

AUDITORS' REPORT

TO THE SHAREHOLDERS OF JANATA BANK LIMITED

We have audited the accompanying balance sheet of the Janata Bank limited as of 31 December 2008, and the related profit & loss account, the statement of cash flows and changes in equity statements for the year then ended. Preparations of the financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope:

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

Opinion:

There remains a shortfall in the Capital Adequacy Ratio of Taka 404.25 million as of 31 December 2008 as per BRPD Circular no. 05 dated 14 May 2007 and Section 13(2) of Bank Companies Act.1991

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements, prepared in accordance with Bangladesh Accounting Standards (BSA), give a true and fair view of the state of the company's affairs as of December 31, 2008, and of the results of its operations and its cash flow for the year then ended and comply with the applicable sections of the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, and other applicable laws and regulations.

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 where applicable proper returns were 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, 2008 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 been drawn up in conformity with the Bank Companies Act 1991 and in accordance with the accounting rules and regulations issued by Bangladesh Bank;
- vii) adequate provisions have been made 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) it appeared from our test check that, the internal control system was satisfactory and adequate to prevent probable frauds and forgeries.
- 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 6500 man hours for the audit of books and accounts of the bank.

Sd/-
Howladar Yunus & Co.
Chartered Accountants
Dated, Dhaka
23 March 2009

Sd/-
A. Wahab & Co.
Chartered Accountants

Janata Bank Limited
Balance Sheet
As of 31 December 2008

PROPERTY AND ASSETS	Notes	31.12.2008 Taka	31.12.2007 Taka
Cash	3	16,527,172,701	15,579,764,948
Cash in hand (Including foreign currency)		4,036,224,616	4,238,274,687
Balance with Bangladesh Bank and it's agent bank(s)		12,490,948,085	11,341,490,261
Balance with other banks and financial instituti	4	5,979,793,315	7,328,402,871
In Bangladesh		3,523,399,750	4,880,254,938
Outside Bangladesh		2,456,393,565	2,448,147,933
Money at call on short notice	5	7,088,744,458	8,567,349,333
Investments:	6	57,823,525,987	55,862,930,391
Government		57,255,466,440	55,341,083,318
Others		568,059,547	521,847,073
Loans and Advances	7	144,678,183,388	121,204,454,973
Loans, cash credit, overdrafts, etc.		137,184,639,985	112,857,503,942
Bills purchased & discounted		7,493,543,403	8,346,951,031
Fixed Assets including premises, furniture and	8	2,446,425,915	2,424,177,100
Other assets	9	32,613,451,158	32,121,123,227
Non -banking assets		-	-
TOTAL PROPERTY AND ASSETS		267,157,296,922	243,088,202,843
LIABILITIES AND CAPITAL			
Liabilities:			
Borrowings from other banks,	10	587,633	2,531,387,633
Deposits and other Accounts	11	221,335,750,734	198,635,892,054
Current accounts and other accounts		42,563,114,833	35,510,834,780
Bills Payable		2,433,587,338	1,880,796,480
Savings bank deposits		68,045,122,155	62,723,703,936
Fixed deposits		108,293,926,408	98,520,556,858
Bearer certificates of deposits		-	-
Other deposits		-	-
Other Liabilities	12	36,758,590,982	36,241,755,883
Total Liabilities		258,094,929,349	237,409,035,570
Capital/Shareholder's Equity :			
Paid-up Capital	13	2,593,900,000	2,593,900,000
Statutory Reserve	14	1,491,956,374	238,158,192
Legal Reserve	15	44,946,031	29,541,124
Other Reserve	16	2,645,620,801	2,688,600,459
Surplus in Profit/(Loss) Account	17	2,285,944,367	128,967,498
Total Shareholders' Equity		9,062,367,573	5,679,167,273
TOTAL LIABILITIES & SHARE HOLDERS' EQUITY		267,157,296,922	243,088,202,843

OFF-BALANCE SHEET ITEMS	Notes	31.12.2008 Taka	31.12.2007 Taka
<u>Contingent Liabilities</u>	18	70,124,313,660	46,530,328,040
Acceptances & Endorsements		-	-
Letters of Guarantee		3,205,771,280	2,865,982,397
Irrevocable Letters of Credit		59,491,466,114	39,930,426,343
Bills for Collection		7,427,076,266	3,733,919,300
Other Contingent Liabilities		-	-
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		70,124,313,660	46,530,328,040

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

Sd/-
Md. Niaz uddin
DGM (Accounts)

Sd/-
Md. Belal Hossain
Jr. Consultant (Accounts)

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

Sd/-
Chowdury Abdul Quayum
Director

Sd/-
Jamaluddin Ahmed, FCI
Director

Sd/-
Suhel A Choudhury
Chairman

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

Dated, Dhaka
23 March 2009

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 2008

PARTICULARS	Notes	2008	21st May 2007 to 31st December 2007
		Taka	Taka
Interest income	19	12,953,199,215	6,017,323,687
Interest paid on deposits and borrowings etc.	20	(9,306,491,598)	(4,617,377,131)
Net Interest Income		3,646,707,617	1,399,946,556
Investment income	21	4,157,161,357	1,574,424,013
Commission, exchange and brokerage	22	3,115,680,661	1,365,728,105
Other operating income	23	696,002,901	315,905,604
Total Operating Income		11,615,552,536	4,656,004,278
Salary and allowances	24	3,614,838,109	1,778,857,649
Rent, taxes, insurance and electricity, etc.	25	364,630,527	180,934,433
Legal Expenses	26	5,575,795	(1,603,763)
Postage, stamp, telecommunication etc.	27	1,149,396	(51,557)
Stationery, printings , advertisements etc.	28	89,716,011	39,709,012
Chief executive's (MD) salary and fees		7,093,000	252,219
Directors' fees	29	918,000	438,500
Auditor's fees		1,739,541	2,767,189
Depreciation and repair of bank's assets	30	166,179,887	84,497,899
Other expenses	31	360,647,772	163,381,550
Total Operating Expenses		4,612,488,038	2,249,183,131
Profit/(Loss) before provision		7,003,064,498	2,406,821,147
Provision for loans and advances	32	485,000,000	566,943,530
Provision for off balance sheet items	33	468,591,137	232,652,000
Provision for other assets		-	(193,807,562)
Provision for valuation adjustment	34	889,000,000	-
Other provisions	36	411,149,592	120,000,000
Total provision		2,253,740,729	725,787,968
Total profit / (Loss) before income taxes		4,749,323,769	1,681,033,179
Provision for taxation:	37	3,540,061,025	1,117,776,640
Prior Year		2,396,370,517	34,707,124
Current Year		1,143,690,508	1,083,069,516

PARTICULARS	Notes	2008	21st May 2007 to 31st December 2007
		Taka	Taka
Deferred tax income/ (expense):	9.07	1,936,119,662	(547,780,087)
Prior year		-	-
Current year		1,936,119,662	(547,780,087)
Net profit/(loss) after taxation		3,145,382,406	15,476,452
Add: Transfer from other reserve		41,774,131	145,732,920
Net Profit(Loss) after adjustment		3,187,156,537	161,209,372
Appropriations		3,187,156,537	
Statutory Reserve	17	949,864,754	32,241,874
Add : Previous Year adjustment		303,964,762	
		1,253,829,516	
General Reserve		-	-
Legal Reserve	17	15,435,205	-
		1,269,264,721	32,241,874
Retained Surplus		1,917,891,816	128,967,498
Earning per share (EPS)		121.26	0.60

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

Sd/-
Md. Niaz Uddin
DGM (Accounts)

Sd/-
Md. Belal Hossain
Sr. Consultant (Accounts)

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

Sd/-
Chowdhury Abdul Quayum
Director

Sd/-
Jr. Jamaluddin Ahmed, FC/
Director

Sd/
Suhel A Choudhury
Chairman

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

Dated, Dhaka
23 March 2009

Sd/-
Howladar Yunus & Co.
Chartered Accountants

Sd/-
A. Wahab & Co.
Chartered Accountants

Janata Bank Limited

**Cash Flow Statement
For the year ended 31 December 2008**

Particulars	Notes	2008 Taka	21st May 2007 to 31st December 2007 Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Interest receipt in cash		12,533,641,880	6,017,323,687
Interest payments		(7,090,537,657)	(4,617,377,131)
Dividend receipts		17,659,717	16,162,272
Fees and commission receipt in cash		3,049,403,858	1,365,728,105
Cash Payments to employees		(3,625,845,832)	(1,778,861,807)
Cash Payments to suppliers		(89,716,011)	(39,707,872)
Income from investment		4,139,501,641	1,553,168,518
Receipt from other operating activities		679,186,675	320,998,827
Payments for other operating activities		(660,619,166)	(380,328,067)
Deferred taxIncome		1,936,119,662	-
Transferred from Other Reserve		41,774,131	-
Operating profit before changes in working capital		10,930,568,898	2,457,106,532
Increase/decrease in Operating Assets & Liabilities:			
Statutory deposits		196,043,763	10,984,090,084
Loans and advance to customers		(23,473,728,414)	17,288,057,776
Loans and advance to other banks			-
Other assets		31,312,708	(6,603,355,057)
Balance with other banks		1,348,609,556	(4,005,535,369)
Other liabilities		(7,643,108,661)	2,856,708,864
Deposits from other banks			-
Deposits from customers		22,699,858,680	15,689,356,093
Net cash from operating activities		(6,841,012,368)	36,209,322,391
Net cash from operating Activities (A)		4,089,556,530	38,666,428,923
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Securities and Bond (investment)		177,314,018	(9,979,258)
Proceeds from sale of securities		(2,137,909,614)	(31,067,565,095)
Purchase/sale of property, plant and equipments		(129,358,056)	(1,202,040,750)
Purchase/sale of subsidiary		-	-
Net cash from investing activities (B)		(2,089,953,652)	(32,279,585,103)
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		-	-
Dividend paid		-	-
Payments/Receipt from borrowings		(2,530,800,000)	22,889,614
Net cash from financing activities (C)		(2,530,800,000)	22,889,614

D. Net increase/Decrease in cash (A+B+C)	(531,197,122)	6,409,733,434
E. Cash and cash equivalents at beginning of the year	24,147,114,281	17,737,380,847
F. Cash and cash equivalents at end of year	23,615,917,159	24,147,114,281

Note: Cash & Cash Equivalents:

Cash in hand	4,036,224,616	4,238,274,687
Balance With Bangladesh Bank & it's agent bank's	12,490,948,085	11,341,490,261
Money at call & short notice	7,088,744,458	8,567,349,333
	23,615,917,159	24,147,114,281

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Consultant (Accountant)

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Chowdhury Abdul Quayum
Director

Sd/-
Amaluddin Ahmed,
Director

Sd/-
Suhel A Choudhury
Chairman

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

Dated, Dhaka
23 March 2009

Sd/-
Howladar Yunus & Co.
Chartered Accountants

Sd/-
A. Wahab & Co.
Chartered Accountants

Janata Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2008

Particulars	Paid up Capital	Statutory Reserve	Other Reserve	Legal Reserve UAE branches	Retained Surplus	Total
Balance as at 01 January 2008	2,593,900,000	238,158,192	2,688,600,459	29,541,124	128,967,498	5,679,167,273
Transfer from prov. for Loans & Advances	-	-	-	-	239,250,054	239,250,054
Dec.in retained earnings for rate fluctuation	-	-	-	-	(165,001)	(165,001)
Dec.in Statutory Reserve for rate fluctuation	-	(31,334)	-	-	-	(31,334)
Decr.in legal Reserve for rate fluctuation	-	-	-	(30,298)	-	(30,298)
Transfer from other reserve	-	-	(41,774,131)	-	-	(41,774,131)
Income form T.Bill	-	-	410,571,744	-	-	410,571,744
Trans. to Exchange earnings form Other Reserve	-	-	(411,777,271)	-	-	(411,777,271)
Statutory Reserve	-	1,253,829,516	-	-	-	1,253,829,516
Legal Reserve	-	-	-	15,435,205	-	15,435,205
Profit / (Loss) for the year	-	-	-	-	1,917,891,816	1,917,891,816
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
Balance as of 31 December 2007	2,593,900,000	238,158,192	2,688,600,459	29,541,124	128,967,498	5,679,167,273

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

Dated, Dhaka
23 March 2009

Sd-
Howladar Yunus & Co.
Chartered Accountants

Sd/-
A. Wahab & Co.
Chartered Accountants

Janata Bank Limited
Liquidity Statement
Assets and Liability Maturity Analysis
As of 31 December 2008

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	16,527,172,701	-	-	-	-	16,527,172,701
Balance with other banks and financial institutions	1,603,399,750	1,100,000,000	1,850,000,000	680,000,000	746,393,565	5,979,793,315
Money at call on short notice	7,088,744,458	-	-	-	-	7,088,744,458
Investment	299,751,070	3,300,266,603	10,241,378,700	19,827,468,814	24,154,660,800	57,823,525,987
Loans and Advances	18,902,325,700	33,203,612,500	37,150,215,100	30,951,215,300	24,470,814,788	144,678,183,388
Fixed assets including premises, furniture and fixtures	-	-	102,325,250	201,523,700	2,142,576,965	2,446,425,915
Other assets	2,446,574,231	2,852,510,500	3,007,050,400	5,104,007,300	19,203,308,727	32,613,451,158
Non banking assets	-	-	-	-	-	-
Total Assets	46,867,967,910	40,456,389,603	52,350,969,450	56,764,215,114	70,717,754,845	267,157,296,922
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions	-	-	-	-	587,633	587,633
Deposits	41,535,070,500	33,192,034,823	46,287,035,400	50,802,750,215	32,768,186,153	204,585,077,091
Other accounts	4,642,289,417	8,007,153,976	1,101,230,250	500,000,000	2,500,000,000	16,750,673,643
Provision and other liabilities	1,723,056,021	250,464,234	3,002,570,500	1,001,500,000	30,781,000,227	36,758,590,982
Total Liabilities	47,900,415,938	41,449,653,033	50,390,836,150	52,304,250,215	66,049,774,013	258,094,929,349
Net Liquidity Gap	(1,032,448,028)	(993,263,430)	1,960,133,300	4,459,964,899	4,667,980,832	9,062,367,573

Sd/-
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Suhel A Choudhury
Chairman

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

Sd/-
Dated, Dhaka
23 March 2009
Howladar Yunus & Co.
Chartered Accountants

Sd/-
A. Wahab & Co.
Chartered Accountants

Janata Bank Limited.
Notes to the Financial Statements
For the year ended 31 December 2008

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 forty nine (849) branches including four (04) overseas branches and a 100% owned subsidiary Janata Exchange Company srl. Italy as of 31 December, 2008.

