Janata Bank Limited

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Financial Statements

for the year ended 31 December 2017

Independent Auditors' Report

to the Shareholders of Janata Bank Limited

We have audited the accompanying consolidated financial statements of Janata Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Janata Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2017, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

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 Bangladesh Financial Reporting Standards as explained in note 2.01 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also the separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Companies Act 1991 as amended in 2013 and the Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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 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 seperate 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 that give a true and fair view in order to design audit procedures that are appropriate 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 audit 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 2017 and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.01.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Companies Act 1991 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) in our 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 balance sheet and consolidated profit and loss account of the Group 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 03 April 2018 amongst Inspection Team of Bangladesh Bank, External Auditors and the Management of Janata Bank Limited and subsequent letter no. DBI- 2(UB-2) /2230/2018-1051 dated 18/04/2018 issued by Bangladesh Bank.

(e) Provisions as explained in note 07.14 and 13.06.02 have been made for loans and advances in terms of the Bangladesh Bank letter no DBI- 2(UB-2) /2230/2018-1051 dated 18/04/2018;

(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, as it appeared from our examination on a test basis, have been received and reported accordingly;

(h) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries stated under the Management's Responsibility for the Financial Statements and Internal Control:

i) internal audit, internal control and risk management arrangements of the Group and the Bank appeared to be with immaterial control deficiencies as identified in management report;

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

(i) financial statements of subsidiary companies of the Bank namely Janata Exchange Company Sri Italy, Janata Exchange Co. Inc. USA and Janata Capital and Investment Limited Dhaka have been audited by Trementozzi Angelo, United Financial CPA P.C and Malek Siddiqui Wali Chartered Accountants respectively on 31 December 2017. These accounts have been properly reflected in the consolidated financial statements;

(j) Capital to Risk- weighted Asset Ratio (CRAR) as required by the Bangladesh Bank has been maintained on consideration of the Bangladesh Bank letter no DBI- 2(UB-2) /2230/2018-1051 dated 18/04/2018. Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) have been maintained as per applicable rules and regulations;

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

(l) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 10,540 man hours for the audit of the books and accounts of the Bank.

Dr. Tamsed S.A. Choudhury
Aziz Halim Khair Choudhury
Chartered Accountants

Syful Shamsul Alam & Co.
Syful Shamsul Alam & Co.
Chartered Accountants

Date: 25 April, 2018
Place: Dhaka

Janata Bank Limited and its Subsidiaries
Consolidated Balance Sheet
as at 31 December 2017

