for gratuity including old balance	232,140,103	270,268,580
Provision for call loan, for misappropriation & for personal loans of overseas branches	64,101,454	61,154,136
Rural housing credit programme	10,669,770	13,070,063
Salary & allowances payable to CEO & MD and Consultantse upto 31-12-2009	7,211,348	-
Interest Payable to IDA Credit	753,218	-
Contributory Providen Fund	32,400,000	31,500,000
General Providen Fund	228,000,000	215,000,000
GPF	34,860,230	11,272,906
CPF	15,320,820	20,468,458
Provision for CSR	25,000,000	
Provision for Off- balance sheet amount & Credit Card	736,484,153	701,260,659
	33,595,800,525	36,758,590,982

	31.12.2009	31.12.2008
	Taka	Taka
12.00 (a) Provision for Income Tax		
<u>Year</u>		
2002	-	77,969,075
2003	368,593,307	397,350,462
2004	548,476,622	
2006	2,396,370,517	2,396,370,517
2007	1,083,069,516	1,083,069,516
2008	1,143,690,508	1,143,690,508
2009	1,006,603,730	-
Less: Adjustment made in 2008 for the year 2002		(77,969,075)
Less: Adjustment made in 2008 for the year 2003	-	(273,586,231)
	<u>6,546,804,200</u>	<u>4,746,894,772</u>

Additional provision Tk. 244.83 million has been made for the Assessment year 2004-05 and Tk. 548.47 million for the Assessment year 2005-06 has been provided in the Accounts for the year ended 31st December 2009 due to re-open the files for the said years under section 120 of I.T.O. 1984.

12.01 Inter branch adjustment account represents the net credit balance unreconciled under computerized inter branch transaction account (CIBTA) and inter branch foreign exchange transaction account (IBFET). Year-wise subsequent position of unadjusted entries are given below:

Sl.	Name of Accounts.	Year	No. of Debit Entries	Amount In Taka	Amount In Taka	No. of Credit Entries	Total amount In Taka
(a)	CIBTA	<u>Before 2009</u>		<u>Before 2009</u>			
		For 2005	1	4,967,621	upto 2005	773	272,816,280
		For 2007	1	1,035,267	For 2007	810	67,848,853
		For 2008	18	7,412,272	For 2008	2,857	335,855,715
		<u>For 2009</u>		<u>For 2009</u>			
		upto June'09	268	1,820,368,756	upto June'09	26,059	4,526,509,915
		Upto Sept'09	492	12,211,967,868	Upto Sept'09	58,354	30,150,832,418
		Upto Dec. 09	1,164	2,681,240,254	Upto Dec. '09	61,608	18,405,032,765
	Total (a)	1,944	16,726,992,038		150,461	53,758,895,946	
(b)	IBFET	<u>Before 2009</u>		<u>Before 2009</u>			
		For 2003	1	491,300	For 2003	-	-
		For 2008	1	2,411,115	For 2004	-	-
					For 2005	-	-
		<u>For 2009</u>		<u>For 2009</u>			
		upto June'09	14	69,880,404	upto June'09	19	11,975,399
		Upto Sept'09	127	280,278,498	Upto Sept'09	62	56,894,282
		Upto Dec.'09	1,161	6,098,128,899	Upto Dec.'09	332	1,181,478,591
	Total (b)	1,304	6,451,190,216		413	1,250,348,272	
	Total (a+b)	3,248	23,178,182,254		150,874	55,009,244,218	

13.00 Share Capital:

13.01 Authorized capital: Tk. 20,000,000,000

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

13.02 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 Peoples 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:

13.03 Name of shareholders

<u>Sl. No.</u>	<u>Name of Directors</u>	<u>No. of shares</u>	<u>2009 Taka</u>
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. Fazle Kabir	1	100
08	Mr. Md. Nazibar Rahman	1	100
09	Mr. Balaram Poddar (Advocate)	1	100
10	Mr. Alhaj A K M Shahjahan kamal	1	100
11	Mr. Dabir uddin Ahmed	1	100
12	Dr. Md. Abdur Rouf Sardar	1	100
13	Dr. R M Debnath	1	100
Total :		50,000,000	5,000,000,000

