



Janata Bank Limited

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Financial Statements

for the year ended 31 December 2016

Independent Auditors' Report

to the Shareholders of Janata Bank Limited

We have audited the accompanying consolidated financial statements of Janata Bank Limited (the "Bank") and its subsidiaries (the "Group") as well as the separate financial statements of the bank, which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2016, the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity, consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements of Janata Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of the bank for the year ended 31 December 2015 were audited by S.F. Ahmed & Co., Chartered Accountants and G. Kibria & Co., Chartered Accountants who expressed an unmodified opinion on those statements on 28 April 2016.

Management's Responsibility for the Financial Statements and Internal Control: Management is responsible for the preparation and fair presentation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with the Bangladesh Financial Reporting Standards as explained in note 2.1 and a summary of significant accounting policies and other explanatory information. The consolidated financial statements of Janata Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of the bank for the year ended 31 December 2015 were audited by S.F. Ahmed & Co., Chartered Accountants and G. Kibria & Co., Chartered Accountants who expressed an unmodified opinion on those statements on 28 April 2016.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error, in making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements of the Group and the separate financial statements of the Bank for the purpose of designing audit procedures that are effective in detecting misstatements, if any, that are material in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and the separate financial statements of the Bank.

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

Opinion: In our opinion, the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2016 and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with the Bangladesh Financial Reporting Standards as explained in note 2.03.

Report on Other Legal and Regulatory Requirements: In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Companies Act 1999 as amended in 2013 and the rules and regulations issued by Bangladesh Bank, we also report the following:

(a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) the statement on opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

(c) the consolidated and separate profit and loss account of the Bank and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of accounts;

(d) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as well as with related guidance, circulars issued by Bangladesh Bank and discussion held in tripartite meeting on 22 March 2017 in order to present a true and fair view of the consolidated and separate financial statements of the Group and the separate financial statements of the Bank;

(e) adequate provisions have been made in line with our audit no. DBI-2(UB-21/30/2017/1484 dated 11 August 2017 issued by Bangladesh Bank and disclosed with terms of the letter under corresponding notes to the financial statements for the loans and advances and other assets which are, in our opinion, doubtful of recovery;

(f) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(g) the information and explanation required by us have been received and found satisfactory;

(h) the statement on opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

(i) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error or omission or anything detrimental committed by the employees of the Bank and its related entities;

(j) financial statements of subsidiary companies of the Bank namely Janata Exchange Company Ltd, Janata Exchange Co. Inc. USA and Janata Capital and Investment Limited Bangladesh Chartered Accountants respectively on 31st December 2016. These accounts have been properly reflected in the consolidated financial statements;

(k) Capital to Risk Weighted Asset Ratio (CRAR), Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) have been maintained as per applicable rules & regulations;

(l) we are not aware of any other matters, which are required to be brought to the notice of the shareholders of the Bank; and

(m) we have reviewed over 90% of the risk weighted assets of the Bank and we have spent around 10,040 man hours for the audit of the books and accounts of the Bank.

Janata Bank Limited and its Subsidiaries

Consolidated Statement of Cash Flows

for the year ended 31 December 2016

	Note	2016 Taka	2015 (Restated) Taka
A. Cash Flows from Operating Activities			
Interest Received in Cash		31,715,175,640	32,602,449,727
Interest Payments		(32,289,270,195)	(34,485,628,929)
Dividend Receipts		924,987,033	1,157,355,623
Fees and Commission Received in Cash		875,408,682	810,600,111
Recoveries of Loans Previously Written off		1,111,000,000	1,664,200,000
Cash Payments to Employees		(9,597,736,043)	(7,607,195,567)
Cash Payments to Suppliers		(240,976,193)	(229,113,570)
Income Tax Paid		(3,302,887,388)	(2,630,851,945)
Income from Investment		15,086,345,951	16,435,114,137
Receipts from Other Operating Activities		1,698,324,632	1,423,768,804
Payments for Other Operating Activities		(2,589,681,236)	(2,534,429,217)
Cash Generated from Operating Activities		3,529,690,883	6,606,419,172
Increase/(Decrease) in Operating Assets and Liabilities			
Loans and Advances to Customers		(55,326,542,690)	(29,726,503,674)
Other Assets		(5,406,142,291)	4,649,088,082
Other Liabilities		3,022,997,978	(6,344,645,198)
Deposits from Other Banks		215,379,922	11,640,152
Deposits from Customers		72,645,249,540	52,919,402,356
Net Cash Flow from Operating Activities (A)		17,150,942,459	21,481,981,791
B. Cash Flows from Investing Activities			
(Purchase)/Sale of Securities and Bond (Others)		(2,541,180,085)	(1,724,385,637)
(Purchase)/Sale of Securities (Government)		(1,712,993,409)	(26,255,246,035)
(Purchase)/Sale of Property, Plant and Equipment		(7,158,447,653)	(705,309,229)
Net Cash Flow from Investing Activities (B)		(11,412,621,147)	(28,684,940,901)
C. Cash Flows from Financing Activities			
Received from Issue of Ordinary Shares (Rights Issue)		(10,000,000)	(10,000,000)
Dividends Paid		2,803,373,595	(2,304,660,736)
(Paid)/Received from Borrowings		2,793,373,595	(2,314,660,736)
Net Cash Flow from Financing Activities (C)		5,596,747,090	(2,328,347,877)
Net Increase/(Decrease) in Cash (A+B+C)		11,091,385,790	(2,974,200,740)
E. Net Foreign Exchange Difference		3,361,045,901	4,212,480,453
F. Cash and Cash Equivalents at the Beginning of the Year		58,598,721,694	57,360,441,694
G. Cash and Cash Equivalents at the End of the Year		73,051,153,385	58,598,721,694
Cash and Cash Equivalents at the End of the Year Represents			
Cash in Hand (including foreign currencies)		4,469,324,863	4,598,405,527
Balance with Bangladesh Bank and its Agent Bank (including foreign currencies)		42,163,287,296	37,958,530,881
Balance with Other Banks and Financial Institutions		24,394,185,671	14,313,429,731
Money at Call and Short Notice		2,024,355,555	1,728,555,555
73,051,153,385		58,598,721,694	
Net Operating Cash Flow Per Share (NOCFPS)		102.98	146.42

