

**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 Qecember 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 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
<b>Cash</b>	3	<b>16,527,172,701</b>	<b>15,579,764,948</b>
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
<b>Balance with other banks and financial instituti</b>	4	<b>5,979,793,315</b>	<b>7,328,402,871</b>
In Bangladesh		3,523,399,750	4,880,254,938
Outside Bangladesh		2,456,393,565	2,448,147,933
<b>Money at call on short notice</b>	5	<b>7,088,744,458</b>	<b>8,567,349,333</b>
<b>Investments:</b>	6	<b>57,823,525,987</b>	<b>55,862,930,391</b>
Government		57,255,466,440	55,341,083,318
Others		568,059,547	521,847,073
<b>Loans and Advances</b>	7	<b>144,678,183,388</b>	<b>121,204,454,973</b>
Loans, cash credit, overdrafts, etc.		137,184,639,985	112,857,503,942
Bills purchased & discounted		7,493,543,403	8,346,951,031
<b>Fixed Assets including premises, furniture and</b>	8	<b>2,446,425,915</b>	<b>2,424,177,100</b>
<b>Other assets</b>	9	<b>32,613,451,158</b>	<b>32,121,123,227</b>
Non -banking assets		-	-
<b>TOTAL PROPERTY AND ASSETS</b>		<b><u>267,157,296,922</u></b>	<b><u>243,088,202,843</u></b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities:</b>			
<b>Borrowings from other banks,</b>	10	<b>587,633</b>	<b>2,531,387,633</b>
<b>Deposits and other Accounts</b>	11	<b>221,335,750,734</b>	<b>198,635,892,054</b>
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		-	-
<b>Other Liabilities</b>	12	<b>36,758,590,982</b>	<b>36,241,755,883</b>
<b>Total Liabilities</b>		<b><u>258,094,929,349</u></b>	<b><u>237,409,035,570</u></b>
<b>Capital/Shareholder's Equity :</b>			
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
<b>Total Shareholders' Equity</b>		<b><u>9,062,367,573</u></b>	<b><u>5,679,167,273</u></b>
<b>TOTAL LIABILITIES &amp; SHARE HOLDERS' EQUITY</b>		<b><u>267,157,296,922</u></b>	<b><u>243,088,202,843</u></b>

OFF-BALANCE SHEET ITEMS	Notes	31.12.2008 Taka	31.12.2007 Taka
<b><u>Contingent Liabilities</u></b>	18	<b>70,124,313,660</b>	<b>46,530,328,040</b>
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		-	-
<b>Other Commitments:</b>			
Documentary credits and other short term trade related transactions.		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total off Balance Sheet Items including</b>		<b>70,124,313,660</b>	<b>46,530,328,040</b>

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

Sd/-  
**Md. Niaz uddin**  
DGM (Accounts)

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

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

Sd/-  
**Chowdury Abdul Quayum**  
Director

Sd/-  
**Jamaluddin Ahmed, FCA**  
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)
<b>Net Interest Income</b>		<b>3,646,707,617</b>	<b>1,399,946,556</b>
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
<b>Total Operating Income</b>		<b>11,615,552,536</b>	<b>4,656,004,278</b>
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
<b>Total Operating Expenses</b>		<b>4,612,488,038</b>	<b>2,249,183,131</b>
<b>Profit/(Loss) before provision</b>		<b>7,003,064,498</b>	<b>2,406,821,147</b>
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
<b>Total provision</b>		<b>2,253,740,729</b>	<b>725,787,968</b>
<b>Total profit / (Loss) before income taxes</b>		<b>4,749,323,769</b>	<b>1,681,033,179</b>
<b>Provision for taxation:</b>	37	<b>3,540,061,025</b>	<b>1,117,776,640</b>
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
<b>Deferred tax income/ (expense):</b>	9.07	<b>1,936,119,662</b>	<b>(547,780,087)</b>
Prior year		-	-
Current year		1,936,119,662	(547,780,087)
<b>Net profit/(loss) after taxation</b>		<b>3,145,382,406</b>	<b>15,476,452</b>
Add: Transfer from other reserve		<b>41,774,131</b>	145,732,920
<b>Net Profit(Loss) after adjustment</b>		<b>3,187,156,537</b>	<b>161,209,372</b>
<b>Appropriations</b>		<b>3,187,156,537</b>	
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	-
		<b>1,269,264,721</b>	<b>32,241,874</b>
<b>Retained Surplus</b>		<b>1,917,891,816</b>	<b>128,967,498</b>
<b>Earning per share (EPS)</b>		<b>121.26</b>	<b>0.60</b>