	Note	2017 Taka	2016 Taka
PROPERTY AND ASSETS			
Cash	3.00	**48,532,967,105**	**46,632,612,159**
Cash in Hand (including foreign currencies)		4,313,115,422	4,469,324,863
Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)		44,219,851,683	42,163,287,296
Balance with Other Banks and Financial Institutions	4.00	**34,719,005,259**	**24,394,185,671**
In Bangladesh		20,174,581,909	11,701,841,766
Outside Bangladesh		14,544,423,350	12,692,343,905
Money at Call and Short Notice	5.00	**14,622,355,555**	**2,024,355,555**
Investments	6.00	**179,722,383,694**	**235,482,305,413**
Government		146,987,689,573	211,425,511,045
Others		32,734,694,121	24,056,794,368
Loans and Advances	7.00	**462,124,880,413**	**405,906,313,985**
Loans, Cash Credits, Overdrafts etc.		444,050,993,501	386,885,797,082
Bills Purchased and Discounted		18,073,886,912	19,020,516,903
Fixed Assets including Land, Building, Furniture and Fixtures	8.00	**10,393,777,046**	**10,637,789,585**
Other Assets	9.00	**57,030,603,233**	**54,523,974,230**
Non-Banking Assets	10.00	-	-
TOTAL PROPERTY AND ASSETS		**807,145,972,305**	**779,601,536,598**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Borrowings from Other Banks, Financial Institutions and Agents	11.00	**5,599,023,875**	**7,432,050,276**
Deposits and Other Accounts	12.00	**649,527,452,112**	**641,819,257,505**
Current Accounts and Other Accounts etc.		74,072,541,047	65,710,431,899
Bills Payable		4,313,683,986	4,661,397,090
Savings Bank Deposits		151,194,185,178	137,840,784,616
Fixed Deposits		419,947,041,901	433,606,643,900
Other Liabilities	13.00	**100,660,005,169**	**80,519,996,549**
Total Liabilities		**755,786,481,156**	**729,771,304,330**
Shareholders' Equity		**51,359,491,149**	**49,830,232,268**
Share Capital-Paid-up	14.00	19,140,000,000	19,140,000,000
Statutory Reserve	15.00	11,317,079,307	10,536,265,164
Legal Reserve	16.00	198,613,980	162,185,364
Assets Revaluation Reserve	17.00	6,066,181,584	6,084,158,183
Foreign Currency Translation Reserve	18.00	233,482,825	233,482,825
Revaluation Reserve for HTM	19.00	104,627,214	218,399,437
Revaluation Reserve for HFT	20.00	1,383,657,394	2,003,451,051
Revaluation Reserve for Shares		3,755,911,382	3,050,882,039
Retained Earnings	21.00	9,159,937,463	8,401,408,205
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**807,145,972,305**	**779,601,536,598**
OFF-BALANCE SHEET EXPOSURES			
Contingent Liabilities :	22.00	**120,881,917,205**	**105,174,553,556**
Acceptances and Endorsements		-	-
Letters of Guarantee		14,539,249,362	15,683,533,100
Irrevocable Letters of Credit		99,970,797,789	84,915,709,484
Bills for Collection		6,371,870,054	4,575,310,972
Other Contingent Liabilities		-	-
Other Commitments :			
Documentary Credits and Short Term Trade-Related Transactions		-	-
Forward Assets Purchased and Forward Deposits Placed		-	-
Undrawn Note Issuance and Revolving Underwriting Facilities		-	-
Undrawn Formal Standby Facilities, Credit Lines and Other Commitments		-	-
Total Off-Balance Sheet Exposures including Contingent Liabilities		**120,881,917,205**	**105,174,553,556**
Net Asset Value Per Share (NAVPS)		**268.34**	**260.35**

The annexed notes 01 to 58 form an integral part of these financial statements.

Md. Nurul Alam FCMA, FCA, General Manager & CFO
Md. Ismail Hossain, Deputy Managing Director
Md. Abdus Salam Azad, CEO & Managing Director
Masih Malik Chowdhury, FCS FCA, Director
Khondker Sabera Islam, Director
Luna Shamsuddoha, Chairman

Signed in terms of our separate report of even date annexed.

Dr. Tamsed S.A. Choudhury
Aziz Halim Khair Choudhury
Chartered Accountants

Syful Shamsul Alam & Co
Syful Shamsul Alam & Co
Chartered Accountants

Dated: Dhaka
25 April 2018

Janata Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account
for the year ended 31 December 2017