13.04 Calculation of Earning Per Share (EPS)

Calculation of Weighted Average Number of Shares in 2009

<u>Particulars</u>	<u>Taka in Million</u>	<u>Weighted average number of shares</u>
i) Paid up capital as on 01-01-2009	2,593.90	25,939,000
ii) Stock Dividend issued favouring Govt. as on 29-09-2009	1,156.10	11,561,000
iii) Right share issued favouring Govt.as on 11-12-2009	1,250.00	719,178
	<u>5,000.00</u>	<u>38,219,178</u>

	2009 Taka	2008 Taka
Net Profit after tax	2,981,874,480	3,145,382,406
Weighted Average number of share	38,219,178	37,500,000
Earning Per Share	78.02	83.88

Earnings per share has been calculated in accordance with BAS - 33: "Earnings Per Share (EPS)". Previous year's figures have been adjusted for the issue of 11,561,000 bonus shares (for 2008) during the year.

13.05 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:

	31.12.2009	31.12.2008
	Million in Taka	Million in Taka
Total assets (including off Balance Sheet amount)	367,180.99	336,775.40
Risk weighted assets (Details shown in annexure-2)	105,862.95	105,243.20
i) Required capital (10% of risk weighted assets)	10,586.30	10,524.30
ii) Capital held:	11,571.29	10,120.08
Core capital (Note-13.06)	7,718.89	6,416.75
Supplementary Capital (Note-13.07)	3,852.40	3,703.33
iii) Capital Surplus/(Shortfall) (i-ii)	984.99	(404.22)
iv) Provision Surplus/(Shortfall) (note nos.7.1 and 9.1)	-	(724.90)
v) Adjusted capital Surplus / (Shortfall) (iii+iv)	984.99	(1,129.12)

Adjusted capital shortfall increased in 2008 by Tk. 724.90 million due to excess provision made by Bangladesh Bank inspection team.

13.06 Core capital (Tier-i)

Paid-up Capital	5,000.00	2,593.90
Statutory Reserve	2,644.94	1,491.96
Legal Reserve	52.89	44.95
Retained Surplus/(Deficit)	21.06	2,285.94
Total	7,718.89	6,416.75

13.07 Supplementary Capital (Tier-ii)

Revaluation surplus	1,189.40	1126.40
Exchange gain of UAE Loan A/C and Capital Reserve	115.80	115.80
Exchange equalization account	75.73	75.73
General provision on unclassified loans including - provision for off-balance sheet items	2,471.47	2,385.40
Total	3,852.40	3,703.33

13.08 Capital Adequacy Ratio

Core Capital (Tier-I)	7.29%	6.10%
Supplementary Capital (Tier-II)	3.64%	3.52%
	10.93%	9.62%

14.00 Statutory Reserve

Opening balance	1,491,956,374	238,158,192
Adjustment for exchange fluctuation held in UAE branches.	20,456	(31,334)
Add: Transfer from current years profit	1,152,972,146	1,253,829,516
	2,644,948,976	1,491,956,374

15.00 Legal Reserve (UAE Branches)

Opening Balance	44,946,031	29,541,124
Adjustment for exchange fluctuation held in UAE branches.	30,125	(30,298)
Add: Transferred during the year	7,916,798	15,435,205
	52,892,954	44,946,031

16.00 Other Reserves

Opening revaluation gain	2,645,620,801	2,688,600,459
Less: Transferred to Profit & Loss Account	(37,547,378)	(41,774,131)
Less: Transferred to Exchange earnings	-	(411,777,271)
Add: Tras. from revaluation gain on Treasury bill held for Trading	3,533,395,402	410,571,744
Asset revaluation surplus	-	-
	6,141,468,825	2,645,620,801