The annexed notes 01 to 57 form an integral part of these financial statements.

(Signatures of Management and Auditors)

Consolidated Statement of Changes in Equity

for the year ended 31 December 2016

Particulars	Share capital paid-up	Statutory reserve (i.e. Reserve)	Legal reserve (i.e. Reserve)	Assets revaluation reserve	Foreign currency translation reserve	Revaluation reserve for HTM	Revaluation reserve for BHT	Revaluation reserve on shares	Surplus/(deficit) in profit and loss account	Total
Balance as at 01 January 2016	19,140,000,000	9,969,809,474	10,721,198	6,082,983,764	233,082,825	264,891,699	1,803,971,279	1,803,971,279	4,628,676,681	49,839,777,205
Change in the face value of shares	-	-	-	-	-	-	-	-	35,341,341	35,341,341
Profit/(loss) during the period	19,140,000,000	3,808,674,418	10,721,198	6,082,983,764	233,082,825	264,891,699	1,803,971,279	1,803,971,279	4,628,676,681	49,839,777,205
Net profit/(loss) during the period	-	3,808,674,418	-	-	-	-	-	-	4,628,676,681	4,628,676,681
Transferred from revaluation of investment	-	-	-	-	-	-	-	-	(1,803,971,279)	(1,803,971,279)
Dividend paid	-	-	-	-	-	-	-	-	(2,304,660,736)	(2,304,660,736)
Valuation adjustment	-	-	-	-	-	-	-	-	(1,000,000,000)	(1,000,000,000)
Transferred to statutory reserve during the year	-	3,808,674,418	-	-	-	-	-	-	(3,808,674,418)	-
Transferred to legal reserve during the year	-	-	10,721,198	-	-	-	-	-	(10,721,198)	-
Transferred from asset revaluation reserve	-	-	-	-	-	-	-	-	1,803,971,279	1,803,971,279
Transferred from/(to) loan liability	-	-	-	-	-	-	-	-	1,803,971,279	1,803,971,279
Revaluation gain/(loss) on shares	-	-	-	-	-	-	-	-	35,341,341	35,341,341
Balance as at 31 December 2016	19,140,000,000	13,617,348,836	10,721,198	6,082,983,764	233,082,825	264,891,699	1,803,971,279	1,803,971,279	4,628,676,681	49,839,777,205

The annexed notes 01 to 57 form an integral part of these financial statements.

(Signatures of Management and Auditors)