	Note	2017 Taka	2016 Taka
Operating Income			
Interest Income	24.00	31,200,967,816	31,888,021,718
Interest Paid on Deposits and Borrowings etc.	25.00	27,095,656,917	31,343,421,008
Net Interest Income		**4,105,310,899**	**544,600,710**
Investment Income	26.00	14,604,611,802	16,523,828,532
Commission, Exchange and Brokerage	27.00	4,953,019,059	4,236,454,583
Other Operating Income	28.00	1,998,974,808	1,830,674,941
Total Operating Income (A)		**25,661,916,568**	**23,135,558,766**
Operating Expenses			
Salary and Allowances	29.00	10,073,213,888	9,580,764,978
Rent, Taxes, Insurance, Electricity etc.	30.00	1,191,495,610	953,203,077
Legal Expenses	31.00	27,854,976	39,374,927
Postage, Stamp, Telecommunication etc.	32.00	256,995,434	115,131,077
Stationery, Printings, Advertisements etc.	33.00	238,565,313	240,976,193
Chief Executive's Salary and Fees	34.00	16,467,839	16,971,065
Directors' Fees	35.00	5,242,944	3,800,000
Auditors' Fees	36.00	8,773,652	9,658,346
Depreciation, Repair and Maintenance	37.00	849,219,582	756,093,991
Other Operating Expenses	38.00	1,465,492,080	1,362,209,277
Total Operating Expenses (B)		**14,133,321,318**	**13,078,182,931**
Profit/(Loss) before Provision & Tax (C) = (A-B)		**11,528,595,250**	**10,057,375,835**
Provision for Loans and Advances	39.00	4,119,525,949	3,696,393,387
Provision for Off-balance Sheet Exposures	40.00	293,600,000	(163,600,983)
Provision for Other Assets	41.00	850,000,000	1,041,302,742
Provision for Employees Benefit	42.00	2,081,618,836	1,760,000,000
Provision for Diminution in Value of Investments	43.00	(240,000,000)	-
Other Provisions	44.00	124,680,316	54,025,183
Total Provision (D)		**7,229,425,101**	**6,388,120,329**
Total Profit/(Loss) before Taxes (E) = (C-D)		**4,299,170,149**	**3,669,255,506**
Provision for Taxation (F)	45.00	**1,567,444,284**	**1,061,029,349**
Current tax		1,720,561,952	2,063,751,001
Deferred tax		(153,117,668)	(1,002,721,652)
Net Profit/(Loss) after Taxation (G) = (E-F)		**2,731,725,865**	**2,608,226,157**
Net Profit Attributable To:			
Equity Holders of the Bank		2,731,725,865	2,608,226,157
Non-Controlling Interest		-	-
		2,731,725,865	**2,608,226,157**
Net Profit for the Year		**2,731,725,865**	**2,608,226,157**
Appropriations			
Statutory Reserve		779,178,611	566,246,257
General Reserve		-	-
Legal Reserve		28,690,357	18,515,602
		807,868,968	**584,761,859**
Retained Surplus		**1,923,856,897**	**2,023,464,298**
Earnings Per Share (EPS)	47.00	**14.27**	**13.63**

The annexed notes 01 to 58 form an integral part of these financial statements.

Md. Nurul Alam FCMA, FCA, General Manager & CFO
Md. Ismail Hossain, Deputy Managing Director
Md. Abdus Salam Azad, CEO & Managing Director
Masih Malik Chowdhury, FCS FCA, Director
Khondker Sabera Islam, Director
Luna Shamsuddoha, Chairman

Signed in terms of our separate report of even date annexed.

Dr. Tamsed S.A. Choudhury
Aziz Halim Khair Choudhury
Chartered Accountants

Syful Shamsul Alam & Co
Syful Shamsul Alam & Co
Chartered Accountants

Dated: Dhaka
25 April 2018

Janata Bank Limited and its Subsidiaries
Consolidated Statement of Cash Flows
for the year ended 31 December 2017

