

ANNUAL REPORT



JAMUNABANK

PARTNER FOR PROGRESS

The motto of Jamuna Bank Limited reflects the indomitable commitment and conviction of the bank to ensure sustainable growth and advancement of our customers. Our determination is to fulfill the banking needs of people from different spheres of society and business of different segments of the economy of the country by offering diversified products and superior services. As our customers endeavor to accomplish higher prosperity, JBL also strives to be the preferred partner for their growth.

Letter of Transmittal

All Shareholders
Bangladesh Bank
Bangladesh Securities and
Exchange Commission
Register of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited and
Chittagong Stock Exchange Limited

Subject: The Annual Report for the year ended December 31, 2014

Dear Sir(s),

I am pleased to present the Annual Report together with the Audited (Consolidated and Separate) Financial Statements as on December 31, 2014 for your kind information and record.

Best regards,

Yours sincerely,



M. A. Rouf
Company Secretary (CC)



JAMUNABANK

Jamuna Bank Limited
Hadi Mansion, 2 Dilkusha C/A, Dhaka-1000
Tel: 9570912, 9570938 Fax: 9570118

NOTICE OF THE 14TH (FOURTEENTH) ANNUAL GENERAL MEETING

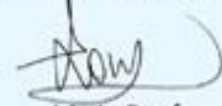
Notice is hereby given to all the members of Jamuna Bank Limited that the 14th (fourteenth) Annual General Meeting of the members of the Company will be held on **Monday, the 4th May 2015 at 10:00 a.m.** at **Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka** to transact the following businesses and to adopt necessary resolutions:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended on 31st December 2014 together with Directors' Report and Auditors' Report thereon.
2. To declare the dividend for the year ended on 31st December 2014 as recommended by the Board of Directors.
3. To elect/re-elect Director(s)
4. To appoint/re-appoint Auditor(s) for the term until the next Annual General Meeting and fix their remuneration.

By order of the Board of Directors

April 16, 2015
Dhaka



M. A. Rouf
Company Secretary (CC)

Notes:

- a) The 'Record Date' in lieu of Book Closure on **Wednesday, April 15, 2015**. The Shareholders whose names would appear in the Members Register of the Company under CDS on **Record Date (April 15, 2015)** will be eligible to attend the 14th Annual General Meeting (AGM) and qualify to receive Dividend.
- b) The Board of directors recommended for payment of **Stock Dividend @ 19% (nineteen percent) on the profit of the bank for the year ended on December 31, 2014**.
- c) A member entitled to attend and vote at the AGM may appoint a proxy to attend the meeting and take part in the proceedings thereof on his/her behalf.
- d) The instrument appointing a proxy or the Power of Attorney duly signed by a member and stamped with requisite amount must be submitted at the Registered Office of the Company at least 48 hours before the meeting i.e., **latest by 4 p.m. of April 30, 2015**.
- e) M/S. Sayful Shamsul Alam & Co., Chartered Accountants, the current Auditor will retire from office in the 14th Annual General Meeting. Since they have completed the audit of the accounts of the Bank for 2nd year, they are eligible for re-appointment for the year 2015 as per circular issued by BRPD of Bangladesh Bank.
- f) Attendance of the shareholders/Attorney/Proxy shall be recorded at the entrance of the venue. Attendance slip has to be submitted duly signed at the Registration Counter. The signature must agree with the recorded one. **The Registration Counters shall remain open from 8:00 a.m. to 10:00 a.m.**
- g) Annual Report, Notice of the Annual General Meeting, Proxy Form and Attendance Slip will also be available at the Share Division as well as website of the company www.jamunabankbd.com.

As per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013, "no benefit in cash or kind, other than in the form of Dividend (i.e. No Food/Box/Gift Coupon etc.)" to be distributed at the 14th AGM.

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর ২৪ অক্টোবর ২০১৩ তারিখের প্রজ্ঞাপন নং এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৫৪ আলোকে আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার আশ্রয়ন বা উপহারের ব্যবস্থা থাকবে না।

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Vision

To become a leading banking institution and play a significant role in the development of the country.



Mision

The Bank is committed for satisfying diverse needs of its customers through an array of products at a competitive price by using appropriate technology and providing timely service so that a sustainable growth, reasonable return and contribution to the development of the country can be ensured with a motivated and professional work-force.



Strategic Priorities

- Delivering customers' desired products and services to create true customers' value.
- Focusing on export of both traditional and nontraditional items and remittance to ensure a comfortable position of foreign exchange all the time.
- Doing businesses that have higher risk adjusted return.
- Focusing on maintenance of assets quality rather than its aggressive expansion.
- Changing the deposit mix thereby reduce the cost of deposits.
- Ensuring all modern alternative delivery channels for easy access to our services by customers.
- Restructuring existing products and introducing new products to meet the demand of time and the target group.
- Bringing unbanked people into our delivery channels.
- Ensuring organizational efficiency by continuous improvement of human capital and motivation level, dissemination of information and thereby ensuring a very congenial environment.
- Maximizing shareholders' value at all times alongside ensuring a sustainable growth of the organization.
- Pursuing CSR activities for our continued support to future generation, distressed people and for advancement of underprivileged people of the country.
- Establishing the brand image as a growth supportive and pro-customers' bank.
- Strengthening risk management techniques and ensuring compliance culture.
- Remaining cautious about environment and supporting for maintaining a green and clean soil.



Values

Customer

Integrity

Quality

Teamwork

Respect

Harmony

Fairness

Courtesy

Commitment

Respectable Citizenship

Business Ethics

Unique Culture



Ethical Practices

- We strictly comply with all rules and regulations.
- We provide fair treatment to all stakeholders.
- We maintain strict secrecy of customers' accounts.
- We listen to our customers and work for their requirement.
- We provide adequate disclosure of corporate information and operation results to shareholders for taking suitable investment decision.
- We ensure work under highly motivated team spirit and fellowship bond.
- We do not encourage projects which are not environment friendly.
- We extend financial assistance to poor, helpless and distressed people as well as provide donation/sponsorships to sports, culture, health-care and community development ventures as we are responsible corporate citizen of the country.

Awards & Recognitions

"Certificate of Merit" Award from ICAB in the 14th, 13th, 12th, 11th & 10th ICAB National Awards for best published accounts and reports 2013, 2012, 2011 & 2010.



Honorable Finance Minister Abul Maal Abdul Muhith is handing over the award to Managing Director, Mr. Shafiqul Alam

Jamuna Bank has been awarded the best "Primary Dealer Bank" for fifth time by Bangladesh Bank for its outstanding performance.



COMMERZBANK awarded "Trade Award" to Jamuna Bank Limited for excellent partnership.

ICICI Bank awarded best "Supporting Bank" award to Jamuna Bank Limited.



International Trade Finance Award

Glimpses of 13th Annual General Meeting



Directors are seen on the 13th AGM.



Registration of shareholders for 13th AGM.



Monajat for prosperity of
country and the Bank.



Honorable Ex-Chairman Sir
is delivering his speech.



A shareholder is giving his comment
on the annual report of 2013.



Directors are exchanging
views with shareholders.

Glimpses of 13th Anniversary



Directors and other guests at 13th anniversary of Jamuna Bank Limited.



Inauguration of the ceremony.



Honorable Ex-Chairman is addressing his statement to the guests.



A partial view of the ceremony.



Honorable Managing Director is delivering his remark.



Guests are having dinner.

Glimpses of Business Conference



Directors, MD, AMD and DMDs are seen in Annual Business Conference 2014.



A View of Half yearly Business Conference 2014, Dhaka Zone



Honorable Managing Director, Mr. Shafiqul Alam is delivering his speech in Half yearly Business conference 2014, Chittagong Zone



A View of Half yearly Business Conference 2014, Rajshahi Zone



Managing Director, Additional Managing Director & Other Participants are seen in Half yearly Business Conference 2014, Sylhet Zone



Honorable Directors, Managing Directors & Additional Managing Director are seen in Half yearly Business Conference 2014.

Corporate Profile

Name & Corporate Head Office

Jamuna Bank Limited
Hadi Mansion (3th, 4th, 5th, 7th, 8th, 9th & 10th floor)
2 Dilkusha C/A, Dhaka-1000

Legal Form
Public Limited Company

Number of Promoters 20
Number of Directors 20
Number of Branches 97
Number of SME/AGRI Branches 08
Number of Islami Banking Branches 02
Off-Shore Banking Unit 01

Chairman
Md. Sirajul Islam Varosha
Managing Director
Shafiqul Alam
Company Secretary (CC)
M A Rouf
Chief Financial Officer
Ashim Kumar Biswas

Auditor

Syful Shamsul Alam & Co.
Chartered Accountants
15 Dilkusha C/A (6th Floor)
Dhaka-1000
Bangladesh

Legal Advisor
Habibul Islam Bhuiyan
Senior Advocate
Bhuiyan Islam & Zaidi
House # 29, Road # 9/A, Dhanmondi R/A
Dhaka-1209

Credit Rating Agency

Credit Rating Agency of Bangladesh Ltd. (CRAB)

Subsidiaries

1. Jamuna Bank Securities Limited
(Brokerage House)
Shafiqul Alam
Chairman
Md. Al Tamas
Chief Executive Officer
Hadi Mansion (3rd Floor)
2 Dilkusha C/A, Dhaka
2. Jamuna Bank Capital Management Limited
(Merchant Bank)
Mirza Elias Uddin Ahmed
Chairman
M.M. Mostafa Bilal
Chief Executive Officer
Hadi Mansion (3rd Floor)
2 Dilkusha C/A, Dhaka

Other Concern

Jamuna Bank Foundation
Al-Haj Nur Mohammed
Chairman
Hadi Mansion (4th Floor)
2 Dilkusha C/A, Dhaka



JAMUNA CHRONICLES

| | |
|--------------------|---|
| April 02, 2001 | Incorporation of the Company |
| June 03, 2001 | Commencement of banking business |
| June 03, 2001 | First Branch opening at Mohakhali |
| October 25, 2003 | First Islami Banking Branch opened at Nayabazar |
| December 11, 2003 | Licensed as a Primary Dealer |
| March 28, 2004 | First Dividend Declaration for Income Year 2003 @ 10% |
| December 12, 2005 | Initial Public Offering |
| April 12, 2006 | Listed with Dhaka Stock Exchange |
| April 17, 2006 | Listed with Chittagong Stock Exchange |
| September 09, 2007 | Increased Authorized Share Capital To BDT 400.00 Crore |
| October 16, 2008 | Space purchased for establishing Corporate Head Office at Gulshan |
| June 15, 2009 | Launching of SME Division |
| July 29, 2009 | Launching of first SME/Agri Branch |
| December 22, 2009 | Obtained Off Shore Banking License |
| December 23, 2009 | Jamuna Bank Capital Management Limited (Merchant Bank) |
| June 13, 2010 | Increased Authorised Share Capital to BDT 1000.00 Crore |
| December 25, 2010 | Jamuna Bank Model Village (Singpara, Thakurgaon) |
| February 07, 2011 | Issuance of Rights Shares |
| November 11, 2011 | Jamuna Bank Medical Collage & Hospital |
| February 18, 2013 | Jamuna Bank Securities Limited (Brokerage House) |



**DIRECTORS'
PROFILE**



Mr. Md. Sirajul Islam Varosha
Chairman

Mr. Md. Sirajul Islam Varosha, son of Al-haz Karim Uddin Varosha was born in the year 1958 in a respectable Muslim family of Rangpur. After graduation he started his business career. He is involved with different business houses and industrial organizations. Mr. Varosha is the Chairman of Karim Impex & Amazontex Knit Fashion Garments Ltd., Managing Director of R. K. Industries Ltd. & R. K. Metal Industries Ltd. He is also associated and involved with a number of business and industries. Proprietor of S. V. Tobacco Co., Siam Enterprise, Islam Enterprise and Siraj Chemical Co. He is an amiable person and has deep affinity and attachment with various socio-cultural activities. Mr. Varosha took the charge of Chairman of the Board of Directors of Jamuna Bank Limited on April 27, 2015. He had one opportunity to serve as Vice Chairman of the Board from April 29, 2007 to April 26, 2008. He is also a member of Liaison Committee of International Business Forum of Bangladesh (IBFB).

Obituary



Al-haj Md. Rezaul Karim Ansari
Ex-Director

Al-haj Md. Rezaul Karim Ansari was born in a respectable Muslim family of Laxmipur in 1955. He engaged himself in business and manufacture of leather products and emerged as one of the noted businessman and industrialist in this sub-sector. He was the Chairman of Jamuna Bank Limited (from 27-04-2010 to 26-04-2011), Chairman & Managing Director of Karim Leathers Ltd., Kamtex Limited, Hi-Tech-Steel & Re-Rolling Mills Ltd. He was also the President of Bangladesh Tanners Association and Finished Leather, Leather Goods & Footwear Exporters' Association. He was also the Chairman of Express Insurance Co. Ltd. He had been nominated as a CIP several times by the Government for his significant contribution to national economy. He was associated with different social welfare activities. He is survived by his wife, 4 sons, nephews & nieces, grandsons & granddaughters and many well-wishers.



Engr. A.K.M. Mosharraf Hussain
Director

Engr. Mosharraf Hussain was born in 1944 in a respectable Muslim family of Sirajgonj. He obtained Degree in Bachelor of Science in Civil Engineering from Bangladesh University of Engineering and Technology (BUET). He is a fellow member of the Institute of Engineers, Bangladesh (IEB). He started business in construction sector through setting up a renowned construction firm, The Civil Engineers Ltd. He also set up a number of industrial undertakings in textile and clothing sectors. He is the Managing Director of Standard Group, Chairman of The Civil Engineers Ltd. and Sponsor Shareholder of Standard Insurance Ltd. He was a CIP for couple of years. He served as Chairman of the Board of Directors of Jamuna Bank Limited from April 27, 2002 to April 26, 2003.



Engr. Md. Atiqur Rahman
Director

Engr. Md. Atiqur Rahman comes of a respectable Muslim family of Comilla who was born in 1946. He obtained B. Sc. Degree in Civil Engineering from Bangladesh University of Engineering and Technology (BUET), Dhaka and is a Fellow member of the Institute of Engineers, Bangladesh (IEB). He made his mark in business and industry. He is the Managing Director of The Civil Engineers Ltd., one of the pioneer & leading construction companies in Bangladesh. In industrial sector he was actively associated with setting up of a number of industrial concerns in garments sub-sector. He is the Chairman of country's renowned industrial conglomerate named "Standard Group". He is also a Sponsor Shareholder of Standard Insurance Ltd. For his contribution in trade, commerce and industry he was declared CIP by the government for the last couple of years. He was the Chairman of the Board of Directors of Jamuna Bank Limited from April 27, 2003 to April 26, 2004.



Mr. Golam Dastagir Gazi,
Bir Protik, MP
Director

Mr. Golam Dastagir Gazi, Bir Protik, MP son of Late Golam Kibria Gazi was born in the year 1948 in a respectable Muslim family. A renowned and established business personality Mr. Dastagir is also the Managing Director of Gazi Satellite TV, Gazi Tanks & Gazi Tyres, which has a proven track record in the country. He is a gallant freedom fighter. He received the award of Bir Protik for his act of courage in the Liberation war of 1971. He is a Member of Parliament and is a member of the Standing Committee on the Ministry of Public Accounts, Liberation War and thus contributing to Bangladesh economy and politics in policy making level. He is also the Sponsor Shareholder of Republic Insurance Company Ltd. As a keen lover of sports he is associated with a number of sports bodies & clubs of national level and patronizes games and sports in all respect. He contributed to the development of cricket as a Director of Bangladesh Cricket Board (BCB) for a longtime and at present he is a member of working committee of Bangladesh Cricket Board. A well-known leader of business community of the country Mr. Gazi was the President of Gazipur Chamber of Commerce & Industry and the Director of the Bangladesh Federation of Chamber of Commerce and Industries (FBCCI). He served as the Chairman of the Board of Directors from April 27, 2004 to May 09, 2005.



Mr. Fazlur Rahman
Director

Mr. Fazlur Rahman comes of a respectable Muslim family of old Dhaka. He is a self-educated personality in trade, commerce and industry. By virtue of his education and hands-on experience he has emerged as one of the business tycoons in trade & industry of Bangladesh. He set up country's largest conglomerates namely City Group having a number of industrial units consisting of Edible Oil, Sugar, Flour, Seed Crushing, Salt, Mineral Water, Poultry, Fish & Animal Feed Products, Plastic, Food & allied products and also related industries like Printing and Packaging sub-sectors. For last couple of years the Group focused on diversifying its business through adding carrier vessels namely SAFE Shipping Line Limited. The well-known City Group of the country bears testimony of his successful entrepreneurship and management. He is the Chairman and Managing Director of City Group. He was also the Chairman of Dhaka Insurance Ltd. He is the life member of Trustee Board of Anjuman Mofidul Islam and member of the Managing Committee of Gandaria High School, Dhaka. He served as the Chairman of the Board from May 08, 2006 to April 28, 2007.



Al-Haj Nur Mohammed
Director,
Jamuna Bank Ltd. &
Chairman,
Jamuna Bank Foundation

Al-Haj Nur Mohammed was born in 1954 in a respectable Muslim family of Munshigonj. He is a Bachelor of Arts from the University of Dhaka. He is associated with a number of business and manufacturing concerns as Managing Director. He was a Member of Parliament of National Assembly, President of Munshigonj Chamber of Commerce and Industry since 1989. He is the President of Bangladesh Anti-Drug Federation, President and Founder of Al-Haj Nur Mohammed Trust. He is well known for his contribution to social welfare and philanthropic activities. He served as Chairman of the Board of Directors of Jamuna Bank Limited from April 29, 2007 to April 26, 2008. He also served as the Chairman of the Audit Committee of the Board of Directors of the Bank for couple of times. He has been serving as the Founder Chairman of Jamuna Bank Foundation, an allied concern of Jamuna Bank Limited established with an aim and object to provide assistance to the destitute and distressed people of the society as well as to create awareness/inspire people regarding their social responsibilities and commitments towards nation as a part of CSR activities of Jamuna Bank Ltd. since its inception.



Mr. Md. Tajul Islam, MP
Director

Mr. Md. Tajul Islam, MP comes of a respectable Muslim family of Comilla. He was born in 1955. He obtained Master's Degree in Marketing. He is a noted business personality and industrialist. He made his mark in business and industrial sector by setting up of a number of business and industrial concerns in garments, accessories, paper & board and pharmaceuticals sub-sectors. He is the Managing Director of Fabian Group, a large conglomerate of the country. He is a Member of Parliament, Chairman & Member of Parliamentary standing Committee on Ministry of Power, Energy & Mineral & Planning Resources respectively. His contributions to the society in philanthropic activities are remarkable. He is playing significant role in national economy and contributing towards the nation as a policy maker. He served as Chairman of the Board Chairman of the Audit Committee from April 27, 2008 to April 26, 2009 and from July, 2009 to July, 2012 respectively.



Mr. Sakhawat, Abu Khair Mohammad
Director

He was born in 1955 in a respectable Muslim family of Munshigonj. He passed M. Sc. in Textile Engineering with distinction from Germany. After completion of academic education he began his career as a businessman and set up a number of industrial units in Textile sector. He was elected as the Chairman of the Board of Directors of Bank from April 27, 2009 to April 26, 2010. He is now the President of Bangladesh German Chamber of Commerce and Industry. He is the Managing Director of Robintex (Bangladesh) Limited, Comptex Bangladesh Limited, Robin Knitwear Limited. He is also Director of International Holdings Limited and member of the Board of Governors of Eastern University. He has a vast experience in the arena of business at home and abroad.



Mr. Md. Belal Hossain
Director

Mr. Md. Belal Hossain was born in a respectable Muslim family of Naogaon in 1956. He made his mark in business of food grains. He is the proprietor of a number of rice mills and the Managing Director of Belcon Company (Pvt.) Ltd. He is associated with sports and trade bodies of Naogaon and Hilly as life member and member respectively. He was the Chairman of the Board from April 27, 2011 to April 29, 2012.



Mr. Md. Mahmudul Hoque
Director

Mr. Md. Mahmudul Hoque was born in a respectable Muslim family of Chittagong in 1959. He obtained Bachelor of Arts Degree from Chittagong University. He made his mark in trade, import, indenting, real estate and textile sector. He is the Managing Director of Anima Group and the Sole Proprietor of Orchid International. He is also associated with social welfare activities by patronizing different clubs and social organizations. He served as Vice-Chairman of the Board from April 27, 2002 to April 26, 2003 and Chairman of the Board from April 30, 2012 to April 28, 2013.



Mr. Shaheen Mahmud
Director

Mr. Shaheen Mahmud was the immediate past Chairman of the Board of Directors of the Bank from April 28, 2014 to April 27, 2015. He is the Chairman of Cotton Group, owns a number of RMG manufacturing units under the umbrella of Cotton Group, with necessary backward and forward linkages, ensuring high compliance and quality standards, as required by his European, US, Canadian and South American buyers. Hence, it did not take him long to become a successful exporter of ready made garments from Bangladesh and earn confidence of global buyers and accolade from the Government of Bangladesh. In appreciation of large volume export, the Government of Bangladesh awarded him an export trophy and gave him CIP status. Mr. Mahmud also runs Telecommunication and Real Estate Company and has under his active consideration a number of diversification programs.

Mr. Mahmud was born in a respectable Muslim family of Dhaka. His father was a elite business entrepreneur and taught Mr. Mahmud how to succeed in business by adopting honest and ethical practices which has remained his guiding principles ever since.

He represented Bangladesh as a member of several delegations to Japan, South Korea and Europe. He has been elected as a Vice President of Bangladesh Korea Chamber of Commerce and Industry.

Mr. Mahmud is a keen sports enthusiast and social benefactor. He is the Senior Vice Chairman of Usha Kira Chakra, a renowned sporting club of Dhaka. He also served the Bangladesh Hockey Federation as its Vice President for 12 years. He sponsored the biggest annual golfing event of the Country, Bangladesh Amateur Golf Championship for a consecutive period of 5 years. Mr. Mahmud also sponsored the "National Age Group Swimming Competition" in an effort to find and promote talents from all over the country. Mr. Mahmud instituted awards after the name of his late father for the meritorious under-privileged school children.

Mr. Mahmud is happily married to Ms. Tasmin Mahmud and they are caring, loving parents of a daughter and a son. He traveled major countries of the six continents for business purpose.



Mr. Kanutosh Majumder
Director

Mr. Majumder hails from a respectable Hindu family of Noakhali. He was born in 1940. He is a Master's of Commerce from University of Dhaka. A renowned and pioneer businessman in construction sector, he set up New Generation Construction Co. Ltd., one of the oldest and leading construction firms of the country, which has been keeping remarkable contribution in building country's infrastructural development. Mr. Majumder is a Sponsor shareholder of Federal Insurance Co. Ltd., advisor of Mohanagar Puja Committee and also a member of Dhaka Club Limited. Mr. Majumder was the Chairman of the Board of Directors from April 29, 2013 to April 26, 2014.



Mr. Gazi Golam Murtoza
Director

Mr. Gazi Golam Murtoza was born in a respectable Muslim family of Dhaka in 1980. He had his education in a renowned North American University and obtained Bachelor Degree in Engineering. He is engaged in business and industries as one of the Directors of the country's renowned business and industrial conglomerate, Gazi Group. He made his mark in IT development in the country. He is the key person of Gazi Communications Ltd. as its Managing Director. As a sports organizer his contribution to the development of cricket is significant. He is the President of Gazi Tanks Cricketers of Premier Division Cricket League and also a member of Disciplinary Committee of Bangladesh Cricket Board (BCB). Mr. Murtoza was the Vice Chairman of the Board of Directors of the Bank from April 27, 2010 to April 26, 2011.



Mrs. Tasmin Mahmud
Director

Mrs. Tasmin Mahmud, an eminent personality and well-known entrepreneur in telecommunication, real estate, RMG & textile sector of the country. Mrs. Mahmud was born in a respectable Muslim Zaminder family of Shibchor, Madaripur (Utrail Chowdhury Bari). She did her M.S.S in Public Administration from the University of Dhaka. She is serving as the Member of the Board of different concerns of the Cotton Group, one of the largest & renowned conglomerates of the country. She is widely recognized for her role in shaping the business in multiple sector, for which Mrs. Mahmud was invited to travel Japan as one of the members of trade delegation led by Ministry of Commerce of the People's Republic of Bangladesh. She was also a member of business delegation led by the FBCCI upon receiving invitation from the Ambassador of Peoples' Republic of South Korea Bangladesh. She is an active and prominent member of Gulshan Ladies Community Club, Army Golf Club and Zonta Club of Dhaka III. Mrs. Mahmud is happily married to Mr. Shaheen Mahmud, a renowned entrepreneur, Director of Jamuna Bank Limited and Chairman of Cotton Group Limited. She is also a proud mother of two children. She is a widely travelled person and her knowledge and experience is enriched having been visited all the six continents of the world.



Mr. Md. Hasan
Director

Mr. Md. Hasan was born in a well reputed Muslim family in Dhaka in the year 1978. He is the only son of Mr. Fazlur Rahman, the founder of City Group, which stands as one of the leading business houses in Bangladesh.

He had his school education in St. Gregory's High School, Dhaka and he passed Higher Secondary Certificate Examination in the commerce group from Notre Dame College. He set out abroad and qualified as BBA from Charles Strut University in Australia.

Mr. Md. Hasan, upon his return from abroad, keeps himself engaged as one of the Directors of those business enterprises that City Group has conglomerated for last 42 years, By dint of his endeavour Mr. Md. Hasan has, by now, assumed very significant role in the field of finance and banking as well as administrative affairs of City Group. His dynamic and stout pioneering have brought about tremendous success in the marketing of City Group's consumer pack-items under 'TEER' brand.

Mr. Md. Hasan was the Chairman of Dhaka Insurance Company Ltd. from February 02, 2012 to August 28, 2014 and discharged the assigned duties and responsibilities very successfully there. He has been functioning as one of the Directors of Somoy Media Limited which is one of the renowned TV channels in the country.

Mr. Md. Hasan is one of the prominent members of Bhatiyari Golf & Country Club. He is fond of outdoor sports and every year he sponsors the basket ball tournament organised by St. Gregory's High School, Dhaka.



Mr. A. S. M. Abdul Halim
Independent Director

Mr. A. S. m. Abdul Halim was born in a respectable Muslim family of Jamalpur in 1948. He joined the civil service in 1970 after completion of post graduation degree from the University of Dhaka in commerce discipline in 1969. During his service, he worked at several departments and corporation as Director and Chairman. He also served as Secretary to the government in the Ministry of Agriculture, Jute and Textile and Ministry of Establishment. Before retirement from the government service, he held the position of Cabinet Secretary, the highest position in civil service of the country. He visited over 20 countries of the world including USA, UK, France, Germany, Brazil, Syria and Iraq. He used to write on different issue in newspaper and also compose poems. Six of his poetry books have been published.



Mr. Narayan Chandra Saha
Independent Director

Mr. Narayan Chandra Saha (N.C. Saha) was born on March 01, 1943 in a respectable Hindu family of Boalmari, Faridpur. Mr. Saha passed M. Com. with major in Accounting from Dhaka University in 1968. He started his career as Lecturer in 1968 and was elevated to the position of Head of the Department of Commerce in 1973. Mr Saha joined Government Service in early 1974 and worked in different Ministries/Divisions in different capacities and retired as a joint Chief/Joint Secretary to the Govt. in 2001. His last posting was in Bangladesh Tariff Commission under Ministry of Commerce where he used to deal with bilateral and multilateral Trade Agreements, Trade & Industrial Policy Analysis, Tariff Policy, Tariff Structure, Sectoral/Sub-sectoral Studies, Review of Tax Policy with special emphasis on Custom Duty, VAT, Supplementary Duty, Tariff Value etc.

While in college Mr. Saha organized and participated in the Liberation War of Bangladesh and worked with the then Mujibnagar Government. Just after retirement he rendered Consultancy Services in a worldwide Pre-shipment Inspection (PSI) Company, M/s. Inspectorate Griffith Ltd., Bangladesh Branch, conducting training classes on Customs Classification under the Harmonized Commodity Description and Coding System, Commercial Fraud Prevention, GATT Valuation Procedures, PSI Rules & drafting petition to the Appellate Tribunal to waive penalties or ensure fair judgment within the preview of the PSI Order, 1999. During his service tenure, he participated in a number of meeting/seminars at home and abroad on Trade related aspects and Investment Potentials of Bangladesh. Mr. Saha also obtained Diploma in Administration & Development from BPATC, Savar and successfully completed a Certificate Course on Evaluation of Trade & Economic Policies from Center for International Economics (CIE) in Canberra, Australia.



Mr. Chowdhury Mohammad Mohsin
Independent Director

Mr. Chowdhury Mohammad Mohsin was born on December 23, 1945 in a respectable Muslim family of Fatehabad-Battali under Hathazari UZ in Chittagong. After obtaining Bachelor of Science in Civil Engineering from Bangladesh University of Engineering and Technology (BUET) in 1967 he started his professional career. During his service life, he attended 5th Regular course at The Bangladesh Administrative Staff College in 1979-80, Post Graduate Course in Gas Engineering & Management in UK on a Scholarship offered by Confederation of British Industries (CBI) in 1975-76, post Graduate Course in Multi-Modal Transport Management at WES Brugge, Belgium in 1993-94 & a Senior Manager's Course at Gyosi International College, University of Reading in 1997. He became Secretary to the Govt in May 1999 and served as Secretary in the the Ministry of Civil Aviation & Tourism and the Ministry of CHT Affairs before retiring in end 2003 from the Ministry of Energy & Mineral Resources. He was earlier Additional Secretary in ERD

of Ministry of Finance and Joint Secretary of Ministry of Communications of the Government of People's Republic of Bangladesh. He was Founding CEO of Government sponsored and owned organizations in the Public sector (1) Bakhrabad Gas Systems Limited (BGSL), a Subsidiary of Petrobangla, (2) Bangladesh Petroleum Exploration Company Limited (BAPEX), another subsidiary of Petrobangla, (3) Infrastructure Development Company Limited (IDCOL) and (4) Infrastructure Investment Facilitation Company Limited (IIFC). He led a number of GOB delegations on Bi-Lateral and multilateral negotiations at home and abroad. After retirement he launched a Charitable Trust known as 'Engineer Chowdhury Mohammad Mohsin Foundation for Human Resources Development' at Alhaj Shamsul Alam Chowdhury Memorial Hospital premises at Fatehabad-Battali under Hathazari Upzila.



Mr. Md. Rafiqul Islam
Independent Director &
Chairman
Audit Committee

Mr. Md. Rafiqul Islam was born on January 17, 1949 in a respectable Muslim family of Naogaon. He was a Secretary to the Government of People's Republic of Bangladesh in the Ministry of Shipping in February 2005. He was engaged to formulate the policies for development, monitoring and implementation of inland water transportation systems. He was Secretary in-charge in Ministry of Primary and Mass Education. Mr. Islam passed M. A (Economics) in 1970 from University of Chittagong. He

started his career in the year 1974 in Bangladesh Civil Service (Administration). During his service, he participated in various types of international meetings and seminars: Seminar on Education and Training of Rural Youth, Japan, Ministerial Conference on Industry-Institution Linkage, South Korean National University, Asia-Pacific Leadership Forum workshop, Sri Lanka, Regional Study visit program on Primary Education, China, Tripartite Intercessional meeting of World Maritime Convergence, Switzerland, Board of Governors Meeting of World Maritime University, Sweden and 23rd Extra-Ordinary Meeting of IMO Council & 24th General Assembly of IMO, London, UK. Mr. Islam also attended Post-Graduation Diploma in Personnel Management, 1995, University of Manchester and Certificate Course in Health Economics, University of York, UK.



Mr. Shafiqul Alam
Managing Director & CEO

Mr. Shafiqul Alam joined as Managing Director of Jamuna Bank Limited on 29-01-2013. Before joining in Jamuna Bank, Mr. Alam was Additional Managing Director of UCBL. Mr. Shafiqul Alam started his banking career as Management Trainee in ANZ Grindlays Bank Limited in the year 1980 after completion of Master's of Science with honours from Dhaka University. In his 34 years banking career he headed important departments and divisions of Prime Bank Limited, First Security Islami Bank Limited and held the position of SEVP and Deputy Managing Director. Mr. Shafiqul Alam has travelled widely and attended different training programs and seminars at home and abroad.

Our Leaders, inspiration behind our dreaming, learning & working.

Honorable Chairman & Managing Director
of Jamuna Bank Limited





Mr. Moseh Uddin Ahmed
Additional Managing Director

Ahmed has joined Jamuna Bank Limited in February 2013 and currently serving as Additional Managing Director and Head of Business. Prior to joining in Jamuna Bank Limited Mr. Ahmed was the Senior Executive Vice President and Area Head of Dhaka Corporate of The City Bank Ltd. Mr. Ahmed has more than two decades of banking experience in various fields of Banking in different capacities. In the process of career progression, he capitalized the opportunities to work with many other banks and also held many responsible positions like Head of Leasing Unit in Prime Bank Limited, Head of Gulshan Branch & Head of Credit (Bangladesh Operations) in State Bank of India and Head of Dhaka in The City Bank Ltd. Etc. He graduated in Electrical and Electronic Engineering and also did MBA from IBA, University of Dhaka. He participated in different training and workshops on Advanced Credit Risk Management and Trade Finance from AIT Bangkok, Central Bank of Malaysia, State Bank Staff College, Hyderabad and Delhi.



Mr. Mirza Elias Uddin Ahmed
Deputy Managing Director

Mirza Elias Uddin Ahmed of Jamuna Bank Limited (JBL) has been promoted to the rank of Deputy Managing Director of JBL. Mr. Elias joined the service of JBL as SAVP in 2001. Mr. Elias started his career in 1985 with National Bank Limited and afterwards, he served in Prime Bank and Mercantile Bank Limited in different capacities. He has extensive banking experience of 28 years and he obtained M. Com in Management from University of Dhaka in 1988. He is a DA/BB of the Institute of Bankers Bangladesh and a founder General Secretary of BAMDA. He was the former Chairman of Technical Committee of Primary Dealers Bangladesh Limited.



Mr. A.K.M Saifuddin Ahmed
Deputy Managing Director

Mr. Ahmed has been working as one of the founding Executives of Jamuna Bank Ltd since inception of the Bank i.e. April 2001. He started his Banking career by joining National Bank Ltd as Probationary Officer in 1984 and served the Bank in different capacities till 1999. He also served Exim Bank as one of the founding Executive. Mr. Ahmed completed his Masters in Marketing (Hon's) from Dhaka University. He is a multifaceted Management professional with 31 Years of diversified Banking career in different capacities at Branch & Head office level having exposure in International Banking, Global Trade Service, Treasury Management Structured Trade Finance, Offshore Banking, Credit Risk Management, Financial crime & AML Compliance and Alternative Delivery Channel. Mr. Ahmed is widely travelled International Banking professional who participated in various Training, Seminar & Conference at home and abroad.



Mr. Md. Habibur Rahman
Deputy Managing Director

Md. Habibur Rahman, Deputy Managing Director joined Jamuna Bank Limited on 17th February, 2009 as Executive Vice President and was promoted in the existing rank in July, 2014. Prior to his promotion, he was heading the Credit Risk Management Division of the Bank as Senior Executive Vice President. Mr. Rahman completed his Post Graduation in Economics from the University of Chittagong. Immediately after passing out from Chittagong University, he commenced his career with Islami Bank Bangladesh Ltd. on 9th May 1989 as a Probationary Officer. In addition, Mr. Rahman worked in 03(three) other leading Private Commercial Banks namely, Prime Bank Limited, Mercantile Bank Limited and Shahjalal Islami Bank Limited. He enjoys a professional Banking career spanning over two decades in various fields of banking in different capacities at branches and Head Offices. He shouldered diverse responsibilities in the areas of Credit Risk Management cultivating ties with the Board, Customers & regulators with focus on maximizing revenue and respect for each bank he worked for. He has attended numerous domestic and international trainings, seminars and workshops that cover different aspects of banking & related fields. Md. Habibur Rahman is actively associated with many socio-cultural activities and travelled many countries on personal and professional calls.

Management of the Bank



Shafiqul Alam
Managing Director & CEO

Mosleh Uddin Ahmed
Additional Managing Director

Mirza Elias Uddin Ahmed
Deputy Managing Director

A.K.M. Saifuddin Ahamed
Deputy Managing Director

Md. Habibur Rahaman
Deputy Managing Director



MD, AMD, DMDs & Divisional Heads

Divisional Heads



| Name | Designation | Name of the Division |
|------------------------------|-------------|---|
| Mr. Md. Mukhlesur Rahman | EVP | Credit Risk Management Division |
| Mr. Ahmed Nawaz | SVP | Information & Communication Technology Division |
| Mr. Ahamed Sufi | SVP | Anti-Money Laundering Division |
| Mr. Md. Belal Hossain | SVP | Internal Control & Compliance Division |
| Mr. Ashim Kumer Biswas | SVP | Financial Administration Division |
| Mr. S.M. Ashafuddoullah | VP | General & Common Services Division |
| Mr. M.M. Mostafa Bilal | VP | Capital Market Operation Division |
| Mr. Asif Khan | VP | SME Division |
| Mr. Md. Shah Alam | VP | Risk Management Division |
| Mr. Abdul Awal Khan | VP | Law & Recovery Division |
| Mr. S M Jamal Uddin | VP | Banking Operation Division |
| Mr. Md. Abul Bashar Mazumder | VP | Credit Administration Division |
| Mr. Masud Al Faruque | VP | Corporate Division |



| Name | Designation | Name of the Division |
|---------------------------------|-------------|---|
| Mr. Anwar Hakim | VP | Monitoring Division |
| Mr. Md. Al Tamas | VP | Jamuna Bank Securities Ltd. |
| Mr. Md. Mamtaz Uddin Chowdhury | SAVP | Agricultural Loan Unit |
| Mr. Abdus Sobhan | SAVP | NRB Banking & Foreign Remittance Division |
| Mr. Mohammad Shamsur Rahman | SAVP | International Division |
| Mr. Md. Mehedi Hasan | AVP | Treasury Division |
| Mr. M. A. Rouf | AVP | Board's Secretariat |
| Mr. A.S.M. Humayun Kabir | AVP | Trade Finance Processing Centre (TFPC) |
| Mr. Syed Serwarul Islam | AVP | Retail Banking Division |
| Mr. Md. Adnan Mahmud | AVP | Card Division |
| Mr. Md. Ashaduzzaman | FAVP | Islamic Banking Division |
| Mr. Mohammad Nazmul Hassan | FAVP | Offshore Banking Unit |
| Mr. Noor Nabi Khan | FAVP | Marketing and Development Division |
| Mr. Quzi Mohammad Tarakul Akbar | SEO | Share Division |

Head of Branches

| Code | Branch Name | Name of Manager | Designation |
|------|---------------------------|--------------------------------|-------------|
| 0001 | Mohakhali | Mr. M. A. Salam | SEVP |
| 0002 | Sonargaon Road | Mr. Md. Moniruzzaman Khan | VP |
| 0003 | Mou'vibazar | Mr. Iqbal Akram Khan | SVP |
| 0004 | Goalabazar | Mr. Md. Zahidu Alam | SEO |
| 0005 | Agrabad | Mr. Mohammad Aminur Rahman | VP |
| 0006 | Dikusha | Mr. Md. Mofazzal Hossain | SEVP |
| 0007 | Beanibazar | Mr. Sajal Kanti Das | FAVP |
| 0008 | Sylhet | Mr. Md. Mozammel Haque | AVP |
| 0009 | Shantinagar | Syed Mahbub Morshed | SVP |
| 0010 | Gurshan | Mr. Mohammad Saiful Malik | VP |
| 0011 | Dhanmondi | Mr. Shaki Bodruddoza Shams | VP |
| 0012 | Naya Bazar Islami Banking | Mr. Syed Shakir U. Md. Munir | SVP |
| 0013 | Mohadevpur | Mr. Md. Nurul Islam | FAVP |
| 0014 | Naogaon | Mr. Rafiqul Huda | AVP |
| 0015 | Khatungonj | Md. Shahid Ullah | VP |
| 0016 | Konabari | Mr. Md. Nurul Huda | SAVP |
| 0017 | Bhatiyari | Md. Yasin Siddiqui | VP |
| 0018 | Foreign Exchange | Mr. Md. Abdullah | SVP |
| 0019 | Jubilee Road | Mr. Mohammad Nurul Huda | VP |
| 0020 | Christia Market | Mr. Shamim Ahmed Sagar | AVP |
| 0021 | Bogra | Mr. Md. Mizanur Rahman | SAVP |
| 0022 | Baligaon Bazar | Mr. Md. Samsuzzoha | AVP |
| 0023 | Narayanganj | Mr. Mohammed Shaharior Islam | VP |
| 0024 | Motijhee | Mr. Nasirul Haque | AVP |
| 0025 | Rajshahi | Mr. Md. Manjuru Ahsan Shah | AVP |
| 0026 | Bashurhat | Mr. Md. Kamruzzaman | AVP |
| 0027 | Dholaikhal | Mr. Ashraf Alam | SAVP |
| 0028 | Bahaddarhat | Mr. Shahed Ali Shikder | FAVP |
| 0029 | Sirajganj | Mr. Md. Benozir Ahmed | AVP |
| 0030 | Banani | Mr Md. Mahbub Alam | SVP |
| 0031 | Ashulia | Mr. Md. Nurul Islam Khan | SAVP |
| 0032 | Mawna | Md. Hafizur Rahman | FAVP |
| 0033 | Dinajpur | Mr. Md. Aminuzzaman | FAVP |
| 0034 | Kushtia | Mr. Md. Deiowar Hossain | SEO |
| 0035 | Kadamtoli | Mr. C.S.M. Atiqur Rahman Hyder | AVP |
| 0036 | Aganagar | Mr. Md. Mohtasinul Haque | SAVP |
| 0037 | Uttara | Mr. Shahid Ullah | VP |
| 0038 | Comilla | Mr. Mohammad Mosharef Hossain | SAVP |
| 0039 | Azadibazar | Mr.Md. Osman Gani Siddique | AVP |
| 0040 | Laksham | Mr. Abu Rushd Md. Zubair | VP |
| 0041 | Anderkilla | Mr. Abdul Hamid Chowdhury | SAVP |
| 0042 | Mirpur | Mr. S M Mofizur Rahman | SAVP |
| 0043 | Malibagh | Mr. Md. Kaicobad Osmane | VP |

| Code | Branch Name | Name of Manager | Designation |
|------|------------------------------------|-----------------------------------|-------------|
| 0044 | Madaripur SME/Krishi Branch | Mohammad Kabir Hossain | SEO |
| 0045 | Thakurgaon | Mr. Md. Mozahedul Islam | SEO |
| 0046 | Barisal | Mr. Md. Ziaul Haque | FAVP |
| 0047 | Jurain SME Service Center | Mr. A.H.M. Momenur Rahman | FAVP |
| 0048 | Rangpur | Mr. Md. Shamim Akhtar | FAVP |
| 0049 | Feni | Mr. Md. Shahidul Islam | SVP |
| 0050 | Gazipur Chowrasta | Mr. Md. Mahbub Alam Pramanik | FAVP |
| 0051 | Savar | Mr. Golam Mawla | AVP |
| 0052 | Chapai Nawabgonj SME/Krishi Branch | Mr. Md. Altafur Rahman | FAVP |
| 0053 | Rayerbag | Mr. Md. Zakir Hossain | AVP |
| 0054 | Munshigonj SME/Krishi Branch | Mr. Rafiqul Islam | AVP |
| 0055 | Nasirabad | Mr. Wahiduzzaman Chowdhury | AVP |
| 0056 | Kazipur SME/Krishi Branch | Mr. Md. Abdul Mannan | SEO |
| 0057 | Setabgonj | Mr. Sougat Arman | SEO |
| 0058 | Sherpur SME/Krishi Branch | Mr. Md. Nurul Islam | FAVP |
| 0059 | Jessore | Mr. Prasanta Kumar Das | FAVP |
| 0060 | Islampur | Mr. Md. Moazzem Hossain | SAVP |
| 0061 | Ring Road | Mr. Istiak U Ahmad | SAVP |
| 0062 | Mymensingh | Mr. Moia Md. Harun Or Rashid | AVP |
| 0063 | Rupshi | Mr. Md. Khorshed Alam | FAVP |
| 0064 | Pabna | Mr. Md. Kamaruzzaman | SEO |
| 0065 | Tongi | Mr. Khandaker Murshiduzzaman | SEO |
| 0066 | Dewanhat | Mr. Md. Akther Hossain | FAVP |
| 0067 | Pragati Sarani | Mr. Md. Habibur Rahman | SVP |
| 0068 | Moulvibazar Krishi/SME | Mr. Nabil Ahmed | AVP |
| 0069 | Sherpur | Mr. Md. Abul Kalam | SEO |
| 0070 | Natore | Mr. Md. Moniruzzaman | AVP |
| 0071 | Ashugonj SME/Krishi | Mr. Md. Noor-Ul-Aftab Khan | AVP |
| 0072 | Tongi Bari | Mr. Arif Hossain Khan | FAVP |
| 0073 | Barura | Mr. Mohammed Jahangir Alam | FAVP |
| 0074 | Lalmatia | Mr. Md. Roquib Uddin | VP |
| 0075 | Lohagara | Mr. A.K.M. Saifuddin Chowdhury | FAVP |
| 0076 | Gouripur | Mr. Abul Kalam Azad | FAVP |
| 0077 | Kanchpur | Mr. Md. Hedayet Ullah | FAVP |
| 0078 | Chandra | Mr. Khandaker Shafiur Rahman | AVP |
| 0079 | Vulta | Mr. Md. Kamruzzaman | FAVP |
| 0080 | Tanbazar | Mr. Mosleh Uddin Ahmed | SAVP |
| 0081 | Dakshinkhan | Mr. Md. Abu Taher | AVP |
| 0082 | Chokoria | Md. Basir Uddin | FAVP |
| 0083 | Raipur | Mr. Shahnewaz Sarker | SAVP |
| 0084 | Khuina | Mr. Abdullah Akram | AVP |
| 0085 | Narherpetua | Mr. Mohammad Shorwardy | SEO |
| 0086 | Faridpur Branch | Mr. Md. Hasan Ali | FAVP |
| 0087 | Chowmahani Branch | Mr. Md. Ahsan Uddin Patwary | SEO |
| 0088 | Mirpur-1 Branch | Mr. Md. Golam Kibria | AVP |
| 0089 | Rupgonj Branch | Mr. Md. Faruk Ikbal | AVP |
| 0090 | Kalampur Branch | Mr. Mohammad Mahbubul Alam Biswas | FAVP |
| 0091 | Bhoberchar Branch | Mr. Emrul Hassan | SEO |
| 0092 | Bizra Bazar | Mr. Md. Anwarul Alam | FAVP |
| 0093 | Kamarpara | Mr. Md. Shazzadur Rahman | SEO |
| 0094 | Madhobdi | Md. Abdus Sobhan | FAVP |
| 0095 | Guishan Link Road | Md. Shamsur Rahman Majumder | SVP |
| 0096 | Netrokona | Md. Soruar Jahan | FAVP |
| 0097 | Keranigonj | Mr. Md. Rafiqul Islam | FAVP |

Shareholders' Information

5 (Five) Years Key Financial Data & Ratios-JBL

Taka in BDT. Million

| Particulars | YR- 2014 | YR- 2013 | YR- 2012 | YR- 2011 | YR- 2010 |
|---|------------|------------|------------|-----------|-----------|
| Income statement Information: | | | | | |
| Interest income | 10,269.61 | 9,697.92 | 9,626.68 | 8,473.44 | 5,207.52 |
| Interest expenses | 8,838.96 | 8,078.04 | 7,787.48 | 6,310.59 | 3,726.52 |
| Net interest income | 1,430.65 | 1,619.88 | 1,839.20 | 2,162.85 | 1,481.00 |
| Income from investment | 3,267.68 | 2,660.31 | 2,007.15 | 1,404.67 | 1,152.79 |
| Non interest income | 1,392.31 | 1,355.47 | 1,438.77 | 1,296.37 | 1,112.78 |
| Non interest expenses | 3,021.83 | 2,666.75 | 2,078.22 | 2,046.50 | 1,335.61 |
| Net Non-interest income & Investment income | 1,638.16 | 1,349.03 | 1,367.70 | 654.54 | 929.96 |
| Profit before provision and tax | 3,068.81 | 2,968.91 | 3,206.90 | 2,817.39 | 2,410.96 |
| Provision for loans and assets | 1,221.43 | 684.02 | 1,126.38 | 347.39 | 344.44 |
| Profit after provision before tax | 1,847.38 | 2,284.89 | 2,080.52 | 2,470.00 | 2,066.52 |
| Contribution to Jamuna bank foundation | 36.95 | 22.85 | 20.81 | 12.35 | 10.32 |
| Tax including deferred tax | 463.31 | 1,126.85 | 1,017.66 | 1,127.46 | 990.18 |
| Profit after contribution to foundation and tax | 1,347.12 | 1,135.19 | 1,042.05 | 1,330.19 | 1,066.02 |
| Balance Sheet Information: | | | | | |
| Authorized Capital | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |
| Paid up Capital | 5,160.67 | 4,487.54 | 4,487.54 | 3,648.40 | 2,230.09 |
| Reserve & Retained surplus | 5,650.00 | 4,393.40 | 3,837.29 | 3,633.11 | 4,178.10 |
| Total Shareholders' Equity | 10,810.67 | 8,880.94 | 8,324.83 | 7,281.51 | 6,408.19 |
| Deposits (Core & Bank) | 114,635.13 | 97,485.61 | 79,623.13 | 70,508.05 | 60,673.56 |
| Total liabilities | 128,683.91 | 106,282.01 | 101,353.68 | 79,783.62 | 63,605.71 |
| Total liabilities & Shareholders' equity | 139,494.58 | 115,162.95 | 109,678.51 | 87,065.13 | 70,013.90 |
| Long Term Liabilities | 32,922.17 | 32,618.54 | 15,395.83 | 13,788.24 | 11,564.26 |
| Loans and advances | 77,899.79 | 67,669.38 | 54,887.03 | 56,611.79 | 49,734.80 |
| Investments | 39,963.54 | 31,392.20 | 39,118.93 | 16,314.93 | 10,891.02 |
| Property, Plant and Equipment | 2,278.50 | 2,195.05 | 2,082.03 | 1,971.72 | 1,822.66 |
| Total Assets | 139,494.58 | 115,162.95 | 109,678.51 | 87,065.13 | 70,013.90 |
| Earning Assets | 74,563.30 | 66,608.33 | 58,969.03 | 62,461.62 | 50,886.80 |
| Net Current Assets | 71,648.34 | 61,412.87 | 53,959.73 | 54,381.79 | 44,476.30 |
| Foreign Trade Information: | | | | | |
| Import | 59,909.80 | 52,751.30 | 57,705.20 | 55,907.00 | 61,034.50 |
| Export | 64,988.60 | 64,250.50 | 68,844.10 | 57,929.40 | 41,860.40 |
| Remittance | 8,200.00 | 6,859.00 | 4,029.00 | 3,360.03 | 1,594.11 |
| Guarantee | 4,471.00 | 5,578.10 | 4,515.30 | 5,687.20 | 6,620.00 |
| Capital Information : | | | | | |
| Total Risk weighted Assets | 98,298.68 | 83,421.38 | 70,448.60 | 67,041.40 | 66,839.00 |
| Core Capital (Tier-I) | 9,110.44 | 7,763.33 | 7,256.39 | 6,214.34 | 4,855.51 |
| Supplementary Capital (Tier-II) | 1,947.80 | 1,496.47 | 1,348.89 | 1,338.45 | 1,494.51 |
| Total Capital | 11,058.24 | 9,259.80 | 8,605.28 | 7,552.79 | 6,350.02 |
| Tier-I Capital Ratio | 9.24 | 9.31 | 10.30 | 9.27 | 7.26 |
| Tier-II Capital Ratio | 1.98 | 1.79 | 1.91 | 2.00 | 2.24 |
| Minimum Capital Adequacy Ratio (MCAR) | 11.25 | 11.10 | 12.21 | 11.27 | 9.50 |

Shareholders' Information

5 (Five) Years Key Financial Data & Ratios-JBL

| Credit Quality Information: | YR- 2014 | YR- 2013 | YR- 2012 | YR- 2011 | YR- 2010 |
|--|------------|------------|-----------|-----------|-----------|
| Volume of Non-performing Loans (NPLs) | 4,422.15 | 5,133.76 | 5,337.87 | 1,618.73 | 905.52 |
| % of NPLs to total Loan & Advances | 5.68 | 7.59 | 9.73 | 2.86 | 1.82 |
| Provision for Un-classified Loans | 1,097.74 | 937.67 | 814.67 | 804.87 | 718.17 |
| Provision for Classified Loans | 1,796.86 | 2,256.68 | 1,698.25 | 627.30 | 453.76 |
| Share information: | | | | | |
| No. of Share of Outstanding | 516.07 | 448.75 | 448.75 | 364.84 | 223.01 |
| No. of Shareholders (actual) | 46,984 | 51,535 | 51,758 | 52,903 | 43,047 |
| Dividend: | 19.00% | 15.00% | 14.00% | 23.00% | 22.00% |
| Cash (%) | - | - | 14.00% | - | - |
| Bonus (%) | 19.00% | 15.00% | - | 23.00% | 22.00% |
| Effective Dividend Ratio | 20.39% | 15.14% | 15.47% | 25.45% | 28.75% |
| Market capitalization | 6,342.50 | 7,310.14 | 9,733.39 | 9,737.58 | 12,265.55 |
| Market price per Share (Taka) | 12.29 | 16.29 | 21.69 | 26.69 | 55.00 |
| Earning per Share Taka (EPS) | 2.61 | 2.53 | 2.32 | 3.65 | 2.92 |
| Book value per Share/ NAV (Taka) | 20.95 | 19.79 | 18.55 | 19.96 | 17.56 |
| Price Earning Ratio (Times) | 4.71 | 6.44 | 9.34 | 7.32 | 18.82 |
| Key Financial Ratios Information: | | | | | |
| Operating Performance Ratio: | | | | | |
| Net interest margin on average earning assets | 2.03 | 2.58 | 3.03 | 3.82 | 5.14 |
| Net non-interest margin on average earning assets | 2.32 | 2.15 | 2.25 | 1.15 | 2.17 |
| Earning base in assets (average) | 55.44 | 55.85 | 61.72 | 72.16 | 72.30 |
| Burden Coverage ratio | 46.08 | 50.83 | 64.30 | 58.34 | 58.46 |
| Cost-income ratio | 49.61 | 47.32 | 39.32 | 42.08 | 35.65 |
| Credit-deposit ratio | 67.95 | 69.41 | 68.93 | 80.29 | 81.97 |
| Cost of funds on average deposits | 7.13 | 7.99 | 8.05 | 8.28 | 6.09 |
| Yield on average advances | 13.25 | 14.87 | 16.63 | 15.31 | 12.18 |
| Asset Utilization ratio | 4.78 | 5.01 | 5.37 | 6.19 | 6.31 |
| Leverage ratio (times) | 7.73 | 7.65 | 7.93 | 8.72 | 8.75 |
| Net profit margin (after tax) | 22.12 | 20.14 | 19.72 | 27.35 | 28.46 |
| Current Ratio | 1.34 | 1.20 | 1.59 | 1.21 | 1.17 |
| Debt Equity Ratio | 9.43 | 9.11 | 10.46 | 10.33 | 10.56 |
| Return on risk weighted assets (after tax) | 1.37 | 1.36 | 1.48 | 1.98 | 1.59 |
| Return on average investment | 9.16 | 7.55 | 7.24 | 10.33 | 11.89 |
| Return on average assets (after tax) | 1.06 | 1.01 | 1.06 | 1.69 | 1.80 |
| Return on average equity (after tax) | 13.68 | 13.20 | 13.35 | 19.43 | 20.52 |
| Other Information: | | | | | |
| Number of branches (incl. SME/Agri Br. & SME center) | 97.00 | 91.00 | 83.00 | 73.00 | 66.00 |
| No. of SME Center | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| No. of Islamic Banking Window | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Number of employees | 2,204.00 | 2,138.00 | 1,997.00 | 1,786.00 | 1,511.00 |
| Number of foreign correspondents | 836.00 | 822.00 | 818.00 | 798.00 | 729.00 |
| Average Earning Assets | 70,585.82 | 62,788.68 | 60,715.33 | 56,674.21 | 42,924.27 |
| Average Total Assets | 127,328.77 | 112,420.73 | 98,371.82 | 78,539.52 | 59,372.43 |
| Average Deposits | 106,060.37 | 88,554.37 | 75,065.59 | 65,590.81 | 51,514.88 |
| Average Investment | 35,677.87 | 35,255.57 | 27,716.93 | 13,602.98 | 9,697.23 |
| Average Advances | 72,784.59 | 61,278.21 | 55,749.41 | 53,173.30 | 41,011.23 |
| Average Equity | 9,845.81 | 8,602.89 | 7,803.17 | 6,844.85 | 5,194.54 |

* Previous years figure have been re-arranged to conform present year presentation.

Shareholders' Information Financial Highlights- JBL & JBL (Group)

| | JBL | | | JBL (Group) | | |
|---|---------------------|------------|-------------|---------------------|------------|-------------|
| | 2014 | 2013 | Changes (%) | 2014 | 2013 | Changes (%) |
| | Taka in BDT Million | | | Taka in BDT Million | | |
| Performance during the year | | | | | | |
| Interest income | 10,269.61 | 9,697.91 | 5.90 | 10,421.56 | 9,859.06 | 5.71 |
| Interest expenses | 8,838.96 | 8,078.04 | 9.42 | 8,830.35 | 8,064.00 | 9.50 |
| Net interest income | 1,430.65 | 1,619.87 | -11.68 | 1,591.21 | 1,795.06 | -11.36 |
| Investment income | 3,267.68 | 2,660.31 | 22.83 | 3,243.59 | 2,580.52 | 25.70 |
| Other income | 1,392.31 | 1,355.47 | 2.72 | 1,443.16 | 1,405.87 | 2.65 |
| Operating income | 6,090.64 | 5,635.65 | 8.07 | 6,277.96 | 5,781.45 | 8.59 |
| Operating expenses | 3,021.83 | 2,665.75 | 13.32 | 3,047.30 | 2,688.70 | 13.34 |
| Profit before provision and tax | 3,068.81 | 2,968.90 | 3.37 | 3,230.66 | 3,092.75 | 4.46 |
| Provision for loans and assets | 1,221.43 | 684.02 | 78.57 | 1,296.70 | 720.13 | 80.06 |
| Profit after provision before tax | 1,847.38 | 2,284.88 | -19.15 | 1,933.96 | 2,372.62 | -18.49 |
| Contribution to Jamuna bank foundation | 36.95 | 22.85 | 61.71 | 36.95 | 22.85 | 61.71 |
| Tax including deferred tax | 463.31 | 1,126.85 | -58.88 | 544.27 | 1,205.29 | -54.84 |
| Profit after contribution to foundation and tax | 1,347.12 | 1,135.18 | 18.67 | 1,352.74 | 1,144.48 | 18.20 |
| At the end year | | | | | | |
| Total Shareholders' Equity | 10,810.67 | 8,880.94 | 21.73 | 10,830.87 | 8,895.52 | 21.76 |
| Total Liability | 128,683.91 | 106,282.01 | 21.08 | 129,064.55 | 106,226.24 | 21.50 |
| Deposits | 114,635.13 | 97,485.61 | 17.59 | 114,626.46 | 97,083.29 | 18.07 |
| Loans and Advances | 77,899.79 | 67,669.38 | 15.12 | 79,032.30 | 68,439.84 | 15.48 |
| Investments | 39,963.54 | 31,392.20 | 27.30 | 40,166.62 | 31,494.78 | 27.53 |
| Property, Plant and Equipment | 2,278.50 | 2,195.05 | 3.80 | 2,564.34 | 2,482.00 | 3.32 |
| Current Assets | 71,648.34 | 61,412.87 | 16.67 | 72,049.20 | 69,778.97 | 3.25 |
| Total Assets | 139,494.58 | 115,162.95 | 21.13 | 139,895.43 | 115,121.76 | 21.52 |
| Statutory Ratios (%) | | | | | | |
| Minimum Capital Adequacy Ratios (MCAR) | 11.21 | 11.10 | 1.03 | 11.26 | 11.14 | 1.08 |
| Required Minimum Capital Adequacy Ratios (MCAR) | 10.00 | 10.00 | - | 10.00 | 10.00 | - |
| Liquidity Ratio | 17.11 | 14.84 | 15.27 | 17.11 | 14.84 | 15.27 |
| Loan to Deposit Ratio | 67.95 | 69.41 | -2.10 | 68.95 | 70.50 | -2.20 |
| Share Information | | | | | | |
| Earnings Per Share (Taka) | 2.61 | 2.53 | 3.19 | 2.62 | 2.22 | 18.02 |
| Dividend (%) | 19.00% | 15.00% | 26.67 | 19.00% | 15.00% | 26.67 |
| Net Assets Value Per Share (Taka) | 20.95 | 19.79 | 5.85 | 20.99 | 19.82 | 5.88 |
| Net Operating Cash flow per share (Taka) | 10.44 | 7.14 | 46.25 | 10.47 | 7.07 | 48.11 |
| Key Ratios (%) | | | | | | |
| Non Performing Loan | 5.68 | 7.59 | -25.17 | 5.60 | 7.50 | -25.41 |
| Return on Average Shareholders' Fund/Equity (after tax) | 13.68 | 13.20 | 3.69 | 13.72 | 13.29 | 3.20 |
| Return on Average Assets (after tax) | 1.06 | 1.01 | 4.77 | 1.06 | 1.02 | 4.01 |
| Return on Average Investment | 9.16 | 7.55 | 21.38 | 9.05 | 7.30 | 24.01 |

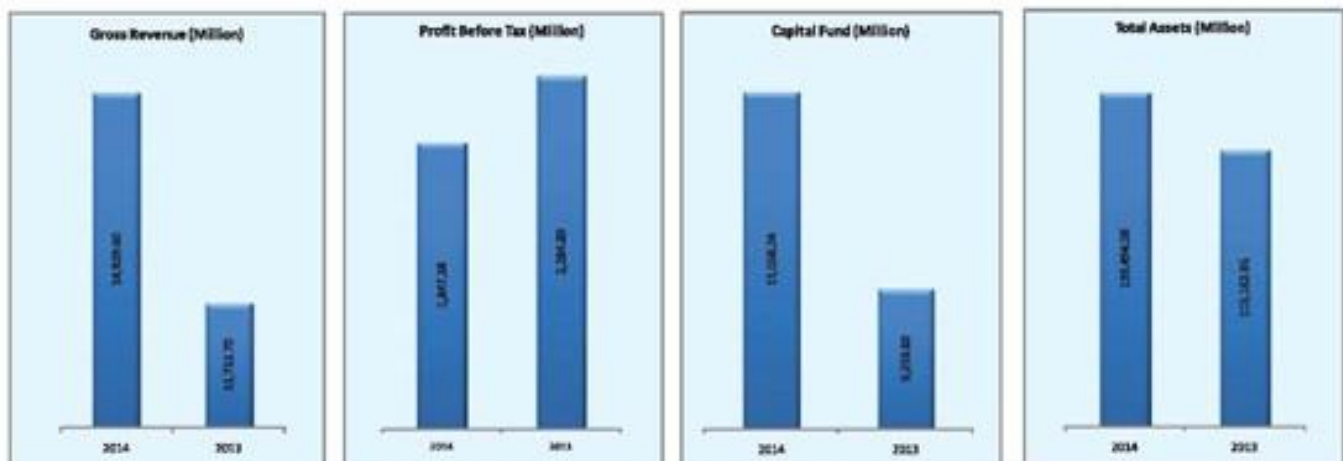
Financial Highlights- JBL

| 2014 | 2013 |
|---------------------|------|
| Taka in BDT Million | |

| | | |
|--|------------|------------|
| Gross Revenue | 14,929.60 | 13,713.70 |
| Operating Income | 6,090.62 | 5,635.66 |
| Profit before Tax | 1,847.38 | 2,284.89 |
| Profit after Tax | 1,347.12 | 1,135.19 |
| Total Capital | 11,058.24 | 9,259.80 |
| Shareholders' Equity | 10,810.67 | 8,880.94 |
| Deposits | 114,635.13 | 97,485.61 |
| Investment | 39,963.54 | 31,392.20 |
| Loans & Advances | 77,899.79 | 67,669.38 |
| Premises, Furniture & Fixture | 2,278.50 | 2,195.05 |
| Total Assets | 139,494.58 | 115,162.95 |
| Import & Export | 124,898.40 | 117,001.80 |
| Return on assets after tax (%) | 1.06 | 1.01 |
| Classified Advance (%) | 5.68 | 7.59 |
| Return on equity (%) | 13.68 | 13.20 |
| Liquidity Ratio (%) | 17.11 | 14.84 |
| Capital Adequacy Ratio (%) | 11.21 | 11.10 |
| No. of deposits accounts | 605,039 | 525,347 |
| No. of advances accounts | 28,042 | 24,654 |
| No. of employees | 2,204 | 2,138 |
| No. of branches (including SME center) | 97 | 91 |
| No. of ATM | 167 | 140 |

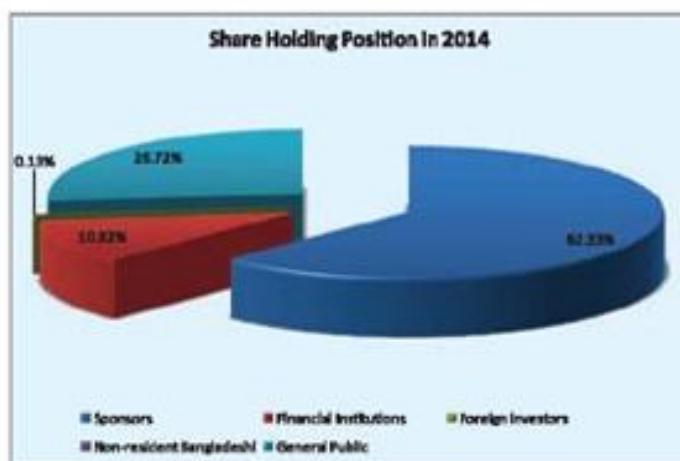
Credit Rating

| | |
|------------|------|
| Long-Term | A 1 |
| Short-Term | ST-2 |



Shareholders' Information Distribution of Share in 2014

| Particulars | Number of Share | | % of Share | |
|--------------------------|----------------------|----------------------|----------------|----------------|
| | 2014 | 2013 | 2014 | 2013 |
| Sponsors | 3,216,544,160 | 2,608,273,730 | 62.33% | 58.12% |
| Financial Institutions | 558,532,940 | 473,593,740 | 10.82% | 10.55% |
| Foreign Investors | 6,583,580 | 4,369,200 | 0.13% | 0.10% |
| Non-resident Bangladeshi | - | - | - | - |
| General Public | 1,379,006,430 | 1,401,299,950 | 26.72% | 31.23% |
| Total | 5,160,667,110 | 4,487,536,620 | 100.00% | 100.00% |



No. Shares held by Directors in 2014

| Name of Directors | Status | 01-01-2014 | 31-12-2014 | Change (%) |
|-------------------------------------|----------------------|--------------------|--------------------|---------------|
| | | Opening Position | Closing Position | |
| Mr. Mr. Shaheen Mahmud | Chairman | 21,269,102 | 24,459,466 | 15.00% |
| Engr. A.K.M. Mosharraf Hussain | Director | 8,975,073 | 10,321,333 | 15.00% |
| Engr. Md. Atiqur Rahman | Director | 17,333,248 | 19,933,235 | 15.00% |
| Mr. Golam Dastagir Gazi, Bir Protik | Director | 8,975,953 | 10,322,345 | 15.00% |
| Mr. Faziur Rahman | Director | 8,975,622 | 10,321,965 | 15.00% |
| Al-Haj Nur Mohammed | Director | 13,261,001 | 15,250,151 | 15.00% |
| Mr. Md. Tajul Islam | Director | 10,140,732 | 11,661,841 | 15.00% |
| Mr. Sakhawat, Abu Khair Mohammad | Director | 9,000,568 | 10,350,653 | 15.00% |
| Al-haj Md. Rezaul Karim Ansari | Director | 9,043,298 | 10,399,792 | 15.00% |
| Mr. Md. Belal Hossain | Director | 8,975,953 | 10,322,345 | 15.00% |
| Mr. Md. Mahmudul Hoque | Director | 8,978,632 | 10,325,426 | 15.00% |
| Mr. Md. Sirajul Islam Varosha | Director | 8,125,283 | 10,321,560 | 27.03% |
| Mr. Kanutosh Majumder | Director | 8,998,508 | 10,348,283 | 15.00% |
| Mr. Gazi Golam Murtoza | Director | 11,440,851 | 13,159,151 | 15.02% |
| Ms. Tasmin Mahmud | Director | - | 25,940,705 | - |
| Mr. Md. Hasan | Director | - | 25,803,287 | - |
| Mr. A. S. M. Abdul Ha'im | Independent Director | - | - | - |
| Mr. Narayan Chandra Saha | Independent Director | - | - | - |
| Mr. Chowdhury Mohammad Mohsin | Independent Director | - | - | - |
| Mr. Md. Rafiqul Islam | Independent Director | - | - | - |
| Total | | 153,493,824 | 229,241,538 | 54.87% |

Shareholders' Information

Market Price Information-2014

| Month YR 2014 | DSE Price index | | Volume in Million Tk. | Month YR 2014 | CSE Price index | | Volume in Million Tk. | Total Volume on DSE & CSE |
|------------------|-----------------|-------|--------------------------|------------------|-----------------|-------|--------------------------|------------------------------|
| | High | Low | | | High | Low | | |
| Jan | 18.50 | 10.90 | 44.74 | Jan | 17.90 | 15.50 | 7.25 | 51.99 |
| Feb | 18.00 | 10.80 | 50.60 | Feb | 18.30 | 15.70 | 5.06 | 55.66 |
| Mar | 18.00 | 11.00 | 91.30 | Mar | 16.30 | 14.00 | 3.63 | 94.93 |
| Apr | 18.40 | 11.20 | 56.55 | Apr | 16.10 | 12.50 | 6.58 | 63.13 |
| May | 17.60 | 11.20 | 52.02 | May | 13.40 | 12.10 | 2.97 | 54.99 |
| Jun | 19.00 | 10.50 | 59.94 | Jun | 12.70 | 11.50 | 2.57 | 62.51 |
| Jul | 16.30 | 10.80 | 24.49 | Jul | 12.80 | 11.50 | 2.85 | 27.34 |
| Aug | 17.00 | 10.70 | 185.48 | Aug | 12.70 | 11.60 | 5.04 | 190.52 |
| Sep | 17.90 | 10.80 | 64.27 | Sep | 13.70 | 11.80 | 4.18 | 68.45 |
| Oct | 18.00 | 10.80 | 86.96 | Oct | 14.40 | 12.50 | 4.27 | 91.23 |
| Nov | 17.50 | 10.80 | 26.83 | Nov | 13.20 | 11.70 | 2.78 | 29.61 |
| Dec | 13.10 | 10.90 | 23.66 | Dec | 13.80 | 11.50 | 3.19 | 26.85 |



Shareholders' Information Economic Impact Report

Total Capital Structure - JBL

Amount in BDT Million

| | 2014 | 2013 |
|---|------------------|-----------------|
| Core capital (Tier- I) | | |
| Paid up Capital | 5,160.67 | 4,487.54 |
| Statutory Reserve | 2,966.02 | 2,596.54 |
| Right issue subscription money | - | - |
| Retained Earnings | 983.75 | 679.25 |
| Total: Tier -I capital | 9,110.44 | 7,763.33 |
| Supplementary capital (Tier-II) | | |
| General provision maintained against unclassified Loan & Advances | 721.72 | 645.33 |
| General provision maintained against off Balance sheet exposure | 376.02 | 292.34 |
| Revaluation Reserve of HFT Securities (50% of the total revaluation reserve) | 318.32 | 27.05 |
| Assets revaluation Reserve (50% of the total revaluation reserve) | 531.75 | 531.75 |
| Tier -II capital | 1,947.81 | 1,496.47 |
| Tier -I & Tier- II capital | 11,058.25 | 9,259.80 |
| Total Risk Weighted Assets | 98,298.68 | 83,421.38 |
| Required Capital (%) | 10.00% | 10.00% |
| Required Capital amount | 9,861.20 | 8,342.14 |
| Capital adequacy ratio maintained (%) | 11.25% | 11.10% |
| Core capital to Risk Weighted Assets | 9.24% | 9.31% |
| Supplementary capital to Risk Weighted Assets | 1.98% | 1.79% |

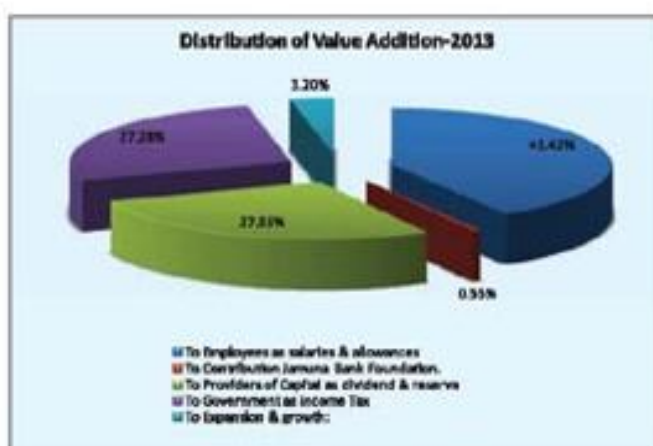
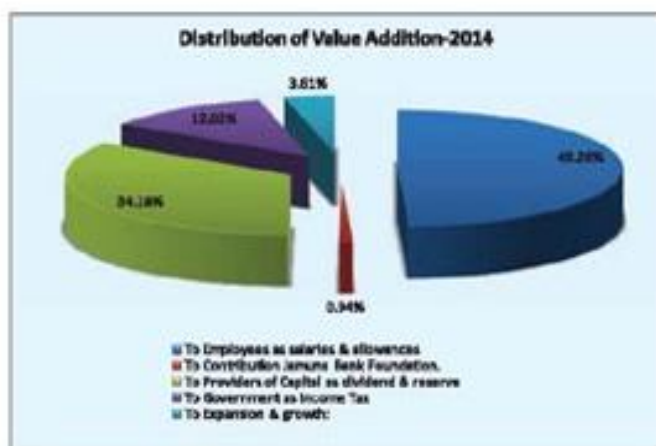
Shareholders' Information Economic Impact Report

Value Added Statement (VAS) for the year ended 31 December, 2014

Value added is the wealth created by JBL through its different banking operations. The Value added statement shows the total wealth created, how it was distributed to meet certain obligations, reward those responsible for its creation and the portion retained for the continued operation and expansion of JBL.