31.12.2009 Taka	31.12.2008 Taka
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17.00 Surplus in Profit/(Loss) Account

Last year retained surplus	2,285,944,367	128,967,498
Add:		
Provision no longer required	-	239,250,054
Trans. from Net profit- JEC Italy (2006 &2007)	33,843,410	-
Trans. from prov. for un used cash incentive for recovery	39,064,335	-
Add: Trans,from income of 5% L/c Comm. from 2000 to 2008	206,084,596	-
	2,564,936,708	368,217,552
Less:		
Transfer to issuance of bonus share	(1,156,100,000)	-
	1,408,836,708	
Add: Incr./(Decr)of UAE R/ Earnings for rate fluctuation	200,832	(165,001)
	1,409,037,540	368,052,551
Add: Current year's surplus transferd from profit & loss account	1,843,433,894	1,917,891,816
	3,252,471,434	2,285,944,367
Less: Prior year's adjustment for deferred tax	(3,231,411,776)	-
	21,059,658	2,285,944,367

18.00 Contingent Liabilities

i) Guarantees issued favoring:		
Director	-	-
Government	1,405,862,675	1,009,647,636
Bank & other financial institutions	162,960,676	59,461,999
Others	2,205,126,633	2,136,661,645
ii) Commitments:		
Documentary credits and short term trade related transactions	64,128,270,545	59,491,466,114
Bills for collection	5,616,051,672	7,427,076,266
	73,518,272,201	70,124,313,660

19.00 Interest Inocme

Interest on loans and advances (Note:19.01)	14,513,137,863	12,172,980,243
Interest on call loans	354,827,346	780,218,972
	14,867,965,209	12,953,199,215

19.01 Interest on loans and advances

Loan including Small Loan	3,361,714,609	3,136,092,604
L.I.M	93,921,000	188,953,286
L.T.R	2,166,981,458	782,148,700
Packing Credit	91,793,037	93,550,853
I.B.P	22,280,136	7,256,363
F.B.P	468,083,749	130,423,106
P.A.D	1,750,325,445	1,796,934,725
Overdrafts	263,989,036	338,721,399
Cash Credits	5,703,821,316	5,087,900,762
Penal Interest on DPS/SPS	19,924,450	25,913,103
Penal Interest on FDR	872,758	1,202,062
Interest Miscellaneous	559,909,017	556,709,908
Interest on Q-Cash Overdraft	2,200,677	294
Interest on F.C	4,311,327	26,404,246
Interest on Credit Card	662,830	284,700
Discount on bills purchased	-	484,132
Special Notice	2,347,018	
	14,513,137,863	12,172,980,243

31.12.2009 Taka	31.12.2008 Taka
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20.00 Interest paid on deposits and borrowings etc.

Interest on deposits - Note-20.01	10,278,590,949	9,235,058,164
Interest on borrowings -Note-20.02	85,403,070	69,843,302
Discount paid	12,219,879	1,492,930
Interest on IDA Credit	753,218	-
Interest on Overseas A/C	15,510	97,202
	10,376,982,626	9,306,491,598

20.01 Interest Paid on Deposit

Interest paid on Saving Bank Deposit	2,141,247,355	2,029,494,847
Interest paid on Fixed & O.D F.D Deposit	5,927,962,836	4,890,657,217
Interest paid on Call Deposit	4,162,530	-
Interest paid on Short Term Deposit	800,895,177	680,827,198
Interest paid on Cash Security	94,148	136,057
Interest paid on G,P.F/C.P.F	505,449,877	476,009,194
Interest paid on Block Time Deposit	126,537	49,576
Interest paid on Deposit Pension Scheme	123,972,335	151,170,561
Interest paid on N.R.F.C.D	13,539,804	24,846,220
Interest paid on Gift Cheque	72,045	266,752
Interest paid on JBSPS	725,368,045	975,630,706
Interest paid on JBDS	33,707,616	5,013,279
Interest paid on MDS	325,816	1,910
Interest paid on EDS	299,781	526
Interest paid on Others	1,111,503	893,693
Interest paid on Q-Cash	83,850	60,428
Interest paid on L/C/LG	171,694	-
	10,278,590,949	9,235,058,164