	Note	2017 Taka	2016 Taka
A. Cash Flows from Operating Activities			
Interest Receipt in Cash		32,247,219,058	31,715,175,640
Interest Payments		(28,282,915,155)	(32,289,270,195)
Dividend Receipts		622,306,808	924,987,033
Fees and Commission Receipt in Cash		961,758,231	875,408,682
Recoveries of Loans Previously Written off		1,104,400,000	1,111,000,000
Cash Payments to Employees		(10,089,681,727)	(9,597,736,043)
Cash Payments to Suppliers		(238,565,313)	(240,976,193)
Income Tax Paid		(1,995,638,228)	(3,302,887,388)
Income from Investment		14,035,152,201	15,086,345,951
Receipts from Other Operating Activities		1,791,339,986	1,698,324,632
Payments for Other Operating Activities		(3,409,576,535)	(3,420,681,236)
Cash Generated from Operating Activities		**6,745,799,326**	**2,559,690,883**
Increase/(Decrease) in Operating Assets and Liabilities			
Loans and Advances to Customers		(56,218,566,428)	(55,326,542,690)
Other Assets		(2,600,092,854)	(5,406,142,291)
Other Liabilities		12,042,425,644	5,022,997,978
Deposits from Other Banks		(93,125,614)	215,379,922
Deposits from Customers		7,753,614,963	72,645,249,540
		(39,115,744,289)	**17,150,942,459**
Net Cash Flow from Operating Activities (A)		**(32,369,944,963)**	**19,710,633,342**
B. Cash Flows from Investing Activities			
(Purchase)/Sales of Securities and Bond (Others)		(7,972,870,410)	(2,541,180,085)
(Purchase)/Sale of Securities (Government)		63,390,095,831	(7,712,993,409)
(Purchase)/Sale of Property, Plant and Equipment		(372,340,351)	(1,158,447,653)
Net Cash Flow from Investing Activities (B)		**55,044,885,070**	**(11,412,621,147)**
C. Cash Flows From Financing Activities			
Received from Issue of Ordinary Shares (Rights Issue)		-	-
Dividends Paid		(10,000,000)	(10,000,000)
(Paid)/Received from Borrowings		(1,833,026,401)	2,803,373,595
Net Cash Flow from Financing Activities (C)		**(1,843,026,401)**	**2,793,373,595**
D. Net Increase/(Decrease) in Cash (A+B+C)		20,831,913,706	11,091,385,790
E. Net Foreign Exchange Difference		3,991,260,828	3,361,045,901
F. Cash and Cash Equivalents at the Beginning of the Year		73,051,153,385	58,598,721,694
G. Cash and Cash Equivalents at the End of the Year		**97,874,327,919**	**73,051,153,385**
Cash and Cash Equivalents at the End of the Year Represents			
Cash in Hand (including foreign currencies)		4,313,115,422	4,469,324,863
Balance with Bangladesh Bank and its Agent Bank (including foreign currencies)		44,219,851,683	42,163,287,296
Balance with Other Banks and Financial Institutions		34,719,005,259	24,394,185,671
Money at Call and Short Notice		14,622,355,555	2,024,355,555
		97,874,327,919	**73,051,153,385**
Net Operating Cash Flow Per Share (NOCFPS)		**(169.12)**	**102.98**

The annexed notes 01 to 58 form an integral part of these financial statements.

Md. Nurul Alam FCMA, FCA, General Manager & CFO
Md. Ismail Hossain, Deputy Managing Director
Md. Abdus Salam Azad, CEO & Managing Director
Masih Malik Chowdhury, FCS FCA, Director
Khondker Sabera Islam, Director
Luna Shamsuddoha, Chairman

Consolidated Statement of Changes in Equity
for the year ended 31 December 2017

Particulars	Share capital paid-up	Statutory reserve	Legal reserve (UAE branches)	Assets revaluation reserve	Foreign currency translation reserve	Revaluation reserve for HTM	Revaluation reserve for HFT	Revaluation reserve on shares	Surplus/ (deficit) in profit and loss account	Total
Balance as at 01 January 2017	19,140,000,000	10,536,265,164	162,185,364	6,084,158,183	233,482,825	218,399,437	2,003,451,051	3,050,882,039	8,401,408,205	49,830,232,268
Previous year adjustment	-	-	-	-	-	-	-	-	10,892,176	10,892,176
Opening balance (Restated)	19,140,000,000	10,536,265,164	162,185,364	6,084,158,183	233,482,825	218,399,437	2,003,451,051	3,050,882,039	8,412,300,381	49,841,124,444
Change in rate fluctuation of overseas branches	-	1,635,532	7,738,259	-	-	-	-	-	106,679,926	116,053,717
Net profit during the period	-	-	-	-	-	-	-	-	2,731,725,865	2,731,725,865
Transferred from revaluation of investment	-	-	-	-	-	(197,864,736)	(1,077,902,012)	-	(314,159,761)	(1,589,926,509)
Dividend paid	-	-	-	-	-	-	-	-	(10,000,000)	(10,000,000)
Valuation adjustment	-	-	-	-	-	-	-	-	(990,003,630)	(990,003,630)
Transferred to statutory reserve during the year	-	779,178,611	-	-	-	-	-	-	(779,178,611)	-
Transferred to legal reserve during the year	-	-	28,690,357	-	-	-	-	-	(28,690,357)	-
Transferred from asset revaluation reserve	-	-	-	-	-	(17,976,599)	-	-	17,976,599	-
Transferred from/(to) deferred tax liability	-	-	-	-	-	84,092,513	458,108,355	-	13,287,051	555,487,919
Revaluation gain/(loss) on shares	-	-	-	-	-	-	-	705,029,343	-	705,029,343
Balance as at 31 December 2017	19,140,000,000	11,317,079,307	198,613,980	6,066,181,584	233,482,825	104,627,214	1,383,657,394	3,755,911,382	9,159,937,463	51,359,491,149
Balance as at 31 December 2016	19,140,000,000	10,536,265,164	162,185,364	6,084,158,183	233,482,825	218,399,437	2,003,451,051	3,050,882,039	8,401,408,205	49,830,232,268