Amount in BDT Million

| Particulars | 2014 | 2013 |
|---|-----------------|-----------------|
| Income from Banking services | 14,929.60 | 13,713.70 |
| Less: Cost of services & Supplies | (9,766.98) | (8,908.53) |
| Value added by the Banking services | 5,162.62 | 4,805.17 |
| Non-banking income | - | - |
| Less: Provision for Loan and Advances, Shares, etc. | (1,221.43) | (684.02) |
| | 3,941.19 | 4,121.15 |
| Distribution of value added | | |
| To Employees as salaries & allowances | 1,941.32 | 1,706.94 |
| To Contribution Jamuna Bank Foundation. | 36.95 | 22.85 |
| To Providers of Capital as dividend & reserve | 1,347.11 | 1,135.19 |
| To Government as income Tax | 473.56 | 1,124.11 |
| To Expansion & growth: | 142.24 | 132.06 |
| Retained earnings | - | - |
| Depreciation | 152.49 | 129.32 |
| Deferred Tax | (10.25) | 2.74 |
| Total | 3,941.18 | 4,121.15 |



Shareholders' Information

Economic Value Added (EVA) Statement for the year ended 31 December, 2014

Economic value addition is a measure to calculate the economic value added by the enterprise to the stakeholders. In computing economic value addition, economic profit and contribution to the government exchequer is considered

Amount in BDT Million

| Particulars | 2014 | 2013 |
|---|-----------|-----------|
| Shareholders equity | 10,810.67 | 8,880.94 |
| Add: Cumulative provision for loan and off-balance sheets items | 2,894.60 | 3,194.35 |
| Total | 13,705.27 | 12,075.29 |
| Average Shareholder's equity | 12,890.28 | 11,456.52 |
| Earnings | | |
| Profit after taxation | 1,347.11 | 1,135.19 |
| Add: Provision for loan and advances | 1,221.43 | 684.02 |
| Less: Write off during the year | - | - |
| | 2,568.54 | 1,819.21 |
| Average cost of equity (Based on weighted average rate of treasury bill & bond issued by the Bangladesh bank) plus 2% risk factor | 10.00% | 10.00% |
| Average cost of equity | 1,289 | 1,146 |
| Economic Value Added | 1,279.51 | 673.56 |
| Growth over last year | 89.96 | -32.33 |

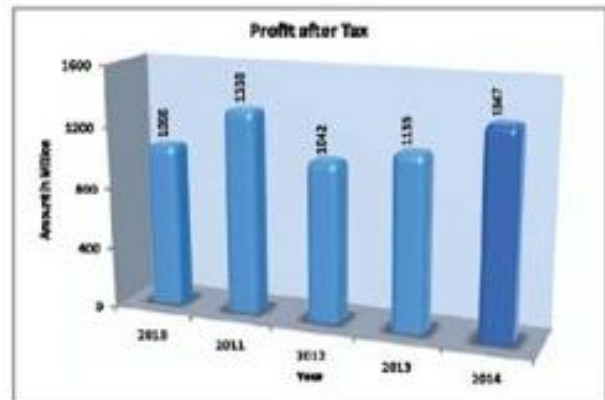
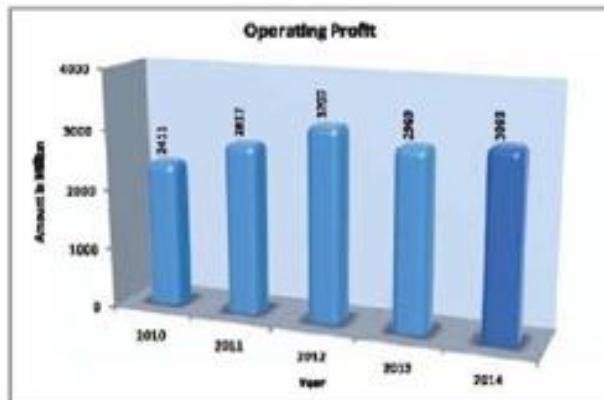
Market Value Added (MVA) Statement for the year ended 31 December, 2014

Market Value Added (MVA) is the difference between the current market value of a company and the capital contributed by the investors. Higher MVA is better for the organization. A high MVA indicates that the company has created substantial wealth for the shareholders. A negative MVA means that the value of management's actions and investments are less than the value of the capital contributed to the company by the capital market.

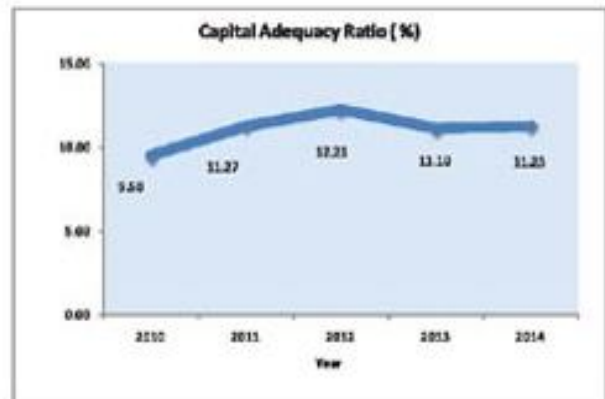
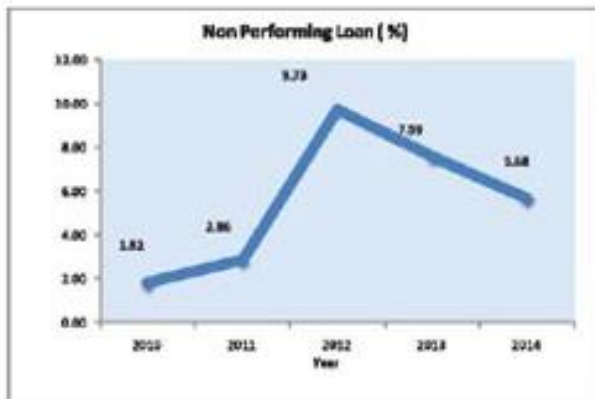
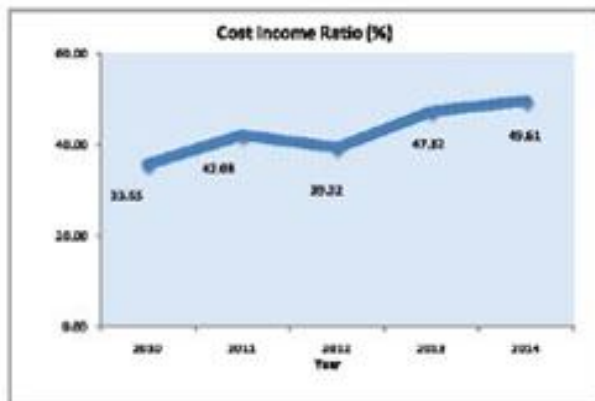
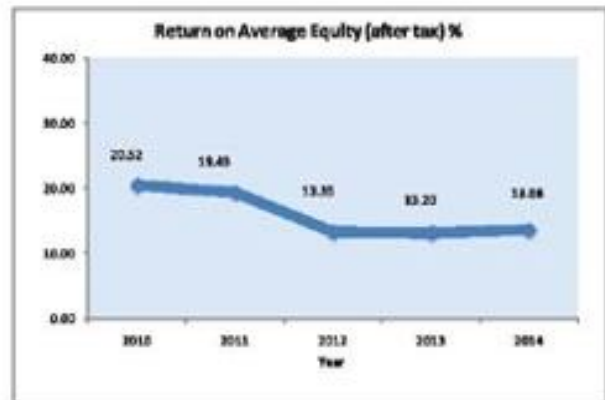
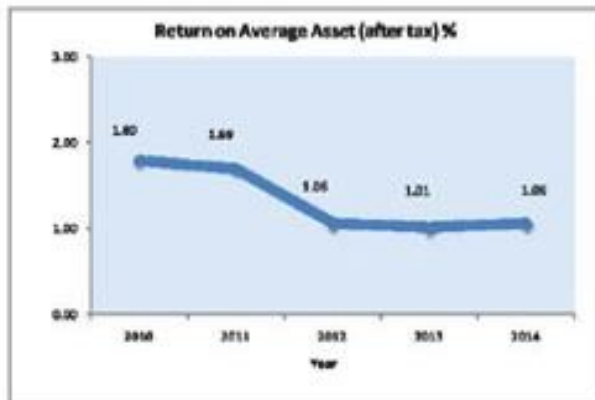
| Particulars | 2014 | 2013 |
|----------------------------------|------------|------------|
| Market Value of Total Equity | 6,342.50 | 7,310.14 |
| Less: Book Value of Total Equity | 10,810.67 | 8,880.94 |
| Market Value Added | (4,468.17) | (1,570.80) |

| | | |
|-----------------------------------|--------|--------|
| Total Number of share outstanding | 516.07 | 448.75 |
| Market Value per share | 12.29 | 16.29 |
| Book value per share | 20.95 | 19.79 |

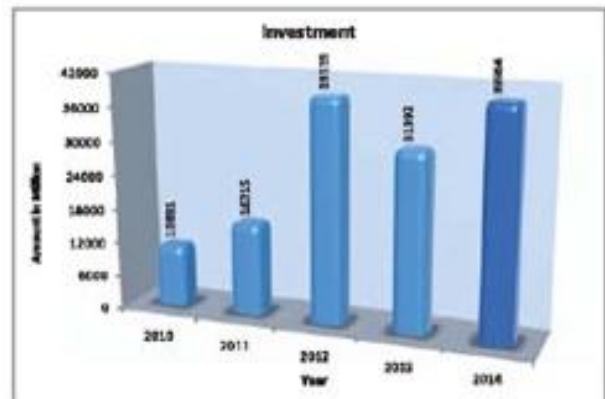
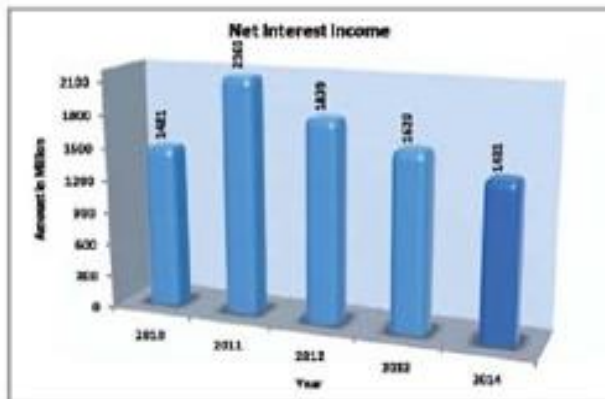
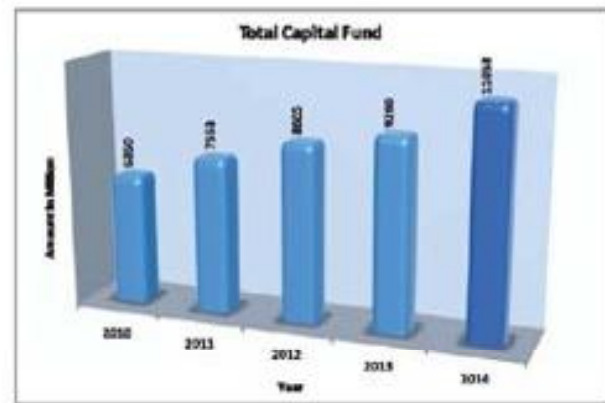
Graphical Presentation of Financial Data



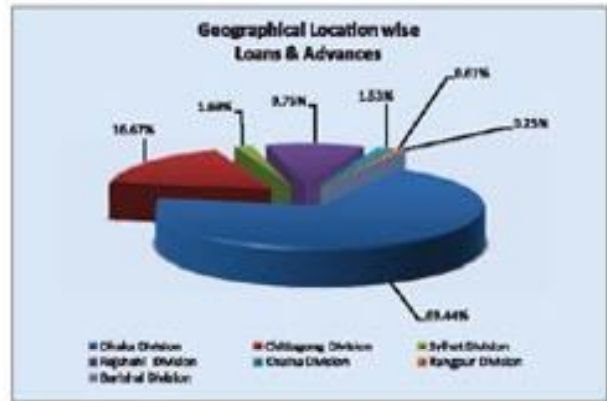
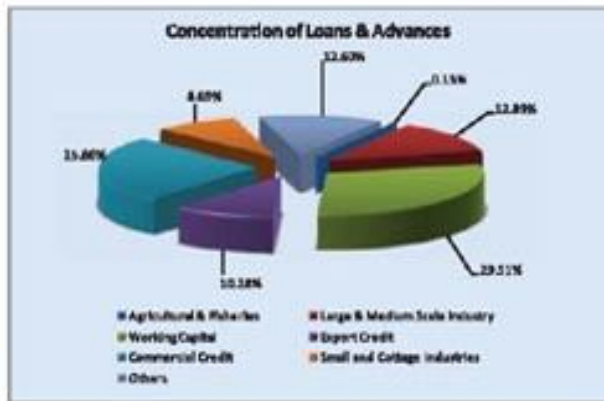
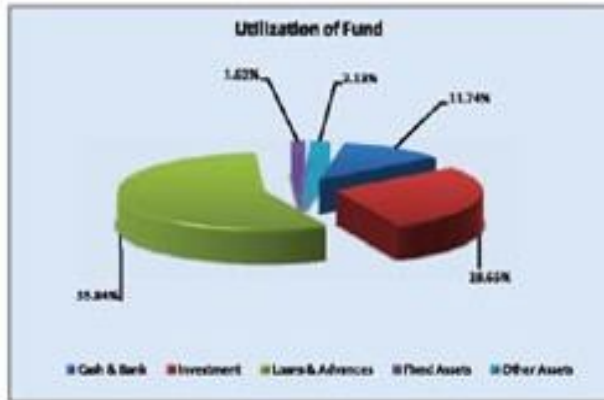
Graphical Presentation of Financial Data



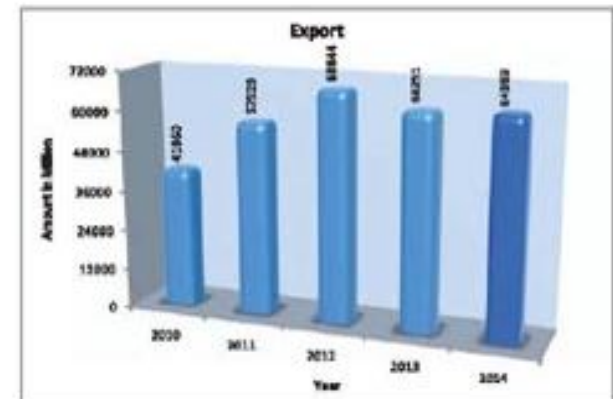
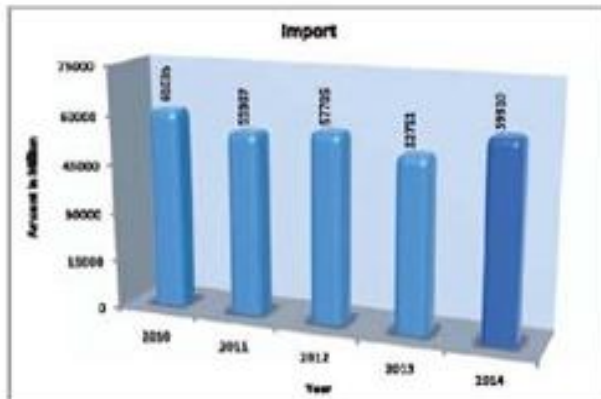
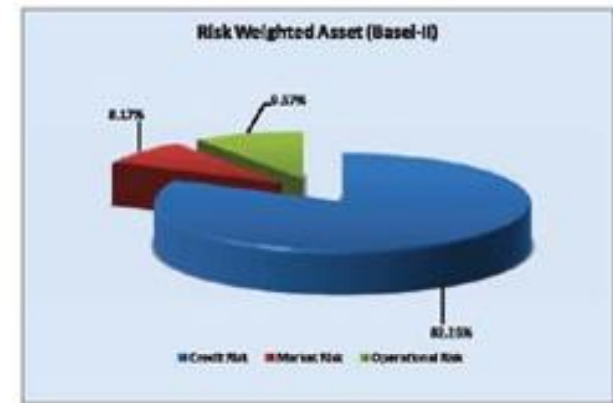
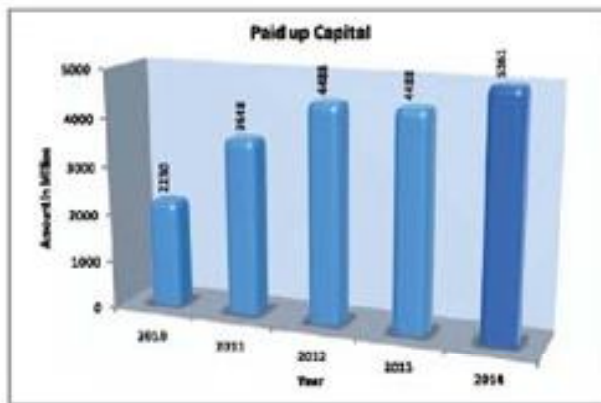
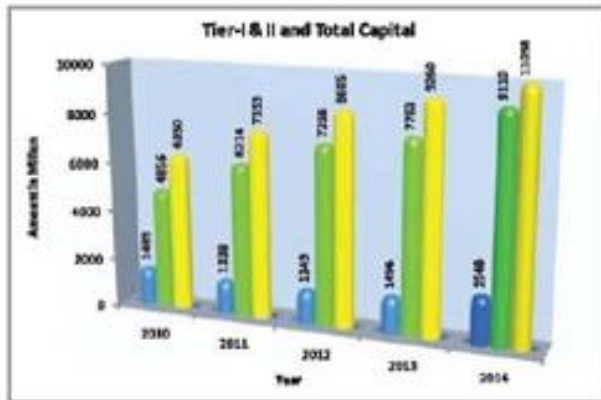
Graphical Presentation of Financial Data



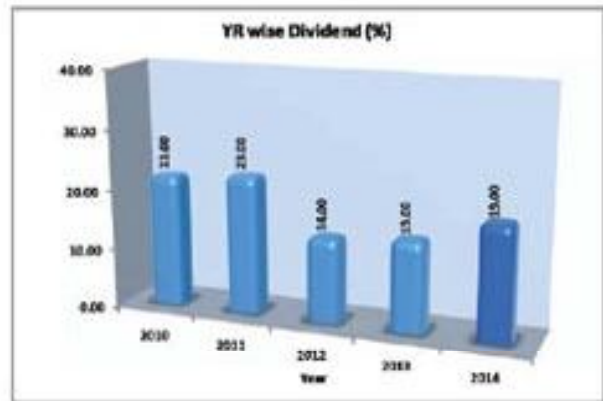
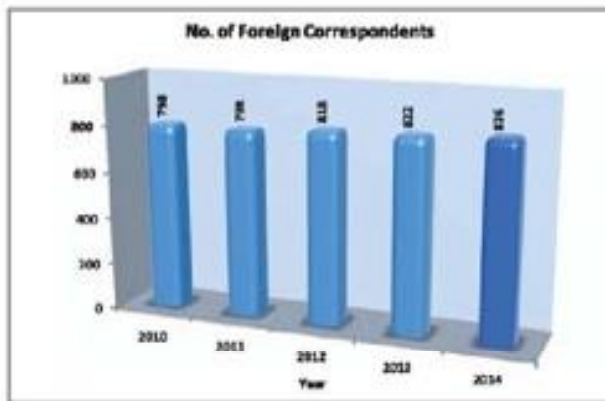
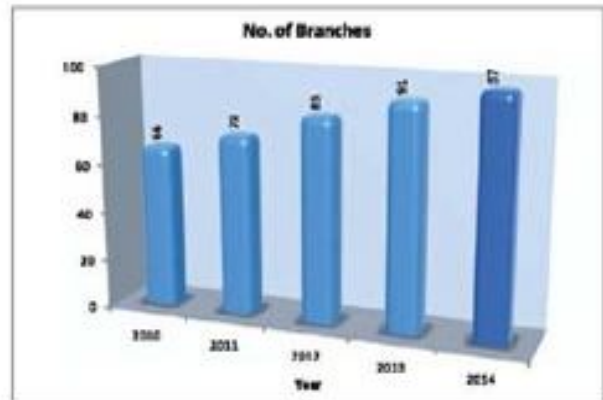
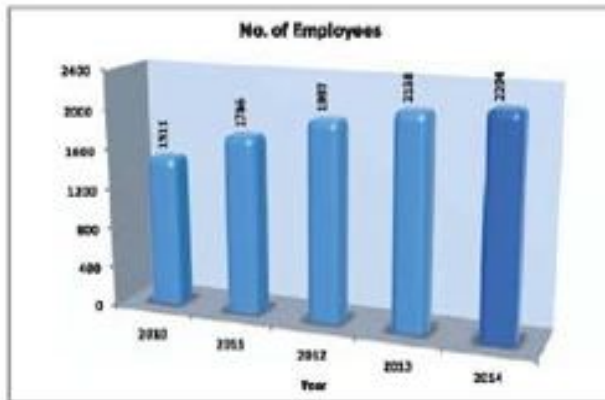
Graphical Presentation of Financial Data



Graphical Presentation of Financial Data



Graphical Presentation of Financial Data



REPORT OF THE AUDIT COMMITTEE OF THE BOARD

In compliance with Bangladesh Bank guidelines and Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC), the Audit Committee (AC) time to time formed by the Board of Directors of the Bank. The Audit Committee comprises five members including two Independent Directors. Name of the members of the Audit Committee as on December 31, 2014 as under:

| Name | Status |
|---|---------------|
| Mr. Md. Rafiqul Islam, Independent Director | Chairman (AC) |
| Engr. A. K. M. Mosharraf Hussain, Director | Member |
| Al-Haj Nur Mohammed, Director | Member |
| Mrs. Tasmin Mahmud, Director | Member |
| Mr. A. S. M. Abdul Halim, Independent Director | Member |

The major objectives of the Audit Committee are:

- To assist the Board of Directors with regard to the auditing of financial reports, internal controls and internal audits, and to select and work in co-ordination with the Bank's external auditors. The Audit Committee assists the Board in fulfilling its oversight responsibilities. The committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

Roles and Responsibilities of the Audit Committee:

(A) Internal Control:

- Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;

- Review management's actions in building computerization of the bank and its applications and banks Management Information System (MIS);
- Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;
- Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.

(B) Financial Reporting:

- Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;
- Discuss with management and the external auditors to review the financial statements before its finalization.

(C) Internal Audit:

- Audit committee will monitor whether internal audit working independently from the management.
- Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process;
- Examine the efficiency and effectiveness of internal audit function;
- Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

(D) External Audit:

- Review the performance of the external auditors and their audit reports;
- Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.
- Make recommendations to the board regarding the appointment of the external auditors.

(E) Compliance with existing laws and Regulations:

Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.

(F) Other Responsibilities:

- Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;
- External and internal auditors will submit their related assessment report, if the committee solicit;
- Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.

Meeting of the Audit Committee

In compliance with the Bangladesh Bank Circular, the Audit Committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit. The Audit Committee held 11 (eleven) meetings throughout the year 2014. The committee invites Chief Executive Officer, Head of Internal Audit or any other officer to its meeting, if it deems necessary. All decisions/observations of the committee are being noted in the minutes.

Areas focused by the AC in 2014:

The major areas of focus by the audit committee of the Bank during the year 2014 are mentioned below:

- Approval of plan for the year 2014 for conducting Internal Comprehensive Audit & Inspection on all Branches and Divisions of Head Office.
- Performed Internal Comprehensive Inspection of various Branches of the Bank.
- Review the latest Implementation status on documentation of disbursed Loans & Advances against new/enhanced credit facilities of the

Branches of the Bank.

- Review the Green Banking activities of the Bank.
- Appraise the Minutes of meeting of the BASEL-II Supervisory Review Committee (B2SRC) of the Bank.
- Review the process of strengthening Internal Control Systems and Procedures of the Bank.
- Reviewed the quarterly, half yearly and annual financial statements of the bank itself and consolidated financial statements as well as disclosure of information supplementary to the financial statements and issues noted from the audit of financial statements made by the external auditors. The review was made along with the management from Financial Administration Division and with the external auditors. Furthermore, the Audit Committee held meeting(s) with the external auditors to discuss the independence of the auditors and restrictions or limitations in performing their duties and expressing opinion.
- Review of Annual Report on the Financial Health of the Bank, 2014 in respect of directives /guidelines of Bangladesh Bank and Managing Core Risks designed for Banking Sector.

Overall, the Audit Committee has performed its duties diligently, independently and has expressed opinions with intent to optimize benefit for the Bank. The Audit Committee's own assessment and performance is that, it is completely and effectively conducted meeting in accordance to its roles and responsibilities assigned by the regulators and fully addressed the defined objectives.

On behalf of the Audit Committee,



Md. Rafiqul Islam
Chairman, Audit Committee

REPORT OF THE SHARIAH SUPERVISORY COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2014.



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Honorable Shareholders of Jamuna Bank Limited
Assalamu Alaikum Wa Rahmatullahi Wa Barakatuhu.

All praises are due to Allah, the Lord of the Universe, the Beneficent, the Merciful. Durud and Salaam is for our Prophet Mohammad (SM.) who is Rahmat for the creatures of the world.

We are pleased to express our appreciation to the Board of Directors, the Managing Director and all members of the Management team of Jamuna Bank Limited for their continuous support. We are grateful to our honorable shareholders and clients for their confidence reposed on us. Without their confidence and support, we could not be able to perform our activities properly.

The Shariah Supervisory Committee has been participating in different meetings and discussed various issues on Islami Banking activities of the Bank in respect of the Islami Shariah principles & regulations and provides their opinion and necessary directions during the year 2014. Islami Banking Division of the Bank inspected the two Islami Banking Branches of the Bank during the year and submitted their reports to the Shariah Supervisory Committee. If any irregularity/lapses are found, the same is reported directly to the Shariah Supervisory Committee for

information and necessary measures and disseminate the decision of the committee accordingly to the respective branches for compliance / non-recurrence of the said irregularities/ lapses.

The duty of the Shariah Supervisory Committee is to provide independent opinion & necessary guidelines upon observing and reviewing the activities of the Bank and also to conduct Shariah related training for the manpower of the Bank and to make the clients aware of Shariah compliance. On the other hand, the responsibility of the Islami Banking Branches is to ensure that the businesses are carried in accordance with the rules and principles of Islami Shariah. As per Shariah Supervisory Committee's recommendation specific marks are reserved for questions relating to Islami Banking to be asked to the Bank's Officials during interview at the time of promotion.

Following issues were also discussed in the meeting of Shariah Supervisory Committee of Jamuna Bank Limited during 2014:

- Shariah Inspection Report of the Islami Banking Branches.
- Actualization of Rate of Profit for the Mudaraba Depositors of Islami Banking.
- Different policies for Islami Banking Branches.

- Organizing workshop/training programs for the Officials of Islami Banking Branches and Al-Ihsan Islami Banking Service Centers.
- Awareness for compliance with Islami Shariah.

The suggestion of Shariah Supervisory Committee is furnished below:

- To take effective measures to operate investment in Musharaka and Mudaraba mode, which are superior modes of investment in Islami Banking system.
- To take comprehensive initiative to train adequately all levels of manpower related with Islami Banking services.
- To take necessary steps to convert the conventional operation to full-fledged Islami Banking as early as possible.

May Allah (SWT) give us tawfiq to achieve His satisfaction through implementing the Shariah in all areas of our life including those to Islami Banking.

Ma-assalam.



Professor Mowlana Md. Salahuddin
Chairman, Shariah Supervisory Committee

The image features four incandescent light bulbs arranged in a horizontal line on a reflective blue surface. The background is a solid, deep blue. The bulb on the far right is illuminated, casting a bright yellow glow and a soft light on the surface below it. The other three bulbs are unlit and appear as dark, translucent shapes. A semi-transparent white rectangular box is positioned in the upper right quadrant, containing the text "Chairman's Statement" in a bold, blue, sans-serif font.

Chairman's Statement



CHAIRMAN OF THE BOARD OF DIRECTOR

Chairman of the Board of Directors

Respected Shareholders,

Assalamu Alaikum,

Our bank has performed well over the past year. All of us who are privileged to serve on the Board of Directors are pleased with the results and confident about what can be accomplished in the year ahead.

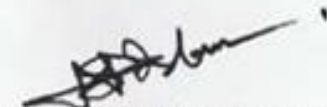
Jamuna Bank improved revenue, income and earnings per share in 2014. There was an attractive return of capital to shareholders in comparison to the most of the Banks of the country.

The bank's performance reflects the dedication and commitment of a talented and motivated team of employees led by a strong and experienced management group. In this regard, I want to acknowledge the dedicated efforts of our Managing Director & CEO, for his leadership and commitment. We believe that Jamuna Bank Limited's continued success depends on high customer satisfaction level and maintenance of continuous relationship with our valued customers.

We will work closely with the management and the leadership team in a shared commitment to redefine and grow the company, work more efficiently for customers and capitalize on our scale in the country. As we look forward to the year ahead, our focus will be on execution and performance as we take advantage of our strong businesses and platforms to deliver another year of superior returns.

As your representatives, we will continue to strengthen our board and the way it works, and we will continue to work with management in our effort to enhance the diversity of the organization at all levels. The board is performing well, and I thank my fellow directors for their many valued contributions to our progress.

Thank you for your confidence in our company during the past year. I hope you will continue to be with Jamuna Bank as we enter into a new year of achievement.



Md. Sirajul Islam Varosha
Chairman

A 3D rendering of a staircase with many silver spheres and one red sphere at the top. The spheres are arranged in a line, climbing the steps of the staircase. The red sphere is the only one of its color and is positioned at the top of the visible stairs. The background is a light gray, and the lighting creates soft shadows and highlights on the spheres and the steps.

**Managing Director
&
CEO's Review**



MANAGING DIRECTOR & CEO

Bismillahir Rahmanir Rahim

Assalamu Alaikum

I am happy to report that during fiscal 2014 we sustained and further improved our performance. We adopted a balanced approach to growth, profitability and risk management. This strategy has helped us strengthen significant areas of our business. During the year, we have further strengthened our position with continued improvements in our key financial parameters, a strong deposit franchise and a healthy capital position; thereby creating a platform for robust growth.

In 2014, in view of the prevailing macro market situation, our focus was on the improvement of asset quality and creation of selective new assets with the aim of maintaining a sound and safe portfolio. Simultaneously, good liquidity and lower cost of fund throughout the year gave us additional strength. As such, our effort has been to bring stable and predictable earnings. Our endeavor was to achieve meaningful long-term goal ensuring fundamental growth of the Institution. Needless to say, in 2014 we kept our focus on core business and never took the sight away from macro market conditions and from cautious calculation of associated risk factors.

During the year 2014, we continued our efforts to further improve the deposit mix targeting a good reduction in the cost of funds. Our long-term endeavor to reach to the larger number of clients by providing easy access to technology driven services to the masses continued as well during the year under review. Our networks have expanded through the introduction of different and innovative modes of delivery channels that currently include 167 ATMs. The results show that under a highly competitive market, we were able to achieve 18% growth in customer deposits. Our aggregate cost of funds was 7.13% at the end of 2014, just lower than 8.00% of the previous year. Besides deposit, the loans and advances stood at BDT 77,899.79 million at the end of 2014 from BDT 67,669.38 million in 2013, thus having grown by 15.12%. The Bank continued to diversify its lending portfolio in 2014. It successfully distributed portfolios across different sectors in order to reduce client specific and industry specific concentration and overall portfolio risk.

In maintaining adequate capital against overall risk exposure of the Bank, our guiding philosophy has been to strengthen risk management and internal control. Bank's regulatory capital as on 31 December 2014 stood at BDT 11,058.24 million. As at the end of 2014, Capital Adequacy Ratio – under Basel II –

was 11.25% against minimum requirement of 10.0%.

On the CSR front, as an institution that dearly believes in its community development responsibilities, Jamuna Bank has focused on social improvement. Bank also has undertaken few specific initiatives that include supporting the Rana Plaza victims, fire burnt victims of petrol bombs, assisting the under privileged children, support to the education sector to name a few.

2014 was undoubtedly a challenging year for Bangladesh economy and 2015 will, no doubt, offer its share of new challenges. With our excellent track record of over 14 years of ethical and prudent banking, we want to emerge as one of the most trusted partners of progress to trade and business of the country. As we look forward, we are committed to build a shared prosperity for our society to continue to meet the needs of future generations. The combined experiences of the senior management team have given us strength to see us through difficult times. We are confident that we are on the right track and we draw our strength from our tradition of providing the highest quality of service to our customers. Our objectives are simple enough: to continue to improve our operational efficiency and to offer innovative products and services to cater to the contemporary needs and tastes of the customer base. Given the uncertainties of the external environment, our approach in 2015 will be conservative especially in the areas of managing the balance sheet and maintaining asset quality.

I express my gratitude to the Directors of Jamuna Bank for their strong support and cooperation all along. A great debt is owed to our customers and shareholders who believed in us and remained loyal to Jamuna Bank brand throughout. Last but certainly not the least, I thank my team for their constant enterprise, dedication, enthusiasm and commitment.



Shafiqul Alam
Managing Director & CEO



**Directors'
Report**

Directors' Report 2014

The Board of Directors of Jamuna Bank Limited takes pleasure in welcoming you all to the 23rd Annual General Meeting (AGM) and presenting Annual Report along with the Audited Financial Statements for the year 2014. Before going into details performance of the bank, let's start with the status of global and local economy in brief.

Global Economy: An Overview

We have come through 2014 without a major disaster for the global economy. But it hasn't been a terribly good year. Before it started, the International Monetary Fund forecast a year of "yet another transition". Advanced economies would strengthen, the IMF said, while emerging economies had already weakened.

Some of that turned out to be right. The US and Britain did indeed gain some strength. The slowdown in the emerging world, which was already apparent a year ago, has continued in China, Brazil and Russia - most of the famous BRICS grouping, in other words. But other rich countries have continued to turn in a disappointing performance. While the Eurozone did continue to grow, it failed to gain momentum. Now there are some concerns that even Germany may have been afflicted by the Eurozone economic malaise. Certainly, Europe's traditional powerhouse suffered a setback with economic activity falling back in the second quarter of 2014. There was one bit of good news. The Greek economy finally started to expand. But it was just a tentative start after a very deep decline - by more than 25% in total. Unemployment remains excruciatingly high.

Japan too had a setback after an increase in the tax on consumer spending. The Japanese government has enormous debts, so there was a reason for it, but the economic consequences have led the government to delay the next tax rise it was planning. Ukraine itself was affected and so was Russia due to Western sanctions. The sanctions also appear to have hit Germany whose exports to Russia fell sharply. There was one geopolitical crisis that didn't have the global economic impact that might have been expected.

The rise of Islamic State in Iraq and Syria did not affect the oil market in the way that many previous crises in the Middle East had, when concerns about possible disruptions pushed prices up. The same was largely true of the instability in Libya and the latest episode in the conflict between Israel and the Pales-

tinians. IS had little impact on the global supply of oil, which has been increasingly plentiful due to the shale oil revolution in the US. At the same time, demand for oil has weakened due to the slowdown in China and the persistent sluggishness of the Eurozone and Japan. The result of all those factors was a fall in the oil price of 40% from its peak in June.

That aggravated Russia's financial problems, but it is an economic boost for countries that import oil - which is to say most of the world.

Outlook of 2015

As per IMF projections, the global growth is expected to be 3.5% in 2015 in consideration of recent prospects in China, Russia, the euro area, and Japan as well as weaker activity in some major oil exporters because of the sharp drop in oil prices. From the advanced economies the growth is expected to be 2.4% on the back of gradually recovering labor markets, ebbing fiscal consolidation, still-low financing costs. Among major advanced economies, growth in the U.S. economy is projected to 3.6%, with domestic demand supported by lower oil prices, more moderate fiscal adjustment and continued support from accommodative monetary policy. In the euro area, the growth is projected to be 1.2% which is expected to be supported by lower oil prices, further monetary easing, and more neutral fiscal policy stance. In emerging and developing economies, growth is projected to remain stable at 4.3%. Slower growth in China will have important regional effects to downward growth in much of emerging Asia. The growth forecast in India is broadly unchanged as weaker external demand is offset by the boost to the terms of trade from lower oil prices and a pickup in industrial and investment activity after reforming of policy.

Local Economy

Bangladesh economy managed to maintain the growth momentum in FY14 notwithstanding the political unrest and moderate recovery of global economy. The real GDP growth increased by 0.1 percentage point; from 6.0 percent in FY13 to 6.1 percent in FY14. The growth of industry sector was lower in FY14 compared to the preceding year partly due to political problem and uncertainty. Moderate growth of agriculture sector along with satisfactory growth of services sector helped to achieve the 6.1 percent growth of the overall economy. During FY14, the average inflation showed an upward trend, mainly due to increase in food inflation although the nonfood inflation declined during the same period.

Aided by strong agricultural growth of 3.4 percent, GDP growth during the year was also supported by 5.8 percent modest growth in services sector and moderate growth of 8.4 percent in industry sector. The expansion of the economy during the year was broad based, reflected in positive growth by all sectors and sub-sectors of the economy. Out of the overall GDP growth of 6.1 percent in FY14, 3.1 percentage points was contributed by services sector, followed by industry sector (2.5 percentage points) and agriculture sector (0.5 percentage point).

The nominal GDP of the country was Taka 13509.2 billion in FY14 which was about 12.7 percent higher than that of FY13. The per capita real GDP and GNI are estimated at Taka 49726.0 and Taka 53040.0 respectively in FY14. The per capita nominal GDP and GNI, however, in the same year are estimated at Taka 86731 and Taka 92510 respectively. Country's per capita real and nominal GDP increased by 4.7 and 11.2 percent respectively in FY14 compared to FY13.

Agriculture Sector

The growth of agriculture sector increased to 3.4 percent in FY14 from 2.5 percent in FY13. This increase is attributable mainly to the favourable weather, continued Government support and higher disbursement of agricultural credit. Despite the increase in growth of agriculture sector, its share in total GDP declined as other sectors grew at a relatively faster rate. The share of agriculture sector in total GDP in FY14 was 16.3 percent, which was 16.8 percent in FY13. Within agriculture sector, most of the subsectors performed well during FY14. Crops and horticulture sub-sector recorded a growth of 1.9 percent in FY14 as against 0.6 percent in FY13. Animal farming and fishing subsectors registered slightly higher growth of 2.8 and 6.5 percent in FY14 compared to 2.7 and 6.2 percent respectively in FY13. Forest and related services sub-sectors grew at a rate of 5.1 percent in FY14 compared to 5.0 percent in FY13.

Industry Sector

The growth in industry sector decreased to 8.4 percent in FY14 from 9.6 percent in FY13. The main reasons for this decrease include inadequate domestic demand and political unrests ahead of national election in the country, which took a toll on the industrial production. Among the industry sub-sectors, growth of construction increased to 8.6 percent in FY14 from 8.0 percent in FY13. However, growth of all other sub-sectors declined over the same period.

The growth of mining and quarrying subsector regis-

tered the highest decline, from 9.4 percent in FY13 to 5.2 percent in FY14. Growth of manufacturing sub-sector decreased to 8.7 percent from 10.3 percent over the same period. The large and medium scale manufacturing which accounted for 81.9 percent of the manufacturing sub-sector registered a growth of 9.2 percent in FY14 compared to 10.7 percent in FY13. On the other hand, small scale manufacturing registered a growth of 6.6 percent in FY14 which was 8.8 percent in FY13. Quantum Index of Industrial Production (QIP) which has been estimated for computing value added of large and medium scale industries showed a growth of 9.2 percent in FY14.

Production of pharmaceuticals and medicinal chemical grew significantly (29.0 percent) in FY14. Beverages, machinery and equipment n.e.c, other transport equipments, wearing apparel, motor vehicles, trailers and semi trailers, fabricated metal products except machinery, food products, basic metal, rubber and plastic products and computer, electronic and optical products registered positive growth during FY14. The ready-made garments and knitwear, country's two key export items, showed higher growth of 13.8 percent in FY14 compared to 12.7 percent in FY13. However, manufacturing of coke and refined petroleum products, furniture, paper and paper products, chemicals and chemical products and textile experienced a negative growth in FY14.

Services sector

The services sector grew at a rate of 5.8 percent in FY14, which was slightly higher than the preceding fiscal year. This growth was mainly driven by wholesale and retail trade, public administration and defence, education and health and social work subsectors. The wholesale and retail trade subsector grew at a rate of 6.6 percent in FY14 compared to 6.2 percent in FY13. The growth of public administration and defence subsector increased from 6.5 percent in FY13 to 7.1 percent in FY14. Health and social work sub-sector registered a 5.0 percent growth in FY14, which was 4.8 percent in FY13. The growth of education sub-sector increased from 6.3 percent in FY13 to 8.2 percent in FY14, mainly as a result of significant increase of primary school teachers. Hotel and restaurants; transport, storage and communication; and real estate, renting and business activities sub-sectors grew by 6.7, 6.5 and 4.2 percent respectively in FY14. The growth rates of these subsectors in FY13 were 6.5, 6.3 and 4.0 percent respectively. The performances of financial intermediations and community, social and personal services sub-sectors remained unchanged in FY14.

Consumer Prices in Bangladesh

Annual average CPI inflation (base: FY06=100) in Bangladesh showed a mixed trend in FY14. The inflation stood at 7.35 percent in June 2014 against the target of 7.0 percent set in the monetary policy statement (January-June 2014) while it was 6.78 percent in FY13. Inflationary pressure was rising from February 2013 and reached the peak in January 2014 (7.60 percent) due to higher food prices as a result of supply disruptions because of pre-election political unrest. However, the CPI inflation started to decrease from February 2014 and came down to 7.35 percent in June 2014. The falling inflation largely attributed to stable fuel price, good domestic harvest and stable exchange rate. Low growth rate of money supply and private sector credits accompanied by decline in government borrowing from Bangladesh Bank has also contributed to the reduction of inflation. The twelve month point-to-point CPI inflation has also substantially eased down to 6.97 percent in June 2014 from 8.05 percent in June 2013.

The annual average and point-to-point food inflation in Bangladesh experienced mixed trends in FY14. The annual average food inflation increased to 8.57 percent in June 2014 which was 5.22 percent in June 2013.

The point-to-point food inflation increased to 9.09 percent in May 2014, the peak for FY14 and then decreased to 8.00 percent in June 2014. Food inflation was high because of high retail prices as traders have to add up higher transportation cost as well as uncertainty driven risk premium over the goods transported. In addition, business entities have also sought to make up losses incurred during political unrest, which ultimately passed on to the prices. The food inflation started declining in June 2014 due to the improvements of overall political situation of the country, decrease in global and regional food prices, and advent of boro harvest in the market. The average non-food inflation showed a declining trend during FY14 mainly due to weaker domestic demand and the central banks cautious monetary policy. The average non-food inflation fell from 9.17 percent in June 2013 to 5.54 percent in June 2014.

Point-to-point non-food inflation has also declined to 5.45 percent in June 2014 against 7.75 percent in June 2013. Decrease in prices of clothing and footwear; furniture furnishing; recreation, entertainment, education and cultural services; and other non food items contributed to decrease in non-food inflation during FY14. However, the nonfood inflation started increasing in June 2014. Monthly

percentage change in general, food and non-food inflation showed a mixed trend from July 2013.

In FY14, between urban and rural areas, inflation was relatively high in the former than later. In rural areas, average inflation was 7.07 percent while it was 7.89 percent in urban areas. Annual average inflation in the rural areas increased to 7.07 percent in June 2014 from 6.14 percent in June 2013. In the same areas, the food inflation reached at 8.11 percent from 4.64 percent and the non-food inflation decreased to 5.21 percent from 8.94 percent over the same period.

Call money rates

The weighted average interest rate in the call money market was ranging from 6.3 percent to 8.1 percent during FY14. During FY14 the average volume of trade in the call money market increased by Taka 51.1 billion which was 3.7 percent higher than that of FY13. Both the volume of transaction in the call money market and the weighted average interest rate showed a balanced trend during FY14. However, a lower rate was observed in the 4th quarter of the year.

Interest Rates on Deposits and Advances

The weighted average interest rates of scheduled banks on deposits and lending along with the spread during FY09 to FY14 showed mixed trends. The weighted average interest rate on lending declined to 13.10 percent in FY14 from 13.67 percent in FY13 though policy rates remained unchanged as a result of fall in demand for credit and continued moral persuasion by BB. The weighted average deposit interest rate came down to 7.79 percent in FY14 compared to 8.54 percent in FY13. The large excess liquidity in the banking system contributed to lower the deposit rate. The trends of the spreads between lending and deposits rates were above 5 percent from FY10 to FY14. The spread stood at 5.31 percent in FY14 compared with 5.13 percent in the preceding year.

External Sector

Export

The export earnings (including EPZ) continued to increase from USD 26567 million in FY13 to USD 29765 million in FY14. During the same time, total import payments increased from USD 33576 million to USD 36571 million. Trade deficit declined to USD 6806 million in FY14 from USD 7009 million in FY13. The services and income account including primary income and secondary income registered a surplus of USD 8152 million. Current account balance registered a surplus of USD 1346 million in FY14, which was USD 2388 million in FY13. The capital and financial account continued to register surplus and rose to USD 3719 million in FY14 from USD 3399 million in FY13. Enhanced portfolio investment was one of the main driver of this increase. The overall balance of payments registered a surplus of USD 5483 million in FY14, implying a slight decline from the preceding year. Gross international foreign exchange reserves stood at USD 21508 million at end of FY14 representing 7.1 months of import cover.

The growth of export earnings increased from 10.7 percent in FY13 to 12.0 percent in FY14. Despite this increase of growth, total export earnings as a percentage of GDP slightly decreased from 17.7 to 17.1 over the same period as nominal GDP of the country increased by more than 12.0 percent. Notwithstanding the supply chain disruptions, robust growth of export of ready-made garments continued. While shrimps, leather, knitwear, woven garments, home textile and footwear experienced a positive growth, some of the exports items like fish, petroleum byproducts, raw jute, jute goods, specialized textiles and engineering products experienced a negative growth.

Import

Import payments as a percent of GDP decreased from 22.4 in FY13 to 21.0 percent in FY14. Imports grew at a rate of 8.9 percent in FY14 compared with the 0.8 percent growth in FY13. Total import bills for all items except petroleum and fertiliser has increased in FY14 compared to FY13.

Remittance

Remittance inflows play an effective role in poverty alleviation, supporting development process and in humanizing standards of living. The workers' remittance inflows experienced negative growth of 1.6 percent in FY14 compared to 12.6 percent positive growth in FY13. There are indications of a reversal of this trend.

Monetary Policy

A cautious but inclusive growth and investment friendly monetary policy stance was implemented during FY14. Policy rates were kept unchanged due to the risks of inflationary pressure and to support economic growth. Broad money (M2) registered 16.1 percent growth in FY14 against the targeted growth of 17.0 percent and the actual growth of 16.7 percent in FY13. Total domestic credit increased from 10.9 percent in FY13 to 11.6 percent in FY14. Private sector credit growth was 12.3 percent in FY14 which was lower against the targeted growth of 16.5 percent mainly due to sluggish credit demand, political uncertainty and stringent lending practices by banks following some scams in some banks.

On the other hand, the growth of credit to the public sector declined to 8.8 percent in FY14 against the target growth of 22.9 percent due to significantly lower government borrowing from the banking sector. Instead of borrowing from banks, government collected a good amount of resources through selling National Savings Certificates. Export continued to grow from 10.7 percent in FY13 to 12.0 percent in FY14. Almost imports of all items in the import basket increased last year pushing the overall growth of imports from 0.8 in FY13 to 8.9 percent in FY14. Trade deficit declined to USD 6806 million. Workers' remittances stood lower at USD 14115 million in FY14 compared to the preceding fiscal year, registering a negative growth of 1.6 percent. The current account balance showed a relatively small surplus of USD 1346 million in FY14 which is attributable to the negative growth of remittances. Supported by a significant surplus in the combined capital and financial account, the overall balance recorded a surplus of USD 5483 million in FY14. This contributed to foreign exchange reserves reaching USD 21508 million at the end of FY14, sufficient to meet over seven months of imports. In order to protect Bangladesh's external competitiveness Bangladesh Bank continued its interventions in the domestic foreign exchange market by purchasing foreign currencies as and when deemed appropriate. As a result, Taka-USD exchange rate remained stable during FY14.

Banking Industry in 2014

Banking sector in Bangladesh has come across a turbulent year facing many odds and pitfalls in the macroeconomic fundamentals. The major challenges faced by the banking industry were low credit growth, increasing trend of non-performing loans resulting to higher provisioning requirements, and surplus liquidity. The cumulative effects of these put pressure on the profitability of the banking sector as a whole.

However, the NPL of banking sector dropped in the last quarter of 2014 to 9.69% as on 31 December 2014 (source: The Daily Star) due to taking strong recovery drives, conducting rescheduling and write-offs by the bank companies upon strong direction and supervision of central bank.

Credit growth of private sector registered 12.7% at the end of November 2014. Political uncertainty and infrastructural bottlenecks are holding the pace of expected private investment back. Besides, public sector credit registered 6% growth at the end of November 2014. The lower demand for credit by the public sector occurred due to relatively lower payment for imports by government such as for petroleum products in view of falling oil prices in the international market and mobilization of resources from other sources remarkably from sales of National Savings Deposit Certificates.

Banks are overflowing with liquidity due to lower demand for private and public sectors credit. The weighted average interest rate in the call money market was ranging from 6.3 percent to 8.1 percent during FY14.

The weighted average deposit interest rate came down to 7.79 percent in FY14 compared to 8.54 percent in FY13. The large excess liquidity in the banking system contributed to lower the deposit rate. The trends of the spreads between lending and deposits rates were above 5 percent from FY10 to FY14.

Capital adequacy ratio (CAR) decreased to 10.6% at the end of September 2014 from 11.5% in December 2013 which is still exceeding the BASEL accord of the minimum 10% capital adequacy ratio.

Outlook of 2015

The prospects of the Bangladesh economy over the near and medium terms are reasonably good. The strong domestic demand base, gradually improving investment climate, decreasing uncertainty and reduced inflation are expected to lead to better economic performance. GDP growth is expected to pick up between 6.2 to 6.5 percent in FY15 keeping inflation at a reasonable level provided that macro-economic policies must continue to support sustained expansion in agriculture and industry together with large investment in infrastructure while striving to enhance government revenue collection.

The risks of high inflation include global food price volatility, any shocks to domestic crop production and the knock-on impact of upward adjustments in

public sector wages. Fiscal monetary coordination will continue and the track record of containing Government borrowing well within budgetary limits is expected to continue. As such there is no risk of crowding out of private sector credit flow.

Efforts have been continued to maintain the country's external sector stability. Further build up in foreign exchange reserves in FY15 will continue at a more moderate pace than FY14.

Although restrictions in major host countries leading to a reduction in migrant workers outflows resulted in decline of remittance inflows during FY14, it is expected that remittances will increase in FY15. Government is trying to send more people with the help of recruiting countries. Bangladesh Bank projects a 12 and 15 percent growth of export earnings and import bills respectively during FY15. Bangladesh's aspiration to become a middle income country by 2021 is likely to be possible if there is good governance in financial and fiscal fronts, political stability and development of infrastructural facilities.

Financial Performance Review 2014

The Bank met or exceeded almost all of its published objectives for 2014 as illustrated below. As a result of its strong commitment to improve its efficiency and profitability ensuring compliance of all regulatory requirements, the Bank consistently improved its performance. Furthermore, the Bank maintained its financial strength through sound risk, liquidity and capital management.

Total Assets

The total assets of the Bank as on 31.12.2014 rose to Tk.139,494.58 million from Tk.115,162.95 million as on 31.12.2013 which indicated 21.13% growth of assets over the preceding year.

Cash and Balance with Bangladesh Bank and its Agent

The amount of cash and balance with Bangladesh Bank and its Agent as on 31.12.2014 was Tk.10,040.97 million while it was Tk. 6,650.51 million as on 31.12.2013.

Balance with other banks and financial institutions

The total amount stood at Tk.6,336.94 million as on 31.12.2014 and Tk. 4,278.98 million as on 31.12.2013.

Money at Call & Short Notice

The amount stood at nil as on 31.12.2014 & on 31.12.2013.

Investment

The investment portfolio of the Bank as on 31.12.2014 was Tk.39,963.54 million while it was Tk. 31,392.20 million as on 31.12.2013. The investment portfolio was blended with Government Treasury bills/ Treasury Bonds of Tk.39,510.01 million and investment in primary/secondary shares of Tk.453.53 million. The Bank's major portion of investment is in Govt. Treasury Bills and Bonds for the purpose of fulfilling Statutory Liquidity Requirement as well as an approved dealer of the same.

Loans and Advances/Investments

JBL was in constant efforts to explore different areas of credit operation and could maintain the credit portfolios of Tk.77,899.79 million in 2014 while it was Tk. 67,669.38 million in 2013. In order to ensure compliance with regulatory requirements for avoiding risk of exposure to single borrower, concentration on large loans, to bring in excellence in credit operation in relation to risk management, yield, exposure, tenure, collaterals, security valuation etc. the portfolio of loans and advances increased 15.12% in 2014 from the year 2013. JBL strived for further diversification of credit portfolios. Its credit facilities were concentrated on Trade Finance, SME finance, Agriculture and related sectors, project finance, wholesale and retail trade, transport sector, hospital & diagnostic centres and syndicate financing for big projects, capacity additions to the manufacturing sector and structured financing for developing infrastructure of the country.

Total Non-performing loans and advances/Investments

Total non-performing loans and advances was Tk.4,422.15 million as on 31.12.2014 while it was Tk. 5,133.75 million in 2013. The percent of non-performing loans and advances as on 31.12.2014 5.68% while it was 7.58% in 2013. The percentage of classified loans and advances decreased in 2014 due to recovery, regularized and written-off of bad loans following Bangladesh Bank guidelines. Required Provision has been kept against all non-performing loans and advances as per directive of Bangladesh Bank.

Liabilities

Total Liabilities of the Bank stood at Tk.128,683.91

million as on 31.12.2014 which was Tk. 106,282.01 million as on 31.12.2013.

Borrowing from Bangladesh Bank Financial Institutions and agents

Borrowing from Bangladesh Bank, other banks, financial institutions and agents stood at Tk. 9,359.85 million as on 31.12.2014 while it was Tk. 3,677.28 million as on 31.12.2013.

Deposits

Total deposits stood at Tk.114,635.13 million as on 31.12.2014 which was Tk. 97,485.61 million as on 31.12.2013. The growth of deposits Tk.17,149.52 million being 17.59% over the previous year.

Deposits Mix and Growth

JBL attaches utmost importance to the deposit mobilization campaign and to the optimal deposit mix for minimizing COF as far as practicable. JBL was able to instill confidence in customers as to its commitments to the depositors and borrowing customers and thereby could mobilize a total deposit of Tk. 114,635.13 million in 2014 against that of Tk. 97,485.61 million in the preceding year showing an increase of Tk.17,149.52 million being 17.59 percent. For healthy growth of business JBL puts emphasis on no cost and low cost deposit all the time. A number of savings schemes are in place for mobilizing long term deposits, which can be planned to invest in term loans in the area lease finance, project finance and SME and retail finance with a view to having better yield. JBL's such move will motivate the people to have good savings habit, as well. The comparative position of deposit mix of the Bank as on 31.12.2014 and 31.12.2013 is depicted below:

"Figure in BDT Million"

| Type of Deposit | As on 31.12.2014 | As on 31.12.2013 | Changes (+)/(-) | Changes in % over the Year |
|---|------------------|------------------|-----------------|----------------------------|
| Current/K wadeeah current accounts and other accounts | 12697.60 | 9576.97 | 3120.63 | 32.58 |
| Bills Payable | 2433.04 | 1274.22 | 1158.82 | 90.94 |
| Savings/Mudaraba savings bank deposits | 7894.49 | 5835.91 | 2058.58 | 35.27 |
| Fixed/Mudaraba fixed Deposits | 57955.48 | 55112.24 | 2843.24 | 5.16 |
| Short Notice Deposits | 5273.92 | 4106.63 | 1167.29 | 28.42 |
| Deposit Under Special Scheme | 28061.99 | 21282.43 | 6779.56 | 31.86 |
| Foreign Currency Deposit | 318.60 | 297.21 | 21.39 | 7.20 |
| Total Deposit | 114635.13 | 97485.61 | 17149.52 | 17.59 |

Capital Adequacy Ratios

According to the instructions contained in Bangladesh Bank's BRPD Circulars No. 10 & 24 dated March 10, 2010 and August 03, 2010 every commercial bank operating in the country is required to maintain at minimum 10 percent of its risk-weighted assets as capital from July 01, 2011. Jamuna Bank Limited could maintain Capital Adequacy ratio of 11.25 percent as at 31.12.2014, which was 1.25 percent higher than that of Minimum Required Capital Adequacy Ratio. The amount of capital with break-up is given below:

"Fig in BDT Million"

| Particulars | 2014 | 2013 |
|--|----------|---------|
| Tier I Capital | 9110.44 | 7763.33 |
| Paid up Capital | 5160.67 | 4487.54 |
| Share Premium Account | | |
| Statutory Reserve | 2966.02 | 2596.54 |
| Right issue Subscription Money | | |
| Retained Earnings | 983.75 | 679.25 |
| Proposed Bonus Share | | |
| Tier II capital | 1947.81 | 1496.47 |
| General provision maintained against unclassified Loans & Advances | 721.72 | 645.33 |
| General provision maintained against off balance sheet exposures | 376.02 | 292.34 |
| Revaluation reserve of Govt. securities (50% of the total revaluation reserve) | 318.32 | 27.05 |
| Assets Revaluation Reserve (50% of total revaluation reserve) | 531.75 | 531.75 |
| Exchange Equalization Account | | |
| Total Capital (Tier I + Tier II) | 11058.24 | 9259.80 |

From the above it reveals that Jamuna Bank Limited was able to increase its core capital from Tk.7763.33 million to Tk.9110.44 million and supplementary capital from Tk.1496.47 million to Tk.1947.81 million and total capital increase from Tk.9259.80 million to Tk.11058.24 million.

Analysis of Income Statement of JBL Financial Key Performance Indicators

- Deposits and loans are the two important elements considered in monitoring the performances. This helps the management to plan business expansion vis-à-vis liquidity. Deposit performance is measured in terms of cost of deposits. Credit is monitored in terms of yield on advance and impairment charges. Jamuna Bank

lead in liquidity management among the conventional private commercial banks;

- Asset and liability mix is monitored to ensure expected profitability, efficiency as well as to achieve diversification;
- Off-balance sheet exposure i.e. letter of credit, export and guarantee are monitored as these are important sources of fee based income. Margin and commission aspects are looked into;
- Revenue growth and revenue mix indicate the business growth and sources of income. This helps the management how well is our business mix and what actions to be taken for balanced growth;
- Cost to income ratio is an important tool which the management uses to determine the efficiency of consumption of resources for creating income;
- NPL ratio measures the asset quality of the bank and helps in managing asset portfolio;
- Net profit before tax measures the operating efficiency of the management and is important for determining the productivity of the employees;
- Return on average equity measures the return on the average capital invested in the business;
- The dividend policy of the bank aims to deliver sustainable and growing returns to shareholders by remaining a responsible citizen;
- The earnings per share ratio shows the level of earnings generated per ordinary shares.

Financial performance: Giving the changing economic and business conditions, the financial performance of JBL in 2014 was expectedly consistent. Besides, restraining aggressive lending, JBL diversified its funding source, recovered more bad loans, ensured quality of assets and fostered control and compliance during the year. Gross loans to deposit ratio has slightly decreased to 67.95 percent as on year-end 2014 against 69.41 percent at year end 2013 which adequately fulfill the regulatory requirement of 80.50%. Operating income increased to Tk. 3068.79 million as on 31.12.2014 from Tk. 2968.91 million as on 31.12.2013.

Financial Highlights: The key features of the financial performance for the year 2014 are summarized in the following table:

| Particulars | Year 2014 | Year 2013 |
|--|-----------|-----------|
| Net Interest Income (NII) | 1430.64 | 1619.88 |
| Profit before provision and tax/Operating profit | 3068.79 | 2968.91 |
| Provision for loans and contingent assets | 1221.43 | 684.02 |
| Profit before tax for the year (PBT) | 1847.37 | 2284.89 |
| Profit after tax (PAT) | 1347.11 | 1135.19 |

Appropriations: The Profit and Loss account for the year 2014 shows Profit after tax (PAT) of BDT 1347.11 million and the distributable profit is BDT 977.63 million after a mandatory transfer of BDT 369.47 million (20 percent of profit before tax) to statutory reserve.

Figures are in million BDT

| Particulars | Year 2014 | Year 2013 |
|--|-----------|-----------|
| Profit after tax | 1347.11 | 1135.19 |
| Retained earnings carried forward from previous year | 6.11 | 1.04 |
| Profit to be appropriated | 1353.22 | 1136.23 |
| Transfer to statutory reserve | 369.47 | 456.98 |
| Net profit after appropriation/ Retained surplus | 983.75 | 679.25 |

Net Interest Income

The net interest income as on 31.12.2014 was Tk.1430.64 million while it was Tk. 1,619.88 million in 2013. Due to increase of deposits as well as expenditure on deposits and borrowings, net interest income decreased during the year 2014.

Investment Income

Total investment income of the bank was Tk.3267.68 million in 2014 while it was Tk.2660.31 million in 2013. Due to increase investment in treasury bills/bonds as well as increase of yield on investment during the year 2014.

Non-Interest Income

Total non- interest income was Tk.1392.30 million in 2014 and Tk.1355.47 million in 2013. Due to increase of gain and commission income, total non-interest income increased during the year 2014.

Non-Interest Expenses

Total non-interest expenses was Tk.3,021.83 million in 2014 while it was Tk. 2,666.75 million in 2013.

Due to expansion of branches as well as number of employees increased, total non-interest expenses increased during the year 2014.

Net Profit Before Tax

The net profit before tax of the bank was Tk. 1,847.37 million as on 2014 which was Tk. 2,284.89 million in 2013. Due to requirement of additional provision for loans and advances during 2014 net profit before tax decreased in comparison to 2013.

Provision for Income Tax

Total Tax provision including deferred tax was Tk.463.31 million in 2014 while it was Tk. 1,126.85 million in 2013. Due to write-off of bad loans during the year 2014 some tax refund/adjustment claimed in 2014.

Net Profit After Tax

The net profit after tax of the bank was Tk.1,347.11 million in 2014 while it was Tk. 1,135.19 million in 2013.

Earning Per Share (EPS)

Earning per share was 2.61 as on 31.12.2014 while it was 2.20 as on 31.12.2013.

Statutory Reserve

Provision for Statutory Reserve of the Bank Tk. 369.47 million as on 31.12.2014 while it was Tk. 456.98 million in 2013.

Provision for Loans Advances and others

Required provision has been kept/maintained by the bank against loans advances and others as under :

Figure in BDT Million

| | During the year 2014 | During the year 2013 |
|--|----------------------|----------------------|
| Required Provision on Loans, Advances & Others | 1221.43 | 684.02 |
| Provision Maintained | 1221.43 | 684.02 |
| Volume of Classified loans & % of the same | 4422.15 5.68% | 5133.75 7.58% |

Import Business

The total import business handled by the Bank in 2014 was Tk. 59,909.80 million compared to Tk. 52,751.30 million in the preceding year a increase of Tk.7,158.50 million being 13.57 percent growth.

Export Business

The Bank handled export business worth Tk. 64988.60 million in the year under report. In 2013 total export business handled by the Bank was Tk. 64250.50 million. Thus there was an increase of Tk. 738.10 million in export business handled by the Bank, being 1.15 percent growth over the preceding.

Guarantee Business

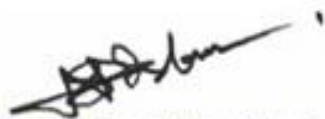
The bank handled guarantee business amounting to Tk. 4471.00 million in 2014 while it was Tk. 5578.10 million in 2013. Thus there was a decrease of Tk. 1107.10 million in guarantee business by the bank, being 19.85% negative growth.

Remittance Business

The total remittance of the bank in 2014 was Tk. 8200.00 million while it was Tk. 6859.00 million in 2013. It indicated 19.55% growth over the preceding year 2013.

Finally, I wish to thank our shareholders for their continued support and trust placed on us and Jamuna Bank Limited is determined to do better in future and with this expectation we are pleased to place the annual report, the audited financial statements for the year ended December 31, 2014 together with auditor's report thereon for approval

On behalf of the Board of Directors



Mr. Md. Sirajul Islam Varosha
Chairman of the Board of Directors



Management Discussion & Analysis

Credit

As a financial intermediary, Bank tries its best to channelize fund received from surplus savings units (depositors) to deficit savings units (borrowers) of an economy in such a manner so that its goal of maximize profit at minimum risk can be achieved. Loans & advances therefore plays most important role in this respect since loans and advances are the heart of asset of all commercial Banks. The bank continues credit facilities offering different customized loan products to business entities and individuals.

Stages of Credit processing:

- Credit Investigation.
- Credit assessment, appraisal & analysis.
- Loan structuring.
- Loan sanction, documentation & disbursement.
- Supervision, Monitoring, Follow-up & Recovery

Credit Risk Management

Credit Risk:

The risk of loss that may occur from the failure of any counter party to make required payments in accordance with agreed terms and conditions and/or deterioration of creditworthiness is called "Credit Risk". Credit risk may arise from both the banking book and trading book. Credit risk is managed through a framework set by policies and procedures established by the Board of Directors. The responsibility is clearly segregated between origination of business transaction and approval of the transaction.

Authority, responsibility and Delegation:

Authority and responsibility for all activities that expose the bank to credit risk is finally rests with the Board of Directors in conjunction with the senior management of the bank. The Board delegated authority to the Managing Director and CEO or other senior officials for sanction credit (limit/case to case) except large loans (more than 10 percent of banks eligible capital). The Board also set credit policies and delegates authority to the Executive Committee of the Board of Directors & the management for setting procedures, which together have structured the credit risk management framework in the bank. Our Credit Policy contains the core principles for identifying, measuring, approving, and managing credit risk in the bank and designed to meet the present & expected organizational requirements. These policies represent the minimum standards for credit extension by the bank, and are not a substitute for experience and good judgment.

The policy covers corporate, retail, small and medium enterprise exposures. Policies and procedures together have structured and standardized credit risk management process both in obligor and portfolio level. There is a comprehensive credit appraisal procedure that covers industry/business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk and account performance risk.

To make its business sustainable, risk management is a most vital issue. The Bank thus restlessly adopt continuous policies & procedures to mitigate the risks i.e. operational, market, liquidity, concentration, cross border, legal, reputational & the most important risk "credit risk" that arises from extending credit to customers through lending operations. JBL's risk management strategy is based on identifying & addressing of various risks, assessing systematically, measuring & monitoring such risks continuously. Risk management objective is to maximize risk adjusted returns within own risk appetite.

CRM is responsible for the appraisal of all credit requests & processing to obtain requisite approvals in line with the Bank's policy. This handles request from corporate, retail, SME, agriculture and card division. It is also responsible for the planning, monitoring & reporting of the credit portfolio.

The CRM strategy tries to focus on sound risk management practices in such a manner that complies with all applicable laws & regulations. The Bank does not lend to that business which the bank does not clearly understand. CRM function is independent of business originating functions to establish better internal control & check.

The JBL's management viewed credit risk from the following perspective:

- Risk in judicious selection of customer.
- Risk in background & credit worthiness checking.
- Risk in identifying business risk.
- Risk in security coverage, valuation & perfection.
- Risk of fund diversion.
- Risk of end-use supervision, follow-up & monitoring.
- Risk of not taking timely action.
- Risk of negligence & not doing due diligence.

During the entire life cycle of any commercial operation, especially in borrowing – lending business, there subsist different types of inherent risks which are need to be properly identified, analyzed and mitigated using some tools and techniques, applying realistic judgement as well as handling those with most rational way.

Among other risks, credit risk is the most vital which deserves most preferential attention to be addressed. Credit risk arises from the bank's dealing with or lending to corporate, individuals and other banks or financial institutions, where there is a possibility that a borrower or counter party will fail to meet its obligation in accordance with agreed terms and conditions and /or deterioration of credit worthiness of customers.

To proactively manage loan portfolios, Credit Risk Management needs to be a vigorous process that enables banks to minimize losses and earn an acceptable level of return for shareholders, Credit risk is an essential factor that needs to be managed. Given the fast changing, dynamic global economy and the increasing pressure of globalization, liberalization, consolidation and disintermediation, it is essential that banks have robust credit risk management policies and procedures that are sensitive and responsive to these changes.

Credit risk of JBL is managed through a policy framework set by its Board of Directors. Although the final authority & responsibility for all activities that expose the bank to credit risk rest with the Board of the Directors; the Board, however, delegated authority to the Managing Director and/or others with Credit risk management responsibility. Bank's credit policy approved by the Board contains the core principles for identifying, measuring, approving & managing credit risk in the Bank. These policies represent the minimum standards for extending credit.

Credit Risk Assessment

Since Credit is the confidence of the Bank on the ability/capacity as well as willingness of the borrower/customer as regard to repayment of loan within stipulated tenor, thorough credit risk assessment is conducted prior to the sanction of credit facilities. Thereafter, it is reviewed annually for each relationship. The result of this assessment is presented in the credit proposal originated from the Relationship Manager. Following risk areas are addressed and assessed in credit sanctioning process:

a) **Borrower Analysis:** Reputation, education, experience, age and success history and net worth of the borrower are considered to analyze a borrower. Any issue regarding lack of management depth, complicated ownership structures or inter-group transactions are addressed in borrower analysis.

b) **Industry Analysis:** To analyze an industry JBL considers industry position i.e. threat & prospect in

the industry, risk factors pertaining to the industry, borrowers position or share in the industry.

c) **Supplier/Buyer Analysis:** Analysis of concentration of supplier/buyer with future prospect.

d) **Analysis of Historical financials:** An analysis of a minimum of 3 years historical financial statements of the borrower is being presented. The analysis addresses the quality and sustainability of earning, cash flow, and the strength of the borrower's Balance Sheets.

e) **Projection of financial performance:** In considering proposal for term facilities, a projection of the borrower's future financial performance/cash flows for 3 years are estimated to ascertain that the borrower will be able to repay the installments/bank dues.

f) **Feasibility study:** During feasibility study technical aspects, infrastructural facilities, seasonality of demand, debt-equity ratio, account conduct of the borrower, security, environmental impact/issue, Socio-culture aspects and other relevant factors are considered to assess credit risks.

g) **Analysis of account conduct:** Careful analysis of trade payments, cheques, principal and interest payments from account statements are done by the Bank's analysts.

h) **Adherence to lending guideline:** Credit proposals do not adhere to the bank's lending guidelines.

Risks:

The following risks are generally needed to be addressed to analyze any credit proposal:

- Business Risk
- Industry Risk
- Financial Risk
- Management Risk
- Facility Structure Risk
- Security Risk
- Environmental Risk
- Reputational Risk
- Account Performance Risk

Analysis and Mitigation Process:

- Credit Investigation and proper selection of borrower.
- Type wise Loan/Advances facility extended on actual need; not over/under assessed of actual need
- Tenor should be realistic/need based and within the framework of policy/guidelines.
- Sufficiency of security against facility should be ensured.
- Sanctioning with inserting all required covenants/terms & and conditions
- Proper documentation/scrutinize before disbursement
- Supervision, Monitoring, follow up and recovery should be a continuous process.

Credit Facilities Parameter

i. Maximum Size:

- Directives of Bangladesh Bank are meticulously complied in respect of maximum size of single customer/group exposure. At present, as per guidelines of Bangladesh bank, total outstanding of any single borrower /enterprise/organization of a group at any point of time does not exceed 35% of Bank's total capital subject to the condition of the maximum outstanding against fund based financing facilities (Funded Facilities) do not exceed 15% of the total capital. However, for export sector this limit is 50% of the bank's total capital. However, funded facilities shall also not exceed 15% of the total capital.
- Loan sanctioned to any individual enterprise or any organization of a group amounting 10% or more of Bank's total capital is considered as Large Loan.
- Credit limit in each case is fixed after assessment of actual business need considering required Debt Equity Ratio, Debt Service Coverage Ratio, Pay Back Period and Security Coverage etc.

ii. Maximum Tenor:

- Short term loan: Maximum period is 12 twelve months. Actual loan period shall be fixed on a case to case basis considering cycle of business and requirement.
- Medium Term Loan: More than 12 months and up to 36 months.
- Long Term Loan: More than 36 months. Actual period shall be fixed considering repayment

capacity and projected cash flow.

iii. Securities:

The credit facilities are secured by both primary and collateral security of substantial value and quality. However, the security requirements are flexible for rated customers having excellent track record that indicates lower business risks.

The credit facilities are secured by both primary and collateral security of substantial value and quality but the security requirements are flexible for borrowers having lower business risks.

Valuation of collateral securities is conducted by Bank enlisted independent surveyor, as well as the recommending Branch under some specific guidance and procedures set out by Head Office. The performances of the enlisted surveyors are reviewed periodically. The collateral security must have adequate value, proper demarcation, possession right and right title of documents as pointed by the panel lawyer of the Bank. The collaterals mostly remain within the command area of the respective Branches. In addition Guarantee of the sponsors, spouses, mortgagors as well as post dated cheques covering the facilities with usual charge documents are obtained to make the facilities secured. Assets pledged, as security are properly insured, financial instruments pledged as security are properly liened and authenticated.