20.02 Interest Paid on Borrowings

Bangladesh Bank Borrowings	36,880,434	56,729,076
Other Banks Borrowings	48,451,201	5,869,464
Sonali Bank Borrowings	71,435	53,835
Interest paid on Borrowing of UAE branches	-	7,190,927
	85,403,070	69,843,302

21.00 Investment Income

Interest on government securities	4,575,780,776	4,075,840,287
Interest on debenture	16,400,827	18,791,714
Dividend on shares	59,600,355	17,659,717
Other investment income	950,532,590	44,869,639
	5,602,314,548	4,157,161,357

22.00 Commission, exchange and brokerage

Commission	644,033,917	578,328,912
Exchange	2,232,648,185	2,558,341,998
Less: Exchange loss	(21,584,612)	(20,990,274)
Brokerage	14,945,215	25
	2,870,042,705	3,115,680,661

	2009	2008
	Taka	Taka
23.00 Other operating income		
Rent	3,742,218	4,943,341
Computer	27,311	100
Incidental charge recoveries	81,594,518	91,308,925
Miscellaneous earnings	582,809,078	529,370,403
Postage recoveries	23,214,449	16,192,404
Interest on UAE account	-	-
Trunk call & SWIFT charges	16,936,136	11,238,093
Write Off Loan recovery	1,613,848	30,125,923
Service charge on rural credit	4,933,193	5,904,762
Legal Charges on recoveries	1,023,303	2,590,151
Income from Revaluation of Gold/Silver	2,314,985	3,405,684
Income from non-banking Assets	7,524	923,115
Rebate	15,571,583	-
	733,788,146	696,002,901
24.00 Salary & Allowances		
Basic Salaries	1,682,412,123	1,523,419,361
Allowances	1,150,732,076	956,393,666
Festival Bonus	254,487,139	256,293,554
Leave Salary Encashment	86,958,899	82,438,902
Pension & Gratuity	460,202,368	549,909,076
Lunch Subsidy	330,705,311	215,041,081
Employees Income Tax	9,019,507	9,808,202
Providend Fund	12,256,125	11,501,134
Welfare & Recreation	8,698,274	9,174,653
Madical Expenses	1,109,700	858,480
	3,996,581,522	3,614,838,109
25.00 Rent, Taxes, Insurance, Electricity etc.		
Rent, Rates & Taxes	257,066,115	223,807,008
Insurance	121,433,917	107,688,002
Lighting	36,675,799	33,135,517
	415,175,831	364,630,527
26.00 Legal Expenses.		
Legal Charges	2,627,509	2,633,843
Stamps, Power of Attorney & N.P Exp.	2,743,454	2,941,952
	5,370,963	5,575,795
27.00 Postage, stamp, telecommunication etc.		
Postage	95,200	181,778
Telegram/ Telex/ TP	180,260	141,987
Telephone/ Trunk Call (Office)	612,500	264,848
Telephone/ Trunk Call (Residence)	630,250	210,882
Others	325,400	182,009
Internet/ E-mail/ Internet Fax/ SWIFT	22,286	167,892
	1,865,896	1,149,396
28.00 Stationery , Printing and Advertisement		
Office Stationery	35,325,549	32,423,538
Security stationery	22,806,413	22,132,150
Computer Stationery	18,343,769	15,364,144
Petty Stationery	13,908,372	12,903,719
Advertisement	16,264,940	6,892,460
	106,649,043	89,716,011