Md. Nurul Alam FCMA, FCA, General Manager & CFO
Md. Ismail Hossain, Deputy Managing Director
Md. Abdus Salam Azad, CEO & Managing Director
Masih Malik Chowdhury, FCS FCA, Director
Khondker Sabera Islam, Director
Luna Shamsuddoha, Chairman

Balance Sheet
as at 31 December 2017

	Note	2017 Taka	2016 Taka
PROPERTY AND ASSETS			
Cash	3.00	**48,518,470,774**	**46,629,254,545**
Cash in Hand (including foreign currencies)		4,298,619,091	4,465,967,249
Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)		44,219,851,683	42,163,287,296
Balance with Other Banks and Financial Institutions	4.00	**34,441,960,214**	**24,379,163,803**
In Bangladesh		19,919,581,909	11,701,841,766
Outside Bangladesh		14,522,378,305	12,677,322,037
Money at Call and Short Notice	5.00	**14,622,355,555**	**2,024,355,555**
Investments	6.00	**177,342,150,841**	**233,274,869,296**
Government		146,987,689,573	211,425,511,045
Others		30,354,461,268	21,849,358,251
Loans and Advances	7.00	**459,580,051,884**	**403,037,412,397**
Loans, Cash Credits, Overdrafts etc.		441,506,164,972	384,016,895,494
Bills Purchased and Discounted		18,073,886,912	19,020,516,903
Fixed Assets including Land, Building, Furniture and Fixtures	8.00	**10,308,624,745**	**10,573,256,165**
Other Assets	9.00	**61,174,793,544**	**58,685,597,469**
Non-Banking Assets	10.00	-	-
TOTAL PROPERTY AND ASSETS		**805,988,407,557**	**778,603,909,230**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Borrowings from Other Banks, Financial Institutions and Agents	11.00	**5,599,023,875**	**7,432,050,276**
Deposits and Other Accounts	12.00	**649,440,778,742**	**641,819,154,040**
Current Accounts and Other Accounts etc.		74,080,282,738	65,758,993,763
Bills Payable		4,313,683,986	4,661,397,090
Savings Bank Deposits		151,194,185,178	137,840,784,616
Fixed Deposits		419,852,626,840	433,557,978,571
Other Liabilities	13.00	**99,585,270,909**	**79,463,044,651**
Total Liabilities		**754,625,073,526**	**728,714,248,967**
Shareholders' Equity		**51,363,334,031**	**49,889,660,263**
Share Capital-Paid-up	14.00	19,140,000,000	19,140,000,000
Statutory Reserve	15.00	11,317,079,307	10,536,265,164
Legal Reserve	16.00	198,613,980	162,185,364
Assets Revaluation Reserve	17.00	6,066,181,584	6,084,158,183
Foreign Currency Translation Reserve	18.00	233,482,825	233,482,825
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Revaluation Reserve for HFT	20.00	1,383,657,394	2,003,451,051
Revaluation Reserve for Shares		3,755,911,382	3,050,882,039
Retained Earnings	21.00	9,163,780,345	8,460,836,200
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**805,988,407,557**	**778,603,909,230**
OFF-BALANCE SHEET EXPOSURES			
Contingent Liabilities	22.00	**120,881,917,205**	**105,174,553,556**
Acceptances and Endorsements		-	-
Letters of Guarantee		14,539,249,362	15,683,533,100
Irrevocable Letters of Credit		99,970,797,789	84,915,709,484
Bills for Collection		6,371,870,054	4,575,310,972
Other Contingent Liabilities		-	-
Other Commitments			
Documentary Credits and Short Term Trade-Related Transactions		-	-
Forward Assets Purchased and Forward Deposits Placed		-	-
Undrawn Note Issuance and Revolving Underwriting Facilities		-	-
Undrawn Formal Standby Facilities, Credit Lines and Other Commitments		-	-
Total Off-Balance Sheet Exposures including Contingent Liabilities		**120,881,917,205**	**105,174,553,556**
Net Asset Value Per Share (NAVPS)		**268.36**	**260.66**

The annexed notes 01 to 58 form an integral part of these financial statements.