Credit Risk Measurement:

Starting from Loan origination through initial screening & credit appraisal, credit approval process requires various data/information, reports, papers/documents and rational judgment. All sincere efforts are made for ensuring standards of credit approval are maintained. JBL has formulated clear guidelines for loan approval/renewal by adopting approval structure.

Credit risk team is absolutely independent during assessment of credit proposals.

Though internal risk rating is important, however credit decisions are not taken solely on the basis of rating. Credit approval primarily made on the basis of cash flows, repayment ability and profitability/business prospect of a particular loan seeker which are distinct from collateral based lending.

Problem loan identification in the early stage act as "safeguard" to the Bank against possible losses. Credit Risk Management Division measures & tracks the status of the credit portfolio, undertakes impact studies & detects early warning signals pointing to deterioration in the financial health of an existing borrower.

Risk Management plays a vital role along with judgment & experience in informed risk taking decision and portfolio management. Although Credit Risk grading Matrix is not a lending decision making tool but used as a general indicator to compare. It is an important tool used as a general indicator to compare one set of customers with another for credit risk measurement as it helps the Bank and financial institutions to understand various dimensions of risk involved in different credit transactions. The grading across the borrowers activities and lines of business provide better assessment of the quality of credit portfolio of a bank or a branch. Well-managed credit risk grading systems promote bank's safety and soundness by facilitating informed decision-making. Grading systems measure credit risk and differentiate individual credits and groups of credits by the risk they pose. This allows bank management and examiners to monitor changes and trends in risk levels. The process also allows bank management to manage risk to optimize returns.

The credit risk grading is done by assigning weight-age in accordance to the gravity of risk. The primary risk areas are financial risk, business/industrial risk, management risk, security risk and relationship risk. These risk components are further sub-divided.

Credit Risk Mitigation:

In addition to credit risk grading matrix to use numerical grading system associated with borrower, bank applies other tools and techniques to indicate risk of lending. After determining risks, potential losses expected to be arised from any given account, customer or portfolio, these are mitigated using a wide range of tools such as collateral, insurance, guarantees and netting agreements. Collateral & guarantees constitute a vital part of the credit risk mitigation process. These mitigants are assessed carefully in light of issues like legal certainty and enforceability, market value and counterparty risk of the guarantor. Collaterals are physically inspected, valued by independent 3rd parties (enlisted surveyors) in accordance to Banks credit policy and procedures. Performance of these third parties are reviewed periodically. As risk mitigation tool, collaterals like cash, financial instruments,

residential/commercial/industrial land & building, marketable securities, bank guarantees, L/C etc. are preferred by the Bank. Internal policy dictates the type of security offered, standards for periodic valuation & assessment of realisable value of collateral. Bank generally sanctions loan putting appropriate terms and conditions and set out pricing as well as tenor depending on risk involved in a particular credit proposal.

Credit Rating of JBL

It is mandatory requirement of Bangladesh Bank for banks conduct Credit Rating which has been instructed through BRPD Circular No.06 dated July 05, 2006. Credit Rating of Jamuna Bank Limited was done by the Credit Rating of Bangladesh Limited (CRAB) on the audited Balance Sheet as of 31.12.2013. CRAB has submitted their report as following:

Credit Rating Report (Surveillance Rating)

| | Long Term | Short Term |
|---|--------------------------------------|-------------------|
| Rating Outstanding (updated May 18, 2014) | A 1 (Strong Capacity & High Quality) | ST-2 (High Grade) |
| Validity of Outstanding | June 30, 2015 | |

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned A 1 (pronounced as single A one) rating of Jamuna Bank Limited in the Long Term and ST-2 in the Short Term. This level of rating indicates Strong Capacity & High Quality based on audited Financial Statement as on 31st December 2013 and other relevant information.

Commercial Banks rated A 1 in the long term belong to "Strong Capacity and High Quality" cohort. Banks rated A 1 have strong capacity to meet their financial commitments but are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than Commercial Banks in higher-rated categories. Such Banks are judged to be of high quality and are subject to low credit risk.

Commercial Banks rated in the short term ST-2 (high Grade) category are considered to have strong capacity for timely repayment. Commercial Banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of funds is outstanding.

Credit Policy of JBL

The Bank has formulated its own Credit Policy Guidelines focusing all core risks specially risks arising out of its credit operation. Experienced human resources are engaged to handle & manage these efficiently within the regulatory guidance & frame work. JBL's credit policy guidelines was initially approved by the Board of Directors in its 59th meeting held on 08.01.2006.

As per CRM guidelines of Bangladesh Bank, the policy should be reviewed at least annually taking into consideration of latest economic, business condition & circumstances. The Credit Policy Guidelines encompasses a wide range of issues related to credit operation.

The Bank updates through reviewing its credit policy periodically commensurate with the ongoing changes in the financial sector in the domestic economy & also collecting information regarding changes in global arena of Banking as well as business & economic condition.

The major points covered by the JBL credit policy are:

- Organizational Structure.
- Segregation of duties.
- Implementation of the concept of Relationship Banking
- Credit principles.
- Credit facilities parameter.
- Preferred areas of Business.
- Discouraged Business.
- Mode-wise Credit Exposure Ceiling.
- Large Loan Concentration Ceiling.
- Management of Classified Loans and Advances to keep it at the lowest level.
- Credit Budget with sectoral outlook and exposure ceiling.
- Procedure of Credit Operational including credit assessment.
- Credit Risk Grading System.
- Emphasizing on secured lending.
- Disbursement process and Documentation Credit Monitoring.
- Delegation of Approval Authority.

To manage risks arising out of its Credit operation efficiently and professionally, the Bank has formulated its own Credit Policy Guidelines. The Credit Policy Guidelines encompasses a wide range of issues related to credit operation.

Principles for extending Credit:

The Credit Policy Guidelines have outlined the Credit Principles of JBL as under:

1. **Suitable services & products:** The Bank shall provide suitable credit services and products for the market in which it operates. Product innovation shall be a continuous process.
2. **Loans from Deposit:** Loans and advances shall normally be financed from customers' deposit and not out of temporary fund or borrowing from money market.
3. **Maintaining Asset Quality:** Credit facilities shall be allowed in a manner so that credit expansion goes on ensuring quality i.e. no compromise with the Bank's standard of excellence. Credit is extended to customers who will adhere to such standards.
4. **Compliance:** All credit extension must comply with the requirement of Bank's Memorandum and Articles of Association, Bank companies Act as amended from time to time, Bangladesh Bank's instruction circulars, Guidelines and other applicable laws, rules and regulations.
5. **Risk Return Trade Off:** The conduct of the loan portfolio should contribute within defined risk limitation to achieve profitable growth and superior return on the Bank's capital.
6. **Relationship:** Credit sanction shall focus on the development and enhancement of relationship with customers and shall be measured on the basis of the total yield for each relationship with a customer (on the global basis), though particular transaction should also be profitable.
7. **Borrower Selection:** Credit facilities will be extended to those persons/companies, which can make best use of the facility thus helping maximize our profit as well as economic growth of the country. To ensure achievement of this objective, lending decision shall be based mainly on the borrower's ability to repay.
8. **Diversification:** The portfolio shall be well-diversified, sector wise, industry wise, geographical area wise, maturity wise, size wise, mode wise as well as purpose wise. Concentration of credit shall be carefully avoided to minimize risk.
9. **Remunerative:** If credit facilities are allowed on a transaction/one-off basis, the yield from the facility should be commensurate with the risk.

10. Pricing: Loan pricing shall depend on the level of risk and type of securities offered. Rate of interest is the reflection of risk in the transaction. The higher the risk, the higher is pricing. Interest rate may be revised from time to time keeping in view of the change in the cost of fund and market condition. Effective yield can be enhanced by requiring the customer to maintain deposit to support borrowing activities. Yield may be further improved by realizing Management fee. Commitment fee etc. where possible following the Bangladesh Bank's guidelines in this respect.
11. Staffing: Proper analysis of Credit proposal is complex and requires high level of numerical as well as analytical ability and common sense. To ensure effective understanding of the concept and thus to make healthy overall credit portfolio of the Bank, the policy of proper staffing is maintained in JBL through placement of qualified officials having right aptitude, formal training in Credit Risk Analysis, knowledge in Bank's credit procedures as well as required experience.

Credit Budget

JBL prepares Credit Budget in the inception of each year reviewing previous year performance & outlook for the current year considering each factor like economic, regulatory, political environmental, sectoral need and global condition etc. Budget is the numerical expression of a plan. It acts as the guideline for the operational people and streamlines all the efforts to the desired way.

- a) Credit Budget is prepared so that it can be used as yardstick to prevent unwanted credit concentration in one or few sectors. A bank with high concentration in one or few sectors is likely to be severely affected from any adverse change in the respective sectors. So, a sector-wise credit budget can be used as guideline to avoid sectoral concentration.
- b) The credit budget acts as a target to be achieved. It allows the management to review the performance with the budget & to take corrective action, if necessary.
- c) Since credit budget is prepared giving emphasis on potential sectors & for discouraging risky sectors, credit budget provides ready reference for identifying potential sector as well as risky sector. Obviously some sectors bear good potential while some other sectors may have reached the saturation stage. The risk factors differ from one sector to other.

To provide guidelines to the credit marketing team & to smoothen the credit decision, credit budget may act as yardstick.

JBL formulates credit budget indicating appetite for growth in different sectors, every year. For the year of 2014, JBL's credit budget contains following:

1. Identified & prioritized areas of business.
2. Mode-wise Credit Exposure Ceiling.
3. Large Loan concentration ceiling.
4. Utmost attention on managing Classified Loans & Advances to keep it at the lowest level.
5. Credit Budget for the year 2014 with sectoral outlook exposure ceiling.
6. Credit Budget for the different segments of business like Corporate, SME & Retail, Agriculture.
7. Emphasizing on Secured Lending.
8. Compliance of Basel-II framework & other regulatory guidelines.
9. Loan pricing policy.
10. Policy for delegation of Approval Authority as per Bangladesh Bank guidelines.
11. Implementation of the concept of Relationship banking.
12. Strengthening Credit Monitoring.

As a result its total loans & advances reached to Tk.7578 crore in diversified & preferred areas of business in the year ended 2014.

Corporate Banking

Taking the opportunity of calm political situation in the country Jamuna Bank Limited has achieved balanced growth in the year 2014. By focusing on asset quality, strict portfolio monitoring, innovation of new financial products and offering wide array of financial services our Corporate Division is committed to help customers to achieve their ambitions.

All through the year 2014, JBL persisted in its key role in supplying business capital in the form of loans and organizing collective finance with a high standard of diligence and full compliance to help build economy and social and physical infrastructure of the country. The Bank's corporate banking business focuses mainly on three areas, namely commercial banking, project financing and export financing. Jamuna Bank Limited is well conversant with the sophistications of corporate lending modalities with a tailored approach to its corporate customers in a cost effective way. Our corporate banking continues to enjoy stout affiliation with premier corporate clients of the country providing comprehensive and customized services.

JBL Corporate Division is segregated into different wings:

- Working Capital Finance
- Project & Equity Finance
- Syndication & Structured Finance
- Trade Finance
- Export Finance
- Financial Restructuring, &
- Commercial Banking Services

The policies of Corporate Assets product have been devised addressing current and future challenges for corporate banking business. Though the banking industry experienced a rigid condition in last few years, our corporate banking continues to emphasize on new windows of business. It also considers portfolio diversification before entertaining any customer. Concentration risk is reduced proficiently by a well diversification of loan portfolio. We are also attracting non-funded business, which has two-way benefits such as - for bank: it earns fee income; on the other hand, it promotes international trade (export & import) which helps boost up our economy.

Our corporate division is well equipped and staffed with skilled and experienced personnel who have in depth knowledge to select right customers by analyzing credit worthiness and all associated risks. Our Relationship Managers (RMs) work closely with the clients to understand the pros and cons of the business and its requirements. Tailor made services and need based financial support are offered to assist them all the time.

Sector wise distribution of assets of Corporate Finance is as below:



From the pie chart, we see that the highest allocation of JBL was in Trade service sector in 2014 that is 27%, which means more than one-fourth of total portfolio of the bank was invested in this sector. The second highest distribution was in manufacturing industry. There was no investment in Ship Building sector in

2014. RMG consisted of 10.00% of total Corporate loan portfolio. From above we also notice that JBL maintain a well-balanced portfolio of lending to minimize risk as well as promoting economic growth through nourishing different sectors.

Sector wise comparison of assets of Corporate Finance is as below:

Fig in Crore Taka

| Sector wise Structure of Lending | Outstanding as on 31.12.14 | Outstanding as on 31.12.13 | Growth in 2014 |
|---|----------------------------|----------------------------|----------------|
| Agriculture | 107.38 | 119.90 | -10.44% |
| RMG | 505.59 | 447.97 | 12.86% |
| Textile | 299.12 | 289.39 | 3.36% |
| Ship Building | 0.00 | 0.00 | 0.00% |
| Ship Breaking | 111.54 | 120.21 | -7.21% |
| Other Manufacturing Industry | 1731.60 | 1335.01 | 29.71% |
| Construction | 607.74 | 503.81 | 20.63% |
| Power, Gas | 33.77 | 30.46 | 10.87% |
| Transport, Storage and Communication | 371.42 | 330.81 | 12.28% |
| Trade Service | 1716.63 | 1760.61 | -2.50% |
| Commercial real estate financing | 92.35 | 85.94 | 7.46% |
| Residential real estate financing | 43.24 | 50.36 | -14.14% |
| Non-bank financial institutions | 127.59 | 48.08 | 165.37% |
| Others | 660.93 | 842.29 | -21.53% |
| Total Corporate Loans and Advances | 6408.90 | 5964.84 | 7.44% |
| SME | 645.49 | 404.88 | 59.42% |
| Retail | 432.68 | 264.12 | 63.82% |
| Capital Market | 91.43 | 74.03 | 23.50% |
| Total Loans & Advances | 7578.50 | 6707.88 | 12.98% |

From the table we see most significant growth in 'Non-bank financial institutions' (165.37%). The second highest growth is in 'Retail Loan' (63.82%). These changes in sector-wise allocation are justified from the points of changing situations of our economy, guidelines of Bangladesh Bank & own policies of JBL. Overall growth in lending of JBL in 2014 is 27.33% from the previous year. In amount it is 1627.09 crore larger than that of previous year.

Our management as well as work force is very dynamic and well responsive with the changing market conditions & technologies and seeking for innovative services to meet up the varieties needs of customers. The Bank has prioritized financing in infrastructure development and environment friendly projects. Jamuna Bank has stepped up to finance Green Projects e.g. Construction Brick Field using environment friendly technology, Solar Energy, as per guidelines of Bangladesh Bank.

Our Objectives in 2015

- Corporate Banking Division and Branches of Jamuna Bank Limited will give their joint effort in providing better services to the existing corporate clients as well as focusing on untapped large corporate clients.
- Better customer service will be ensured through effective co-ordination amongst people working in Front-office and Back-office.
- In order to address the import business for increasing revenue in the non-funded business area, we will put our utmost effort to increase our export oriented clients mainly in thrust sectors.
- Corporate Banking Division has been working with specific focus on the target sectors identified with extensive analysis of the current portfolio. These sectors will be prioritized while financing new projects.
- Providing innovative, low cost and customized financial solutions to the corporate clients. In the coming years, the division expects to cater to client needs for bilateral, multi bank loans or specialized financing products.
- Corporate Banking Division will ensure the coordination of Head Office and Branches for better management and supervision of loan portfolio as well as to maintain NPL at an acceptable level.

Retail Banking

JBL offers assorted consumer products which are tailor-made for different consumer segments. These products not only meet the financial need of the consumers but also have raised their living standard. Starting its Retail Credit operation in the year of 2009, JBL has continued its success in 2014 also. In 2014, total investment in this sector was 67.49 cores (approx) whereas in 2013, 2012 & 2011 the same was 48.99 cores, (approx) 41.72 cores (approx) & 47.80 cores (approx) respectively.

As the youngest banking in the banking sector, Jamuna bank Limited Launched Retail Credit in the middle of 2009.

JBL offers the following Retail Banking Products for its valued Customer:

Auto Loan:

- Customer Segment- For Permanent/confirmed service holder of Govt., Semi-Govt., Autonomous organizations, Banks, Insurance Companies,

Public Limited Companies, Multinational Companies, NGOs, employees of Private Limited Companies, acceptable to the bank, covered by guarantee of another employee of equal or higher grade, teachers of Universities, Colleges & Schools (Affiliated). Professional persons like Doctors, Engineers, Chartered Accountants, and Architects.

- Loan Size - Minimum 5.00 lac and Maximum Tk. 40.00. lac.

Any Purpose Loan:

- Customer Segment - For Permanent/confirmed service holder of Govt., Semi-Govt., Autonomous organizations, Banks, Insurance Companies, Public Limited Companies, Multinational Companies, NGOs, Employees of Private Limited Companies, acceptable to the bank, covered by guarantee of another employee of equal or higher grade, teachers of Universities, Colleges & Schools (Affiliated). Professional persons like Doctors, Engineers, Chartered Accountants, and Architects.
- Loan Size - Minimum 2.00 lac and Maximum Tk. 50.00. lac.

Personal Loan:

- Customer Segment - For Permanent/confirmed service holder of Govt., Semi-Govt., Autonomous organizations, Banks, Insurance Companies, Public Limited Companies, Multinational Companies, NGOs, Employees of Private Limited Companies, acceptable to the bank, covered by guarantee of another employee of equal or higher grade, teachers of Universities, Colleges & Schools (Affiliated). Professional persons like Doctors, Engineers, Chartered Accountants, and Architects.
- Loan Size - Minimum 2.00 lac and Maximum Tk. 20.00. lac.

Salary Loan:

- Customer Segment- For Permanent/confirmed service holder of Govt., Semi-Govt., Autonomous organizations, Banks, Insurance Companies, Public Limited Companies, Multinational Companies, NGOs, Employees of Private Limited Companies, acceptable to the bank, covered by guarantee of another employee of equal or higher grade, teachers of Universities, Colleges & Schools (Affiliated). Professional persons like Doctors, Engineers, Chartered Accountants, and Architects.

- Loan Size - Minimum 1.00 lac Maximum Tk. 8.00. lac.

Doctor's Loan:

- Customer Segment - For Salaried Doctors of reputed Medical Colleges & Hospitals, Clinics, Diagnostic Centers, NGOs, Multinational/Local Corporate, Govt. Offices, Semi Govt. Offices, Autonomous Organizations, National/ International Aid agencies, UN Bodies.
- Loan Size - Minimum 2.00 lac Maximum Tk. 50.00. lac.

Education Loan:

- Customer Segment - For Students of reputed Public/Private Universities, Medical/Engineering/ Nursing Colleges & Institutes. Student studying Undergraduate, Post Graduate, Doctoral or Professional courses. Overseas Education in any reputed educational institution.
- Loan Size - Minimum 1.00 lac Maximum Tk. 10.00. lac.

Overseas Job Loan:

- Customer Segment - Person having valid Job Offer/Akama/Green Card/Business Visa/ Resident Visa/Work Permit Visa. Person moving overseas for on the job training with subsequent Job Prospect.
- Loan Size - Minimum 2.00 lac Maximum Tk. 50.00. lac.

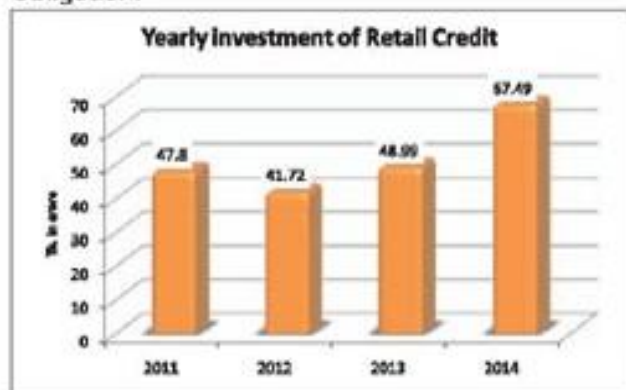
Consumer Credit scheme:

- For JBL Employees Only.

EHBL : Employees House Building Loan

Secured Over Draft (SOD):

Loan against Fixed deposit Receipt (FDR), Special Scheme (DPS, MSS, DGDS, and TGDS), Financial Obligation.



Investment growth under Retail Banking Division as on 31, December 2014



With these distinct products, JBL meets the various customers' necessity. The retail portfolio has been diversified with various products to meet the need of different segments of people of the society.

Treasury Operation

Treasury is involved in identifying and measuring the risks associated in the business and accordingly minimizing or hedging those risks using various financial tools and maximizes profit for bank. In the process, treasury operates through the integrated efforts of Money, FX and ALM to achieve the desired goal. JBL has a dedicated and well trained treasury team capable of providing all kinds of treasury solutions through wide range of products for providing superior service with respect to pricing in the best possible solution to customers. JBL Treasury has five desks and those are:

Money Market: Money market refers to raising and deploying short-term resources with maturity of funds generally not exceeding one year. The year 2014 was a new challenge for Treasury as it was very much flat in both money and forex market. JBL money market is one of the most active and efficient desks in the inter-bank money market of the country. The money market products are divided into call money, term money market, SWAP, Repo & Reverse Repo etc. JBL Treasury money market has earned good amount of spread income between borrowing & lending in various product of Money Market.

Foreign Exchange: Over the year, treasury maintained bank's net open position and FC liquidity in a prudent manner to manage exchange rate risk involved in commercial transactions of on-shore and off-shore Banking units. JBL is one of the leading market makers in either foreign products like spot, swap, forward transactions in inter bank market. In 2014, JBL Treasury makes forecast about future exchange rate movement on a regular basis and maintains its open position according to its future position.

Primary Dealer: With a view to activating a secondary market in Treasury bond, Treasury bill and other government security, Bangladesh Bank selected Jamuna Bank Limited as a Primary Dealer (PD) in 2003 with roles in subscribing and underwriting primary issues and in market making deals with firm two-way price quotes. JBL Treasury has been participating in primary auction of government securities actively and is one of the most successful traders in secondary market. Though the active secondary market of the G-secs is still in a nascent stage in the country but we are trying hard to make secondary market possible in our country. For this reason, we have been awarded by Bangladesh Bank as the best primary dealer continuously since introduction of underwriting commission and trading volume of secondary market. JBL Treasury has earned a good amount of 42.50% tax free income in 2014 with active trading as Primary Dealer.

Corporate Desk: Now-a-days, Treasury is also managing corporate portfolio by matching fund on borrowing & lending to corporate clients with a view to welfare of the economy keeping spread for the bank. In 2014, this is possible only for JBL Treasury by introducing Special Investment Fund for Corporate (SIFCO) to increase corporate client for welfare of the bank as well the economy investment portfolio. Corporate Desk also links the corporate client with treasury by nursing them.

Asset Liability Management: The responsibility of Asset liability Management is on the Treasury Division of the bank. Specifically, the Asset liability Management (ALM) desk of the Treasury Division shall manage the balance sheet. Treasury's primary objective was to mitigate the balance sheet gap in cost effective manner. The Head of Treasury Division will place the results of balance sheet analysis along with recommendation in the ALCO meeting where important decisions are made to minimize risk and maximize returns. JBL has highly efficient ALM desk. During year 2014, treasury maintained uninterrupted liaison with higher management about asset liability position, commitment of bank, market liquidity scenario through ALCO (Asset Liability Committee). The ALM desk provides analysis, instruction and guidance in the area of Asset Liability management for proper management of balance sheet of the bank. It takes various decision regarding interest rate of deposits, loan pricing, Credit Deposit Ratio, Fund transfer pricing etc.

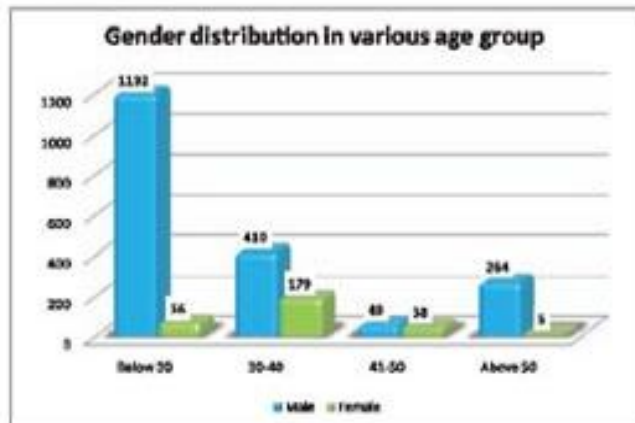
Human Resources

In simple terms HRM is a variety of tasks associated with acquiring, training, developing, motivating, organizing and maintaining human employees in an organization. HRM is a managerial concept, which deals with personnel, hiring, and firing employees, employee skill set and several other human related policies and procedures in an organization. HRM plays a very vital role in all the operations of the organization. In recent years, HRM has changed profoundly and it will continue to change as the work needs of the organizations are constantly changing and becoming more complex. To meet these profound changes in the concept of HRM, organizations are recognizing the need of strategic approach to HRM. SHRM is not a new concept but it is an extension of the traditional HRM in the organizations. In today's powerful competitive and global marketplace, maintaining competitive advantage and a differentiator puts a heavy premium on having a highly committed or competent workforce. Competitive advantage lies not just in differentiating a product or service but in also being able to tap the company's special skills or core competencies and rapidly responding to customer's needs and competitor's moves. In other words competitive advantage lies in management's ability to consolidate corporate-wide technologies and skills into competencies that empower individual business. With all the policy support from the Board and the higher Management, the Human Resources Division is relentlessly continuing its efforts to recruit the best available Officers at entry level through competitive written examination/interview.

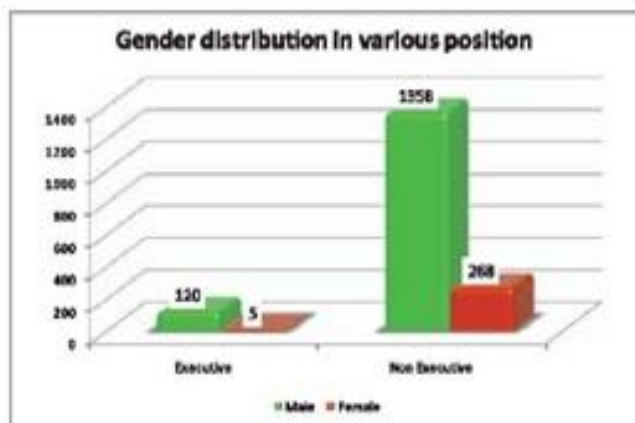
As part of Talent Management, the bank boarded 163 new employees in the year 2014. Experienced Bankers from good banks with fair knowledge and experience were also inducted to meet the demand for quality work force. The total number of headcount of Jamuna Bank Limited as at the close of the year 2014 stood at 2204 compared to 2138 in the year 2013. Rationalization of Human Resources is taken into consideration to validate and ensure proper manning arrangement in line with cost efficiency.

Human Resources Division has taken steps to review and update its Human Resources Management Policy. Training is another aspect. While ensuring a performance driven culture and better learning environment, the bank encouraged for personal development, enabled the individuals to drive for the organizational accomplishments on business priorities.

Gender distribution in various age groups of workforce in 2014



Gender distribution in executive and noexecutive workforce in 2014



Jamuna Bank Employee Welfare Activities



Cheque handover to family members of deceased employee, faiz Ahsan.



Cheque handover to Mr. Nazrul Islam

Jamuna Bank Capital Management Limited (JBCML)

Jamuna Bank Capital Management Limited (JBCML), a fully owned subsidiary of Jamuna Bank Limited obtained full-fledged merchant banking license from Bangladesh Securities & Exchange Commission (BSEC) in November 2010 and started its operation in April 2011. The major business activities of the Company are Issue Management, Underwriting, Portfolio Management, Corporate Advisory etc. From the very beginning of the operation, the Company is running profitably. The Operating Profit of the Company was Tk. 20.33 crore in 2014 which was 3.41% higher than that of 2013. The Company deserves a soar up in the operating income in upcoming years since its numbers of account opened have increased by 2,923 which is 291.14% higher in 2014 than that of the previous year.

Jamuna Bank Securities Limited

Jamuna Bank Securities Limited is another subsidiary of Jamuna Bank Limited. The Company was incorporated in February 2011 with an objective to carry out the stock-brokerage business. With this aim, the Company purchased a membership of Chittagong Stock Exchange Limited in March 2011 and was also exploring the opportunity to purchase the membership of Dhaka Stock Exchange Limited. The Company subsequently obtained Stock-Broker, Stock-Dealer and Full Service DP license from Bangladesh Securities Exchange Commission in June 2012 and started its operation in February 2013. However, the Company is running profitably since its inception. Presently, the Company is the Shareholder and TREC Holder of Chittagong Stock Exchange Limited and pursuing to purchase Share/ TREC of Dhaka Stock Exchange Limited. The Company is providing the services of BO A/C Opening, Share Trading with on-line trading facilities to the both individual and corporate investors.

International Trade Finance

Jamuna Bank Limited (JBL) has been keeping pace with the growing need of its customers through facilitating them in exploring new market and bringing the diversification to have steady and sustainable growth in the International Trade activities. The Bank has been conducting Foreign Exchange business through all its Branches (ADs and non-ADs) supported by International Division (ID). The Division has added values to the Bank facing highly competitive market through all dedicated work forces of the Branches by generating significant revenue and market position.

INTERNATIONAL DIVISION (ID):

International Division is quite dynamic in operating Import and Export business under the efficient leadership and prudent guidance of the Management and has been working as the major support unit for Trade-Finance of Jamuna Bank Limited. ID provides customized support to the Branches through establishing RMA, LC Advising / Confirmation, Purchasing / Discounting / Negotiating of Export Bills, Re-discounting, Arranging Credit Line (funded & non-funded), Bank Guarantee, Trade Payment Settlement, Foreign Exchange Services (e.g. commercial remittances, private remittances, travel expenses etc.) and any other banking needs / services to cope up with the changing and challenging business trends complying prevailing local and international laws.

Foreign Correspondent Relationship of the Bank covers most of the important financial centres and financial institutions. The Bank is maintaining correspondent Banking Relationship (RMA) with 306 world reputable Banks, Financial Institutes and Multi-lateral Organizations in 85 Countries at 836 different strategic locations to facilitate its expanding International Trade and services. With the developed Correspondent Relationship and upon constant persuasion, the Bank enjoys substantial Credit Lines from the world reputable Correspondent Banks including Asian Development Bank for adding confirmation to our LCs as and when needed.

Presently, we are maintaining 20 Nostro Accounts in eight popular foreign Currencies i.e. USD, GBP, EUR, JPY, AED, CHF, SAR and ACU Dollar with 13 reputable foreign banks at major financial centres to settle our International Trade Transactions smoothly.

Import - Export Business:

In 2014, JBL addressed Import business of Tk. 5,990.98 Crore registering a substantial growth of

13.57% over the previous year. The major import items have been food grains, edible oil, sugar, fertilizer, industrial raw materials, capital machinery, fabrics, garments accessories etc.

At the same period, JBL's Export business sustained positively amounting Tk. 6,498.86 Crore which is 1.10% over year 2013. The major export sectors have been readymade garments, pharmaceuticals, leather goods, frozen fish, jute, non-traditional value added items etc.

Centralised TRADE FINANCE PROCESSING CENTRE (TFPC):

With a view to facilitating the Trade-Finance activities of the Bank in a Centralized platform, TFPC started its business operation from January 2013 in Dhaka and Chittagong and since then, it has been handling Import/Export business of all our non-AD branches. As such, the Bank can handle Import/Export Business of all Branches throughout the Country irrespective of the AD Branches.

OFF-SHORE BANKING UNIT (OBU):

Jamuna Bank Limited has started Offshore Banking in April 2010 with a view to catering the banking requirement of non-resident / foreign customers of Export Processing Zones (EPZs), Special Economic Zones (SEZs) etc. and maximizing Foreign Exchange earnings by increasing Export through the EPZs. At present, the Bank is offering the following offshore banking facilities through its only OBU located at Gulshan, Dhaka:

- Foreign Currency Deposits (Non Resident entities and NRBs)
- Credit Facilities including Trade Financing in Foreign Currency.
- Negotiation/Purchase of Export Bills
- Discounting of Export Bills etc.

The deposit of the Bank's OBU was USD 26.85 million and advance was USD 26.84 million in 2014. At the same period the OBU has discounted 245 Export Bills amounting USD 38.58 million which is 205.71% higher than that of 2013. We are expecting to start our second OBU in Chittagong zone shortly.

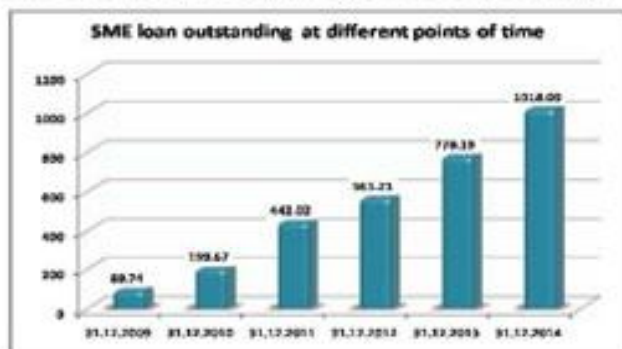
Jamuna Bank Limited adheres to the highest level of integrity, efficiency and caution in providing value added services to its customers, especially in new issues and products in Global Trade Services, thereby creating an ongoing relationship of trust and confidence in all their dealings with the Bank.

SME Banking

Jamuna Bank Ltd. is a successful and established name in the SME sector of the industry. It has been continuously supporting the small and medium segmented entrepreneurs in the manufacturing, trading and service sectors since year 2006. Area of SME operation of the Bank covers all over the country through 97 branches. Total SME loan portfolio of the bank is Tk. 1018.09 Crore and total number of SME borrower is 5274 as on 31.12.2014. Classification is 2.56% of the total outstanding, which can be treated as the best in the industry.

The name of Jamuna Bank has a clear difference in comparison with the other players in the SME market for the quality and quickest service, competitive pricing and diversified credit products (Letter of Credit, LTR, Cash Credit, Term Loan, Lease Finance, Over Draft) designed to meet up the business needs of different types of clients.

Jamuna Bank always stood by the SME entrepreneurs as partner, still standing and will always be there in future. The Bank is committed to create and develop successful entrepreneurs and thus to contribute in the over all socio-economic growth of the country.



ICT System Development

Since starting of the bank in the year 2001, ICT Division is working on the Automaton of Jamuna Bank Limited. From the commencement of the Banking operation, JBL started automated banking from our first branch at Mohakhali, Dhaka. Now at the end of year - 2014 the total No. of branch stands at 97 and all these branches are fully automated and under online operation.

During this long period of journey, ICT Division contributed a significant role and setting up milestone for the automation of the Bank. At present, our Bank has Online CBS and Different Value Added Services (VAS) like SWIFT, ATM Operation, VISA Card, Mobile Financial Service (MFS), SMS Banking, Internet Banking service, BACH & EFTN, Trade Finance Processing Center (TFPC) and different types of bill collection etc.

The ICT Operation also Maintain and Monitor different level of ICT Security. We have implemented Fall Back and Business Continuity plan for all branches to ensure safety and security of ICT operation and to ensure uninterrupted customer Service.

Recently, we have signed an agreement with Tata Consultancy services Ltd. of India to implement a robust world class core banking software called "TCS-BaNCs" and the implementation process is underway. We have developed and deployed new CIB Software, GoAML Anti-Money Laundering Software, Human Resource Management (HRM) Software and Credit Card Management Software which was developed by the ICT Division of the Bank.

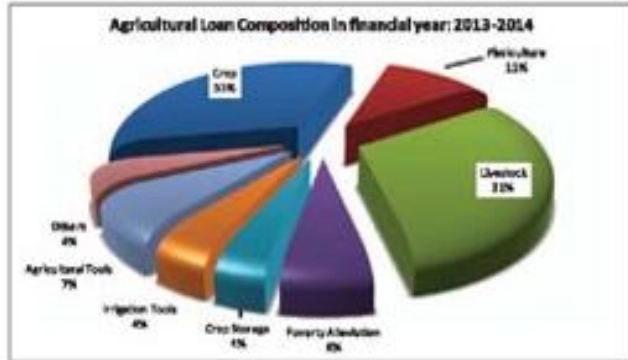
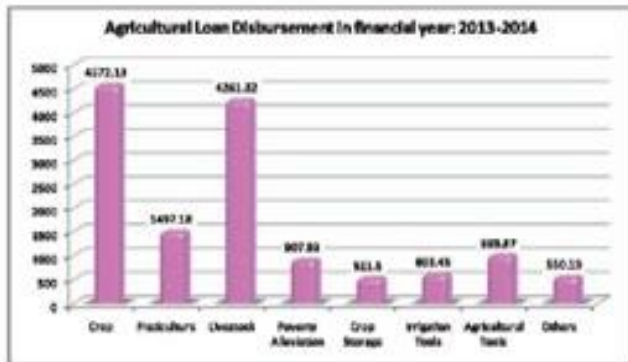
At present, we are working to make Jamuna Bank's IT capability compared to be one of the best in the banking industry of Bangladesh by taking more steps to adopt new technology and services for automation of the Bank in the years to come.



Agreement signing ceremony for core banking solution

Agricultural Loan

The Jamuna Bank Limited (JBL) has further expanded its agricultural loan and rural credit program under the Jamuna Bank Agriculture Loan Project in line with credit norms and policy of Bangladesh Bank. Landless, marginal & small farmers and sharecroppers of rural areas have been receiving such easy and collateral free loan through Area Approach. Both the short and term loans have been provided directly through its branches and linkage program with microfinance NGOs. This program of JBL has become more popular due to realistic, timely and quickly disbursement. The loan is repaid through a customer friendly practice with a grace period of maximum two to five years with installment of monthly, quarterly, half yearly and yearly basis. For direct lending, the Bank determines the rate of interest based on customer-banker relationship and analysis of risks for various sector and sub-sector, and except such declared interest no other charges is applicable.



During 2013-2014 an amount of Tk. 139.10 crore was disbursed to 50151 borrowers against the target of Tk. 100.00 crore set by the Bangladesh Bank (BB) registering 139.10 % achievement. More than 63% of disburse amount was made to crop and livestock sub-sector with almost equal share followed by pisciculture, agricultural equipment, irrigation, poverty alleviation, crop storage and others. Since starting of such loan program in 2008 an amount of Tk. 357.32 crore was disbursed up to 2013-2014 to 153620 borrowers. For such tremendous achievement, BB has awarded an appreciation letter to the JBL.

The loan has made significant contribution to emancipation of rural economy by creating more self-employment opportunities and increasing agriculture production. This has especially benefited women and unemployed youth who have received training on different agricultural based trade and other services from the Jamuna bank Foundation, and also improved their living standard.

Agricultural loan disbursement during the financial year: 2013-2014

| Sector | Amount (fig in lac) |
|---------------------|---------------------|
| Crop | 4572.13 |
| Pisciculture | 1497.18 |
| Livestock | 4261.32 |
| Poverty Alleviation | 907.93 |
| Crop Storage | 521.50 |
| Irrigation Tools | 603.45 |
| Agricultural Tools | 995.87 |
| Others | 550.19 |
| Total | 13909.57 |

Anti Money Laundering & Terrorist Financing

With advancement of globalized economy, organized crime groups are acquiring huge amounts of illegal money through financial crimes and other illegal activities. Globally, Government's objective is to ensure financial integrity and security. Bangladesh Government has strong commitment to fight against Money Laundering, financing of terrorism, and financing of proliferation of weapons for mass destruction as a top priority. Generally, money laundering is the name given to the process by which the origin of illicit funds is disguised. The need to indulge in money laundering is primarily to cover up the means by which such funds have been acquired with the aim of legitimizing them.

Money Laundering constitutes through Banks and NBFIS, real estate companies, securities, brokers/intermediaries, leasing, insurance companies, money changers, courier service providers, drug and arm dealers etc. It is most likely to be prevalent in countries those do not put in place effective AML/CFT regime for detection/prevention of money laundering. Financing of terrorism is a fundamentally simple concept. It is the financial support, in any form of terrorism or of those who encourage, plan or engage in it. Generally terrorist financing refers to carrying out of transactions involving funds that are around by terrorist or intended to be used to assist the commission of terrorist act.

Nowadays, electronic nature of virtual currencies, Internet Banking, stored valued cards and Mobile Banking, all of these have a close relationship with cyber crime. Easy access of E-Commerce attracts to Launderers to do cyber crime for various reasons i.e. cyber crimes leave traces of evidence, there are numerous legal and technical difficulties in security and examining such evidence within short Period. Launderers and criminals may take this kind of opportunities to legalize their illicit activities. All cross border wire transfer should be accompanied by accurate and traceable originator /beneficiary information. Henceforth, all concerned persons are to be more careful on their day to day SWIFT message transaction, mobile banking, customers handling and remittance disbursement. Launderers always seek new avenues/ways to circumvent regulation and seizure of assets.

Considering above all these facts prevention of money laundering and terrorist financing is being viewed by the core management as a part of the risk

management. Prevention of money laundering is not viewed in isolation from the bank's day to day operational works, services & needs. In order to monitor changes law, rules and regulation and also the instructions of regulatory authority, which may require AML policy & procedures revised from time to time. To ensure that all business activities of banks are carried out in conformity with the Law/Regulations with the government (i.e. Prevention of Money Laundering Act-2012, Anti terrorism Act-2009 (Amended 2013). To comply and monitor the effective implementation of the Bangladesh Bank's instructions and guidance notes Jamuna Bank Ltd. has prepared an "AML/CFT Policy-Guidelines" to prevent money laundering & financing of terrorism in the bank approved by the Board of Directors of the bank.

The policy/ guidelines have established clear responsibilities and accountabilities of the bank officials for discharging their day to day banking activities /duties in terms of AML/CFT issues. The management has created such a culture for the bank so that all employees of the bank irrespective of position have to obey & comply AML/CFT acts, laws/rules and instructions of the Regulators & Jamuna bank.

A very senior member of the top management, Deputy Managing Director is the Chief Anti Money Laundering Compliance Officer (CAMLCO) of the bank & under his active guidance, a Deputy CAMLCO & SVP supervise Anti Money Laundering Division activities.

A senior & responsible officer at branch level has also been nominated as Branch Anti Money Laundering Compliance Officer (BAMLCO), who is responsible to ensure that branches are carrying out AML/CFT policies and procedures as required in the BFIU, Bangladesh Bank's Circular-10 (Master Circulars) dated 28.12.2014 and he is responsible to CAMLCO & D-CAMLCO in case of all sorts of reporting regarding Anti Money Laundering issues. Branch will also ensure reporting of cash transaction & suspicious/abnormal transaction to CAMLCO & D-CAMLCO of HO with their justification as on-going process. Jamuna Bank has reported a significant numbers of suspicious transactions to BFIU, Bangladesh Bank, which were more logical.

As a part of compliance Jamuna Bank Ltd. now performs the following duties:

- a) Maintenance of KYC Policy/Procedures for existing account and for new accounts.
- b) Maintenance of CDD policy for existing accounts

& for opening new accounts.

- c) Maintenance of mini KYC with identity (as per instruction of BFIU, Circular-10) on-line, walk-in, one-off & remittance customers.
- d) Maintenance of account screening for all official sanction list.
- e) Categorization of Risk-Based customers.
- f) Maintenance & monitoring of the Transaction Profile (TP) for all customers.
- g) Analysis CTR data & reporting through go AML & FIU (CD media).
- h) Reporting of suspicious transaction through go-AML & manual system.
- i) Review of KYC/TP periodically.
- j) Monitoring of structuring & over/under invoicing.
- k) Conduct of physical inspection on branches regularly so as to check the status of AML/CFT compliance.
- l) Follow self assessment process.
- m) Test the system of independent procedures.
- n) Arranging day long training/awareness program on AML/CFT issues for the employees.
- o) Arranging training program for all branches BAMLCO's every year.
- p) Make awareness to customer on AML/CFT issues.

In fact, Jamuna Bank Ltd. has been giving immense importance on the compliances of prevention of money laundering & financing of terrorism to strengthen the AML/CFT issues. All and above of the stated measures, our management & employee's persistent effort will be helpful to us to fight against ML & TF threat & make our bank as a best compliant bank.

Islamic Banking Activities:

Islamic Banking is described as a system of financial intermediation that avoids receipt and payment of interest in its all transactions and conducts its operations in accordance with the objectives of an Islamic economy. There are four primary objectives of Islamic Banking:

1. Islamic Banks are expected to provide contemporary financial services in accordance with the laws set forth in the Shariah.
2. Islamic Banks strive to be more development oriented as the profit sharing nature of the Islamic Banking system establishes a direct relationship between the bank's return and the investment.

- All business/investments must be for the welfare of the people under the light of Islamic Shariah. Islamic Banks expect to allocate financing to those projects that will benefit to the society as a whole and
- Islamic Banks strive to ensure equitable distribution of income and resources to all the parties to the transaction.

Islamic Banking Branches:

Considering the above and demand of the people of the country, Jamuna Bank Ltd. has been rendering Islamic Banking services through its two (02) Islamic Banking Branches and twenty three (23) Al-Ihsan Islamic Banking Service Centers linked with the Islamic Banking Branches in addition to its conventional banking activities. The first Islamic Banking Branch of the Bank was opened on October 25, 2003 at Nayabazar in Dhaka. Afterwards, its second branch was opened on November 27, 2004 at Jubilee Road in Chittagong.

The Bank has been rendering Islamic Banking services to the customers through these branches with adherence to the Islamic values and norms. To achieve this goal a Shariah Supervisory Committee has been constituted comprising of renowned Islamic scholars of the country and senior bankers having Islamic Banking exposure in depth of knowledge of conventional and Islamic Banking. All activities of Islamic Banking Branches are carried out under the guidance of this Committee.

Islamic Banking Division:

A full-fledged separate Division namely "Islami Banking Division" has also been set up at Head Office as per Guidelines for Islamic Banking issued by Bangladesh Bank BRPD Circular No.15 dated 09.11.2009. The major functions of the Division are as follows:

- Framing the Islamic Banking rules and regulations and ensuring implementations thereof.
- Arranging the meeting of Shariah Supervisory Committee from time to time.
- Maintaining co-ordination with the Shariah Supervisory Committee and the other Divisions of the Bank.

- Ensuring the investment against the funds usually received for Islamic Banking business under modes approved by Islamic Shariah.
- To train up the manpower deployed in the Islamic Banking Branches and service centers.
- Submitting of required statements to the Central Bank.
- Supervising the Islamic Treasury Function.
- Conducting the Shariah Audit/Inspection on the Islamic Banking Branches.
- To maintain co-ordination with the Central Shariah Board for Islamic Banks of Bangladesh.
- Complying of any other responsibility (ies), may assign from time to time.

Shariah Supervisory Committee:

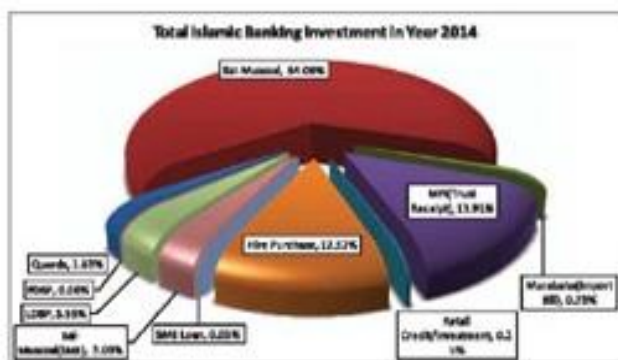
| Sl. No. | Name | Status |
|---------|--|------------------------|
| 01 | Professor Mowiana Md. Salahuddin Khatib, Baitul Mukarram National Mosque, Dhaka. | Chairman |
| 02 | Mr. M. Azizul Haque Founder Managing Director of Islami Bank Bangladesh Ltd. Consultant of Islami Banking. | Member |
| 03 | Mawiana Abdur Razzak, Principal, Madinatul Ulum Model Institute Boys Kamil Madrasah, Dhaka. | Member |
| 04 | Hafez Mawiana Mufti Ruhul Amin Principal, Jamea Islamia Darul Ulum Khademul Islam Gawherdanga Madrasah, Tungipara, Gopalganj. | Member |
| 05 | Prof. Shahidul Islam Barakati Islami Scholar | Member |
| 06 | A-Haj Mawana Mohammad Sadequ' Islam Imam and Khatib, Mohakhali DOHS Jame Masjid, Dhaka Cantonment. | Member |
| 07 | Mr. Shafiqul Alam Managing Director, Jamuna Bank Ltd. | Member (Ex-Officio) |

Islamic Banking Information: Training Courses and participants on Islamic Banking in the year 2014:

| Number of Branch | Total Manpower | Total Deposit* | Total Investment* | Total Import | Total Export* | Operating Profit* |
|------------------|----------------|----------------|-------------------|--------------|---------------|-------------------|
| 02 | 49 | 331.61 | 321.57 | 198.65 | 133.72 | 15.40 |

*Tk. in crore.

| Sl. No. | Course Name | Number of Participant |
|---------|---|-----------------------|
| 01 | Islamic Banking | 107 |
| 02 | Concept of Islam, Islamic Banking, Al-Ihsan Islamic Banking Service Center, Riba (Interest), Rent, Profit, Commission, Overview on Islamic Banking practice at Jamuna Bank Ltd. | 59 |
| 03 | Process of Deposit mobilization and different modes of investment of Islamic Banking. | 59 |
| 04 | Islamic Banking & Finance | 3 |
| 05 | Investment & Foreign Exchange | 2 |
| | Total: | 230 |



Card

Card Division was launched in 2005. Since then it has been operating with good reputation. Jamuna Bank has been awarded a Principal Membership of VISA international. Card Division introduces to the customers with a variety of products. Our card division is continuously meeting the challenges of developing new products and services to match the specific requirements of customers.

In future, we want to introduce a new version credit card for small income group like service holder and Businessman. Our future upcoming product is Biometric Card, Mobile POS, Co-Branded Debit Cards and Virtual Card for Payment of membership fee of foreign professional and scientific institutions and fees for application, registration, admission, examination (TOEFL, SAT etc.) in connection with admission in foreign educational institution.

We took important steps for financial inclusion and launch initiatives to reduce one of the most significant barriers to Bangladesh economic growth and provide the banking facilities in rural areas.

Our Products:

- Debit
 1. VISA Electron Debit Card
- Credit
 1. VISA Dual currency Credit Card
 2. VISA Local Gold Credit Card
 3. Exporter Retention Quota (ERQ) Credit Card
 4. VISA Local Classic Credit Card
- Prepaid
 1. VISA Gift Card
 2. VISA Travel Card

Business Highlights

- Total Debit Card = 2,16,000
- Total Credit Card = 5628
- Total Debit & Credit Card Transaction Per/Day = Taka 4.00 Core
- Total Credit Card outstanding = Taka 20.56 Core
- Total income = Taka 5.49 Core
- Total Expenditure = Taka 2.65 Core
- Net Income = Taka 2.83 Core

Alternative Delivery Channel (ADC):

ADC is another successful wing of the Card Division. It deals with ATM, Cash Deposit Machine (CDM), SMS banking, Mobile Financial Services (MFS) and Mobile Banking etc. At present we have already established 167 ATMs in the countrywide. Being a Member of Q-Cash our cardholder can use NPSB, DBBL, BRAC and Q-Cash ATM approximately 3000 ATMs. As an endless endeavor to provide the customers with top class banking experience, Alternative Delivery Channel (ADC) is offering customers with a range of convenient banking options.

Today, JBL provides Smart phone based App. (Mutho Banking) one of the best Mobile Banking services in the country. Customers can enjoy banking services through JBL Mutho Banking from their PC, Tab or Smart Phone with complete security and confidentiality. Account holders can access their JBL transactional accounts with Mobile App. A wide array of services are available; e.g. viewing account details, instant mobile recharge, utility bill payments, online payment including intra- bank fund transfer and more.

JBL opened 28 new Night & Day (brand name of JBL ATM locations) in 2014. With this addition, now JBL has one of the largest networks of 167 ATMs. Jamuna Bank Limited has also set up a number of Cash Deposit Machine (CDM) across the country to help the customers to pay bills 24x7. JBL has 3 CDMs in operation now. Jamuna Bank has recently launched Mobile Financial Services under the brand name Jamuna Bank- SureCash in December 2014.



Launching Ceremony of Mobile financial Services

Business Highlights

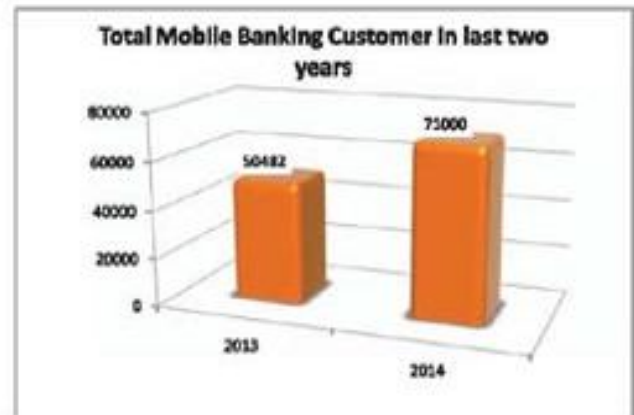
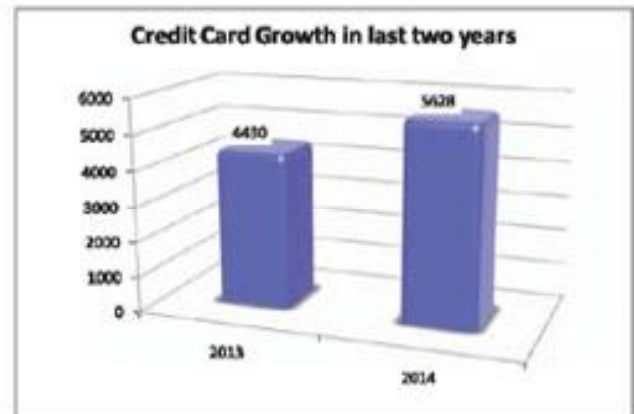
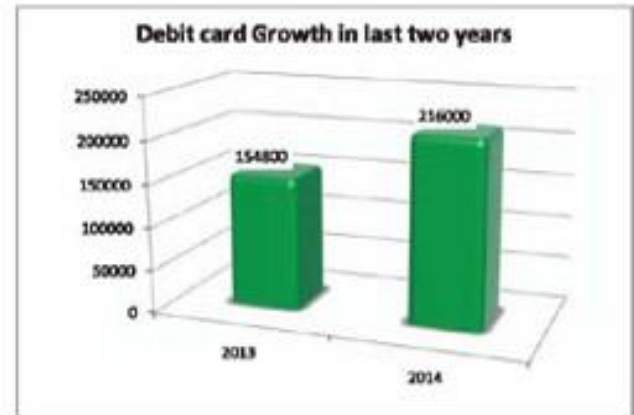
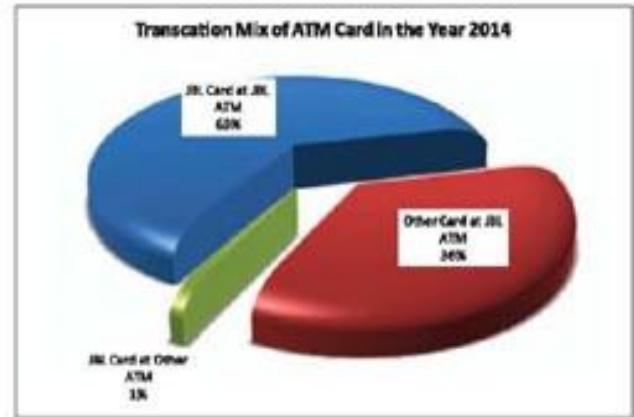
- Total ATM= 167
- CDM = 3
- Total Mobile Banking Customer=71000
- Total Mobile Banking Transaction P/Day= BDT 15000/- (approx.)
- Total number E-commerce Merchant & Merchant Service Provider (MSP): 10
- Monthly Cash Loading at ATMs: Taka 102.87 Core
- Monthly Number of ATM Transactions: 1,02,835
- Monthly ATM Transaction: Taka 95.42 Core
- Transaction Mix:
 1. On Us (JBL Card at JBL ATM): 63%
 2. Off Us (Other card at JBL ATM): 36%
 3. Remote on us (JBL Card at Other ATM): 1%

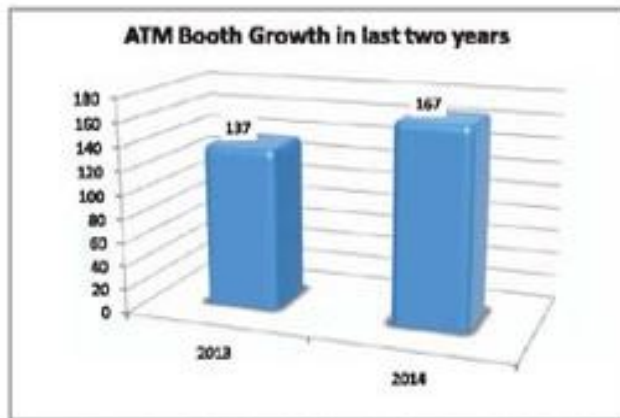
Key priorities in 2014

Popularizing Mobile, Internet & ATMs based Banking & increasing number of transactions through Alternate Delivery Channels.



ATM inauguration in Sena Kalyan Bhaban ATM Booth.





INTERNAL CONTROL & COMPLIANCE

Jamuna Bank has established an effective organizational structure to maintain strong internal control culture by properly implementing its ICC policy and Bangladesh Bank guidelines through the resources of the ICC Division. The Division reviews and monitors bank's credit risk, market risk, operational risk etc. to achieve its organizational goals/objectives in the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws & regulations.

During the year 2014, inspection teams of Jamuna Bank ICC Division carried out comprehensive inspections on all the branches and different divisions of Head Office as per approved annual Audit Plan and submitted Reports accordingly. Subsequently, required remedial measures/corrective steps have been taken against suggestions/observations made in the said Reports. Besides, the summary of each Report was placed and discussed in the meeting of Audit Committee of the Board of Directors. Appropriate actions have also been taken as per decisions of the said Committee for protecting the interest of the bank.

Internal Control & Compliance Division (ICCD) of the Bank is comprised of 03 (three) interrelated wings/units namely i) Audit & Inspection Department, ii) Monitoring Department and iii) Compliance Department.

Audit & Inspection Department: This department conducts comprehensive/ surprise/special inspection on branches and different divisions of Head Office in line with yearly audit plan as well as concurrence of Audit Committee of the Board, as & when it is necessary. We have already chalked out Audit Plan for the year 2015 as per ICC Guidelines of Bangladesh Bank.

Monitoring Department: It monitors and reviews the operational performance of various branches through off-site supervision. If any major deviation is

found, this department recommends the HoICCD for sending inspection team to the concerned branch for thorough review. Besides, they prepare Memo for the Audit Committee of the Board and subsequently, communicate their instructions to the branch/division for prompt implementation.

Compliance Department: The department ensures full compliance of the regulatory requirements including directives of Bangladesh Bank, National Board of Revenue (NBR), Bangladesh Security & Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms (RJSC), Ministry of Finance etc. having significant impact on the bank's business. Compliance is a continuous process. For this, our control system has been designed in such a way that compliance with all the relevant requirements is maintained in each activity of the bank. The Board of Directors and the Senior Management of the bank have developed a high ethical and moral standard to ensure strong compliance culture.

AUDIT COMMITTEE

Objective

To assist the Board of Directors with regard to the auditing of financial reports, internal controls and work in co-ordination with the Bank's external auditors.

Composition & Qualifications

The Audit Committee constituted with 05 (five) members of the Board as per BRPD Circular Letters of Bangladesh Bank. All the members of the Audit Committee are professionally sound, having understanding and profound knowledge in accounting, finance and banking. Chairman of the Committee is an Independent Director as per latest BSEC guideline.

From January, 2014 to October 2014

From November 2014 to December 2014

Authority and Responsibility

The Audit Committee is charged with the duty and responsibility of reviewing the Bank's financial reports to ensure that they are accurate and are adequately disclosed and to work in coordination with the external auditors and the executive in charge of financial reports preparation.

- It is responsible for ensuring that the Bank's internal control and audit systems are adequate, appropriate and effective by reviewing those systems with external auditors as well as internal auditors.
- Review quarterly, half yearly and annual financial statements.

- The internal control & compliance division is responsible for auditing various branches and divisions/departments of head office of the Bank under supervision of the Audit Committee.
- The Compliance Unit is responsible for providing clarification on the rules & regulations issued by relevant authorities as well as ensuring that the Bank complies with relevant laws & regulations.
- Review statement of significant related party transactions submitted by the management.
- Review management letter(s) of internal control weakness issued by statutory auditors.
- With regard to risk management, the Bank recognizes the importance of controlling and managing risks that may arise in the course of doing business and has followed the risk management policy and guidelines as recommended by Bangladesh Bank. The Bank's Risk Management Committee is charged with the responsibility of establishing and proposing to the Board of Directors the policy for overall risk management as well supervision and monitoring to ensure that managing of risks is within the guidelines of the established policy.
- To understand the regular task of managing the Bank's assets & liabilities in such a way that market risk - which arises from the movement of interest rates, exchange rates and prices is maintained within an acceptable level with minimal volatility.

Meetings

The Audit Committee schedules meetings depending on circumstances to scrutinize matters as assigned by the Board of Directors. The Audit Committee held 11 (eleven) meetings in 2014.

Reporting

The Audit Committee has a duty to report its performance to the Board of Directors, and produce and publish its report as part of the Bank's Annual Report.

The Audit Committee is primarily responsible for internal control, audit and financial reporting. It monitors implementation of policies on internal control & compliances and management actions to rectify audit objections. It actively reviews appropriateness of the accounting policies, annual internal audit plan, audit report, risk management of the Bank and Bank's technological needs. It also oversees the discharge of responsibilities of the external auditors. The Committee time to time reports on its activities to the Board of Directors. If any significant deviation is come to the notice of the Committee

including the following findings, it inform the Board of Directors of the Bank immediately upon receiving such findings.

- a. Report on conflict of interests;
- b. Suspected or presumed fraud or irregularity or material defect in the internal control system;
- c. Suspected infringement of laws, including securities, related laws, rules & regulations;
- d. Any other matter, which should be disclosed to the Board of Directors immediately.

HEAD OF INTERNAL CONTROL & COMPLIANCE DIVISION

Mr Md Belal Hossain, Senior Vice President, has been appointed as the Head of Internal Control & Compliance Division (ICCD) as per compliance to rules & regulations and corporate governance notification. ICC Division of the bank is comprised of 03 (three) interrelated wings/units, namely i) Audit & Inspection Department, ii) Monitoring Department and iii) Compliance Department. As the Head of ICC Division, he monitors and mitigates different risks of the bank and helps to achieve bank's organizational goals/objectives.

Audit & Inspection Department conducts inspection on branches and divisions of the Head Office as per annual Audit Plan duly approved by the Board of Directors. Monitoring Department reviews quarterly operation reports (QORs), loan documentation checklists (LDCs) etc. as part of their off-site supervision activities. Compliance Department ensures full compliance of the regulatory requirements including directives of Bangladesh Bank, National Board of Revenue (NBR), Bangladesh Security & Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms (RJSC), Ministry of Finance etc.

NRB Banking & Foreign Remittance

Remittances is enriching the foreign currency Reserve of the Country and reducing the dependency on overseas assistance. It facilitates the balance of payment, import financing, adoption of new development plans and its implementation. Remittance figure attains US\$ 14.23 billion in 2013-2014 FY, which was 14.46 billion in 2012-2013 FY that is 9.49% of Total GDP, 5.56 times of Official Development Assistance (ODA) and 10 times of Foreign Direct Investment (FDI). Bangladesh is the 8th largest remittance sourcing Country of the World. If the Inward Remittance increases by 1%, the per capita GDP of Bangladesh will grow by 0.12% in short-run (usually 3 years).

Jamuna Bank Ltd has a dedicated NRB Banking & Foreign Remittance Division to ensure prompt & efficient services to the Customers offering best competitive price for their hard earning Foreign Currencies. Consequences upon different initiatives taken by last four years Jamuna Bank secured total Remittance of USD 103.71 million in 2014 achieving 18% growth in 2014 over 2013 (USD 87.92 million) where as our country growth is 8.03% in 2014 compared to previous year. In 2014, total 1,42,266 transactions were made by JBL which is 42% higher than that of 2013 (1,01,937 nos. transactions)



Launching of Foreign Remittance Services of Trans-Fast Remittance LLC

We have different attractive deposit and investment products or schemes to accumulate the hard earned remittance proceeds of NRBs so that NRBs and their Beneficiaries can contribute to the economic growth of the Country by investing their remittance proceeds into productive sector of the economy.

Marketing & Development

Marketing & Development Division serves as a beacon for a Bank, guiding it on which product, pricing, promotional and distribution strategies to use. Effective marketing starts with a considered, well-informed marketing strategy. A good marketing strategy will help us to define our vision, mission and business goals, and outlines the steps we need to take to achieve these goals.

To establish relationship banking and improve service quality through development of Strategic Marketing Plans, Jamuna Bank Limited has restructured the Marketing & Development Division in the year of 2012. In order to acquire substantial increase in customer base for our branches, a Sales Team has been launched in September-2012. At the end of Dec-14, total 79,703 Accounts (CD&SB, DPS, FDR) with booking deposit of 345 Cr. were procured from the Sales Channel. Due to their intensive marketing efforts, Jamuna Bank Limited has achieved a significant growth in terms of sourcing new accounts. Month wise number of new accounts(CD,SB & SND) for the year of 2014 is given below:



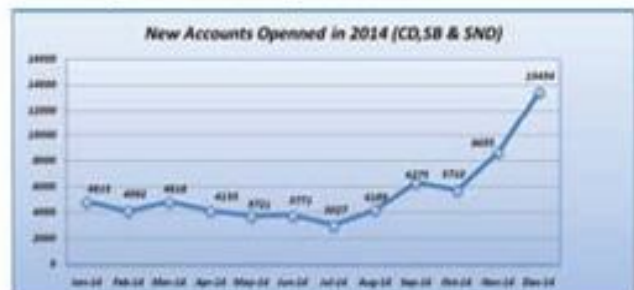
Award Presentation Ceremony on Intl Migrants Day Fair- 2014 at BICC



Minister Visit JBL Stall on Intl Migrants Day Fair-2014 at BICC



Signing of MOU for Distribution of Foreign Remittance



School Banking

School banking is gradually getting popularity among the people due to its some particular features including safe deposit and most of the private banks have already achieved a substantial progress in terms of school banking. In October 28, 2013, Bangladesh Bank (BB) has issued a guideline for school banking to provide students with necessary services by ensuring more transparent, encouraging and dynamic institutional financial supports to them. To include the young population of society under the umbrella of banking and to act accordance with the instruction for School Banking Guideline, a new product "JBL School Account" has been introduced with the following attractive features.

| Features: | |
|----------------------|---|
| Type of Account | Savings Account |
| Age Limit | Student aged from 6 years to below 18 years. |
| Account Operating | The account is only for the students but it must be operated by the parents or legal guardian. |
| Account Opening Form | Existing Account Opening Form (Individual) |
| Initial Deposit | Minimum Tk.100/- |
| Nationality | Both the Account holder and his/her parents or legal guardian must be Bangladeshi. |
| Service Charge/Fees | a) No Fees and Charges are applicable except Government fees as applicable by central bank time to time. b) Free on-line service across JBL branches. |
| Debit Card Fee | Free |
| Maximum withdrawal | Per month BDT 2000/- through Debit Card and Point of Sales (POS). This limit may be increased up to BDT 5000/- on request of the Guardian. But all the transaction must be notified to the parent or legal guardian by SMS transaction Alert. |
| Interest Rate | 1% higher interest than usual SB A/c. Interest on every day's balance and payment at the end of the month |

At the end of Dec-14, total 5,354 Student/School Accounts with the balance of 3.03 Crore were opened. Jamuna Bank has participated all the School Banking Conferences held in the different districts organized by Bangladesh Bank.

Customer Feedback

In August 2014, a survey has been conducted among the customers of our 9 branches in Dhaka & Chittagong and found that our customers are overall satisfied with the services provided from the branches. The objective of the surveys was measuring the customers' satisfaction toward our services as well as to detect the reasons of customers' dissatisfaction (if any). Another objective of gathering customer feedback was determining which additional products or features customers want. The needs of consumers change over time, as does technology.



School Banking Campaign in Queen's School & College

Law & Recovery

Law & Recovery Division (LRD) is one of the vital departments of the Bank entrusted to deal with Non-Performing assets of the Bank, rescheduling, amicable settlement and write-off proposals, provide in-house legal services and monitor pending cases. The law officers are engaged in providing in-house legal opinion, drafting of various deeds & agreements

on various matters in discharging Bank's day to day dealings. We also closely monitor and follow-up the court cases and maintain liaison with the Bank's panel lawyers for speedy disposal of suits filed by the Bank and/or filed against Bank.

In the year 2014, LRD with the help of respective branches has recovered Tk. 404.97 million from classified loan accounts including recovery of Tk. 6.92 million from written-off accounts.

During the year 2014, out of total 87 Artha Rin suits valuing Tk. 6432.02 million, a total number of 13 Artha Rin Suits valuing Tk.

1830.86 million have been decreed in favor of the Bank. On the other hand, an amount of total Tk 121.15 million has been recovered from the suit related accounts: 11 accounts have been finally disposed off/withdrawn upon receipt of the compromised amount of Tk. 30.14 million, 09 accounts against which Court has awarded certificate of ownership and possession of mortgaged property valued Tk. 154.19 million in Bank's favor, out of which partial amount for Tk. 27.20 million has been recovered and 76 Artha Rin Suits valued Tk. 6287.80 million are pending in the Court out of which partial amount for Tk. 331.18 million has been recovered.

Jamuna Bank Training Academy

-----A Journey towards creating Job excellence

Jamuna Bank Ltd. started its operation in June 2001. With the objective of enhancing professional knowledge, skill, creating positive attitude, motivation and self confidence among the employees of the Bank Jamuna Bank established its own Training Institute in the year 2006 for imparting professional training to its employees.

The Bank felt the necessity to make the in-house training more effective and accordingly shifted the premises of the Training Institute in the last part of 2013 to a centrally located Building i.e. Surma Tower, 59/2, Purana Paltan, Dhaka-1000 for convenience of the trainers and trainees and also renovated the premises with necessary facilities and required training tools/ equipments as per guidelines of Bangladesh Bank and engaged a competent senior Banker as its principal. To give more emphasis to the Training Jamuna Bank renamed the Jamuna Bank Training Institute as Jamuna Bank Training Academy and redesignated its Principal as Director General and also posted a senior Banker as its Chief Co-ordinator.

Board of Directors and Management of Jamuna Bank put highest importance to the smooth functioning of the Training Academy as an effective tool of human resources development.

In the month of December every year Training Academy submits a Training Calendar and Training Financial Budget for the next year for approval of the Management of the Bank. The Training Academy carries out the Training programme during the year accordingly.

During the year 2014 the Training Academy conducted the following Training programmes :

Number of Trainings /Workshops conducted -56.
Number of Trainees /Participants -3359
Number of days of Training / Workshops-161
Amount spent- Tk.15,50,079.00

Trainings/Workshops are designed according to the Training need of the Bank employees focusing on:

- i) Need based on-the- Job Training
- ii) Law, Rules, Regulations, Policies related to each Job are taught.
- iii) Banking being a business of risk management, risks involved in each job are analyzed and mitigation thereof are also discussed.
- iv) Trainings/ Workshops are mainly planned Job/ desk based so that excellence in Job performance can be achieved.
- v) Training technique is participative i.e. both way communication. Participation Feedback/ questions from trainees are encouraged. Sharing of experience of trainees, life case study related to the training subject are used to make the training more effective, lively and enjoyable.
- vi) After Training a written Test / Aptitude Test/ personal interview are taken to assess strength, weakness, potentiality and aptitude of the trainees. Evaluation is made on the basis of all these very objectively.
- vii) Trainees also make evaluation of the performance of trainers for each session in a specified format neutrally/ impartially. To ensure that the trainees can freely exercise their evaluation and their identity not disclosed. They are not required to write their name / particulars and not to sign on the evaluation sheet.
- viii) In house trainers are preferred so that the training can be more related to Jamuna Banks environment, practice, policy, products.
- ix) Trainers also get opportunity to develop their professional excellence through their preparation for conducting training session, answering queries & questions of trainees. Trainers are also aware that they are also evaluated by the trainees.
- x) It is also taken into consideration that effective training can be carried out at the minimum possible cost.

- xi) Outreach training / workshops are also arranged at regional level to minimize the cost and also to avoid disruption of work of branches.
- xii) Trainers Trainings are also arranged.
- xiii) It is also an important objective of the Training to inculcate motivation, commitment, devotion , professionalism , sense of ownership , high morale, sense of honesty, integrity, morale, ethical and religious value among the trainees.
- xiv) Discipline, punctuality, manner & etiquette, dress code etc. is also part of Training.
- xv) The Board of Directors, Top Management of the Bank always give due weightage to the smooth functioning of the Training Academy and always extend their sincere and prompt support and patronage to the activities of the Training Academy.
- xvi) Vision of the Training Academy is to add value to the development of Human resources of the Bank through effective Training, which can be reflected by improved excellence in Job performance, enhancing reputation of the Bank, customer's satisfaction and better working result, which is measured by enhancing value of shareholders investment in the Bank.