	2009 Taka	2008 Taka
29.00 Director's Fee		
a) Total fees paid for attending board meetings	1,062,000	918,000
b) Other financial benefit	-	-
	<u>1,062,000</u>	<u>918,000</u>
30.00 Depreciation & Repair Maintenance		
Depreciation:		
Furniture & Fixture	22,514,183	19,716,767
Vehicles	12,003,509	14,244,185
Machinery & Equipment	21,053,512	20,135,659
Computer	41,662,211	26,610,884
Property	25,783,021	26,435,898
Repair & Maintenance	60,155,309	59,036,494
	<u>183,171,745</u>	<u>166,179,887</u>
31.00 Other Expenses		
Entertainment	56,425,310	42,379,354
Car Expenses	65,062,322	50,547,027
Subscription	16,614,765	19,676,752
Donation	7,800	69,000
Travelling	40,273,723	34,225,897
Cartage & Freight	54,785,916	46,384,747
Miscellaneous	60,550,334	95,909,197
Business Development	21,222,149	18,143,725
Cash Carrying Charges	9,943,564	8,917,784
Outsourcing Security Expenses	27,047,296	16,740,197
Training Expenses.	8,509,724	9,402,465
H.O Admn. Exp.(UAE)	13,475,762	13,063,680
Provision for Ruler Tax	23,085,299	-
Computer	467,224	877,358
Loss on Sale of Property & Assets	1,089,332	4,310,589
	<u>398,560,520</u>	<u>360,647,772</u>
32.00 Provision for loans and advances		
For bad & doubtful loans and advances	637,263,124	54,066,170
Provision made for unclassified loans during the year	<u>50,800,000</u>	<u>430,933,830</u>
	<u>688,063,124</u>	<u>485,000,000</u>
33.00 Provision for off- Balance Sheet items :		
Opening Balance	701,243,137	232,652,000
Add: Transferred during the year	<u>35,200,000</u>	<u>468,591,137</u>
	<u>736,443,137</u>	<u>701,243,137</u>
Provision for off Balance Sheet items has been maintained @ 1% of the total outstanding balance shown in the balance Sheet.		
34.00 Provision for Valuation Adjustment		
Amortized during the year	<u>890,000,000</u>	<u>889,000,000</u>

35.00 Provision for Super Annuation Fund and Gratuity

(i) Provision for Super Annuation Fund (SAF) :

Total fund requirement for super annuation fund as per calculation of the bank

2009 Taka	2008 Taka
--------------	--------------

17,059,037,498 12,734,525,624

Less: Fund already kept in SAF

6,459,388,349 4,090,981,224

To be Account for Super Annuation Fund during the year

10,599,649,149 8,643,544,400

ii) Provision for Gratuity:

Total fund requirement for gratuity as per calculation of the bank:

For Bangladesh

466,505,600 342,689,706

For Overseas

14,166,329 13,055,870

480,671,929 355,745,576

Less: Fund Kept for gratuity (balance with accrued Interest)

272,314,272 283,324,450

For Bangladesh

258,147,943 270,268,580

For Overseas

14,166,329 13,055,870

208,357,657 72,421,126

To be Account for Gratuity during the year

Total amount of Super Annuation Fund and Gratuity to be accounted for during the year (i+ii)

10,808,006,806 8,715,965,526

Less: Accounted for upto 31-12-08

7,109,101,227 9,357,990,768

Less: Provision for SAF & Gratuity during the year

650,000,000 -

Excess/ Short Provision held on 31-12-2009

3,048,905,579 642,025,242

The Bank has determined the required provision for Super Annuation Fund (SAF) and gratuity fund for its employees as of December 31, 2009 at Taka 17,539.71 million against which there exists a provision of Taka 14,490.80 million. Out of the provision made, Taka 6,459.38 million including Tk. 2,250 million 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.