Md. Nurul Alam FCMA, FCA, General Manager & CFO
Md. Ismail Hossain, Deputy Managing Director
Md. Abdus Salam Azad, CEO & Managing Director
Masih Malik Chowdhury, FCS FCA, Director
Khondker Sabera Islam, Director
Luna Shamsuddoha, Chairman

Signed in terms of our separate report of even date annexed.

Dr. Tamsed S.A. Choudhury
Aziz Halim Khair Choudhury
Chartered Accountants

Syful Shamsul Alam & Co
Syful Shamsul Alam & Co
Chartered Accountants

Dated: Dhaka
25 April 2018

Profit and Loss Account
for the year ended 31 December 2017

	Note	2017 Taka	2016 Taka
Operating Income			
Interest Income	24.00	31,145,611,896	31,897,904,514
Interest Paid on Deposits and Borrowings etc.	25.00	27,093,672,662	31,331,304,819
Net Interest Income		**4,051,939,234**	**566,599,695**
Investment Income	26.00	14,414,821,862	16,416,874,024
Commission, Exchange and Brokerage	27.00	4,910,829,124	4,204,025,685
Other Operating Income	28.00	2,000,706,200	1,828,263,232
Total Operating Income (A)		**25,378,296,420**	**23,015,762,636**
Operating Expenses			
Salary and Allowances	29.00	10,003,832,785	9,523,977,793
Rent, Taxes, Insurance, Electricity etc.	30.00	1,186,583,912	948,388,647
Legal Expenses	31.00	27,346,213	39,374,927
Postage, Stamp, Telecommunication etc.	32.00	256,649,643	114,781,413
Stationery, Printings, Advertisements etc.	33.00	237,765,433	240,740,609
Chief Executive's Salary and Fees	34.00	4,296,774	4,800,000
Directors' Fees	35.00	4,344,000	3,800,000
Auditors' Fees	36.00	8,673,652	9,458,346
Depreciation, Repair and Maintenance	37.00	843,255,279	750,517,858
Other Operating Expenses	38.00	1,436,070,814	1,341,637,639
Total Operating Expenses (B)		**14,008,818,505**	**12,977,477,232**
Profit/(Loss) before Provision & Tax (C) = (A-B)		**11,369,477,915**	**10,038,285,404**
Provision for Loans and Advances	39.00	4,059,525,949	3,696,393,387
Provision for Off-balance Sheet Exposures	40.00	293,600,000	(163,600,983)
Provision for Other Assets	41.00	850,000,000	1,041,302,742
Provision for Employee Benefits	42.00	2,081,618,836	1,760,000,000
Provision for Diminution in Value of Investments	43.00	(250,000,000)	-
Other Provisions	44.00	124,680,316	54,025,183
Total Provisions (D)		**7,159,425,101**	**6,388,120,329**
Net Profit/(Loss) before Taxes (E) = (C-D)		**4,210,052,814**	**3,650,165,075**
Provision For Taxation (including Ruler Tax) (F)	45.00	**1,523,553,732**	**1,044,689,061**
Current Tax		1,676,093,445	2,046,795,333
Deferred Tax		(152,539,713)	(1,002,106,272)
Net Profit/(Loss) after Taxation (G) = (E-F)		**2,686,499,082**	**2,605,476,014**
Appropriations			
Statutory Reserve		779,178,611	566,246,257
General Reserve		-	-
Legal Reserve		28,690,357	18,515,602
		807,868,968	**584,761,859**
Retained Surplus		**1,878,630,114**	**2,020,714,155**
Earnings Per Share (EPS)	47.00	**14.04**	**13.61**