Foundation Training Course of 9th Batch Probationary officers



Participants of the Training Course



Mirza Elias Uddin Ahmed is delivering instruction to the participants

Training Course on International Trade & Foreign Exchange Operatoin



DMD, Executives & Participants of the Training Course



Mirza Elias Uddin Ahmed is delivering his valuable remark to the participants

Banking Operation Division

With a view to managing overall operational activities of the Bank having 97 (Ninety Seven) Branches, the Banking Operation Division works like as a bridge between Central Bank & Branches for implementation of its relevant rules, policies & procedures by circulating instruction from time to time. Its functions broadly relates to regulations for compliance under various provisions of Bank Company Act. This division has a pivotal role such as establishment of new branch, collection booth, ATM booth, Relocation of Branches, managing Evening Banking and operations of branch and issuance of guidelines for smooth functioning of the bank. The role played by the Banking Operations Division is important in the pretext that it implements operational policies, procedures and ensures strict compliance of the same through maintaining liaison with Internal Control & Compliance Division. Objective of the division is to provide Safety & Security guidelines to the Branches and also monitor performance of branches against set objectives, analyzing Branch Problems & Prospects, oversee the Peer Group Performance etc.

Banking Operations Division provides guidance to the branches enabling them to provide quick and error free customer service and maintains service standards. As a part of Banking Operation Division, a "Customer Service & Complain Management Department" has been structured. To become trustworthy to the customers, to protect interest of the customers as well as strengthen Banker-Customer relationship are the mottos of establishing the Department. Necessary remedial measures/ corrective steps have been suggested to the branches for solving the various complain/trouble of the customers.

The Division discharges vital responsibility regarding arrangement of different programs of our Bank. It organizes MANCOM (Meeting of Management Committee), Manager's Conference, Annual Business Conference, Deposit & Recovery Campaign, Grading of Branches, Zone-wise Segregation of Branches and other Business Development programs as and when required by the Management. Minutes of the programs are also prepared & delivered from the division in due time.

The banking operations division is mainly responsible

for managing the operations i.e. functional aspects of the bank. The division has a pivotal role, as it has to work in close coordination with almost all other Divisions/ Departments/ Branches for smooth functioning of the bank. The role played by the BOD is important in the pretext that they implement operational policies, procedures and ensures strict compliance of the same through liaison with internal audit Division.

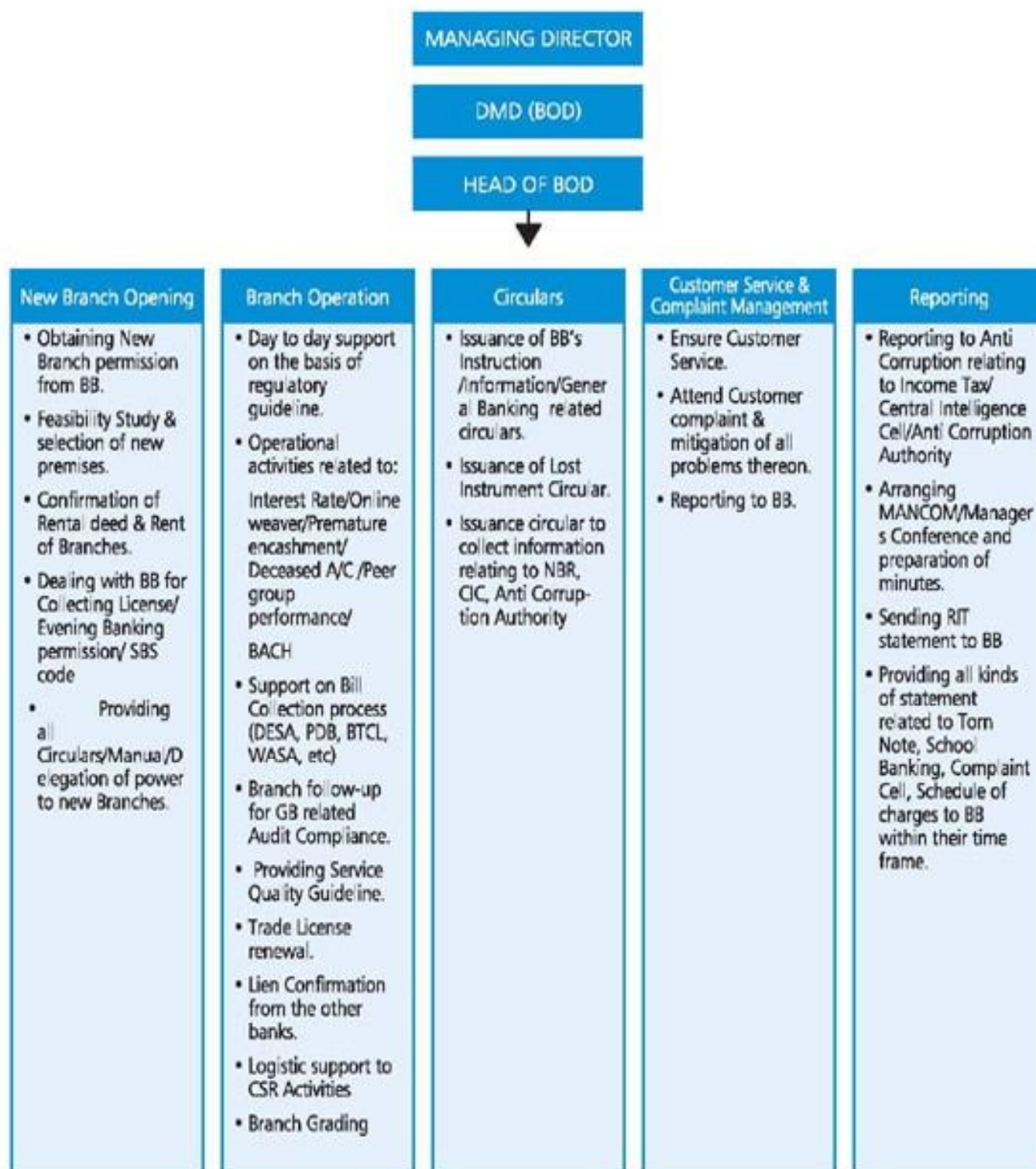
Banking Operations Division not only provides guidance to the branches enabling them to provide quick and error free customer service and maintains service standards, but also identifies training needs of their staff and suggests in-house training programs. Objective of this division is to maintain internal security, proper cash vaults, test keys, customer records and computer security features in the branches and also to allocate annual operational targets and monitor performance of staff against set objectives. This Division works like a bridge between Central Bank and branches for implementation of its relevant rules and policies/procedures as circulated from time to time.

New Opportunities



Mr. Shaheen Mahmud Past Chairman, Jamuna Bank Limited with Mr. Leonardo Bastos Azevedo, Deputy Head of Mission, Embassy of Brazil at the Chariman's Office at Jamuna Bank Head Office.

ORGANOGRAM OF BANKING OPERATION DIVISION (BOD), H O, Dhaka





Risk Management

Risk Management

Earning is not free from risk. Because a certain amount of money is invested for a certain period, which may face various problem in returning to the Bank with expected profit. Risk Management is a process targeted to lessen probable and existing risk in possible extent.

Risk Review: The year 2014 was a crucial one for the banking industry. Exceptional and critical economic scenario expose bank to Acid Test to prove its resilience regarding risk measurement, risk monitoring and risk management. GDP growth rate was preliminary estimated at 6.1%. Lower manufacturing growth was declining factor for GDP in contrast with positive agricultural growth. Overall average inflation declined from 7.60% to 7.35% during second half of Fiscal Year 2014 mostly triggered by the decline in non-food inflation. On the other hand excessive food inflation was evident in last year. Declined growth of credit in trade sector, negative growth in transport and communication sector and sluggish demand in cement, steel, retail and wholesale trade shrunk the sectors for banking industry to expand its wing of exposure, which was significantly lower than the projection. Domestic credit growth was declined from 11.20% in January 2014 to 10.10% in May 2014. However Jamuna Bank Limited has perfectly delineated favorable scenery for itself with the guidance of industry best management team. Loans and advances of the bank rises from Tk. 6708.11 crore in December 2013 to Tk. 7578.72 crore in December 2014. Declining trade deficit triggered from 13% export growth along with 10% import growth could more favorable if there were no negative growth in remittances. Government borrowing (net) from the banking system amounted to 64.3 billion in FY14 against an original budget provision of 260 billion for the whole of FY14 and a revised Budget estimate of 300 billion. The relatively low borrowing levels partly relates to the slow pace of ADP implementation and a sharp rise in revenue from the sales of National Savings Certificates as the differential between their returns and that of bank fixed deposit rates has grown. Savings certificates sales between July-May of FY14 of BDT 100.2 billion compares with BDT 7.7 billion for the whole of FY13. It is important to mention that greater level of preference about Savings Certificate could create liquidity shortage but our efficient management prudently crafted situation to extend loans and advances maintaining adequate liquidity. In addition borrowing from overseas market was significantly higher in the last year. Around US \$2.6 was approved in FY14 while US \$2.4 billion was

approved in FY13 compared with US \$1.8 billion in FY12. In addition private capital flows to local corporate have also grown due to the addition of short term foreign currency loans for working capital purposes in the form of 'buyers credit' and 'discounted export bills'. Low level of lending also reflects on lowering Call Money rate from 7.17% in January 2014 to 6.23% in June 2014. Lower cost of funds for banks, lower demand for credit as well as due to increasing competition from overseas lenders whose lending rates are in single digit contributed in lowering domestic lending rate. Under Risk Based Capital Adequacy Statement, Jamuna Bank Limited is strictly maintaining the CAR from the beginning of the implementation of Basel-II accord, it was 10.51%, 10.89%, 10.55% and 11.22% in March, June, September and December of 2014 respectively. As the prudently selected less capital consuming and economy renovating sectors are the loan disbursed areas of Jamuna Bank Limited so it does not create any predicament to maintain any Capital requirement. To estimate the capital requirement in the upcoming quarters all branches of the bank prepare their statement of Risk Weighted Asset in every quarter and in the light of these reports they diversify their portfolio in the favorable manner.



The bank is performing stress testing in regular interval to determine the impact on itself under a set of exceptional, but plausible assumption through a series of battery of tests. The shock absorbent capacity of the bank is gauged while various types of risks are faced by it. Over the year the Bank has successfully lessened cumulative gap between risk sensitive asset and liability and average duration of bond. As a result interest rate risk infers less capital shock in 2014 comparative to year 2013. Negative shift in NPL categories and decrease in forced sale value of collateral create tolerable effect in CAR of year 2014 than year 2013. Jamuna Bank Limited regularly adjusts its loan portfolio, foreign exchange position, equity position and liquidity position to confront any unfavorable situation.

Various aspects of credit risk, market risk, liquidity risk, operational risk, reputational risk, and compliance risk are discussed monthly in Risk Management paper. Credit Risk analysis covers concentration risk, classified loan, recovery, provisioning, top defaulters, collateral coverage, overdue bill and fund diversion. Market Risk analysis incorporates the interest rate risk, foreign exchange risk, equity risk and Value at Risk. Liquidity Risk analysis covers Statutory Liquidity Requirement (SLR), Cash Reserve Ratio (CRR), Advance Deposit Ratio (ADR), Structural Liquidity Profile, liability concentration, Whole sale Borrowing Guidelines, Maximum Cumulative Outflow and Medium Term Funding Ratio. Internal fraud, external fraud and evaluation of core risk management are discussion of Operational Risk. Risk Management paper is regularly discussed in Risk Management Committee of Management, Risk Management Committee of Board of Directors and Meeting of Board of Directors. Risk Management paper and other related documents are sent to Bangladesh Bank and which are evaluated to determine the risk management status. It is revealed that Comprehensive Risk Management Rating of the Bank is gaining excellence.

To encompass other risk bank regularly prepares Internal Capital Adequacy Assessment Statement containing proper calculation of Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk, Evaluation of Core Risk Management, Environmental & Climate Change Risk and Other material risk against adequate capital. Besides, bank also assesses whether there is any chance of jeopardize to environment by bank financed initiative and damaging bank's initiative by environmental hazard. Jamuna Bank Limited is successfully maintaining additional Capital Requirement.

Major risks and uncertainties: Risks are by their nature uncertain and management of risks relies on judgment and predictions about the future. Since uncertainty can adversely affect the profitability of a bank and it can also deplete the liquidity so Jamuna Bank Limited always try to avoid any unforeseen problem. The principle risks and uncertainties faced by the bank in coming year are set out below.

Changes in Government and Regulatory Policy: A key uncertainty for the bank relates to the changes in economic policies of the government and regulators. Such changes may be wide-ranging and can influence the volatility and liquidity of financial markets, as well as the repayment of loans. These effects may directly or indirectly impact bank's financial performance. Besides, public sector borrowing has been

reduced significantly and created room for private sector borrowing in the year of 2014. Private sector credit growth has been targeted to grow at 15.5 percent at the end of FY2015. Foreign investors are now allowed to source term loans from local banks and access working capital as an interest free loan from their parent company.

National Credit Growth in different fiscal year

(in percentage)

| Particulars | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 November | 2015 June |
|------------------------------|-------|-------|-------|-------|-------|------------------|--------------|
| Domestic Credit | 15.90 | 17.60 | 28.40 | 19.30 | 10.90 | 10.10 | 17.30 |
| Credit to the public sector | 20.30 | -5.20 | 39.90 | 17.50 | 11.10 | 5.30 | 24.80 |
| Credit to the private sector | 14.60 | 24.20 | 25.80 | 19.70 | 10.80 | 11.40 | 15.50 |

Bank's Initiative:

Jamuna Bank Limited diversified its loan portfolio in the utmost manner, which cushioned it from all type of specific crisis.

Country's macroeconomic conditions: The 12-month average inflation based on the consumer price index (CPI) maintained a declining trend during the last six months and came down to 6.99 percent in December 2014 from 7.28 percent in July 2014 mainly because of declining food prices. This inflation was driven 68 percent by food and 32 percent by nonfood items. As we have already experienced unrest in political situation and even upcoming days of 2015 is not giving any sign of peaceful political situation so there is chance of rise in inflation. Inflation in December 2014 is higher than the projection 6.50% for the Fiscal year 2014, which is not easily achievable. The economy is poised to achieve a respectable growth rate between 6.5 and 6.8 percent in the fiscal year 2015 if political stability prevails. The bottlenecks of infrastructure, turmoil in political situation and energy may play depressing role. If situation does not follow the expectation then the entrepreneurial initiative, the life supporting activity of the economy may face great challenge. Growth projection for both advanced and emerging economies has been down scaled because of their slower than expected rate of recovery from the post crisis stage. The weaker-than-expected growth in advanced economies could weigh on RMG, and other, exports. This is particularly so given that 74% of all exports go to the US and the EU and other new destinations. Remittances could also be affected because of the reduction in outgoing migratory workers in fiscal year 2014 compare to fiscal year 2013. Import growth speeded up at the end of 2014, exceeding the growth of exports.

Foreign Exchange Scenario in different fiscal year

| Items | 2011 | 2012 | 2013 | 2014 |
|--------------------------------------|--------|--------|--------|--------|
| Export (% changes) | 41.5 | 5.9 | 11.2 | 12.5 |
| Import (% changes) | 52.1 | 2.4 | 0.8 | 9.8 |
| F.O.B (including OPD) U/Gs Opened | 34.0 | -4.0 | -2.8 | 13.3 |
| Remittances (% changes) | 6.0 | 10.2 | 12.6 | -3.6 |
| FDI (in million USD) | 775 | 1,152 | 1,300 | 1,413 |
| Overall Balance (in million USD) | -655 | 494 | 5128 | 4971 |
| Foreign Reserve (in million USD) | 10,912 | 10,364 | 15,315 | 20,267 |
| Exchange Rate (TK/USD) | 74.2 | 81.9 | 77.8 | 77.5 |

Bank's Initiative:

Bank is keenly monitoring country's macroeconomic condition. It always gives emphasis to the sectors which contributes stable input to the bank's profitability.

Liquidity Stress: Government borrowing (net) from the banking system amounted to 64.3 billion in FY14 against an original budget provision of 260 billion for the whole of FY14 and a revised Budget estimate of 300 billion. The relatively low borrowing levels partly relates to the slow pace of ADP implementation and a sharp rise in revenue from the sales of National Savings Certificates as the differential between their returns and that of bank fixed deposit rates has grown. Savings certificates sales between July-May of FY14 of BDT 100.2 billion compares with BDT 7.7 billion for the whole of FY13. Cash Reserve Requirement (CRR) was raised in June 2014 by 50 basis points to absorb part of the excess liquidity and help contain inflation – this remains unchanged. In H2FY14 call money rates fell further from 7.17% in January 2014 to 6.23% in June 2014. High liquidity levels are also reflected in below average loan to deposit ratios. Domestic lending rates have fallen due to lower cost of funds for banks, lower demand for credit as well as due to increasing competition from overseas lenders whose lending rates are in single digits.

Liquidity Scenario in different fiscal year

(Growth in percentage)

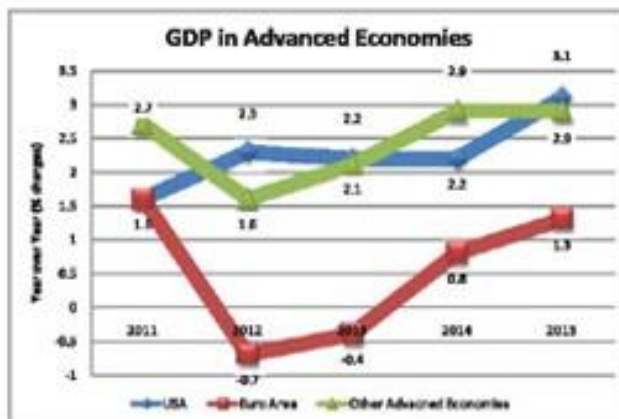
| Particulars | 2009 | 2010 | 2011 | 2012 | 2013 | May 2014 | 2015 |
|---------------|------|------|------|------|------|----------|-------|
| Broad Money | 19.2 | 22.4 | 21.4 | 17.4 | 16.7 | 15.20 | 16.50 |
| Reserve Money | 31.9 | 18.1 | 21.0 | 9 | 15.0 | 10.80 | 15.90 |

Bank's initiative:

Jamuna Bank Limited discreetly managed the portfolio to gain advantage from liquidity. As the bank has effective array of employees so it not only managed the situation but also shaped favorable position in the presence of excess liquidity in the banking industry.

Instability in the global situation: Banks are exposed to financial institutions at home and abroad since they often negotiates, discounts export bills and extends credit facilities against commitment of other banks. While Europe has escaped from negative

growth that prevailed until 2013, the region is still expected to flounder in slow growth as low as 1.3 percent in 2015. The US is likely to earn a growth rate of 3.1 percent in 2015 – remarkably higher than its growth of 2.2 percent in 2014. These results of Europe and the US emit mixed signals to the prospects of Bangladesh's exports.



Bank's Initiative:

Jamuna Bank proactively monitors the global economic scenarios and arranges the portfolio accordingly to attain the most favorable situation for the bank.

Lack of business confidence: In the year 2015 Bangladesh Bank is going to relax private sector lending and public sector borrowing. Infrastructural gap, political instability and global economic instability become headache for the entrepreneur. Turmoil in political situation disrupted supply chain of foods, which has already indicated high price of foods. Increase in inflation has become daunting factor for investor and devaluation of Taka influence the potential investors to meticulously consider the situation. However Government has tried to create favorable situation for the country by removing all the business detrimental factors.

Bank's Initiative:

Bank is much cautious about the sectors which are very much sensitive to the political condition of the country. Banks always prioritizes the sectors which are less sensitive to the political situation.

Disclosure on Risk Based Capital under Basel II

Background: These disclosures on the position of the bank's risk profiles, capital adequacy and risk management system under Pillar-III of Basel-II are made following revised "Guidelines on Risk Based Capital Adequacy" for banks issued by Bangladesh Bank in December 2010. These quantitative and qualitative disclosures are intended to complement the Minimum Capital Requirement (MCR) under Pillar-I and Supervisory Review Process (SRP) under Pillar-II of Basel-II.

The purpose of these disclosures is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of the bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets.

SCOPE OF APPLICATION

Scope of Application: The Risk Based Capital Adequacy framework applies to Jamuna Bank Limited (JBL) on 'Solo' basis as well as 'Consolidated' basis as there were two subsidiaries of the bank as on the reporting date i.e. 31 December 2014. The names of the two subsidiary companies are Jamuna Bank Capital Management Limited and Jamuna Bank Securities Limited.

Consistency and Validation: The quantitative disclosures are made on the basis of consolidated audited financial statements of JBL and its Subsidiary as at and for the year ended 31 December 2014 prepared under relevant international accounting and financial reporting standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and related circulars/ instructions issued by Bangladesh Bank from time to time. The assets, liabilities, revenues and expenses of the subsidiaries are combined with those of the parent company (JBL), eliminating inter company transactions. So assets of the subsidiaries were risk weighted and equities of subsidiaries were crossed out with the investment of JBL while consolidating.

CAPITAL STRUCTURE

Capital Structure of JBL: Regulatory capital, as stipulated by the revised RBCA guidelines by BB, is categorized into three tiers according to the order of quality of capital i.e. Tier 1, Tier 2, and Tier 3. Tier 1 capital called 'Core Capital' comprises of highest quality of capital elements. Tier 2 capital called 'Supplementary

Capital' represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank and Tier 3 capital or 'Additional Supplementary Capital' consists of short-term subordinated debt with maturity two to five years, would be solely for the purpose of meeting a proportion of the capital requirements for market risk.

Conditions for Maintaining Regulatory Capital: The Bank complied with all the required conditions for maintaining regulatory capital as stipulated in the revised RBCA guidelines by Bangladesh Bank as per following details:

- The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.
 - » Status of Compliance: Complied.
- 50% of revaluation reserves for fixed assets and securities eligible for Tier-2 capital.
 - » Status of Compliance: Complied.
- 10% of revaluation reserves for equity instruments eligible for Tier 2 capital.
 - » Status of Compliance: Complied.
- Subordinated debt shall be limited to a maximum of 30% of the amount of Tier 1 capital.
 - » Status of Compliance: As on the reporting date there was no subordinated debt in the capital structure of JBL.
- Limitation of Tier 3: A minimum of about 28.50% of market risk needs to be supported by Tier 1 capital. Supporting of Market Risk from Tier 3 capital shall be limited up to maximum of 250% of a bank's Tier 1 capital that is available after meeting credit risk capital requirement.
 - » Status of Compliance: Capital required for meeting credit risk was BDT 808.23 crore and so the Tier-1 capital after meeting credit risk was BDT 104.83 crore (BDT 913.06 crore minus BDT 808.23 crore). Capital required for meeting 28.50% of market risk was BDT 23.41 crore (BDT 82.14 crore X 28.50%) as on the reporting date. So, this condition is met.

Quantitative Disclosures: The Bank had a consolidated Capital of BDT 1,108.25 crore comprising Tier-1 capital of BDT 913.06 crore and Tier-2 capital of BDT 195.19 crore (JBL had no Tier-3 element in its capital structure) as on the reporting date (31 December 2014). Following table presents the details of capital (Tier-1, 2 & 3) as on December 31, 2014:

Tk. in Crore

| 1.0 | Tier-1 (Core Capital) | Amount |
|--|---|--------|
| 1.1 | Fully Paid-up Capital/Capital Deposited with BB | 516.07 |
| 1.2 | Statutory Reserve | 296.60 |
| 1.3 | Non-repayable Share premium account | - |
| 1.4 | General Reserve | - |
| 1.5 | Retained Earnings | 100.40 |
| 1.6 | Minority interest in Subsidiaries | 0.00 |
| 1.7 | Non-Cumulative irredeemable Preferences shares | - |
| 1.8 | Dividend Equalization Account | - |
| 1.9 | Others | - |
| 1.10 | Sub-Total: (1.1 to 1.9) | 913.06 |
| Deductions from Tier-1 (Core Capital) | | |
| 1.11 | Book value of Goodwill | - |
| 1.12 | Shortfall in provisions required against classified assets | - |
| 1.13 | Shortfall in provisions required against investment in shares | - |
| 1.14 | Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities | - |
| 1.15 | Reciprocal crossholdings of bank capital/subordinated debt | - |
| 1.16 | Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991 | - |
| 1.17 | Investments in subsidiaries which are not consolidated - 50% | - |
| 1.18 | Other if any | - |
| 1.19 | Sub Total (1.11 to 1.18) | - |
| 1.20 | Total Eligible Tier-1 Capital (1.10-1.19) | 913.06 |
| 2.0 | Tier-2 (Supplementary Capital) | Amount |
| 2.1 | General Provision (Standard + SMA + off Balance Sheet exposure) | 110.18 |
| 2.2 | Assets Revaluation Reserves up to 50% | 53.17 |
| 2.3 | Revaluation Reserve for Securities up to 50% | 31.83 |
| 2.4 | Revaluation Reserve for equity instrument up to 10% | - |
| 2.5 | All other preference shares | - |
| 2.6 | Subordinated debt | - |
| 2.7 | Other (if any item approved by Bangladesh Bank) | - |
| 2.8 | Sub-Total (2.1 to 2.7) | 195.19 |
| 2.9 | Deductions if any (e.g. investment in subsidiaries which are not consolidated-50%) | - |
| 2.10 | Total Eligible Tier-2 Capital (2.8-2.9) | 195.19 |

| 3.0 | Tier-3 (Additional Supplementary Capital) | Amount |
|-----|---|---------|
| 3.1 | Short-term subordinated debt | - |
| 4.0 | Total Supplementary Capital (2.10+3.1) | 195.19 |
| 5.0 | Total Eligible Capital (1.20+4.0) | 1108.25 |

CAPITAL ADEQUACY

Bank's Approach to Assessing Capital Adequacy: As banks in Bangladesh are now in a stage of developing risk management models, BB suggested the banks for using Standardized Approach for credit risk capital requirement for banking book and Standardized (rule based) Approach for market risk capital charge in their trading book. JBL used the Basic Indicator Approach (BIA), as prescribed by Bangladesh Bank in determining capital charge against operational risk. Under the Basic Indicator Approach (BIA), the capital charge for operational risk is a fixed percentage (denoted by alpha) of average positive annual gross income of the bank over the past three years.

Jamuna Bank Limited focuses on strengthening and enhancing its risk management culture and internal control environment rather than increasing capital to cover up weak risk management and control practices. JBL has been generating most of its incremental capital from retained profit to support incremental growth of Risk Weighted Assets (RWA). Therefore, the Bank's Capital Adequacy Ratio (CAR) remains consistently within the comfort zone since the parallel run from 1 January, 2009.

Assessing regulatory capital in relation to overall risk exposure of a bank is an integrated and comprehensive process. Jamuna Bank Limited, through its Basel-II Supervisory Review Committee (B2SRC) and Risk Management Committee, is taking active measures to identify, quantify, manage and monitor all risks to which the Bank is exposed to. Assessment of Regulatory Capital will be in alignment with the findings of these exercises.

Quantitative Disclosures: Following table shows component wise allocation of capital to meet three risks and an amount of additional capital maintained over MCR i.e. 10% of RWA. As on the reporting date, Jamuna Bank Limited maintained a Capital Adequacy Ratio (CAR) of 11.23% on 'Consolidated Basis' and 11.25% on 'Solo Basis' against required minimum of 10%. We had an excess capital of BDT 121.73 crore (Consolidated) after meeting all three risks as on the reporting date as shown in the following table:

Tk. in Crore

| Capital Adequacy | Consolidated | Bank (Solo) |
|---|--------------|-------------|
| a. Capital requirement for Credit Risk | 808.23 | 808.61 |
| b. Capital requirement for Market Risk | 82.14 | 80.34 |
| c. Capital requirement for Operational Risk | 96.15 | 94.03 |
| Capital maintained to meet credit, market and operational risks | 986.52 | 982.99 |
| d. Some additional capital over MCR maintained by the bank | 121.73 | 122.83 |
| Total Capital Maintained | 1108.25 | 1105.82 |

CREDIT RISK

Qualitative Disclosures:

Definition of Credit Risk: Credit risk is the possibility that a borrower will fail to meet its obligation in accordance with agreed terms and conditions. That is credit risk is the risk of loss that may occur from the failure of any counterparty to make required payments in accordance with agreed terms and conditions and/or deterioration of credit worthiness. Credit risk is managed through a framework set by policies and procedures approved by the Board. The responsibility is clearly segregated between originator of business transaction and approver in the risk function.

Credit Risk Management Policies and Procedures: Credit risk management needs to be a robust process that enables Banks to proactively manage loan portfolio in order to minimize losses and earn an acceptable level of return for Shareholders. Central to this is a comprehensive IT system, which should have ability to capture all key customer data, risk management and transaction information. Jamuna Bank Ltd. already has real time on-line Banking system which enables to capture all key customer data. Given the fast changing dynamic global economy and the increasing pressure of globalization, liberalization, consolidation and disintermediation, it is essential that Banks have robust Credit risk management polices and procedures that are sensitive and responsive to these changes.

Jamuna Bank Limited being a progressive and dynamic private sector Bank formulated its own Credit Policy Guidelines to efficiently and professionally manage risks arising out of its Credit operation. The Credit Policy Guidelines was initially approved by the Board of Directors in its 59th meeting held on 08.01.2006. As per Credit Risk Management Guidelines of Bangladesh Bank, the credit policy of JBL has been refined from time to time.

The Credit Policy Guidelines of JBL encompasses a wide range of issues related to credit operation. Jamuna Bank Limited continually updates by the bank to lead the ongoing improvement in the banking sector. The focal points of the JBL credit policy are:

1. Organizational Structure
2. Segregation of Duties
3. Implementation of the concept of Relationship Banking
4. Credit Principles
5. Credit Facilities parameter
6. Discouraged Business
7. Review of Mode-wise Credit Position
8. Review of Large Loan Concentration
9. Review of Classification Position and Target
10. Credit Budget with sectoral outlook
11. Procedure of Credit Operation including credit assessment
12. Credit Risk Grading System
13. Emphasizing on Secured Lending
14. Disbursement process and Documentation
15. Credit Monitoring
16. Policy for Delegation of Lending Authority

Methods used to measure Credit Risk: Credit risk grading is an important tool for credit risk measurement as it helps the Banks and financial institutions to understand various dimensions of risk involved in different credit transactions. The aggregation of such grading across the borrowers, activities and the lines of business can provide better assessment of the quality of credit portfolio of a bank or a branch. Well-managed credit risk grading systems promote bank safety and soundness by facilitating informed decision-making. Grading systems measure credit risk and differentiate individual credits and groups of credits by the risk they pose. This allows bank management and examiners to monitor changes and trends in risk levels. The process also allows bank management to manage risk to optimize returns.

The credit risk grading is done by assigning weight-age accordance to the severity of risk. The primary risk areas are financial risk, business/ industry risk, management risk, security risk and relationship risk. These risk components are further subdivided.

A thorough credit risk assessment is being conducted prior to the sanctioning of credit facilities. Thereafter it is done annually for each relationship. The result of this assessment is presented in the credit proposal originated from the Relationship Manager.

Following risk areas are addressed and assessed in credit sanctioning process:

- Borrower Analysis:** Reputation, education, experience, age and success history and net worth of the borrower are considered to analyze a borrower. Any issues regarding lack of management depth, complicated ownership structures or inter-group transactions are addressed in borrower analysis.
- Industry Analysis:** To analyze an industry JBL considers industry position i.e. threat & prospect in the industry, risk factors pertaining to the industry, borrowers position or share in the industry.
- Historical financial analysis:** An analysis of a minimum of 3 years historical financial statements of the borrower is being presented. The analysis addresses the quality and sustainability of earning, cash flow and the strength of the borrower's balance sheet.
- Projected financial Performance:** Where term facilities are being proposed, a projection of the borrower's future financial performance is required to be provided.
- Technical feasibilities / Infrastructural facilities, Seasonality of demand, Debt-Equity Ratio, Account conduct of the borrower, Security and other relevant factors are considered to assess credit risks.**

Credit Risk Management System: Jamuna Bank Limited (JBL) has established a robust credit risk management system to proactively manage loan portfolio in order to minimize losses. It has significantly improved risk management culture and established standard for segregation of duties and responsibilities relating to Credit Operation of the Bank.

The major steps taken by JBL to implement credit risk management guidelines are:

- It has formulated its own Credit Policy Guidelines in line with the core risk guideline of Bangladesh Bank.
- The policy takes into account the sectoral

concentration and specific industry exposure cap is set in the policy.

- Head Office Organizational structure has been segregated in line with CRM Guideline (Credit Marketing, Credit Approval and Credit Administration activities have been separated).
- Borrower's Risk Grade are assigned and mentioned in the credit proposal.
- All disbursement is authorized centrally in the computer system only after confirming fulfillment of documentation requirement as per sanction term. There is no scope of disbursement without approval of the competent authority.
- Credit Approval Authority has been clearly defined in the policy.
- Strong monitoring of loan portfolio is ensured by separate Credit Monitoring Department.

Asset Impairment Policy: JBL follows central bank guidelines as its asset impairment policy. Bangladesh Bank set loan impairment/classification criteria and provisioning policies vide BRPD Circular No.14 dated September 23, 2012. The summary of objective criteria of loan classification and provisioning requirement are as below:

Objective Criteria:

| Type of Loan | Unclassified | | Sub-standard | Doubtful | Bad/Loss |
|----------------------------------|--------------|-------|--------------|----------|----------|
| | Standard | SMA | | | |
| Continuous | 0<2 | 2<0<3 | 3<0<6 | 6<0<9 | 0>9 |
| Demand | 0<2 | 2<0<3 | 3<0<6 | 6<0<9 | 0>9 |
| Fixed Term | 0<2 | 2<0<3 | 3<0<6 | 6<0<9 | 0>9 |
| Fixed Term (Up to Tk. 10.00 Lac) | 0<2 | 2<0<6 | 6<0<9 | 9<0<12 | 0>12 |
| SAC/MC | 0<12 | | 12<0<36 | 36<0<60 | 0>60 |

Note: O = Overdue, SMA = Special Mention Account, SAC = Short term Agricultural Credit, MC = Micro Credit.

Rate of Provision:

| Particulars | Short Term Agril. Credit | Consumer Financing | | | SMEF | Loans to BMs/ MBs /SDs | All Other Credit | |
|-------------|--------------------------|--------------------|------|------|------|------------------------|------------------|------|
| | | Other than HF, LP | HF | LP | | | | |
| UC | Standard | 2.50% | 5% | 2% | 2% | 0.25% | 2% | 1% |
| | SMA | - | 5% | 5% | 5% | 5% | 5% | 5% |
| Classified | SS | 5% | 20% | 20% | 20% | 20% | 20% | 20% |
| | DF | 5% | 50% | 50% | 50% | 50% | 50% | 50% |
| | BL | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Base for Provision: Provision will be maintained at the above rate on the balance to be ascertained by deducting the amount of 'Interest Suspense' and value of eligible securities from the outstanding balance of classified accounts.

Quantitative Disclosures:

Total gross credit risk exposures broken down by major types of credit exposure: Bangladesh Bank guidelines on RBCA, stipulated to segregate bank's asset portfolio into different categories and the following table shows our gross exposure in each asset category.

Major Types of Credit Exposure As on 31.12.2014

(Tk. in Crore)

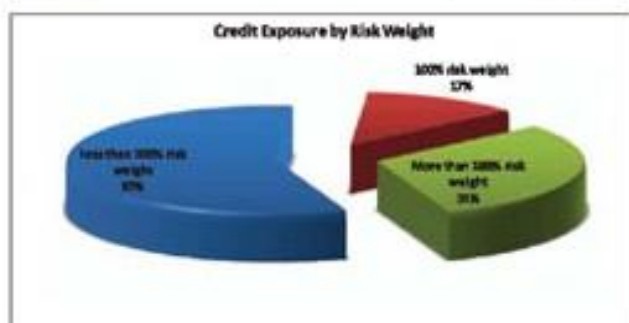
| Sl. | Exposure Type | Exposure | Risk Weighted Asset |
|-----|--|---|---------------------|
| 1 | Cash | | 124.67 |
| 2 | Claims on Bangladesh Government and Bangladesh Bank | | 2873.26 |
| 3 | Claims on Multilateral Development Banks (MDBs): | | - |
| 4 | Claims on Public Sector Entities | | - |
| 5 | Claims on Banks & NBFIS | | |
| | Original Maturity over 3 months: BB's Rating Grade: | 1 | 404.61 |
| | | 2,3 | 80.78 |
| | | 4,5 | - |
| | | 6 | - |
| | | Unrated | 21.97 |
| | Original Maturity less than 3 months | | 382.66 |
| 6 | Claims on Corporate | | |
| | BB's Rating Grade: | 1 | 480.94 |
| | | 2 | 1100.49 |
| | | 3,4 | 447.83 |
| | | 5,6 | - |
| | | Unrated | 2800.28 |
| | Claims on SME | | |
| | | SME1 | - |
| | | SME2 | 0.68 |
| | | SME3 | 2.43 |
| | | SME4 | - |
| | | SME5 | - |
| | | SME6 | - |
| | | Unrated (small enterprise & <BDT 3.00 m) | 313.52 |
| | | Unrated (small enterprise having ≥BDT 3.00m & Medium Enterp.) | 536.58 |
| 7 | Claims under Credit Risk Mitigation | | 1118.15 |
| 8 | Claims categorized as retail portfolio (excluding SME, consumer loan & Staff Loan) upto 1 Crore. | | 36.04 |
| 9 | Consumer Loan | | 68.44 |
| 10 | Claims fully secured by residential property | | 29.71 |
| 11 | Claims fully secured by commercial real estate | | 39.45 |
| 12 | Past Due Claims | | 251.12 |
| 13 | Capital Market Exposure | | 204.69 |
| 14 | Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book | | 16.00 |
| 15 | Investments in venture capital | | - |
| 16 | Investments in premises, plant and equipment and all other fixed assets | | 256.43 |
| 17 | Claims on all fixed assets under operating lease | | - |
| 18 | All other assets: | | |
| | i) Claims on GoB & BB | | 95.28 |
| | ii) Staff Loan/Investment | | 11.75 |
| | iii) Cash items in the Process of Collection | | - |
| | iv) Claims on Off-shore Banking Unit (OBU) | | - |
| | v) Other Assets (net off specific provision, if any) | | 75.25 |
| | Grand Total | | 11,773.04 |

Credit Exposure by Risk Weight: Bank needs more capital for assets where risk weight is higher and the

below table shows our exposure under three main risk weight bands.

(Tk. In Crore)

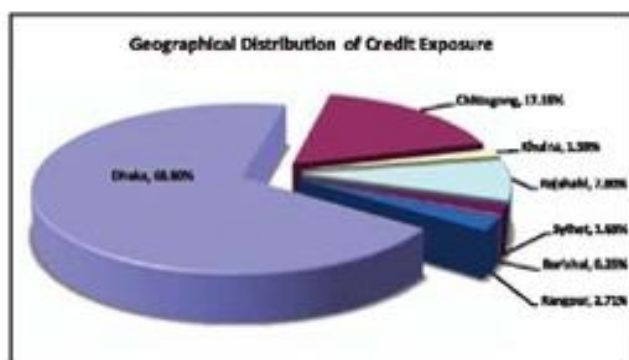
| Particulars | Credit Exposure | | |
|----------------------------|------------------|-------------------|------------------|
| | Balance Sheet | Off-Balance Sheet | Total |
| Less than 100% risk weight | 7023.32 | 517.82 | 7541.14 |
| 100% risk weight | 1536.17 | 102.63 | 1638.80 |
| More than 100% risk weight | 3213.55 | 859.97 | 4073.52 |
| Total | 11,773.04 | 1,480.42 | 13,253.46 |



Geographical Distribution of Loans & Advances: Our business is concentrated in two major cities- Dhaka and Chittagong as country's business activities are concentrated in these two locations. The following table shows Loans & Advances in different divisions:

TK. in Crore

| Sl. No. | Divisions | Credit Exposure | Percentage |
|---------|--------------|-----------------|----------------|
| 1 | Dhaka | 5359.60 | 68.80% |
| 2 | Chittagong | 1335.96 | 17.15% |
| 3 | Khulna | 124.04 | 1.59% |
| 4 | Rajshahi | 607.85 | 7.80% |
| 5 | Sylhet | 131.65 | 1.69% |
| 6 | Barisal | 19.84 | 0.25% |
| 7 | Rangpur | 211.04 | 2.71% |
| | Total | 7,789.98 | 100.00% |



Credit Exposure by Major Industry or Sector: Major sector wise credit exposure as on 31 December, 2014 was as below and the exposure amount remained within the appetite of the bank.

(Tk. in Crore)

| Sl. No. | Sectoral Structure of Lending | Outstanding as on 31.12.2012 | As % of Total Loans & Advances |
|---------|--|------------------------------|--------------------------------|
| 1) | Agriculture and Agro-based Industry | 107.38 | 1.38% |
| 2) | RMG | 505.59 | 6.49% |
| 3) | Textile | 299.12 | 3.84% |
| 4) | Ship Building | 0 | 0.00% |
| 5) | Ship Breaking | 111.54 | 1.43% |
| 6) | Other Manufacturing Industry | 1731.6 | 22.23% |
| 7) | SME Sector | 645.5 | 8.29% |
| 8) | Construction | 607.74 | 7.80% |
| 9) | Power, Gas | 33.77 | 0.43% |
| 10) | Transport, Storage and Communication | 371.42 | 4.77% |
| 11) | Trade Service | 1675.35 | 21.51% |
| 12) | Commercial real estate financing | 133.62 | 1.72% |
| 13) | Residential real estate financing | 43.24 | 0.56% |
| 14) | Consumer Credit (i.e. Auto/vehicle loans for personal use, personal loans, any purpose loans etc.) | 412.12 | 5.29% |
| 15) | Capital Market (loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities) | 20.57 | 0.26% |
| 16) | Credit Card | 91.43 | 1.17% |
| 17) | Non-bank financial institutions | 127.59 | 1.64% |
| 18) | Bank Acceptance (i.e. LDBP, FDBP) | 760.29 | 9.76% |
| 19) | Others | 112.11 | 1.44% |
| | Total Loans & Advances | 7,789.98 | 100.00% |

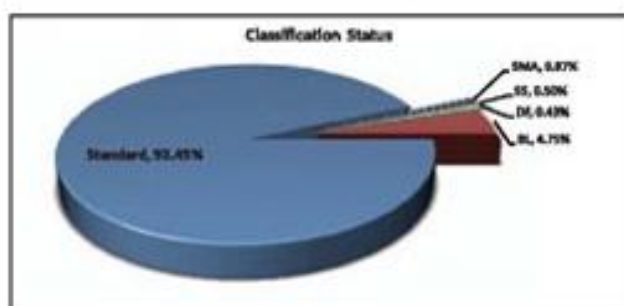
Residual Contractual Maturity of Loans and Advances:

| Particulars | Amount in Crore TK. |
|---|---------------------|
| Up to 1 Month | 1,984.22 |
| More than 1 Month to 3 Months | 1,497.94 |
| More than 3 Months but not more than 1 year | 2,559.98 |
| More than 1 year but not more than 5 years | 1,593.54 |
| More than 5 years | 154.31 |
| Total | 7,789.98 |

Non Performing Assets: Total non-performing loans and advances was BDT 442.21 crore as on 31.12.2014 while it was BDT 513.37 crore in 2013.

(Tk. in Crore)

| Classification Status | % of Total Loans | Outstanding |
|-------------------------------|------------------|-----------------|
| Standard | 93.45% | 7279.63 |
| Special Mention Account (SMA) | 0.87% | 68.13 |
| Sub-standard (SS) | 0.50% | 38.76 |
| Doubtful (DF) | 0.43% | 33.19 |
| Bad/Loss (B/L) | 4.75% | 370.27 |
| Total | 100.00% | 7,789.98 |



Movement of Non Performing Assets: The closing volume of non performing loans and Advances was BDT 442.21 crore while it was BDT 513.37 crore in the opening balance of the year 2014. Movement of non performing assets during the year is presented in the following table:

| Particulars | Tk in Crore |
|---|-------------|
| 1. Opening balance as on 01 January 2014 | 513.37 |
| 2. Additions during the year | 297.46 |
| 3. Reductions during the year | 398.72 |
| 4. Closing balance as on 31 December 2014 | 442.21 |
| Non Performing Assets (NPAs) to Outstanding Loans and advances | 5.68% |

Movement of specific provisions for NPAs is presented in following table:

| Particulars | Tk in Crore |
|---|-------------|
| 1. Opening balance | 225.67 |
| 2. Provisions made during the period | 109.69 |
| 3. Adjustment/Write-off during the year | 155.67 |
| 4. Closing balance | 179.69 |

EQUITY POSITION RISK

Equity Risk: Equity risk is the risk that one's investments will depreciate because of stock market dynamics causing one to lose money. Investment of JBL in equity securities is broadly categorized into two parts: Securities (Shares-common or preference, Mutual Fund) that are traded in the secondary market (trading book assets) and Un-quoted securities that are categorized as banking book assets.

The capital charge for equities would apply on their current market value in bank's trading book. This capital charge for both specific risk and the general market risk will be at the rate of the required minimum capital adequacy ratio. This is applied to all instruments that exhibit market behaviour similar to equities. The instruments covered include equity shares, whether voting or non-voting, convertible securities that behave like equities, for example: units of mutual funds, and commitments to buy or sell equity.

Quantitative Disclosures:

Total Investment in Capital Market (Consolidated Basis)

(Tk. in Crore)

| Investment in Capital Market | Amount | Total of Capital Components as stated in the last audited Balance Sheet | | | | Total | % of Investment in Capital Market to total prescribed Capital Components |
|--|---------------|---|---------|-----------------|---------------|--------|--|
| | | Paid Statutory up | Reserve | Retain Earnings | Share Premium | | |
| 1 Portfolio: Bank | | | | | | | |
| a) Shares | 27.41 | | | | | | |
| Less Equity investment in subsidiaries other than Merchant Bank and Brokerage Subsidiaries | - | | | | | | |
| b) Mutual Fund/Fund | 6.32 | | | | | | |
| c) Bondy/Debentures | - | 448.75 | 253.65 | 69.38 | - | 777.78 | 31.36% |
| d) Loan to others for merchant banking and brokerage activities | 83.37 | | | | | | |
| e) Loan to Stock Dealer | - | | | | | | |
| f) Placement/others Less placement in subsidiaries | 0.06 | | | | | | |
| 2 Portfolio: Subsidiaries | | | | | | | |
| a) Shares | 4.86 | | | | | | |
| b) Mutual Fund/Fund | 4.10 | | | | | | |
| c) Bondy/Debentures | - | | | | | | |
| d) Loans: | | | | | | | |
| Margin Loan | 117.80 | | | | | | |
| Bridge Loan | - | | | | | | |
| e) Placement/others | - | | | | | | |
| Total | 243.92 | | | | | | |

Capital requirements for equity position risk:

(Tk. in Crore)

| Sl. No. | Particulars | Amount (Market Value) | Weight | Capital Charge |
|---------|----------------------|-----------------------|--------|----------------|
| 1 | | 2 | 3 | 4=(2X3) |
| a) | Specific Risk : | 26.69 | 10% | 2.67 |
| b) | General Market Risk: | 26.69 | 10% | 2.67 |
| | Total | | | 5.34 |

INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

Interest rate risk is the potential that the value of the on-balance sheet and the off-balance sheet positions of the bank would be negatively affected with the change in the interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.

Interest rate risk in the banking book arises from mismatches between the future yield of an asset and their funding cost. The Bank assess interest rate risk in earning perspective which is traditional approach to interest rate risk assessment and obtained by measuring the changes in the Net Interest Income (NII) on Net Interest Margin (NIM) i.e. the difference between total interest income and the total interest expenses. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis. Duration Gap analysis is one of the technique by which JBL measures interest rate risk in the banking book on a quarterly basis. Duration is the measure of a portfolio's price sensitivity to changes in interest rates.

Quantitative Disclosures:

The impact of interest rate movement:

Tk. in Crore

| Particulars | < 3 months | 3-6 months | 6-12 months |
|--|------------|------------|-------------|
| Total Rate Sensitive Assets | 4205.32 | 1115.32 | 1997.99 |
| Total Rate Sensitive Liabilities | 6135.73 | 1530.32 | 473.51 |
| Gap | -2130.41 | -415.01 | 1524.48 |
| Cumulative Gap | -2130.41 | -2545.42 | -1020.94 |
| Regulatory Capital | 1105.82 | 1105.82 | 1105.82 |
| Total RWA | 9829.87 | 9829.87 | 9829.87 |
| CAR before Shock | 11.25% | 11.25% | 11.25% |
| Interest Rate Stress Test | Minor | Moderate | Major |
| Assumed Increase in Interest Rate | 1.00% | 2.00% | 3.00% |
| Net Interest Income Impact: <12 months | -10.21 | -20.42 | -30.63 |
| Tax Adjusted Impact | -5.87 | -11.74 | -17.61 |
| Capital after Shock | 1099.95 | 1094.08 | 1088.21 |
| CAR after Shock | 11.19% | 11.13% | 11.07% |
| Change in CAR after Shock | -0.06% | -0.12% | -0.18% |
| Duration GAP | 1.00 | 1.00 | 1.00 |
| Change in Market Value of Equity | -121.62 | -243.25 | -364.87 |
| Tax Adjusted Loss | -69.93 | -139.87 | -209.80 |
| Regulatory Capital: (after shock) | 1035.89 | 965.95 | 896.02 |
| Total RWA(after shock) | 9820.29 | 9820.29 | 9820.29 |
| CAR after Shock | 10.55% | 9.84% | 9.12% |

MARKET RISK

Market risk is the risk that the value of a portfolio, either an investment portfolio or a trading portfolio, will decrease due to the change in value of the market risk factors. The four standard market risk factors are stock prices, interest rates, foreign exchange rates and commodity prices. The objectives of our market risk policies and processes are to obtain the best balance of risk and return whilst meeting customers' requirements. The primary categories of market risk for the bank are:

Interest Rate Risk: The risk of loss resulting from changes in interest rates. As a result of mismatch of interest rates on its assets and liabilities and/or timing differences in the maturity thereof.

Foreign Exchange Risk: It is the risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency position and. There are also the risk of default of the counter parties and settlement risk.

Equity Risk: It is risk that results from adverse changes in the value of equity related portfolios.

Commodity Price Risk: Commodity price risk arises from changes in commodity prices and implied volatilities in commodity options, covering energy, precious metals, base metals and agriculture. Currently we do not have any exposure in commodity financing.

Market Risk Management:

To manage, monitors & control the above risks the Bank has Risk Management Committee & Asset-Liability Committee comprising the Divisional Heads and Seniors Executives and Mid Office etc. They set in every month to discuss the matters and takes immediate steps as and when required to mitigate the issues.

To manage the interest rate risk, ALCO regularly monitors various ratios and parameters. Among the ratios, the key ratios that ALCO regularly monitors are Liquid asset to total assets, Volatile Liability dependency ratio, medium term funding ratio and short term borrowing to Liquid assets ratio. ALCO also regularly monitors the interest rate sensitive gap and duration gap of total portfolio.

To manage exchange rate risk, bank always keep its net open position within the limit set by central bank. Also to manage exchange rate risk in cross currency, bank always square its position in cross currency or convert its exposure to USD. For monitoring and controlling the risk Bank has made contacts with several foreign banks and closely monitors the incoming and outgoing sources & payment schedule of foreign currency.

Quantitative Disclosure

Capital Required for Market Risk:

TK. in Crore

| Particulars | Amount |
|--|--------|
| Capital requirements for: | |
| - Interest rate risk; | 69.71 |
| - Equity position risk; | 5.34 |
| - Foreign exchange risk; and | 7.08 |
| - Commodity risk | - |
| Total Capital Required for Market Risk | 82.14 |

OPERATIONAL RISK

Operational Risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk.

The operational risk may be of this following category:

- Internal Fraud.
- External Fraud.
- Employment practices & work plan.
- Clients, products & business practice.
- Damage of physical assets.
- Business disrupt & system failure.
- Execution, delivery & process management.
- Legal risk.

Potential External Events:

External Events that means theft of information, Hacking Damage, Third party Theft & Forgery. The Risk Management Unit of our Bank reviews the external fraud monthly basis and takes necessary action against any of the above External events.

Policies and processes for mitigating operational risk:

The Bank developed a Risk Management Committee and Supervisory Review Committee for reviewing and managing operational risk as well as evaluating of the adequacy of capital. It includes policies outlining the bank's approach to identifying, assessing, monitoring and controlling/mitigating the risk.

Quantitative Disclosure

Capital Required for Operation Risk:

Basic Indicator Approach As on 31.12.2014

(Amount in crore taka)

| Sl. | Operational Risk | 2014 | 2013 | 2012 | Capital Charge (15% of Gross Income) |
|-----|---|--------|--------|--------|---|
| 1. | Gross Income | 719.32 | 630.66 | 573.01 | |
| 2. | Last 3 years Average annual Gross Income | | 641.00 | | 96.15 |



Green Banking

Green Banking

A Green bank is an ethical bank, an ideal bank, an environmentally responsible bank, a socially responsible bank and a sustainable bank, which considers all the social, ecological and environmental factors with an aim to protect the environment and conserve natural resources.

The term "Green Banking" generally refers to banking practices that foster environmentally responsible financing practices and environmentally sustainable internal processes minimizing Green House Gas Emissions. Green banking thus involves a two-pronged approach. Firstly, green banking focuses on green transformation of internal operations of banks. Secondly, banks should adopt environmentally responsible financing; weighing up environmental risk of projects before making financing decisions; and in particular supporting and fostering growth of upcoming green initiatives and projects.

Climate Change Impact Identified

Climate, as we know, is the average weather condition of 20 years or more. Climate is changing now with unfavorable and unpredictable manner due to man made and natural reasons. Bangladesh falls into the group of most climate change vulnerable countries despite her inconsequential share of global green house gas emission in comparison with other developing and developed countries. In almost every year natural disasters like flood, cyclone, drought, tornado etc revisit the Bangladesh. Frequently occurring natural disasters insinuates that climate change has been being exacerbated at an alarming rate for the last couple of years. Given the exigency of the recent climate change, global environmentalists are repeatedly raising their voices in several forums and asking the nations, who are the major contributors of green house gas emission, to forestall the climate change and make the globe worth liveable.

Green Banking objectives outlined

Jamuna bank Limited being one of the third generation banks has been keeping its keen eye on any new development in the banking industry so as to enable itself to undertake profitable investment opportunities having regard to the environmental concern. Green banking is a much talked about issue in recent times. A score of objectives set to accomplish in course of time is listed below:

- Make effective and efficient uses of resources with a view to accomplishing bank's ultimate goal;
- Increase good will or improve brand image by showing its commitment to save and protect the environment;
- Reduce giving loans to any environmentally detrimental project;
- Check the necessary environmentally due diligence factors before lending a loan;
- Channel the funds to the environmentally benign project; and
- Ensure regulatory compliance.

Green Banking Initiatives Undertaken

Since the inception of green banking practices, brought about by the Bangladesh Bank in our country through formulating and issuing policy guidelines on green banking, JBL keeps its wheel moving through putting in place a good number of initiatives related to green banking. So far activities surrounding green banking undertaken by the JBL are depicted below:

Green Banking Policy Formulation: The first and foremost task in introducing green banking in a bank is to formulate comprehensive guidelines on green banking. JBL has already introduced the same in a formal and structured manner not only to ensure regulatory compliance but also to make the employees inured to every aspects of green banking. In effect, the policy guideline covers most of the aspects as outlined in the BB policy guidelines.

Incorporation of Environmental Risks in CRM: As stipulated in the policy guidelines, JBL started practicing environment risk management in association with credit risk management. To bolster the environmental risk management, it is necessary to inculcate the concerned people to get the environment risk rated of each and every project so as to offset the credit risk to a greater extent. The methodology applied to rate environment risk is fully analogous to that of BB as laid down in its policy guidelines. The branch level officials are entrusted with the responsibility to perform environment risk rating of projects, which comply with the eligibility criteria of risk rating, and incorporate the same with the credit proposal. Environment risk rating particulars in 2014 are reproduced below:

TABLE ENVIRONMENT RISK RATING STATISTICS

| Particulars (During the Year-2014) | | Quantity/Amount |
|---|--|-----------------|
| No. of Projects Rated (Environmental Risk Rating) | Low | 292 |
| | Moderate | 4 |
| | High | 0 |
| Rated Projects Financed | Total Number | 296 |
| | Low | 292 |
| | Moderate | 4 |
| | High | 0 |
| | Total Amount Disbursed (In million Taka) | 48,904.53 |
| | Low | 44,896.28 |
| | Moderate | 3,298.81 |
| High | 709.44 | |

Originating In-house Environment Management:

In-house environment management has several aspects. It starts from efficient use of organization’s resources like water, paper electricity, and energy to adoption of information, communication and technology in every sphere of internal operation. These sorts of greening activities are in fact compensative in nature. JBL is set to avail of the ample opportunity that compensative greening promises, for significant achievement of its goals. JBL with its own motivation and regulatory compliance issue has opted for adopting measures to ensure in-house environment management, the much talked about issue in contemporary world, from 2011. Activities surrounding in-house environment management performed by JBL are enunciated below:

- An inventory of the consumption of water, paper, electricity and energy is prepared;
- Energy efficient bulbs are widely used in its branches and head office;
- Photocopiers are kept in energy saving mode;
- Online communication is used in place of printed documents (where possible) for office management through a dedicated common server namely FTP server;
- Printers are defaulted to duplex for double-side printing to save papers;
- Eco fonts are used (where applicable) in printing to reduce use of ink;
- Scrap papers are utilized as notepads and for draft printing (if opposite sides left blank);
- Energy efficient equipments are increasingly becoming installed such as LED monitors; and
- Arrangement is made to use fans, lights, air conditions efficiently.

Green Financing: The extent of recognizing the green financing as a crucial part of green banking is on the rise in the present world. Green financing, in the narrow sense, implies financing to the environmentally benign projects. JBL is committed to pursuing low carbon green development without compromising its relatively faster growth. JBL is increasingly dilated its voyage towards green industry in recent past. With an early recognition that green financing has profound impact on environment, JBL is enthusiastically proceeding a long way towards green financing. JBL has made inroad in green financing in several forms like financing for installation of ETP, financing to the projects having ETP, financing to solar panel/renewable energy plant, financing to hybrid Hoffman kiln (HHK). JBL has much potential to take the lead in green financing. A brief statistics of green financing done by JBL is provided below for quicker assessment:

TABLE GREEN FINANCING IN 2014

| Particulars | Amount Disbursed (In Millions) |
|------------------------------------|--------------------------------|
| Installation of ETP | 0.00 |
| Projects financed having ETP | 2316.45 |
| Solar Panel/Renewable Energy Plant | 16.90 |
| Hybrid Hoffman Kiln (HHK) | 7.50 |

Online Banking: Online banking encompasses activities which are done or performed through automated process. In other word, online banking includes transactions or services which are done or performed through electronic means. Online banking is also refers to any time, any time banking in which transactions can be completed in any time and at anywhere in the country. JBL has started online banking activities since inception. JBL’s online banking activities are performed by means of the state of the art technology data center. JBL is also maintaining a replica of data center namely disaster recovery site located in distant Uttara area of Dhaka city to provide back up service in case of system failure. DRS is similarly configured to Data Center. JBL’s online banking is primarily based on the platform which is basically a core banking solution namely Flora Bank System. JBL is running 168 numbers of ATM booths owned by the bank itself throughout the country. Besides its own ATM, JBL is also providing services to its customers through shared ATMs. In 2012, JBL has launched mobile/SMS banking services keeping in mind the growing demand of the customers. A wide range of activities can be performed through mobile/SMS banking services such as balance inquiry, balance transfer, transaction details, mobile account

recharge and so on. Mobile/SMS banking services is receiving tremendous responses from customers. JBL has launched Internet Banking service in the year 2013 for the valued customers. As far as service quality is concerned, JBL has acquired a commendable position in the banking sector in terms of providing online banking services. In no way JBL is lagged behind especially in adopting and implementing any recent development occurs within the national frontier. A statistics of online banking status of JBL is depicted below:

| Particulars | | Numbers |
|----------------------|---|---------|
| Numbers of ATM | Own | 167 |
| | Shared | 1340 |
| Online Banking | No. of Total Branches | 97 |
| | No. of Branches with online coverage | 97 |
| Internet Banking | No. of Accounts facilitated with internet Banking | 649 |
| | % of Accounts facilitated with internet Banking | 0.10% |
| Mobile / SMS Banking | No. of Accounts facilitated with Mobile / SMS Banking | 71405 |
| | % of Account facilitated with Mobile / SMS Banking | 11.10% |

Employee Training and Consumer Awareness Building: No program will reach the apex of success unless the program executing personnels are completely aware of that. Getting the employees trained and educated regarding the banking activities which pose environmental and social threat is of paramount importance. JBL is continuously conducting supporting program such as workshop and training exclusively on green banking with a view to enlightening the personnels concerning the much talked about subject namely green banking. Most often distinguished resource persons were the key speakers at the workshops and training session. The workshops and training programs are designed in light of green banking policy guidelines as well as guidelines on environmental risk management issued by Bangladesh Bank. It is evident that employees after participating in the workshops and training session more enthusiastically strive to ensure compliance of regulatory requirement. Besides they remain meticulous in assessing a project proposal which have some environmental aspects. Environment risk rating becomes a routine exercise in JBL. In 2014, JBL conducted 5 no. of workshops on Green Banking and Environmental Risk Management. Total numbers of participants in the said workshops were 178. It is expected the number and frequency of such workshops and training session on green banking will be increased in coming year. As far as consumer aware-

ness building is concerned, JBL has put forward a number of initiatives in which informally educating customers regarding the environmental risks associated with customers' business nature, pursuing the customers not to produce any negative externality and so on are included. Environmental risk rating statuses of borrowers' business are apprised to the respective borrowers and any action needed to improve the rating is also communicated to them.

Green Marketing: Green marketing is the designing and featuring a product that meets the customers' needs and is presumed to be environmentally safe. JBL is expected to start its green marketing campaign with the motto "Think Green, Live Green" in near future. JBL is exercising on designing and developing products that produce environmentally propitious outcome. The first and foremost task of JBL will be to disseminate the green banking concept among the mass people, the existing and the potential customers, followed by introducing environment benign products so as to enable them to evaluate the JBL's products and services effectively. In course of green marketing, JBL may highlight its technological advancement which helps reduce paper use that eventually save trees. JBL may go for persuading customers to use debit card instead of cheques. Besides, JBL is believed to launch some financing facilities which include:

- Green Residential and Commercial Real Estate Finance (Green Architecture);
- Green Project Finance (e.g. Installing ETP, project having ETP, Bio-gas plant, solar panel, Hybrid Hoffman Kiln etc);
- Financing to a business which have less potential to environmental degradation;

JBL is presumed to be extending finance in the aforesaid purposes at a much affordable rate of interest subject to availing of refinancing facilities from Bangladesh Bank.

Disclosure and Reporting of Green Banking Activities: As part of compliance, JBL quarterly submits report on green banking activities to Bangladesh Bank in a prescribed format. This report is intended to meet the requirement of disclosure of green banking activities. Now it is a matter of time to make this disclosure in JBL's website.



Corporate Governance

Implementation of the Principles of Good Corporate Governance

Jamuna Bank recognizes the importance of good corporate governance as a major factor in enhancing the efficiency of the organization. The Bank therefore conducts its business in line with the principles of good corporate governance, which form a basis for sustainable growth.

In order to maintain the Bank's solid financial status, to achieve ongoing positive performance results and to sustain its good reputation, the Bank is committed to conducting its business in a prudent manner by setting up sufficient and appropriate internal controls and risk management systems in accordance with the principles of good corporate governance.

The Board of Directors supports and encourages the adoption and implementation of good corporate governance principles in a prudent manner suited to the Bank's environment and situation, the monitoring of the implementation of the good corporate governance policy, together with the code of conduct and business ethics, as well as the review and revision of principles and relevant practical guidelines and directions so that they remain appropriate. Shareholders can also find more information about the Rules and Guidelines from the Bank's official website.

- Rights of Shareholders and Equitable Treatment of Shareholders

The Bank is fully committed to ensure that fair treatment is extended to all shareholders and proactive communications is practiced at all times with all shareholders. In this respect, it aims to ensure that shareholders have the opportunity to exercise their rights fully and fairly in an informed manner, such as the rights to sell, purchase, or transfer shares, access to the Bank's information, fair distribution of profits, and attendance of the meeting to cast votes, express opinions and comments, and to make decisions on important matters.

The Bank is holding its annual general meeting of shareholders within specified time. Meetings of shareholders other than general meetings are called extraordinary general meetings. The Board can convene extraordinary general meetings at any time it deems fit.

To convene Annual General Meeting of Shareholders, the Bank sent notice of meeting in which each agenda item was clearly identified whether it was for acknowledgement or consideration together with

recommendations of the Board as well as information supporting documents which comprised of the criteria of the meeting attendance, voting, proxy granting of shareholders together with the annual report. This allows shareholders to have time to study the information before hand.

The Bank also published the notice and other supporting documents well ahead of the meeting on the Bank's website. Furthermore, in accordance with the regulatory requirements, notice was published in the daily newspapers. On the day of the Meeting, various measures were taken to facilitate effective participation by the shareholders or proxy holders, including assigning staff to verify their related credentials to preserve the rights and equitable treatment is offered to all shareholders. Registration of attendees was conducted through a computerized system with Proxy Forms. The shareholders and proxy holders had the opportunity to register. The Bank prepared proxy forms and details on proxy granting for shareholders who have appointed proxies to attend the Meeting on their behalf. The proxy form and details on proxy granting were submitted together with the meeting notice to all shareholders.

During annual general meeting, the Company Secretary read out the agendas and the Chairman of the Board provide assurance to the shareholders regarding their opportunity to speak, raise any issues or make recommendations. At the meeting, the Chairman of the Board and Managing Director answers or clarifies related issues clearly and comprehensively. The issues, which are raised and thereupon the recommendations in respect of such issues are recorded in the meeting report. After the Meeting of shareholders, the report of the Meetings are prepared in an accurate and comprehensive manner, and included a summary of issues raised and clarifications or views provided. The reports of the annual general meetings are submitted to the regulatory bodies within specified time and copy of the report is also available on the Bank's website.

In relation to preventive measures against internal use of information by the Board, management and employees, the Board recognizes the importance of preventing the use of internal information of the Bank for personal gains. The Bank has put in place measures to prohibit unauthorized disclosure of material, which is non-public information. Members of the Board, Executive Management and employees are to refrain from using information that has become privately known to them for personal gains or for the interest of other persons seeking information dishonestly to conduct competing business with the Bank. In addition, the Bank has formulated Codes of Conduct for the Management and employees on the use of internal information. There are also available guidelines to avoid any conflicts of interest for efficiency and transparency in the management of the Bank.

- Role of Stakeholders

The Bank places great importance with regard to the rights of all stakeholders including directors, executive officers, employees, shareholders, clients, business partners and the relevant authorities.

Clients

The Bank takes seriously its commitment to provide clients with high-quality products and services while safeguarding their interests and accord them fair treatment in all aspects of their dealings with the Bank. In this regard, the Bank has developed processes and operating systems, using modern technology as appropriate, and has provided knowledgeable and skilled personnel to ensure that customers receive the best possible service. The Bank is continually expanding its network of branches, ATMs nationwide, protecting customer information, and managing and duly rectifying complaints. The Bank is equipped to efficiently handle client complaints and queries through a 'Cell'. To effectively manage complaints, the Cell maintains a database of client complaints and classifies them according to source and type. A report is prepared and forwarded to the Office of the Managing Director, the Internal Control & Compliance Division and other relevant offices, to resolve any complaints in an effective, fair and coordinated and timely manner. Client confidentiality is strictly observed at all time.

Regulatory bodies & Shareholders

The Bank recognizes the critical importance of ensuring systems and processes are in place to provide assurance of effective and efficient operations, inter-

nal controls and compliance with laws and regulations. Business conduct and ethics related policies are implemented and employees are governed by these policies. The Bank is focused on creating and delivering sustainable shareholder value, protection of assets and providing all shareholders with fair treatment whilst allowing them to exercise their rights fully and fairly in an informed manner.

Employees

The Bank believes in fair treatment accorded to all employees, and is fully committed in enhancing the quality of its human capital. In this context, the Bank consistently offers training and support, provides staff with the opportunity to enhance their performance and career development options. Such efforts will support the Bank's sustainable growth and expansion plans in an increasingly competitive marketplace. To support sustainable development and growth of the Bank's operations, the guidelines are based on good relationships and cooperation between the Bank and staff.

The Bank provides good security for the premises using standard systems and equipment for security control and by providing appropriate security guards. The Bank provides suitable workplaces that encourage staff to perform their work efficiently and effectively taking into consideration workplace safety and health.

The Bank provides various welfare systems such as healthcare (free of cost & reduced rate, in this respect corporate agreement with Anwer Khan Modern Hospital has been made), gratuity fund and provident funds.

The Bank's Human Resource Management is charged with the duty of proposing human resource management policy as well as its opinions on enhancement of staff knowledge and potential including development, training, work rotation, promotion, development and human resource development plans. Staffs are provided with orientation and knowledge and skill development programs. The Bank allocates a budget for providing more than 100 internal and external training and development programs throughout the year to help enhance the knowledge, ability, working skills, and managerial and other technical skills of its staff. The Bank has developed its own core training courses to provide the necessary knowledge and skills required for most members of staff, and for certain key functions within the Bank. The Bank has also developed various courses for the development of employees such as:

(1) General development training courses, including techniques for effective leadership, time management, and analytical and report-writing techniques;

(2) Training courses for specific job positions, for example customer service officer, marketing officer, branch manager and credit officer. The courses arranged by the Bank covering all areas of banking

Creditors and Business Partners

The Bank is committed to maintaining high standards of business conduct in compliance with all applicable laws and regulations. The Bank conducts business with its creditors and business partners fairly and in compliance with the relevant laws and regulations.

Competitors

The Bank recognizes the importance of a fair and competitive business environment. It is committed to conduct business in a fair and confidential manner while protecting the reputation of its competitors and ensuring best legal and ethical practices in the Bank.

Responsibility towards the community and the environment

The Bank recognizes the importance of putting into practice the corporate social responsibility guidelines and principles generally accepted to be suitable for the economic and social environment of the country and the region. The Bank therefore supports undertakings, which contribute to the public, to the community and to society as a whole. The Bank is actively involved in a range of CSR activities, including blood donation, relief for affected people from natural disaster, distribution of blankets to the cold stricken people, free eye camp, Seminar on Anti Drug movement, Anti Drug Rally, Seminar on Importance of Holly Ramadan, Qirat Competition Program, Scholarship & Crest Awarding Program among unprivileged but meritorious students and off springs of JBL employees who got GPA-5 in SSC & HSC, establishment of Jamuna Bank Old Home & Old Aged Rehabilitation Complex, establishment of Jamuna Bank After Care Centre, establishment of Jamuna Bank Medical College & Hospital, establishment of Sewing Machine Training Centre etc.

Disclosure and Transparency

The Board of Directors is responsible for the preparation of consolidated financial statements of the Bank and its subsidiary companies. It has assigned the Audit Committee to review the Bank's financial state-

ments to ensure that they are accurate, credible and in line with accounting standards. A report from the Audit Committee on the financial statements has been included in this Annual Report.

The Bank recognizes the significance of the disclosure of important financial and non-financial information, including the Annual Report. The Bank has disclosed such information to investors and involved parties across a variety of channels and media, namely sending information to shareholders by direct mail, holding press conferences and sending out press releases, including disseminating information through the Stock Exchange s and on its website. These initiatives include:

- Dissemination of Bank's information and maintaining good communications with investors/stakeholders through media and other ways. Reports on financial results and material transactions are made in an accurate, fair, and transparent manner and in compliance with the applicable laws and regulatory requirements.
- The dissemination of information to the general public via the media when financial results are announced.

Counter parties

The Bank believes that counterparties play a significant role in supporting its business, and undertakes to honor its trade conditions and agreements with counterparties based on mutual good understanding and cooperation together with recognition of the basis for fair competition and market practice, as well as other widely accepted practices relating to the Bank's business undertakings.

Board of Directors :

The Board of Directors is the apex body responsible for formulating policies, determining objectives, ensure good corporate governance and playing a holy role of stewardship on behalf of shareholders/stakeholders to manage the Bank's operations smoothly, mitigate any untoward/adverse situations and monitor the Bank's performance effectively and efficiently to maximize shareholders' wealth as well as to earn the confidence and safeguard the interest of the depositors.

The functional areas of the Board include, but not limited to, setting corporate objectives/goals, Framing Strategic & short term/mid term/long term business policies, prepare budgets in line with strategic policies, approval of financial statements, set and review Bank's performance/objectives, establishing effective and sound internal control system and risk management system complying rules/regulations/circulars time to time issued by the regulatory bodies (such as Bangladesh Bank, Bangladesh Securities & Exchange Commission etc.).

The functions of the Board not limited to but reviewing existence/up-gradation of company's corporate governance standards, focus areas of corporate social responsibility(ies), putting in place strategic Mission, Vision, objectives, targets, policies and procedures to achieve the set target, carrying on business smoothly in competitive environment, efficient management of expenses, enhancing the expertise of all level personnel, providing extended customer services and taking steps for its continuous improvement, developing compliance culture, approving proposals beyond the delegated business/financial/administrative powers of the Management, Executive Committee of the Board. The Board also delegated it's powers/responsibilities as much as possible considering guideline(s) and capacity/ability as commensurable.

The Directors of the Bank except the Managing Director retire by rotation in accordance with the provision of law.

- The Role and Responsibilities of the Board of Directors
- o The basic responsibility of the Board is to exercise business judgment in good faith, in a manner that they reasonably believe to be in the best interest of the Bank, while complying with the applicable laws and regulations, Memorandum of Association and Articles of Association and resolutions adopted by the shareholders.
- o To set the vision, mission, direction and policies of the Bank and to determine objectives and strategies to ensure the effective discharge of the Bank's functions and to ensure efficient use of Bank's resources.
- o To seek individuals from diverse professional backgrounds admixed with a broad spectrum of experience and expertise with a reputation for integrity for appointment to management positions.
- o To review and approve Annual Budgets as proposed by the Management.