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 residence 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.

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, 2008 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 2008 to 31st December 2008.

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 Accruals & Deferrals

Deferrals and accruals have been made as per guidance of framework set fourth 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 received or paid.

2.5 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 itemize as under:

2.6 Investment and related income:

- a) Investments other than securities held to maturity are stated at cost. Investments in securities held to maturity 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 to maturity during the period due to the valuation 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.

2.7 Fees & Commission

- a) Commission charged to customers on letter of credit and guarantee are 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.

2.8 Loans and advances:

A. Interest on loans and advance

- i. Interest on unclassified loan 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 BCD Circular no. 34 dated 16 November 1989, BCD Circular no. 20 dated 27 December 1994, BCD Circular No. 4 September 1995, BRPD Circular no. 16 dated 6 December 1998, BRPD circular no. 9 dated 14 May 2001, BRPD Circular no. 09 dated 20 August 2005 and BRPD Circular no. 17 dated 06 December 2005 and as per the period end review by the management.

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

Provision for Unclassified Loan & Advances	1.00%
Provision for SME	2.00%
Provision for 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 initiated 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

- i) 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.
- ii) Staff loan of Taka 8,443.70 million allowed at confessional 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 (not less than two times covering the loan) 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 as pledge, balance in DPS/SDPS A/C's are marked "lien".
- 5. No security is taken from Govt. loan, Loan against Govt. Guarantee and Crop Loan to Agriculture sector.

2.9 Interest on Deposits & Other Expenses

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

2.10 Fixed Assets

As per management decision revaluation of fixed assets of the Bank 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, was transferred to profit and loss account.
- d) Repairs and maintenance expenses of fixed assets are charged to profit and loss account, when incurred.

2.11 Overseas branches of the bank

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 2008

2.12 Foreign currency translation

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 2008 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

Earning per share has been calculated in accordance with BAS- 33 by dividing the net profit after taxation with the number of ordinary shares outstanding at the end of the year 2008. EPS has been shown in the face of Profit & Loss Account.

2.15 Related Party Transactions

The Bank provides banking service to the different ministries and corporation are in the form advances, letter of credit, bank guarantee etc. but the Bank had no transactions with the director 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 stated 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 2008.

2.18 Provision for Taxation

- 1. Past tax liability of Janata Bank:** Income tax assessments till 2004-2005 have been finalized. Assessments for the year 2005 -2006, 2006-2007 and 2007- 2008 are under process. Income tax provision Tk.114.40 crore has been considered for the year ended 31st December, 2008 on the basis of estimated assessment made by the Tax Consultant. A total refund of Tk. 323.14 crore is receivable from tax authority after completion of assessment upto the income year 2003.
- 2. Current Tax:** Income tax has been provided @ 45% on the Taxable profit for the year ended 31 December 2008 as per ITO 1984.
- 3. Deferred Tax:** As per Bangladesh Accounting Standard -12 deferred tax has been calculated. Calculation shows deferred tax assets of Taka 6,721,402,192 (Note 9.07), which has been accounted for accordingly as against previous years figure of Taka 4,785,282,530 Difference amount of Taka1,936,119,662 has been credited to the Profit & Loss Account.

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 exist a legal right therefore. No such incident existed during the period.

2.21 Reconciliation:

a) NOSTRO A/C reconciliation position up to 31 December 2008 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	From Oct 08 to Nov-08	1	22	-	11	34
3	For Dec.-08	0	40	-	09	49
Total :		3	62	-	20	85

b) Inter branch reconciliation:

Details of un-reconciled entries of Inter Branch Transaction Accounts (IBTA) as on 31 December 2008 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 of branches of the banking entity,
- treasury operations comprising of 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 has 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 has no realistic prospect of recovery and full provision has been kept. However, this write off will not reduce 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 of 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 is paying 40% of basic salary of each employee in each month w.e.f. 2004 to the superannuation fund for payment of pension to the retiring employees.

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 31.12.2008 as calculated by the management has been provided in the books of accounts.

c) Leave encashment

The Officer/Staff who has been optioned 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 expire any employee.

2.25 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 # Ama/ab/Banking/sha-7/bibidha-12(2) 2000 dated 3 January 2001 and letter # t Ama/ab/Banking/sha-7/bibidha-12(2) 2000/164 dated 27 June 2001 with 100% ownership of Janata Bank having authorized capital is ITL 1.00 Billion and its paid-up Capital is Euro=600.000 (initial)=500.000 additional Capital fund Euro=100.000

Apart from Rome Branch, JEC, Italy has another Branch in Milan, Italy, which was established vide MOF's approval Letter.# Ama/ab/Banking Ni:/sha-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 2008 has been shown in annexure-05.

2.26 Corporate Social Responsibility

Janata Bank Ltd. is placing value to contribute 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.2.00 crore for the year 2009. Our participation in the CSR activities during the year 2008 and program for the year 2009 are as under:

1. Taken the responsibility to bear Tk. 3.50 lac as education expenses upto the class XI for a Khude Ganraj (champion in singing) selected through a program sponsored by Meridian & Channel.
2. Donation of Tk. 20.00 lac to Ahsania Cancer Mission.
3. A program with ministry of Foreign Affairs is in process for providing technical training at bank's cost to the people want to go abroad.
4. Distribution of computers to different educational institutions of the country.
5. Establishment of a school in Dhamrai, Dhaka to provide free education to underprivileged people of that area.
6. Arrangement to award stipend to meritorious student of school, college and university.
7. Sponsoring sports program in all division including Dhaka.

2.27 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 2008 comprises four members of the board of directors as follows:

SL#	Name of the Members	Status with Bank	Status with Committee
1	Mr. Mohammad Al Maruf Khan, FCA	Director	Chairman
2	Commodore M. Zarzeul Islam (L) PSC. BN	Director	Member
3	Mr. Habib Abu Ibrahim	Director	Member
4	Dr. Fahmida Khatun	Director	Member

Audit Committee as on 12 February 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. Fahmida Khatun	Director	Member

The Committee conducted 07 (Seven) 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-J une & December 2007 of the Bank before finalization and exchange views with external auditor and Bank management and instructed to comply with the recommendations in the audit report.
- ii. Reviewed the functions of MANCOM on quarterly basis to see the progress in compliance of the decision as regard matters on finance & accounts, human resource and credit policy.
- iii. Reviewed the test Audit Report of Bangladesh Bank, External Audit Report and Commercial Audit Report as on December-2007.
- iv. Restructuring of Internal Audit Function; review of internal audit reports.
- v. Reviewed the Valuation of Financial Assets (Including Tangible and Intangible), calculation of net Worth and restructured financial statements of Janata bank as of 30th June, 2007.
- vi. Reviewed the Employees House Building Finance Rule-2003 and its necessary amendment.
- vii. Reviewed and recommended for approval of revised budget for the year 2008 and budget for the year 2009.
- viii. Reviewed the process of calculating Cost of Fund, inter branch reconciliation system, provision for superannuation fund etc.
- ix. Reviewed VRS Scheme in line with the World Bank Principle and Policy.
- x. Reviewed the progress for implementation of New Capital Accord (BASEL-II) in line with Action Plan/ Road Map and gearing up the efforts for implementing BASEL-II.

2.28 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 belong 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 controls, limits and to ensure that the Bank maintains well diversified sources of funding as well 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 except 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 MD'S Squad 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 2002 (Act No. 7 of 2002). The offences are as under:

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

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

2.29 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, 2007 with the rating status mentioned below. Rating for the year 2008 is under process.

Period	Long Term	Short Term	On the basis Govt. support
31 December 2007	BBB1	ST 3	AAA in long run & ST1 in short run.
31 December 2006	BBB1	ST 3	Do

2.30 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 BASE 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 2009.
- 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.

2.31 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 confirm to current year's presentation.

			31.12.2008 Taka	31.12.2007 Taka	
3.00	Cash :				
	Cash in hand (Considered as SLR)				
	Local Currency :		3,785,723,338	3,832,270,025	
	Foreign Currency		250,501,278	406,004,662	
		(i)	4,036,224,616	4,238,274,687	
	Balance with Bangladesh Bank and its agent bank(s):				
	Bangladesh Bank				
	In Local Currency)		10,701,977,426	9,039,727,510	
	In Foreign Currency		-	-	
			10,701,977,426	9,039,727,510	
	Sonali Bank				
	Local Currency (Considered as SLR)		1,788,970,659	2,301,762,751	
		(ii)	12,490,948,085	11,341,490,261	
		(i+ii)	16,527,172,701	15,579,764,948	
3.01	Cash Reserve Requirement (CRR) 5% of average demand and Time Liabilities:				
	As per BRPD circular no. 11 & 12 dated August 25 2005 Janata Bank Ltd. has to maintained 5% of total demand				
	Required Reserve		9,710,000,000	9,183,236,000	
	Actual Reserve held B.B. & Sonali Bank Ltd.		12,490,948,085	11,341,490,261	
	Surplus/(Deficit)		2,780,948,085	2,158,254,261	
4.00	Balance with other banks and financial institutions:				
	In Bangladesh (4.01)		3,523,399,750	4,880,254,938	
	Outside Bangladesh (4.02)		2,456,393,565	2,448,147,933	
			5,979,793,315	7,328,402,871	
4.01	In Bangladesh:				
	Current Deposits		3,399,750		
	Short Term Deposits		-	254,938	
	Fixed Deposits		3,520,000,000	4,880,000,000	
			3,523,399,750	4,880,254,938	
4.02	Outside Bangladesh-current deposit (NOSTRO and other account balances in foreign currency):				
	Foreign Currency	Exchange Rate Average at BDT	31.12.2008 Taka	31.12.2007 Taka	
	ACU Dollar	6,229,166.10	68.8890	429,127,252	269,133,530
	Australian Dollar	149,062.05	47.6100	7,097,388	9,788,417
	Canadian Dollar	118,748.23	56.6700	6,729,991	9,857,592
	Swiss Frank (CHF)	13,581.79	65.4700	889,164	11,674,881
	EURO	259,987.42	97.2100	25,273,183	592,409,462
	Great Britain Pound	298,684.01	99.9000	29,839,534	45,887,485
	Japanese Yen	98,585,432.00	0.7650	75,472,078	245,596,978
	Saudi Real	7,907.77	18.3600	145,218	1,483,186
	US Dollar	29,109,263.06	68.8890	(2,005,337,693)	(339,595,835)
	Shadow General Ledger balance		(1,430,763,886)	846,235,696	
	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			846,235,696
Abu Dhabi Dirham (Central F	41,319,839.25	18.7980	776,743,852
Abu Dhabi Dirham (Others B	20,138,184.25	18.7980	378,569,671
			2,456,393,565
			2,448,147,933

4.03 NOSTRO Account Balances (Account Wise)

	31.12.2008 Taka	31.12.2007 Taka
1 Citibank N.A Mumbai	104,398,801	14,817,472.47
2 The HSBC Bank Ltd. Mumbai	24,610,934	17,162,254.72
3 Standard Chartered Bank (KOL)	82,588,395	39,804,179.48
4 A.B. Bank Limited Mumbai	2,871,635	2,156,084.05
5 Bhutan National Bank	3,225,413	2,674,292.97
6 Rastya Banijja Bank Kathmandu	14,652,469	3,740,292.54
7 Sonali Bank (KOLKATA)	15,609,325	29,387,324.91
8 Peoples Bank Colombo	6,641,694	2,387,789.63
9 Bank Tejarat Thehran	795,868	5,515,371.69
10 ICICI Bank Ltd. Mumbai	46,105,644	38,302,054.26
11 HSBC Karachi	27,224,269	9,872,303.33
12 State Bank of India (Kolkata)	4,151,460	4,151,459.92
13 AMEX Bank Ltd.(Kolkata)	88,578,751	95,776,080.11
14 United Bank Ltd. Karachi	2,218,124	1,484,067.05
15 Rupali Bank Ltd. Karachi	5,454,471	1,902,502.89
16 National Australia Bank	7,097,388	9,787,517.07
17 Bank of Montreal CANADA	6,646,670	8,807,904.96
18 HSBC CANADA	83,321	1,049,686.71
19 Nion Bank of Switzerland	889,164	11,674,881.32
20 BANKA-INTESA SPA, ITALY	(7,014,501)	4,999,843.60
21 ING Bank N.V. Netherlands	399,287	(292,901.73)
22 STAN. CHART. BANK LONDON	192,957,522	375,182,055.46
23 SOCIETE GENERALE PARIS	342,728	3,860,028.65
24 STANDARD CHARTERED GMBH F.F.	(158,017,909)	149,457,199.52
25 SONALI BANK UK. LTD. LONDON	399,673	368,420.88
26 BANCA NAZIONALE DEL LAVORO SPA	(28,947,178)	337,955.09
27 COMMERZ BANK F. FURT	27,043,177	6,433,903.10
28 ING BELGIUM NV/SA	10,472,743	(4,722,940.69)
29 EMPORIKI BANK OF GREECE SA	3,245	3,392.48
30 DEUTSCHE BANK F.F. GERMANY	(12,365,605)	2,313,704.45
31 S.C.B LONDON	24,912,698	65,631,199.38
32 NAT-WEST BANK PLC LONDON	479,163	(31,735,562.19)
33 HSBC PLC LONDON (URO)	4,664,595	54,468,801.09
34 HSBC PLC LONDON (GBP)	-	9,177,186.18
35 JANATA BANK ABU DHABI-1	3,379	4,652.80
36 SONALI BANK UK. LONDON LTD.	(220,301)	2,810,008.37
37 BANK AL -JAZIRA,JEDDAH	145,218	1,483,185.71
38 HSBC BANK LTD. N.Y.	(1,666,642,147)	(107,341,613.15)
39 MASHREQ BANK, YEW YORK	(527,936,507)	42,336,843.21
40 AMERICAN EXPRESS BANK LTD. N.Y.	(725,136,992)	155,871,676.26
41 BANK AMERICA INT'L LTD. N.Y.	1,335,588	-