36.00 Other Provisions

Provision for Incentive Bonus

380,000,000 320,000,000

Provision for Insurance Fund

5,000,000 5,000,000

Provision for Benevolent Fund

40,000,000 40,000,000

Provision for CSR

25,000,000 -

Provision for Ruler Tax (UAE Branches)

- 46,149,592

450,000,000 411,149,592

37.00 Provision for Income Tax.

Income Tax assessment till 2003-04 have been finalised. Shortage provision of Tk. 793.31 million for the assessment year 2004-05 and 2005-06 have been provided in the accounts of 2009. Income tax assessments for the year 2004-05, 2005-06, 2006-07 and 2007-08 have re-opened under section 120 of income tax ordinance 1984 and these said assessments including assessment for the year 2008-09 are lying with different stage of Appeal Authority. Income tax for the year 2009 has been provided @ 42.5% on business income.

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 in the year 2009.

38.00 High Lights/ Key Indicators of Bank

	2009	2008
	<u>Million in Taka</u>	<u>Million in Taka</u>
Authorised capital	20,000.00	8,000.00
Paid-up capital	5,000.00	2,593.90
Required Capital (10% of RWA)	10,586.30	10,524.30
Capital kept	11,571.29	10,120.08
Capital surplus/(shortfall)	984.99	(404.22)
Total assets	293,662.78	267,157.30
Total deposits	246,175.05	221,335.75
Total loans and advances	166,359.49	144,678.20
Total operating profit	8,578.12	7,003.06
Total contingent liabilities (Off balance sheet item)	73,518.27	70,124.31
Total loans deposits ratio	67.58%	65.37%
Total classified loans to total loans & advances (Excluding overseas branch)	8.70%	12.34%
Profit after provision and tax	2,981.87	3,145.38
Classified loans & advances during the year:		
In Bangladesh	13,423.00	16,528.00
Outside Bangladesh	613.00	616.40
Total	14,036.00	17,144.40
Provision held against classified advances (including general provision for unclassified loans and advances)	8,748.40	9,050.78
Cost of deposit	4.58%	4.53%
Operating cost	2.38%	2.31%
Cost of fund	6.96%	6.84%
Performing assets/loans (including overseas)	152,323.49	127,533.80
Non performing assets/loans (including overseas)	14,036.00	17,144.40
Return on investment (ROI)	8.24%	8.29%
Return on assets (ROA)	1.02%	1.18%
Earning cost ratio	0.64	0.70
Import	118,525.00	129,413.00
Export	88,653.00	85,417.80
Total reduction of classified advances	6,263.00	9,239.20
Cash recovery	1,929.40	1,797.70
Foreign remittance	56,190.00	45,924.40
Non interest income	4,689.20	3,857.60
Earning per share	78.02	83.88

Sd/=

Md. Belal Hossain
Sr. Consultant (Accounts)

Sd/=

S. M. Aminur Rahman
CEO & Managing Director

Sd/=

Dr. R. M. Debnath
Director

Sd/=

Dr. Jamaluddin Ahmed, FCA
Director

Sd/=

Chowdhury Abdul Quayum
Director

Sd/=

Dr. Abul Barkat
Chairman

Annexure-1

Janata Bank Limited
Schedule of Fixed Assets
As of 31 December 2009

(Amount in '000)

Sl #	Name of Assets	C O S T				Rate of dep. (%)	D E P R E C I A T I O N				Written down Value as on 31.12.09
		Opening Balance as on 01.01.09	Purchased/ Addition including revaluation during the year	Sales/ Transfer/ Adjustment	Balance as on 31.12.09		Opening Balance as on 01.01.09	Charged during the year	Adjustment during the year	Balance as on 31.12.09	
	1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7+8-9)	11=(5-10)
1	Land	994,704	-		994,704						994,704
2	Building	1,160,972	1,525		1,162,497	2.5	129,651	25,783	-	155,434	1,007,063
3	Furniture and Fixture:										
	a) Office Equipment	132,070	12,671	46	144,695	20	85,762	9,654	-	95,416	49,279
	b) Electric Equipment	177,345	15,624	53	192,916	20	135,570	17,027	-	152,597	40,319
	c) Fire Extinguish & Arm	7,263	210	-	7,473	20	6,198	325	-	6,523	950
	d) Car	161,734	20,943	6,979	175,698	20	119,412	12,004	-	131,416	44,282
	e) Cycle and Scoter	4,243	82	-	4,325	20	3,902	95	-	3,997	328
	f) Weighting Machine	294	74	-	368	20	180	1	-	181	187
	g) Others	307,781	53,235	646	360,370	10	144,850	16,465	-	161,315	199,055
	Sub-total (a to g)	790,730	102,839	7,724	885,845		495,874	55,571		551,445	334,400
4	Computer	363,751	275,711	10,566	628,896	20	238,206	41,662	-	279,868	349,028
	Grand total (1+2+3+4)	3,310,157	380,075	18,290	3,671,942		863,731	123,016		986,747	2,685,195