- o To delegate responsibility(ies) to the Management for carrying on business smoothly based on agreed targets and objectives except when the matter warrants the Board's attention.
- o To determine the issues required to be brought to the attention of the Board by the Management.
- o To ensure that Management is discharging duties based on the Bank's strategic objectives and communicating those strategic objectives to all levels on regular interval.
- o To ensure that Management is complying with all relevant laws and regulations as well as the terms and conditions of various agreements.
- o To ensure/establish an effective and sound risk management and internal control system.
- o Review policy(ies) regarding yearly Key Performance Indicators (KPIs), adequate capital requirement(s), approval/appraisal of loans & advances proposals, overdue/classified, rescheduled, waived, written off loans & advances, adequate provision on loans & advances, monitoring, supervision & recovery of classified loans & advances.
- o Besides, the Board approves, modifies/alters policies regarding business planning as and when requires, core risk management, service rules for the sake of business advancement.
- o The members of the Board of Directors are elected complying prevailing laws/regulations including Articles of Association.

The Board shall also be responsible for approving all matters which require its approval, or recommending them to the shareholders for approval, as it deems fit, based on the following principles:

- Act in the best interest of the Bank;
- Exercise sound and prudent judgment; and
- Decide rationally and impartially without consideration of personal gain.
- Exercise due care and diligence by taking all the steps that he or she ought to take as a Director;
- Make informed decisions; and
- Pose intelligent questions.
- Act in good faith;
- Make impartial decisions, avoid the possibility of appearance of any conflict of interest and
- Avoidance of abuse of power or authority by using classified information for personal gain.

☒ Leadership and Vision

The Board of Directors consists of individuals from diverse professional backgrounds with a broad spectrum of experience, expertise and high standards of business ethics. The roles of the Board, including the appointment and removal of directors, are set out in the Articles of Association. The Board is committed to maintaining the highest standards of corporate governance and has a good understanding of the Bank's business and affairs.

It is responsible for ensuring independent oversight of internal control and risk management while providing an objective assessment of Executive Management in the execution of the Bank's policies and strategies.

☒ Ethics and Conflict of Interests

The Management and employees must comply with code of conduct when interacting with the Bank's clients, shareholders, employees, and business partners/ debtors.

Great emphasis is also placed on their responsibilities for environment, society and competitors, preservation of client confidentiality, honesty, fairness, professional integrity, business capacities, strict compliance with laws and regulations, as well as cooperation with regulatory agencies. In performing their duties, employees are required to adhere to the principles of good corporate governance, use good judgment, act in compliance to rules and regulations and ensure that the Bank discharges its legal and regulatory responsibilities accordingly. Alleged breaches are investigated in accordance with set procedures, and disciplinary penalties are imposed if any employee is found guilty of a breach of conduct.

The Bank has in place policies to prevent conflicts of interest, connected transactions or related-party transactions. These include:

- A policy for the consideration of the granting of credits and investments to and undertaking contingent of liabilities or other credit-like transactions with the Bank's major shareholders, or businesses with beneficial interest to directors or persons with managing authority of the Bank, which must adhere to the terms stipulated by the Bangladesh Bank. Any such grant must be approved unanimously by the Board and no director or person with managing authority who benefits from the granting of credits and investments and the undertaking of contingent liabilities or other credit-like transactions can take part

in the decision-making process.

- A policy for undertaking major transactions. Major transactions include agreements to undertake connected transactions and/or agreements to undertake transactions to acquire or dispose of major assets and/or rights to acquire or dispose of the Bank's major assets. The Bank must comply with requirements of related regulatory bodies.
- Ensure that the transaction is legitimate and is in the best interest of the Bank, that the terms and conditions of the said transaction are not different from similar transactions entered into with unrelated parties; and
- Ascertain that the procedures for considering and approving any given transaction are fair, transparent, and verifiable.

Sufficient information on the transaction must also be disclosed to investors as per requirement of laws.

Connected transactions must be approved by the Board. Persons who review or recommend the transaction for approval must not have any interests in the said transaction. Directors with any material interest in the transaction are not allowed to take part in the discussion relating to such transaction or vote on the matter.

☒ Related Transactions

As of 31 December 2014, the Bank recorded business transactions with its subsidiary company. These transactions have been concluded under commercial terms and based on mutual agreement on the criteria involved in the ordinary course of business between the Bank and its subsidiary company.

☒ Board Meetings

Board meetings are scheduled at least twice in every month. In addition to the scheduled Board meetings, further Board meetings may also be held as and when they are required. The Board secretary is responsible for providing all Directors with the agenda, supporting papers and relevant information for each meeting seven days before the meeting, to give the Directors advance notice of the business to be transacted. The Secretary is also responsible for taking the minutes of each meeting and preparing the meeting report, which is signed by the Chairman of the Board and filed.

❑ Board Performance Review

The Board conducts an annual evaluation of its performance, where it also reviews problems and obstacles, and makes suggestions to increase the Bank's operational efficiency.

❑ Selection, Appointment and Removal of directors

The members of the Board of Directors are elected as per Bank's Articles of Association as well as approval by regulatory bodies. The members are appointed to take charge of selecting and nominating qualified persons who have no disqualifications according to the law for appointment as directors before submitting to the meeting of the Shareholders for approval and appointment. This is compliant with the rules and procedures on appointment and removal of directors as specified in the Bank's Articles of Association as well as guidelines of regulatory bodies time to time issued in this respect.

❑ Remuneration of Directors

The Bank discloses information on the remuneration of its Directors in compliance with the circular/notification time to time issued by the regulatory bodies. Each Board member get Tk.5,000.00 (five thousand) only as Meeting Attendance Fee and members who are living outside Dhaka get Traveling & Daily Allowance as per policy approved by the Board.

❑ Internal Controls

The Bank has implemented various initiatives in order to establish an internal control system which is in line with the International Standards on Auditing (ISA), International Financial Reporting Standards (IFRS) & International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and as per Bangladesh Bank core risk guideline. The Bank has prescribed duties for its committees and units as follows:

The Internal Control & Compliance Division is responsible for auditing the various Branches and Divisions/Departments of Head Office of the Bank under the supervision of the Audit Committee.

The Compliance Unit is responsible for providing clarification on the rules and regulations issued by relevant authorities as well as ensuring that the Bank complies with relevant laws and regulations.

With regard to risk management, the Bank recognizes the importance of controlling and managing

risks that may arise in the course of doing business and has followed the risk management policy and guidelines as recommended by the Bangladesh Bank. The Bank's Risk Management Committee is charged with the responsibility of establishing and proposing to the Board of Directors the policy for overall risk management as well as supervising and monitoring to ensure that the management of risks is within the guidelines of the established policy.

To undertake the regular task of managing the Bank's assets and liabilities in such a way that market risk - which arises from the movement of interest rates, exchange rates and prices - is maintained within an acceptable level with minimal volatility.

Committees

The Board of Directors has set up committees to closely monitor and oversee the Bank's operations, and reports the progress to the Board of Directors on a regular basis. These committees include the Executive Committee, Audit Committee and Risk Management Committee :

o Executive Committee

To assist the Board, Executive Committee constitutes complying guidelines of Bangladesh Bank to deliberate urgent and daily/routine works/important management issues and matters for execution of operations of the Bank between the intervals of Board meeting. The Committee performs within the delegated power/terms of reference time to time given/set by the Board of Directors in the light of prevailing rules/regulations. The Committee is composed of 7 (seven) members. The Chairman of Executive Committee has been selected from the members of the said Committee for a period of two months.

Details of Members of Executive Committee along with their terms/duration are given hereunder:

From 01-01-2014 to 26-04-2014 :

| | |
|------------------------------------|--------------------------------|
| 1 Al-haj M. A. Khayer | - |
| 2 Engr. Md. Atiqur Rahman | Chairman for January |
| 3 Al-Haj Nur Mohammed | - |
| 4 Mr. Md. Tajul Islam | - |
| 5 Mr. Sakhawat, Abu Khair Mohammad | - |
| 6 Mr. Md. Belal Hossain | - |
| 7 Mr. Shaheen Mahmud | Chairman for February to April |

From 27-04-2014 to 26-10-2014 :

- 1 Engr. A. K. M. Mosharraf Hussain -
- 2 Al-Haj Nur Mohammed -
- 3 Mr. Md. Tajul Islam -
- 4 Mr. Sakhawat, Abu Khair Mohammad Chairman for September to October
- 5 Al-haj Md. Rezaul Karim Ansari Chairman for July to August
- 6 Mr. Kanutosh Majumder -
- 7 Mr. Gazi Golam Murtoza Chairman for May to June

From 27-10-2014 to 31-12-2014 :

- 1 Mr. Md. Sirajul Islam Varosha -
- 2 Mr. Shaheen Mahmud -
- 3 Engr. Md. Atiqur Rahman -
- 4 Mr. Md. Belal Hossain -
- 5 Mr. Md. Mahmudul Hoque Chairman for November to December
- 6 Mr. Gazi Golam Murtoza -
- 7 Mr. Md. Hasan -

o Audit Committee

Objective

To assist the Board of Directors with regard to the auditing of financial reports, internal controls and internal audits, and to select and work in co-ordination with the Bank's external auditors. The Audit Committee assists the Board in fulfilling its oversight responsibilities. The committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

Composition and Qualifications

The Committee time to time formed by the members of the Board having such qualification(s) as determined by the Board in light of guideline(s) time to time framed by the Bangladesh Bank and Bangladesh Securities & Exchange Commission. Chairman of the Committee is an Independent Director as per BSEC guideline.

Details of Members of Audit Committee as on 31-12-2014 are given hereunder:

| SN | Name of the member | Relationship with the Bank | Position | Educational Qualification |
|----|----------------------------------|----------------------------|----------|---|
| 1 | Mr. Md. Rafiqul Islam | Independent Director | Chairman | M.A |
| 2 | Engr. A. K. M. Mosharraf Hussain | Director | Member | B. Sc. Engg (Civl) FIE (Bangladesh) |
| 3 | Al-Haj Nur Mohammed | Director | Member | B. A |
| 4 | Mrs. Tasmin Mahmud | Director | Member | Masters |
| 5 | Mr. A. S. M. Abdul Haiim | Independent Director | Member | B. Com. (Hons), M. Com (Dhaka University) Higher studies in Development Administration, Birmingham University, UK |

Roles and Responsibilities of the Audit Committee :

i) Internal Control:

1. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;
2. Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);
3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;
4. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management.

(ii) Financial Reporting:

1. Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank;

2. Discuss with management and the external auditors to review the financial statements before its finalization.

(ii) Internal Audit:

1. Audit committee will monitor whether internal audit working independently from the management.
2. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process;
3. Examine the efficiency and effectiveness of internal audit function;
4. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

(iv) External Audit:

1. Review the performance of the external auditors and their audit reports;
2. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not.
3. Make recommendations to the board regarding the appointment of the external auditors.

(v) Compliance with existing laws and Regulations: Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.

(vi) Other Responsibilities:

1. Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;
2. External and internal auditors will submit their related assessment report, if the committee solicit;
3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis.

Meetings

The Audit Committee schedules meetings depending on circumstances to scrutinize matters as assigned by the Board of Directors. The Audit Committee held 11 meetings in 2014.

Reporting

The Audit Committee has a duty to report its performance to the Board of Directors, and produce and publish its report as part of the Bank's Annual Report.

The Audit Committee is primarily responsible for internal control, audit and financial reporting. It monitors implementation of policies on internal control and compliances and management actions to rectify audit objections. It actively reviews appropriateness of the accounting policies, annual internal audit plan, audit reports, risk management of the Bank and Bank's technological needs. It also oversees the discharge of responsibilities of the external auditors. The Committee time to time reports on its activities to the Board of Directors. If any significant deviation(s) was/were come to the notice of the Committee including the following findings, inform the Board of Directors of the Bank immediately upon receiving such findings:

- a. Report on conflicts of interests.
- b. Suspected or presumed fraud or irregularity or material defect in the internal control system.
- c. Suspected infringement of laws, including securities related laws, rules and regulations.
- d. Any other matter, which should be disclosed to the Board of Directors immediately.

Risk Management Committee

To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, risk management committee time to time forms as per guideline(s). After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified. The Committee time to time formed by the members of the Board having such qualification(s) as determined by the Board in light of guideline(s) time to time framed by the Bangladesh Bank and Bangladesh Securities & Exchange Commission.

Roles and Responsibilities of the Risk Management Committee:

- i) Risk identification & control policy : Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.
- ii) Construction of organizational structure : The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.
- iii) Analysis and approval of Risk Management policy : Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.
- iv) Storage of data & Reporting system : Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.
- v) Monitoring the implementation of overall Risk Management Policy : Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.
- vi) Other responsibilities:
 1. Committee's decision and suggestions should be submitted to the Board of Directors

quarterly in short form.

2. Comply instructions issued time to time by the controlling body.
3. Internal & external auditor will submit respective evaluation report whenever required by the committee.

Independent Directors

At the end of December 2014, the Board of Directors comprised 20 members, four of whom was independent director. Independent director(s) are appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM). Meantime, Bangladesh Securities and Exchange Commission vide its Corporate Governance Guidelines and Bangladesh Bank vide The Bank Company Act, 1991 (Amended up to 2013) provided guideline(s)/law(s)/regulations(s)/Act(s) in this respect which are complying by the Bank.

• Board Structure

Members of the Board comprise of professionals with diversified backgrounds. At present, there are 20 (Twenty) Board members including four Independent Director and Managing Director (ex-officio Director), which is within the framework set by the Bangladesh Securities & Exchange Commission (BSEC) in its revised guideline on Corporate Governance released on August 07, 2012. The election of Board members follows the resolution of the Shareholders' Meetings, as set out in the Bank's Articles of Association. The number of directors on the Board is determined by the meeting of shareholders and should not be less than 7 or more than 20. The structure of the Board of Directors and Board Committees is set in accordance to the laws/notification regarding "Corporate Governance" issued by the regulatory bodies.

The Board appoints one of its directors to be the Chairman. In the interest of good governance, the roles of Chairman and Managing Director are separate, with each of them bearing clear and defined roles and responsibilities. The Board is responsible for the Bank's goals, policies and strategic direction while the Management assumes responsibility for the day-to-day operations.

Each director has a term of office as prescribed in the Articles of Association, i.e. at every annual general meeting; one-third of the directors shall retire. In any subsequent years, the directors who have been in office the longest shall retire. The retired directors may be re-elected.

Management Committees

The Bank is manned and managed by a team of efficient professionals headed by Mr. Shafiqui Alam, the Managing Director & CEO who has long 35 years' banking experience (both at home and abroad). The functions of the Board and the Management are clearly defined and sharply bifurcated. The Management implements and acts within the policies and manuals approved by the Board. A clearly defined organizational structure with definite lines of responsibility and delegation of powers to different echelons of the management are in place in the Bank. The Management enjoys full freedom in conducting the business of the Bank within the scope of the policy guidelines of the Board and the regulatory bodies. However, the Board and the Management work in unison for the continued well being of the Bank. To streamline the functions of different divisions / departments of the Bank, the following Committees are actively working in the Bank:

i) Management Committee (MANCOM)

To address general issues of importance, evaluate different types of risks, monitor internal control structure and to review effectiveness of the internal control system, a Management Committee (MANCOM) is working in the Bank. It is composed of senior members of the Management. The Managing Director is the Chairman of MANCOM. The meeting of the MANCOM is held every month.

MANCOM consists of:

| Name | Designation/Position | Status |
|-----------------------------|---|------------------|
| Mr. Shafiqui Alam | Managing Director | Chairman |
| Mr. Mosleh Uddin Ahmed | Additional Managing Director | Member |
| Mr. Mirza Elias Uddin Ahmed | Deputy Managing Director | Member |
| Mr. A.K.M. Saifuddin Ahamed | Deputy Managing Director | Member |
| Mr. Md. Habibur Rahman | Deputy Managing Director | Member |
| Mr. Md. Mukhlesur Rahman | Head of Credit Risk Management Division | Member |
| Mr. Masud Al Faruque | Head of Corporate Division | Member |
| Mr. Md. Abul Bashar | Head of Human Resources Division | Member |
| Mr. Malik Muntasir Reza | Company Secretary | Member |
| Mr. Md. Belal Hossain | Head of Internal Control & Compliance Division | Member |
| Mr. Ahmed Nawaz | Head of Information & Communication Technology Division | Member |
| Mr. Ashim Kumer Biswas | Head of Finance Administration Division | Member |
| Mr. Md. Mehedi Hasan | Head of Treasury Division | Member |
| Mr. Mohammad Shamsur Rahman | Head of International Division | Member |
| Mr. S. M. Jamal Uddin | Head of Banking Operation Division | Member-secretary |

i) Asset Liability Committee (ALCO)

Asset Liability Committee consists of the Managing Director, the Additional Managing Director, the Deputy Managing Directors and strategically important Divisional Heads of Head Office. The Managing Director and in his absence the Additional/ Deputy Managing Director chairs the meeting of the Asset Liability Committee. The Committee is responsible for managing Balance Sheet gap (minimize the mismatching between deposits and Loans & Advances), interest rate risk and liquidity risk of the Bank. The meetings of the Asset Liability Committee are held in every month.

ALCO consists of:

| Name | Designation/Position | Status |
|-----------------------------|---------------------------------|------------------|
| Mr. Shafiqui Alam | Managing Director | Chairman |
| Mr. Mosleh Uddin Ahmed | Additional Managing Director | Member |
| Mr. Mirza Elias Uddin Ahmed | Deputy Managing Director | Member Secretary |
| Mr. A.K.M. Saifuddin Ahamed | Deputy Managing Director | Member |
| Mr. Md. Habibur Rahman | Deputy Managing Director | Member |
| Mr. Md. Mukhlesur Rahman | Executive Vice President | Member |
| Mr. Md. Belal Hossain | Senior Vice President | Member |
| Mr. Ashim Kumer Biswas | Senior Vice President | Member |
| Mr. Md. Shah Alam | Vice President | Member |
| Mr. Masud Al Faruque | Vice President | Member |
| Mr. Mohammad Shamsur Rahman | Senior Assistant Vice President | Member |
| Mr. Md. Mehedi Hasan | Senior Assistant Vice President | Member |

Details of the duties and responsibilities are as follows:

- o Ensure that the Bank is able to meet its cash flow obligations in a timely and cost effective manner even in times of financial market stress;
- o Ensure there is diversification of funding source and to avoid over dependence on volatile sources of funding;
- o Decide on the level of Liquidity Reserves that needs to be maintained in the form of Liquid Assets;
- o Ensure Compliance with the Bangladesh Bank liquidity requirements and to periodically review all assumptions made as a consequence of this;
- o Approve the contingency funding plan and thereafter to monitor the liquidity management action triggers and the Early Warning System of the Contingency Funding Plan (CFP). Periodically to review the CFP and ensure Operational readiness and testing;

- o Oversee the development of the stress test and the stress scenarios for Liquidity Risk and to ensure the Bank is able to meet its obligations under the stress situation;
- o Review all new Product Programs to ensure that the Liquidity Risk and Market Risk reflected in the banking books associated with such new products are properly recognized and managed;
- o Recommend the Risk and Returns objectives for the Banking Balance Sheet to the Board and thereafter to approve the entire Balance Sheet subject related matters;
- o Review, evaluate and approve strategic hedging proposals within limits approved by the Board;
- o Provide guidelines for determining special interest rates for Business Groups, with the exception of Capital Markets and Treasury products.
- o Deliberate and decide on all FTP matters;
- o Analyze, review and evaluate the performance of each product focusing on profitability, volume and market share;
- o Review and track the Performance of deposits based on accumulation of initiatives against targets for Retail Banking, SME Banking and Corporate Banking;
- o Review and recommend the liquidity risk management policies for managing interest rate risk on banking books to the Board for approval.

i) Head Office Credit Review Committee (HOCRC)

A Credit Review Committee headed by the Deputy Managing Director of the Bank has been constituted in the Head Office of the Bank for minute appraisal and quick disposal of credit proposals. The Head of Credit Risk Management Division in Head Office plays an important role in the meetings of the Credit Review Committee. Credit proposals that do not merit considerations are declined. Credit proposals that merit considerations in the opinion of the Credit Review Committee are presented before the Managing Director of the Bank for approval. The credit proposals that are beyond the delegated business power of the Managing Director are placed before the Executive Committee/Board of Directors for consideration/approval.

Head Office Credit Review Committee consists of:

| Name | Designation/Position | Status |
|-----------------------------|---|------------------|
| Mr. Mirza Elias Uddin Ahmed | Deputy Managing Director | Chairman |
| Mr. Moxleh Uddin Ahmed | Additional Managing Director (Business) | Member |
| Mr. A.K.M. Saifuddin Ahamed | Deputy Managing Director (CRM) | Member |
| Mr. Md. Habibur Rahman | Senior Executive Vice President | Member Secretary |
| Mr. Md. Mukhlesur Rahman | Executive Vice President | Member |
| Md. Masud A. Faruque | Vice President | Member |
| Mr. Md. Shariful Ahsan | Senior Assistant Vice President | Member |
| Mr. Md. Ahsan Tariq | Senior Assistant Vice President | Member |
| Mr. Abu Syed Md. Yousuf | Senior Assistant Vice President | Member |

i) Risk Management Committee (RMC)

The Bank has realized the significance of risk management covering both internal and external risk factors. Risk Management Committee has been appointed by the Board of Directors with relevant roles, duties and responsibilities defined and operations of which assessed to ensure conformity with the risk management plan in place. Risk Management Group is in charge of formulating risk management policy and procedures of the Bank.

RMC consists of:

| Name of Executives | Designation | Status |
|------------------------------|-------------|------------------|
| Mr. Moxleh Uddin Ahmed | AMD | Member |
| Mr. Mirza Elias Uddin Ahmed | DMD | Chairman |
| Mr. A.K.M. Saifuddin Ahamed | DMD | Member |
| Mr. Md. Habibur Rahman | DMD | Member |
| Mr. Md. Mukhlesur Rahman | EVP | Member |
| Mr. Ahmed Sufi | SVP | Member |
| Mr. Md. Belal Hossain | SVP | Member |
| Mr. Ashim Kumar Biswas | SVP | Member |
| Mr. Ahmed Nawaz | SVP | Member |
| Mr. Md. Abul Bashar Mazumder | VP | Member |
| Mr. Abdul Awal Khan | VP | Member |
| Mr. Md. Shah Alam | VP | Member Secretary |
| Mr. Mohammad Shamsur Rahman | SAVP | Member |
| Mr. Md. Mehedi Hasan | SAVP | Member |

Powers, Duties and Responsibilities

- o Allocation of risk capital and determination of global risk limits. Allocation of capital-at-risk (CAR) for different lines of businesses and for different categories of risks. In the process of allocating capital, the Committee seeks to ensure adequate diversification of risk and that the Bank has sufficient capital to cushion against stress scenarios;
- o Enhancing shareholder value through evaluation of risk-return profiles of business activities and ensuring that they are within the parameters set by the Board of Directors;

- o Risk Management Policies
- o Review and recommend to the Executive Committee and Board of Directors for approval of appropriate risk policies so that the risk management framework is in line with corporate plans, best practices, and conforms to legal and regulatory requirements;
- o Recommendations on appointment of members to the various risk committees for Board's approval;
- o Evaluate and review proposals on new products, investments, businesses and product variations, and subsequently grant the approval in principle prior to operational readiness or recommendation to the Board of Directors for approval;
- o Establish and revise guidelines on operational risk management and to approve tools and methodologies for risk assessment and risk controls; also to review the adequacy of resources to manage operational risk.
- o Approve the guidelines and conditions for approval of any credit-related products of Corporate Banking, SME Banking, Retail Banking and subsidiaries; and the guidelines and conditions for investment in debt instruments or other financial instruments (the guidelines and conditions for investment in debt instruments with embedded derivatives must be proposed to the Board of Directors for approval);
- o Compliance. Enforce compliance with all risk policies and limits allocated by the various risk committees.
- o Risk Identification and Measurement
- ☒ Deployment of proper methodologies to identify and measure risks for all positions;
- ☒ Set strategies to evaluate, monitor and control risks to be within a reasonable level;
- ☒ Approve methodologies and tools for the measurement of credit risk, market risk and operational risk.
- o Maintenance of Asset Quality. Ensure to maintain asset quality through close monitoring of the processing and approval of new loans and the prompt recovery of Non-Performing Loans;
- o Review contingency plans/business continuity

management plans including business continuity plans of various departments of the Bank and its subsidiaries for implementation whenever necessary and to propose to the Board of Directors for approval;

- o Review and recommend the risk-related delegated authorities for the Bank to the Board for approval;
- o Review and recommend investment policies related to investment in equity, debt or other securities, to the Board for approval.

i) Supervisory Review Committee

Basel II Supervisory Review Committee consists of the Managing Director, the Additional Managing Directors, the Deputy Managing Directors, Head of Treasury, Head of FAD, Head of Anti Money Laundering, Head of ICCD, Head of ID, Head of ICT and Head of Credit Risk Management Division. The Committee is exclusively be assigned for reviewing the nature and level of risk relates to banking assets and planning for adequate capital framework. For this, the unit has developed their own review process document. A sound risk management process is the foundation for an effective assessment of the adequacy of a bank's capital position.

Basel-II Supervisory Review Committee consists of:

| Sl. No. | Particulars of Members | Status |
|---------|---|------------------|
| 01. | Managing Director | Chairman |
| 02. | AMD & All DMDs | Member |
| 03. | DMD (Risk Management Division) | Member Secretary |
| 04. | Head of Credit Risk Management Division | Member |
| 05. | Head of Internal Control & Compliance Division | Member |
| 06. | Head of Anti-Money Laundering Division | Member |
| 07. | Head of Information & Communication Technology Division | Member |
| 08. | Head of Finance Administration Division | Member |
| 09. | Head of Human Resources Division | Member |
| 10. | Head of Risk Management Division | Member |
| 11. | Head of Law & Recovery Division | Member |
| 12. | Head of International Division | Member |
| 13. | Head of Treasury Division | Member |

Basel-II Supervisory Review Committee (B2SRC) is performing the following factors:

- o Review the nature and level of risk being taken by the bank and how this risk relates to adequate capital levels.
- o Liable for ensuring that the formality and sophistication of the risk management processes are appropriate in light of the risk profile and business plan.

- o Analyze bank's current and future capital requirements in relation to its strategic objectives
- o Adopt strategic planning process for bank's capital needs, anticipated capital expenditures, desirable capital level, and external capital sources.
- o The Board and senior management reviews the capital planning to achieve its desired strategic objectives.
- o Responsible for setting the bank's tolerance for risks, establishes a framework for assessing the various risks.
- o Develops a system to relate risk to the bank's capital level, and establishes a method for monitoring compliance with internal policies.
- Company Secretary and Secretary to the Board of Directors

The Board has appointed Mr. M. A. Rouf as Assistant Vice President & Company Secretary and Secretary to the Board of Directors and its Committees to assist the Board in fulfilling its tasks. Duties of the Secretary include providing advice and ensuring compliance with the applicable laws and regulations, which is consistent with the Corporate Governance Notification, as well as the following services:

- o Providing preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board.
- o Arranging Board and Shareholders' Meetings in accordance with the laws and the Bank's Articles of Association, preparing minutes of these meetings and monitoring compliance with the resolutions passed at those meetings.
- o Ensuring that corporate information disclosures to regulatory agencies are in accordance with laws and regulations.
- o Communicating with shareholders.
- o Maintaining the register of directors, shareholders, reports of Board meetings, stakeholders' reports and meeting notices
- o Ensuring compliance with other rules and procedures as required by relevant laws and regulations.
- o Ensure of payment of dividend/fractional dividend/refund warrant to the respective

accounts as per instructions.

- o Assist the regulatory bodies for conducting/ discharging their duties (Bangladesh Bank, SEC, DSE, CSE, CDBL, NBR etc.).
- o Timely submission of regulatory compliances.
- Chief Financial Officer (CFO)

Mr. Ashim Kumer Biswas, Senior Vice President has appointed as Chief Financial Officer (CFO) of the Bank. He attends the meetings of the Board of Directors as and when required. Duties of the CFO include the following, ensuring compliance with the applicable laws and regulations and Corporate Governance Notification:

- o Participate in developing new business, specifically: assist the CEO in identifying new funding opportunities, the drafting of budgets, and determining cost effectiveness of prospective service delivery.
- o Oversee the management and coordination of all fiscal reporting activities for the Bank including: organizational revenue/expense and Quarterly, Half yearly & Annual Accounts of the Bank/Financial Statements, The Securities & Exchange Commission, Bangladesh Bank, sending of Statements and preparation of Returns to submit to the National Board of Revenue & VAT authority and other regulatory bodies and monitoring of organizational budgets.
- o Oversee all purchasing, payment of Bills.
- o Prepare and manage Employees' Provident Fund, Gratuity Fund, Social Security Fund
- o Serve as one of the trustees and oversee administration and financial reporting of the organization's Savings and Retirement Plan.
- o Assist in the design, implementation, and timely calculations of incentives, festival bonus and salaries for the employees.
- o Oversee Accounts Payable and Accounts Receivable.
- o Working as a Banker to the Issue,
- o Ensure of payment of dividend/fractional dividend/refund warrant to the respective accounts as per instructions.

- o Working as a joint custodian of cash to meet up day-to-day expenses.
- o Assist the auditors of Bangladesh Bank, Statutory Auditors, Rating Agency, Income Tax & VAT officials and other regulatory bodies for conducting audit/discharging their duties etc.
- Head of Internal Control & Compliance Division

Mr Md Belal Hossain, Senior Vice President, has been appointed as the Head of Internal Control & Compliance Division (ICCD) as per compliance of laws, rules & regulations and corporate governance notification. ICC Division of the bank is comprised of 03 (three) interrelated wings/units, namely i) Audit & Inspection Department, ii) Monitoring Department and iii) Compliance Department. As the Head of ICC Division, he monitors and mitigates different risks of the bank and helps achieve bank's organizational goals/objectives.

Audit & Inspection Department conducts inspection on branches and divisions of the Head Office as per annual Audit Plan duly approved by the Board of Directors. Monitoring Department reviews quarterly operation reports (QORs), loan documentation checklists (LDCs) etc. as part of their off-site supervision activities. Compliance Department ensures full compliance of the regulatory requirements including directives of Bangladesh Bank, National Board of Revenue (NBR), Bangladesh Security & Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms (RJSC), Ministry of Finance etc.

Holding of Positions in subsidiary Companies by Directors or High-Level Executives

The Bank complies with the regulation of the BSEC, which specifies that the Bank's not more than 50% of directors and senior executive officers must not hold positions in its subsidiaries. The minutes of the Board meeting of the subsidiary companies are being reviewed by the Board of the Bank on regular interval.

Members of Jamuna Bank Capital Management Limited (Merchant Bank & a subsidiary of JBL)

JBCML consists of:

| Name | Designation/Position | Status | Remarks |
|-------------------------------|-----------------------------------|------------------|---|
| Mr. Mirza Elias Uddin Ahmed | Deputy Managing Director, JBL | Chairman | Nominated by Jamuna Bank Ltd. |
| Mr. Chowdhury Golam Kibila | — | Director | MBA (Management) BA Associate Professor Jahangir University |
| Mr. Irfanuddin Ahmed | — | Director | MBA (Finance), IBA Ex- Managing Director Bank Asia Ltd. |
| Mr. Chowdhury Mohammad Molsah | — | Director | Ex- Secretary, Govt. Peoples Republic of Bangladesh |
| Mr. Moeah Uddin Ahmed | Additional Managing Director, JBL | Director | Nominated by Jamuna Bank Ltd. |
| Mr. M M. Mostafa Billa | Chief Executive Officer | CEO (Ex-Officio) | CEO (Ex-Officio) |

Members of Jamuna Bank Securities Limited (Brokerage House & a subsidiary of JBL)

JBSL consists of:

| Name | Designation/Position | Status | Remarks |
|------------------------------|-----------------------------|-------------------------|---|
| Mr. Shafiqul Aam | Managing Director JBL | Chairman | Nominated by Bank |
| Mr. A. K. M. Saifuddin Ahmed | DDMO of, JBL | Director | Nominated by Bank |
| Mr. A. F. Nuru Azam Khan | — | Director | Nominated by Bank |
| | | | Ex-Managing Director Bangladesh Commerce Bank Ltd. |
| Mr. Mohammed Ali Chowdhury | — | Director | Nominated by Bank Ex-General Manager Pubali Bank Ltd. |
| Mr. Narayan Chandra Saha | Independent Director of JBL | Director | Nominated by Bank |
| Mr. Md. Al Tamas | VP, JBL & CEO, JBSL | Chief Executive Officer | Ex-Officio Director |

• Organization and environment

The Bank has structured its organization taking into account proper segregation of duties that will contribute to effective risk management and internal control as well as monitoring and audit systems. It has also consistently monitored the operations of its staff to be in line with the code of ethics and best practice in business operations with fair treatment of its customers. Short- and medium-term business plans have been worked out to determine business strategy and framework, which are communicated to the staff at managerial levels bank-wide for their awareness and implementation to achieve the plans and targets set forth.

• Oversight of Executive Management

The Bank has clearly defined, documented and regularly reviewed the scope of authority and responsibilities conferred on or delegated to executive officers at different levels. A clear division of responsibility between various management positions provides a mechanism for checks and balances between senior executives. Executive Management is required to bring to the attention of the Board any transactions that concern major shareholders, directors, and senior executives or parties related to them. In addition, the Bank has put in place policies and procedures governing the approval of loans for or investment in businesses in which the Bank or its senior executives have material interest, including in relation to shareholders or senior executives. In addition to the above, the Bank has established the Compliance Department to provide oversight and support to ensure that the Bank conducts its businesses in compliance with all applicable laws and regulatory requirements. The Internal Control & Compliance Division has been set up as an independent unit to examine and ensure all Bank activities are effectively and efficiently managed and operated.

• Information and communication infrastructure

The Bank has established its accounting policies and procedures in line with Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standard (BFRS) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB) that support the Bank's business requirements. It has developed and managed its information and database systems consistently so that significant information is accessible on an adequate and timely basis. The document management system provides an effective tool for retrieving and storing important electronic documents appropriately and safely. In addition, the policies and procedures have been communicated to relevant staff at all levels.

• Follow-up and monitoring system

The Bank has put in place processes for monitoring and reviewing the implementation of activities against the Bank's strategic objectives, procedures, relevant laws, regulations and internal control systems. The Bank prepares an annual business plan, which is periodically reviewed to ensure its effectiveness in a rapidly changing environment. The Audit Committee is committed to ensure that concrete actions are taken to execute recommendations and regularly monitors resolutions to ensure that any identified issues are brought to a satisfactory conclusion.

☒ Succession Plan

The Bank is well aware of the necessity to operating the business efficiently and continuously. Thus, Human Resources Management Division is responsible for providing Succession Plans to ensure that the Bank identifies executives or talents as successors with appropriate training and development plans to prepare identified individuals to succeed key positions in case of unexpected conditions/situations with immediate effect.

☒ Organization & Employees

As at 31 December 2014, the total staff strength of the Bank amounts to 2204 employees, comprising 1747 staff and 457 sub staff. Out of which 1646 are working in Branches and 558 are in Head office.

☒ Staff Development Programs and Human Resources Management Plans

Human Resource Management (HRM) software is in progress to manage key administrative processes in human resource management such as attendance Register, leave plans of the employees/applications, end service benefit, claim submissions, training, transfer & posting, salary and performance appraisals. This paperless system will improve work efficiency. In addition to that, the Bank's HR Division has analyzed skills, knowledge, and capabilities of employees in different areas by making development plans together between staff and the Training team. This also includes development plans for the management.

☒ Employee Benefits

Staff welfare and benefits have been significantly enhanced in 2014, in order to retain outstanding talent. This enhancement is also aimed at ensuring that benefits offered by the Bank-housing loan facilities, car loan facilities, personal loan facilities and other loan facilities are in line with other banks. To be an employer of choice, the bank continues to develop more improvements in staff benefits, which are currently in the pipeline.

☒ Training Courses and Human Resources Development

In 2014, the Training Academy imparted training and workshop to 3359 executives & Officers on different topics. Alongside, Academy also arranged sessions on code of conduct of employees, manners, etiquettes and ethics in Banking.

Compliance Report on SEC's Notification

As per Notification No. SEC/CMRRCD/2006-158/129/Admin/43 dated August 07, 2012, all listed companies are required to report on compliance of following matters :

ANNEXURE-I

22 nos. of Board Meetings were held in 2014. Details of attendance of Directors in the Board meetings are as follows:

| Sl. No | Name of the Member | Total Meeting Held | Meeting Attended |
|--------|---|--------------------|-------------------|
| 1. | Mr. Shaheen Mahmud, Chairman (BOD) | 22 | 20 |
| 2. | Engr. A. K. M. Mosharraf Hussain, Director | 22 | 19 |
| 3. | Engr. Md. Atiqur Rahman, Director | 22 | 18 |
| 4. | Mr. Golam Dastagir Gazi, Bir Protik, Director | 22 | 19 |
| 5. | Mr. Fazlur Rahman, Director | 22 | 15 |
| 6. | Al-Haj Nur Mohammed, Director | 22 | 22 |
| 7. | Mr. Md. Tajul Islam, Director | 22 | 17 |
| 8. | Mr. Sakhawat, Abu Khair Mohammad, Director | 22 | 12 |
| 9. | Al-haj Md. Rezaul Karim Ansari, Director | 22 | 18 |
| 10. | Mr. Md. Belal Hossain, Director | 22 | 13 |
| 11. | Mr. Md. Mahmudul Hoque, Director | 22 | 14 |
| 12. | Mr. Md. Sirajul Islam Varosha, Director | 22 | 18 |
| 13. | Mr. Kanutosh Majumder, Director | 22 | 14 |
| 14. | Mr. Gazi Golam Murtoza, Director | 22 | 8 |
| 15. | Mrs. Tasmin Mahmud, Director (Elected on 08-05-2014) | 22 | 10 (Out of 15) |
| 16. | Mr. Md. Hasan, Director (Elected on 17-09-2014) | 22 | 6 (Out of 8) |
| 17. | Mr. A. S. M. Abdul Halim, Independent Director | 22 | 22 |
| 18. | Mr. Narayan Chandra Saha, Independent Director | 22 | 19 |
| 19. | Mr. Chowdhury Mohammad Mohsin, Independent Director | 22 | 8 |
| 20. | Mr. Md. Rafiqul Islam, Independent Director | 22 | 22 |
| 21. | Alhaj M. A. Khyer, Director (Deceased on 19-02-2014) | 22 | 1 (Out of 1) |

Compliance Report on SEC's Notification

Annexure- II

The Pattern of Shareholdings:

The Authorized Capital of Jamuna Bank Ltd. is Tk.10,000,000,000.00 divided into 1,000,000,000 ordinary shares of Tk. 10.00 each. The Paid-up Capital of the Bank is Tk. 516,066,7110.00 divided into 516,066,711 ordinary shares. As per Section 1.4 (k) of SEC Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 the pattern of shareholding is given below:

- i) Parent/Subsidiary Associated companies and other related parties : N/A
- ii) Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children are as follows :

a) Shares held by the Directors and their spouses as on 31 December 2014:

| Sl. No. | Name of Directors | Status | No. of Shares | Name of Spouse | No. of shares |
|---------|-------------------------------------|----------------------|---------------|----------------------------|---------------|
| 1 | Mr. Shaheen Mahmud | Chairman | 24,459,466 | Mrs. Tasmin Mahmud | 25,940,705 |
| 2 | Engr. A.K.M. Mosharraf Hussain | Director | 10,321,333 | Mrs. Husna Ara Begum | 4,425,518 |
| 3 | Engr. Md. Atiqur Rahman | Director | 19,933,235 | Mrs. Mahmuda Begum | 1,794,094 |
| 4 | Mr. Golam Dastagir Gazi, Bir Protik | Director | 10,322,345 | Mrs. Hasina Gazi | 1,802,230 |
| 5 | Mr. Fazlur Rahman | Director | 10,321,965 | Mrs. Harnida Rahman | 3,145,144 |
| 6 | Al-Haj Nur Mohammed | Director | 15,250,151 | Mrs. Monsura Begum | 575,090 |
| 7 | Mr. Md. Tajul Islam | Director | 11,661,841 | Mrs. Fouzia Islam | 1,495,089 |
| 8 | Mr. Sakhawat, Abu Khair Mohammad | Director | 10,350,653 | Mrs. Petra Sakhawat | Nil |
| 9 | Al-haj Md. Rezaul Karim Ansari | Director | 10,399,792 | Mrs. Mariyam Akhter | Nil |
| 10 | Mr. Md. Belal Hossain | Director | 10,322,345 | Mrs. Lally Hossain | 920,090 |
| 11 | Mr. Md. Mahmudul Hoque | Director | 10,325,426 | Mrs. Hubbun Nahar | 3,116,730 |
| 12 | Mr. Md. Sirajul Islam Varosha | Director | 10,321,560 | Mrs. Hasina Siraj | 500,000 |
| 13 | Mr. Kanutosh Majumder | Director | 10,348,283 | Dr. Paratima Paul Majumder | 1,495,090 |
| 14 | Mr. Gazi Golam Murtoza | Director | 13,159,151 | Mrs. Sania Gazi | Nil |
| 15 | Mrs. Tasmin Mahnud | Director | 25,940,705 | Mr. Shaheen Mahmud | |
| 16 | Mr. Md. Hasan | Director | 25,803,287 | | |
| 17 | Mr. A. S. M. Abdul Halim | Independent Director | Nil | Mrs. Sufia Begum | Nil |
| 18 | Mr. Narayan Chandra Saha | Independent Director | Nil | Mrs. Laxmi Rani Saha | Nil |
| 19 | Mr. Chowdhury Mohammad Mohsin | Independent Director | Nil | Mrs. Mamta Begum | Nil |
| 20 | Mr. Md. Rafiqul Islam | Independent Director | Nil | Mrs. Habiba Rafique | Nil |

b) Shares held by the Chief Executive Officer, Company Secretary, Head of ICCD and Chief Financial Officer as on 31 December 2014 :

| Sl. No. | Name of Executives | Status | Number of Shares |
|---------|-------------------------|-------------------------|------------------|
| 1 | Mr. Shafiqul Alam | Managing Director | Nil |
| 2 | Mr. Malik Muntasir Reza | Company Secretary | Nil |
| 3 | Mr. Belal Hossain | SVP & Head of ICCD | Nil |
| 4 | Mr. Ashim Kumer Biswas | Chief Financial Officer | Nil |

c) Shares held by top five salaried employees other than the Chief Executive Officer, Company Secretary, Head of ICCD and Chief Financial Officer as on 31 December 2013:

| Sl. No. | Name of Executives | Status | Number of Shares |
|---------|-----------------------------|---------------------------------|------------------|
| 1 | Mr. Mosleh Uddin Ahmed | Additional Managing Director | Nil |
| 2 | Mr. Mirza Elias Uddin Ahmad | Deputy Managing Director | |
| 3 | Mr. A.K.M. Saifuddin Ahamed | Deputy Managing Director | Nil |
| 4 | Mr. Md. Habibur Rahman | Deputy Managing Director | Nil |
| 5 | Mr. Md. Mofazzal Hossain | Senior Executive Vice President | Nil |

d) Share holdings 10% or more voting interest in the Company: N/A

Annexure – III

Status of compliance with the conditions of Corporate Governance Guidelines as set by Bangladesh Securities & Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

| Condition No. | Title | Compliance status (put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|--|--------------|------------------|
| | | Complied | Non-complied | |
| 1.1 | Board's Size | ✓ | | |
| 1.2 (i) | <p>Independent Directors</p> <p>All companies shall encourage effective representation of independent directors on their Board of Directors so that the Board, as a group, includes core competencies considered relevant in the context of each company. For this purpose, the companies shall comply with the following:-</p> <p>(i) At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.</p> | ✓ | | |
| 1.2 (ii) a) | <p>For the purpose of this clause "independent director" means a director-</p> <p>a) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;</p> | ✓ | | |
| 1.2 (ii) b) | <p>who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company:</p> <p>Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;</p> | ✓ | | |

| | | | | |
|-------------|--|---|--|--|
| 1.2 (ii) c) | who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies; | √ | | |
| 1.2 (ii) d) | who is not a member, director or officer of any stock exchange; | √ | | |
| 1.2 (ii) e) | who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market; | √ | | |
| 1.2 (ii) f) | who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm; | √ | | |
| 1.2 (ii) g) | who shall not be an independent director in more than 3 (three) listed companies; | √ | | |
| 1.2 (ii) h) | who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI); | √ | | |
| 1.2 (ii) i) | who has not been convicted for a criminal offence involving moral turpitude. | √ | | |
| 1.2 (iii) | the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM). | √ | | |
| 1.2 (iv) | the post of independent director(s) can not remain vacant for more than 90 (ninety) days. | √ | | |
| 1.2 (v) | the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded. | √ | | |
| 1.2 (vi) | the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only | √ | | |
| 1.3 (i) | Qualification of Independent Director (ID) (i) Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business. | √ | | |

| | | | | |
|-----------|---|---|---|---|
| 1.3 (ii) | The person should be a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences. | √ | | |
| 1.3 (iii) | In special cases the above qualifications may be relaxed subject to prior approval of the Commission. | - | - | Noted, but no such cases are required so far. |
| 1.4 | Chairman of the Board and Chief Executive Officer The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer. | √ | | |
| 1.5 (i) | The Directors' Report to Shareholders The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):- (i) Industry outlook and possible future developments in the industry. | √ | | |
| 1.5 (ii) | Segment-wise or product-wise performance. | √ | | |
| 1.5 (iii) | Risks and concerns. | √ | | |
| 1.5 (iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin. | √ | | |
| 1.5 (v) | Discussion on continuity of any Extra-Ordinary gain or loss. | √ | | |
| 1.5 (vi) | Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report. | √ | | |
| 1.5 (vii) | Utilization of proceeds from public issues, rights issues and/or through any others instruments. | √ | | |

| | | | | |
|------------|--|---|--|--|
| 1.5 (viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc. | ✓ | | |
| 1.5 (ix) | If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report. | ✓ | | |
| 1.5 (x) | Remuneration to directors including independent directors. | ✓ | | |
| 1.5 (xi) | The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity. | ✓ | | |
| 1.5 (xii) | Proper books of account of the issuer company have been maintained. | ✓ | | |
| 1.5 (xiii) | Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment. | ✓ | | |
| 1.5 (xiv) | International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed. | ✓ | | |
| 1.5 (xv) | The system of internal control is sound in design and has been effectively implemented and monitored. | ✓ | | |
| 1.5 (xvi) | There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed. | ✓ | | |
| 1.5 (xvii) | (xvii) Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained. | ✓ | | |

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| 1.5 (xviii) | Key operating and financial data of at least preceding 5 (five) years shall be summarized. | √ | | |
| 1.5 (xix) | If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given. | √ | | |
| 1.5 (xx) | The number of Board meetings held during the year and attendance by each director shall be disclosed. | √ | | |
| 1.5 (xxi) a) | The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:- a) Parent/Subsidiary/Associated Companies and other related parties (name wise details); | √ | | |
| 1.5 (xxi) b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); | √ | | |
| 1.5 (xxi) c) | Executives; | √ | | |
| 1.5 (xxi) d) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details). | √ | | |
| 1.5 (xxii) a) | In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:- a) a brief resume of the director; | √ | | |
| 1.5 (xxii) b) | nature of his/her expertise in specific functional areas; | √ | | |
| 1.5 (xxii) c) | names of companies in which the person also holds the directorship and the membership of committees of the board. | √ | | |
| 2. | Chief Financial Officer (CFO), Head of Internal Audit And Company Secretary (CS): Appointment | | | |
| 2.1 | The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS. | √ | | |

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| 2.2 | Requirement to attend the Board Meetings The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters. | √ | | |
| 3 (i) | 3. Audit committee: (i) The company shall have an Audit Committee as a sub-committee of the Board of Directors. | √ | | |
| 3 (ii) | The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. | √ | | |
| 3 (iii) | The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing. | √ | | |
| 3.1 (i) | 3.1 Constitution of the Audit Committee | | | |
| | (i) The Audit Committee shall be composed of at least 3 (three) members. | √ | | |
| 3.1 (ii) | The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director. | √ | | |
| 3.1 (iii) | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience. | √ | | |
| 3.1 (iv) | When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee. | - | - | Noted, but no such cases are required so far. |

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| 3.1 (v) | The company secretary shall act as the secretary of the Committee. | ✓ | | |
| 3.1 (vi) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | ✓ | | |
| 3.2 (i) | 3.2 Chairman of the Audit Committee | | | |
| | (i) The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director. | ✓ | | |
| 3.2 (ii) | Chairman of the audit committee shall remain present in the Annual General Meeting (AGM). | ✓ | | |
| 3.3 (i) | 3.3 Role of Audit Committee | | | |
| | Role of audit committee shall include the following:- (i) Oversee the financial reporting process. | ✓ | | |
| 3.3 (ii) | Monitor choice of accounting policies and principles. | ✓ | | |
| 3.3 (iii) | Monitor Internal Control Risk management process. | ✓ | | |
| 3.3 (iv) | Oversee hiring and performance of external auditors. | ✓ | | |
| 3.3 (v) | Review along with the management, the annual financial statements before submission to the board for approval. | ✓ | | |
| 3.3 (vi) | Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval. | ✓ | | |
| 3.3 (vii) | Review the adequacy of internal audit function. | ✓ | | |
| 3.3 (viii) | Review statement of significant related party transactions submitted by the management. | ✓ | | |
| 3.3 (ix) | Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors. | ✓ | | |

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| 3.3 (x) | When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus. | √ | | |
| 3.4 | Reporting of the Audit Committee | | | |
| 3.4.1 3.4.1 (i) | Reporting to the Board of Directors The Audit Committee shall report on its activities to the Board of Directors. | √ | | |
| 3.4.1 (ii) a) | The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:- a) report on conflicts of interests; | √ | | |
| 3.4.1 (ii) b) | suspected or presumed fraud or irregularity or material defect in the internal control system; | √ | | |
| 3.4.1 (ii) c) | suspected infringement of laws, including securities related laws, rules and regulations; | √ | | |
| 3.4.1 (ii) d) | any other matter which shall be disclosed to the Board of Directors immediately. | √ | | |
| 3.4.2 | 3.4.2 Reporting to the Authorities If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier. | - | - | Noted, but no such cases are required so far. |

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| 3.5 | Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company. | √ | | |
| 4 (i) | 4. External/Statutory Auditors: | | | |
| | The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:- (i) Appraisal or valuation services or fairness opinions. | √ | | |
| 4 (ii) | Financial information systems design and implementation. | √ | | |
| 4 (iii) | Book-keeping or other services related to the accounting records or financial statements. | √ | | |
| 4 (iv) | Broker-dealer services. | √ | | |
| 4 (v) | Actuarial services. | √ | | |
| 4 (vi) | Internal audit services. | √ | | |
| 4 (vii) | Any other service that the Audit Committee determines. | √ | | |
| 4 (viii) | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company. | √ | | |
| 4 (ix) | Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7 | √ | | |
| 5 (i) | Subsidiary Company: | | | |
| | (i) Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company. | √ | | |
| 5 (ii) | At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company. | √ | | |

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| 5 (iii) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company. | √ | | |
| 5 (iv) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also. | √ | | |
| 5 (v) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | √ | | |
| 6 (i) a) | Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO): The CEO and CFO shall certify to the Board that:- (i) They have reviewed financial statements for the year and that to the best of their knowledge and belief: a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; | √ | | |
| 6 (i) b) | these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws. | √ | | |
| 6 (ii) | There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct. | √ | | |
| 7 (i) | Reporting and Compliance of Corporate Governance: (i) The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis. | √ | | |
| 7 (ii) | The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions. | √ | | |

Certificate on Compliance of Corporate Governance Guidelines to the Shareholders' of Jamuna Bank Limited

[Issued under Condition # 7(i) of Corporate Governance Guidelines of BSEC
Vide Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

We are engaged by Jamuna Bank Limited to provide certification whether the company complied with the conditions of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission in its notification number SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and SEC/CMRRD/2006-158/134/Admin/48 dated 21 July 2013 ("the conditions of corporate governance guidelines")

The Company's Responsibilities:

Those charged with governance and management of the company is responsible for complying with the conditions of corporate governance guidelines. Those charged with governance of the company is also responsible for stating in the directors' report whether the company has complied with the conditions of the corporate governance guidelines.

Our Responsibilities:

Our responsibility is to examine the Company's status of compliance with the conditions of the corporate governance guidelines and to clarify thereon in the term of an independent assurance conclusion based on the evidence obtained. For the purpose of the engagement, we comply with ethical requirements including independence requirements and plan and perform our procedures to obtain assurance whether the company has complied with the conditions of corporate governance guidelines.

Our conclusion has been formed on the basis of and is subject to the matter outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion:

In our opinion, the company has complied with the conditions of corporate governance guidelines for the year ended 31 December 2014.

Dated, Dhaka
08 April 2015



M. J. ABEDIN & CO
Chartered Accountants

Ref: AGL (01)/RCM/140513/2014- 3425

18 May 2014

Mr. Shafiqul Alam
Managing Director
Jamuna Bank Limited
Hadi Mansion, 2 Dilkusha C/A
Dhaka - 1000

Subject: Credit Rating - Jamuna Bank Limited

Dear Sir,

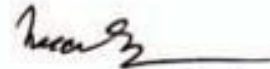
We are pleased to inform you that Credit Rating Agency of Bangladesh Ltd. (CRAB) has assigned the following ratings to Jamuna Bank Limited:

| Particulars | Ratings |
|-------------|----------------|
| Long Term | A ₁ |
| Short Term | ST-2 |
| Outlook | Stable |

The entity rating is valid up to 30 June 2015. The ratings may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We hope the Rating Awards will serve the intended purpose of your organization.

Yours Sincerely,



Hamidul Huq
Managing Director



**Corporate
Social
Responsibility**

Al-Haj Nur Mohammed
Founder Chairman
Jamuna Bank Foundation



A few words from the
Chairman
Jamuna Bank
Foundation

Jamuna Bank Foundation has been ethically continuing its work for better Bangladesh through Corporate Social Responsibility since 2007. Corporate Social Responsibility (CSR), a strategic practice of the present global world, is a key to our organizational success that is positively impacting long term sustainability of the organization and society. Continued, uninterrupted efforts are being undertaken to concentrate on socially responsible issues. CSR activities are getting momentum and accelerated pace day by day to unveil more potential deserving areas.

Among the CSR activities done by Jamuna Bank Foundation, I am highlighting a few of them. These are awarding scholarship to the unprivileged and meritorious students for higher study, voluntary blood donation program by the bank's executive, officer and staff in every year, Qirat Competition, Free Eye Camp, Mobile Medical Treatment, providing relief assistance to the affected and distressed people due to natural calamity, distribution of blanket to the distressed people to get rid of cold from winter, according reception and giving crest to the eminent citizens, establishment of old home, seminar on Anti-drug and drug free society (June 26), arrangement of anti-drug seminar every year throughout the country for establishment of drug free society in the country through active participation of executives, officers and staffs of the Bank, establishment of Medical Center in Mirpur area of Dhaka City for the drug addicted persons, distribution of grant to the Prime Minister Relief fund for help of Peel Khana BDR killing/carnage tragedy, grant to the Prime Minister's Relief fund for the burnt people at Nimtoly, grant for the establishment of Liberation War Museum, establishment of Jamuna Bank free Primary School and Madrasha, providing medical services through medical team to the musallis/religious minded people in the Biswa Iztema at Tongi, providing financial assistance to Sk. Jamal Dhanmondi Club Ltd. for development of sports, financial assistance to SA Games and medicines and other assistance to Rana Plaza victims,

etc. Besides, arrangement of free plastic surgery is done by the foreign (Netherland) expert/specialist medical team for the poor patient having cleft lip & cleft palate in different districts of the country. These noble programs are continuing throughout the country for last few years. Establishment of model village at Sena Para remote area under Thakurgaon district is accomplished by Jamuna Bank Foundation as a part of Corporate Social Responsibilities.

Besides, establishment of solar village at char Tertakia, P.S. Pakundia under Kishoregonj district is completed by Jamuna Bank Foundation. Char Tertakia is the remotest char area where no electricity is available, poor and meritorious students of the village cannot even study due to paucity of kerosene oil. We have arranged solar light for every family in this village. Since then the students of that village are able to study at night by using solar light, the villagers can perform all works during the night and without any hindrance/difficulty. To establishment international standard Medical College Land has been purchased and foundation stone has been laid for at Rupshi, Rupgonj near Dhaka, where all sorts of medical services will be provided at free of cost/nominal cost for the poor patient and also medical study for the poor meritorious students will be delivered. Besides, many items like sewing machine, Van and Rickshaw are provided for the rehabilitation of disabled and freedom fighters.

We have many more extensive and society contributing planning to be implemented in near future. Insha-allah! these would be implemented gradually with the increase of financial strength of Jamuna Bank Foundation. We think the activities undertaken by Jamuna Bank Foundation are exceptional & exemplary, which are shining examples for others to follow. Mentionable that in the meantime all these remarkable initiatives have been received applause. And Bangladesh Bank has highly appreciated our endeavors. International bodies have also admired our benevolent activities.

We are morally committed to alleviate poverty from the society for a happy and peaceful Bangladesh with the expansion of our CSR activities.



Al-Haj Nur Mohammed
Founder Chairman
Jamuna Bank Foundation

CSR Responsibility of Jamuna Bank Foundation



Assistance for Fire burnt & Petrol bomb victims

In assistance of Fire burnt people, victims of Petrol bomb hurled by unscrupulous miscreants, Prime Minister Sheikh Hassina received a cheque of TK 1.50 crore from Shaheen Mahmud, Chairman, Jamuna Bank Limited. Director of Jamuna Bank Limited Golam Dastagir Gazi, Bir Protik, MP and Tasnim Mahmud were present on the occasion.



Donation to Prime Minister's Relief Fund

Al-Haj Nur Mohammed, Chairman, Jamuna Bank Foundation handed over 500 nos blanket to prime minister's relief fund for winter distressed people. Blankets received by hon'ble Prime Minister Sheikh Hasina.



Plastic Surgery Camp

With the endeavor and finance of Jamuna Bank Foundation and the assistance of Dokters Van De Wereld (Mdm, Netherlands) a free plastic Surgery camp started at Munshigonj Sadar General Hospital from November 17 to November 28 for Cleft lip, cleft palate and burn injured patients at Munshigonj Government Sadar General Hospital, Munshigonj. Chairman of Jamuna Bank Foundation Al-Haj Nur Mohammed was the chief guest at the closing ceremony. Shafiqul Alam, Managing Director, Jamuna Bank Limited presided over the program.

CSR Responsibility of Jamuna Bank Foundation



Art Competition

Nur Mohammed, Chairman of Jamuna Bank Foundation poses with the participants of an art competition organized by Foundation at Bangladesh Shishu Academy premises on the occasion of Victory Day. Shafiqul Alam, Managing Director of Jamuna Bank presided.



Rally & Seminer on severity of Narcotics

Nur Mohammed, Chairman of Jamuna Bank Foundation inaugurated a seminar on 'severity of Narcotics and our Responsibilities for combating it' and a rally organized by the foundation at National Press Club in the city on Saturday. Mirza Elias Uddin Ahmed, Deputy Managing Director of Jamuna Bank presided.



Scholarship for Underprivileged meritorious students

Jamuna Bank Limited donated Tk. 1.00 Crore in the event of "Lakho Konthay Sonar Bangla" for writing historical name in the Guinness World Record. Mr. Golam Dastagir Gazi, Bir Protik, MP and Mr. Md. Tazul Islam, MP, Director, Jamuna Bank Limited & Al-Haj Nur Mohammed, Chairman, Jamuna Bank Foundation handed over the cheque to the Hon'ble Prime Minister Sheikh Hasina.

CSR Responsibility of Jamuna Bank Foundation



Free medical service at Biswa Istema

Jamuna Bank Foundation recently opened a centre to provide Musulle with free medical service at Biswa Istema. Chair of Jamuna Bank Foundation, Al-Haj Nur Mohammed inaugurated the medical service centre as chief guest.



Relief Distribution

Jamuna Bank Foundation recently distributed 2000 bags of relief materials among the flood-affected and river erosion-prone families at Boliadah High School field and Kulkandi Sams-hunnahar High School field under Islampur Thana of Jamalpur district. Chairman of Jamuna Bank Foundation Nur Mohammed distributed the relief materials.



Blanket Distribution

Jamuna Bank Foundation chairman Nur Mohammed distributes blankets to cold-hit poor people in Kurigram recently. The bank's deputy managing director Mirza Elias Uddin Ahmed and Kurigram district ADC Md Imtiaz Hossain were also present, among others.

CSR Responsibility of Jamuna Bank Foundation



seminar on International Mother Language Day

Jamuna Bank Foundation(JBF) organized a seminar on International Mother Language Day at Jamuna Bank's branch in Comilla. Kanutosh Majumder , Chairman of Jamuna Bank Foundation, spoke at the seminar and Shafiqui Alam, Managing Director and CEO of JBL attended the function as guest of honor.

Jamuna Bank Foundation organized a seminar marking International Mother Language at Jamuna Bank, Agrabad Branch premises in Chittagong. Kanutosh Majumder, Chairman, Jamuna Bank Limited was present in the seminar as chief guest,said a press release. Engr. AKM Mosharraf Hussain,Director of JBL was present as special guest. Al-Haj Nur Mohammed, Chairman,Jamuna Bank Foundation presided over the seminar and Shafiqui Alam, Managing Director and CEO,JBL was present guest of honor.



Discussion on significance of Ramadan & Qirat Competition

Jamuna Bank Foundation organized a discussion on significance of Ramadan and life of prophet and Rasuls and Qirat Competition for the children of executives, officers and staffs of Jamuna Bank Limited, Shaheen Mahmud , Chairman , Jamuna Bank Limited was present as the chief guest. Nur Mohammed, chairman, Jamuna Bank Foundation and Shafiqui Alam, Managing Director and CEO of Jamuna Bank Limited (JBL) were present on the occasion



Blood Donation, Free eye camp and Medical services

Jamuna Bank Foundation (JBF) organized a voluntary blood donation program and free eye camp, gynae and general treatment at Sreemongol in Moulvibazar recently. Kanutosh Majumder, Chairman of Jamuna Bank, inaugurated the ceremony as chief guest, said a press release. Alhaj Nur Mohammed, Chairman of Jamuna Bank Foundation presided over the function. Mosharraf Hussain and Md Atiqur Rahman attended the function as special guests while Shafiqui Alam, Managing Director of Jamuna Bank was guest of honor.

CSR Responsibility of Jamuna Bank Foundation



Free Medical Camp and Blanket Distribution

Jamuna Bank Foundation distributed Free Blanket and organized Eye camp, Gynee & General treatment services at Rayerbagh, Dhaka. Kanutosh Majumder, Chairman, Jamuna Bank Limited was present as the chief guest on the occasion. Al-Haj Nur Mohammed, Chairman, Jamuna Bank Foundation presided over the ceremony. Shafiqul Alam, Managing Director, Jamuna Bank Limited was as the guest of honor. Besides, Md. Motior Rahman, Director General, Jamuna Bank Training Academy, Mirza Elias Uddin Ahmed, Mosleh Uddin Ahmed and AKM Salfuddin Ahmed, Deputy Managing Director of Jamuna Bank Limited were present on the program. 933 people were given treatment in the camp and 81 people were selected for operation. Also 600 nos blankets were distributed among the students of the Jamuna Bank Free Primary School.



Eye camp, Gynee & General treatment services and Blanket Distribution

Jamuna Bank Foundation distributed Free Blanket and organized Eye camp, Gynee & General treatment services in Tangail and Munshigonj. The event in Tangail was conducted at Konra Govt. Primary School, Nagarpur, Tangail. Khandoker Anowarul Islam, Secretary, Ministry of Road Transport and Bridge Division was present as the chief guest on the occasion while Nur Mohammed, chairman, of the foundation presided over the ceremony. Managing Director of the bank Shafiqul Alam was present as the special guest.

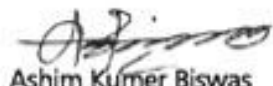
April 01, 2015

The Board of Directors
Jamuna Bank Limited
Hadi Mansion
2 Dilkusha Commercial Area
Dhaka-1000

Subject: CEO/MD & CFO's declaration to the Board.

In accordance with the notification of Bangladesh Securities and Exchange Commission no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, we declare that for the financial year ended December 31, 2014:

- i) We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and laws;
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violation of the Bank's code of conduct.



Ashim Kumer Biswas
Chief Financial Officer



Shafiqul Alam
Managing Director & CEO



**Financial
Statement**

Independent Auditors' Report to the Shareholders of Jamuna Bank Limited

We have audited the accompanying consolidated financial statements of Jamuna Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Jamuna Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2014, 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 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 2.01.1 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 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, the auditor considers 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 also 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 2014, 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 2.01.1.

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) 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 as 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 as disclosed in note 2.01.2 appeared to be adequate 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 employees of the Bank and its related entities.
- (c) financial statements of subsidiary companies of the Bank namely Jamuna Bank Capital Management Limited has been audited by ACNABIN, Chartered Accountants and Jamuna Bank Securities Limited has been audited by S. H. Khan & Co., Chartered Accountants. These accounts have been properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) 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 account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) 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 explained in note 2.01.1 as well as with related guidance, circulars issued by Bangladesh Bank and decision taken in tripartite meeting amongst Inspection Team of Bangladesh Bank, External Auditors and the Management of Jamuna Bank Limited held on March 03, 2015.
- (h) provisions have been made as stated in note 8.8.1 for loans & advances, other assets and off balance sheet items which are, in our opinion, doubtful of recovery in compliance with the letter no. BRPD(P-1)/661/13/2015-2106 dated 24 March 2015 of Bangladesh Bank;
- (i) in our opinion, proper books of accounts as required by law have been kept by Jamuna Bank Limited so far as it is appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from 82 branches not visited by us;
- (j) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (k) the information and explanation required by us have been received and found satisfactory;
- (l) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,500 person hours for the audit of the books and accounts of the Bank.

Date: April 01, 2015
Place: Dhaka


Syful Shamsul Alam & Co.
Chartered Accountants

Jamuna Bank Limited and its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2014

| | Notes | 31.12.2014 Taka | 31.12.2013 Taka |
|---|---------|------------------------|------------------------|
| PROPERTY AND ASSETS | | | |
| Cash | 4(a) | 10,040,992,726 | 6,650,538,889 |
| Cash in hand (including foreign currencies) | 4.1(a) | 1,246,746,019 | 1,272,539,018 |
| Balance with Bangladesh Bank and its agent banks (including foreign currencies) | 4.2(a) | 8,794,246,707 | 5,377,999,871 |
| Balance with other banks and financial institutions | | 6,336,937,566 | 4,278,967,438 |
| In Bangladesh | 5.1(a) | 5,454,580,287 | 4,090,832,766 |
| Outside Bangladesh | 5.2(a) | 882,357,279 | 188,134,672 |
| Money at call on short notice | 6(a) | - | - |
| Investments | 7(a) | 40,166,616,536 | 31,494,780,430 |
| Government | 7.1(a) | 39,616,508,602 | 30,716,749,321 |
| Others | 7.2(a) | 550,107,934 | 778,031,109 |
| Loans and advances | 8(a) | 79,032,296,942 | 68,439,839,534 |
| Loans, Cash credit, Overdrafts, etc. | 8.1(a) | 70,487,739,818 | 60,352,010,715 |
| Bills purchased & discounted | 8.2(a) | 8,544,557,123 | 8,087,828,819 |
| Fixed Assets including premises, furniture and fixtures | 9(a) | 2,564,341,458 | 2,481,998,870 |
| Other assets | 10(a) | 1,754,240,103 | 1,775,630,592 |
| Total assets | | 139,895,425,330 | 115,121,755,754 |
| Liabilities | | | |
| Borrowings from other banks, financial institutions and agents | 11(a) | 9,359,855,192 | 3,677,276,377 |
| Deposits and other accounts | 12(a) | 114,626,459,435 | 97,083,288,112 |
| Current/Al-wadeeah current accounts and other accounts | 12.2(a) | 12,703,747,252 | 9,586,841,311 |
| Bills payable | 12.3 | 2,433,040,988 | 1,274,219,899 |
| Savings/Mudaraba savings bank deposits | | 7,894,489,915 | 5,835,906,062 |
| Fixed/Mudaraba fixed Deposits | 12(b) | 57,955,482,169 | 54,729,538,647 |
| Bearer certificates of deposit | | - | - |
| Short notice deposits | 12(c) | 5,259,103,916 | 4,077,140,113 |
| Deposit under special scheme | | 28,061,993,298 | 21,282,435,543 |
| Foreign currency deposit | | 318,601,897 | 297,206,536 |
| Other liabilities | 13(a) | 5,078,236,468 | 5,465,675,557 |
| Total Liabilities | | 129,064,551,095 | 106,226,240,046 |
| Capital / shareholders' equity | | | |
| Paid up capital | 14 | 5,160,667,110 | 4,487,536,620 |
| Statutory reserve | 15 | 2,966,015,833 | 2,596,542,060 |
| Other reserve | 16(a) | 1,700,229,160 | 1,117,606,141 |
| Minority interest | 16(b) | 1,831 | 1,823 |
| Retained earnings | | 1,003,960,301 | 693,829,064 |
| Total shareholders' equity | | 10,830,874,235 | 8,895,515,708 |
| Total liabilities and shareholders' equity | | 139,895,425,330 | 115,121,755,754 |

Jamuna Bank Limited and its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2014

| OFF-BALANCE SHEET ITEMS | Notes | 31.12.2014 Taka | 31.12.2013 Taka |
|---|-------|-----------------------|-----------------------|
| Contingent liabilities | 18(a) | | |
| Acceptances & endorsements | | 5,841,893,111 | 3,225,832,370 |
| Letters of guarantee | | 8,665,021,198 | 7,161,098,410 |
| Irrevocable letters of credit | | 16,484,239,741 | 14,058,237,736 |
| Bills for collection | | 6,371,691,510 | 4,457,821,967 |
| Other contingent liabilities | | 239,236,473 | 331,236,473 |
| | | <u>37,602,082,034</u> | <u>29,234,226,956</u> |
| Other commitments | | | |
| Documentary credits and short term trade related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Indrawn note issuance and revolving underwriting facilities | | - | - |
| Indrawn formal standby facilities, credit lines and other commitments | | - | - |
| | | <u>-</u> | <u>-</u> |
| Total Off-Balance Sheet items including contingent liabilities | | <u>37,602,082,034</u> | <u>29,234,226,956</u> |

The annexed notes 01 to 50 form an integral part of the financial statements


Managing Director


Director


Director


Chairman

As per our report of the same date.

Date: 01 April, 2015
Dhaka


Syful Shamsul Alam & Co.
Chartered Accountants

Jamuna Bank Limited and its Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2014

| | Notes | 2014 Taka | 2013 Taka |
|---|---------|----------------------|----------------------|
| Interest Income & profit on investment | 20(a) | 10,421,555,589 | 9,859,059,670 |
| Less: Interest/profit on deposits and borrowings, etc. | 21(a) | 8,830,345,766 | 8,063,999,676 |
| Net interest income/net profit on investments | | 1,591,209,824 | 1,795,059,993 |
| Investment income | 22(a) | 3,243,592,747 | 2,580,520,767 |
| Commission, exchange and brokerage | 23(a) | 1,111,538,824 | 1,055,956,273 |
| Other operating income | 24(a) | 331,617,154 | 349,905,211 |
| | | 4,686,748,726 | 3,986,382,250 |
| Total operating income (A) | | 6,277,958,550 | 5,781,442,244 |
| Salary and allowances | 26(a) | 1,943,748,480 | 1,708,504,880 |
| Rent, Taxes, insurance, Electricity, etc. | 27(a) | 444,506,353 | 348,905,120 |
| Legal expenses | | 6,803,628 | 7,489,892 |
| Postage, Stamps, Telecommunication, etc. | 28(a) | 84,989,297 | 80,596,513 |
| Stationery, Printings, Advertisements, etc. | 29(a) | 94,513,936 | 91,084,726 |
| Managing Director's salary & fees | 30(a) | 10,900,000 | 10,114,839 |
| Directors' fees | 31(a) | 7,116,009 | 5,929,108 |
| Auditors' fees | 32(a) | 660,611 | 474,950 |
| Charges on loan losses | | - | - |
| Depreciation and repairs of bank's assets | 33(a) | 173,508,391 | 148,547,815 |
| Other expenses | 34(a) | 280,552,019 | 287,052,950 |
| Operating expenses (B) | 25(a) | 3,047,298,726 | 2,688,700,794 |
| Profit before provision (C = A-B) | | 3,230,659,824 | 3,092,741,450 |
| Provision for loans and advances/investments | 35(a) | 1,249,375,374 | 709,911,751 |
| Provision for off balance sheet exposures | 36(a) | 83,679,000 | 10,782,314 |
| Other provisions | | 3,762,928 | 1,936,000 |
| Provision for diminution in value of investments | 37(a) | (40,115,339) | (2,501,816) |
| Total provision (D) | | 1,296,701,962 | 720,128,249 |
| Profit before taxation (C-D) | | 1,933,957,862 | 2,372,613,202 |
| Contribution to Jamuna Bank Foundation @ 2% of Pre-tax Profit | 38(a) | 36,947,377 | 22,848,927 |
| Provision for taxation | | | |
| Current tax | 13.6(a) | 554,520,226 | 1,202,546,271 |
| Deferred tax | 13.6.2 | (10,245,332) | 2,739,070 |
| | | 544,274,894 | 1,205,285,341 |
| Net profit after taxation Attributable to: | | 1,352,735,591 | 1,144,478,934 |
| Shareholders of JBL | | 1,352,735,500 | 1,144,478,786 |
| Minority interest | | 91 | 147 |
| Appropriations: | | | |
| Statutory reserve | | 369,473,773 | 456,978,539 |
| Retained surplus during the year | | 983,261,818 | 687,500,395 |
| Earnings per share (EPS) | 39(a) | 2.62 | 2.22 |

The annexed notes 1 to 50 form an integral part of the consolidated profit and loss account.


Managing Director


Director


Director


Chairman

As per our report of the same date.