42 D.B.T.C. AMERICAS N. Y.	(10,266,229)	(5,643,537.18)
43 HABIB AMERICAN BANK N.Y.	7,076,142	5,460,999.68
44 WACHOVIA BANK N.A.	(32,303,782)	(13,019,090.32)
45 J.B. ABU DHABI A/C-2	14,525,081	81,198,203.12
46 CITI BANK NA NEW YORK	(102,087,300)	(798,783,560.11)
47 NATL. COMMERCIAL BANK (SEM)	(1,783,988)	2,099,511.25
48 STAN. CHARTERED BANK N. Y.	1,037,882,442	309,597,332.53
49 AMEX BANK LTD. JAPAN	68,090,544	161,380,534.57
50 BANK OF AMERICA SANFRAN	-	(1,962,820.58)
51 BANK AMERICA INT'L LTD. N.Y.	-	(9,408,879.56)
52 BOT-MITSUBISHI LTD. JAPAN	7,381,531	84,216,443.71
	(1,430,763,886)	846,235,696
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 31-12-2008	<u>1,301,080,042</u>	<u>846,235,696</u>

Note: Bank Accounts belong to UAE branches are not included in this disclosure.

	31.12.2008 Taka	31.12.2007 Taka
4.04 Maturity grouping of balance with other banks (In Bangladesh)		
Below 1 month	1,503,399,750	200,254,938
Over 1 months but less than 6 months	1,024,527,951	3,650,000,000
Over 6 months but less than 1 year	760,000,000	830,000,000
Over 1 year but less than 3 years	235,472,049	200,000,000
Above 3 years	-	-
	3,523,399,750	4,880,254,938
5.00 Money at call on short notice		
In Bangladesh :		
ICB Islamic Bank Ltd.	99,900,000	100,000,000
Mutual Trust Bank Ltd.	-	200,000,000
Standard Chartered Bank		600,000,000
The City Bank Ltd.	-	750,000,000
Uttara Bank Ltd	-	1,000,000,000
Eastern Bank Ltd.	500,000,000	200,000,000
Bank Asia Ltd.	200,000,000	300,000,000
Pubali Bank Ltd.		250,000,000
United Commercial Bank Ltd		220,000,000
NCC Bank Limited	100,000,000	
AB Bank Limited	400,000,000	
Mercantile Bank Limited	250,000,000	
First Security Bank Limited	500,000,000	
Sub-total	2,049,900,000	3,620,000,000
Outside Bangladesh :		
BCCI Luxembourg	57,215,458	66,249,523
NBAD	3,477,741,000	-
Abu Dhabi Commercial Bank	1,503,888,000	2,905,220,310
Mashreq Bank PSC, DXB (USD)		940,895,000
UAE Central Bank	-	376,358,000
National Bank of Oman	-	658,626,500
Sub-total	5,038,844,458	4,947,349,333
Total	7,088,744,458	8,567,349,333

6.00 Investments:
a) Government securities (Considered as SLR)

	31.12.2008 Taka	31.12.2007 Taka
i) Treasury bills:	6,564,244,252	5,929,537,238
Primary	6,564,244,252	5,929,537,238
Reverse Repo	-	-
ii) National investment bond	-	-
iii) Bangladesh Bank Bills	-	-
iv) Govt. Notes/ Bonds	50,361,426,572	49,049,549,538
3 years Special Treasury Bond-2008	2,050,250,000	2,050,250,000
15 years Treasury Bond-2008	-	1,064,100,000
10 years (BSC) Treasury Bond	-	376,600,000
25 years (JSAP) Treasury Bond	1,174,067,000	1,295,199,000
5 years (Sick Industries) Treasury Bond	86,013,500	-
5 years Closed /Dairy Farm Treasury Bond	-	2,703,500
5 years (Sick Industries) Treasury Bond	-	224,593,000
3 years (T&T) Treasury Bond	-	500,956,923
2-15 years Special Treasury Bond	25,570,800,000	25,570,800,000
3 years (T&T Mobile) Treasury Bond	652,800,079	1,340,693,374
5 years (Land Mortgage)Treasury Bond	-	12,769,000
5 years Bangladesh Govt.Treasury Bond	8,714,939,740	8,637,209,548
5 years .Treasury Bond (BSFIC)	206,739,000	206,739,000
15 years Bangladesh Govt.Treasury Bond	2,675,574,814	146,100,000
20 years Bangladesh Govt.Treasury Bond	625,044,914	-
10 years Bangladesh Govt.Treasury Bond	8,605,197,525	7,620,836,193
v) Prize bond	44,322,015	41,522,940
vi) Others:		
Debentures	285,473,601	320,473,602

Sub-Total
57,255,466,440
55,341,083,318
b) Other investments

i) Shares of Joint Stock Companies		
Quoted-Fully paid-up ordinary shares	153,690,299	94,036,683
Unquoted-Fully paid-up ordinary shares	102,953,134	101,297,135
	256,643,433	195,333,818
ii) Debenture & bond (Considered as SLR):		
Debenture	223,526,492	228,623,633
Bonds		
Prime Finance Industrial Bond	20,000,000	30,000,000
Ansar VDP Unnayan Bank Bond	50,000,000	50,000,000
Zero Coupon Bond		
	293,526,492	308,623,633
iv) Others (Considered as SLR)		
Pakistan Government Securities of pre-liberation period	17,889,622	17,889,622
v) Gold etc.	-	-
Sub-Total	568,059,547	521,847,073
Total investment	57,823,525,987	55,862,930,391

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

6.01 SLR requirement was Tk. 34,992.70 million and kept Taka 69,933.50 million as on 31 December 2008. 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(i) Sectoral Classification of Investment

Pre-liberation Govt. Securities	17,889,622	17,889,622
Other Debentures	94,689,364	94,689,364
Pre- liberation Debentures	20,473,603	20,473,602
Shares	20,665,368	22,985,151
Total	153,717,957	156,037,739

6.02 Maturity grouping of Investment

	31.12.2008 Taka	31.12.2007 Taka
Repayable on demand	299,751,069	970,093,809
Not more 3 months	3,300,266,603	3,786,758,233
More than 3 months but not more than 01 year	10,241,378,700	6,308,499,979
More than 1 year but not more than 5 years	19,827,468,815	21,954,643,177
More Than 5 years	24,154,660,800	22,842,935,193
	57,823,525,987	55,862,930,391

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	143,568,035,305	120,156,771,226
Outside Bangladesh	1,110,148,083	1,047,683,747
Total loans and advances	144,678,183,388	121,204,454,973

ii) Maturity grouping of loans and advances

Loans and advances are repayable:

Repayable on demand	30,902,325,700	15,527,718,073
Within 3 months	33,203,612,500	24,504,045,200
Within 3 months to 12 months	35,150,215,100	35,602,040,300
Within 1 year to 5 years	23,951,215,300	26,203,420,500
More than 5 years	21,470,814,788	19,367,230,900
	144,678,183,388	121,204,454,973

(b) Nature wise loans and advances

i) In Bangladesh

a) Loans	78,983,545,987	58,421,167,443
b) Cash Credits	53,036,743,897	50,645,160,328
c) Overdrafts	4,197,938,932	2,882,367,585
	136,218,228,816	111,948,695,356
Bills discounted and purchased	7,349,806,488	8,208,075,870
	143,568,035,304	120,156,771,226

ii) Outside Bangladesh

a) Loans	463,255,374	462,578,568
b) Cash Credits	15,122,022	19,796,932
c) Overdrafts	488,033,773	426,433,086
	966,411,169	908,808,586
Bills discounted and purchased	143,736,915	138,875,161
	1,110,148,084	1,047,683,747
	144,678,183,388	121,204,454,973

(c) Details of Nature Wise Loans & Advances Loans:	31.12.2008 Taka	31.12.2007 Taka
i) Loans, Cash Credit, Overdraft etc.		
Rural Credit	11,496,535,926	9,825,267,964
Loan S.S.I	17,161,362,646	15,963,929,575
Transport Loans	30,854,188	40,237,439
General House Building Loan	1,050,217,561	1,264,859,521
Loan General	2,011,914,300	2,089,139,088
LIM	1,569,672,704	1,175,391,213
LTR	16,047,056,651	4,298,395,756
Paking Credit	1,334,830,330	685,350,054
Staff House Building Loan	8,383,615,441	7,193,172,775
Loans against P.F.	605,593,361	731,808,934
Loans against Share Debenture	-	4,563,681
Loan against DPS/SPS	176,118,632	235,704,429
Rural Housing	472,210	618,550
Staff Cyclone Advances	4,039	4,039
Bridge Finance	76,881,224	121,489,703
Credit Card	1,664,407	664,103
Credit Line to NBFI	223,336,482	417,377,833
PAD(Cash)	10,037,314,834	8,457,740,692
PAD(AID/ Grant etc.)	34,916,450	2,595,871,782
PAD(WES)	277,767,273	417,647,053
PAD (Inland)	8,933,597	8,661,454
PAD (Back to Back)	2,166,757,703	3,077,653,022
(PAD (GMT.))	881,338,174	175,543,963
Loan against Cash subsidy/Cash Assistance	146,618,541	102,653,388
FDBP (Others)	1,087,247,606	-
FDBP Garments	3,085,452,956	1,862,150,266
PAD (F.C cash)	205,961,132	-
PAD (EDF)	230,015,181	-
Demand Loan (Cash)	1,114,347,812	-
	79,446,801,361	60,745,896,277
Cash Credit:		
Cash Credit	47,991,573,747	44,149,849,064
Export Cash Credit	5,056,653,372	6,511,469,396
Weavers Cash Credit	3,638,800	3,638,800
	53,051,865,919	50,664,957,260
Overdraft:		
Clean overdraft	44,204,018	44,243,601
Temporary Overdarft	1,295,784,009	84,590,733
Secured Overdraft	3,345,984,678	3,179,966,337
	4,685,972,705	3,308,800,671
Sub total Loans, Cash Credit & Overdraft (a+b+c)	137,184,639,985	114,719,654,208
ii) Bills Purchased and Discounted		
Local Bills Purchased	61,962,865	68,235,664
Inland Bills Purchased	444,330,092	192,048,340
T.T. Purchased	50,000	50,000
Foreign Bills Purchased	2,903,798,203	6,224,466,761
FDBP Local Documentary Bill Purchase	4,083,402,243	-
Sub total:	7,493,543,403	6,484,800,765
Total Loans & Advances (i+ii)	144,678,183,388	121,204,454,973

	31.12.2008 Taka	31.12.2007 Taka
(d) Significant concentration of loans and advances:		
i) Advances to allied concerns of directors	-	-
ii) Advances to Chief Executive and other Senior Executives	20,982,451	-
iii) Advances to customers group (loan amount more than 15% of bank's total capital):		
No. of client	31	31
Loan amount	75,711,700,000	61,982,200,000
Classified loan therein:		
Sub Standard (SS)	96,600,000	328,000,000
Doubtful Debt (DF)	-	210,600,000
Bad/Loss (BL)	893,500,000	2,348,700,000
	990,100,000	2,887,300,000

Details of Advances to customers group (loan amount more than 15% of bank's total capital)

Name of Group	Funded	Non funded	31.12.2008 Taka in Million	Status Of Loan
BPC	15,745.80	1,352.60	17,098.40	UC
BJMC	1,778.60	321.90	2,100.50	UC
UMC Jute Mills	911.10	-	911.10	UC
Platinam Jubli Jute	1,094.70	-	1,094.70	UC
Jesore Jute Mills	686.40	-	686.40	UC
Amin Jute Mills	1,186.90	-	1,186.90	UC
BCIC	10,650.30	4,162.70	14,813.00	UC
BADC	6,088.90	-	6,088.90	UC
BSFI	2,559.60	-	2,559.60	UC
Basundhara Group	2,404.90	372.60	2,777.50	UC
Jamuna Group	2,616.90	17.70	2,634.60	UC
Abul Khair Group	2,016.30	-	2,016.30	UC
T.K Group	690.40	-	690.40	UC
KDS Group	121.30	200.30	321.60	UC
Partex Group	801.20	36.20	837.40	UC
Apex	1,212.50	-	1,212.50	UC
Akiz Group	600.00	73.40	673.40	UC
Beximco Pharma	1,894.00	478.00	2,372.00	UC
Beximco Group	1,389.30	1,752.60	3,141.90	UC
Six Star	705.80	-	705.80	UC
Chowdhury Group	780.30	924.60	1,704.90	UC
Mondal Group	356.90	468.50	825.40	UC
Land Mark	548.40	382.80	931.20	UC
Dragon Group	750.10	-	750.10	UC
PHP	754.20	249.40	1,003.60	UC
Square Group	624.10	779.10	1,403.20	UC
Lithun Febrics	391.80	440.50	832.30	UC
Redian	422.70	560.20	982.90	UC