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
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
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	-
<b>Operating profit before changes in working capital</b>		<b><u>10,930,568,898</u></b>	<b><u>2,457,106,532</u></b>
<b>Increase/decrease in Operating Assets &amp; Liabilities:</b>			
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
<b>Net cash from operating activities</b>		<b><u>(6,841,012,368)</u></b>	<b><u>36,209,322,391</u></b>
<b>Net cash from operating Activities (A)</b>		<b><u>4,089,556,530</u></b>	<b><u>38,666,428,923</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
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		-	-
<b>Net cash from investing activities (B)</b>		<b><u>(2,089,953,652)</u></b>	<b><u>(32,279,585,103)</u></b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
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
<b>Net cash from financing activities (C)</b>		<b><u>(2,530,800,000)</u></b>	<b><u>22,889,614</u></b>

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
	<b>23,615,917,159</b>	<b>24,147,114,281</b>

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DGM (Accounts)

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CEO & Managing Director

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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**  
**Schedule Of Fixed Assets**  
**As Of 31 December 2008**

(Amount in '000)

Sl #	Name of Assets	COST				Rate of dep. (%)	DEPRECIATION				
		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
	<b>Sub-total (a to g)</b>	<b>744,827</b>	<b>53,911</b>	<b>8,008</b>	<b>790,730</b>		<b>441,778</b>	<b>54,096</b>		<b>495,874</b>	<b>294,856</b>
4	Computer	287,623	76,779	651	363,751	20	211,595	26,611	-	238,206	125,545
	<b>Grand total (1+2+3+4)</b>	<b>3,180,765</b>	<b>138,051</b>	<b>8,659</b>	<b>3,310,157</b>		<b>756,588</b>	<b>107,143</b>	<b>-</b>	<b>863,731</b>	<b>2,446,426</b>

**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
<b>1.</b>	<b>Cash in hand and in Banks :</b>				
	( 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	
<b>2.</b>	<b>Money at call and short notice :</b>				
	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%		
<b>3.</b>	<b>Foreign currency balances held :</b>				
	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	
<b>4.</b>	<b>Export and other foreign bill :</b>				
	a) Export bills	749.35	50%	374.68	
	b) Loans against Foreign Bill .	0.00	50%	0.00	
<b>5.</b>	<b>Foreign Investment .</b>				
	a) OECD	0.00	20%		
	b) Other Countries	0.00	50%		
<b>6.</b>	<b>Import and Inland Bills</b>				
	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%		

<b>7. Advances :</b>				
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%		
<b>8. Investment ( As book value )</b>				
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.	<b>Head Office and Inter Brs. Adjustments.</b>		---	0%		
10.	<b>Other Assets :</b>					
	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)	<b>Private :</b>				
	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	<b>Adjustments/Reconcile</b>					
	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	
	l)	Margin on L/G	14.50	0%	0.00	
	j)	Income Tax at Source & other secured assets	1,121.41	0%	0.00	
	<b>Grand Total (Ledger balances) :</b>		<b>33,728.16</b>		<b>10,524.34</b>	
	<b>Risk Weighted Assets :</b>					
	<b>Required Capital Adequacy @ 10% of Risk Weighted assets</b>				<b>1,052.43</b>	

**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)					<b>1,214,379</b>		-

**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 l	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)					<b>58,744,890</b>		<b>1,223,030,075</b>

**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)					<b>184,331,599</b>		<b>329,820,474</b>

**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)					<b>6,846,930</b>		<b>23,767,428</b>

**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)					<b>5,505,636</b>		<b>13,784,820</b>
<b>Grand Total (A+B+C+D+E)</b>					<b>256,643,434</b>		<b>1,590,402,797</b>

**Annexure-4**

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

<b>Sl. No.</b>	<b>Name of Company</b>	<b>Amount in Taka</b>
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
<b>Total</b>		<b>509,000,093</b>

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

	<b>2008 (EURO)</b>	<b>2007 (EURO)</b>
<b><u>COSTS:</u></b>		
Passive interests & assimilable charges	50.259	279.330
<b>Administrative Costs:</b>		
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
<b>Total administrative costs:</b>	<b>507.129</b>	<b>525.006</b>
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
<b>Total Costs:</b>	<b>623.795</b>	<b>952.964</b>
<b>Profit of the year:</b>	<b>17.485</b>	<b>186.013</b>
<b><u>REVENUES:</u></b>		
<b>Active Interests &amp; Assimilable Proceeds:</b>		
Fixed income securities	18.462	6.667
Others	2.586	6.327
<b>Total Active Interests &amp; Assimilable Proceeds</b>	<b>21.048</b>	<b>12.994</b>
Active commissions	320.773	511.993
Profit from financial operation / Investments	278.769	611.580
Extraordinary Proceeds	20.690	2.410
<b>Total Revenues:</b>	<b>641.280</b>	<b>1,138.977</b>

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

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

**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 27<sup>th</sup> January 1992 and pursuant to the Regulation of the Italian Central Bank( Banca d'Italia) published on 31<sup>th</sup> 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 11<sup>th</sup> 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