Date: 01 April, 2015
Dhaka


Syful Shamsul Alam & Co.
Chartered Accountants

Jamuna Bank Limited and its Subsidiaries

Consolidated Cash Flow Statement

For the year ended 31 December 2014

| Particulars | 2014 Taka | 2013 Taka |
|--|------------------------|-------------------------|
| Cash flows from operating activities | | |
| Interest receipts | 9,513,709,575 | 9,863,160,502 |
| Interest payments | (7,505,435,481) | (8,738,145,648) |
| Dividend receipts | 28,826,709 | 7,856,325 |
| Fees and commission receipts | 1,111,538,824 | 1,055,956,273 |
| Payments to employees | (1,954,648,480) | (1,718,619,719) |
| Payments to suppliers | (965,740,755) | (813,366,610) |
| Income taxes paid | (1,014,682,142) | (1,434,173,592) |
| Receipts from other operating activities | 331,617,154 | 349,905,211 |
| Payments to other operating activities | (280,552,019) | (287,052,950) |
| (i) Operating profit before changes in operating assets and liabilities | (735,366,613) | (1,714,480,208) |
| Increase /Decrease In operating assets & liabilities | | |
| Loans and advances | (9,684,611,394) | (12,998,108,345) |
| Other assets | 21,390,490 | (1,078,103,587) |
| Deposit from other banks | 2,287,668,000 | 1,542,428,000 |
| Deposit from customers | 13,930,593,038 | 16,516,345,089 |
| Other current liabilities | (417,273,190) | 903,828,213 |
| (ii) Cash received from operating assets and liabilities | 6,137,766,945 | 4,886,389,370 |
| Net cash flow from operating activities (A)=(i+ii) | 5,402,400,332 | 3,171,909,162 |
| Cash flows from investing activities | | |
| Income received from investments | 2,840,271,400 | 2,827,772,385 |
| Proceeds from sale of securities | 602,417,813 | 8,539,779,365 |
| Payments for purchase of securities | (8,842,527,280) | (394,710,839) |
| Purchase of property, plant & equipment | (235,985,116) | (244,273,053) |
| Net cash flow from investing activities (B) | (5,635,823,183) | 10,728,567,859 |
| Cash flows from financing activities | | |
| Increase/ (Decrease) of long term borrowings | 5,682,578,815 | (13,410,936,198) |
| Cash dividend paid | - | (628,255,127) |
| Net cash flow from financing activities (C) | 5,682,578,815 | (14,039,191,324) |
| Net Increase/ Decrease in cash and cash equivalents D = (A+B+C) | 5,449,155,964 | (138,714,304) |
| Cash and cash equivalents at beginning of the year (E) | 10,930,922,727 | 49,859,812,120 |
| Prior year adjustment | - | (38,790,175,089) |
| Restated cash and cash equivalents at beginning of the year | 10,930,922,727 | 11,069,637,031 |
| Cash and cash equivalents at end of the year (D+E) (*) | 16,380,078,691 | 10,930,922,727 |
| (*) Closing cash & cash equivalent | | |
| Cash in hand (including foreign currency) | 1,246,746,019 | 1,272,539,018 |
| Balance with Bangladesh bank and its agent banks | 8,794,246,707 | 5,377,999,870 |
| Balance with other bank's and financial institutions | 6,336,937,566 | 4,278,967,438 |
| Money at call on short notice | - | - |
| Prize bond in hand | 2,148,400 | 1,416,400 |
| | 16,380,078,691 | 10,930,922,727 |

The annexed notes 1 to 50 form an integral part of the consolidated cash flow statement.


Managing Director


Director


Director


Chairman

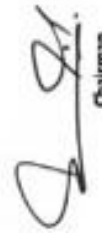
Jamuna Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
 For the year ended 31 December 2014

| Particulars | Paid up Capital | Statutory Reserve | Revaluation Reserve of Securities | Assets Revaluation Reserve | Currency Translation Reserve | Retained Earnings | Total | Minority Interest | Total Equity |
|---|-----------------|-------------------|-----------------------------------|----------------------------|------------------------------|-------------------|----------------|-------------------|----------------|
| Balance as at 01 January 2014 | 4,487,536,620 | 2,596,542,060 | 54,108,587 | 1,063,497,554 | - | 693,829,064 | 8,895,513,885 | 1,823 | 8,895,515,708 |
| Changes in accounting policy | - | - | - | - | - | - | - | - | - |
| Restated balance as at 01 January 2014 | 4,487,536,620 | 2,596,542,060 | 54,108,587 | 1,063,497,554 | - | 693,829,064 | 8,895,513,885 | 1,823 | 8,895,515,708 |
| Surplus/deficit on account of revaluation of properties | - | - | - | - | - | - | 582,523,547 | - | 582,523,547 |
| Surplus/deficit on account of revaluation of investments | - | - | 582,523,547 | - | - | - | 99,472 | - | 99,472 |
| Currency translation reserve | - | - | - | - | 99,472 | - | - | - | - |
| Net gains and losses not recognized in the income statement | - | - | 582,523,547 | - | 99,472 | - | 582,623,019 | - | 582,623,019 |
| Dividend (Stock) | 673,130,490 | - | - | - | - | (673,130,490) | - | - | - |
| Interim dividend (cash) | - | - | - | - | - | - | - | (83) | (83) |
| Net profit for the year | - | - | - | - | - | 1,352,735,500 | 1,352,735,500 | 91 | 1,352,735,591 |
| Statutory reserve | - | 368,473,773 | - | - | - | (368,473,773) | - | - | - |
| Issue of share capital | - | - | - | - | - | - | - | - | - |
| Balance as at 31 December 2014 | 5,160,667,110 | 2,965,015,833 | 636,632,134 | 1,063,497,554 | 99,472 | 1,003,960,301 | 10,830,872,404 | 1,831 | 10,830,874,235 |
| Balance as at 31 December 2013 | 4,487,536,620 | 2,596,542,060 | 54,108,587 | 1,063,497,554 | - | 693,829,064 | 8,895,513,885 | 1,823 | 8,895,515,708 |


 Managing Director


 Director


 Director


 Chairman

Date: 01 April, 2015
 Dhaka

Jamuna Bank Limited

Balance Sheet As at 31 December 2014

| | Notes | 31.12.2014 Taka | 31.12.2013 Taka |
|---|-------|------------------------|------------------------|
| PROPERTY AND ASSETS | | | |
| Cash | 4 | 10,040,974,375 | 6,650,524,239 |
| Cash in hand (including foreign currencies) | 4.1 | 1,246,727,668 | 1,272,524,368 |
| Balance with Bangladesh Bank and its agent banks (including foreign currencies) | 4.2 | 8,794,246,707 | 5,377,999,871 |
| Balance with other banks and financial institutions | 5 | 6,336,937,566 | 4,278,967,438 |
| In Bangladesh | 5.1 | 5,454,580,287 | 4,090,832,766 |
| Outside Bangladesh | 5.2 | 882,357,279 | 188,134,672 |
| Money at call on short notice | 6 | - | - |
| Investments: | 7 | 39,963,541,968 | 31,392,195,515 |
| Government | 7.1 | 39,510,008,602 | 30,666,749,320 |
| Others | 7.2 | 453,533,367 | 725,446,195 |
| Loans and advances | 8 | 77,899,790,476 | 67,669,376,700 |
| Loans, Cash Credit, Overdrafts, etc. | 8.01 | 69,355,233,352 | 59,581,547,881 |
| Bills purchased & discounted | 8.02 | 8,544,557,123 | 8,087,828,819 |
| Fixed assets including premises, furniture and fixtures | 9 | 2,278,501,650 | 2,195,054,539 |
| Other assets | 10 | 2,974,834,511 | 2,976,829,953 |
| Non-banking assets | | - | - |
| Total assets | | <u>139,494,580,546</u> | <u>115,162,948,384</u> |
| LIABILITIES AND CAPITAL | | | |
| Liabilities | | | |
| Borrowings from other banks, financial institutions and agents | 11 | 9,359,855,192 | 3,677,276,377 |
| Deposits and other accounts | 12 | 114,635,128,102 | 97,485,614,199 |
| Current/Al-wadeeah current accounts and other accounts | 12.2 | 12,697,597,600 | 9,576,970,169 |
| Bills payable | 12.3 | 2,433,040,988 | 1,274,219,899 |
| Savings/Mudaraba savings bank deposits | | 7,894,489,915 | 5,835,906,062 |
| Fixed/Mudaraba fixed deposits | | 57,955,482,168 | 55,112,239,898 |
| Bearer certificates of deposit | | - | - |
| Short notice deposits | | 5,273,922,236 | 4,106,636,093 |
| Deposit under special scheme | | 28,061,993,298 | 21,282,435,543 |
| Foreign currency deposit | | 318,601,897 | 297,206,536 |
| Other liabilities | 13 | 4,688,931,293 | 5,119,122,589 |
| Total liabilities | | <u>128,683,914,587</u> | <u>106,282,013,165</u> |
| Capital/shareholders' equity | | | |
| Paid up capital | 14 | 5,160,667,110 | 4,487,536,620 |
| Statutory reserve | 15 | 2,966,015,833 | 2,596,542,060 |
| Other reserve | 16 | 1,700,229,160 | 1,117,606,141 |
| Retained earnings | 17 | 983,753,856 | 679,250,398 |
| Total shareholders' equity | | <u>10,810,665,959</u> | <u>8,880,935,219</u> |
| Total liabilities and shareholders' equity | | <u>139,494,580,546</u> | <u>115,162,948,384</u> |

Jamuna Bank Limited

Balance Sheet As at 31 December 2014

| <u>OFF-BALANCE SHEET ITEMS</u> | Notes | 31.12.2014 Taka | 31.12.2013 Taka |
|---|-------|-----------------------|-----------------------|
| Contingent liabilities | | | |
| Acceptances & endorsements | | 5,841,893,111 | 3,225,832,370 |
| Letters of guarantee | 18.1 | 8,665,021,198 | 7,161,098,410 |
| Irrevocable letters of credit | 18.2 | 16,484,239,741 | 14,058,237,736 |
| Bills for collection | 18.3 | 6,371,691,510 | 4,457,821,967 |
| Other contingent liabilities | | 239,236,473 | 331,236,473 |
| Total | | 37,602,082,034 | 29,234,226,956 |
| 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 | | - | - |
| Total Off-Balance sheet items including contingent liabilities | | 37,602,082,034 | 29,234,226,956 |

The annexed notes 01 to 50 form an integral part of the financial statements


Managing Director


Director


Director


Chairman

As per our report of same date

Date: 01 April, 2015
Dhaka


Syful Shamsul Alam & Co.
Chartered Accountants

Jamuna Bank Limited
Profit and Loss Account
For the year ended 31 December 2014

| | Notes | 2014 Taka | 2013 Taka |
|--|--------|----------------------|----------------------|
| Interest income/profit on investment | 20 | 10,269,609,256 | 9,697,918,977 |
| Less: Interest/profit paid on deposits and borrowings, etc. | 21 | 8,838,964,459 | 8,078,043,920 |
| Net Interest Income | | 1,430,644,798 | 1,619,875,056 |
| Investment income | 22 | 3,267,675,057 | 2,660,314,458 |
| Commission, exchange and brokerage | 23 | 1,063,605,285 | 1,006,755,626 |
| Other operating income | 24 | 328,699,070 | 348,712,803 |
| Total operating Income (A) | | 6,090,624,211 | 5,635,657,943 |
| Salary and allowances | 26 | 1,930,419,766 | 1,696,825,647 |
| Rent, Taxes, Insurance, Electricity, etc. | 27 | 441,382,284 | 345,960,916 |
| Legal expenses | | 6,746,128 | 7,179,761 |
| Postage, Stamps, Telecommunication, etc. | 28 | 84,519,221 | 80,308,608 |
| Stationery, Printings, Advertisements, etc. | 29 | 93,832,658 | 90,493,372 |
| Managing Director's salary & fees | 30 | 10,900,000 | 10,114,839 |
| Directors' fees | 31 | 6,869,216 | 5,823,308 |
| Auditors' fees | 32 | 460,000 | 345,000 |
| Charges on loan losses | | - | - |
| Depreciation and repairs of bank's assets | 33 | 172,356,638 | 147,526,100 |
| Other expenses | 34 | 274,343,531 | 282,171,572 |
| Total operating Expenses (B) | | 3,021,829,443 | 2,666,749,124 |
| Profit/(loss) before provisions (C=A-B) | | 3,068,794,768 | 2,968,908,819 |
| Provision for loans and advances | 35 | 1,173,248,000 | 670,636,000 |
| Provision for off balance sheet exposures | 36 | 83,679,000 | 10,782,314 |
| Others provision | | 3,762,928 | 1,936,000 |
| Provision for diminution in value of Investments | 37 | (39,264,022) | 661,813 |
| Total provision (D) | | 1,221,425,905 | 684,016,127 |
| Total profit before taxes (D-E) | | 1,847,368,863 | 2,284,892,693 |
| Contribution to Jamuna Bank Foundation @ 2% of Pretax Profit | 38 | 36,947,377 | 22,848,927 |
| Provision for taxation for the year | | | |
| Current tax | 13.6.1 | 473,559,097 | 1,124,113,176 |
| Deferred tax | 13.6.2 | (10,245,332) | 2,739,070 |
| | | 463,313,765 | 1,126,852,246 |
| Net profit after taxation | | 1,347,107,721 | 1,135,191,520 |
| Appropriations: | | | |
| Statutory reserve (20% on pre-tax profit) | | 369,473,773 | 456,978,539 |
| Retained Surplus during the year | 17 | 977,633,948 | 678,212,981 |
| Earnings per share (EPS) | 39 | 2.61 | 2.20 |

The annexed notes 01 to 50 form an integral part of the financial statements


Managing Director



Director


Director


Chairman

As per our report of same date

Date: 01 April, 2015
Dhaka

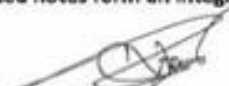

Syful Shamsul Alam & Co.
Chartered Accountants

Jamuna Bank Limited
Cash Flow Statement
For the year ended 31 December 2014

| | Notes | 2014 Taka | 2013 Taka |
|---|-------|------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Interest receipts | | 9,361,763,242 | 9,702,019,809 |
| Interest payments | | (7,514,054,174) | (8,752,189,892) |
| Dividend receipts | | 84,826,626 | 95,856,325 |
| Fee and commission receipts | | 1,063,605,285 | 1,006,755,626 |
| Recoveries on loans previously written off | | - | - |
| Payments to employees | | (1,941,319,766) | (1,706,940,486) |
| Payments to suppliers | | (223,469,696) | (229,949,755) |
| Income taxes paid | | (1,011,498,438) | (1,427,977,639) |
| Receipts from other operating activities | 40 | 328,699,070 | 348,712,803 |
| Payments for other operating activities | 41 | (704,549,206) | (600,542,112) |
| (I) Operating profit before changes in operating assets and | | (555,997,055) | (1,564,255,322) |
| Increase/Decrease in operating assets & liabilities | | | |
| Statutory deposit | | - | - |
| Loans and advances | | (10,230,413,775) | (12,782,342,718) |
| Other assets | | 909,841,456 | (949,975,725) |
| Deposit from other banks | | 2,287,668,000 | 1,542,428,000 |
| Deposit from customers | | 13,536,935,618 | 16,320,051,743 |
| Other current liabilities | 42 | (557,756,889) | 638,912,943 |
| (II) Cash received from operating assets and liabilities | | 5,946,274,410 | 4,769,074,243 |
| Net cash flow from operating activities (A)=(I+II) | | 5,390,277,355 | 3,204,818,921 |
| Cash flows from investing activities | | | |
| Income received from investments | | 2,837,195,199 | 2,821,480,664 |
| Proceeds from sale of securities* | | 617,566,061 | 8,537,864,778 |
| Payments for purchase of securities | | (8,842,527,281) | (398,607,974) |
| Purchase of property, plant & equipment | | (235,937,886) | (242,340,528) |
| Net cash flow from investing activities (B) | | (5,623,703,907) | 10,718,396,940 |
| Cash flows from financing activities | | | |
| Increase/ (Decrease) of long term borrowings | | 5,682,578,815 | (13,410,936,198) |
| Cash dividend paid | | - | (628,255,127) |
| Net cash flow from financing activities (C) | | 5,682,578,815 | (14,039,191,325) |
| Net Increase/ Decrease in cash and cash equivalents D= (A+B+C) | | 5,449,152,263 | (115,975,464) |
| Cash and Cash Equivalents at beginning of the year (E) | | 10,930,908,077 | 49,837,058,630 |
| Prior year adjustment* | | - | (38,790,175,089) |
| Restated cash and cash equivalents at beginning of the year | | 10,930,908,077 | 11,046,883,541 |
| Cash and cash equivalents at end of the year (D+E) (*) | | 16,380,060,340 | 10,930,908,077 |
| (*) Closing cash & cash equivalent | | | |
| Cash in hand (including foreign currency) | | 1,246,727,668 | 1,272,506,614 |
| Balance with Bangladesh Bank and its agent banks | | 8,794,246,707 | 5,377,999,871 |
| Balance with other bank's and financial institutions | | 6,336,937,566 | 4,278,985,192 |
| Money at call on short notice | | - | - |
| Prize bond in hand | | 2,148,400 | 1,416,400 |
| | | 16,380,060,340 | 10,930,908,077 |

The annexed notes form an integral part of the cash flow statement.


Managing Director


Director


Director


Chairman

Jamuna Bank Limited

Statement of Changes in Equity For the year ended 31 December 2014

| Particulars | Paid up Capital | Statutory Reserve | Revaluation Reserve of Securities | Assets Revaluation Reserve | Currency Translation Reserve | Retained Earnings | Total |
|---|-----------------|-------------------|-----------------------------------|----------------------------|------------------------------|-------------------|----------------|
| Balance as at 01 January 2014 | 4,487,536,620 | 2,596,542,060 | 54,108,587 | 1,063,497,554 | - | 679,250,398 | 8,880,935,219 |
| Changes in accounting policy | - | - | - | - | - | - | - |
| Restated balance as at 01 January 2014 | 4,487,536,620 | 2,596,542,060 | 54,108,587 | 1,063,497,554 | - | 679,250,398 | 8,880,935,219 |
| Surplus/deficit on account of revaluation of properties | - | - | - | - | - | - | - |
| Surplus/deficit on account of revaluation of investments | - | - | 582,523,547 | - | - | - | 582,523,547 |
| Currency translation difference | - | - | - | - | 99,472 | - | 99,472 |
| Net gains and losses not recognized in the income statement | - | - | 582,523,547 | - | 99,472 | - | 582,623,019 |
| Net Profit for the year | - | - | - | - | - | 1,347,107,721 | 1,347,107,721 |
| Dividend (stock) | 673,130,490 | - | - | - | - | (673,130,490) | - |
| Statutory reserve | - | 369,473,773 | - | - | - | (369,473,773) | - |
| Issue of share capital | - | - | - | - | - | - | - |
| Balance as at 31 December 2014 | 5,160,667,110 | 2,966,015,833 | 636,632,134 | 1,063,497,554 | 99,472 | 983,753,856 | 10,810,665,959 |
| Balance as at 31 December 2013 | 4,487,536,620 | 2,596,542,060 | 54,108,587 | 1,063,497,554 | - | 679,250,398 | 8,880,935,219 |


Managing Director


Director


Director


Chairman

Date: 01 April, 2015
Dhaka

Jamuna Bank Limited Liquidity Statement

(Asset and Liability Maturity Analysis)
As at 31 December 2014

(Amount in Taka)

| Particulars | Upto 1 month | 1 - 3 months | 3 - 12 months | 1 - 5 years | More than 5 years | Total |
|---|-----------------------|------------------------|-------------------------|-----------------------|-----------------------|------------------------|
| Assets | | | | | | |
| Cash in hand | 10,040,974,375 | - | - | - | - | 10,040,974,375 |
| Balance with other banks & financial institutions | 984,540,565 | 4,102,397,001 | 1,250,000,000 | - | - | 6,336,937,566 |
| Money at call on short notice | - | - | - | - | - | - |
| Investment | 455,681,767 | - | 841,114,783 | 7,519,934,110 | 31,146,811,308 | 39,963,541,968 |
| Loans & Advances | 20,920,746,695 | 12,666,141,228 | 19,001,437,983 | 16,195,349,131 | 9,116,115,439 | 77,899,790,476 |
| Fixed assets including premises, furniture and fixtures | - | - | - | 1,903,194,908 | 375,306,743 | 2,278,501,651 |
| Other Assets | 405,415,725 | 979,891,045 | - | 1,586,565,512 | 2,961,230 | 2,974,834,511 |
| Total assets | 32,807,360,126 | 17,748,429,274 | 21,092,552,766 | 27,205,043,661 | 40,641,194,721 | 139,494,580,546 |
| Liabilities | | | | | | |
| Borrowings from Bangladesh Bank, other banks, financial institutions and agents | - | - | 9,359,855,192 | - | - | 9,359,855,192 |
| Deposits and other accounts | 25,241,631,951 | 26,655,109,249 | 30,038,063,843 | 18,039,901,990 | 14,660,421,069 | 114,635,128,102 |
| Other liabilities | 78,860,451 | - | 4,388,216,443 | 221,854,399 | - | 4,688,931,293 |
| Total liabilities | 25,320,492,402 | 26,655,109,249 | 43,786,135,478 | 18,261,756,389 | 14,660,421,069 | 128,683,914,587 |
| Net liquidity | 7,486,867,724 | (8,906,679,975) | (22,693,582,713) | 8,943,287,271 | 25,980,773,652 | 10,810,665,959 |

* As a primary dealer we have invested in long term government securities as well as we have managed counter fund from inter-bank or customers as short term settlement. In this regard, our 1-3 and 3-12 months bucket gap is negative.

Date: 01 April, 2015
Dhaka


Managing Director


Director


Director


Chairman

The following assumptions have been applied in preparing the maturity analysis:

- i) Balance with other banks and financial institutions, Money at call on short notice are on the basis of their maturity.
- ii) Investments are on the basis of their maturity.
- iii) Loans and advances are on the basis of their maturity.
- iv) Fixed assets including premises land & buildings, furniture & fixtures are on the basis of their useful life.
- v) Other assets are on the basis of their adjustment.
- vi) Borrowings from Bangladesh Bank, other banks, financial institutions and agents are on the basis of their payment.
- vii) Deposits and other accounts are on the basis of their maturity and payment.
- viii) Provision and other liabilities are on the basis of their adjustment.

Jamuna Bank Limited and its Subsidiaries

Notes to the Financial Statements

For the year ended 31 December 2014

1.00 Reporting entity

1.01 Legal status and nature of the company

Jamuna Bank Limited (the "Bank") was incorporated in Bangladesh on 02 April 2001 as a public limited company under the Companies Act, 1994. The Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended in 2013) and directives as received from Bangladesh Bank and applicable to it from time to time provides all types of commercial banking services. The registered office of the Bank is located at Hadi Mansion, 2 Dilkusha C/A, Dhaka-1000. The Bank has ninety seven (97) branches (including 2 Islamic Banking Branches) and four (4) SME centers, with no overseas branches as at 31 December 2014. The consolidated financial statements of the Bank as at and for the year ended 31 December 2014 comprise financial statements of the Bank and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

1.02 Nature of the business

The principal activities of the bank are providing all kinds of commercial banking services to its customers. The other activities of the bank are providing of all kinds of Islamic banking services to its customers through Islamic Banking branches.

1.03 Jamuna Bank Capital Management Limited

Jamuna Bank Capital Management Limited is a subsidiary company of Jamuna Bank Limited holding 99.99984% of total paid-up capital incorporated as a private limited company on 23 December 2009 with the Registrar of Joint Stock Companies & Firms, Dhaka vide certificate of incorporation no. C-81290/09. The main objectives of the company for which it was established are to carry out the business of full-fledged merchant banking activities like issue management, portfolio management, underwriting etc.

1.04 Jamuna Bank Securities Limited

Jamuna Bank Securities Limited is a subsidiary company of Jamuna Bank Limited holding 99.99995% of total paid-up capital incorporated as a private limited company on February 07, 2011 with the Registrar of Joint Stock Companies & Firms, Dhaka vide certificate of incorporation no. C-90274/11. The main objectives of the company for which was established for brokerage services to the investors.

1.05 Off-shore banking unit

Off-shore Banking Unit (OBU) is a separate business unit of Jamuna Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide Bangladesh Bank's letter no. BRPD (P-3) 744 (107)/ 2009-4642 dated 22 December 2009. The Bank commenced operation of this unit from 22 April 2010 and its office is located at Land View Commercial Center, 28 Gulshan North C/A, Gulshan, Dhaka. Separate financial statements for Off-shore Banking Unit are enclosed in Annexure- H.

1.06 Islamic Banking

The Bank obtained the Islamic Banking branches permission vide letter no. BRPD(P)745(55)/2003-3220 and BRPD(P)745(55)/2005-235 The bank operates Islamic Banking in 2 (two) branches designated for the purpose of complying with the rules of Islamic Shariah. The financial statements of the branches have also been prepared as per the Bank Companies Act, 1991, Bangladesh Accounting Standards/ Bangladesh Financial Reporting Standards and guidelines issued by the Accountancy & Auditing organization for Islamic Financial Institutions for which a separate set of books and records are being maintained. As per Bangladesh Bank BRPD circular no. 15, dated 09 November 2009, separate statements of accounts of consolidated accounts of 2 (two) Islamic Banking branches are enclosed in Annexure- I.

2.00 Basis of preparation of the financial statements

2.01 Statement of compliance

2.01.1 Departures from BFRS

The financial statements of the Bank are prepared on a going concern basis under historical cost convention and in accordance with First Schedule (Sec-38) of the Bank Companies Act, 1991, as amended by Bangladesh Bank (Central Bank) vide BRPD Circular No. 14 dated 25 June 2003, other circulars of Bangladesh Bank, Bangladesh Accounting Standards (BAS), the Companies Act, 1994, the Listing Rules of the Stock Exchange, the Securities and Exchange Rule 1987 and other laws and regulations applicable in Bangladesh. In case any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Group and the Bank have departed from those contradictory requirements of BFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at costs.

ii) Revaluation gain/loss on Government securities

BFRS: As per requirement of BAS 39 where securities T-bills and T-bonds will fall under the category of “held for trading”, any change in the fair value of held for trading assets is recognized through profit and loss account.

Securities T-bills designated as held to maturity are measured at amortized cost method and interest income is recognized through the profit & loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

iii) Provision on loans and advances

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 05 dated 29 May 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) Recognition of interest in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

v) Other comprehensive income

BFRS: As per BAS 1 Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Comprehensive Income (OCI) Statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income (OCI) Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.

vi) Provision for Gratuity

BFRS: As per BAS 19, actuarial valuation has to be carried out with sufficient regularity to ensure that the provision for gratuity is accounted for fairly. Moreover, provision has to be maintained for gratuity for all of its employees from their date of joining.

Bangladesh Bank: The company has a policy to pay gratuity on the basis of last basic pay and is payable at the rate of two months basic pay for every completed year of service upon fulfilling the eligibility criteria. The eligibility criteria of accounting for gratuity is 6 (six) years of continued service with the Bank or a period of 3 (three) years with any other Bank and 3 (three) years with Jamuna Bank Limited. The Bank management has accounted for gratuity using this system instead of accounting for gratuity from the year of joining as per BAS 19. However, Jamuna Bank is maintaining the same basis in calculating the provision of gratuity which was followed in last year as agreed by Bangladesh Bank dated 06 March 2014.

vii) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the accounts.

viii) Repo transactions

BFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per BRPD guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

ix) Financial guarantees

BFRS: As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin.

x) Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Prize bond are not shown as cash and cash equivalent. Money at call and on short notice presented on the face of the balance sheet, and Treasury bills, Prize bonds are shown in Investments.

xi) Non-banking asset

BFRS: No indication of Non-banking asset is found in any BFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.

xii) Cash flow statement

BFRS: Cash flow statement can be prepared using either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD 14, cash flow is the mixture of direct and indirect method.

xiii) Balance with Bangladesh Bank: (CRR)

BFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiv) Presentation of intangible asset

BFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD 14.

xv) Off-balance sheet items

BFRS: There is no concept of off-balance sheet items in any BFRS; hence there is no requirement of disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately in face of balance sheet.

xvi) Disclosure of appropriation of profit

BFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD 14, an appropriation of profit should be disclosed in the face of profit and loss account.

xvii) Loans and advance (net of provision)

BFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

The financial statements of the Islamic banking branches have also been prepared as per Bank Companies Act 1991, BFRSs and other prevailing laws and regulations applicable in Bangladesh.

The consolidated financial statements were authorized for issue by the board of directors on 01 April 2015

2.01.2 The Bank's compliance with related pronouncements by Bangladesh Bank:

i) Internal control

The objective of internal control is to ensure that management has reasonable assurance that (i) operations are effective, efficient and aligned with strategy, (ii) financial reporting and management information is reliable, complete and timely accessible, (iii) the entity is in compliance with applicable Laws and Regulations as well as its internal policies and ethical values including sustainability, and (iv) assets of the company are safeguarded and frauds, forgeries & errors are prevented or detected.

Jamuna Bank has established an effective internal control system whose primary aim is to ensure the overall control of risks and provide reasonable assurance that the objectives set by the Bank will be met. It has designed to develop a high level risk culture among the personnel of the Bank, establish efficient and qualified operating model of the Bank, ensure reliability of internal and external information including accounting and financial information, secure the Bank's operations and assets, and comply with laws, regulatory requirements and internal policies.

The Board of Directors of Jamuna Bank, through its Audit Committee, periodically reviews the effectiveness of Bank's internal control system covering all the material controls, including financial, operational and compliance controls, risk management systems, the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, training programs, budget, etc. The Board Audit Committee reviews the actions taken on internal control issues identified by the Internal & External Auditors and Regulatory Authorities. It has active oversight on the internal audit's independence, scope of work and resources and it also reviews the functions of Internal Control & Compliance Division of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

During the year 2014, ICCD conducted inspection on most of the Branches/ Divisions of Head Office of the Bank and submitted reports presenting the findings of the audits/ inspections. The bank conducted the risk grading of branches as per Bangladesh Bank guideline. The ICCD plan and perform the audit accordingly. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports. The reports or key points of the Reports have also been discussed in the meetings of the Audit Committee of the Board and necessary steps have been taken according to the decision of the said Committee for correct functioning of Internal Control & Compliance.

ii) Internal audit

Internal Audit is the continuous and systematic process of examining and reporting on the activities of an organization undertaken by the specially assigned officers. Internal Auditor works as the Eyes & Ears of the Management.

Internal Audit Mechanism is used as an important element to ensure good governance of JBL. Internal Audit Activity of JBL is effective and it provides Senior Management with a number of important services. These include detecting and preventing fraud, testing internal control, Monitoring and compliance with own policies & procedures, applicable rules & regulations, instructions/guidelines of Regulatory Authority etc. Our team carry out Comprehensive inspection, Special inspection & Surprise inspection and investigation, etc. in order to help avoiding any fraudulent activities which in turn would strengthen the bank to set up sound structural base.

iii) Fraud and forgeries

Fraud can happen anywhere. Though, only relatively few major frauds are picked up by the media, huge sums are lost by all kinds of businesses against large number of frauds. The risks of fraud is increasing day by day as a result of growing globalization, more competitive markets, rapid developments in technology, periods of economic difficulty, etc. Banks by virtue of the nature of activities undertaken and its operating environment are vulnerable to frauds, which takes place when aggressive business strategy and process for quick growth is adopted without adequate/ appropriate internal controls or non-adhering to operating standards/ controls. In the recent past, incidence of frauds in the Banking industry has increased to some extent, which calls for concerted steps in investigating the frauds and identifying the fraudsters for eventual criminal prosecution and internal punitive action.

It will never be possible to eliminate all frauds and no system is completely fraud proof, since many fraudsters are able to bypass control systems put in place. JBL pays attention on anti-fraud internal controls for prevention of fraud and forgery. JBL assesses /evaluates the effectiveness of its Anti-Fraud Internal Control measures on quarterly basis as per the items/ areas mentioned in the prescribed checklist of Bangladesh Bank.

iv) Risk management

The risky nature of Banking business has caused the Central Bank to be much concerned about the risk factors affecting the financial position of the banks. In this connection every Central Bank has come forward to establish a general framework to defeat risk factors considering the laws of the land. Bangladesh bank has also undertaken an overall core-risk management project under which every bank is bounded to the authoritative covenants to install risk management system.

Jamuna Bank Limited has established approved policies in compliance with Central bank's guidelines covering major areas such as (i) Credit risk management (b) Foreign exchange risk management (c) Asset liability management (d) Money laundering risk (e) Internal control & compliance (f) Information and communication technology security risk.

Jamuna Bank Limited has adopted Risk Management Guidelines formulated by Bangladesh Bank. The purpose of the guidelines is to inform management about the loopholes of full fledged implementation of Core risks management, improve risk management culture, restructure minimum standards and assist in the ongoing improvement.

In compliance with the requirements of Bangladesh Bank guidelines, Risk Management Division monthly prepare Risk Management Paper (RMP) and the paper is reviewed in the meeting of Risk Management Committee to have their opinion/decision on the issues identified in RMP.

2.02 Functional and presentation currency

These financial statements are presented in Bangladesh Taka, which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

2.03 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

2.04 Reporting period

These financial statements cover one calendar year from 01 January 2014 to 31 December 2014.

2.05 Statement of cash flows

Cash flow statement has been prepared in accordance with the BRPD circular no. 14, Dated: 25 June 2013 issued by the Banking Regulations and Policy Department of Bangladesh Bank.

2.06 Foreign currency conversion

Transaction in Foreign Currencies are translated into Bangladesh Taka and recorded at the ruling Exchange rates applicable on the dates of transactions in accordance with Bangladesh Accounting Standards (BFRS/BAS) – 21 "The Effects of Changes in Foreign Exchange Rates". As such -

- i) Assets and liabilities denominated in foreign currency are translated into Bangladesh Taka at the balance sheet date at mid rates.
- ii) Transactions in foreign currencies are converted into Bangladesh Taka currency at average exchange rate of such transactions and any gains or losses thereon are adjusted to revenue through foreign exchange trading account.

2.07 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities for the year ended 31 December 2014.

3.00 Significant Accounting Policies

3.01 Consolidation Procedure

The consolidated financial statements include the financial statements of Jamuna Bank Limited and its subsidiaries- Jamuna Bank Capital Management Limited and Jamuna Bank Securities Limited made up to the end of the financial year.

The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Consolidated and Separate Financial Statements. The consolidated financial statements are prepared to a common financial year ended 31 December 2014.

3.01.1 Transactions eliminated on consolidation

Intra-group balances, and income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.01.2 Non-controlling interest

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries are the entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3.02 Assets and basis of their valuation

3.02.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, money at call and on short notice, investments in treasury bills and prize bond.

3.02.2 Investments

All investment securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discounts are accreted.

Held to maturity

Investments which have, 'fixed or determinable payments' and are intended to be held to maturity are classified as 'Held to Maturity'.

Held for trading

Investment classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management.

Re-measured bond

As per DOS circular letter no. 2 dated 19 January 2012, Treasury bond held in HFT category by the Primary Dealer (PD) may be re-measured at amortized cost instead of fair value.

Revaluation

As per the DOS Circular letter no. 5 dated 26 May 2008, HFT securities are revaluated each week using Marking to Market concept and HTM securities are amortized once a year according to Bangladesh Bank guidelines.

Value of investments has been shown as under:

| <u>Items</u> | <u>Assessment of accounting</u> |
|-------------------------------|---|
| Bangladesh Bank bills | Amortized value |
| Government treasury bills-HTM | Amortized value |
| Government treasury bills-HFT | Market value |
| Government treasury bonds-HTM | Amortized value |
| Government treasury bonds-HFT | Market value |
| Prize bond & other bonds | Cost price |
| Shares & debentures | Cost or market price whichever is lower |

3.02.3 Loans & advances and provision

Interest is calculated on daily product basis but charged and accounted for quarterly on accrual basis. Interest on classified loans is kept in interest suspense account as per Bangladesh Bank guidelines and such interest is not accounted for as income until realized from borrowers. Interests are not charged on bad / loss loans as per instructions of Bangladesh Bank. Advances are stated at gross value.

Provision for loans and advances is made on the basis of year-end review by the management and on the basis of instructions contained in Bangladesh Bank BCD Circular No- 34 of 1989, BCD Circular No. 20 dated 27 December 1994, BRPD Circular No-12 dated 04 September 1995, BRPD Circular No- 16 dated 06 December 1998, BRPD Circular No-9 dated 14 May 2001, BRPD Circular No-8 of 2005 and BRPD Circular No-14 dated 23 September 2012, BRPD Circular No-19, dated 27 December 2012, BRPD Circular No-5, dated 29 May 2013 at the following rates:

| Particulars | Rate |
|---|-------------|
| General provision on | |
| a. Consumer financing (House financing and loans to professional) | 2% |
| b. Consumer Financing (Other than 'a') | 5% |
| c. Small and medium enterprise financing (SMEF) | 0.25% |
| d. Short term agriculture & micro credit | 2.5% |
| e. Loans to BHs/ MBs/ Sds against shares etc | 2% |
| f. All other credit | 1% |
| Specific provision on | |
| a. Substandard loans and advances | |
| i. Short term agri. credit & micro credit | 5% |
| ii. Other than short term agri. credit & micro credit | 20% |
| b. Doubtful loans and advances | |
| i. Short term agri. credit & micro credit | 5% |
| ii. Other than short term agri. credit & micro credit | 50% |
| c. Bad/Loss loans and advances | |
| | 100% |

Loans and advances are written off to the extent that there is no realistic prospect to recovery as per guideline of Bangladesh Bank. However, write off will not reduce the claim against the borrower. Detailed records for all such write off accounts are maintained.

3.02.4 Property, plant and equipment and their depreciation

Recognition and measurement

Items of fixed assets excluding land are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost/revaluation.

Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner.

When parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed asset, and is recognized in other income/other expenses in profit or loss.

Property, Plant and Equipment are recognized as assets in accordance with Bangladesh Accounting Standards (BAS) 16 "Property Plant and Equipment".

Subsequent costs

The cost of replacing a component of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss as incurred.

Depreciation

During the period under audit, depreciation is charged at the following annual rates on straight-line method on all fixed assets except land. Depreciation has been charged on addition during the period when respective assets put into use and in case of sale, up to the date of sale.

| <u>Name of the assets</u> | <u>Rate of depreciation</u> |
|---------------------------|-----------------------------|
| Building | 2.50% |
| Furniture & fixture | 10% |
| Office equipment | 15% |
| Motor vehicle | 20% |
| Books | 20% |

3.03 Liabilities and basis of their valuation

3.03.1 Deposits and other accounts

Deposits by customers and banks are recognized when the bank enters into contractual provisions of the arrangements with the counter parties, which is generally on trade date, and initially measured at the consideration received.

3.03.2 Provision for liabilities

A provision is recognized in the balance sheet when the bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS - 37 "Provisions, Contingent Liabilities and Contingent Assets".

3.04 Minority interest in subsidiaries

Minority interest in business is an accounting concept that refers to the portion of a subsidiary corporation's stock that is not owned by the parent corporation. The magnitude of the minority interest in the subsidiary company is always less than 50% of the outstanding shares, else the corporation would cease to be a subsidiary of the parent. Minority interest is reported on the consolidated income statement as a share of profit belonging to minority shareholders.

3.05 Statutory reserve

The Bank Companies Act, 1991 requires the bank to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital. The Bank transferred 20% of its profit before tax for the year 2014 to statutory reserve account.

3.06 Contingent liabilities, commitments and other off-balance sheet settlements

A contingent liability is -

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

A present obligation that arises from past events but it is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

3.07 Revenue recognition

The revenue during the period under audit is recognized satisfying the conditions as specified in Bangladesh Accounting Standards (BAS) 18 "Revenue Recognition". Details are as under:

3.07.1 Interest/profit income

- i. Interest is calculated on daily product on unclassified loans and advances but charged on quarterly and monthly basis, where applicable.
- ii. Interest is charged on classified loans and advances by crediting interest suspense account as per BRPD Circular No 16 of 1998 and such interest is taken into income account upon realization. Interest on credit card outstanding is calculated on daily product but charged on monthly basis.
- iii. Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- iv. For Islamic Banking, profit is charged on unclassified investments on daily product basis and charged to the clients on quarterly and monthly basis, where applicable.
- v. Islamic Banking branches calculate profit on classified investments and credits the same to profit suspense account until realization.

3.07.2 Fees, commission and discounts income

Fees, commission and discounts on bills purchased and discounted are recognized at the time of realization.

3.07.3 Investment income

Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

3.08 Interest/profit paid and other expenses

In terms of the provisions of BAS-1 "Presentation of Financial Statements" interest/profit and other expenses are recognized on accrual basis.

3.09 Taxation

a) Current tax

Provision for current tax has been made @ 42.50% as prescribed in the Finance Act, 2014 of the profit made by the Bank considering major taxable allowances and disallowances.

b) Deferred tax

Deferred tax is calculated on the taxable/deductible temporary differences between tax base amount and carrying amount of assets and liabilities as required by Bangladesh Accounting Standard (BAS)-12 "Income Taxes".

3.10 Provision for nostro accounts

As per instruction contained in the circular letter no. FEPD (FEMO)/01/2005-677 dated September 13, 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank are required to make provision regarding the un-reconciled debit balance of nostro account over more than 3 months as on the reporting date in these financials. Since there is no un-reconciled entries which are outstanding more than 3 months. As such, the Bank does not require to make provision.

3.11 Employee benefits

The retirement benefits accrued for the employees of the Bank during reporting period have been accounted for in accordance with the provisions of BAS-19 "Employees Benefit".

3.11.1 Provident fund

Provident Fund benefits are given to the employees of the Bank in accordance with the locally registered Provident Fund Rules. This Fund is being operated under a Trustee Board. This fund got approval from the National Board of Revenue (NBR) on 28 August 2002. All employees of the bank are contributing 10% of the basic salary as subscription to the fund. The bank also contributes equal amount to the fund.

3.11.2 Superannuation fund

The Bank operates a Social Security Superannuation Fund and it is operated by a separate Board of Trustees and Superannuation Fund Rules of the Bank. This fund got approval from the National Board of Revenue (NBR) on 04 January 2004.

3.11.3 Gratuity

The Bank operates a funded gratuity scheme approved by the National Board of Revenue (NBR) on 04 April 2010. In the Bank gratuity scheme covers all permanent employees of the Bank. The company made provision to meet-up claim of out going employees. The gratuity is calculated on the basis of last basic pay and is payable at the rate of two months basic pay for every completed year of service upon fulfilling the eligibility criteria instead of accounting for gratuity from the year of joining as per BAS 19. The eligibility criteria for accounting for gratuity is 6 (six) years of continued service with the Bank or a period of 3 (three) years with other Banks and 3 (three) years with Jamuna Bank Limited. No actuarial valuation has been done as per the requirements of BAS 19 for the year 2014.

3.12 Number of employees

The number of employees engaged for the whole year or part thereof who received a total yearly remuneration of Tk 36,000 or above were 2,204 in 2014 and 2,206 in 2013.

3.13 Earnings per share (EPS)

Earnings per share have been calculated in accordance with BAS-33: "Earnings per Share". The Group and the Bank present basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group/Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

3.14 Reconciliation of Inter-bank/books of accounts

Books of Accounts with regard to inter-bank (in Bangladesh & out side Bangladesh) and inter-branch have been reconciled and there is no material difference, which might effect the financial statements significantly.

3.15 Risk management

In banking organization, risk is the possibility that outcome of an action or event could bring up adverse impact. Such outcome could either result in a direct loss of earnings/capital or may result in imposition of constraints on banks' ability to meet their business objectives. Risk is the outcome of losses due to sudden downturn in economy or falling interest rates. Banks have to rely on their capital as a buffer to absorb such losses. The types and degree of risks an organization may be exposed depend upon a number of factors such as its size, complexity business activities, volume etc. Initially Bangladesh Bank has issued guidelines on six core risk areas and accordingly scheduled banks operating in Bangladesh has implemented the guidelines for better risk management practice. Implementation of core risk management guidelines by Jamuna Bank Limited (JBL) and its status are discussed below.

3.15.1 Credit risk management

Credit risk arises while the borrowers or counterparty to a financial transaction fails to discharge an obligation as per agreed covenants, resulting in financial loss to the Bank. Credit exposures may arise from both the banking and trading books as well as Off-Balance sheet exposures. Credit risk is managed in the JBL through a framework that spell out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the Risk function. All credit exposure limits are approved within a defined credit approval authority framework. Credit policies and standards are considered and approved by the Board of Directors.

Credit rating and measurement

Risk measurement plays a central role, along with judgment and experience, in informing risk taking and portfolio management decisions. It is a primary area for sustained investment and senior management attention. The standard credit risk grading (CRG) system is used in both Corporate and SME Banking. The grading is used to assess the client along with a range of quantitative and qualitative factors. Our credit grades against Corporate & Medium clients are supported by external credit grades, and ratings assigned by external ratings agencies.

Credit approval

Major credit exposures to individual borrowers, groups of connected counterparties and portfolios of retail exposures are reviewed by the Head Office Credit Committee (HOCC) and HOCC recommend the loan to the approval authority. All credit approval authorities are delegated by the Board of Directors to executives based on their capability, experience & business acumen. Credit origination and approval roles are segregated in all cases.

Credit monitoring

We regularly monitor credit exposures, portfolio performance, and external trends through relationship and corporate administration team at Branch and Head Office. Internal risk management reports containing information on key environmental, political and economic trends across major portfolios; portfolio delinquency and loan impairment performance; as well as credit grade migration are presented to risk committees (HOCC and PAMC). The HOCC & PAMC meets regularly to assess the impact of external events and trends on the credit risk portfolio and to define and implement our response in terms of appropriate changes to portfolio shape, underwriting standards, risk policy and procedures. Accounts or portfolios are placed on Early Alert (EA) when they display signs of weakness or financial deterioration, for example, where there is a decline in the customer's position within the industry, a breach of covenants, non-performance of an obligation, or there are issues relating to ownership or management.

Such accounts and portfolios are subjected to a dedicated process overseen by the Monitoring & Recovery Division. Account plans are re-evaluated and remedial actions are agreed and monitored. Remedial actions include, but are not limited to, exposure reduction, security enhancement, exiting the account or immediate movement of the account into the control of Recovery unit. In Retail/Consumer Banking, portfolio delinquency trends are monitored continuously at a detailed level. Individual customer behavior is also tracked and informed in lending decisions. Accounts which are past due are subject to a collections process, monitored in collaboration with the Relationship manager by the Risk function. Charged-off accounts of the Bank are managed by specialist recovery teams.

Concentration risk

Credit concentration risk is managed within concentration caps set for counterparty or groups of connected counterparty, for industry sector; and for product. Additional targets are set and monitored for concentrations by credit committee. Credit concentrations are monitored by the responsible risk committees in each of the businesses and concentration limits that are material to the Bank are reviewed and approved at least annually by the Board of Directors.

Credit risk mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, insurance, and other guarantees. The reliance that can be placed on these mitigates is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include: cash; residential, commercial and industrial property; fixed assets such as motor vehicles, plant and machinery; marketable securities; commodities; bank guarantees; and letters of credit. Collateral is valued in accordance with our credit policy, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral. Collateral held against impaired loans is maintained at fair value.

3.15.2 Foreign exchange risk

Foreign exchange risk is the risk that an investment's value changing due to changes in currency exchange rates. The risk that an investor will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange rates. The risk is most acute for businesses that deal in more than one currency. However, other businesses are indirectly exposed to foreign exchange risk if, for example, their business relies on imported products and services.

Foreign exchange risk should be managed where fluctuations in exchange rates impact the business profitability.

Sources of foreign exchange risk :

Foreign exchange risk for a business may arise from a number of sources, including:

- where the business is
- where other costs, such as capital expenditure, are denominated in foreign currency
- where export bill is received in foreign currency
- where other income, such as royalties, interest, dividends etc, is received in foreign currency
- where the loans are denominated (and therefore payable) in foreign currency
- where the business has offshore assets such as operations or subsidiaries that are valued in a foreign currency, or foreign currency deposits.

Methods of measuring foreign exchange risk:

There are many ways to measure foreign exchange risk, ranging from simple to complex measures. Following are some of the examples of the simpler measures which can be applied and understood by most businesses :

- MIS of foreign currency exposures
- Table of projected foreign currency cash-flows
- Sensitivity analysis
- Value at risk

Like other banks and financial institutions, Jamuna Bank Ltd. is also exposed to Foreign Exchange Risk that sprouts externally due to convergence and divergence of many factors in the international market. The foreign exchange business of the bank, fully backed by the underlying transactions, is well-managed as per Bank's internal risk management policies and guidelines and the guidelines of Bangladesh Bank (Central Bank of Bangladesh) . The Asset Liability Management Committee (ALCO) of the bank, headed by the Managing Director & CEO, reviews the risk management position of the bank on regular intervals and provides insights and guidelines to the Treasury Division to manage the foreign exchange risk of the Bank with minimum financial impact.

3.15.3 Asset Liability Management Risk

The Bank has established an Asset Liability Committee (ALCO) contains 10 (ten) members headed by Managing Director. The committee meets at least once in every month. The main responsibilities of ALCO are to look after the Financial Market activities, manage liquidity and interest rate risk, understand the market position and competition etc. The Asset Liability Management Committee also monitored the balance sheet risk. The balance sheet risk is defined as potential changes in earnings due to change in rate of interest and exchange earnings which are not of trading nature. To support ALM process, the most important strategy of the ALM of the Bank is medium to short-term funding and adequate liquidity both in local and foreign currency all time at the most appropriate funding cost. An important objective of ALCO is to provide cost effective funding to finance the asset growth and trade related transactions, optimize the funding cost, increase spread with the lowest possible liquidity, maturity, foreign exchange and interest rate risks.

3.15.4 Internal control and compliance risk:

Internal controls are the policies and procedures established and implemented alone, or in concert with other policies or procedures, to manage and control a particular risk or business activity, or combination of risks or business activities, to which the Bank is exposed to or in which it is engaged.

Objective of Internal control:

The primary objective of internal control system in a bank is to help the bank perform better through the use of its resources. Through internal control system bank identifies its weaknesses and takes appropriate measures to overcome the same. The main objectives of internal control are as follows :

- Efficiency and effectiveness of activities (performance objectives)
 - Reliability, completeness and timelines of financial and management information (Information)
 - Compliance with applicable laws and regulations (compliance objectives), Risk Recognition and Assessment:
 - Internal control system has been designed in such a way to recognize and assess all of the material risks that could adversely affect the achievement of the Bank's goals.
 - Effective risk assessments identify and consider both internal and external factors.
-
- Risk assessment by Internal Control System differs from the business risk management process which typically focuses more on the review of business strategies developed to maximize the risk/reward trade-off within the different areas of the Bank. The risk assessment by Internal Control focuses more on compliance with regulatory requirements, social, ethical and environmental risks those affect the banking industry.

3.15.5 Money laundering risk:

Money Laundering Risk is one of the 6(six) core risk elements in banking business. Money Laundering Risk is defined as reputational and legal risk under operational risk and expenses incurred as penalty for being non-complied in prevention of money laundering. In order to manage the AML risk, the bank has set up an effective Anti-Money Laundering programme in line with Anti-Money Laundering Act, 2012 and Bangladesh Bank guidance which has been updated through inclusion of Anti-Terrorist Act, 2012. The Bank has developed manuals for prevention of money laundering and introduced know Your Customer (KYC) program and Transaction Profile (TP) including uniform A/c opening form at branch level for meticulous compliance. The Bank recognizes this risk as a separate classification emphasizing due importance for being compliant on it by way of making conversant of all Executives/Officers through issuing Circulars and providing necessary training of AML and CFT issues by AML Division of the Bank.

Designation of anti money laundering compliance officers (AMLCO):

The Bank has designated a Chief Anti-Money Laundering Compliance Officer (CAMLCO) at its Head Office who is empowered with sufficient authority to implement and enforce anti-money laundering policies, procedures and measures and who reports directly to Senior Management and the Board of Directors. This provides evidence of Senior Management's commitment to efforts to combat money laundering and terrorist financing and more importantly, provides added assurance that the officers have sufficient clout to investigate potentially suspicious activities.

3.15.6 Information communication technology risk

In the year 2014 Bank has taken different initiatives to minimize ICT risks. Throughout the year Bank has initiated different projects considering Risk Management into consideration.

In the year 2012, the ICT Policy of the Bank was revised and amended to cope up with the recent ICT trends and risks. IT Audit Team performed comprehensive IT Audit on different aspects of IT for the Data Centre, Disaster Recovery Site and also for branches. The audit recommendations and suggestions were considered and accordingly steps were taken to minimize associated ICT Risks.

Bank has arranged awareness programs and trainings on the field of ICT Risk and its mitigation for both business and technical human resources, from top management to the trainee officers. The idea behind this practice was to increase average ICT knowledge of the Bank through which probability of occurrence of policy noncompliance in the Bank will be minimized. A special session on ICT Risk Management was organized by Information Technology Division of the Bank.

Bank has amended its Risk Management Policy as per the standard Risk Management frameworks, which has been approved by the Board of Directors of the Bank. Practice of this Risk Management Policy has already been started in the organization in ICT fields in the vision of minimizing the ICT Risks.

Fault tolerant hardware along with high availability infrastructure was considered during procurement of different hardware for commenced Projects of 2013. This will ensure hardware failure risks to minimize.

The pursuit to control ICT risks was repeated throughout the year. This endeavor will further continue in the year 2015.

3.16 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). While preparing the financial statements, the Bank applied most of the BASs and BFRSs as applicable.

| Name of the BAS | BAS No | Status |
|---|---------------|--|
| Presentation of Financial Statements | 1 | Complied with some departure (Note 2.01.1) |
| Inventories | 2 | N/A |
| Cash Flow Statements | 7 | Complied with some departure (Note 2.01.1) |
| Accounting Policies, Changes in Accounting Estimates and Errors | 8 | Complied |
| Events after the Reporting Period | 10 | Complied |
| Construction Contracts | 11 | N/A |
| Income Taxes | 12 | Complied |
| Property, Plant and Equipment | 16 | Complied |

| | | |
|--|----|--|
| Lease | 17 | N/A |
| Revenue | 18 | Complied |
| Employee Benefits | 19 | Complied with some departure (Note 2.01.1) |
| Accounting for Government Grants and Disclosure of Government Assistance | 20 | N/A |
| The Effects of Changes in Foreign Exchange Rates | 21 | Complied |
| Borrowing Costs | 23 | Complied |
| Related Party Disclosures | 24 | Complied |
| Accounting and Reporting by Retirement Benefit Plans | 26 | Complied |
| Consolidated and Separate Financial Statements | 27 | Complied |
| Investment in Associates | 28 | N/A |
| Interest in Joint Ventures | 31 | N/A |
| Financial Instruments: Presentation | 32 | Complied with some departure (Note 2.01.1) |
| Earning Per Share | 33 | Complied |
| Interim Financial Reporting | 34 | Complied |
| Impairment of Assets | 36 | Complied |
| Provisions, Contingent Liabilities and Contingent Assets | 37 | Complied |
| Intangible Assets | 38 | Complied |
| Financial Instruments: Recognition & Measurement | 39 | Complied with some departure (Note 2.01.1) |
| Investment Property | 40 | N/A |
| Agriculture | 41 | N/A |

| Name of the BFRS | BFRS No. | Status |
|---|----------|--|
| First-time adoption of Bangladesh Financial Reporting Standards | 1 | N/A |
| Share Based Payment | 2 | N/A |
| Business Combinations | 3 | Complied |
| Insurance Contract | 4 | N/A |
| Non-current Assets Held for sale and Discontinued Operations | 5 | N/A |
| Exploration for and Evaluation of Mineral Resources | 6 | N/A |
| Financial Instrument Disclosures | 7 | Complied with some departure (Note 2.01.1) |
| Operating Segments | 8 | Complied with some departure (Note 2.01.1) |
| Consolidated Financial Statements | 10 | Complied |
| Joint Arrangements | 11 | N/A |
| Disclosure of Interests in Other Entities | 12 | Complied |
| Fair Value Measurement | 13 | Complied |

* N/A = Not Applicable

** Relevant disclosures are made according to the requirement of Bangladesh Bank.

3.17 General

- i) Figures of previous years have been rearranged wherever considered necessary to conform to the current year's presentation.
- ii) Figures have been rounded off to the nearest Taka.
- iii) Expenses are shown including Value Added Tax (VAT) where applicable.

| | | 31.12.2014 Taka | 31.12.2013 Taka |
|---------------|---|-----------------------|----------------------|
| 4 | Cash | | |
| | Cash in hand (Note: 4.1) | 1,246,727,668 | 1,272,524,368 |
| | Balance with Bangladesh Bank and its agent banks (Note: 4.2) | 8,794,246,707 | 5,377,999,871 |
| | | 10,040,974,375 | 6,650,524,239 |
| 4(a) | Consolidated Cash | | |
| | Jamuna Bank Limited | 10,040,974,375 | 6,650,524,239 |
| | Jamuna Bank Capital Management Limited | 10,844 | 7,484 |
| | Jamuna Bank Securities Limited | 7,507 | 7,166 |
| | | 10,040,992,726 | 6,650,538,889 |
| 4.1 | Cash in hand (including foreign currencies) | | |
| | Local currency | 1,229,491,140 | 1,257,224,265 |
| | Foreign currency | 17,231,874 | 15,282,349 |
| | *Offshore Banking unit | 4,654 | 17,754 |
| | | 1,246,727,668 | 1,272,524,368 |
| | * Previous year's figures have been rearranged to conform to the current year's presentation. | | |
| 4.1(a) | Consolidated Cash in hand | | |
| | Jamuna Bank Limited | 1,246,727,668 | 1,272,524,368 |
| | Jamuna Bank Capital Management Limited | 10,844 | 7,484 |
| | Jamuna Bank Securities Limited | 7,507 | 7,166 |
| | | 1,246,746,019 | 1,272,539,018 |
| 4.2 | Balance with Bangladesh Bank and its Agent Bank | | |
| | Balance with Bangladesh Bank | | |
| | Local currency | 7,109,999,949 | 5,194,684,178 |
| | Foreign currency | 1,579,033,538 | 129,329,331 |
| | | 8,689,033,487 | 5,324,013,510 |
| | Balance with Sonali Banks | | |
| | Local currency | 105,213,220 | 53,986,361 |
| | | 8,794,246,707 | 5,377,999,871 |
| 4.2(a) | Consolidated Balance with Bangladesh Bank and its agent bank(s) | | |
| | Jamuna Bank Limited | 8,794,246,707 | 5,377,999,871 |
| | Jamuna Bank Capital Management Limited | - | - |
| | Jamuna Bank Securities Limited | - | - |
| | | 8,794,246,707 | 5,377,999,871 |
| 4.3 | Statutory Deposits | | |

Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) have been calculated and maintained as per Section 33 of the Bank Company Act, 1991 & amended Act 2013 and BCD Circular No. 13 dated 24 May 1992, BRPD Circular No. 22 dated 06 November 2003 and BRPD Circular No. 11 & 12 dated 25 August 2005, MPD circular No. 01 dated 4 May 2010 and MPD circular No. 01 dated 23 June 2014.

The Cash Reserve Requirement on the Bank's time and demand liabilities of October'2014 at the rate of 6.50% has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio, including CRR, on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

| | 31.12.2014 Taka | 31.12.2013 Taka |
|---|--------------------|--------------------|
| (a) Cash Reserve Requirement (CRR): 6.50% of Average Demand & Time Liabilities | | |
| Required Reserve | 6,633,634,960 | 4,877,163,310 |
| Actual Reserve held with Bangladesh Bank: | | |
| Balance with Bangladesh Bank current account | 6,849,206,884 | 4,490,188,683 |
| Reverse REPO with Bangladesh bank | - | 450,000,000 |
| Surplus / (deficit) | 215,571,924 | 63,025,373 |
| Maintained (%) | 6.71 | 6.08 |

(b) Statutory Liquidity Requirement (SLR): 13% of Average Demand & Time Liabilities

| | | |
|---------------------|----------------|----------------|
| Required Reserve | 13,267,269,910 | 15,444,350,490 |
| Actual Reserve held | 36,596,534,810 | 31,599,958,949 |
| Surplus / (deficit) | 23,329,264,900 | 16,155,608,459 |
| Maintained (%) | 35.86 | 38.88 |

Statutory Liquidity Requirement (SLR) required of Tk.13,267,269,910 but we maintained Tk.36,596,534,810. We have to maintain surplus amount of Tk.23,329,264,900 as Jamuna Bank Ltd involved in Primary Dealing (PD) operation and secondary trading activities.

5 Balance with Other Banks and Financial Institutions

| | | | |
|----------------------|-------------|----------------------|----------------------|
| In Bangladesh | (Note: 5.1) | 5,454,580,287 | 4,090,832,766 |
| Outside Bangladesh * | (Note: 5.2) | 882,357,279 | 188,134,672 |
| | | 6,336,937,566 | 4,278,967,438 |

* Details are given in Annexure-A

5.1 In Bangladesh

In Current & SB Deposit Account

| | | |
|-------------------------------|--------------------|--------------------|
| AB Bank Limited CD A/c | 1,073,578 | 1,077,303 |
| Janata Bank Limited CD A/c | 26,609,993 | 20,596,405 |
| National Bank Limited, CD A/c | 235,931 | 237,086 |
| Social Islami Bank Limited | 2,583,153 | 866,925 |
| Sonali Bank Ltd. | 63,636,584 | 145,344,096 |
| Standard Chartered Bank | 7,786,446 | 10,364,044 |
| The City Bank Limited | 257,600 | 245,167 |
| | 102,183,286 | 178,731,025 |

In Short notice deposit Account

| | | |
|------------------------------|-------------------|-------------------|
| AB Bank Limited | 736,591 | 697,298 |
| Agrani Bank Limited | - | 23 |
| Bank Al- Falah | 31,336 | 31,336 |
| Export Import Bank Limited | 377,974 | 377,974 |
| Mercantile Bank Limited | 30,279,620 | 4,177,446 |
| National Bank Limited | 6,252,779 | 13,120,169 |
| Prime Bank Limited | 131,822 | 130,001 |
| Shajalal Islami Bank Limited | 13,721,710 | 12,199,981 |
| The Trust Bank Limited | 865,170 | 952,281 |
| Uttara Bank Limited | - | 415,231 |
| | 52,397,001 | 32,101,741 |

| | 31.12.2014 Taka | 31.12.2013 Taka |
|---|----------------------|----------------------|
| In Fixed Deposit with Other Banks | | |
| Al-Arafah Islami Bank Limited | 2,500,000,000 | 2,500,000,000 |
| The City Bank Limited | - | 250,000,000 |
| First Security Bank Limited | - | 400,000,000 |
| The Premier Bank Ltd. | 1,000,000,000 | - |
| Southeast Bank Limited | 500,000,000 | 10,000,000 |
| Commercial Bank of Ceylon | - | 20,000,000 |
| The Farmers Bank Ltd | 50,000,000 | - |
| | 4,050,000,000 | 3,180,000,000 |
| In Fixed Deposit with Other Financial Institutions | | |
| National Housing Finance & Investments Limited | 600,000,000 | 600,000,000 |
| IDLC Finance Limited | 500,000,000 | - |
| Lanka Bangla Finance Limited | 150,000,000 | 100,000,000 |
| | 1,250,000,000 | 700,000,000 |
| | 5,454,580,287 | 4,090,832,766 |

* Previous year's figures have been rearranged to conform to the current year's presentation.