Anlima Textile	442.60	451.80	894.40	UC
Khajwa Ajmeer S	833.10	1.30	834.40	UC
Shiham Cotton Mi	541.40	94.90	636.30	UC
Sub Total:	61,600.50	13,121.10	74,721.60	

Baximco Group:

Baximco Engineer	598.10	-	598.10	BL
Shine Pukur Holdi	295.40	-	295.40	BL
Chowdhury Group	96.60	-	96.60	SS
Total	62,590.60	13,121.10	75,711.70	

iv) Industry-wise distribution of loans and advances

Industrial Sector	31.12.2008 Taka in Million	31.12.2007 Taka in Million
Jute Industries	8,809.30	8,997.50
Jute Trade	100.30	75.40
Tannery (Industry & Trade)	4,613.30	4,150.60
Textile (Industry & Trade)	6,520.00	4,725.00
Transport	30.80	40.20
Steel & Engineering	1,515.00	1,484.70
Tea	86.20	85.80
Sugar Mills	2,559.60	1,561.90
House Building	1,050.00	1,264.90
Rural Credit	11,496.50	9,825.30
Bricks	1,439.90	1,143.00
Cold Storage	160.10	157.00
Food (Industry & Trade)	1,257.10	1,209.60
Export Credit	15,550.00	14,835.90
Import Credit	32,510.00	14,216.50
Industrial Credit	17,160.00	15,963.90
Others	39,820.10	41,467.20
Total	144,678.20	121,204.40

v) Geographical area-wise loans and advances

Area wise Breakup	31.12.2008 Taka in Million	31.12.2007 Taka in Million
Dhaka	101,537	83,996
Chittagong	17,750	14,770
Khulna	10,516	9,146
Rajshahi	11,531	10,268
Sylhet	944	860
Barisal	1,290	1,116
Overseas Branches (UAE Branches)	1,110	1,048
	144,678	121,204

e) Classification status of loans and advances

In Bangladesh:

Unclassified (Including staff loan Tk.9633.33 million)

Standard	126,302	97,987
SMA	2,636	2,939
Sub-standard	1,643	3,003
Doubtful	1,293	1,082
Bad / Loss	11,694	15,145
	143,568	120,156

Outside Bangladesh

Unclassified	494	421
Bad/Loss	616	627
	1,110	1,048
	144,678	121,204

f) Movement of Recovery in Bangladesh

Opening Classified advances	19,232	17,038
Less: Recovery :		
Cash	1,798	1,873
Write-off	4,439	570
Intt. Waiver	201	-
Re-scheduling	2,801	1,351
	9,239	3,794
	9,993	13,244
Add: Newly classified Loans & Advances	4,637	5,988
Balance of classified Loans & Advances on 31 December 2008	14,630	19,232

	31.12.2008 Taka	31.12.2007 Taka
g) Particulars of loans and advances		
i) Loans considered good in respect of which the bank is fully secured.	94,252,030,250	76,022,876,668
ii) Loans considered good against which the bank holds no other security than the debtor's personal guarantee.	32,402,530,740	23,258,907,455
iii) Loans considered good and secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors.	18,023,622,398	21,922,670,850
iv) Loans adversely classified; provision not maintained there	-	-
	<u>144,678,183,388</u>	<u>121,204,454,973</u>
v) Loans due by directors or officers of the bank or any of these either separately or jointly with any other persons.	403,216,609	328,240,280
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.	532,347,122	587,329,855
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.	15,246,600,000	19,858,100,000
a. 1. (Decrease)/increase in provision	2,647,351,089	229,868,793
b. 2. Amount realized against loan previously written-off	988,600,000	133,718,502
c. Provision kept against loan classified as bad/loss as on 31.12.08 (Excluding General. Prov. For UC Loan)	7,366,549,832	10,696,634,751
d. Interest creditable to the interest suspense account	33,863,600,000	506,558,480
xi) a. Cumulative amount of loan previously written off	14,927,900,000	11,477,400,000
b. Amount of loan written off during the year	4,439,100,000	300,500,000
c. Amount of written-off loan; for which suit filed	14,979,900,000	13,273,200,000

7.01 Provision required and held for Loans and advances

Provision required for loans and advances	9,050,783,662	11,698,134,751
i) Existing book balance of provision(Including Gen. Prov for UC Loans)	8,565,783,662	11,089,396,603
ii) Amount recovered from written off Loans & Advances	-	41,794,618
iii Add: Provision made during 2008 (including Gen. Prov. For UC Loan)	485,000,000	566,943,530
iv Total provision held (including Gen. Prov. For UC Loan)	9,050,783,662	11,698,134,751

	31.12.2008 Taka	31.12.2007 Taka
7.02 Bills discounted & purchased		
a. Bills discounted & purchased		
Payable in Bangladesh	506,342,957	260,334,004
Payable outside Bangladesh	6,987,200,446	8,086,617,027
	7,493,543,403	8,346,951,031
b. Maturity grouping of bills discounted and purchased		
Payable within 1 month	1,600,200,000	1,552,034,500
Over 1 month but less than 3 months	4,305,030,000	4,956,030,250
Over 3 months but less than 6months	1,359,420,552	1,482,256,700
6 months or more	228,892,851	356,629,581
	7,493,543,403	8,346,951,031

8.00 Fixed Assets including premises and furniture, fixture

Land and building less accumulated depreciation	2,026,024,841	2,045,099,738
Furniture and fixture less accumulated depreciat	294,856,118	303,049,017
Computer less accumulated depreciation	125,544,956	76,028,345
	2,446,425,915	2,424,177,100

Details are given in Annexure-1.

9.00 Other assets (non-income generating)

i. Investment in Subsidiary (JEC)	-	34,841,123
ii. Stamps	7,267,553	7,527,202
iii. Stationary	77,901,097	83,124,607
iv. Advance deposit	8,798,770	8,437,570
v. Income accrued on investment	1,365,215,875	1,304,199,655
vi. Sundry assets (Note-9.01)	15,133,499,238	16,018,650,035
vii. Suspense account (9.05)	929,469,349	765,755,948
viii. Tripura Modern Bank	29,463	29,463
ix. General Blocked Account	10,441,963	10,441,963
x. Demonetized notes	15,588,859	15,683,089
xi. Cash remittance	342,420,000	196,666,480
xii. Stock of spare parts and electrical goods	1,202,291	1,269,050
xiii. Valuation Adjustment (Note-9.06)	8,000,214,510	8,889,214,510
xiv. Deferred tax assets (Note - 9.07)	6,721,402,190	4,785,282,532
	32,613,451,158	32,121,123,227

9.01 Sundry Assets

	31.12.2008 Taka	31.12.2007 Taka
Advance Rent paid	37,322,370	45,004,141
Adjusting Account Debit	523,640,639	528,593,742
DD paid without advice	1,504,945,314	1,910,973,270
Denom . Note/ D.D paid Without Advice	2,487,568,598	1,979,432,185
DD Cancelled	1,701,433	3,362,279
Transfer Delivery	26,641,858	18,171,163
Excise Duty	27,445	16,180
Gift Cheque	22,171	38,202
Protested Bill	162,349,132	147,702,484
Demonetized Notes	4,567,146	4,567,146
Defective Notes	12,244,870	10,881,830
Food Procurement Bill	10,137,675	2,432,525
Revenue Stamp	3,266,920	1,021,466
Exempted Interest On Agri Loan	125,397,408	159,916,320
Exempted Interest On Waiver Credit	193,438,394	242,730,535
X.P.B. /Duty Draw Back	32,367,969	154,824,908
Exempted Surcharge on Agriculture Loan	1,393,804	4,024,612
Army Pension	1,296,427,110	1,027,763,914
Civil Pension	21,657,107	11,903,833
Bank Pension	80,869,464	45,124,675
Cyclone Advance	97,302	227,982
Clearing House	196,497,639	750,424,893
Development Surcharge	409	409
Defense Certificate P/ Bond	158,785,865	105,872,609
Till Money	366,000	366,000
Interest Subsidy	724,244	1,135,727
Legal Charges	165,908	138,241
Cash Subsidy	-	3,191,182
Tax at Source	74,700,277	
Special Exchange	10,878,129	155,246
Insurance Claim Against Car	4,375	4,375
Cash Shortage	16,046	16,046
Interest Free Block Account	227,239	100,191
Purchase of Books	5,884	5,884
Constriction of Building	816,011	816,011
Advance Income Tax	2,114,662,862	2,256,427,157
Income Tax refundable	3,231,411,776	3,107,647,545
Income Tax paid	107,083,910	107,083,910
Receivable from the Govt.	9,938,698	9,938,698
Frozen Food Industries	53,276,706	53,276,706
Machine Tools Factory Ltd.	41,631,681	41,631,681
Accrued Interest On PSP -GPF	86,876,166	155,724,313
Accrued Interest On FDR -GPF	103,843,688	108,598,623
Accrued Interest On PSP -CPF	6,055,096	7,969,944
Accrued Interest On FDR -CPR	7,078,903	-
BRDB UCCA	29,608,303	29,608,303
EMPS-CPF	19,311,333	15,444,543
EMPS-GPF	93,575,316	65,613,857

Others	688,947,174	339,392,781
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Q- Cash	-	1,000,000
Exempted Jute Loan	42,823,990	42,823,990
Exemption Loan A/C Ctg . Steel Mills Ltd	1,458,900,000	1,458,900,000
Bangladesh Bank Clearing Account (USD)	(79,779,289)	832,349,917
Bangladesh Bank Clearing Account (GBP)	151,625,419	7,891,370
Bangladesh Bank Clearing Account (EURO)	(144,232,048)	17,305,868
Sales Purchase WES Fund	40,033,083	39,661,278
Special Exchange	19,404,463	19,404,463
Treasury bond GPF	17,800,154	-
Treasury bond CPF	4,103,813	-
Abu Dhabi Branches (Sundry Assets)	60,245,886	140,014,882
	15,133,499,238	16,018,650,035

9.02 Year wise tax at source refundable

<u>Year</u>	<u>Asstt. Year</u>		
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	43,090,016
		3,231,411,776	3,107,647,545

9.03 Classification of other assets

Fraud & Forgery not yet recovered	-	-
Excise duty	27,445	16,180
Protested bill	162,349,132	147,702,484
Demonetized Notes	15,588,859	15,683,089
Demonetized Notes (Sundry Assets)	4,567,146	4,567,146
	20,156,005	20,250,235
Less : Special Blocked A/c (Other Liabilities)	5,217,361	6,016,266
Classified amount	14,938,644	14,233,969
General Blocked A/c	10,441,963	10,441,963
Exempted Interest On Agri Loan	125,397,408	159,916,320
Exempted Interest On Waiver Credit	193,438,394	242,730,535
Exempted Surcharge on Agriculture Loan	1,393,804	4,024,612
Development Surcharge	409	409
Till Money	366,000	366,000
Interest Subsidy	724,244	1,135,727
Legal Charges	165,908	138,241
Special Exchange	10,878,129	155,246
Insurance Claim Agnst. Car	4,375	4,375
Cash Shortage	16,046	16,046
Purchase of Books	5,884	5,884
Frozen Food Industries	53,276,706	53,276,706
Exempted Jute Loan	42,823,990	42,823,990
Exemption Loan A/C Ctg . Steel Mills Ltd	1,458,900,000	1,458,900,000
Income Accrued on Investment	135,400,000	135,400,000
Suspense A/c (Old balance upto 2006)	31,044,024	22,047,375
For Bang;adesh Bank Balances	41,800,000	41,800,000
For Un reconciled NOSTRO Entries	84,554,665	104,000,000

Interest Free Block Account	227,239	100,191
Income Tax paid	107,083,910	107,083,910
Provision for Fraud Forgery	97,500,000	-
Special Exchange	19,404,463	19,404,463
Difference in Sales & Purchase WES	7,749,608	39,661,278
Fund (code-0171) & Deposit in Foreign Currency(WES) Code-0027 i.e.		74,567,978
Others (Required as per Valuation Report)	70,800,000	
	2,670,712,390	2,679,953,882

9.04 Classification of other assets and provision shortfall therein

i. Amount classified as bad/loss	2,670,712,390	2,679,953,882
ii. Provision required for other assets (Note 9.0)	2,670,712,390	2,679,953,882
iii. Provision old balance	2,679,942,377	2,548,670,065
iv. Amount transferred from provision for income tax	-	34,707,124
v. Add: Provision made during the year/ period	-	290,384,255
vi. Provision reduced from 21 May to 31 December 2007		(193,807,562)
v. Total provision held (including provision Tk. 4.18 Crore for B.B.)	2,679,942,377	2,679,953,882
vi. Provision excess/ (shortfall) for other assets	9,229,987	-