JANATA BANK LIMITED
CAPITAL ADEQUACY OF THE BANK (AS PER RISK WEIGHTED ASSETS)
AS ON 31 DEC 2009

Annexure-2

		Fig. in Million			
	Name of Assets	Ledger Balances	Risk Percentages	Risk Weighted Assets	GrandTotal
1.	Cash in hand and in Banks :				
	(except banks abroad)				
	a) Bangladesh Bank notes.	3,479.90	0%	-	
	b) Government notes and coins.	27.30	0%	-	
	c) Balances with Bangladesh Bank.	11,602.50	0%	-	
	d) Balances with Sonali Bank as agents of B/B	1,233.90	0%	-	
	e) Balances with Deposit Money Banks including Sonali bank	505.10	0%	-	
	f) Balances with Other Fin Institution (Public) OFIs	1,710.00	0.00	-	
	g) Balances with Other Fin Institution (Private)	-	20%	-	
2.	Money at call and short notice :				
	a) Deposit Money Banks (DMB)	5,533.50	0%	-	
	b) Other Financial Institutions-Public. OFIs	-	0%	-	
	c) Other Financial Institutions-Private.	-	0%	-	
3.	Foreign currency balances held :				
	a) Foreign currency notes in hand.	188.20	0%	-	
	b) Balances with banks abroad	1,908.30	0%	-	
	c) Foreign currency clearing account balance with B.B	-	0%	-	
	d) Bilateral trade credits.	-	50%	-	
	e) Wage Earners' (WES.)	-	0%	-	
4.	Export and other foreign bill :				
	a) Export bills	2,772.50	50%	1,386.25	
	b) Loans against Foreign Bill .	6,046.30	50%	3,023.15	
5.	Foreign Investment .				
	a) OECD	-	20%	-	
	b) Other Countries	-	50%	-	
6.	Import and Inland Bills				
	a) Government				
	1) Food Ministry	-	0%	-	
	2) Presidency,Prime Minister's office Parliament , judicial & Non-Food Ministry	-	0%	-	
	3) Autonomous & Semi Autonomous Bodies(Govt. Gaurantee)	8,218.30	0%	-	
	b) Other Financial institutions :				
	1) Other Financial institutions -public	-	20%	-	
	2) Other Financial institutions -private	-	20%	-	
	c) Major Non-Financial Public Enterprises	1,012.70	50%	506.35	
	Major Non-Financial Public Enterprises (Against Govt. Gaurantee)	14,251.40	0%	-	
	d) Other Non-Financial Public Enterprises	-	50%	-	
	e) Local authorities	-	20%	-	
	f) Private Sector	13,921.60	100%	13,921.60	
	g) Deposit Money Banks	-	20%	-	
7.	Advances :				
	a) Government.				
	1) Food Ministry.	107.70	0%	-	
	2) Presidency,Prime Minister's office, Parliament , judiciary & Non-Food Ministries	88.10	0%	-	
	3) Autonomous & Semi Autonomous bodies (Govt. Gaurantee)	1,563.80	0%	-	
	b) Other Financial institutions :				
	1) Other Financial institutions -public	300.00	20%	60.00	
	2) Other Financial institutions -private	-	50%	-	
	c) Major Non-Financial Public Enterprises	4,941.80	50%	2,470.90	
	ci) Major Non-Financial Public Enterprises (Against Govt. Gaurantee)	24,642.20	0%	-	
	d) Other Non-Financial Public Enterprises	-	50%	-	
	e) Local authorities	-	20%	-	
	f) Private Sector{88493.1-(2039.8+10869.0+2974.8+7013.4)}	65,596.10	100%	65,596.10	
	g) Depositi Money bank's	-	20%	-	