5.1(a) Consolidated Balance - In Bangladesh

| | | |
|--|----------------------|----------------------|
| Jamuna Bank Limited | 5,454,580,287 | 4,090,832,766 |
| Jamuna Bank Capital Management Limited | 14,843,282 | 309,450,990 |
| Jamuna Bank Securities Limited | 2,187,376 | 103,645,203 |
| | 5,471,610,945 | 4,503,928,959 |
| Less: Inter-company transaction | | |
| Jamuna Bank Capital Management Limited | 14,843,282 | 309,450,990 |
| Jamuna Bank Securities Limited | 2,187,376 | 103,645,203 |
| | 5,454,580,287 | 4,090,832,766 |

5.2 Outside Bangladesh

| | | |
|---|--------------------|--------------------|
| AB Bank Limited Mumbai India | 9,807,360 | 1,290,676 |
| Axix Bank Ltd, Mumbai, India | 52,311,493 | 6,864 |
| Bank of Bhutan, Bhutan | 3,962,012 | 11,311,289 |
| Bank Al Bilad, Riyadh, KSA | 154,675 | 243,342 |
| Commerzbank AG, Germany | (7,961,588) | 14,029,870 |
| Emirates NBD Bank PJSC | 523,825 | 529,769 |
| Habib American Bank, New York, NY USA | 62,830,843 | 17,081,926 |
| Habib Bank AG Zurich, Switzerland | 4,975,336 | 5,171,529 |
| HSBC Bank, USA, NY | - | 31,110,432 |
| ICIC Bank Limited, Mumbai | (14,491,921) | 25,676,343 |
| ICIC Bank Limited, Hong Kong | 37,246,864 | 9,322,280 |
| Jpmorgan Chase Bank N.A., USA | - | 7,424,195 |
| Mashreq Bank Mumbai, India | 11,145,857 | 9,043,162 |
| Mashreqbank psc - IBF Limited New York | 450,614,340 | 18,593,146 |
| Nepal Bangladesh Bank Limited Katmandu, Nepal | 3,743,271 | 3,035,800 |
| Standard Chartered Bank, Colombo-Sri Lanka | 2,482,339 | 1,252,319 |
| Standard Chartered Bank, Karachi, Pakistan | 1,513,621 | 3,342,503 |
| Standard Chartered Bank, Mumbai -India | 2,815,342 | (7,526,028) |
| Standard Chartered Bank, London | 28,541,215 | 4,516,348 |
| Standard Chartered Bank, New York | 225,914,832 | 11,357,671 |
| Standard Chartered Bank, Tokyo, Japan | 3,038,677 | 9,793,823 |
| The Bank of Nova Scotia, Canada | 1,699,254 | 4,109,845 |
| UBAF Singapore | - | 72,076 |
| Unicredit Bank, Germany | 1,489,631 | 7,345,491 |
| | 882,357,279 | 188,134,672 |

| | | 31.12.2014 Taka | 31.12.2013 Taka |
|---|-------------|-----------------------|-----------------------|
| 5.2(a) Consolidated Balance - outside Bangladesh | | | |
| Jamuna Bank Limited | | 882,357,279 | 188,134,672 |
| Jamuna Bank Capital Management Limited | | - | - |
| Jamuna Bank Securities Limited | | - | - |
| | | 882,357,279 | 188,134,672 |
| 5.3 Maturity Grouping of Balance with Other Banks and Financial Institutions | | | |
| On demand | | 984,540,565 | 366,865,697 |
| One month term | | 52,397,001 | 32,101,741 |
| 3 months term | | 4,050,000,000 | 3,180,017,754 |
| 6 months term | | 1,250,000,000 | 700,000,000 |
| 1 year term | | - | - |
| 2 years term | | - | - |
| 3 years term | | - | - |
| | | 6,336,937,566 | 4,278,985,192 |
| 6 Money at Call on Short Notice | | | |
| Banking Sector | | - | - |
| Non - Banking financial Institutions | | - | - |
| | | - | - |
| 6(a) Consolidated Money at Call on Short Notice | | | |
| Jamuna Bank Limited | | - | - |
| Jamuna Bank Capital Management Limited | | - | - |
| Jamuna Bank Securities Limited | | - | - |
| | | - | - |
| 7 Investments | | | |
| Government | (Note: 7.1) | 39,510,008,602 | 30,666,749,320 |
| Others | (Note: 7.2) | 453,533,367 | 725,446,195 |
| | | 39,963,541,968 | 31,392,195,515 |
| 7(a) Consolidated Investments | | | |
| Jamuna Bank Limited | | 39,963,541,968 | 31,392,195,515 |
| Jamuna Bank Capital Management Limited | | 78,193,698 | 79,480,192 |
| Jamuna Bank Securities Limited | | 124,880,870 | 23,104,722 |
| | | 40,166,616,536 | 31,494,780,430 |
| 7.1 Government Investments | | | |
| Bangladesh Bank bills (HFT) (a) | | - | - |
| Treasury bills (HFT) (b) | | 661,114,783 | - |
| Treasury bills (HTM) (b) | | - | - |
| Treasury bonds (HFT) (c) | | 15,229,049,535 | 10,387,951,671 |
| Treasury bonds (HTM) (c) | | 9,255,390,144 | 9,267,386,125 |
| Treasury bonds (Remeasured) | | 10,396,585,433 | 10,809,995,125 |
| Prize bonds | | 2,148,400 | 1,416,400 |
| Asset Pledge as security | | 3,785,720,306 | - |
| | | 39,330,008,602 | 30,466,749,320 |
| Previous year's figures have been rearranged to conform to the current year's presentation. | | | |
| <u>In Islamic Banking Branches</u> | | | |
| Islami Investment Bond (d) | | 180,000,000 | 200,000,000 |
| | | 39,510,008,602 | 30,666,749,320 |
| <u>a) Bangladesh Bank Bills</u> | | | |
| Up to 364 days | | - | - |
| | | - | - |

| | 31.12.2014 Taka | 31.12.2013 Taka |
|---|-----------------------|-----------------------|
| b) Treasury Bills | | |
| Up to 364 days | 661,114,783 | - |
| | 661,114,783 | - |
| c) Treasury Bond | | |
| 5 years term | 7,519,934,110 | 6,168,987,700 |
| 10 years term | 10,082,027,357 | 9,610,959,895 |
| 15 years term | 9,124,325,740 | 10,610,408,029 |
| 20 years term | 8,154,737,906 | 4,074,977,296 |
| | 34,881,025,112 | 30,465,332,920 |
| d) Islami Bond | | |
| Up to 364 days | 180,000,000 | 200,000,000 |
| | 180,000,000 | 200,000,000 |
| 7.1(a) Consolidated Government Investments | | |
| Jamuna Bank Limited | 39,510,008,602 | 30,666,749,320 |
| Jamuna Bank Capital Management Limited | - | 50,000,000 |
| Jamuna Bank Securities Limited | 106,500,000 | - |
| | 39,616,508,602 | 30,716,749,320 |
| 7.2 Others Investments | | |
| Shares (Note: 7.2.1) | 453,533,367 | 725,446,195 |
| | 453,533,367 | 725,446,195 |
| 7.2(a) Consolidated Others Investments | | |
| Jamuna Bank Limited | 453,533,367 | 725,446,195 |
| Jamuna Bank Capital Management Limited | 78,193,698 | 29,480,192 |
| Jamuna Bank Securities Limited | 18,380,870 | 23,104,722 |
| | 550,107,934 | 778,031,109 |

7.2.1 Cost and Market Value of Shares as on 31 December 2014 are as follows:

| Particulars | Quantity | Cost price (Taka) | Market value (Taka) |
|-----------------------------------|------------|--------------------|---------------------|
| Ordinary Shares | | | |
| AB Bank 1st Mutual Fund | 8,020,733 | 51,453,883 | 50,530,618 |
| Bank Asia Limited | 185,768 | 5,832,151 | 3,102,326 |
| Beximco Limited | 152,502 | 12,395,044 | 5,551,073 |
| Beximco Pharma Ltd. | 601,247 | 50,235,346 | 35,293,199 |
| DBH 1st Mutual Fund | 423,000 | 2,759,833 | 1,945,800 |
| Fareast Life Insurance Co. Ltd. | 84,220 | 17,986,862 | 6,324,922 |
| First Security Bank Ltd. | 318,460 | 8,986,345 | 3,471,214 |
| IFIC 1st Mutual Fund | 105,412 | 830,784 | 548,142 |
| Lanka Bangla Finance Ltd. | 86,468 | 10,823,368 | 3,804,592 |
| Maksons Spinning Mills Ltd. | 124,251 | 7,852,207 | 1,640,113 |
| MBL 1st Mutual Fund | 2,242,500 | 11,421,669 | 10,091,250 |
| Metro Spinning Mills Ltd. | 95,699 | 6,560,703 | 1,167,528 |
| One Bank Limited | 1,413 | 1,735 | 22,325 |
| Popular 1st Mutual Fund | 22,777 | 143,640 | 113,885 |
| S. Alam Cold Rolled Steels Ltd | 50,000 | 2,078,702 | 1,725,000 |
| Sino Bangla Industries Ltd | 5,000 | 157,164 | 159,000 |
| Sine Pukur Ceramics Ltd. | 1,257,730 | 28,050,784 | 18,111,312 |
| Standard Bank Ltd. | 621,465 | 22,384,534 | 7,892,606 |
| Summit Power Ltd. | 505,736 | 33,465,412 | 19,369,689 |
| Trust Bank Limited | 331,531 | 12,960,436 | 6,464,855 |
| UPGD Company Ltd | 16,000,000 | 160,000,000 | 160,000,000 |
| Equity Shares | | | |
| Central Depository Bangladesh Ltd | 913,889 | 3,138,890 | 3,138,890 |
| SWIFT | 13 | 4,013,877 | 4,013,877 |
| | | 453,533,367 | 344,482,214 |

Quoted Shares

| | | | |
|---------------------------------|-----------|--------------------|--------------------|
| AB Bank 1st Mutual Fund | 8,020,733 | 51,453,883 | 50,530,618 |
| Bank Asia Limited | 185,768 | 5,832,151 | 3,102,326 |
| Beximco Limited | 152,502 | 12,395,044 | 5,551,073 |
| Beximco Pharma Ltd. | 601,247 | 50,235,346 | 35,293,199 |
| DBH 1st Mutual Fund | 423,000 | 2,759,833 | 1,945,800 |
| Fareast Life Insurance Co. Ltd. | 84,220 | 17,986,862 | 6,324,922 |
| First Security Bank Ltd. | 318,460 | 8,986,345 | 3,471,214 |
| IFIC 1st Mutual Fund | 105,412 | 830,784 | 548,142 |
| Lanka Bangla Finance Ltd. | 86,468 | 10,823,368 | 3,804,592 |
| Maksons Spinning Mills Ltd. | 124,251 | 7,852,207 | 1,640,113 |
| MBL 1st Mutual Fund | 2,242,500 | 11,421,669 | 10,091,250 |
| Metro Spinning Mills Ltd. | 95,699 | 6,560,703 | 1,167,528 |
| One Bank Limited | 1,413 | 1,735 | 22,325 |
| Popular 1st Mutual Fund | 22,777 | 143,640 | 113,885 |
| S. Alam Cold Rolled Steels Ltd | 50,000 | 2,078,702 | 1,725,000 |
| Sino Bangla Industries Ltd | 5,000 | 157,164 | 159,000 |
| Sine Pukur Ceramics Ltd. | 1,257,730 | 28,050,784 | 18,111,312 |
| Standard Bank Ltd. | 621,465 | 22,384,534 | 7,892,606 |
| Summit Power Ltd. | 505,736 | 33,465,412 | 19,369,689 |
| Trust Bank Limited | 331,531 | 12,960,436 | 6,464,855 |
| | | 286,380,600 | 177,329,448 |

Unquoted Shares

| | | | |
|-----------------------------------|------------|--------------------|--------------------|
| UPGD Company Ltd | 16,000,000 | 160,000,000 | 160,000,000 |
| Central Depository Bangladesh Ltd | 913,889 | 3,138,890 | 3,138,890 |
| SWIFT | 13 | 4,013,877 | 4,013,877 |
| | | 167,152,767 | 167,152,767 |
| Total | | 453,533,367 | 344,482,214 |

7.2.2 Market price of investment those prices were decreased on 31 December 2014

| Name of the company | Quantity | Cost price (Taka) | Market value (Taka) | Gain/(Loss) Required provision |
|-----------------------------------|----------|----------------------|------------------------|-----------------------------------|
| AB Bank 1st Mutual Fund | | 51,453,883 | 50,530,618 | (923,265) |
| Bank Asia Limited | | 5,832,151 | 3,102,326 | (2,729,825) |
| Beximco Limited | | 12,395,044 | 5,551,073 | (6,843,971) |
| Beximco Pharma Ltd. | | 50,235,346 | 35,293,199 | (14,942,147) |
| DBH 1st Mutual Fund | | 2,759,833 | 1,945,800 | (814,033) |
| Fareast Life Insurance Co. Ltd. | | 17,986,862 | 6,324,922 | (11,661,940) |
| First Security Bank Ltd. | | 8,986,345 | 3,471,214 | (5,515,131) |
| IFIC 1st Mutual Fund | | 830,784 | 548,142 | (282,641) |
| Lanka Bangla Finance Ltd. | | 10,823,368 | 3,804,592 | (7,018,776) |
| Maksons Spinning Mills Ltd. | | 7,852,207 | 1,640,113 | (6,212,093) |
| MBL 1st Mutual Fund | | 11,421,669 | 10,091,250 | (1,330,419) |
| Metro Spinning Mills Ltd. | | 6,560,703 | 1,167,528 | (5,393,175) |
| One Bank Limited | | 1,735 | 22,325 | 20,590 |
| Popular 1st Mutual Fund | | 143,640 | 113,885 | (29,755) |
| S. Alam Cold Rolled Steels Ltd | | 2,078,702 | 1,725,000 | (353,702) |
| Sino Bangla Industries Ltd | | 157,164 | 159,000 | 1,837 |
| Sine Pukur Ceramics Ltd. | | 28,050,784 | 18,111,312 | (9,939,472) |
| Standard Bank Ltd. | | 22,384,534 | 7,892,606 | (14,491,929) |
| Summit Power Ltd. | | 33,465,412 | 19,369,689 | (14,095,723) |
| Trust Bank Limited | | 12,960,436 | 6,464,855 | (6,495,581) |
| UPGD Company Ltd | | 160,000,000 | 160,000,000 | - |
| Central Depository Bangladesh Ltd | | 3,138,890 | 3,138,890 | - |
| SWIFT | | 4,013,877 | 4,013,877 | - |
| | | 453,533,367 | 344,482,214 | (109,051,152) |

As on 31 December 2014, the value of investment cell which includes all investment in shares, corporate bond, debenture, mutual fund and total market value of other capital certificates and loan facilities given to own subsidiary company or companies directly or indirectly involved in capital market affairs stood at Tk 302.16 crores which is 33.14% of total sum of paid up capital, statutory reserve and retained earnings of the bank. In accordance with the compliance of the DOS circular no. 2 dated 16 September 2013 issued by Bangladesh Bank, the total exposure will be reduced to 25% within the year of 2016.

| | | 31.12.2014 Taka | 31.12.2013 Taka |
|---|--------------|-----------------------|-----------------------|
| 7.3 Maturity Grouping of Investments | | | |
| On Demand | | 455,681,767 | 726,862,595 |
| Not more than 1 month | | - | - |
| More than 1 month but not more than 3 months | | - | - |
| More than 3 months but not more than 1 year | | 841,114,783 | 200,000,000 |
| More than 1 year but not more than 5 years | | 7,519,934,110 | 6,168,987,700 |
| More than 5 years | | 31,146,811,308 | 24,296,345,220 |
| | | 39,963,541,968 | 31,392,195,515 |
| 8 Loans & Advances | | | |
| Loans, cash credit, overdrafts and lease etc. | (Note: 8.01) | 69,355,233,352 | 59,581,547,881 |
| Bills purchased and discounted | (Note: 8.02) | 8,544,557,123 | 8,087,828,819 |
| Payable in Bangladesh | | 6,296,863,249 | 6,321,790,061 |
| Payable outside Bangladesh | | 2,247,693,874 | 1,766,038,757 |
| | | 77,899,790,476 | 67,669,376,700 |
| 8(a) Consolidated Loans & Advances | | | |
| Jamuna Bank Limited | | 77,899,790,476 | 67,669,376,700 |
| Jamuna Bank Capital Management Limited | | 1,176,497,118 | 770,462,834 |
| Jamuna Bank Securities Limited | | 1,642,484 | - |
| | | 79,077,930,078 | 68,439,839,534 |
| Less: Inter-company transaction | | | |
| Jamuna Bank Capital Management Limited | | 45,633,136 | - |
| Jamuna Bank Securities Limited | | - | - |
| | | 79,032,296,942 | 68,439,839,534 |

| | 31.12.2014 Taka | 31.12.2013 Taka |
|--|-----------------------|-----------------------|
| 8.01 Loans, Cash Credit and Overdrafts etc. | | |
| Agriculture loan | 939,966,695 | 1,157,670,330 |
| Cash credit | 8,878,756,999 | 8,123,458,624 |
| Credit Card | 205,672,214 | 173,276,683 |
| EDF loan | 1,129,586,965 | - |
| Export Cash Credit | 28,267,574 | 23,341,307 |
| Hire purchase | 701,382,702 | 1,060,872,694 |
| House building loan | 136,935,733 | 215,762,422 |
| Lease finance | 1,941,952,293 | 2,019,659,772 |
| Loan against imported merchandise | 1 | 1 |
| Loan against packing credits | 281,782,154 | 374,254,388 |
| Loan against trust receipt | 3,604,870,905 | 3,906,723,823 |
| Loans (General) | 4,023,458,608 | 5,266,819,083 |
| Overdraft | 12,351,268,129 | 11,029,527,043 |
| Demand loan | 2,612,014,801 | 2,882,278,391 |
| Payment against document | 214,396,622 | 343,155,355 |
| Personal loan for women | 410,259 | 966,357 |
| Real estate financing | 457,686,060 | 344,877,948 |
| Retail credit | 666,998,808 | 489,929,400 |
| Shop finance scheme | - | 41,884 |
| SIFCO | 3,577,655,857 | 1,060,871,521 |
| Small and Medium Enterprise | 9,446,669,910 | 7,743,709,605 |
| Staff house building loan | 114,205,271 | 118,724,387 |
| Staff loan Other | 953,766 | 82,275 |
| Term Loan | 6,675,322,371 | 4,149,781,119 |
| Time Loan | 8,668,311,674 | 6,787,267,025 |
| | 66,658,526,370 | 57,273,051,437 |
| <u>In Islamic Banking Branches</u> | | |
| Bai-Muazzal | 2,067,891,399 | 1,526,191,025 |
| Bai-Muazzal (SME) | 99,375,853 | 36,949,426 |
| MPI trust receipt | 447,250,628 | 644,459,904 |
| Murabaha | 23,445,650 | 41,491,984 |
| Quards | 58,743,452 | 59,404,104 |
| | 2,696,706,982 | 2,308,496,444 |
| | 69,355,233,352 | 59,581,547,881 |
| 8.1(a) Consolidated Loans, Cash Credit, Overdrafts and Lease etc. | | |
| Jamuna Bank Limited | 69,355,233,352 | 59,581,547,881 |
| Jamuna Bank Capital Management Limited | 1,176,497,118 | 770,462,834 |
| Jamuna Bank Securities Limited | 1,642,484 | - |
| | 70,533,372,954 | 60,352,010,715 |
| Less: Inter-company transaction | | |
| Jamuna Bank Capital Management Limited | 45,633,136 | - |
| Jamuna Bank Securities Limited | - | - |
| | 70,487,739,818 | 60,352,010,715 |
| 8.02 Bills Purchased and Discounted (excluding treasury bills) | | |
| Payable in Bangladesh | 6,296,863,249 | 6,321,790,061 |
| Payable outside Bangladesh-Main operation | 135,059,888 | 1,177,800,105 |
| Payable outside Bangladesh-Off Shore Banking Unit | 2,112,633,986 | 588,238,653 |
| | 8,544,557,123 | 8,087,828,819 |

| | 31.12.2014 Taka | 31.12.2013 Taka |
|--|----------------------|----------------------|
| 8.2(a) Consolidated Bills Purchased and Discounted (excluding treasury bills) | | |
| Jamuna Bank Limited | 8,544,557,123 | 8,087,828,819 |
| Jamuna Bank Capital Management Limited | - | - |
| Jamuna Bank Securities Limited | - | - |
| | <u>8,544,557,123</u> | <u>8,087,828,819</u> |

8.03 Maturity Grouping of Loans & Advances as follows

| | | |
|---|-----------------------|-----------------------|
| Payable on demand | 20,920,746,695 | 16,819,882,000 |
| Not more than three months | 12,666,141,228 | 11,635,964,713 |
| More than 3 months but not more than 1 year | 19,001,437,983 | 19,131,591,368 |
| More than 1 year but not more than 5 years | 16,195,349,131 | 12,715,060,846 |
| More than 5 years | 9,116,115,439 | 7,366,877,773 |
| | <u>77,899,790,476</u> | <u>67,669,376,700</u> |

8.04 Concentration of Advances

| | | |
|---|-----------------------|-----------------------|
| Advances to allied concerns of Directors | - | - |
| Advances to Chief Executives and other Officers | 117,462,719 | 159,958,842 |
| Customer Groups: | | |
| Agricultural & Fisheries | 997,030,278 | 1,201,301,071 |
| Industry wise | 39,000,111,890 | 35,017,775,562 |
| Small and Cottage | 8,305,653,375 | 6,525,327,241 |
| Advances to other Customers | 29,479,532,214 | 24,765,013,984 |
| | <u>77,899,790,476</u> | <u>67,669,376,700</u> |

8.05 Information of Large Loan

| | | |
|--|----------------|----------------|
| Number of the clients | 27 | 24 |
| Amount of outstanding advances (funded & non-funded) | 29,954,793,000 | 22,066,930,000 |

Details information for the year ended 31 December 2014 have been given in (Annex-B)

8.06 Sector wise loans & advances

| | <u>% of total loan</u> | | |
|-------------------------------|------------------------|-----------------------|-----------------------|
| Agricultural & Fisheries | 0.15% | 117,462,719 | 1,201,301,071 |
| Large & Medium Scale Industry | 12.89% | 10,043,658,994 | 9,366,622,048 |
| Working Capital | 29.51% | 22,987,791,696 | 22,822,326,275 |
| Export Credit | 10.28% | 8,011,702,587 | 2,941,952,143 |
| Commercial Credit | 25.86% | 20,148,540,675 | 19,397,654,304 |
| Small and Cottage Industries | 8.69% | 6,771,405,995 | 6,450,374,808 |
| Others | 12.60% | 9,819,227,810 | 5,489,146,051 |
| | <u>100%</u> | <u>77,899,790,476</u> | <u>67,669,376,700</u> |

8.07 Geographical location wise loans & advances

| <u>a) Urban</u> | <u>% of total loan</u> | | |
|---------------------|------------------------|-----------------------|-----------------------|
| Dhaka Division | 63.10% | 49,156,732,435 | 40,304,772,500 |
| Chittagong Division | 13.87% | 10,803,145,174 | 11,334,970,041 |
| Sylhet Division | 1.08% | 838,132,185 | 460,721,297 |
| Rajshahi Division | 8.95% | 6,968,361,219 | 7,191,007,446 |
| Khulna Division | 1.53% | 1,189,607,577 | 719,846,423 |
| Barishal Division | 0.25% | 198,386,176 | 141,040,084 |
| Rangpur Division | 0.67% | 524,894,429 | 290,416,914 |
| | <u>89.45%</u> | <u>69,679,259,195</u> | <u>60,442,774,705</u> |

| | | 31.12.2014 Taka | 31.12.2013 Taka |
|---------------------|---------------|-----------------------|-----------------------|
| b) Rural | | | |
| Dhaka Division | 6.34% | 4,935,721,677 | 4,220,515,513 |
| Chittagong Division | 2.80% | 2,180,672,967 | 2,002,284,191 |
| Sylhet Division | 0.61% | 478,369,663 | 498,691,173 |
| Rajshahi Division | 0.80% | 625,766,974 | 505,111,118 |
| Barishal Division | 0.00% | - | - |
| | 10.55% | 8,220,531,280 | 7,226,601,995 |
| | 100% | 77,899,790,476 | 67,669,376,700 |

8.8 Classification of Loans & Advances as per Bangladesh Bank circular no. BCD - 34, 20 and BRPD 16, 9

| | % of Total Loans | | |
|--|-------------------------|-----------------------|-----------------------|
| Unclassified & Special Mention Account | 94.32% | 73,477,641,476 | 62,535,622,700 |
| Substandard | 0.50% | 387,593,000 | 238,255,000 |
| Doubtful | 0.43% | 331,892,000 | 1,571,641,000 |
| Bad or loss | 4.75% | 3,702,664,000 | 3,323,858,000 |
| | 100% | 77,899,790,476 | 67,669,376,700 |

8.8.1 Particulars of Required Provision for Loans and Advances

General provision:

Status

| | Base for provision | Rate (%) | Provision | Provision |
|---|--------------------|----------|--------------------|--------------------|
| Loans, advances & lease (Excluding SMA) | 72,979,984,000 | Various | 715,501,000 | 626,167,046 |
| Special Mention Account (SMA) | 681,266,000 | Various | 6,220,000 | 22,573,000 |
| | | | 721,721,000 | 648,740,046 |

Specific provision:

Status

| | Base for provision | Rate (%) | Provision | Provision |
|--|--------------------|----------|----------------------|----------------------|
| Sub-standard | 133,506,018 | Variance | 26,596,000 | 122,609,187 |
| Doubtful | 84,605,000 | 50% | 42,302,500 | 188,831,226 |
| Bad/loss | 1,717,645,401 | 100% | 1,717,645,401 | 1,766,396,315 |
| | | | 1,786,543,901 | 2,077,836,728 |
| Total | | | 2,508,264,901 | 2,726,576,774 |
| * Additional provision | | | 210,313,000 | 475,425,000 |
| Required provision for Loans and Advances | | | 2,718,577,901 | 3,202,001,774 |
| Total provision maintained | | | 2,518,577,901 | 2,902,001,774 |
| Provision shortfall as on 31 December 2014 | | | 200,000,000 | 300,000,000 |

*Additional provision

| | | |
|--|--------------------|--------------------|
| Provision provided as per Bangladesh Bank Direction | 10,313,000 | 175,425,000 |
| Additional provision to be provided as per Bangladesh Bank Direction | 200,000,000 | 300,000,000 |
| Total Additional provision | 210,313,000 | 475,425,000 |

Total provision for Loans & Advances is maintained as per the direction of Bangladesh Bank vide letter no. BRPD(P-1)/661/13/2015-2106 dated 24 March 2015. Additional provision required for the year 2014 amounting Tk. 200,000,000 is to be provided within 31 March 2015 as per the said direction.

| 31.12.2014 Taka | 31.12.2013 Taka |
|--------------------|--------------------|
|--------------------|--------------------|

8.9 Particulars of Loans/Investments, Advances and Lease

| | | |
|--|-----------------------|-----------------------|
| i) Loans considered good in respect of which the bank is fully secured ; | 66,169,730,976 | 47,323,326,700 |
| ii) Loans considered good in respect of which the bank holds no security other than the debtors personal guarantee; | - | - |
| iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors; | 9,617,425,513 | 20,346,050,000 |
| | 75,787,156,489 | 67,669,376,700 |
| iv) Loans adversely classified; provision not maintained their against; | - | - |
| v) Loans due by directors or officers of the bank company or any of these either separately or jointly with any other persons; | 117,462,719 | 159,958,842 |
| vi) Loans due by companies or firms in which to directors of the bank have interests as directors, partners or managing agents or Incase of private companies as members; | - | - |
| vii) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the bank or any of them either separately or jointly with any other persons; | 117,462,719 | 159,958,842 |
| viii) Maximum total amount of advances, including temporary advance granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in the case of private companies as member; | - | - |
| ix) Due from banking companies; | - | - |
| x) Amount of classified loans on which interest has not been charged, should be mentioned as follows: | - | - |
| a) decrease/increase in provision, amount of loan written off and amount realized against loans previously written off; | - | - |
| b) amount of provision kept against loan classified as on the date of preparing balance sheet; | 1,796,856,855 | 2,256,676,728 |
| c) interest creditable to the interest Suspense A/c; | - | - |
| xi) Cumulative amount of written off loans and the amount written off during the current year should be shown separately. The amount of written off loan for which lawsuit has been filed should also be mentioned; | 2,142,308,721 | 484,373,959 |

8.9.1 The amount of written off loan for which lawsuit has been filed

Written off loan for which lawsuit has been filed amount of Tk.2,142,308,721

8.9.2 The amount of written off loans during the current year

The amount of written off loans during the current year Tk. 1,657,934,762

8.10 Bill Purchased & Discounted as per Maturity Grouping in the following order

| | | |
|-----------------------------------|----------------------|----------------------|
| Repayable within 1 month | 1,196,923,532 | 1,294,701,502 |
| 1 month above less than 3 months | 2,271,184,212 | 1,988,027,064 |
| 3 months above less than 6 months | 2,591,466,988 | 2,291,189,911 |
| 6 months above | 2,484,982,392 | 2,513,910,341 |
| | 8,544,557,123 | 8,087,828,819 |

| | 31.12.2014 Taka | 31.12.2013 Taka |
|--|-----------------------|-----------------------|
| 8.11 Listing of Assets Pledged as Security/Collaterals/ Securities against Loan/Investment Including Bills Purchased and Discounted | | |
| Collateral of movable/immovable assets | 46,351,041,091 | 43,253,409,412 |
| Local banks and financial institutions guarantee | 5,057,536,689 | 3,280,501,900 |
| Government guarantee | - | - |
| Export documents | 6,915,363,476 | 3,108,619,922 |
| Fixed deposits receipts | 1,498,613,599 | 1,876,490,510 |
| FDR of other banks | 86,987,238 | 47,772,187 |
| Government bonds | 26,888,707 | 21,872,011 |
| Personal guarantee | 5,861,712,928 | 10,176,226,642 |
| Other securities | 12,101,646,748 | 5,904,484,115 |
| | 77,899,790,476 | 67,669,376,700 |
| 8.12 Suit file by the Bank (Branch wise details) | | |
| Mohakhali Branch | 16,891,000 | 16,891,000 |
| Sonargaon Road Branch | 125,044,000 | 76,559,000 |
| Moulvi Bazar Branch | 174,095,000 | 174,095,000 |
| Gualabazar Branch | 484,000 | 484,000 |
| Agrabad Branch | 1,350,038,000 | 1,350,038,000 |
| Dilkusha Branch | 2,857,221,000 | 2,258,445,000 |
| Beanl Bazar Branch | 35,613,000 | 22,440,000 |
| Sylhet Branch | 11,445,000 | 2,502,000 |
| Shantinagar Branch | 608,400,000 | 305,717,000 |
| Guishan Branch | 731,310,000 | 722,624,000 |
| Dhanmondi Branch | 245,570,000 | 245,822,000 |
| Nayabzazr Branch | 36,313,000 | 23,000,000 |
| Naogaon Branch | 348,683,000 | 291,183,000 |
| Khatungonj Branch | 1,326,238,000 | 1,321,238,000 |
| Bhatiyari Branch | 15,045,000 | 15,045,000 |
| Foreign Exchange Branch | 507,192,000 | 506,992,000 |
| Jubilee Road Branch | 298,919,000 | 298,919,000 |
| Chistia market Branch | 3,601,000 | 2,853,000 |
| Bogra Branch | 10,146,000 | 10,146,000 |
| Narayangonj Branch | 421,842,000 | 414,077,000 |
| Motijheel Branch | 36,930,000 | 24,696,000 |
| Rajshahi Branch | 934,589,000 | 814,901,000 |
| Dholaikhal Branch | 431,510,000 | 273,137,000 |
| Bahaddarhat Branch | 3,000,000 | 3,000,000 |
| Sirajgonj Branch | 220,903,000 | 115,000,000 |
| Kushtia Branch | 8,334,000 | 8,306,000 |
| Kadamtali Branch | 276,170,000 | 268,931,000 |
| Comilla Branch | 364,000 | 364,000 |
| Malibagh Branch | 160,431,000 | 160,431,000 |
| Gazipur Chowrastha Branch | 10,073,000 | 10,073,000 |
| Madaripur Branch | 1,418,000 | 1,418,000 |
| Rangpur Branch | 727,000 | 727,000 |
| Anderkilla Branch | 136,435,000 | 196,000 |
| Uttara Branch | 1,926,000 | 1,626,000 |
| Banani Branch | 446,000 | 446,000 |
| Laksham Branch | 15,588,000 | - |
| Dewanhat Branch | 4,491,000 | - |
| Tongi Branch | 34,000,000 | - |
| Barishal Branch | - | 390,000 |
| | 11,401,425,000 | 9,742,712,000 |

| 9 | Fixed Assets Including Premises, Furniture & Fixture (WDV) | 31.12.2014 | 31.12.2013 |
|---|---|----------------------|----------------------|
| | | Taka | Taka |
| | Cost: | | |
| | Land | 1,460,000,000 | 1,460,000,000 |
| | Building | 100,544,165 | 39,352,510 |
| | Furniture & Fixture | 529,419,930 | 461,633,650 |
| | Equipments & Machineries | 749,695,466 | 660,278,449 |
| | Vehicles | 63,540,845 | 47,015,325 |
| | Books | 716,518 | 716,518 |
| | Off shore Banking Unit | - | - |
| | | 2,903,916,924 | 2,668,996,452 |
| | Less: Accumulated Depreciation | 625,415,273 | 473,941,913 |
| | Details are shown in Annexure - C | 2,278,501,650 | 2,195,054,539 |

9(a) Consolidated Fixed assets/non-current assets including premises, furniture and fixtures

| | | | |
|---|--|----------------------|----------------------|
| Cost: | | | |
| | Jamuna Bank Limited | 2,903,916,924 | 2,668,996,452 |
| | Jamuna Bank Capital Management Limited | 6,378,402 | 6,331,172 |
| | Jamuna Bank Securities Limited | 282,989,082 | 282,989,082 |
| | | 3,193,284,408 | 2,958,316,706 |
| Accumulated depreciation/amortization: | | | |
| | Jamuna Bank Limited | 625,415,273 | 473,941,913 |
| | Jamuna Bank Capital Management Limited | 3,048,022 | 2,185,449 |
| | Jamuna Bank Securities Limited | 479,654 | 190,474 |
| | | 628,942,949 | 476,317,836 |
| | Written Down Value | 2,564,341,458 | 2,481,998,870 |

10 Other Assets

| | | | |
|-------|--|----------------------------|----------------------|
| i) | Investment in shares of subsidiary companies: | | |
| | a) In Bangladesh | (Note: 10.6) 1,399,998,200 | 1,399,998,200 |
| | b) In Outside Bangladesh | - | - |
| ii) | Stationery, Stamps, Printing materials in stock etc. | 13,620,561 | 24,239,936 |
| iii) | Advance Rent | 391,216,597 | 458,775,538 |
| iv) | Interest/profit receivable | 907,846,014 | 875,560,736 |
| v) | Balance with Brokerage houses | 576,755 | 401,897 |
| vi) | Security deposit | 2,961,230 | 2,651,540 |
| vii) | Preliminary exp, formation and organization expense, renovation/development expenses and Pre-paid exp. | - | - |
| viii) | Branch adjustment | - | - |
| ix) | Suspense account | (Note: 10.1) 72,045,031 | 91,405,283 |
| x) | Others | (Note: 10.2) 186,567,312 | 123,794,032 |
| xi) | Other assets-Off Shore Banking Unit | 2,812 | 2,790 |
| | | 2,974,834,511 | 2,976,829,953 |

Previous year's figures have been rearranged to conform to the current year's presentation.

10(a) Consolidated Other assets

| | | | |
|--|---|----------------------|----------------------|
| | Jamuna Bank Limited | 2,974,834,511 | 2,976,829,953 |
| | Jamuna Bank Capital Management Limited | 170,265,058 | 196,334,813 |
| | Jamuna Bank Securities Limited | 9,138,734 | 2,464,027 |
| | | 3,154,238,303 | 3,175,628,792 |
| | Less: Inter-company transaction: | | |
| | Jamuna Bank Capital Management Limited | 999,998,400 | 999,998,400 |
| | Jamuna Bank Securities Limited | 399,999,800 | 399,999,800 |
| | | 1,754,240,103 | 1,775,630,592 |

10.1 Suspense's Account

Amount of Suspense's Account represents amount paid against opening of new branches and other advances payments against various contracts.

| | 31.12.2014 | 31.12.2013 |
|--|----------------------|----------------------|
| | Taka | Taka |
| 10.2 Others | | |
| Advance against Insurance premium | 5,709,476 | 3,877,832 |
| Advance against Land & Building | 125,628,248 | 67,523,526 |
| Advance against furniture & fixture | 73,000 | 8,000 |
| Advance against supply of goods/service | 7,252,354 | 18,471,354 |
| Adjusting account debit Balance | 26,000,489 | 10,704,496 |
| Protested bill | 181,485 | 181,485 |
| Misc. Asset | 21,722,259 | 23,027,340 |
| | 186,567,312 | 123,794,032 |
| 10.3 Adjusting Account Debit Balance | | |
| EFTN settlement | 489 | 1,704,496 |
| Underwriting | 26,000,000 | 9,000,000 |
| | 26,000,489 | 10,704,496 |
| 10.4 Non-income Generating Classification of Other Assets | | |
| Stationery, Stamps, Printing materials in stock, etc. | 13,620,561 | 24,239,936 |
| Advance Rent | 391,216,597 | 458,775,538 |
| Interest receivable | 907,846,014 | 875,560,736 |
| Security deposit | 2,961,230 | 2,651,540 |
| Suspense account | 72,045,031 | 91,405,283 |
| Advance against Insurance premium | 5,709,476 | 3,877,832 |
| Advance against Land & Building | 125,628,248 | 67,523,526 |
| Adjusting account debit Balance | 26,000,489 | 10,704,496 |
| Misc. Asset | 21,722,259 | 23,027,340 |
| | 1,566,749,905 | 1,557,766,227 |
| 10.5 This amount represents that interest/profit receivable from various deposits made by the Bank to other banks/Financial Institutions. | | |
| 10.6 Investment in subsidiaries | | |
| Jamuna Bank Capital Management Limited | 999,998,400 | 999,998,400 |
| Jamuna Bank Securities Limited | 399,999,800 | 399,999,800 |
| | 1,399,998,200 | 1,399,998,200 |
| 11 Borrowing from Bangladesh Bank and Other Bank/Financial Institutions | | |
| In Bangladesh | 9,359,855,192 | 3,677,276,377 |
| Outside Bangladesh | - | - |
| | 9,359,855,192 | 3,677,276,377 |
| 11(a) Consolidated Borrowing from Bangladesh Bank and Other Financial Institutions | | |
| Jamuna Bank Limited | 9,359,855,192 | 3,677,276,377 |
| Jamuna Bank Capital Management Limited | 45,633,136 | - |
| Jamuna Bank Securities Limited | - | - |
| | 9,405,488,328 | 3,677,276,377 |
| Less: Inter-company transaction | | |
| Jamuna Bank Capital Management Limited | 45,633,136 | - |
| Jamuna Bank Securities Limited | - | - |
| | 9,359,855,192 | 3,677,276,377 |
| 11.1 As per Following Segregation | | |
| Secured by Call Money Receipt (CMR) | - | - |
| Secured by Treasury bills | - | - |
| Secured by others | 9,359,855,192 | 3,677,276,377 |
| Unsecured | - | - |
| | 9,359,855,192 | 3,677,276,377 |

11.2 Maturity Grouping of the Borrowings from Bangladesh Bank and Other Financial Institutions

| | 31.12.2014 | 31.12.2013 |
|----------------------------------|----------------------|----------------------|
| | Taka | Taka |
| Repayable on demand | - | - |
| Repayable within one month | - | - |
| Over 1 month but within 6 months | 9,359,855,192 | 3,677,276,377 |
| Over 6 months but within 1 year | - | - |
| Over 1 year but within 5 years | - | - |
| | 9,359,855,192 | 3,677,276,377 |

12 Deposits and Other Accounts

| | | | |
|----------------------------------|--------------|------------------------|-----------------------|
| Current deposit & other accounts | (Note: 12.2) | 12,697,597,600 | 9,576,970,169 |
| Bills payable | (Note: 12.3) | 2,433,040,988 | 1,274,219,899 |
| Saving deposit | | 7,894,489,915 | 5,835,906,062 |
| Fixed deposit | | 57,955,482,168 | 55,112,239,898 |
| Short notice deposit | | 5,273,922,236 | 4,106,636,093 |
| Deposit under special scheme | | 28,061,993,298 | 21,282,435,543 |
| Foreign currency deposit | | 318,601,897 | 297,206,536 |
| | | 114,635,128,102 | 97,485,614,200 |

12(a) Consolidated Deposits and Other Accounts

| | | | |
|----------------------------------|----------|------------------------|-----------------------|
| Current deposit & other accounts | 12.2 (a) | 12,703,747,252 | 9,586,841,312 |
| Bills payable | 12.3 | 2,433,040,988 | 1,274,219,899 |
| Saving deposit | | 7,894,489,915 | 5,835,906,062 |
| Fixed deposit | 12(b) | 57,955,482,169 | 54,729,538,647 |
| Short notice deposit | 12(c) | 5,259,103,916 | 4,077,140,114 |
| Deposit under special scheme | | 28,061,993,298 | 21,282,435,543 |
| Foreign currency deposit | | 318,601,897 | 297,206,536 |
| | | 114,626,459,435 | 97,083,288,113 |

12.1 As per Following Segregation

| | | |
|---------------------|------------------------|-----------------------|
| Inter Bank Deposits | 10,243,892,000 | 7,956,224,000 |
| Other Deposits | 104,391,236,102 | 89,529,390,200 |
| | 114,635,128,102 | 97,485,614,200 |

12.2 Current Deposit and Other Accounts

| | | |
|-------------------------|-----------------------|----------------------|
| Current deposit | 5,221,565,783 | 4,196,858,499 |
| Sundry deposit | 6,140,321,260 | 3,719,086,101 |
| Security deposit | 10,800,272 | 111,553,557 |
| Interest/profit Payable | 1,324,910,285 | 1,549,472,011 |
| | 12,697,597,600 | 9,576,970,169 |

12.2(a) Consolidated current Deposit and Other Accounts

| | | |
|--|-----------------------|----------------------|
| Jamuna Bank Limited | 12,697,597,600 | 9,576,970,169 |
| Jamuna Bank Capital Management Limited | 8,357,990 | 10,770,107 |
| Jamuna Bank Securities Limited | 4,000 | - |
| | 12,705,959,590 | 9,587,740,276 |
| Less: Inter-company transaction | | |
| Jamuna Bank Capital Management Limited | 24,962 | 11 |
| Jamuna Bank Securities Limited | 2,187,376 | 898,953 |
| | 12,703,747,252 | 9,586,841,312 |

12.3 Bills Payable

| | | |
|------------|----------------------|----------------------|
| DD payable | 7,430,512 | 8,993,763 |
| P.O issued | 2,425,610,476 | 1,265,226,136 |
| | 2,433,040,988 | 1,274,219,899 |

| | | 31.12.2014 | 31.12.2013 |
|---|----------------|------------------------|-----------------------|
| | | Taka | Taka |
| 12(b) Consolidated fixed deposit | | | |
| Fixed deposit | | 57,955,482,169 | 55,112,239,898 |
| Less: Inter-company transaction | | | |
| Jamuna Bank Capital Management Limited | | - | 279,955,000 |
| Jamuna Bank Securities Limited | | - | 102,746,250 |
| | | 57,955,482,169 | 54,729,538,647 |
| 12(c) Consolidated Short notice deposit | | | |
| Short notice deposit | | 5,273,922,236 | 4,106,636,093 |
| Less: Inter-company transaction | | | |
| Jamuna Bank Capital Management Limited | | 14,818,320 | 29,495,979 |
| Jamuna Bank Securities Limited | | - | - |
| | | 5,259,103,916 | 4,077,140,114 |
| 12.4 Maturity Grouping of Deposit and Other Accounts | | | |
| Repayable on demand | | 9,311,047,245 | 6,525,260,890 |
| Repayable within 1 month | | 15,930,584,707 | 13,658,039,110 |
| Over 1 month but within 6 months | | 26,655,109,249 | 19,219,136,512 |
| Over 6 months but within 1 year | | 30,038,063,843 | 25,705,736,967 |
| Over 1 year but within 5 years | | 18,039,901,990 | 19,289,623,669 |
| Over 5 years but within 10 years | | 14,660,421,069 | 13,087,817,051 |
| | | 114,635,128,102 | 97,485,614,199 |
| 13 Other Liabilities | | | |
| Provision for unclassified loans and advances | (Note: 13.1) | 721,721,046 | 645,325,046 |
| Provision for classified loans and advances | (Note: 13.2) | 1,796,856,855 | 2,256,676,728 |
| Provision for Off Balance Sheet Exposures | (Note: 13.3) | 376,021,270 | 292,342,270 |
| Interest suspense account | (Note: 13.4) | 933,451,850 | 525,170,527 |
| Provision for other assets | | 6,372,393 | 2,609,465 |
| Provision for diminution in value of investments | (Note: 13.5) | 109,051,152 | 148,315,174 |
| Provision for income tax | (Note: 13.6) | 221,854,399 | 759,793,740 |
| Deferred Tax liability | (Note: 13.6.2) | 30,723,187 | 40,968,519 |
| Provision for incentive bonus | | 196,000,000 | 121,000,000 |
| Provision for Gratuity | | 33,500,000 | - |
| Accrued profit on investment | | 141,396,527 | 123,195,671 |
| Contribution to JBL Foundation | (Note: 38) | 36,947,377 | 22,848,927 |
| Adjusting account credit | | 78,860,451 | 125,791,360 |
| Branch Adjustment including Islamic banking | | 6,143,429 | 55,001,143 |
| Other liabilities-including Off Shore Banking Unit | | 31,358 | 84,020 |
| | | 4,688,931,293 | 5,119,122,590 |
| Previous year's figures have been rearranged to conform to the current year's presentation. | | | |
| 13(a) Consolidated Other Liabilities | | | |
| Jamuna Bank Limited | | 4,688,931,293 | 5,119,122,589 |
| Jamuna Bank Capital Management Limited | | 369,811,726 | 334,643,984 |
| Jamuna Bank Securities Limited | | 19,493,448 | 11,908,985 |
| | | 5,078,236,468 | 5,465,675,557 |
| 13.1 Provision for unclassified loans and advances | | | |
| Balance at the beginning of the year | | 645,325,046 | 533,112,046 |
| Add: Provision made during the year | | 76,396,000 | 112,213,000 |
| | | 721,721,046 | 645,325,046 |
| 13.2 Provision for classified loans and advances | | | |
| Balance at the beginning of the year | | 2,256,676,728 | 1,698,253,728 |
| Add: Provision made during the year | | 1,096,852,000 | 558,423,000 |
| | | 3,353,528,728 | 2,256,676,728 |
| Less: write off during the year | | 1,556,671,873 | - |
| | | 1,796,856,855 | 2,256,676,728 |
| Total provision maintained for loans and advances (Notes: 13.1+ 13.2) | | 2,518,577,901 | 2,902,001,774 |

| | 31.12.2014 Taka | 31.12.2013 Taka |
|--|--|----------------------|
| 13.3 Provision for Off Balance Sheet Exposures | | |
| Balance at the beginning of the year | 292,342,270 | 281,559,956 |
| Add: Provision made during the year | 83,679,000 | 10,782,314 |
| | 376,021,270 | 292,342,270 |
| Less: Adjustment during the year | - | - |
| | <u>376,021,270</u> | <u>292,342,270</u> |
| 13.4 Interest Suspense Account | | |
| Balance at the beginning of the year | 525,170,527 | 354,285,425 |
| Add: Amount transferred during the year | 642,538,000 | 514,936,662 |
| | 1,167,708,527 | 869,222,088 |
| Less: Amount recovered during the year | 132,993,788 | 344,051,561 |
| Less: Amount written off during the year | 101,262,889 | - |
| | <u>933,451,850</u> | <u>525,170,527</u> |
| 13.5 Provision for diminution in value of investments | | |
| Balance at the beginning of the year | 148,315,174 | 147,653,361 |
| Add: Provision made during the year | (39,264,022) | 661,813 |
| | <u>109,051,152</u> | <u>148,315,174</u> |
| 13.6 Provision for Income Tax | | |
| Advance tax | | |
| Balance of advance income tax on 01 January | 1,821,188,240 | 2,097,770,536 |
| Paid during the year | 1,011,498,438 | 1,427,977,639 |
| Settlement of previous year's tax liability | - | 1,704,559,935 |
| | <u>2,832,686,678</u> | <u>1,821,188,240</u> |
| Provision | | |
| Opening Balance on 01 January | 2,580,981,980 | 3,161,428,739 |
| Add: Provision made for the year | 511,295,667 | 1,239,113,176 |
| Less: Excess tax provision for previous year | 37,736,570 | 115,000,000 |
| Less: Income Tax Adjustment | - | 1,704,559,935 |
| | <u>3,054,541,077</u> | <u>2,580,981,980</u> |
| Net balance at December 31 | <u>221,854,399</u> | <u>759,793,740</u> |
| Corporate tax position of the bank has been shown in Annexure - D | | |
| 13.6.1 | Provision for income tax has been made during the year @ 42.50% as prescribed by the Finance Act 2014-15 on the accounting profit made by the Bank after considering some of the add back to income and disallowances of expenditure as per Income Tax Ordinance and Rules 1984. | |
| 13.6(a) | Consolidated Provision for Current Tax | |
| Jamuna Bank Limited | 473,559,097 | 1,124,113,176 |
| Jamuna Bank Capital Management Limited | 75,875,476 | 73,220,527 |
| Jamuna Bank Securities Limited | 5,085,653 | 5,212,568 |
| | <u>554,520,226</u> | <u>1,202,546,271</u> |
| 13.6.2 | Deferred Tax Liabilities | |
| Opening Balance | 40,968,519 | 38,229,449 |
| Add: Addition/(adjustment) during the year | (10,245,332) | 2,739,070 |
| Closing balance | <u>30,723,187</u> | <u>40,968,519</u> |

13.6(b) Consolidated Provision for Deferred Tax

Jamuna Bank Limited
Jamuna Bank Capital Management Limited
Jamuna Bank Securities Limited

| | 31.12.2014 Taka | 31.12.2013 Taka |
|--|--------------------|--------------------|
| | 30,723,187 | 40,968,519 |
| | - | - |
| | - | - |
| | <u>30,723,187</u> | <u>40,968,519</u> |

13.7 Reconciliation of Inter-bank/ Inter-Branch Transaction

Branch adjustment account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded by the balance sheet date. The un-reconciled entries for responding as of 31 December 2014 are given below:

| Particulars | Number of unreconciled entries | | Amount | |
|------------------------------------|--------------------------------|--------|---------------|---------------|
| | Debit | Credit | Debit | Credit |
| Up to 3 months | 5 | 13 | 2,085,223,135 | 2,091,366,565 |
| Over 3 months but within 6 months | - | - | | |
| Over 6 months but within 9 months | - | - | | |
| Over 9 months but within 12 months | - | - | | |
| Over 12 months and more | - | - | | |

14 Share Capital

Authorized capital

The Authorized Share Capital of the Bank amounts to Taka. 10,000,000,000 divided into 1,000,000,000 Ordinary Shares of Taka 10 each.

Issued, Subscribed and Fully paid up Capital

Taka 5,160,667,110 divided into 516,066,711 Ordinary Shares of Taka 10 each.

| | | |
|-----------------------------|----------------------|----------------------|
| Paid up Capital | 4,487,536,620 | 4,487,536,620 |
| Add: Share Dividend (stock) | 673,130,490 | - |
| | <u>5,160,667,110</u> | <u>4,487,536,620</u> |

14.1 Percentage of Shareholdings at the Closing Date

| Particulars | Amount in Taka | | Percentages (%) | |
|--------------------------|----------------------|----------------------|-----------------|----------------|
| | 31 December'14 | 31 December'13 | 31 December'14 | 31 December'13 |
| Sponsors | 3,216,544,160 | 2,608,273,730 | 62.33 | 58.12 |
| Financial Institutions | 558,532,940 | 473,593,740 | 10.82 | 10.55 |
| Foreign investors | 6,583,580 | 4,369,200 | 0.13 | 0.10 |
| Non-resident Bangladeshi | - | - | - | - |
| General Public | 1,379,006,430 | 1,401,299,950 | 26.72 | 31.23 |
| Total | 5,160,667,110 | 4,487,536,620 | 100.00 | 100.00 |

14.2 Shareholding Range on the Basis of Shareholdings at 31 December 2014:

| Shareholding range | Number of | Shares | Percentage (%) |
|----------------------|---------------|--------------------|----------------|
| 01 to 500 | 21,730 | 4,472,106 | 0.87 |
| 501 to 5,000 | 21,942 | 38,357,007 | 7.43 |
| 5,001 to 10,000 | 1,788 | 12,363,744 | 2.40 |
| 10,001 to 20,000 | 792 | 10,940,389 | 2.12 |
| 20,001 to 30,000 | 261 | 6,347,569 | 1.23 |
| 30,001 to 40,000 | 106 | 3,638,566 | 0.71 |
| 40,001 to 50,000 | 56 | 2,473,464 | 0.48 |
| 50,001 to 100,000 | 107 | 7,071,224 | 1.37 |
| 100,001 to 1,000,000 | 124 | 42,567,751 | 8.25 |
| 1,000,000 and over | 78 | 387,834,891 | 75.15 |
| Total | 46,984 | 516,066,711 | 100.00 |

14.3 Raising of share capital

Given below is the history of raising of share capital of Jamuna Bank Limited:

| Accounting year | Declaration | No of share | Value in capital | Cumulative |
|-----------------|------------------------------------|--------------------|----------------------|---------------|
| 2001 | Opening capital | 39,000,000 | 390,000,000 | 390,000,000 |
| 2003 | 10% Bonus share | 3,900,000 | 39,000,000 | 429,000,000 |
| 2005 | 25% Bonus share | 21,450,000 | 214,500,000 | 643,500,000 |
| 2006 | Initial Public Offer (IPO) | 42,900,000 | 429,000,000 | 1,072,500,000 |
| 2006 | 14.29% Bonus share | 15,321,420 | 153,214,200 | 1,225,714,200 |
| 2007 | 7.14% Bonus share | 8,755,100 | 87,551,000 | 1,313,265,200 |
| 2008 | 23.50% Bonus share | 30,861,730 | 308,617,300 | 1,621,882,500 |
| 2009 | 37.50% Bonus share | 60,820,590 | 608,205,900 | 2,230,088,400 |
| 2010 | Right issue | 74,336,280 | 743,362,800 | 2,973,451,200 |
| 2010 | 22% Bonus share | 65,415,926 | 654,159,260 | 3,627,610,460 |
| 2011 | Share issue to Mrs. Ayesha Hussain | 2,079,330 | 20,793,300 | 3,648,403,760 |
| 2011 | 23% Bonus share | 83,913,286 | 839,132,860 | 4,487,536,620 |
| 2013 | 15% Bonus share | 67,313,049 | 673,130,490 | 5,160,667,110 |
| | | 516,066,711 | 5,160,667,110 | |

14.4 Capital Adequacy of the Bank

In terms of section 13 (2) of the Bank Companies Act, 1991 (as amended in 2013) and Bangladesh Bank BRPD circular no. 35 dated 29 December, required capital of the Bank at the close of business on 31 December 2014 was Taka 986.12 crore as against available core capital of Taka 911.04 crore and supplementary capital of Taka 194.78 crore making a total capital of Taka 1,105.82 crore thereby showing a surplus capital/ equity of Taka 119.70 crore at that date. Details are shown below:

Core capital (Tier- I)

| | | |
|------------------------------|----------------------|----------------------|
| Paid up Capital | 5,160,667,110 | 4,487,536,620 |
| Share Premium account | - | - |
| Statutory Reserve | 2,966,015,833 | 2,596,542,060 |
| Retained Earnings | 983,753,856 | 679,250,398 |
| Total: Tier-I capital | 9,110,436,799 | 7,763,329,078 |

Supplementary capital (Tier-II)

| | | |
|--|-----------------------|----------------------|
| General provision maintained against unclassified Loan & Advances | 721,721,046 | 645,325,046 |
| General provision maintained against off Balance sheet exposure | 376,021,270 | 292,342,270 |
| Revaluation Reserve of HFT Securities (50% of the total revaluation reserve) | 318,316,067 | 27,054,293 |
| Assets revaluation Reserve (50% of the total revaluation reserve) | 531,748,777 | 531,748,777 |
| Tier-II capital | 1,947,807,160 | 1,496,470,386 |
| Tier-I & Tier- II capital | 11,058,243,959 | 9,259,799,464 |

| | | |
|--|----------------|----------------|
| Total Risk Weighted Assets (as per BASEL-II guideline) | 98,298,680,975 | 83,421,378,445 |
| Required Capital | 9,829,868,097 | 8,342,137,845 |

Details are shown in Annexure - F

Actual Capital Held:

| | | |
|-----------------------|-----------------------|----------------------|
| Core Capital | 9,110,436,799 | 7,763,329,078 |
| Supplementary Capital | 1,947,807,160 | 1,496,470,386 |
| | 11,058,243,959 | 9,259,799,464 |

Capital adequacy ratio % (Required 10%) **11.25** **11.10**

Actual Capital Held (%):

| | | |
|---|-------|-------|
| Core capital to Risk Weighted Assets | 9.27% | 9.31% |
| Supplementary capital to Risk Weighted Assets | 1.98% | 1.79% |

| | | 31.12.2014 Taka | 31.12.2013 Taka |
|--------------|--|----------------------------|----------------------|
| 15 | Statutory Reserve | | |
| | Opening balance | 2,596,542,060 | 2,139,563,521 |
| | Add: Addition during the year | 369,473,773 | 456,978,539 |
| | | <u>2,966,015,833</u> | <u>2,596,542,060</u> |
| 16 | Other Reserves | | |
| | Investment Revaluation Reserve (HFT) | (Note: 16.1) 636,632,134 | 54,108,587 |
| | Assets Revaluation Reserve | (Note: 16.2) 1,063,497,554 | 1,063,497,554 |
| | Currency Translation Reserve (OBU) | 99,472 | - |
| | | <u>1,700,229,160</u> | <u>1,117,606,141</u> |
| 16(a) | Consolidated Other Reserves | | |
| | Jamuna Bank Limited | 1,700,229,160 | 1,117,606,141 |
| | Jamuna Bank Capital Management Limited | - | - |
| | Jamuna Bank Securities Limited | - | - |
| | | <u>1,700,229,160</u> | <u>1,117,606,141</u> |
| 16.1 | Investment Revaluation Reserve (HFT) | | |
| | Opening balance | 54,108,587 | 4,938,676 |
| | Addition/Adjustment during the year | 582,523,547 | 49,169,911 |
| | | <u>636,632,134</u> | <u>54,108,587</u> |
| 16.2 | Assets Revaluation Reserve | | |
| | Opening balance | 1,063,497,554 | 1,063,497,554 |
| | Addition/Adjustment during the year | - | - |
| | | <u>1,063,497,554</u> | <u>1,063,497,554</u> |
| | In terms of Bangladesh Accounting Standard (BAS)-16, 'Property, Plant and Equipment', and instruction contained in BRPD circular no. 10 dated 25 November, 2002 issued by Bangladesh Bank, all the immovable properties of the Bank has been revalued by a professionally qualified valuation firm of the country in the year 2010 and also the valuation report certified by our external auditor. Accordingly, revaluation surplus of Taka 105.00 crore has been included in equity. | | |
| 16(b) | Minority Interest | | |
| | <u>Jamuna Bank Capital Management Limited</u> | | |
| | Paid up capital | 1,000,000,000 | 1,000,000,000 |
| | Retained earnings | 19,337,527 | 14,467,947 |
| | Total net assets | <u>1,019,337,527</u> | <u>1,014,467,947</u> |
| | (i) Minority interest @ .00016% | <u>1,631</u> | <u>1,623</u> |
| | <u>Jamuna Bank Securities Limited</u> | | |
| | Paid up capital | 400,000,000 | 400,000,000 |
| | Retained earnings | 868,950 | 110,741 |
| | Total net assets | <u>400,868,950</u> | <u>400,110,741</u> |
| | (ii) Minority interest @ 0.00005% | <u>200</u> | <u>200</u> |
| | Total minority interest (i+ii) | <u>1,831</u> | <u>1,823</u> |

| | 31.12.2014 Taka | 31.12.2013 Taka |
|--|-----------------------|-----------------------|
| 17 Retained earnings | | |
| Opening balance | 679,250,398 | 629,292,544 |
| Less: Dividend distributed for last year | 673,130,490 | 628,255,127 |
| Balance of Retained Earnings | 6,119,908 | 1,037,417 |
| Add: Addition for current year | 977,633,948 | 678,212,981 |
| | 983,753,856 | 679,250,398 |
| 17(a) Consolidated retained earnings | | |
| Jamuna Bank Limited | 983,753,856 | 679,250,398 |
| Jamuna Bank Capital Management Limited | 19,337,496 | 14,467,930 |
| Jamuna Bank Securities Limited | 868,907 | 110,735 |
| | 1,003,960,259 | 693,829,064 |
| Net profit attributable to ordinary shareholder | | |
| Attributable to: | | |
| Shareholders of JBL | 1,352,735,500 | 1,144,478,786 |
| Minority interest: | | |
| Jamuna Bank Capital Management Limited | 88 | 144 |
| Jamuna Bank Securities Limited | 3 | 4 |
| | 1,352,735,591 | 1,144,478,934 |
| 18 Contingent Liabilities | | |
| 18.1 Letters of Guarantee | | |
| Letters of Guarantee (Local) | 8,617,173,421 | 7,120,386,599 |
| Letters of Guarantee (Foreign) | 47,847,777 | 40,711,811 |
| | 8,665,021,198 | 7,161,098,410 |
| 18.2 Irrevocable Letters of Credit | | |
| Letters of Credit (Inland) | 4,243,269,038 | 2,602,193,425 |
| Letters of Credit (General) | 3,163,703,200 | 2,412,779,273 |
| Back to Back L/C | 9,077,267,503 | 9,043,265,038 |
| | 16,484,239,741 | 14,058,237,736 |
| 18.3 Bills for Collection | | |
| Outward local bills for collection | 5,194,826 | 1,694,732 |
| Outward foreign bills for collection | - | - |
| Foreign DOC bill collection | 2,479,168,828 | 2,229,850,369 |
| Inward local bills for collection | 3,887,327,856 | 2,226,276,866 |
| Inward foreign bills for collection | - | - |
| | 6,371,691,510 | 4,457,821,967 |
| 18(a) Consolidated contingent liabilities | | |
| Acceptances & Endorsements | | |
| Jamuna Bank Limited | 5,841,893,111 | 3,225,832,370 |
| Jamuna Bank Capital Management Limited | - | - |
| Jamuna Bank Securities Limited | - | - |
| | 5,841,893,111 | 3,225,832,370 |

| | 31.12.2014 Taka | 31.12.2013 Taka |
|--|--|-----------------------|
| Letters of Guarantee | | |
| Jamuna Bank Limited | 8,665,021,198 | 7,161,098,410 |
| Jamuna Bank Capital Management Limited | - | - |
| Jamuna Bank Securities Limited | - | - |
| | 8,665,021,198 | 7,161,098,410 |
| Irrevocable Letters of Credit | | |
| Jamuna Bank Limited | 16,484,239,741 | 14,058,237,736 |
| Jamuna Bank Capital Management Limited | - | - |
| Jamuna Bank Securities Limited | - | - |
| | 16,484,239,741 | 14,058,237,736 |
| Bills for Collection | | |
| Jamuna Bank Limited | 6,371,691,510 | 4,457,821,967 |
| Jamuna Bank Capital Management Limited | - | - |
| Jamuna Bank Securities Limited | - | - |
| | 6,371,691,510 | 4,457,821,967 |
| Other Contingent Liabilities | | |
| Jamuna Bank Limited | 239,236,473 | 331,236,473 |
| Jamuna Bank Capital Management Limited | - | - |
| Jamuna Bank Securities Limited | - | - |
| | 239,236,473 | 331,236,473 |
| 19 | <u>Profit & Loss Account</u> | |
| Income | | |
| Interest, discount and similar income | 10,269,609,256 | 9,697,918,977 |
| Commission, custody and brokerage | 612,711,993 | 631,020,494 |
| Dividend Income | 84,826,626 | 95,856,325 |
| Gain from investment in securities | 3,182,848,431 | 2,564,458,134 |
| Exchange gain on foreign bill purchased | 450,893,292 | 375,735,132 |
| Other Operating Income | 328,699,070 | 348,712,803 |
| | 14,929,588,669 | 13,713,701,863 |
| Expenses | | |
| Interest and similar expenses | 8,838,964,459 | 8,078,043,920 |
| Administrative expenses | 2,594,995,137 | 2,255,260,781 |
| Other Operating expenses | 274,343,531 | 282,171,572 |
| Depreciation on banking assets | 152,490,775 | 129,316,770 |
| | 11,860,793,901 | 10,744,793,044 |
| Profit before tax & provision | 3,068,794,768 | 2,968,908,820 |
| 20 | <u>Interest Income & profit on Investment</u> | |
| Interest/profit on loan and advances-Main operation | 9,606,193,078 | 9,101,443,327 |
| Interest on loan and advances-Off Shore Banking Unit | 38,203,732 | 10,192,155 |
| Interest on call loan | 179,484,306 | 146,496,611 |
| Interest/profit on deposit to other bank / Financial Inst. | 444,842,801 | 436,730,634 |
| Interest on Foreign Currency account | 885,339 | 3,056,249 |
| | 10,269,609,256 | 9,697,918,977 |

Previous year's figures have been rearranged to conform to the current year's presentation.

| | 31.12.2014 Taka | 31.12.2013 Taka |
|--|-----------------------|----------------------|
| 20(a) Consolidated Interest Income | | |
| Jamuna Bank Limited | 10,269,609,256 | 9,697,918,977 |
| Jamuna Bank Capital Management Limited | 155,745,876 | 162,224,047 |
| Jamuna Bank Securities Limited | 5,898,445 | - |
| | 10,431,253,577 | 9,860,143,024 |
| Less: Inter-company transaction | | |
| Jamuna Bank Capital Management Limited | 3,931,246 | 1,083,354 |
| Jamuna Bank Securities Limited | 5,766,742 | - |
| | 10,421,555,589 | 9,859,059,670 |
| 20.1 Interest on Loan & Advances | | |
| Interest on agriculture loan | 157,949,651 | 38,814,597 |
| Interest on SME | 1,334,490,341 | 1,041,581,499 |
| Interest on loans (General) | 487,897,959 | 850,870,931 |
| Interest on demand loan (others) | 16,993,147 | 185,721,170 |
| Interest on loan against trust receipt | 528,987,078 | 791,946,729 |
| Interest on packing credit | 28,433,792 | 24,743,009 |
| Interest on house building loan | 24,913,091 | 41,484,835 |
| Interest on real resale | 60,253,956 | 60,164,490 |
| Interest on hire purchase | 64,613,526 | 106,618,357 |
| Interest on lease finance | 326,537,464 | 320,858,614 |
| Interest on payment against documents (cash) | 52,708,525 | 58,158,247 |
| Interest on payment against documents (Inland) | 574,191 | 488,379 |
| Interest on cash credit (Hypo) | 1,448,747,790 | 1,372,697,955 |
| Interest on cash credit (Pledge) | 13,808,054 | 12,476,251 |
| Interest on secured overdraft Share/FDR | 187,615,082 | 187,212,686 |
| Interest on SIFCO | 167,061,970 | 10,951,521 |
| Interest on secured overdraft (F.O) | 30,431,256 | 40,111,554 |
| Interest on secured overdraft work order | 330,725,902 | 335,250,299 |
| Interest on secured overdraft (TOD/PO) | 51,765,651 | 53,627,205 |
| Interest on secured overdraft (export) | 4,804,664 | 7,731,167 |
| Interest on secured overdraft special scheme | 180,300,564 | 125,954,837 |
| Interest on secured overdraft (General) | 948,010,340 | 753,669,439 |
| Interest on house building loan staff | 7,016,784 | 7,151,350 |
| Interest on salary/any purpose loan | 65,761,624 | 46,769,929 |
| Interest on term loan | 624,942,776 | 246,821,367 |
| Interest on time loan | 986,063,227 | 773,343,241 |
| Interest inland bill purchased | 3,753 | 158,646 |
| Interest on local document bill purchased | 909,695,725 | 1,025,303,062 |
| Interest on foreign document bill purchased (Doc.) | 15,041,307 | 73,550,147 |
| Interest on EDF | 23,046,528 | 17,323,029 |
| Interest on Retail Credit | 15,596,888 | 9,474,101 |
| Interest on Export Cash Credit | 2,239,525 | 3,603,836 |
| Interest on Demand Loan ABP (L/C) | 67,750,278 | 16,263,980 |
| Interest on consumer credit scheme | 176,061 | 445,967 |
| Interest on transport/auto/car loan | 11,870,458 | 19,236,925 |
| Interest on Credit Card | 22,644,152 | 22,708,337 |
| Interest on others | 871,759 | 291,363 |
| | 9,200,344,839 | 8,683,579,050 |
| In Islamic Banking branches: | | |
| Profit on Bai-Muazzal (General/Com./others) | 225,284,281 | 216,541,232 |
| Profit on Past Due Bills | 2 | - |
| MPI Trust Receipt | 81,704,431 | 89,782,452 |
| Profit on Murabaha (Import bill) | 702,184 | 636,411 |
| Profit on local document bill purchased (LDBP) | 18,743,374 | 22,838,572 |
| Quards against MTDR/ Others | 6,446,942 | 7,326,392 |
| Profit on PAD/MIB | 1,828,594 | 5,275,506 |
| Profit on SME Finance | 12,227,375 | 5,237,681 |
| Profit on Hire Purchase | 58,911,056 | 70,226,031 |
| | 405,848,239 | 417,864,277 |
| | 9,606,193,078 | 9,101,443,327 |

| | 31.12.2014 Taka | 31.12.2013 Taka |
|--|----------------------|----------------------|
| 21 Interest/profit on Deposit & Borrowings etc. | | |
| Interest/profit paid on deposits (Note: 21.1) | 8,689,207,077 | 7,663,345,998 |
| Interest paid on call loan | 121,775,035 | 247,497,534 |
| Interest/profit paid on borrowing-Main operation | 27,982,347 | 167,200,389 |
| Interest/profit paid on borrowing-Off Shore Banking Unit | - | - |
| | 8,838,964,459 | 8,078,043,920 |

Previous year's figures have been rearranged to conform to the current year's presentation.

21(a) Consolidated Interest on Deposit & Borrowings etc.

| | | |
|--|----------------------|----------------------|
| Jamuna Bank Limited | 8,838,964,459 | 8,078,043,920 |
| Jamuna Bank Capital Management Limited | 1,079,295 | 1,083,354 |
| Jamuna Bank Securities Limited | - | - |
| | 8,840,043,754 | 8,079,127,274 |
| Less: Inter-company transaction | | |
| Jamuna Bank Capital Management Limited | 3,931,246 | 1,083,354 |
| Jamuna Bank Securities Limited | 5,766,742 | 14,044,244 |
| | 8,830,345,766 | 8,063,999,676 |

21.1 Interest on Deposits

| | | |
|-----------------------------------|----------------------|----------------------|
| Interest on savings deposit | 222,637,429 | 203,518,011 |
| Interest on Short notice deposit | 170,401,119 | 137,383,326 |
| Interest on fixed deposit | 5,033,724,062 | 4,275,451,845 |
| Interest on monthly saving scheme | 926,903,988 | 756,830,187 |
| Interest on RFCDD/ NFGD | 123,948 | 727,120 |
| Interest on Other scheme Deposits | 1,644,287,193 | 1,098,115,374 |
| | 7,998,077,739 | 6,472,025,862 |

Previous year's figures have been rearranged to conform to the current year's presentation.

Profit on deposits from Islamic branches:

| | | |
|---|----------------------|----------------------|
| Profit on Mudaraba savings deposit | 113,638,936 | 7,960,803 |
| Profit on Mudaraba Short notice deposit | 5,683,542 | 264,072,797 |
| Profit on Mudaraba term deposit | 493,674,587 | 852,686,914 |
| Profit on Other scheme Deposits | 78,132,273 | 66,599,621 |
| | 691,129,338 | 1,191,320,135 |
| | 8,689,207,077 | 7,663,345,998 |

22 Investment Income

| | | |
|---|----------------------|----------------------|
| Income from treasury bill | 180,290,859 | 389,844,823 |
| Income from Bangladesh Bank bill | 18,309,507 | 42,278,173 |
| Income from treasury bond | 2,763,243,099 | 2,022,953,763 |
| Interest received on REPO of Treasury Bills | 19,650,526 | 33,300,825 |
| Dividend Income | 84,826,626 | 95,856,325 |
| Capital gain on sale of Govt. securities | 345,653,232 | 413,022,609 |
| Capital Gain on sale of shares | 28,841,405 | 1,914,587 |
| | 3,440,815,256 | 2,999,171,104 |
| Less: Capital loss on sale of securities | 37,155,981 | 2,885,521 |
| Capital loss on revaluation of securities | 135,984,218 | 335,971,124 |
| | 173,140,199 | 338,856,645 |
| | 3,267,675,057 | 2,660,314,458 |

Previous year's figures have been rearranged to conform to the current year's presentation.

| | | 31.12.2014 Taka | 31.12.2013 Taka |
|--------------|--|----------------------|----------------------|
| 22(a) | Consolidated Investment Income | | |
| | Jamuna Bank Limited | 3,267,675,057 | 2,660,314,458 |
| | Jamuna Bank Capital Management Limited | 21,777,138 | 6,575,691 |
| | Jamuna Bank Securities Limited | 10,140,469 | 15,674,730 |
| | | 3,299,592,664 | 2,682,564,879 |
| | Less: Inter-company transaction | | |
| | Jamuna Bank Capital Management Limited | 49,999,920 | 79,999,872 |
| | Jamuna Bank Securities Limited | 5,999,997 | 22,044,240 |
| | | 3,243,592,747 | 2,580,520,767 |
| 23 | Commission, Exchange, Custody & Brokerage Income | | |
| | Commission | 612,711,993 | 630,996,459 |
| | Exchange Gain from foreign currencies (Note: 23.1) | 450,893,292 | 375,735,132 |
| | Custody | - | - |
| | Offshore banking unit | - | 24,035 |
| | | 1,063,605,285 | 1,006,755,626 |
| 23(a) | Consolidated Commission, Exchange, Custody & Brokerage Income | | |
| | Jamuna Bank Limited | 1,063,605,285 | 1,006,755,626 |
| | Jamuna Bank Capital Management Limited | 47,933,539 | 48,987,420 |
| | Jamuna Bank Securities Limited | - | 213,227 |
| | | 1,111,538,824 | 1,055,956,273 |
| 23.1 | Exchange Gain from foreign currencies | | |
| | On foreign bill purchased | 453,968,253 | 379,783,043 |
| | Less: Exchange Loss | 3,074,961 | 4,047,912 |
| | | 450,893,292 | 375,735,132 |
| 24 | Other Operating Income | | |
| | Charges on account closing | 1,434,600 | 1,391,799 |
| | Charges on clearing | 535,268 | 498,963 |
| | Interest income on card | 164,944 | 3,157,128 |
| | Reimbursement from VISA | 6,797,789 | 2,884,503 |
| | Project examination fee | 1,900 | 604,204 |
| | Cheque book issuance fee | 12,824,041 | 11,401,882 |
| | Supervision charge on lease finance | 53,825 | 43,880 |
| | Service charge | 100,910,494 | 99,527,806 |
| | Postage charges recovery | 18,670,491 | 19,890,801 |
| | Telephone, telex, SWIFT & e-mail recovery | 40,159,187 | 39,138,917 |
| | Incidental charges | 500 | 1,997 |
| | Documentation/ Processing Charge | 9,068,276 | 35,511,835 |
| | Rent on locker | 1,472,866 | 916,700 |
| | Sale on lease finance | 57,070 | 458,886 |
| | Risk fund | 1,373,971 | 3,785,470 |
| | Recovery of loan previously written off | 6,921,830 | 1,500,000 |
| | Profit on Sale of Fixed Assets | 954 | - |
| | Other receipts | 128,251,062 | 127,931,936 |
| | Offshore Banking unit | - | 66,096 |
| | | 328,699,070 | 348,712,803 |
| 24(a) | Consolidated Other Operating Income | | |
| | Jamuna Bank Limited | 328,699,070 | 348,712,803 |
| | Jamuna Bank Capital Management Limited | 2,049,284 | 1,192,408 |
| | Jamuna Bank Securities Limited | 868,800 | - |
| | | 331,617,154 | 349,905,211 |

| | 31.12.2014 | 31.12.2013 |
|---|----------------------|----------------------|
| | Taka | Taka |
| 25 Operating Expenses | | |
| Administrative Expenses | | |
| Salary and allowances | 1,930,419,766 | 1,696,825,647 |
| Rent, taxes, insurance, electricity, etc. | 441,382,284 | 345,960,916 |
| Legal expenses | 6,746,128 | 7,179,761 |
| Postage, stamps, telecommunication, etc. | 84,519,221 | 80,308,608 |
| Stationery, Printings, Advertisements, etc. | 93,832,658 | 90,493,372 |
| Directors' fees | 6,869,216 | 5,823,308 |
| Auditors' fees | 460,000 | 345,000 |
| Managing Director's salary & fees | 10,900,000 | 10,114,839 |
| Repairs and maintenance of bank's assets | 19,865,863 | 18,209,329 |
| | 2,594,995,137 | 2,255,260,781 |
| Other Operating Expenses | | |
| Depreciation | 152,490,775 | 129,316,770 |
| Other Expenses | 274,343,531 | 282,171,572 |
| | 426,834,305 | 411,488,343 |
| | 3,021,829,443 | 2,666,749,124 |
| 25(a) Consolidated Operating Expenses | | |
| Jamuna Bank Limited | 3,021,829,443 | 2,666,749,124 |
| Jamuna Bank Capital Management Limited | 23,092,006 | 19,963,895 |
| Jamuna Bank Securities Limited | 2,377,277 | 1,987,775 |
| | 3,047,298,726 | 2,688,700,794 |
| 26 Salary and Allowances | | |
| Basic Salary | 768,699,871 | 713,091,709 |
| Allowances | 636,713,274 | 593,224,054 |
| Salary Casual Staff | 82,581,353 | 75,593,413 |
| Bonus | 325,414,335 | 246,618,185 |
| Gratuity | 113,500,000 | 65,000,000 |
| ESS-superannuation fund contribution | 1,000,000 | 1,000,000 |
| Off Shore Banking Unit | 2,510,933 | 2,298,286 |
| | 1,930,419,766 | 1,696,825,647 |
| 26(a) Consolidated Salary and Allowances | | |
| Jamuna Bank Limited | 1,930,419,766 | 1,696,825,647 |
| Jamuna Bank Capital Management Limited | 12,170,788 | 10,566,419 |
| Jamuna Bank Securities Limited | 1,157,926 | 1,112,814 |
| | 1,943,748,480 | 1,708,504,880 |
| 27 Rent, Taxes, Insurance, Electricity, etc. | | |
| Rent | 290,979,609 | 223,805,460 |
| Rates & taxes | 12,253,678 | 6,152,930 |
| Insurance expenses (Note: 27.1) | 63,455,250 | 50,462,894 |
| Electricity bill | 63,860,035 | 53,483,231 |
| WASA & Gas Bill | 1,659,073 | 2,891,846 |
| Generator fuel & others | 9,174,639 | 9,164,553 |
| | 441,382,284 | 345,960,916 |
| 27.1 Insurance Expenses | | |
| On Cash on transit, Cash in safe & Cash on counter | 9,877,998 | 8,216,464 |
| On Vehicles | 1,300,244 | 1,428,997 |
| Deposit insurance premium | 48,993,541 | 37,668,397 |
| On others | 3,283,468 | 3,149,036 |
| | 63,455,250 | 50,462,894 |

| | 31.12.2014 Taka | 31.12.2013 Taka |
|---|--------------------|--------------------|
| 27(a) Consolidated Rent, Taxes, Insurance and Electricity, etc. | | |
| Jamuna Bank Limited | 441,382,284 | 345,960,916 |
| Jamuna Bank Capital Management Limited | 3,103,349 | 2,920,619 |
| Jamuna Bank Securities Limited | 20,720 | 23,585 |
| | 444,506,353 | 348,905,120 |
| 28 Postage, Stamps, Telecommunication etc. | | |
| Postage Charges | 15,648,930 | 15,498,122 |
| Online/ VSAT Charges | 40,070,363 | 40,937,060 |
| SWIFT Charges | 12,007,879 | 7,610,043 |
| Reuter Charges | 1,614,526 | 1,641,532 |
| Fax, Telex & Internet charges | 870,925 | 1,203,455 |
| Tele communication | 14,288,590 | 13,396,251 |
| Off Shore Banking Unit | 18,007 | 22,146 |
| | 84,519,221 | 80,308,608 |
| 28(a) Consolidated Postage, Stamps, Telecommunication etc. | | |
| Jamuna Bank Limited | 84,519,221 | 80,308,608 |
| Jamuna Bank Capital Management Limited | 268,540 | 265,678 |
| Jamuna Bank Securities Limited | 201,536 | 22,227 |
| | 84,989,297 | 80,596,513 |
| 29 Stationery, Printing and Advertisements, etc. | | |
| Office stationery | 19,524,728 | 19,592,301 |
| Printing stationery | 14,973,302 | 9,966,929 |
| Security stationery | 9,963,413 | 7,902,136 |
| Computer paper | 629,971 | 642,698 |
| Ribbon, Diskette, Cable etc. | 8,235,370 | 7,785,161 |
| Software maintenance | 7,983,321 | 8,745,694 |
| Publicity and advertisement | 32,508,044 | 35,695,197 |
| Off Shore Banking Unit | 14,510 | 163,257 |
| | 93,832,658 | 90,493,372 |
| 29(a) Consolidated Stationery, Printing and Advertisements, etc. | | |
| Jamuna Bank Limited | 93,832,658 | 90,493,372 |
| Jamuna Bank Capital Management Limited | 669,290 | 519,052 |
| Jamuna Bank Securities Limited | 11,988 | 72,302 |
| | 94,513,936 | 91,084,726 |
| 30 Managing Director's Salary and fees | | |
| Basic Salary | 5,400,000 | 4,993,548 |
| Allowances | 3,600,000 | 3,321,291 |
| Bonus | 1,900,000 | 1,800,000 |
| | 10,900,000 | 10,114,839 |
| 30(a) Consolidated Managing Director's Salary and fees | | |
| Jamuna Bank Limited | 10,900,000 | 10,114,839 |
| Jamuna Bank Capital Management Limited | - | - |
| Jamuna Bank Securities Limited | - | - |
| | 10,900,000 | 10,114,839 |
| 31 Directors' Fees | | |
| Directors fees | 2,580,000 | 2,290,000 |
| Meeting expenses | 4,289,216 | 3,533,308 |
| | 6,869,216 | 5,823,308 |
| Each Director is paid Tk. 5,000/- per meeting per attendance. | | |

| | 31.12.2014 Taka | 31.12.2013 Taka |
|--|--------------------|--------------------|
| 31(a) Consolidated Directors' Fees | | |
| Jamuna Bank Limited | 6,869,216 | 5,823,308 |
| Jamuna Bank Capital Management Limited | 143,293 | 58,650 |
| Jamuna Bank Securities Limited | 103,500 | 47,150 |
| | 7,116,009 | 5,929,108 |
| 32 Auditors' Fees | | |
| Auditors' fees | 460,000 | 345,000 |
| 32(a) Consolidated Auditors' Fees | | |
| Jamuna Bank Limited | 460,000 | 345,000 |
| Jamuna Bank Capital Management Limited | 166,111 | 106,950 |
| Jamuna Bank Securities Limited | 34,500 | 23,000 |
| | 660,611 | 474,950 |
| 33 Depreciation and repairs of bank's assets | | |
| Repair, renovation & maintenance including Off Shore Banking Unit | 19,865,863 | 18,209,329 |
| Depreciation including Off Shore Banking Unit | 152,490,775 | 129,316,770 |
| | 172,356,638 | 147,526,100 |
| 33(a) Consolidated Depreciation/amortization and repairs of bank's assets | | |
| Jamuna Bank Limited | 172,356,638 | 147,526,100 |
| Jamuna Bank Capital Management Limited | 862,573 | 831,241 |
| Jamuna Bank Securities Limited | 289,180 | 190,474 |
| | 173,508,391 | 148,547,815 |
| 34 Other Expenses | | |
| Bank charges | 3,238,402 | 4,612,129 |
| Security & office cleaning services | 99,514,174 | 84,005,952 |
| Other professional charges | 2,198,050 | 1,611,628 |
| Entertainment | 26,286,496 | 25,414,568 |
| Car expenses | 41,214,530 | 46,450,751 |
| Books, newspaper & magazine | 896,245 | 767,303 |
| Subscription & Donation | 26,367,970 | 47,381,960 |
| Traveling expenses | 12,917,448 | 12,068,440 |
| Conveyance, labor charges | 11,435,682 | 12,404,477 |
| Business development expenses | 7,925,176 | 3,624,773 |
| Training expenses | 4,134,319 | 3,005,245 |
| Liveries and uniform | 563,844 | 1,153,451 |
| Utility | 6,671,596 | 6,074,185 |
| Drinking Water | 2,401,049 | 2,264,208 |
| Annual General Meeting (AGM) | 2,650,013 | 3,744,655 |
| CDBL/Stock Exchanges charge | 2,894,662 | 245,434 |
| VISA charges | 7,363,868 | 6,201,188 |
| Sanitation | 2,512,393 | 2,014,682 |
| Photograph & photocopy | 611,603 | 687,767 |
| Cash carrying / remit. charge | 5,477,227 | 4,453,297 |
| Write off of fixed assets | - | 55,883 |
| Interest on lease | 7,579 | 10,200,000 |
| Sundry expenses | 7,038,530 | 3,701,553 |
| Off Shore Banking Unit | 22,675 | 28,042 |
| | 274,343,531 | 282,171,572 |

| | 31.12.2014 | 31.12.2013 |
|--|----------------------|--------------------|
| | Taka | Taka |
| 34(a) Consolidated Other Expenses | | |
| Jamuna Bank Limited | 274,343,531 | 282,171,572 |
| Jamuna Bank Capital Management Limited | 5,650,561 | 4,385,155 |
| Jamuna Bank Securities Limited | 557,927 | 496,223 |
| | 280,552,019 | 287,052,950 |
| 35 Provision for Loans & Advances | | |
| Provision for Unclassified loans, advances and others | 76,396,000 | 112,213,000 |
| Provision for Classified loans & advances | 1,096,852,000 | 558,423,000 |
| | 1,173,248,000 | 670,636,000 |
| 35(a) Consolidated Provision for Loans, Advances and Lease | | |
| Jamuna Bank Limited | 1,173,248,000 | 670,636,000 |
| Jamuna Bank Capital Management Limited | 76,127,374 | 39,275,751 |
| Jamuna Bank Securities Limited | - | - |
| | 1,249,375,374 | 709,911,751 |
| 36 Provision for off Balance Sheet Exposures | | |
| A provision of Taka 376,021,270 has been maintained @ 1.00% on cumulative Off Balance Sheet exposure (Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) of which Taka 83,679,000 we provided in the year 2014. | | |
| 36(a) Consolidated Provision for off Balance Sheet Exposures | | |
| Jamuna Bank Limited | 83,679,000 | 10,782,314 |
| Jamuna Bank Capital Management Limited | - | - |
| Jamuna Bank Securities Limited | - | - |
| | 83,679,000 | 10,782,314 |
| 37 Provision for Diminution in Value of Investments | | |
| Provision to be maintained for the year (Note-7.2.2) | 109,051,152 | 148,315,174 |
| Provision has already been maintained last year | 148,315,174 | 147,653,361 |
| | (39,264,022) | 661,813 |
| 37(a) Consolidated Provision for Diminution in Value of Investments | | |
| Jamuna Bank Limited | (39,264,022) | 661,813 |
| Jamuna Bank Capital Management Limited | (3,537,892) | (4,673,948) |
| Jamuna Bank Securities Limited | 2,686,575 | 1,510,319 |
| | (40,115,339) | (2,501,816) |
| 38 Contribution to Jamuna Bank Foundation | | |
| Contribution to Jamuna Bank Foundation @2% pre-tax profit | 36,947,377 | 22,848,927 |
| The Board of Directors of Jamuna Bank Limited in its 246th meeting held on 23-07-2014 approved for contribution to the fund of the Jamuna Bank foundation at the rate of not less than 2.00% of Pre-Tax profit of the Bank every year. The interest to be earned on the deposit of the Foundation shall also be added to its Fund. | | |
| 38(a) Consolidated Contribution to Jamuna Bank Foundation | | |
| Jamuna Bank Limited | 36,947,377 | 22,848,927 |
| Jamuna Bank Capital Management Limited | - | - |
| Jamuna Bank Securities Limited | - | - |
| | 36,947,377 | 22,848,927 |

| | 31.12.2014 | 31.12.2013 |
|--|--------------------|--------------------|
| | Taka | Taka |
| 39 Earning per Share | | |
| Net profit after tax (Numerator) | 1,347,107,721 | 1,135,191,520 |
| No. of ordinary shares outstanding (Denominator) | 516,066,711 | 448,753,662 |
| | 2.61 | 2.53 |
| Restated EPS (EPS of 2013 has been restated) | 2.61 | 2.20 |
| Earnings per share has been calculated in accordance with BAS-33 : "Earnings Per Share". | | |
| 39(a) Consolidated Earning per Share | | |
| Net profit after tax (Numerator) | 1,352,735,500 | 1,144,478,786 |
| No. of ordinary shares outstanding (Denominator) | 516,066,711 | 448,753,662 |
| | 2.62 | 2.55 |
| Restated EPS (EPS of 2013 has been restated) | 2.62 | 2.22 |
| 40 Receipt from Other Operating Activities | | |
| Charges on account closing | 1,434,600 | 1,391,799 |
| Charges on clearing | 535,268 | 498,963 |
| Interest income on card | 164,944 | 3,157,128 |
| Reimbursement from VISA | 6,797,789 | 2,884,503 |
| Project examination fee | 1,900 | 604,204 |
| Cheque book issuance fee | 12,824,041 | 11,401,882 |
| Supervision charge on lease finance | 53,825 | 43,880 |
| Service charge | 100,910,494 | 99,527,806 |
| Postage charges recovery | 18,670,491 | 19,890,801 |
| Telephone, telex, SWIFT & e-mail recovery | 40,159,187 | 39,138,917 |
| Incidental charges | 500 | 1,997 |
| Documentation/ Processing Charge | 9,068,276 | 35,511,835 |
| Rent on locker | 1,472,866 | 916,700 |
| Sale on lease finance | 57,070 | 458,886 |
| Risk fund | 1,373,971 | 3,785,470 |
| Recovery of loan previously written off | 6,921,830 | 1,500,000 |
| Profit on Sale of Fixed Assets | 954 | - |
| Other receipts | 128,251,062 | 127,931,936 |
| Offshore Banking Unit | - | 66,096 |
| | 328,699,070 | 348,712,803 |
| 41 Payment to Other Operating Activities | | |
| Rent, taxes, insurance. | 366,688,538 | 280,421,285 |
| Legal expenses | 6,746,128 | 7,179,761 |
| Auditors' fees | 460,000 | 345,000 |
| Directors' fees | 6,869,216 | 5,823,308 |
| Bank charges | 3,238,402 | 4,612,129 |
| Security & cleaning services | 99,514,174 | 84,005,952 |
| Other professional charges | 2,198,050 | 1,611,628 |
| Entertainment | 26,286,496 | 25,414,568 |
| Car expenses | 41,214,530 | 46,450,751 |
| Books, newspaper & magazine | 896,245 | 767,303 |
| Subscription & Donation | 26,367,970 | 47,381,960 |
| Traveling expenses | 12,917,448 | 12,068,440 |
| Conveyance, labor charges | 11,435,682 | 12,404,477 |
| Repair Renovation & Maintenance | 19,865,863 | 18,209,329 |
| Business development expenses | 7,925,176 | 3,624,773 |
| Training expenses | 4,134,319 | 3,005,245 |
| Liveries and uniform | 563,844 | 1,153,451 |
| Annual Gen. Meeting Expenses | 2,650,013 | 3,744,655 |
| CDBL/ Stock Exch. Charge | 2,894,662 | 245,434 |
| Utility | 6,671,596 | 6,074,185 |
| Sanitation & cleaning | 2,512,393 | 2,014,682 |
| Photograph & photocopy | 611,603 | 687,767 |
| Cash carrying / remit. charge | 5,477,227 | 4,453,297 |
| Drinking Water Bill | 2,401,049 | 2,264,208 |
| Sundry expenses | 7,038,530 | 3,701,553 |
| Offshore Banking Unit | 22,675 | 28,042 |
| Contribution to JBL Foundation | 36,947,377 | 22,848,927 |
| | 704,549,206 | 600,542,112 |

| | 31.12.2014 | 31.12.2013 |
|--|----------------------|--------------------|
| | Taka | Taka |
| 42 Other Current Liabilities | | |
| Adjusting account credit | (46,930,910) | (7,913,936) |
| Accrued profit on investment | 18,200,856 | (11,178,684) |
| Interest suspense account | 408,281,322 | 170,885,101 |
| Provision for incentive bonus | 75,000,000 | 26,000,000 |
| Contribution to JBL Foundation | (22,848,927) | (20,805,210) |
| Branch Adjustment | (48,857,714) | (104,457,339) |
| Other liabilities -Off shore banking Unit | (52,662) | 537,213,100 |
| Loans & advances written off | (1,556,671,872) | - |
| Assets revaluation reserve | 582,623,019 | 49,169,911 |
| | (591,256,889) | 638,912,943 |
| 43 No. of Branches (Including SME/Krishi centres) | 97 | 91 |
| 44 No. of Meetings: | | |
| Board meetings | 22 | 21 |
| Executive committee meetings | 27 | 14 |
| Audit committee meetings | 11 | 14 |
| Risk management committee meetings | 3 | 1 |
| Shariah supervisory committee meetings | 3 | 3 |

Events after the reporting period

The Board of Directors in its 264th meeting held on 01 April 2015 has recommended stock dividend @19% subject to the approval of the shareholders at the next Annual General Meeting.