9.05 Details of Suspense Account

Sundry Debtors	187,777,542	259,720,075
Advance Against TA/DA	3,864,840	4,772,968
Advance Against Postage	498,085	118,034
Advance for Exps. for New Branch	437,854	1,033,456
Gift Cheque	76,674	99,239
Legal Charge	441,029	550,794
Revenue Stamp	143,020	64,542
Prize Bond/D.S.C/B.S.P etc.	579,200,563	353,060,562
Exgratia	118,937,837	123,046,513
Pension bill	339,355	15,987
Air Port Booth	25,299,561	21,309,087
Hajj Booth	12,453,587	1,895,452
Petty Cash	(600)	69,238
	929,469,349	765,755,948

9.06 Valuation Adjustment

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

9.07 Deferred Tax Assets for the year 2008 have been computed in accordance with provision BAS-12 based

i) Written Down Value of Fixed Assets

a) Carrying amount at balance sheet date	314,577,184	310,372,224
b) Tax base	367,888,825	314,577,184
c) Taxable/(Deductible) Temporary Difference	(53,311,641)	(4,204,960)

ii) Revaluation Reserve

a) Carrying amount at balance sheet date	1,926,036,731	2,113,543,783
b) Tax base	-	-
c) Taxable/(Deductible) Temporary Difference	1,926,036,731	2,113,543,783

iii) Employees Liabilities

a) Carrying amount at balance sheet date	(12,035,053,256)	(12,743,300,000)
b) Tax base	2,406,793,908	-
c) Taxable/(Deductible) Temporary Difference	(9,628,259,348)	(12,743,300,000)

iv) Total Temporary Difference	(7,755,534,258)	(10,633,961,177)
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v) Tax rate	45%	45%
vi) Deferred Tax Assets	(3,489,990,416)	(4,785,282,532)
vii) Tax credit up to assessment year 2004-05	(3,231,411,776)	
viii) Total deferred Tax (Assets) / Liability	(6,721,402,190)	

viii) Opening Deferred Tax	(4,785,282,532)	(5,333,062,615)
viii) Increase/Decrease of Deferred Tax (Assets)	(1,936,119,662)	547,780,087

	31.12.2008 Taka	31.12.2007 Taka
10.00 Borrowings from other banks, financial institutions and agents		
a. (i) In Bangladesh	587,633	2,531,387,633
(ii) Outside Bangladesh	3,272,722,439	972,323,272
	3,273,310,072	3,503,710,905
Less: Credited with branch adjustment A/c	(2,731,843,928)	-
	541,466,144	-
Less: Adjustment with NOSTRO Debit balance	(540,878,511)	(972,323,272)
Adjusted balance shown in Accounts	587,633	2,531,387,633
b. Security-wise grouping		
(i) Secured (By Bangladesh Bank Deposits	587,633	2,531,387,633
(ii) Unsecured		
	587,633	2,531,387,633
c. Maturity-wise grouping		
(i) Repayable on Demand		
(ii) Others	587,633	2,531,387,633
	587,633	2,531,387,633
11.00 Deposit and other accounts		
Inter-bank deposits	83,486,246	48,998,059
Other Deposits	221,252,264,488	198,586,893,995
	221,335,750,734	198,635,892,054
11.00(i) Deposit and other accounts		
In Bangladesh	215,851,209,623	194,465,682,167
Outside Bangladesh	5,484,541,111	4,170,209,887
	221,335,750,734	198,635,892,054
11.00(ii) Maturity-wise grouping		
Repayable on demand	30,798,359,500	27,798,359,500
Repayable within 1 month	17,521,289,834	10,945,896,900
Over 1 month but within 6 months	35,204,025,700	30,424,050,300
Over 6 months but within 1 year	45,235,623,230	42,821,314,701
Over 1 year but within 5 years	58,307,540,355	56,501,910,281
Over 5 years but within 10 years	34,263,992,588	30,143,609,827
Over 10 years	4,919,527	750,545
	221,335,750,734	198,635,892,054

Unclaimed deposits over 10 years was Tk.49,19,527 on 31 December 2008 which is under process to deposit with Bangladesh Bank as per the requirement of the Bank Companies Act 1991.

	31.12.2008 Taka	31.12.2007 Taka
12.00 Other liabilities		
Adjusting account credit	2,369,684,407	2,106,592,291
Inter branch adjustment (Note-12.01)	2,811,467,417	2,552,066,637
Death relief grant scheme	720,750	1,710,740
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	3,885,899
Insurance fund	38,860,551	33,860,551
Benevolent fund	40,000,000	20,000,000
Sundry creditor	81,532,315	4,888,856
5 years Treasury bond	33,909,159	33,909,159
Special blocked account	5,217,361	5,226,261
Provision for Ruler's tax	39,865,296	21,228,980
Interest suspense	3,414,351,292	4,831,579,454
Provision for ex-gratia	15,795,476	217,209,371
Provision for Incentive bonus	503,776,388	100,000,000
Provision for income tax (Note 12.00 (a))	4,746,894,772	1,558,389,053
Provision for bad & doubtful debts including general provision for unclassified loans (Note-	9,050,783,662	11,698,134,751
Provision for investment	161,600,000	161,600,000
Provision for other assets (9.04)***	2,679,942,377	2,679,953,882
Provision for Super Annuation Fund (SAF)	9,357,990,768	9,356,851,201
Provision for gratuity including old balance	270,268,580	300,539,480
Provision for call loan, for misappropriation & for personal loans of overseas branches	61,154,136	105,379,336
Rural housing credit programme	13,070,063	15,298,325
Contributory Providend Fund	31,500,000	86,869,202
General Providen Fund	215,000,000	35,959,876
Provision for Valuation adjustment	-	-
GPF	11,272,906	-
CPF	20,468,458	-
Provision for Off- balance sheet amount & Credit	701,260,659	232,654,475
	36,758,590,982	36,241,755,883

12.00 (a)	Year	Asstt. Year		
	2002	2003-(77,969,075	440,612,413
	2003	2004-(397,350,462	34,707,124
	2006	2007-(2,396,370,517	
	2007	2008-(1,083,069,516	1,083,069,516
	2008	2009-]	1,143,690,508	-
Less: Adjustment made in 2008 for the year 200:			(351,555,306)	
			4,746,894,772	1,558,389,053

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 as of ----- unadjusted entries are given below:

Sl.	Name of Account	Year	No. of Debit Entries	Amount In Taka	Amount In Taka	No. of Credit Entries	Total amount In Taka
(a)	CIBTA	<u>Before 2008</u>			<u>Before 2008</u>		
		For 2005	1	4,967,621	upto 2005	1,040	23,143,833
		For 2006	-	-	For 2006	1,057	305,344,711
		For 2007	5	3,221,729	For 2007	2,109	208,611,781
		<u>For 2008</u>			<u>For 2008</u>		
		upto June'08	373	379,770,485	upto June'08	18,751	3,618,002,696
		Upto Sept'08	675	6,177,606,861	Upto Sept'08	78,118	33,375,723,794
		Upto Dec. 20	982	9,796,988,007	Upto Dec. 2008	69,133	20,583,755,216
	Total (a)		2,036	16,362,554,703		170,208	58,114,582,031
(b)	IBFET	<u>Before 2008</u>			<u>Before 2008</u>		
		For 2003	1	491,301	For 2003	-	-
		For 2004			For 2004	-	-
		For 2005			For 2005	-	-
		<u>For 2008</u>			<u>For 2006</u>		
		upto June'08	6	4,864,225	upto June'08	4	1,865,292
		Upto Sept'08	42	163,613,181	Upto Sept'08	67	61,994,029
		Upto Dec.'08	1,147	5,857,131,584	Upto Dec.'08	581	3,795,080,340
	Total (b)		1,196	6,026,100,291		652	3,858,939,661
	Total (a+b)		3,232	22,388,654,994		170,860	61,973,521,692

	31.12.2008 Taka	31.12.2007 Taka
12.02 a. Provision for Loans and Advances (including general provision for unclassified		
i) In Bangladesh		
Balance as on 01 January 2008	11,135,080,297	10,700,454,508
Less: i. Fully provided debts written off	3,633,401,278	266,036,243
ii. Recoveries and provisions no longer required	3,633,401,278	-
	7,501,679,019	10,434,418,265
Add: i. Recoveries of amounts previously written off	505,004,298	133,718,502
ii. Specific provision for the year-2008 including general provision on	485,000,000	566,943,530
iii. Net charge to profit and loss account during the year	990,004,298	700,662,032
Provision held as at 31 December 2008	8,491,683,317	11,135,080,297
ii) Outside Bangladesh		
Balance as on 01 January 2008	563,054,454	504,325,819
Exchange fluctuation	(581,109)	(9,125,379)
Balance as on 01 January 2008	562,473,345	495,200,440
Less: Fully provided debts written off	3,948,000	94,006,966
Recoveries and provisions no longer required	3,948,000	-
	558,525,345	94,006,966
	401,193,474	401,193,474
Add: Recoveries of amounts previously written off	575,000	92,480,808
Specific provision for the year-2008	566,996,345	69,380,172
	566,996,345	161,860,980
Net charge to profit & loss account during the year		-
Provision held as at 31 December 2008	559,100,345	563,054,454
Total (i+ii)	9,050,783,662	11,698,134,751
b. Provision for unclassified loans and advances		
Balance as on 01 January 2008	1,475,300,000	828,500,000
Provision made during the year (Note-30)	208,933,830	173,000,000
Balance of provision on 31 December 2008	1,684,233,830	1,001,500,000
c. Interest suspense account		
i) In Bangladesh :		
Balance as on 01.01.2008	4,753,300,010	4,370,418,189
Add: Transferred during the year	839,626,391	997,365,002
	5,592,926,401	5,367,783,191
Less: Recovered/Transferred to income account	1,033,045,870	525,129,240
Written off during the year	1,223,682,380	89,353,941
	2,256,728,250	614,483,181
Balance as on 31 December 2008	3,336,198,151	4,753,300,010

ii) Outside Bangladesh

Balance as on 01 January 2008	<u>78,279,444</u>	<u>83,773,345</u>
Less: Exchange fluctuation	<u>(77,444)</u>	<u>(1,215,505)</u>
Balance as on 01 January 2008	<u>78,202,000</u>	<u>82,557,840</u>
Add: Transferred during the year	-	-
Written off during the year		
Less: Recovered/Transferred to income account	(48,859)	-
Written off during the year	<u>-</u>	<u>(4,278,396)</u>
Balance as on 31 December 2008	<u>78,153,141</u>	<u>78,279,444</u>
Total (i+ ii)	<u>3,414,351,292</u>	<u>4,831,579,454</u>

13.00 Share Capital:**13.01 Authorized capital: Tk. 8,000,000,000**

8,00,00,000 nos. of shares @ Tk. 100/- each

13.02 Paid-up capital: Tk. 2,593,900,000

The amount of paid-up capital was subscribed by the Ministry of Finance (MOF) among the share holders and accordingly Share Certificate had been issued in the name Government of the People's Republic of Bangladesh

13.03	Name of shareholders	2008	2007		
Sl. No.	Name of Directors	<u>Design ation</u>	<u>No. of shares</u>	Taka	Taka
01	Government of the People's		25,938,990	2,593,899,000	2,593,899,300
02	Mr. Shuhel Ahmed Choudhury		1	100	100
03	Mr. Muhammad Abdul Mazid			0	100
04	Mr. Mohammad Al Maruf khan,FCA		1	100	100
05	Mr. Masud Ahmed		0	0	100
06	Commodore Mohammad Zarzeul Islam (L)		1	100	100
07	Mr. Azizur Rahman		1	100	100
08	Mr. Habib Abu Ibrahim		1	100	100
09	Mr. Md. Enamul Haq Choudhury		1	100	0
10	Mr. Chowdhury Abdul Quayum		1	100	0
11	Dr. Jamaluddin Ahmed, FCA		1	100	0
12	Dr. Fahmida Khatun		1	100	0
13	Mr. Fazle Kabir		1	100	0
Total :			25,939,000	2,593,900,000	2,593,900,000

13.04 Capital adequacy

Details of the Capital Requirement & Capital Shortfall of the Bank as per requirement of Section 13(2) of Banking Companies Act, 1991 and BRPD Circular 10 dated 25 November 2002:

	31.12.2008 Million in Taka	31.12.2007 Million in Taka
Total assets (including off balance sheet amount)	336,775.40	290,591.40
Risk weighted assets (Details shown in annexure-2)	105,243.20	96,023.60
i) Required capital (10% of risk weighted assets)	10,524.30	9,602.36
ii) Capital held:	10,120.05	6,300.00
Core capital (Note-13.05)	6,416.75	2,961.03
Supplementary Capital (Note-13.06)	3,703.30	3,338.97
ii) Capital shortfall (i-ii)	(404.25)	(3,302.36)
iii) Provision shortfall (note nos.7.1, 9.1 and 24)	-	-
iv) Adjusted capital Surplus / (Shortfall) (iii+iv)	(404.25)	(3,302.36)

13.05 Core capital (Tier-i)

Paid-up capital	2,593.90	2,593.90
Statutory reserve	1,491.96	238.16
Legal Reserve	44.95	29.54
Retained Surplus/(Deficit)	2,285.94	128.97
Total	6,416.75	2,990.57