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Chartered Accountants

Syful Shamsul Alam & Co
Syful Shamsul Alam & Co
Chartered Accountants

Dated: Dhaka
25 April 2018

Statement of Cash Flows
for the year ended 31 December 2017

	Note	2017 Taka	2016 Taka
A. Cash flows from operating activities			
Interest Receipt in Cash		32,119,331,480	31,797,590,094
Interest Payments		(28,280,930,900)	(32,277,154,006)
Dividend Receipts		563,096,000	861,766,432
Fees and Commission Receipt in Cash		920,124,101	843,541,561
Recoveries of Loans Previously Written off		1,104,400,000	1,111,000,000
Cash Payments to Employees		(10,008,129,559)	(9,528,777,793)
Cash Payments to Suppliers		(237,765,433)	(240,740,609)
Income Tax Paid		(1,987,625,678)	(3,283,169,207)
Income from Investment		13,904,573,069	15,028,594,256
Receipts from Other Operating Activities		1,793,071,378	1,695,912,923
Payments for Other Operating Activities		(3,419,017,617)	(3,420,519,790)
Cash Generated from Operating Activities		**6,471,126,841**	**2,588,043,861**
Increase/(Decrease) in Operating Assets and Liabilities			
Loans and Advances to Customers		(56,542,639,487)	(53,176,112,931)
Other Assets		(2,518,140,818)	(7,665,441,205)
Other Liabilities		12,175,078,379	5,172,171,202
Deposits from Other Banks		(93,125,614)	215,379,922
Deposits from Customers		7,667,045,058	72,604,288,656
		(39,311,782,482)	**17,150,285,644**
Net cash flow from operating activities (A)		**(32,840,655,641)**	**19,738,329,505**
B. Cash flows from investing activities			
(Purchase)/Sales of Securities and Bond (Others)		(7,800,073,674)	(2,564,560,702)
(Purchase)/Sale of Securities (Government)		63,390,095,831	(7,712,993,409)
(Purchase)/Sale of Property, Plant and Equipment		(347,032,498)	(1,152,308,646)
Net Cash Flow from Investing Activities (B)		**55,242,989,659**	**(11,429,862,757)**
C. Cash Flows From Financing Activities			
Received from Issue of Ordinary Shares (Rights Issue)		-	-
Dividends Paid		(10,000,000)	(10,000,000)
(Paid)/Received from Borrowings		(1,833,026,401)	2,803,373,595
Net Cash Flow from Financing Activities (C)		**(1,843,026,401)**	**2,793,373,595**
D. Net Increase/(Decrease) in Cash (A+B+C)		20,559,307,617	11,101,840,343
E. Effects of Exchange Rate Changes on Cash and Cash-equivalent		3,990,705,023	3,360,484,124
F. Cash and Cash Equivalents at the Beginning of the Year		73,032,773,903	58,570,449,436
G. Cash and Cash Equivalents at the End of the Year		**97,582,786,543**	**73,032,773,903**
Cash and Cash Equivalents at the End of the Year Represents			
Cash in Hand (including foreign currencies)		4,298,619,091	4,465,967,249
Balance with Bangladesh Bank and its Agent bank (including foreign currencies)		44,219,851,683	42,163,287,296
Balance with Other Banks and Financial Institutions		34,441,960,214	24,379,163,803
Money at Call and Short Notice		14,622,355,555	2,024,355,555
		97,582,786,543	**73,032,773,903**
Net Operating Cash Flow Per Share (NOCFPS)		**(171.58)**	**103.13**

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Statement of Changes in Equity
for the year ended 31 December 2017

Particulars	Share Capital paid-up	Statutory reserve	Legal reserve (UAE branches)	Assets revaluation reserve	Foreign currency translation reserve	Revaluation reserve for HTM	Revaluation reserve for HFT	Revaluation reserve on shares	Surplus/ (deficit) in profit and loss account	Total
Balance as at 01 January 2017	19,140,000,000	10,536,265,164	162,185,364	6,084,158,183	233,482,825	218,399,437	2,003,451,051	3,050,882,039	8,460,836,200	49,809,660,263
Change in rate fluctuation of overseas branches	-	1,635,532	7,738,259	-	-	-	-	-	107,233,772	116,587,563
Net profit during the year	-	-	-	-	-	-	-	-	2,686,499,082	2,686,499,082
Transferred from revaluation of investment	-	-	-	-	-	(197,864,736)	(1,077,902,012)	-	(314,159,761)	(1,589,926,509)