Balance Sheet

as at 31 December 2016

	Note	2016 Taka	2015 (Restated) Taka
PROPERTY AND ASSETS			
Cash		46,629,254,545	42,546,859,220
Cash in Hand (including foreign currencies)		4,469,324,863	4,598,405,527
Balance with Bangladesh Bank and its Agent Bank's (including foreign currencies)		42,163,287,296	37,958,530,881
Balance with Other Banks and Financial Institutions		24,379,163,803	14,295,234,671
In Bangladesh		11,701,841,766	3,966,748,878
Outside Bangladesh		12,677,322,037	10,328,485,783
Money at Call and Short Notice		2,024,355,555	1,728,555,555
Investments		233,274,869,296	224,273,172,098
Government		211,425,511,045	205,085,685,309
Others		21,849,358,251	19,187,486,789
Loans and Advances		403,037,412,397	349,861,299,466
Loans, Cash Credits, Overdrafts etc.		384,016,895,949	333,764,490,879
Bills Purchased and Discounted		19,020,516,903	16,096,808,787
Fixed Assets including Land, Building, Furniture and Fixtures		10,573,256,165	10,033,614,344
Other Assets		58,685,597,469	47,929,130,544
Non-Banking Assets		9,000	-
TOTAL PROPERTY AND ASSETS		778,603,909,230	690,667,665,888
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Borrowings from Other Banks, Financial Institutions and Agents		7,432,050,276	4,628,676,681
Deposits and Other Accounts		641,819,154,040	568,911,139,660
Current Accounts and Other Accounts etc.		65,758,993,763	67,688,149,855
Bills Payable		4,661,397,090	3,374,213,451
Savings Bank Deposits		137,840,784,616	114,590,509,225
Fixed Deposits		433,557,978,571	383,258,267,129
Other Liabilities		79,463,044,651	67,580,411,478
Total Liabilities		728,714,248,967	641,120,227,819
Shareholders' Equity		49,889,660,263	49,547,438,069
Share Capital-Paid-up		19,140,000,000	19,140,000,000
Statutory Reserve		10,536,265,164	9,969,809,474
Legal Reserve		10,721,198	10,721,198
Assets Revaluation Reserve		6,082,158,364	6,102,595,716
Foreign Currency Translation Reserve		233,482,825	233,482,825
Revaluation Reserve for HTM		264,891,699	264,891,699
Revaluation Reserve for BHT		1,803,971,279	1,803,971,279
Revaluation Reserve on Shares		3,050,882,039	2,953,271,279
Retained Earnings		8,401,408,205	8,141,412,341
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		778,603,909,230	690,667,665,888

The annexed notes 01 to 57 form an integral part of these financial statements.

(Signatures of Management and Auditors)

Profit and Loss Account

for the year ended 31 December 2016

	Note	2016 Taka	2015 Taka
Operating Income			
Interest Income		31,897,904,514	30,655,170,609
Interest Paid on Deposits and Borrowings etc.		(31,331,304,819)	(33,982,697,272)
Net Interest Income		566,599,695	(3,327,526,663)
Investment Income		16,597,902,781	18,260,440,831
Commission, Exchange and Brokerage		27,000	4,204,252,685
Other Operating Income		1,828,263,232	1,778,461,421
Total Operating Income (A)		23,196,791,393	21,696,122,924
Operating Expenses			
Salary and Allowances		9,523,977,793	7,552,716,619
Rent, Taxes, Insurance, Electricity etc.		30,000	998,079,924
Legal Expenses		31,000	39,374,927
Postage, Stamp, Telecommunication etc.		32,000	114,781,413
Stationery, Printings, Advertisements etc.		33,000	240,740,609
Chief Executive's Salary and Fees		34,000	4,800,000
Directors' Fees		35,000	3,800,000
Auditors' Fees		36,000	9,458,346
Depreciation, Repair and Maintenance		37,000	750,517,858
Other Operating Expenses		38,000	1,522,666,396
Total Operating Expenses (B)		13,158,505,989	10,975,622,271
Profit/(Loss) before Provision & Tax (C) = (A-B)		10,038,285,404	10,720,500,653
Provision for Loans and Advances		3,696,393,387	2,228,966,492
Provision for Off-balance Sheet Exposures		40,000	90,000,000
Provision for Other Assets		41,000	1,041,302,742
Provision for Employee Benefits		42,000	1,760,000,000
Provision for Diminution in Value of Investments		43,000	-
Other Provisions		44,000	54,025,183
Total Provisions (D)		6,388,120,329	4,160,451,132
Net Profit/(Loss) before Taxes (E) = (C-D)		3,650,165,075	6,560,049,521
Provision For Taxation (including Ruler Tax) (F)		1,044,689,061	1,752,173,985
Current Tax		2,046,795,333	412,226,784
Deferred Tax		(1,002,106,272)	1,339,947,201
Net Profit/(Loss) after Taxation (G) = (E-F)		2,605,476,014	4,807,875,536
Appropriations			
Statutory Reserve		566,246,257	999,954,972
General Reserve		-	-
Legal Reserve		18,515,602	23,430,268
Retained Surplus		2,020,714,155	3,784,490,296
Earnings Per Share (EPS)		47.00	13.61

The annexed notes 01 to 57 form an integral part of these financial statements.

(Signatures of Management and Auditors)

Janata Bank Limited and its Subsidiaries

Consolidated Balance Sheet

as at 31 December 2016

	Note	2016 Taka	2015 (Restated) Taka
PROPERTY AND ASSETS			
Cash		46,632,612,159	42,566,936,408
Cash in Hand (including foreign currencies)		4,469,324,863	