13.06	Supplementary Capital (Tier-ii)		
	Revaluation surplus	1126.40	1,219.00
	Exchange gain of UAE Loan A/C and Capital Reserve	115.80	558.37
	Exchange equalization account	75.70	75.70
	general provision on unclassified loans including Prov. for off balance Items	2,385.40	1,485.90
	Total	3,703.30	3,338.97
13.07	Capital Adequacy Ratio		
	Core Capital (Tier-I)	6.10%	3.11%
	Supplementary Capital (Tier-II)	3.52%	3.48%
		9.62%	6.59%
14.00	Statutory Reserve		
	Opening balance	238,158,192	206,390,709
	Adjustment for exchange fluctuation held in UAE branches.	(31,334)	(474,391)
	Add: Transfer from current years profit	1,253,829,516	32,241,874
		1,491,956,374	238,158,192
15.00	Legal Reserve (UAE Branches)		
	Opening Balance	29,541,124	21,880,466
	Adjustment for exchange fluctuation held in UAE branches.	(30,298)	
	Add: Transferred during the year	15,435,205	7,660,658
		44,946,031	29,541,124
16.00	Other Reserves		
	Opening revaluation gain	2,688,600,459	1,520,141,142
	Less: Transferred to Profit & Loss Account	(41,774,131)	(145,732,921)
	Less: Transferred to Exhchange earnings	(411,777,271)	-
	Add: Tras. from Interest on Treasury bill held for Maturity	410,571,744	162,175,780
	Asset revaluation surplus	0	1,152,016,458
		2,645,620,801	2,688,600,459

	31.12.2008 Taka	21-05-07 to 31.12.2007 Taka
17.00 Surplus in Profit/(Loss) Account		
Profit/(Loss) before provision	7,003,064,498	2,406,821,147
Less:		
Provision for loans and advances	485,000,000	566,943,530
Provision for off- balance sheet Items	468,591,137	232,652,000
Provision for other assets		(193,807,562)
Provision for valuation adjustment	889,000,000	-
Other provisions	411,149,592	120,000,000
Total provision	2,253,740,729	725,787,968
Total profit / (Loss) before income taxes	4,749,323,769	1,681,033,179
Provision for taxaion:	3,540,061,025	1,117,776,640
Prior Year	2,396,370,517	34,707,124
Current tax	1,143,690,508	1,083,069,516
Deferred tax income/ (expense):	1,936,119,662	(547,780,087)
Prior year		
Current year	1,936,119,662	(547,780,087)
Net profit/(loss) after taxation	3,145,382,406	15,476,452
Add: Transferred from other reserve	41,774,131	145,732,920
Add: Provision no longer required	239,250,054	-
Net profit/(loss) after adjustment	3,426,406,591	161,209,372
Less:Trans. to Statutory reserve	(1,253,829,516)	(32,241,874)
Less:Trans. to Legal reserve	(15,435,205)	
	2,157,141,870	128,967,498
Less: decr. of UAE R/ Earnings for rate fluctuation	(165,001)	-
	2,156,976,869	-
Add: Previous years balnce	128,967,498	-
	2,285,944,367	128,967,498
18.00 Contingent Liabilities		
i) Guarantees issued favoring:		
Director	-	-
Government	1,009,647,636	1,052,425,138
Bank & other financial institutions	59,461,999	132,866,786
Others	2,136,661,645	1,680,690,473
ii) Commitments:		
Documentary credits and short term trade related transactions	59,491,466,114	39,930,426,343
Bills for collection	7,427,076,266	3,733,919,300
Total	70,124,313,660	46,530,328,040
19.00 Interest Inocme		
Interest on loans and advances (Note:19.01)	12,172,980,243	5,629,581,535
Interest on call loans	780,218,972	387,742,152
Total	12,953,199,215	6,017,323,687

	2008 Taka		21-05-07 to 31.12.2007 Taka
19.01 Interest on loans and advances			
Loan including Small Loan	3,136,092,604	2,267,637,771	1,271,619,398
L.I.M	188,953,286	185,226,700	47,455,326
L.T.R	782,148,700	354,875,396	218,804,107
Packing Credit	93,550,853	31,123,966	20,275,909
I.B.P	7,256,363	5,209,340	4,303,515
F.B.P	130,423,106	158,430,601	104,648,405
P.A.D	1,796,934,725	1,260,027,509	1,312,317,820
Overdrafts	338,721,399	333,189,700	133,933,996
Cash Credits	5,087,900,762	3,360,542,879	2,240,063,869
Penal Interest on DPS/SPS	25,913,103	29,326,806	9,694,432
Penal Interest on FDR	1,202,062	478,664	460,114
Interest Miscellaneous	556,709,908	333,407,322	225,147,955
Interest on Q-Cash Overdraft	294	6,290	(623)
Interest on F.C	26,404,246	13,938,896	40,822,887
Interest on Credit Card	284,700		45,231
Discount on bills purchased	484,132	1,949	(10,806)
	12,172,980,243	8,903,790,279	5,629,581,535

20.00 Interest paid on deposits and borrowings etc.

Interest on deposits - Note-20.01	9,235,058,164		4,573,940,846
Interest on borrowings -Note20.02	69,843,302		40,786,331
Discount paid	1,492,930		5,653,831
Interest on Overseas A/c	97,202		(3,003,877)
	9,306,491,598		4,617,377,131

20.01 Interest Paid on Deposit

Interest paid on saving Bank Deposit	2,029,494,847	1,150,382,619	981,025,898
Interest paid on Fixed & O.D F.D Deposit	4,890,657,217	3,174,740,375	2,305,699,140
Interest paid on Call Deposit	-	29,328,441	(157,253)
Interest paid on short term Deposit	680,827,198	276,957,944	338,649,710
Interest paid on Cash security	136,057	3,914,384	72,349
Interest paid on G.P.F/C.P.F	476,009,194	376,223,622	230,675,524
Interest paid on Block time Deposit	49,576		130,668
Interest paid on Deposit Pension Scheme	151,170,561	140,609,287	135,224,459
Interest paid on N.R.F.C.D	24,846,220	31,635,993	(44,373,220)
Interest paid on Gift Cheque	266,752	91,131	(4,069,672)
Interest paid onJBSPS	975,630,706	911,725,747	1,251,307,275
Interest paid onJBDS	5,013,279	194,705	(620,180,146)
Interest paid on MDS	1,910		
Interest paid on EDS	526		
Interest paid on Others	893,693		
Interest paid onQ-Cash	60,428	12,630	(63,886)
	9,235,058,164	6,095,920,710	4,573,940,846

20.02 Interest Paid on Borrowings	2008 Taka		21-05-07 to 31.12.2007 Taka
Bangladesh Bank on Borrowings	56,729,076		245,836
Other Banks on Borrowings	5,869,464	24,405,676	189,584
Sonali Bank on Borrowings	53,835	3,707,334	25,085
Penal Interest. paid to B.Bank	-	11,515	1
Interest paid on Borrowing of UAE branches	7,190,927	5,240	40,325,825
	69,843,302	50,305,668	40,786,331
		78,435,433	
21.00 Investment Income			
Interest on Government Securities	4,075,840,287		1,550,216,241
Interest on debenture	18,791,714		8,037,260
Dividend on shares	17,659,717		16,162,272
Other investment income	44,869,639		8,240
	4,157,161,357		1,574,424,013
22.00 Commission, exchange and brokerage			
Commission	578,328,912		246,057,797
Exchange	2,558,341,998		1,131,430,847
Less: Exchange Loss	(20,990,274)		(11,760,539)
Brokerage	25		-
	3,115,680,661		1,365,728,105

	2008 Taka	21-05-07 to 31.12.2007 Taka
23.00 Other operating income		
Rent	4,943,341	3,964,160
Computer	100	-
Incidental charge recoveries	91,308,925	41,645,095
Miscellaneous earnings	529,370,403	229,444,956
Postage recoveries	16,192,404	1,505,436
Interest on UAE account	-	40,366,723
Trunk call & SWIFT charges	11,238,093	3,621,442
Write Off Loan recovery	30,125,923	-
Service charge on rural credit	5,904,762	2,287,909
Legal Charges on recoveries	2,590,151	(5,453,385)
Income from Revaluation of Gold/Silver	3,405,684	(1,069,673)
Income from non-banking Assets	923,115	(407,059)
	696,002,901	315,905,604
24.00 Salary & Allowances		
Basic Salaries	1,523,419,361	742,028,992
Allowances	956,393,666	403,769,467
Festival Bonus	256,293,554	243,348,611
Leave salary encashment	82,438,902	28,275,494
Pension & Gratuity	549,909,076	278,809,684
Lunch Subsidy	215,041,081	70,160,804
Employees income tax	9,808,202	3,001,961
Providend fund	11,501,134	5,239,390
Welfare & recreation	9,174,653	3,798,755
Madical Expenses	858,480	424,491
	3,614,838,109	1,778,857,649
25.00 Rent,Taxes, Insurance, Electricity etc.		
Rent, Rates & Taxes	223,807,008	108,877,018
Insurance	107,688,002	51,186,691
Lighting	33,135,517	20,870,724
	364,630,527	180,934,433
26.00 Legal Expenses.		
Legal Charges	2,633,843	(1,114,003)
Stamps, Power of Attorney & N.P Exp.	2,941,952	(489,760)
	5,575,795	(1,603,763)
27.00 Postage, stamp, telecommunication etc.		
Postage	181,778	(1,293)
Telegram/ Telex/ TP	141,987	(2,135)
Telephone/ Trunk Call (Office)	264,848	(2,156)
Telephone/ Trunk Call (Residence)	210,882	(11,927)
Others	182,009	(20,530)
Internet/ E-mail/ Internet Fax/ SWIFT	167,892	(13,517)
	1,149,396	(51,557)

28.00 Stationery , Printing and Advertisement

Office Stationery	32,423,538	15,271,473
Security stationery	22,132,150	10,022,115
Computer stationery	15,364,144	7,270,647
Petty stationery	12,903,719	6,119,263
Advertisement	6,892,460	1,025,514
	89,716,011	39,709,012

29.00 Director's Fee

a) Total fees paid for attending board 1	918,000	438,500
b) Other financial benefit	-	-
	918,000	438,500

30.00 Depreciation & Repair Maintenance**Depreciation:**

Furniture & Fixture	19,716,767	13,009,860
Vehicles	14,244,185	1,440,489
Machinery & Equipment	20,135,659	11,097,183
Computer	26,610,884	18,494,659
Property	26,435,898	6,248,403
Repair & Maintenance	59,036,494	34,207,305
	166,179,887	84,497,899

31.00 Other Expenses

Entertainment	42,379,354	21,246,284
Car expenses	50,547,027	21,939,660
Subscription	19,676,752	5,267,701
Donation	69,000	5,285,750
Travelling	34,225,897	15,833,333
Cartage & Freight	46,384,747	21,249,382
Miscellaneous	95,909,197	20,944,651
Business Development	18,143,725	10,545,148
Cash Carrying Charges	8,917,784	3,924,710
Pay and Allowance of Police	16,740,197	8,537,819
Training Expenses.	9,402,465	3,461,481
Office Expenses / H.O Admn. Exp.	13,063,680	12,571,114
Provision for Rular Tax	-	11,527,247
Computer	877,358	497,939
Loss on sale purhsge property & assets	4,310,589	549,331
	360,647,772	163,381,550

32.00 Provision for loans and advances

For bad & doubtful loans and advances	276,066,170	566,943,530
Provision for unclassified loans	208,933,830	-
	485,000,000	566,943,530

33.00 Provision for off- balance sheet itrms :

Opening Balance	232,652,000	-
Add: Transferred during the year	468,591,137	232,652,000
	701,243,137	232,652,000

34.00 Provision for Valuation adjustment

Opening balance	-	-
Add: Transferred during the year	889,000,000	-
	889,000,000	-

35.00 Provision for super annuation fund and gratuity**(i) Provision for Super Annuation Fund (SAF) :**

Total fund requirement for super annuation fund as	12,734,525,624	12,422,900,000
Less: Fund has already been kept for SAF under	4,090,981,224	3,749,816,974
Account for Super Annuation Fund during the year	8,643,544,400	8,673,083,026

ii) Provision for Gratuity:

Total fund requirement for gratuity as per consultant		
For Bangladesh	342,689,706	320,400,000
For overseas	13,055,870	11,916,303
	355,745,576	332,316,303

Less: Fund Kept for gratuity (balance with accrued

For Bangladesh	283,324,450	329,070,713
For overseas	270,268,580	317,154,410
	13,055,870	11,916,303

Account for Gratuity during the year

	72,421,126	3,245,590
Total amount of super annuation fund and	8,715,965,526	8,676,328,616
Less: Already Accounted for upto 31-12-08	9,357,990,768	9,344,934,898
Excess Provision held on 31-12-2008	642,025,242	668,606,282

The bank has determined the required provision for Super Annuation Fund (SAF) and gratuity fund for its employees as

36.00 Other Provisions

Provision for Incentive Bonus	320,000,000	100,000,000
Provision for Insurance Fund	5,000,000	-
Provision for Benevolent Fund	40,000,000	20,000,000
Provision for Rular Tax (UAE Branches)	46,149,592	
	411,149,592	120,000,000

37.00 Provision for Income Tax.

Income Tax assessment till 2004-05 have been finalised. Assessments for the year 2005-2006, 2006-2007 and 2007-2008 are under process. Provision for income tax has not been made for the above-mentioned years considering loss and possible carried forward of losses except for the year 2007-2008 for which year necessary provision has been made. Income Tax has not been considered on the loans and advances written off during the year on the ground that income