8. Investment (As book value)				
a) Presidency,Prime Minister's office, Parliament , judiciary & Non-Food Ministries				
1) Treasury Bills.(28 day's , 91 day's etc.)	17,513.30	0%	-	
2) Treasury Bills (Long-Term).	52,096.40	0%	-	
3) Govt. savings Certificates (Bangladesh Sanchayapatra, 3 months Profit basis Sanchaya patra etc.	-	0%	-	
4) Prize bonds / Income tax bonds.	57.40	0%	-	
5) Other Securities of Government.	70.00	0%	-	
b) Autonomous & Semi Autonomous Bodies.				
c) Other Financial institutions :				
1) Other Financial institutions- Public	230.00	0%	-	
2) Other Financial institutions- Private	642.70	20%	128.54	
d) Major non Financial Public Enterprises	5.40	50%	0.27	
e) Other Non-Financial Public Enterprises	-	50%		
f) Local authorities		20%		
g) Private Sector (1217.4-161.6)	1,056.40	100%	1,056.40	
h) Deposit Money Banks.(Reverse Repo)	700.00	0%	-	
i) Negotiable Certificates of Deposits	-	20%		
9. Head Office and Inter Brs. Adjustments.	-	0%		
10. Other Assets :				
a) Contingent Assets as per contra : (Off Balance Sheet Items)				
i) Government	25,096.30	0%	-	
ii) Acceptance	10,523.60	50%	5,261.80	
iii) Private/ Others	6,153.50	50%	3,076.75	
ii) Deposit Money Bank		20%	-	
c) Bills for Collection	5,616.00	0%	-	
b) Fixed Assets.	2,685.10	50%	1,342.55	
c) Valuation adjustments.	7,110.00	50%	3,555.00	
d) Expenditure Account.		0%	-	
e) Others. (25896.09-7110-1140.5-13168.3)	4,477.29	100%	4,477.29	
11 Adjustments/Reconcile				
a) SOD-Fo & DPS Loan	2,039.80	0%	-	
b) Staff Loan	10,869.00	0%	-	
d) Interest Suspense	2,974.80	0%	-	
e) Provision for Investment	161.60	0%	-	
f) Prov. for Loans and advances	7,013.40	0%	-	
g) Provision for Other Assets	1,140.50	0%	-	
h) Margin on L/C	5,211.10	0%	-	
l) Margin on L/G	154.70	0%	-	
j) 80% of Private L/c & 50% of L/G considered zero risk due to credit conversion	20,763.20	0%	-	
k) Income Tax at Source & other secured assets	13,168.30	0%	-	
Grand Total (Ledger balances) :	367,180.99			
Risk Weighted Assets :			105,862.95	
Required Capital Adequacy @ 10% of Risk Weighted assets			10,586.30	

Notes:

- 1) Overdraft (SOD-FO) loans Tk. 2,039.8 million are fully secured and riskless.
- 2) SHBL, PFL, Motor Cycle Loan, Bi Cycle Loan was stood Tk. 10,869 million are risk free.
- 3) Interest suspense maintained against classified loans & Advances stood Tk. 2,974.8 million.
- 4) Provision maintained against loans & Advances, Investment and other assets Tk.7013.4,16.16 & 1140.5 million respectively.
- 5) Other Assets includes Taka 13168.3 million for income tax at source, DD paid without advice (Local & Foreign), Army pension, BSP/PSP etc. is risk free.