38.00 High Lights/ Key Indicators of Bank

	2008 Million in Taka	2007 Million in Taka
Authorised Capital	8,000.00	8,000.00
Paid-up capital	2,593.90	2,593.90
Required Capital (10% of RWA)	10,524.30	9,602.36
Capital Kept	10,120.05	6,300.00
Capital Surplus/(Shortfall)	(404.25)	(3,302.36)
Total assets	267,157.30	243,088.20
Total deposits	221,335.75	198,635.89
Total loans and advances	144,678.20	121,204.45
Total Operating Profit	7,003.06	4,962.60
Total contingent liabilities (Off balance sheet item)	70,124.31	46,530.33
Total loans deposits ratio	65.37%	61.02%
Total classified loans to total loans & advances (including	10.92%	16.38%
Profit after provision and tax	3,145.38	1,094.44
Classified loans & advances during the year:		
In Bangladesh	14,630.20	19,231.62
Outside Bangladesh	616.40	626.50
Total	15,246.60	19,858.12
Provision held against classified advances (including general provision for unclassified loans and advances)	9,050.78	11,698.13
Cost of Deposit	4.53%	4.71%
Operating cost	2.31%	2.24%
Cost of fund	6.84%	6.95%
Performing assets/loans (including overseas)	129,431.60	101,346.33
Non performing assets/loans (including overseas)	15,246.60	19,858.12
Return on investment (ROI)	8.29%	6.76%
Return on assets on Net PProfit (ROA)	1.18%	0.45%
Earning cost ratio	0.70	0.72
Import	129,413.00	84,065.40
Export	85,417.80	71,855.50
Recovery of Classified Advances	9,239.20	3,794.60
Foreign Remittance	45,924.40	36,788.00
Non Interest Income	3,857.60	3,357.40
Earning per share	121.26	0.60

Annexure-1

Janata Bank Limited
Schedule Of Fixed Assets
As Of 31 December 2008

(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				
		Opening Balance as on 01.01.08	Purchased/ Addition including revaluation during the year	Sales/ Transfer/ Adjustment	Balance as on 31.12.08		Opening Balance as on 01.01.08	Charged during the year	Adjustment during the year	Balance as on 31.12.08	
	1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7+8-9)	
1	Land	989,268	5,436		994,704						994,704
2	Building	1,159,047	1,925		1,160,972	2.5	103,215	26436	-	129,651	1,031,321
3	Furniture and Fixture:										
	a) Office Equipment	122,329	9,891	150	132,070	20	76,399	9363	-	85,762	46,308
	b) Electric Equipment	171,679	6,035	369	177,345	20	119,742	15828	-	135,570	41,775
	c) Fire Extinguish & Arm	7,231	32	-	7,263	20	5,879	319	-	6,198	1,065
	d) Car	152,260	14,817	5,343	161,734	20	105,168	14244	-	119,412	42,322
	e) Cycle and Scoter	4,244	-	1	4,243	20	3,804	98	-	3,902	341
	f) Weighting Machine	198	96	-	294	20	176	4	-	180	114
	g) Others	286,886	23,040	2,145	307,781	10	130,610	14,240	-	144,850	162,931
	Sub-total (a to g)	744,827	53,911	8,008	790,730		441,778	54,096		495,874	294,856
4	Computer	287,623	76,779	651	363,751	20	211,595	26,611	-	238,206	125,545
	Grand total (1+2+3+4)	3,180,765	138,051	8,659	3,310,157		756,588	107,143	-	863,731	2,446,426

JANATA BANK LIMITED
CAPITAL ADEQUACY OF THE BANK (AS PER RISK WEIGHTED ASSETS)
AS ON 31 DEC 2008

Annexure-2

Fig. in Crore

	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.	375.62	0%	0.00	
	b) Government notes and coins.	2.95	0%	0.00	
	c) Balances with Bangladesh Bank.	1070.20	0%	0.00	
	d) Balances with Sonali Bank as agents of B/B	178.90	0%	0.00	
	e) Balances with Deposit Money Banks including Sonali bank	215.34	0%	0.00	
	f) Balances with Other Fin Institution (Public) OFIs	0.00	0.00	0.00	
	g) Balances with Other Fin Institution (Private)	137.00	20%	27.40	
2.	Money at call and short notice :				
	a) Deposit Money Banks (DMB)	708.87	0%	0.00	
	b) Other Financial Institutions-Public. OFIs	0.00	0%		
	c) Other Financial Institutions-Private.	0.00	0%		
3.	Foreign currency balances held :				
	a) Foreign currency notes in hand.	25.05	0%	0.00	
	b) Balances with banks abroad	245.64	0%	0.00	
	c) Foreign currency clearing account balance with B.B	0.00	0%		
	d) Bilateral trade credits.	0.00	50%		
	e) Wage Earners' (WES.)		0%	0.00	
4.	Export and other foreign bill :				
	a) Export bills	749.35	50%	374.68	
	b) Loans against Foreign Bill .	0.00	50%	0.00	
5.	Foreign Investment .				
	a) OECD	0.00	20%		
	b) Other Countries	0.00	50%		
6.	Import and Inland Bills				
	a) Government				
	1) Food Ministry	0.00	0%		
	2) Presidency,Prime Minister's office Parliament , judicial & Non-Food Ministry	0.00	0%		
	3) Autonomous & Semi Autonomous Bodies	0.00	20%		
	b) Other Financial institutions :				
	1) Other Financial institutions -public	34.40	20%	6.88	
	2) Other Financial institutions -private	0.00	20%		
	c) Major Non-Financial Public Enterprises	611.91	50%	305.96	
	Major Non-Financial Public Enterprises (Against Govt. Gaurantee)	3395.70	0%	0.00	
	d) Other Non-Financial Public Enterprises	0.00	50%		
	e) Local authorities	0.00	20%		
	f) Private Sector	0.00	100%		
	g) Deposit Money Banks	0.00	20%		

7. Advances :					
a) Government.					
1) Food Ministry.	10.30	0%			
2) Presidency,Prime Minister's office, Parliament , judiciary & Non-Food Ministries	7.95	0%			
3) Autonomous & Semi Autonomous bodies	0.00	20%			
b) Other Financial institutions :					
1) Other Financial institutions -public	0.00	20%			
2) Other Financial institutions -private	0.00	50%			
c) Major Non-Financial Public Enterprises	0.00	50%	0.00		
ci) Major Non-Financial Public Enterprises (Against Govt. Gaurantee)	0.00	0%	0.00		
d) Other Non-Financial Public Enterprises	0.00	50%	0.00		
e) Local authorities	0.00	20%			
f) Private Sector{9658.21-(736.66+341.43+249.09+963.33)}	7367.68	100%	7367.68		
g) Deposi Money bank's	0.00	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.)	656.42	0%	0.00		
2) Treasury Bills (Long-Term).	5037.93	0%	0.00		
3) Govt. savings Certificates (Bangladesh Sanchayapatra, 3 months Profit basis Sanchaya patra etc.	0.00	0%	0.00		
4) Prize bonds / Income tax bonds.	4.43	0%	0.00		
5) Other Securities of Government.	5.00	0%	0.00		
b) Autonomous & Semi Autonomous Bodies.					
c) Other Financial institutions :					
1) Other Financial institutions- Public	26.50	0%	0.00		
2) Other Financial institutions- Private	23.04	20%	4.61		
d) Major non Financial Public Enterprises	0.54	50%	0.27		
e) Other Non-Financial Public Enterprises	0.00	50%			
f) Local authorities		20%			
g) Private Sector (284.9-161.6)	12.33	100%	12.33		
h) Deposit Money Banks.(Reverse Repo)		0%	0.00		
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				
	a) L/C	2,492.75	0%	0.00	
	b) L/G	100.08	0%	0.00	1500
	ii)Deposit Money Bank		20%	0.00	1,446.89
					53.11
	c) Bills for Collection	742.71	0%	0.00	
	d) Private :				
	e) * i)Others (As per note-5)	3,321.14	50%	830.28	
	b) Fixed Assets.	244.64	50%	122.32	
	c) Valuation adjustments.	800.00	50%	400.00	
	d) Expenditure Account.		0%	0.00	
	e) Others. (3261.34 -267.99-800.00-1121.41)	1,071.94	100%	1071.94	
11	Adjustments/Reconcile				
	a) SOD-Fo & DPS Loan	249.09	0%	0.00	
	b) Staff Loan	963.33	0%	0.00	
	d) Interest Suspense	341.43	0%	0.00	
	e) Provision for Investment	16.16	0%	0.00	
	f) Prov. for Loans and advances	736.66	0%	0.00	
	g) Provision for Other Assets	267.99	0%	0.00	
	h) Margin on L/C	341.28	0%	0.00	
	I) Margin on L/G	14.50	0%	0.00	
	j) Income Tax at Source & other secured assets	1,121.41	0%	0.00	
	Grand Total (Ledger balances) :	33,728.16		10,524.34	
	Risk Weighted Assets :				
	Required Capital Adequacy @ 10% of Risk Weighted assets			1,052.43	

Notes:

- 1) Overdraft (SOD-FO) loans Tk 249.09 crore are fully secured and riskless.
- 2) SHBL, PFL, Motor Cycle Loan, Bi Cycle Loan was stood Tk. 963.33 crore are risk free.
- 3) Interest suspense maintained against classified loans & Advances stood TK. 341.43 crore.
- 4) Provision maintained against loans & Advances, Investment and other asstes Tk.736.66,16.16 & 267.99 crore respectively.
- 5) Private L/c & L/G Tk.3321.14 which is subject to credit conversion. As per credit conversion (asper Annexure-III) the amount stands to Tk.1660.57 crore. So Risk weighted is $(1660.57 \times 50\%) = \text{Tk. } 830.28$ crore has shown in this respect.
- 6) Other Assets includes Taka 1121.41 Crore for income tax at source, DD paid without advice (Local & Foreign), Army pension, BSP/PSP etc. is risk free.

Janata Bank Limited
Schedule of share Purchases from Primary and Secondary Market
Held by the Bank as on 31-12-2008

A) Share Before Liberation

SL.no.	Name of Company / Institution	Nos. of Share	Face Value	Cost per Unit (Tk.)	Cost price (Tk.)	Market price	Total Market value
1	East. Pakistan Co- operative Ins.Co.	22,500	10	10	225,000	-	-
2	National Shipping Corporation	10,964	10	12	126,859	-	-
3	State Bank of India	10	100	100	1,000	-	-
4	United Management Ltd.	36,000	10	10	360,000	-	-
5	United Bank of India Ltd.	2	10	10	20	-	-
6	Gul Ahmed Jute Mills Ltd.	44,900	10	11	501,500	-	-
Sub-total (A)					1,214,379		-

B) Share purchased in Under writing system

SL.no.	Name of Company / Institution	Nos. of Share	Face Value	Cost per Unit (Tk.)	Cost price (Tk.)	Market price	Total Market value
1	Investment Corporation of Bangladesh	334,105	100	100	33,370,500	1,923	642,567,442
2	Padma Oil Co Ltd.	387,625	10	10	3,876,250	1,437	556,862,075
3	Bangladesh Shipping Co Ltd	1,077	100	90	96,508	2,506	2,698,423
4	National Tea Co Ltd	4,422	100	99	437,175	1,900	8,401,800
5	Paper Converting and packaging I	2,956	100	99	291,905	NT	-
6	Specialised Jute yam & towain manufacturing Co.Ltd	33,790	10	10	329,453	NT	-
7	Swan Textile Mills Ltd	1,000	100	98	97,500	NT	-
8	Azadi Printers Ltd.	756	100	100	75,600	60	45,360
9	Safco Spinning Mills Ltd.	201,700	100	100	20,170,000	62	12,454,975
Sub-total (B)					58,744,890		1,223,030,075

C) Purchased under Special Arrangement

SL.no.	Name of Company / Institution	Nos. of Share	Face Value	Cost per Unit (Tk.)	Cost price (Tk.)	Market price	Total Market value
1	International Finance and Investm	73,500	100	106	7,804,699	NT	-
2	Eastern Bank Ltd	288,937	100	100	28,893,700	589	170,256,127
3	Karmasangsthan Bank Ltd	300,000	100	100	30,000,000	NT	30,000,000
4	Central Depository Bangladesh Lt	150,000	100	100	15,000,000	NT	15,000,000
5	Industrial and Infrastructre Dev. Fi	182,160	100	100	18,216,000	NT	18,216,000
6	Bangladesh Commerce Bank Ltd.	299,992	100	100	29,999,200	1,219	29,999,200
7	ICB Islamic Bank Ltd.	54,418	1,000	1,000	54,418,000		66,349,147
Sub-total (C)					184,331,599		329,820,474

D) Direct Purchased From the Market

SL.no.	Name of Company / Institution	Nos. of Share	Face Value	Cost per Unit (Tk.)	Cost price (Tk.)	Market price	Total Market value
1	8th Mutual Fund Ltd	924	100	100	92,400	476	439,362
2	Eastern Cable Ltd	9,894	100	100	989,400	571	5,649,474
3	Jute Spinners Ltd	850	100	100	85,000	717	609,025
5	Beximco Pharmaceuticals Ltd	19,530	10	10	195,300	168	3,275,181
7	Monno Fabrics Ltd	30,000	100	150	4,500,000	69	2,062,500
8	Apex Weaving and spinning Ltd	4,000	100	100	400,000	134	536,000
11	Apex Tennary Ltd	2,100	100	100	210,000	902	1,893,675
12	Meghna Cement Mills Ltd	1,431	100	100	143,100	386	552,366
13	Delta Life Insurance Co Ltd	616	100	100	61,600	12,292	7,571,749
14	Square Textiles Mills Ltd	1,188	10	10	11,880	117	139,352
15	United Leasing Ltd	1,374	100	115	158,250	756	1,038,744
Sub-total (D)					6,846,930		23,767,428

E) Shares Purchase from Secondary Market

SL.no.	Name of Company / Institution	Nos. of Share	Face Value	Cost per Unit (Tk.)	Cost price (Tk.)	Market price	Total Market value
1	Bangladesh lamps Ltd	15	100	505	7,575	1,097	16,451
2	Atlas Bangladesh Ltd	6,132	10	51	315,735	298	1,824,883
3	British American Tobacco Bangladesh Ltd	3,900	10	86	335,075	202	786,240
4	Singer Bangladesh Ltd	130	100	2,177	283,035	1,982	257,693
5	Bangladesh oxygen Ltd	4,800	10	141	677,190	266	1,275,840
6	Apex Sprinning and Finishing Mills Ltd	480	100	214	102,800	490	286,920
7	Ambee Pharmaceuticals Ltd	100	10	30	3,000	129	12,920
8	Bextex Ltd.	16,400	10	30	432,375	24	391,960
9	Beximco Pharmaceuticals Ltd	5,225	10	86	347,250	168	876,232
10	Reckit Benkiser BD Ltd	250	10	77	19,190	443	110,750
11	Square Pharmaceuticals Ltd	819	100	441	311,630	3,151	2,580,874
12	Shinepukur Holdings Ltd	1,000	100	169	168,500	89	88,900
13	Appex Tennary Ltd	560	100	325	182,230	902	504,980
14	Appex Foot Wear Industries Ltd	540	100	285	153,770	2,385	1,287,900
15	Bata Shose Company Ltd	4,800	10	125	598,020	321	1,539,360
16	Monno Seramic Industries Ltd	770	100	765	589,041	231	177,678
17	Confidence Cement Mills Ltd	500	100	695	347,400	318	159,125
18	Heidelberg Cement Ltd	787	100	471	367,980	1,214	955,418
19	BGIC	430	100	251	110,790	555	238,542
20	IDLC	180	100	850	153,050	2,290	412,155
Sub-total (E)					5,505,636		13,784,820
Grand Total (A+B+C+D+E)					256,643,434		1,590,402,797

Annexure-4

Janata Bank Limited
Schedule of Debenture (Govt. and Non-Govt.)
Held by the Bank as on 31-12-2008

Sl. No.	Name of Company	Amount in Taka
1	Bangladesh House Build.Finance Corp.	245,000,000
2	Bangladesh Steel & Engineering Corp.	20,000,000
3	Pioneer Pharmaceuticals Co. LTD.	100,000
4	Rupon Oil & Feeds Ltd	50,000
5	Monir Chemicals co Ltd	145,000
6	Bay-sodium Chemicals co Ltd.	25,000
7	Bengal Carpet Inds. Ltd	29,000
8	Ismail Carpet Industries Ltd	48,000
9	Mirjabo steel Ltd	150,000
10	Jabber Jute Mills Ltd	477,160
11	Allied Jute Mills Ltd	4,565,187
12	Debenture Before Liberation	20,473,602
13	Beximco Synthetics Ltd.	22,937,145
14	Beximco Textiles Ltd	120,000,000
15	Beximco Denims Ltd	75,000,000
Total		509,000,093

JANATA EXCHANGE COMPANY SRL, UNIPERS
STATEMENT OF PROFIT & LOSS
For the Year ended December 31, 2008

	2008 (EURO)	2007 (EURO)
<u>COSTS:</u>		
Passive interests & assimilable charges	50.259	279.330
Administrative Costs:		
a. Salaries & wages	215.578	216.014
b. Social contributions	57.176	62.997
c. Termination bonus	14.833	15.704
d. Other administrative costs	219.542	230.291
Total administrative costs:	507.129	525.006
Value adjustment on tangible & intangible Fixed Assets	37.897	44.014
Allocations for risk and charges	5.632	-
Extra ordinary charges	2.349	2.427
Taxes on the income of the year	20.529	102.187
Total Costs:	623.795	952.964
Profit of the year:	17.485	186.013
<u>REVENUES:</u>		
Active Interests & Assimilable Proceeds:		
Fixed income securities	18.462	6.667
Others	2.586	6.327
Total Active Interests & Assimilable Proceeds	21.048	12.994
Active commissions	320.773	511.993
Profit from financial operation / Investments	278.769	611.580
Extraordinary Proceeds	20.690	2.410
Total Revenues:	641.280	1,138.977

JANATA EXCHANGE COMPANY SRL, UNIPERS
BALANCE SHEET
AS ON 31 December 2008

	2008 (EURO)	2007 (EURO)
<u>ASSETS</u>		
Cash in hand	99.319	296.330
Credits towards credit institutes:		
a) At sights	681.999	847.666
Total credits towards credit institutes:	681.999	847.666
Fixed Income bonds & other securities:		
Issued by credit institutes	400.000	400.000
Total Fixed Income bonds & other securities:	400.000	400.000
Intangible Fixed Assets as follows:		
Intangible Fixed Assets:	-	0.830
Others	11.761	12.685
Total Intangible Fixed Assets:	11.761	13.515
Tangible Fixed Assets	25.788	53.373
Other activities	148.269	16.608
Activities accrual & payables:		
Active accruals	5.129	7.546
Active payables	2.750	4.355
Total activities accrual & payables:	7.879	11.901
Total Assets:	1,375.015	1,639.393
<u>LIABILITIES:</u>		
Debts towards financial entities:		
On term payment or upon notice	246.189	256.226
Total Debts towards financial entities	246.189	256.226
Other Liabilities	191.920	481.111
Passive accruals & payables:		
Passive accruals	-	0.163
Total Passive accruals & payables:	-	0.163
Termination Bonus due to the employees	65.914	54.017
Funds for risks & charges:		
Other Funds	10.000	4.368
Total Funds for risks & charges	10.000	4.368
Capital Fund	600.000	600.000
Reserve:		
Legal Reserve	13.922	4.622
Total Reserve	13.922	4.622
Profit (Loss) forwarded to new account	229.585	52.873
Profit (Loss) of the year	17.485	186.013
Total Liabilities:	1,375.015	1,639.393

First Part
Function of Accounts Auditing
Report made in compliance with the art. 2409-ter.first par, letter c of the civil code.

Dear Shareholders,

The Board of Auditors, who is signing the present Report, was appointed by the ordinary. Assembly of the Shareholders of Janata Exchange Company Srl held on 29th April 2008.

Our auditing on the Balance Sheet has been conducted, following the principles of professional ethics of auditing boards recommended by the National Council of Chartered Accountants & Accounting Experts. In compliance with the aforesaid principles, we based on laws governing balance sheets, interpreted, integrated and amended by correct accounting principles introduced by National Council of Chartered Accountants & Accounting Experts, as well as, when & where required, on the principles of international accountancy IASC (International Accounting Standards Committee).

It must be underlined that the Directors of Janata Exchange Company Srl bear full responsibility for preparing & Compilation of the Balance Sheet of the Company, while the responsibility of the Board of Auditors lays in its professional judgment on the Balance Sheet that is based on the accounts auditing.

Our procedure of accounts revision includes the following: 1) the examination through a random check of the information given in the Balance Sheet together with the evidential elements supporting the relevant balances : 2) the evaluation of the adequacy and correctness of the accounting standards used for compilation of the balance Sheet and 3) the reasonableness of the evaluations followed and utilized by the Directors in compilation of the Balance Sheet.

We believe that the work performed allows us to express our professional judgment grounded on reasonable basis.

The Balance Sheet closed on 31st December 2008 that the Board of Directors of JEC Srl is submitting to your careful examination and final approval has been prepared in compliance with the rules introduced by the Legislative Decree N.87 of 27th January 1992 and pursuant to the Regulation of the Italian Central Bank(Banca d'Italia) published on 31th July 1992(and further amendments & integrations)

According to the aforesaid laws and regulations, the Balance Sheet is composed of: 1) Statement of Assets & Liabilities, 2) Statement of profit & Loss, 3) Integrative Note, 4) Report on the company's management that evidences the relevant issues & facts that distinguished the activity of JEC Srl in the year 2008.

The data of both Statement of Assets & Liabilities and Statement of Profit & Loss are compared with those of the previous financial year(2007).The present Balance Sheet 2008, being submitted to your final approval , shows a Net Profit of the Company equivalent to € 17.485. It is further summarizing the following accounting results:

STATEMENT OF ASSETS & LIABILITIES

TOTAL OF ASSETS	€	1,375,015
Debts, Appropriations & other Liabilities	€	514.023
Capita, Reserves, Funds & Profit carried forward to new account	€	843.507
Profit of 2008	€	17.485
TOTAL LIABILITIES	€	0
GUARANTEES & OBLIGATIONS		
STATEMENT OF PROFIT & LOSS		
TOTAL REVENUES	€	641.280
TOTAL COSTS	€	623.795
PROFIT	€	17.485

The Integrative Note, apart from explaining the adopted criteria of evaluation, it also reports in details all heads of the Statement of Assets & Liabilities and of the Statement of Profit & Loss, moreover it supplies other information the Board of Directors considered opportune to include in order to represent in a clear and correct way the patrimonial & financial situation as well as the economic result of the Company.

In the part I of the Integrative Note the Board of Directors illustrates what evaluation principles have been adopted. The Board of Auditors is hereby attesting, for the matters of its competence, the following:

- Head " Cash" (equal to €99.319) consists of liquidity ensuing from remittance (collecting) activity.
- Head "Credits towards Credit Institutes" (coming to € 681.999) is composed of: Banks-bank(deposit) amounts €681.999 =

- Head " Fixed Income Bonds of Credit Institutes" (equivalent to € 400.000) represents securities with pre-fixed coupon, relative to bonds issued by BNL (Banca Nazionale del Lavoro), registered at nominal value.
- Head " Intangible Fixed Assets" (€11.761) net of amortization quotas, have been reported with the consensus of the previous Board of Auditors. The aforesaid tangible fixed assets are subject to the period of amortization not longer than 5 years.
- Head " Tangible Fixed Assets" (€25.788) are reported at a cost rectified by constant depreciation allowances, that have been calculated, applying the depreciation rates and the relevant rules, foreseen by excise and revenue laws, and in any case, they take into consideration the residual possibility to utilize the goods.
- Head " Other Activities" (€148.269) represents credits towards Excise & Revenue Authority (€ 81.852) security deposits (€10,133) and towards others (€6.284).
- Head " Debts towards Financial Entities " (€246.189) stands for the amount to be transferred to the parent company Janata Bank Limited.
- Head " Other Liabilities" (€191.920) reports debts towards suppliers (€5.480), for invoices to be received from the mother organization and from the others (€43.755) fiscal (€12.138), Social security (€20.932) and others consisting mainly of debts towards employees for leaves permits etc accrued (€109.615).
- Head " Debt for Severance Pay " matches with the net dues accrued pursuant to the law towards the employees.
- Head " Funds for Risks & Charges" reports allocation of the year 2008 equivalent to € 5.632 appropriated in view of eventual future dues, also in consideration of the dispute arisen after AML control executed by the Fiscal Police (Guardia di Finanza), completed on 11th December 2008.

In the end, it should be highlighted that in present Balance Sheet are reported active payables (for the amount of (€2.750) and active accruals (€ 5.129), which are referred to various costs of competence of the next financial year; and revenues ensuing from the aforesaid bond coupons.

Second Part Supervision Functions

Report made in compliance with the with art. 2429 of the Civil Code.

Dear Shareholders,

Pursuant to the guidelines of Art. 2429, paragraph 2 of the Civil Code , we are reporting hereby our remarks and proposals regarding the results of the financial year closed on 31th December 2008 and we also apprise you about the activity performed by us during the year 2008.

Considering, that the Board of Auditors was appointed in the middle of the year 2008, the Board controlled the bookkeeping of 2008 and the administration, and supervised, according to the Art. 2403 of the Civil Code, on the observance of law and on the observance of the incorporation Deed and By-Laws.

We acquainted with the matter inherent in our competence. We supervised, through direct controls of the company's documents and collecting information, on the adequacy of the organization structure of the company, to be considered suitable to the volume of the same and to the activity performed.

In particular, the Board of Auditors evaluated and supervised on the adequacy of the administrative accounting systems and on reliability of reporting correctly the facts of management. The Board collected information from the competent personnel in charge of the company's functions, examined company's documents and analyzed the outcome of the data processing on the work performed by the company. In this regard we have no particular observations to do.

The Board of Auditors took note and supervised, within the limits of proper competence and possibility, through direct observations, documentation and information submitted by the Managing Director, on the respect of the principles of correct administration.

We have also verified that the operations made by the company were not manifestly imprudent or risky, in potential conflict of interests, in contrast with resolutions taken by the Ordinary Assembly, not meeting the interests of the company or even able to compromise the integrity of the corporate assets.

The Board of Auditors has not found, in the course of the financial year 2008 and subsequently after the balance closing, any operations of particular importance, atypical and /or unusual, executed with third parties or with correlated parties (including the companies of the Group).

The Board believes that the information supplied by the administrative body in the Balance Sheet relative to the infragroup operations and to the correlated parties is satisfactory.

We verified the congruity of the Balance Sheet with the facts and information, about which we came to know in fulfillment of our tasks & duties and we believe not to formulate any particular observations in this regard.

As for the patrimonial structure of the company, we observe that significant credits and debts are those deriving from commercial relations with the Controlling Company.

During the financial year closed on 31-12-2008 no complaints or statements as per Art. 2408 of the Civil Code were addressed to the Board of Auditors.

The Board of Auditors released no opinion in conformity with the law in the course of the financial year closed on 31-12-2008.

Conclusions

On the basis of what we have reported above, the Board of Auditors is inviting you, to keep also into consideration every further eventual and / or more up dated information, while deliberating your resolutions, you will consider the most appropriate.

Signed by the Board of Auditors as follows:

Chairman	/-- / Paola Luretti
Member	/--/ Alessandra Passarelli
Member	/--/ Luigi Andrea Carello