45 Shareholding Pattern

Breakup of shareholding pattern as per clause 1.5 (xxi) of Securities and Exchange Commission notification no No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under Section 2CC of the Securities and Exchange Ordinance, 1969, is as follows:

| <u>Sl. No.</u> | <u>Name of the Company</u> | <u>% of Shareholding</u> |
|----------------|--|--------------------------|
| 1. | Jamuna Bank Capital Management Limited | 99.99984% |
| 2. | Jamuna Bank Securities Limited | 99.99995% |

46 Related Party Disclosures

46.1 Loans, Advances and Lease to Directors and their related concern

| Name of Directors | Relationship | Nature of Loan | Amount | Status |
|-----------------------------------|--------------|----------------|----------------|---------|
| 1. Al-Haj Nur Mohammed | Director | Credit Card | BDT 18,514.85 | Regular |
| 2. Al-Haj Md. Rezaul Karim Ansari | Director | Credit Card | USD 410.63 | Regular |
| 3. Md. Mahmudul Hoque | Director | Credit Card | USD 8,940.31 | Regular |
| 4. Sirajul Islam Varosha | Director | Credit Card | USD 7,179.02 | Regular |
| 5. Sirajul Islam Varosha | Director | Credit Card | BDT 100,407.98 | Regular |

46.2 Related party transactions

The Bank concluded business deals with the following organizations in which the directors had interest for the year 2014.

| | | 31.12.2014 | | 31.12.2013 | |
|--|------------------------|-----------------|---------------|---------------|-----------------|
| | | Taka | | Taka | |
| For the year 2014 | | | | | |
| Organization | Nature of Transactions | Opening Balance | Addition | Adjustment | Closing Balance |
| Jamuna Bank Capital Management Ltd. | | | | | |
| | Current Account | 11 | 494,947 | 469,995 | 24,963 |
| | Fixed Deposit | 279,955,000 | 6,800,000 | 6,845,000 | 279,910,000 |
| | Short Notice Deposit | 42,264,958 | 3,955,892,995 | 3,981,703,608 | 16,454,345 |
| | Secured Overdraft | 32,829 | 459,904,295 | 414,303,988 | 45,633,136 |
| Jamuna Bank Securities Ltd. | | | | | |
| | Current Account | 2,305,211 | 131,136,273 | 131,254,109 | 2,187,375 |
| | Fixed Deposit | 102,746,250 | 108,512,992 | 211,259,242 | - |

46.3 Name of the Directors and their interest in bank

| Sl. # | Name of the Directors | Status | December 2014 (%) | December 2013 (%) |
|-------|-------------------------------------|----------------------|-------------------|-------------------|
| 1 | Mr. Shaheen Mahmud | Chairman | 4.74% | 4.74% |
| 2 | Engr. A.K.M. Mosharraf Hussain | Director | 2.00% | 2.00% |
| 3 | Engr. Md. Atiqur Rahman | Director | 3.86% | 3.86% |
| 4 | Mr. Golam Dastagir Gazi, Bir Protik | Director | 2.00% | 2.00% |
| 5 | Mr. Fazlur Rahman | Director | 2.00% | 2.00% |
| 6 | Al-Haj Nur Mohammed | Director | 2.96% | 2.96% |
| 7 | Mr. Md. Tajul Islam | Director | 2.26% | 2.26% |
| 8 | Mr. Sakhawat, Abu Khair Mohammad | Director | 2.01% | 2.01% |
| 9 | Al-haj Md. Rezaul Karim Ansari | Director | 2.02% | 2.02% |
| 10 | Mr. Md. Belal Hossain | Director | 2.00% | 2.00% |
| 11 | Mr. Md. Mahmudul Hoque | Director | 2.00% | 2.00% |
| 12 | Mr. Md. Sirajul Islam Varosha | Director | 2.00% | 1.81% |
| 13 | Mr. Kanutosh Majumder | Director | 2.01% | 2.01% |
| 14 | Mr. Gazi Golam Murtoza | Director | 2.55% | 2.55% |
| 15 | Ms. Tasmin Mahmud | Director | 5.03% | 5.03% |
| 16 | Mr. Md. Hasan | Director | 5.00% | 0.78% |
| 17 | Mr. A. S. M. Abdul Halim | Independent Director | 0.00% | 0.00% |
| 18 | Mr. Narayan Chandra Saha | Independent Director | 0.00% | 0.00% |
| 19 | Mr. Chowdhury Mohammad Mohsin | Independent Director | 0.00% | 0.00% |
| 20 | Mr. Md. Rafiqul Islam | Independent Director | 0.00% | 0.00% |
| 21 | Mr. Shafiqul Alam | Managing Director | - | - |

46.4 Name of the directors and their interest in different entities.

| Sl No. | Name | Designation | Entities where they have interest | Position with the entities /companies |
|--------|--------------------------------|-------------|---|---------------------------------------|
| 1 | Mr. Shaheen Mahmud | Chairman | 1. Cotton Group | Chairman |
| | | | 1. Amex Ltd. | Managing Director |
| | | | 2. Amotex Ltd. | " |
| | | | 3. Adhunik Poshak Shilpa Ltd. | " |
| | | | 4. Burungi Sportswear Ltd. | " |
| | | | 5. Barura Textile Products Ltd. | Chairman |
| | | | 6. Crazy Fashions Ltd. | Managing Director |
| | | | 7. Civil Dresses Ltd. | " |
| | | | 8. International Trading Services Ltd. | " |
| | | | 9. Kazipur Fashions Ltd. | " |
| | | | 10. Matexport (BD) Ltd. | " |
| | | | 11. Peak Fashions Ltd. | " |
| | | | 12. Standard Garments Industries Ltd. | " |
| 2. | Engr. A.K.M. Mosharraf Hussain | Director | 13. Standard Fashions Ltd. | Chairman |
| | | | 14. Standard Stitches Ltd. | Managing Director |
| | | | 15. Standard Group Ltd. | " |
| | | | 16. Shams Styling Wears Ltd. | " |
| | | | 17. Sterling Designs Ltd. | " |
| | | | 18. Tulagaon Fashion Ltd. | Chairman |
| | | | 19. Tip Top Fashions Ltd. | Managing Director |
| | | | 20. Transworld Sweaters Ltd. | " |
| | | | 21. The Civil Engineers Ltd. | Chairman |
| | | | 22. Wear Mag Ltd. | Managing Director |
| | | | 23. Your Fashions Sweater Ltd. | " |
| | | | 24. Aman Bangladesh Ltd. | Director |
| | | | 25. United Financial Trading Company Ltd. | " |
| | | | 26. Inno Chemicals Ltd. | " |
| 3. | Engr. Md. Atiqur Rahman | Director | 1. Amex Ltd. | Chairman |
| | | | 2. Amotex Ltd. | " |
| | | | 3. Adhunik Poshak Shilpa Ltd. | " |
| | | | 4. Burungi Sportswear Ltd. | " |
| | | | 5. Barura Textile Products Ltd. | Managing Director |
| | | | 6. Crazy Fashions Ltd. | Chairman |
| | | | 7. Civil Dresses Ltd. | " |
| | | | 8. International Trading Services Ltd. | " |
| | | | 9. Kazipur Fashions Ltd. | " |
| | | | 10. Matexport (BD) Ltd. | " |
| | | | 11. Peak Fashions Ltd. | " |
| | | | 12. Standard Garments Industries Ltd. | " |
| | | | 13. Standard Fashions Ltd. | Managing Director |
| | | | 14. Standard Stitches Ltd. | Chairman |
| | | | 15. Standard Group Ltd. | " |
| | | | 16. Shams Styling Wears Ltd. | " |
| | | | 17. Sterling Designs Ltd. | " |
| | | | 18. Tulagaon Fashion Ltd. | Managing Director |
| | | | 19. Tip Top Fashions Ltd. | Chairman |
| | | | 20. Transworld Sweaters Ltd. | " |
| | | | 21. The Civil Engineers Ltd. | Managing Director |
| | | | 22. Wear Mag Ltd. | Chairman |
| | | | 23. Your Fashions Sweater Ltd. | " |
| | | | 24. Aman Bangladesh Ltd. | Director |
| | | | 25. United Financial Trading Company Ltd. | " |
| | | | 26. Inno Chemicals Ltd. | Chairman |

| Sl No. | Name | Designation | Entities where they have interest | Position with the entities /companies |
|--------|-------------------------------------|-------------|--|---------------------------------------|
| 4. | Mr. Golam Dastagir Gazi, Bir Protik | Director | 1. Gazi Tanks | Proprietor |
| | | | 2. Gazi Tyre | " |
| | | | 3. Gazi International | " |
| | | | 4. Gazi Sinks | " |
| | | | 5. Gazi Networks Ltd. | Chairman |
| | | | 6. Gazi Satellite Television Ltd. | Managing Director |
| | | | 7. Gazi Auto Tyres | Proprietor |
| | | | 8. Gazi Associates | " |
| | | | 9. Gazi Auto Mobiles | " |
| 5. | Mr. Fazlur Rahman | Director | 1. City Vegetable Oil Mills Ltd. | Managing Director |
| | | | 2. Farzana Oil Refineries Ltd. | " |
| | | | 3. Hasan Flour Mills Ltd. | " |
| | | | 4. Hasan Plastic Ind. Ltd. | " |
| | | | 5. City PET Ind. Ltd. | " |
| | | | 6. Hasan Containers Ltd. | Chairman |
| | | | 7. City Dal Mills Ltd. | Managing Director |
| | | | 8. Hamida Plactic Containers Ltd. | " |
| | | | 9. Shampa Flour Mills Ltd. | " |
| | | | 10. City Fibres Ltd. | " |
| | | | 11. City Sugar Industries Ltd. | " |
| | | | 12. City Food Products Ltd. | " |
| | | | 13. City Navigations Ltd. | " |
| | | | 14. CSI Power & Energy Ltd. | Chairman |
| | | | 15. Rahman Synthetics Ltd. | " |
| | | | 16. M. Hasan & Co. | Proprietor |
| | | | 17. Hasan Securities Ltd. | Chairman |
| | | | 18. City Burn Oil Ltd. | Managing Director |
| | | | 19. City Feed Products Ltd. | " |
| | | | 20. Somoy Media Ltd. | Chairman |
| 6. | Al-Haj Nur Mohammed | Director | 1. Munshigonj Chamber of Commerce & Industry | President |
| 7. | Mr. Md. Tajul Islam | Director | 1. Fablan Indus. Ltd. | Managing Director |
| | | | 2. Fablan Zip-Fastener Indus. Ltd. | " |
| | | | 3. Fablan Multiplex Indus. Ltd. | " |
| | | | 4. Fabitex Indus. Ltd. | " |
| | | | 5. Fablan Thread Ltd. | " |
| | | | 6. Tafop Apparels Ltd. | " |
| | | | 7. Standard Laboratories Ltd. | " |
| | | | 8. Fablan Paper & Board | " |
| | | | 9. Fablan Metal Products Ltd. | " |
| 8. | Mr. Sakhawat, Abu Khair Mohammad | Director | 1. Robintex (Bangladesh) Ltd. | Managing Director |
| | | | 2. Complex (Bangladesh) Ltd. | " |
| | | | 3. Robin Apparel Ltd. | " |
| | | | 4. Robin Knitwear Ltd. | " |
| | | | 5. Islamic Finance & Investment Ltd. | Vice Chairman |
| | | | 6. International Holding Ltd. | Sponsor Director |
| | | | 7. Eastern University | Board of Trustee (member) |
| 9. | Al-Haj Md. Rezaul Karim Ansari | Director | 1. Karim Leathers Ltd. | MD & Chairman |
| | | | 2. Kamtex Ltd. | Chairman |
| 10. | Mr. Md. Belal Hossain | Director | 1. Belcon Co. (Pvt.) Ltd. | Chairman |
| | | | 2. Nadia Food & Agro Industry (Pvt.) Ltd | Managing Director |
| | | | 3. B.H. Specilist Cold Store (Pvt.) Ltd. | " |
| | | | 4. B. H. Hightech Food Ind. (Pvt.) Ltd. | " |
| | | | 5. M/s. Belal Hossain | " |
| | | | 6. National Rice Mill | " |
| | | | 7. Bondhu Rice Mill | " |

| SI No. | Name | Designation | Entitles where they have interest | Position with the entitles /companies |
|--------|-------------------------------|----------------------|---|---------------------------------------|
| 11. | Mr. Md. Mahmudul Hoque | Director | 1. Anima Textile Ltd. | Managing Director |
| | | | 2. Anima Yarn Dying Ltd. | " |
| | | | 3. Precision Energy Ltd. | Chairman |
| 12. | Mr. Md. Sirajul Islam Varosha | Director | 1. R. K. Metal Indus. Ltd. | Managing Director |
| | | | 2. S.V. Tobacco Co. | Proprietor |
| | | | 3. Slam Enterprise | " |
| | | | 4. Amazon Tex Knit Fashion Ltd. | Chairman |
| | | | 5. Karim Impex Ltd. | " |
| | | | 6. Wari Golden Hospital & Diagnostic Company Ltd. | Director |
| 13. | Mr. Kanutosh Majumder | Director | 1. New Generation Construction Co. Ltd. | Director |
| | | | 2. Crossworld Telecommunications Ltd. | Chairman |
| | | | 3. New Generation Property Services Ltd. | " |
| 14. | Mr. Gazi Golam Murtoza | Director | 1. Gazi Networks Ltd. | Managing Director |
| | | | 2. Gazi Satellite Television Ltd. | Director |
| | | | 3. Gazi Pipes | Proprietor |
| | | | 4. Gazi Foundry | Proprietor |
| | | | 5. Gazi Power Company | Proprietor |
| | | | 6. Gazi Communication | Proprietor |
| | | | 7. Gazi Communication | Proprietor |
| 15. | Mrs. Tasmin Mahmud | Director | 1. Cotton Dying & Finishing Mills Ltd. | Director |
| | | | 2. Cotton Line (BD) Ltd. | Director |
| | | | 3. Cotton N Cotton Garments Ind. Ltd. | Director |
| | | | 4. Pacific Cotton Ltd. | Director |
| | | | 5. BG Tel Ltd. | Director |
| | | | 6. Best Life Insurance Ltd. | Shareholder |
| 16. | Mr. Md. Hasan | Director | 1. City Vegetable Oil Mills Ltd. | Director |
| | | | 2. Hasan Flour Mills Ltd. | " |
| | | | 3. City Dal Mills Ltd. | " |
| | | | 4. Farzana Oil Refineries Ltd. | " |
| | | | 5. Rahman Synthetics Ltd. | " |
| | | | 6. Shampa Flour Mills Ltd. | " |
| | | | 7. City Feed Products Ltd. | " |
| | | | 8. Hamida Plactic Containers Ltd. | " |
| | | | 9. City Navigations Ltd. | " |
| | | | 10. Ali Hospital Ltd. | " |
| | | | 11. Somoy Media Ltd. | " |
| 17. | Mr. A. S. M. Abdul Halim | Independent Director | - | - |
| 18. | Mr. Narayan Chandra Saha | Independent Director | - | - |
| 19. | Mr. Chowdhury Mohammad Mohsin | Independent Director | 1. Engineer Chowdhury Mohammad Mohsin Foundation for Human Resources Development (ECMMFHRD), Chittagong | Founder Trustee & Treasurer |
| | | | 2. Lion Mukiesur Rahman Foundation, Chittagong. | Vice Chairman |
| 20. | Mr. Md. Rafiqul Islam | Independent Director | - | - |

47 Audit Committee

a) Particulars of Audit Committee

Audit Committee was constituted/reconstituted by the Board of the Directors of the Bank in the light of Bangladesh Bank Guideline(s) as well as Notification(s) time to time issued by the Bangladesh Securities and Exchange Commission (BSEC). The Board of Directors reconstituted the Audit Committee consisting of following members of the Board of Directors of the Bank :

Members of the Audit Committee of the Board of Directors up to 31-12-2014 :

| Sl. | Name | Relationship with the | Position | Educational qualification |
|-----|--------------------------------|-----------------------|----------|---------------------------|
| 1. | Mr. Md. Rafiqul Islam | Independent Director | Chairman | M. A |
| 2. | Engr. A.K.M. Mosharruf Hussain | Director | Member | B.Sc. Engg (Civil) FIE |
| 3. | Al-Haj Nur Mohammed | Director | Member | B.A. |
| 3. | Mrs. Tasmin Mahmud | Director | Member | Masters |
| 1. | Mr. A. S. M. Abdul Halim | Independent Director | Member | M. Com |

b) During the year ended 31 December 2014, 11 (eleven) meetings of the Audit Committee were held.

c) Steps have been taken for implementation of an effective internal control procedure of the Bank:

The Committee reviewed the reports of the Internal Control and Compliance Division in respect of the operation of different Branches and Divisions of Head Office of the Bank, assessed risks associated with credit, trade finance & operations, sketched the strategies to mitigate those risks and placed reports before the Board of Directors at intervals so as to ensure compliance and mitigate risks in different arena of banking operations. The Audit Committee also evolved the policy outlines for establishing corporate governance through the Board of Directors. In accomplishing the responsibilities the Audit Committee adheres to the guidelines contained in BRPD Circular No 12 dated 23 December 2002 of Bangladesh Bank.

48 Shariah Supervisory Committee

The Board constituted Shariah Supervisory Committee of Jamuna Bank Ltd. with the following members:

| Sl # | Name | Status with the committee | Educational Qualification | Status with the Bank |
|------|-----------------------------------|---------------------------|--|----------------------|
| 1 | Prof. Mowlana Md. Salahuddin | Chairman | Post Graduate (Islamic Studies) | - |
| 2 | Mr. M. Azizul Haque | Member | M.A. in Economics | - |
| 3 | Mawlana Abdur Razzak | Member | Kamil Hadith, Tafsir, Arabic Literature, Fiqah | - |
| 4 | Hafez Mawlana Mufti Ruhul Amin | Member | Post Graduate (Arabic) | - |
| 5 | Professor Shahidul Islam Barakatl | Member | M.A. Mphil | - |
| 6 | Alhajj Mawlana Md. Sadequul Islam | Member | Kamil, B.A (Hon's), M.A. | - |
| 7 | Mr. Shafiqul Alam | Member | M.S.S | Managing Director |

During the year 2014, (3) three meetings of the Shariah Supervisory Committee were held.

During the year 2014, the following issues were discussed in the meetings:

- Discussion about Islamic Banking operations;
- Provisional & Actual profit rate for Islamic banking branches
- Rules & Method of Investment for Islamic Banking Branches.
- Discussion about various Financial Statements of Islamic Banking branches;
- Guidelines given as to treatment of profit on overdue investments through Compensation Account.

49 Information about Segment Reporting

The bank operates under the following business segments:

| Particulars | Conventional | Islamic | Total |
|---|-----------------|---------------|-----------------|
| Total Operating Income | 5,884,918,376 | 205,705,835 | 6,090,624,211 |
| Allocated Expenses | 2,970,082,801 | 51,746,642 | 3,021,829,443 |
| Operating Profit (Before Tax & Provision) | 2,914,835,575 | 153,959,193 | 3,068,794,768 |
| Total Provision (Loans/Advances & Others) | 1,258,373,282 | - | 1,258,373,282 |
| Profit Before Tax | 1,847,368,863 | - | 1,847,368,863 |
| Provision for Income Tax | 463,313,765 | - | 463,313,765 |
| Net Profit after taxation | 1,347,107,721 | - | 1,347,107,721 |
| Segment Assets | 135,990,463,169 | 3,504,117,377 | 139,494,580,546 |
| Segment Liabilities | 125,179,797,210 | 3,504,117,377 | 128,683,914,587 |

The bank operates under the following geographical segments:

| Particulars | Bangladesh | Off Shore Banking Unit | Total |
|---|-----------------|------------------------|-----------------|
| Total Operating Income | 6,076,636,596 | 13,987,615 | 6,090,624,211 |
| Allocated Expenses | 3,019,090,792 | 2,738,651 | 3,021,829,443 |
| Operating Profit (Before Tax & Provision) | 3,057,545,804 | 11,248,964 | 3,068,794,768 |
| Total Provision (Loans/Advances & Others) | 1,258,373,282 | - | 1,258,373,282 |
| Profit Before Tax | 1,847,368,863 | - | 1,847,368,863 |
| Provision for Income Tax | 463,313,765 | - | 463,313,765 |
| Net Profit after taxation | 1,347,107,721 | - | 1,347,107,721 |
| Segment Assets | 137,381,135,495 | 2,113,445,051 | 139,494,580,546 |
| Segment Liabilities | 126,570,469,536 | 2,113,445,051 | 128,683,914,587 |

50 Highlights on the overall activities of the bank

Highlights on the overall activities of the bank have been furnished in annexure-E.

Date: 01 April, 2015
Dhaka


Managing Director


Director


Director


Chairman

Balance with other Banks and financial institutions: Outside Bangladesh (Nostro Accounts)

| Sl. No. | Name of The Foreign Bank | Currency Name | As on 31 December 2014 | | | As on 31 December 2013 | | |
|---------|--|---------------|----------------------------|-----------------|---------------|----------------------------|-----------------|---------------|
| | | | Amount in Foreign Currency | Conversion Rate | Amount in BDT | Amount in Foreign Currency | Conversion Rate | Amount in BDT |
| 1 | AB Bank Ltd, Mumbai, India | ACUD | 125,038.06 | 78.4350 | 9,807,360 | 16,624.92 | 77.6350 | 1,290,676 |
| 2 | Axis Bank Ltd., Kolkata, India | ACUD | 666,940.69 | 78.4350 | 52,311,493 | 88.41 | 77.6350 | 6,864 |
| 3 | Bank Al Biltad, Riyadh, K.S.A | SAR | 7,225.00 | 21.4083 | 154,675 | 11,725.00 | 20.7542 | 243,342 |
| 4 | Bank of Bhutan, Bhutan | ACUD | 50,513.32 | 78.4350 | 3,962,012 | 145,698.32 | 77.6350 | 11,311,289 |
| 5 | Commerzbank AG, Germany | EUR | (80,790.31) | 95.0180 | (7,961,588) | 131,747.87 | 106.4903 | 14,029,870 |
| 6 | Emirates NBD Bank | AED | 25,000.00 | 20.9530 | 523,825 | 25,000.00 | 21.1908 | 529,769 |
| 7 | Habib American Bank, NY, USA | USD | 801,056.20 | 78.4350 | 62,830,843 | 220,028.67 | 77.6350 | 17,081,926 |
| 8 | Habib Bank AG, Zurich, Switzerland | CHF | 62,890.13 | 79.1115 | 4,975,396 | 59,465.04 | 86.9676 | 5,171,529 |
| 9 | HSBC Bank, NY, USA | USD | 0.00 | 0.0000 | - | 400,726.85 | 77.6350 | 31,110,432 |
| 10 | IOCI Bank Ltd, India | ACUD | (184,763.45) | 78.4350 | (14,491,921) | 330,731.54 | 77.6350 | 25,676,343 |
| 11 | IOCI Bank Ltd, Hong Kong | USD | 474,875.55 | 78.4350 | 37,246,864 | 120,078.32 | 77.6350 | 9,322,280 |
| 12 | JPMorgan Chase Bank N.A. NY, USA | USD | 0.00 | 0.0000 | - | 95,629.49 | 77.6350 | 7,424,195 |
| 13 | Mashreq Bank Psc, Mumbai, India | ACUD | 142,103.10 | 0.0000 | 11,145,857 | 116,483.05 | 77.6350 | 9,043,162 |
| 14 | Mashreq Bank Psc, NY, USA | USD | 5,745,067.13 | 78.4350 | 450,614,340 | 239,494.38 | 77.6350 | 18,595,146 |
| 15 | Nepal Bengalesh Bank Ltd, Nepal | ACUD | 47,734.50 | 78.4350 | 3,743,271 | 39,103.50 | 77.6350 | 3,035,800 |
| 16 | Standard Chartered Bank, Karachi, Pakistan | ACUD | 19,297.78 | 78.4350 | 1,513,621 | 43,054.07 | 77.6350 | 3,342,503 |
| 17 | Standard Chartered Bank, London, UK | GBP | 234,608.79 | 121.6545 | 28,541,215 | 35,330.23 | 127.8324 | 4,516,348 |
| 18 | Standard Chartered Bank, NY, USA | USD | 2,880,280.89 | 78.4350 | 225,914,832 | 146,295.76 | 77.6350 | 11,357,671 |
| 19 | Standard Chartered Bank, Sri Lanka | ACUD | 31,648.36 | 78.4350 | 2,482,339 | 16,130.86 | 77.6350 | 1,252,319 |
| 20 | Standard Chartered Bank, Tokyo, Japan | YEN | 4,640,264.00 | 0.6548 | 3,038,677 | 13,212,578.00 | 0.7412 | 9,793,823 |
| 21 | Standard Chartered Bank, Mumbai, India | ACUD | 35,893.95 | 78.4350 | 2,815,342 | (96,941.17) | 77.6350 | (7,526,028) |
| 22 | The Bank of Nova Scotia, Canada | CAD | 25,225.60 | 67.3623 | 1,699,254 | 56,682.98 | 0.0000 | 4,109,845 |
| 23 | USIAF (Hong Kong) Ltd, Hong Kong | USD | 0.00 | 0.0000 | - | 928.39 | 77.6350 | 72,076 |
| 24 | Unicredit Bank, Germany | EUR | 15,677.36 | 95.0180 | 1,489,631 | 68,978.03 | 106.4903 | 7,345,491 |
| | | | | Total | 882,357,279 | | Total | 188,134,672 |

| As on 31 December 2014 | | |
|------------------------|-------------|---------|
| Currency | Amount | % |
| USD | 776,606,879 | 88.02% |
| ACUD | 73,289,375 | 8.31% |
| SAR | 154,675 | 0.02% |
| GBP | 28,541,215 | 3.23% |
| EURO | (6,471,956) | (0.73%) |
| YEN | 3,038,677 | 0.34% |
| CHF | 4,975,336 | 0.56% |
| AED | 523,825 | 0.06% |
| CAD | 1,699,254 | 0.19% |
| Total | 882,357,279 | 100% |

| As on 31 December 2013 | | |
|------------------------|---------------|--------|
| Currency | Amount | % |
| USD | 94,961,726.82 | 50.48% |
| ACUD | 47,432,927.67 | 25.21% |
| SAR | 243,342.41 | 0.13% |
| GBP | 4,516,348.09 | 2.40% |
| EURO | 21,375,361.31 | 11.36% |
| YEN | 9,793,823.44 | 5.21% |
| CHF | 5,171,528.84 | 2.75% |
| AED | 529,769.00 | 0.28% |
| CAD | 4,109,845.00 | 2.18% |
| Total | 188,134,672 | 100% |

Details of information on advances more than 10% of bank's total capital (Funded & Non funded)

Number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned exceeds 10% of total capital of the Bank. Total capital of the Bank was Tk. 1,105.82 crore as at 31 December 2014 (Tk. 925.97 crore in 2013)

(Figures are in Lac)

| Sl | Name of Customer | Outstanding as on 31-12-2014 | | | 2013 |
|----|---------------------------------------|------------------------------|-------------------|-------------------|-------------------|
| | | Funded | Non- Funded | Total | |
| 1 | Abdul Monem Limited | 15,462.01 | 28,258.71 | 43,720.72 | 38,157.85 |
| 2 | Abul Khair Group | 6,237.87 | 5,788.23 | 12,026.10 | 13,524.36 |
| 3 | ACI Group | 8,673.27 | - | 8,673.27 | - |
| 4 | Apex Group | - | - | - | 8,710.16 |
| 5 | Anwer Khan Modern Hospital Ltd. | - | - | - | 8,434.21 |
| 6 | Bismillah Towels Group | 12,556.31 | - | 12,556.31 | 16,001.75 |
| 7 | Bangla Trac Communications Ltd. | 6,408.27 | - | 6,408.27 | 14,900.00 |
| 8 | Banglalink Digital Communication Ltd. | 10,000.00 | 0.03 | 10,000.03 | 1,000.00 |
| 9 | BRAC | 9,680.04 | 6,426.92 | 16,106.96 | - |
| 10 | BSRM | 6,956.87 | 606.81 | 7,563.68 | - |
| 11 | Designtex Group | 6,794.32 | 10,332.43 | 17,126.75 | 19,479.42 |
| 12 | Electra International Ltd | 1,629.44 | 68.33 | 1,697.77 | 2,226.59 |
| 13 | Epyllion Group | - | - | - | 5,857.60 |
| 14 | GHP Ispat group | 8,794.27 | - | 8,794.27 | - |
| 15 | Grameen Phone Ltd. | - | - | - | 9,999.53 |
| 16 | Gold Star Group | 3,049.97 | 3,571.88 | 6,621.85 | 5,025.02 |
| 17 | Kabir Steel Re-Rolling Mills Ltd | 11,223.64 | 5,420.97 | 16,644.61 | 15,155.09 |
| 18 | M.A. Matin Cotton Mills Ltd. | - | - | - | 2,734.70 |
| 19 | Meghna Group | 9,179.67 | 11,187.62 | 20,367.29 | - |
| 20 | National Development engineers Ltd | - | - | - | 184.11 |
| 21 | Nassa Group | 2,145.74 | 2,123.70 | 4,269.44 | - |
| 22 | Nitol Motors Ltd. | - | - | - | 7,175.03 |
| 23 | Paradise Group | 1,366.00 | 6,341.54 | 7,707.54 | - |
| 24 | Partex Group | 13,077.13 | 3,907.74 | 16,984.87 | 7,882.12 |
| 25 | Partex Star Group | 5,695.74 | 1,883.14 | 7,578.88 | - |
| 26 | PRAN RFL Group | 11,448.45 | 4,162.42 | 15,610.87 | - |
| 27 | PNR Industries Ltd. | 5,270.57 | 2,006.63 | 7,277.20 | 7,558.75 |
| 28 | R. S. & T International | 8,646.98 | - | 8,646.98 | 8,725.49 |
| 29 | Rising Group | 2,820.87 | 4,044.31 | 6,865.18 | 8,119.31 |
| 30 | Square Toiletries Ltd. | - | - | - | 320.60 |
| 31 | Super Oil Refinery Ltd. | 5,280.35 | 6,566.25 | 11,846.60 | 14,151.95 |
| 32 | Summit Alliance Port | 6,612.98 | 1,765.92 | 8,378.90 | - |
| 33 | Swiss Tex | 6,118.40 | 826.48 | 6,944.88 | - |
| 34 | United Enterprise & Co. | 5,282.73 | 493.96 | 5,776.69 | - |
| 35 | United Sugar Mills Ltd. | - | - | - | 5,345.66 |
| 36 | Walton Hightech Ind. Ltd. | 3,352.02 | - | 3,352.02 | - |
| | Total | 193,763.91 | 105,784.02 | 299,547.93 | 220,669.30 |

Jamuna Bank Limited

Schedule of Fixed Assets
As on 31 December 2014

| Particulars | COST | | | | Dep. Rate | DEPRECIATION | | | | Written down Value as on 31.12.2014 | |
|-------------------------------|--------------------------|--------------------------|------------------|--------------------------|-----------|--------------------------|-------------------------|--------------------|--------------------------|-------------------------------------|----------------------|
| | Balance as on 01.01.2014 | Addition during the Year | Adjustment | Balance as on 31.12.2014 | | Balance as on 01.01.2014 | Charged during the year | Adjustment | Balance as on 31.12.2014 | | |
| | | | | | | | | | | | Amount in Taka |
| Main Operation | | | | | | | | | | | |
| Land | 1,460,000,000 | - | - | 1,460,000,000 | 0% | - | - | - | - | - | 1,460,000,000 |
| Building | 39,352,510 | 61,191,655 | - | 100,544,165 | 2.5% | 1,404,411 | - | - | 3,569,899 | - | 96,974,266 |
| Furniture & Fixture | 461,483,967 | 67,871,171 | 85,685 | 529,269,453 | 10% | 46,726,539 | 52,664 | - | 208,379,321 | - | 320,890,132 |
| Equipment & Machinery | 659,221,540 | 91,399,911 | 1,988,383 | 748,633,068 | 15% | 96,404,200 | 964,752 | - | 373,326,325 | - | 375,306,743 |
| Vehicles | 47,015,325 | 16,525,520 | - | 63,540,845 | 20% | 7,782,200 | - | - | 39,013,943 | - | 24,526,902 |
| Books | 716,518 | - | - | 716,518 | 20% | 898 | - | - | 716,508 | - | 10 |
| Off Shore Banking Unit | | | | | | | | | | | |
| Furniture & Fixture | 149,685 | 792 | - | 150,477 | 10% | 14,963 | - | - | 49,519 | - | 100,958 |
| Equipment & Machinery | 1,056,909 | 5,489 | - | 1,062,398 | 15% | 157,564 | - | - | 359,757 | - | 702,641 |
| As on 31.12.2014 | 2,668,986,454 | 236,994,538 | 2,074,068 | 2,903,916,924 | | 152,490,775 | 1,017,416 | 623,415,273 | 473,941,915 | 1,744,394 | 2,278,501,651 |
| As on 31.12.2013 | 2,428,400,318 | 243,615,077 | 3,018,943 | 2,668,996,452 | | 129,316,770 | 1,744,394 | 473,941,913 | 346,369,537 | 1,744,394 | 2,195,054,539 |

Schedule of tax position as on 31 December 2014

| Accounting Year | Assessment Year | Tax provision as per accounts | Tax as per assessment order | Excess / (Shortage) of provision | Present status |
|-----------------|-----------------|-------------------------------|-----------------------------|----------------------------------|--------------------------------|
| 2001 | 2002 - 03 | - | - | - | Settled |
| 2002 | 2003 - 04 | 149,745 | 2,213,562 | (2,063,817) | Settled |
| 2003 | 2004 - 05 | 49,831,708 | 45,512,348 | 4,319,360 | Settled |
| 2004 | 2005 - 06 | 117,751,036 | 119,018,103 | (1,267,067) | Settled |
| 2005 | 2006 - 07 | 163,489,158 | 155,755,638 | 7,733,520 | Settled |
| 2006 | 2007 - 08 | 246,574,000 | 304,101,314 | (57,527,314) | Settled |
| 2007 | 2008 - 09 | 315,934,118 | 341,013,213 | (25,079,095) | Settled |
| 2008 | 2009- 10 | 382,048,035 | 327,477,273 | 54,570,762 | Settled |
| 2009 | 2010- 11 | 632,261,079 | 532,972,604 | 99,288,475 | Settled |
| 2010 | 2011-12 | 990,184,117 | 776,304,720 | 213,879,397 | Settled |
| 2011 | 2012-13 | 1,117,473,086 | 928,255,214 | 189,217,872 | Settled |
| 2012 | 2013-14 | 1,289,531,918 | 1,339,729,309 | (50,197,391) | File submitted & under process |
| 2013 | 2014-15 | 1,239,113,176 | 1,086,376,606 | 152,736,570 | File submitted & under process |
| 2014 | 2015-16 | 511,295,667 | - | - | File yet to be submitted |
| Total | | 7,055,636,843 | 5,958,729,904 | 585,611,272 | |

Highlights of the overall activities of the Bank

| Sl.No# | Particulars | | 2014 | 2013 |
|--------|--|-------|-----------------|-----------------|
| 1 | Paid up Capital | Taka | 5,160,667,110 | 4,487,536,620 |
| 2 | Total Capital | Taka | 11,058,243,959 | 9,259,799,464 |
| 3 | Capital surplus/(deficit) | Taka | 1,228,375,862 | 917,661,620 |
| 4 | Total Assets (excluding off balance sheet items) | Taka | 139,494,580,546 | 115,162,948,384 |
| 5 | Total Deposits | Taka | 114,635,128,102 | 97,485,614,199 |
| 6 | Total Loans & Advances | Taka | 77,899,790,476 | 67,669,376,700 |
| 7 | Total Contingent Liabilities & Commitments | Taka | 37,602,082,034 | 29,234,226,956 |
| 8 | Advance Deposit Ratio | % | 67.95% | 69.41% |
| 9 | % of classified loans against Total Loans | % | 5.68% | 7.59% |
| 10 | Profit after taxation & provisions | Taka | 1,347,107,721 | 1,135,191,520 |
| 11 | Amount of classified loans | Taka | 4,422,149,000 | 5,133,754,000 |
| 12 | Provision kept against Classified loan | Taka | 1,796,856,855 | 2,256,676,728 |
| 13 | Cost of Fund (Deposit cost & overhead cost) | % | 11.04% | 12.32% |
| 14 | Cost of deposit | % | 8.36% | 9.36% |
| 15 | Interest Earning Assets | Taka | 84,236,728,041 | 71,948,361,892 |
| 16 | Non-Interest earning Assets | Taka | 55,257,852,505 | 43,733,279,391 |
| 17 | Return on Assets (ROA) | % | 0.97% | 0.99% |
| 18 | Return on Investment (ROI) | % | 8.77% | 8.02% |
| 19 | Income from Investment | Taka | 3,267,675,057 | 2,660,314,458 |
| 20 | Earning per Share (Taka) | Taka | 2.61 | 2.20 |
| 21 | Net asset value per share | Taka | 20.95 | 19.79 |
| 22 | Net Income per share | Taka | 2.61 | 2.20 |
| 23 | Market value per share | Taka | 12.30 | 16.30 |
| 24 | Price Earning Ratio | Times | 4.71 | 7.41 |

Previous year's figures have been rearranged to conform to the current year's presentation.

Jamuna Bank Limited

Minimum Capital Requirement (MCR) as per BASEL-II Under Risk Based Capital Adequacy As on 31 December 2014

| Particulars | Amount (Tk.) |
|--|-----------------------|
| A. Eligible Capital: | |
| 1. Tier-1 (Core Capital) | 9,110,436,799 |
| 2. Tier-2 (Supplementary Capital) | 1,947,807,160 |
| 3. Tier-3 (eligible for market risk only) | - |
| 4. Total Eligible Capital (1+2+3) | 11,058,243,959 |
| B. Total Risk Weighted Assets (RWA): | 98,298,680,975 |
| C. Capital Adequacy Ratio (CAR) (A4/B)*100 | 11.25% |
| D. Core Capital to RWA (A1/B)*100 | 9.27% |
| E. Supplementary Capital to RWA (A2/B)*100 | 1.98% |
| F. Minimum Capital Requirement (MCR) | 9,829,868,097 |

Risk Weighted Assets (RWA) As on 31 December 2014

| SI # | Particulars | Amount (Tk.) |
|------|---------------------------|-----------------------|
| A. | Credit Risk: | 80,861,234,160 |
| | On-Balance sheet | 67,287,173,298 |
| | Off- Balance sheet | 13,574,060,862 |
| B. | Market Risk | 8,034,367,697 |
| C. | Operational Risk | 9,403,079,118 |
| | Total: RWA (A+B+C) | 98,298,680,975 |

As per Bank Companies Act, 1991 Article 38 (1st schedule) and DOS Circular no.06, dated 15.07.2010 of Bangladesh Bank, we disclose the amount of securities put under Repo & Reverse Repo as follows:

A.1. Disclosure regarding outstanding Repo as on 31 December 2014:

| Sl No | Counter Party Name | Agreement Date | Reversal Date | Amount (1st leg cash consideration) |
|--------------|---------------------------|----------------|---------------|-------------------------------------|
| 1 | Commercial Bank of Ceylon | 29-Dec-14 | 05-Jan-15 | 2,804,167,054 |
| 2 | Prime Bank Ltd. | 29-Dec-14 | 01-Jan-15 | 1,000,473,081 |
| 3 | Janata Bank Ltd. | 30-Dec-14 | 01-Jan-15 | 357,068,018 |
| 4 | Bangladesh Bank | 30-Dec-14 | 01-Jan-15 | 3,254,650,000 |
| Total | | | | 7,416,358,153 |

A.2. Disclosure regarding outstanding Reverse Repo as on 31 December 2014:

| Sl No | Counter Party Name | Agreement Date | Reversal Date | Amount (1st leg cash consideration) |
|--------------|--------------------|----------------|---------------|-------------------------------------|
| 1 | Midland Bank Ltd | 30-Dec-14 | 01-Jan-15 | 372,344,918 |
| Total | | | | 372,344,918 |

B. Disclosure regarding overall transaction of Repo and Reverse Repo:

| Particulars | Minimum outstanding during the Year | Maximum outstanding during the Year | Daily average outstanding during the Year |
|---|-------------------------------------|-------------------------------------|---|
| Securities sold under Repo : | | | |
| 1 With Bangladesh Bank | 258,230,000 | 4,765,650,000 | 277,536,315 |
| 2 With other Banks & FIs | 45,251,693 | 6,013,364,638 | 407,204,688 |
| Securities purchased under Reverse Repo: | | | |
| 1 From Bangladesh Bank | 250,000,000 | 350,000,000 | 2,191,781 |
| 2 From other Banks & FIs | 320,650,116 | 1,407,622,500 | 127,274,236 |

Jamuna Bank Limited

(Off-shore Banking Unit)

Balance Sheet

As at 31 December 2014

| | Notes | 31.12.2014 | | 31.12.2013 |
|---|-------|-------------------|----------------------|--------------------|
| | | USD | Taka | Taka |
| PROPERTY AND ASSETS | | | | |
| Cash | | 59 | 4,654 | 17,754 |
| Cash in hand (including foreign currencies) | | 59 | 4,654 | 17,754 |
| Balance with Bangladesh Bank and Sonali Bank (including foreign currencies) | | - | - | - |
| Balance with other banks and financial institutions | | - | - | - |
| In Bangladesh | | - | - | - |
| Outside Bangladesh | | - | - | - |
| Money at call and short notice | | - | - | - |
| Investment | | - | - | - |
| Government | | - | - | - |
| Others | | - | - | - |
| Loans, advances and leases | 3 | 26,837,322 | 2,112,633,986 | 588,238,653 |
| Loans, cash credits, overdrafts etc. | | - | - | - |
| Bills purchased and discounted | | 26,837,322 | 2,112,633,986 | 588,238,653 |
| Fixed assets including premises, furniture and fixtures | 4 | 10,208 | 803,599 | 969,845 |
| Other assets | 5 | 36 | 2,812 | 2,790 |
| Non-banking assets | | - | - | - |
| Total property & Assets | | 26,847,625 | 2,113,445,051 | 589,229,042 |
| LIABILITIES AND EQUITY | | | | |
| Equity | | | | |
| Translation reserve | | - | 99,472 | - |
| Liabilities | | | | |
| Borrowings from other banks, financial institutions | 6 | - | - | - |
| Deposit and other accounts | 7 | 154,277 | 12,144,655 | 11,944,761 |
| Other liabilities | 8 | 26,693,349 | 2,101,200,924 | 577,284,281 |
| Total Liabilities | | 26,847,625 | 2,113,445,051 | 589,229,042 |

Jamuna Bank Limited

(Off-shore Banking Unit)

Balance Sheet

As at 31 December 2014

| | Notes | 31.12.2014 | | 31.12.2013 |
|---|-------|------------|----------|------------|
| | | USD | Taka | Taka |
| OFF-BALANCE SHEET ITEMS | | | | |
| Contingent liabilities | | - | - | - |
| Acceptances and endorsements | | - | - | - |
| Letter of credit | | - | - | - |
| Letter of guarantee | | - | - | - |
| Bills for collection | | - | - | - |
| Other contingent liabilities | | - | - | - |
| Other commitments | | - | - | - |
| Documentary credit 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 Items including Contingent liabilities | | - | - | - |

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

Jamuna Bank Limited
(Off-shore Banking Unit)
Profit and Loss Account
For the year ended 31 December 2014

| | Notes | 2014 | | 2013 |
|---|-------|----------------|-------------------|------------------|
| | | USD | Taka | Taka |
| Operating Income | | | | |
| Interest income | 9 | 489,603 | 38,203,732 | 10,192,155 |
| Less: Interest paid on deposits and borrowings | 10 | 310,344 | 24,216,117 | 4,100,833 |
| Net Interest Income | | 179,259 | 13,987,615 | 6,091,322 |
| Investment income | | - | - | - |
| Commission / fees, exchange earnings and brokerage | 11 | - | - | 24,035 |
| Other operating income | 12 | - | - | 66,096 |
| Total Operating Income (A) | | 179,259 | 13,987,615 | 6,181,453 |
| Operating Expenses | | | | |
| Salary and allowances | 13 | 32,179 | 2,510,933 | 2,298,286 |
| Rent, taxes, insurance, electricity etc. | 14 | - | - | - |
| Postage, stamp, telecommunication etc. | 15 | 231 | 18,007 | 22,146 |
| Stationery, printing, advertisement etc. | 16 | 186 | 14,510 | 163,257 |
| Depreciation and repairs and maintenance of bank's assets | 17 | 2,211 | 172,527 | 163,503 |
| Other expenses | 18 | 291 | 22,675 | 28,042 |
| Total operating expenses (B) | | 35,097 | 2,738,651 | 2,675,234 |
| Profit/(Loss) before provision (A-B) | | 144,162 | 11,248,964 | 3,506,219 |

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

Jamuna Bank Limited

(Off-shore Banking Unit)

Cash Flow Statement

For the year ended 31 December 2014

| | 2014 | | 2013 |
|--|------------------|---------------------|--------------------|
| | USD | Taka | Taka |
| A. Cash flow from operating activities | | | |
| Interest receipts | 489,603 | 38,203,732 | 10,192,155 |
| Interest payments | (310,344) | (24,216,117) | (4,100,833) |
| Payment to employees | (32,179) | (2,510,933) | (2,298,286) |
| Payment to suppliers | (417) | (32,517) | (185,402) |
| Receipts from other operating activities | - | - | 90,131 |
| Payment to other operating expenses | (2,502) | (195,201) | (191,546) |
| Operating profit before changes in operating assets and liabilities (i) | 144,162 | 11,248,964 | 3,506,219 |
| Increase / (decrease) in operating assets and liabilities | | | |
| Loans and advances to customers | (19,364,778) | (1,524,395,334) | (535,822,464) |
| Other assets | (0.27) | (21) | 367 |
| Deposits from customers | 2,539 | 199,893 | (1,769,021) |
| Other liabilities | 19,215,799 | 1,512,667,680 | 533,993,592 |
| Cash received from operating assets and liabilities (ii) | (146,440) | (11,527,782) | (3,597,525) |
| Net cash flow from operating activities (A+ii) | (2,278) | (278,818) | (91,306) |
| B. Cash flow from investing activities | | | |
| Purchase of property, plant & equipment | 2,110 | 166,246 | 103,473 |
| Net cash used in investing activities (B) | 2,110 | 166,246 | 103,473 |
| C. Cash flow from financing activities | | | |
| Borrowing from Bangladesh Bank | - | - | - |
| Net cash used in financing activities (c) | - | - | - |
| Net increase in cash (A+B+C) | (168) | (112,572) | 12,167 |
| Opening Cash and cash equivalent as at 01 January | 227 | - | 5,587 |
| Cash and cash equivalent as at 31 December | 59 | (112,572) | 17,753 |

| | | | | |
|-----------|---|---|---|---|
| 1.3 (ii) | The person should be a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences. | √ | | |
| 1.3 (iii) | In special cases the above qualifications may be relaxed subject to prior approval of the Commission. | - | - | Noted, but no such cases are required so far. |
| 1.4 | Chairman of the Board and Chief Executive Officer The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer. | √ | | |
| 1.5 (i) | The Directors' Report to Shareholders The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):- (i) Industry outlook and possible future developments in the industry. | √ | | |
| 1.5 (ii) | Segment-wise or product-wise performance. | √ | | |
| 1.5 (iii) | Risks and concerns. | √ | | |
| 1.5 (iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin. | √ | | |
| 1.5 (v) | Discussion on continuity of any Extra-Ordinary gain or loss. | √ | | |
| 1.5 (vi) | Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report. | √ | | |
| 1.5 (vii) | Utilization of proceeds from public issues, rights issues and/or through any others instruments. | √ | | |

| | 31.12.2014 | | 31.12.2013 |
|---|-------------------|----------------------|--------------------|
| | USD | Taka | Taka |
| 3. Loans and advances | | | |
| 3.1 Loans, cash credits and overdrafts etc. | | | |
| <u>In Bangladesh</u> | | | |
| Overdraft | - | - | - |
| Term loan | - | - | - |
| Loan against Accepted Bills | - | - | - |
| Payment against documents | - | - | - |
| | - | - | - |
| <u>Outside Bangladesh</u> | - | - | - |
| | - | - | - |
| 3.2 Bills purchased and discounted | | | |
| <u>Payable in Bangladesh</u> | | | |
| Inland bills purchased | - | - | - |
| <u>Payable outside Bangladesh</u> | | | |
| Foreign bills purchased and discounted | 26,837,322 | 2,112,633,986 | 588,238,653 |
| | <u>26,837,322</u> | <u>2,112,633,986</u> | <u>588,238,653</u> |
| | <u>26,837,322</u> | <u>2,112,633,986</u> | <u>588,238,653</u> |
| 3.3 Maturity grouping of bills purchased and discounted | | | |
| Payable within 1 month | - | - | - |
| Over 1 month but less than 3 months | - | - | - |
| Over 3 months but less than 1 year | 26,837,322 | 2,112,633,986 | 588,238,653 |
| 1 year or more | - | - | - |
| | <u>26,837,322</u> | <u>2,112,633,986</u> | <u>588,238,653</u> |
| 3.4 Geographical location - wise loans and advances | | | |
| Dhaka Division | 26,837,322 | 2,112,633,986 | 588,238,653 |
| Chittagong Division | - | - | - |
| | <u>26,837,322</u> | <u>2,112,633,986</u> | <u>588,238,653</u> |
| 3.5 Sector - wise loans | | | |
| <u>In Bangladesh</u> | | | |
| Government and autonomous bodies | - | - | - |
| Financial Institutions (Public and Private) | - | - | - |
| Other public sector | - | - | - |
| Private sector | 26,837,322 | 2,112,633,986 | 588,238,653 |
| | <u>26,837,322</u> | <u>2,112,633,986</u> | <u>588,238,653</u> |
| <u>Outside Bangladesh</u> | - | - | - |
| | <u>26,837,322</u> | <u>2,112,633,986</u> | <u>588,238,653</u> |
| 4 Fixed assets including furniture & fixture and office equipment at WDV | | | |
| Furniture & fixture | 1,282 | 100,958 | 115,129 |
| Office equipment | 8,926 | 702,641 | 854,716 |
| | <u>10,208</u> | <u>803,599</u> | <u>969,845</u> |
| 5. Other assets | | | |
| Stamp in hand | 36 | 2,812 | 2,790 |
| Balance with main operation | - | - | - |
| | <u>36</u> | <u>2,812</u> | <u>2,790</u> |
| 6 Borrowing from other Banks/Financial Institutions | | | |
| | - | - | - |

| | 31.12.2014 | | 31.12.2013 |
|--|-------------------|----------------------|--------------------|
| | USD | Taka | Taka |
| 7. Deposits and other accounts | | | |
| Current deposits & other accounts | 21,115 | 1,662,170 | 1,649,501 |
| Fixed Deposits | 133,162 | 10,482,484 | 10,295,260 |
| | 154,277 | 12,144,655 | 11,944,761 |
| 7.1 Maturity grouping deposits | | | |
| Repayable on demand; | 21,115 | 1,662,170 | 1,649,501 |
| Repayable within 1 month; | - | - | - |
| Over 1 month but within 6 months; | 106,529 | 8,322,070 | 8,236,208 |
| Over 6 months but within 1 year; | 26,632 | 2,080,517 | 2,059,052 |
| Over 1 year but within 5 years; | - | - | - |
| | 154,277 | 12,064,758 | 11,944,761 |
| 8. Other liabilities | | | |
| Accrued interest | - | - | 55,768 |
| Adjusting account credit | 369 | 29,058 | 28,251 |
| Balance with main operation | 26,548,817 | 2,089,922,903 | 573,694,042 |
| Surplus of profit & loss account transferred to main operation | 144,162 | 11,248,964 | 3,506,219 |
| | 26,693,349 | 2,101,200,924 | 577,284,281 |
| 9. Interest income | | | |
| Interest on advances | 489,603 | 38,203,732 | 10,192,155 |
| | 489,603 | 38,203,732 | 10,192,155 |
| 10. Interest paid on deposit and borrowings | | | |
| Interest on deposits | 660 | 51,500 | - |
| Interest on borrowings | 309,684 | 24,164,618 | 4,100,833 |
| | 310,344 | 24,216,117 | 4,100,833 |
| 11. Commission / fees, exchange earnings and brokerage | | | |
| Commission & fees | - | - | 24,035 |
| Exchange gain and brokerage | - | - | - |
| | - | - | 24,035 |
| 12. Other operating income | | | |
| Postage charges recovery | - | - | - |
| Documentation & processing charge | - | - | - |
| Miscellaneous | - | - | 66,096 |
| | - | - | 66,096 |

| | 31.12.2014 | | 31.12.2013 |
|--|---------------|------------------|------------------|
| | USD | Taka | Taka |
| 13. Salaries and allowances | | | |
| Basic pay | 15,618 | 1,218,655 | 1,108,885 |
| Allowances | 12,383 | 966,261 | 887,275 |
| Bonus | 2,616 | 204,150 | 191,239 |
| Provident fund | 1,562 | 121,866 | 110,888 |
| | 32,179 | 2,510,933 | 2,298,286 |
| 14. Rent, taxes, insurance and electricity etc. | | | |
| Rent, rates and taxes | - | - | - |
| Insurance | - | - | - |
| Electricity | - | - | - |
| | - | - | - |
| 15. Postage, stamp and telecommunication etc. | | | |
| Postage | - | - | 7,117 |
| Tele communication | 231 | 18,007 | 15,029 |
| | 231 | 18,007 | 22,146 |
| 16. Stationery, printing and advertisement etc. | | | |
| Stationery | 102 | 7,946 | 163,257 |
| Computer expenses | 84 | 6,564 | - |
| Advertisement | - | - | - |
| | 186 | 14,510 | 163,257 |
| 17. Depreciation and repairs and maintenance of bank's assets | | | |
| Depreciation | | - | - |
| Furniture & fixtures | 192 | 14,963 | 17,093 |
| Equipment & machinery | 2,019 | 157,564 | 146,410 |
| Repair, renovation & maintenance | - | - | - |
| | 2,211 | 172,527 | 163,503 |
| 18. Other expenses | | | |
| Bank charge | - | - | - |
| Entertainment | 114 | 8,924 | 6,886 |
| Car expenses | - | - | - |
| Books, newspaper, magazine | 34 | 2,662 | 2,062 |
| Traveling expenses | 134 | 10,488 | 10,599 |
| Miscellaneous expenses | 8 | 600 | 509 |
| Loss on currency translation | - | - | 7,986 |
| | 291 | 22,675 | 28,042 |
| 19. General | | | |

19.1 Assets and liabilities have been converted into Taka Currency @ US\$ 1 = Tk. 78.72 which represents the year end spot rate of exchange as at 31 December 2014 and the income and expenses have been converted into Taka Currency @ US\$ 1=Tk. 78.03 which represents the average rate for the year 2014.

Jamuna Bank Limited
Balance Sheet (Islamic Banking)
As at 31 December 2014

| <u>PROPERTY AND ASSETS</u> | NOTES | 31.12.2014 Taka | 31.12.2013 Taka |
|---|-------|-----------------------------|-----------------------------|
| Cash | | 30,833,774 | 47,002,258 |
| Cash in hand | 1 | 30,733,789 | 46,902,273 |
| Balance with Bangladesh Bank and Its agent banks | 2 | 99,985 | 99,985 |
| Balance with other banks and financial institutions | 3 | 344,735 | 339,361 |
| Investments | 4 | 3,215,724,252 | 2,800,073,652 |
| Investment, Murabaha and Bal-Muazzal etc. | | 3,100,307,455 | 2,696,808,138 |
| Bills purchased & discounted | | 115,416,797 | 103,265,514 |
| Fixed assets including premises, furniture and fixture | 5 | 7,065,020 | 7,705,548 |
| Other assets | 6 | 250,149,595 | 360,675,570 |
| Total property and assets | | <u>3,504,117,377</u> | <u>3,215,796,390</u> |
| <u>LIABILITIES AND CAPITAL</u> | | | |
| Facilities from Bangladesh Bank | | - | - |
| Deposits and other accounts | 7 | 3,350,934,918 | 3,084,344,570 |
| Al- wadiah current accounts and other accounts | | 202,684,998 | 234,377,545 |
| Bills payable | | 7,645,870 | 13,353,443 |
| Mudaraba savings bank deposits | | 163,393,007 | 132,560,164 |
| Mudaraba term deposits | | 1,580,532,363 | 1,707,441,626 |
| Mudaraba short notice deposits | | 576,892,625 | 292,950,130 |
| Deposit under special scheme | | 819,774,203 | 703,641,861 |
| Foreign currency deposit | | 11,851 | 19,801 |
| Other liabilities | 8 | 153,182,459 | 131,451,820 |
| Total liabilities | | <u>3,504,117,377</u> | <u>3,215,796,390</u> |

Jamuna Bank Limited

Balance Sheet (Islamic Banking)
As at 31 December 2014

| <u>OFF-BALANCE SHEET ITEMS</u> | Notes | 31.12.2014 Taka | 31.12.2013 Taka |
|---|-------|--------------------|--------------------|
| Contingent liabilities: | | | |
| Acceptances & endorsements | | - | - |
| Letters of guarantee | | 177,357,659 | 173,374,505 |
| Irrevocable letters of credit | | 611,848,461 | 242,338,322 |
| Bills for collection | | 37,412,000 | 55,967,300 |
| Other contingent liabilities | | - | - |
| | | 826,618,120 | 471,680,127 |
| Other commitments: | | | |
| Documentary credits and short term trade related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Indrawn note issuance and revolving underwriting facilities | | - | - |
| Indrawn formal standby facilities, credit lines and other commitments | | - | - |
| | | 826,618,120 | 471,680,127 |
| Total Off-Balance Sheet Items including contingent liabilities | | 826,618,120 | 471,680,127 |

The annexed notes form an integral part of the balance sheet.

Jamuna Bank Limited

Profit and Loss Account (Islamic Banking)
For the year ended 31 December 2014

| <u>Particulars</u> | <u>Notes</u> | <u>2014 Taka</u> | <u>2013 Taka</u> |
|--|--------------|----------------------|----------------------|
| Investment income | 10 | 554,979,746 | 731,115,197 |
| Profit paid on deposits and borrowings etc. | 11 | 371,866,281 | 538,864,162 |
| Net investment income | | 183,113,465 | 192,251,035 |
| Commission, exchange and brokerage income | 12 | 15,813,121 | 14,807,497 |
| Other operating income | 13 | 6,779,248 | 6,077,874 |
| Total operating income (A) | | 205,705,835 | 213,136,407 |
| Operating expenses | | | |
| Salary and allowances | 14 | 38,368,132 | 36,140,924 |
| Rent, taxes, insurance, electricity, etc. | 15 | 5,186,977 | 3,686,176 |
| Postage, stamps, telecommunication, etc. | 16 | 1,133,417 | 1,408,374 |
| Stationery, printings, advertisements, etc. | 17 | 839,741 | 897,379 |
| Depreciation and repairs and maintenance of assets | 18 | 2,305,800 | 2,252,264 |
| Other expenses | 19 | 3,912,575 | 3,904,900 |
| Total operating expenses (B) | | 51,746,642 | 48,290,017 |
| Profit before provisions (A-B) | 9 | 153,959,193 | 164,846,390 |

The annexed notes form an integral part of the profit and loss account.

Jamuna Bank Limited

Cash Flow Statement (Islamic Banking) For the year ended 31 December 2014

| Particulars | Notes | 2014 Taka | 2013 Taka |
|--|-------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Investment income receipts | | 554,979,746 | 731,115,197 |
| Profit paid on deposits | | (371,866,281) | (538,864,162) |
| Fee and commission receipts | | 15,813,121 | 14,807,498 |
| Payments to employees | | (38,368,132) | (36,140,924) |
| Payments to suppliers | | (1,973,158) | (2,305,753) |
| Receipts from other operating activities | 20 | 6,779,248 | 6,077,874 |
| Payments to other operating activities | 21 | (9,529,827) | (8,079,910) |
| (I) Operating profit before changes in operating assets and liabilities | | 155,834,718 | 166,609,820 |
| Increase /Decrease in operating assets & liabilities | | | |
| Investments to customers | | (415,650,600) | (44,071,859) |
| Other assets | | 110,525,976 | 555,637,012 |
| Deposit from customers & banks | | 270,378,036 | (690,117,780) |
| Interest payable to the customers & banks | | (3,787,688) | 219,469,755 |
| Other current liabilities | | 21,730,639 | (10,041,388) |
| (II) Cash received from operating assets and liabilities | | (16,803,638) | 30,875,740 |
| Net cash from operating activities (A)=(I+II) | | 139,031,080 | 197,485,560 |
| Cash flows from investing activities | | | |
| Income received from investments | | - | - |
| Payments for purchase of securities | | - | - |
| Purchase of property, plant & equipment | | (1,234,997) | (1,426,655) |
| Adjustment for property, plant & equipment | | - | - |
| Net cash flow from investing activities (B) | | (1,234,997) | (1,426,655) |
| Cash flows from financing activities | | | |
| Payments for borrowings | | - | - |
| Profit transfer to head office | | (153,959,193) | (164,846,390) |
| | | - | - |
| Net cash flow from financing activities (C) | | (153,959,193) | (164,846,391) |
| Net Increase/ Decrease in cash and cash equivalent (A+B+C) | | (16,163,110) | 31,212,514 |
| Cash and cash equivalents at beginning year | | 47,341,619 | 16,129,105 |
| Cash and cash equivalents at end of the period (*) | | 31,178,509 | 47,341,619 |
| (*) Closing cash & cash equivalent | | | |
| Cash in hand (including foreign currency) | | 30,733,789 | 46,902,273 |
| Balance with Bangladesh Bank and its agent banks | | 99,985 | 99,985 |
| Balance with other bank's and financial institutions | | 344,735 | 339,361 |
| | | 31,178,509 | 47,341,619 |

The annexed notes form an integral part of the cash flow statement.

Jamuna Bank Limited

Notes to the Financial Statements (Islamic Banking)

For the year ended 31 December 2014

| | | 31.12.2014 Taka | 31.12.2013 Taka |
|---|-------------|----------------------|----------------------|
| 1. Cash in Hand | | | |
| Local currency | | 30,352,213 | 46,481,559 |
| Foreign currency | | 381,576 | 420,714 |
| | | <u>30,733,789</u> | <u>46,902,273</u> |
| 2. Balance with Bangladesh Bank and its Agent Bank | | | |
| Local currency | | 99,985 | 99,985 |
| Foreign currency | | - | - |
| | | <u>99,985</u> | <u>99,985</u> |
| 3. Balance with Other Banks and Financial Institutions | | | |
| In Bangladesh | (Note: 3.1) | 344,735 | 339,361 |
| Outside Bangladesh | | - | - |
| | | <u>344,735</u> | <u>339,361</u> |
| 3.1 In Bangladesh | | | |
| In Short Term Deposit Account | | | |
| Social Investment Bank Ltd. | | <u>344,735</u> | <u>339,361</u> |
| 4. Investments | | | |
| Investment, Murabaha, Bai-Muazzal etc. | (Note: 4.1) | 3,100,307,455 | 2,696,808,138 |
| Bills Purchased | (Note: 4.2) | 115,416,797 | 103,265,514 |
| | | <u>3,215,724,252</u> | <u>2,800,073,652</u> |
| 4.1 Investment, Murabaha, Bai-Muazzal etc. | | | |
| Bai-Muazzal | | 2,067,891,399 | 1,526,191,025 |
| MPI trust receipt | | 447,250,628 | 644,459,904 |
| Murabaha | | 23,445,650 | 41,491,984 |
| Quards | | 58,743,452 | 59,404,104 |
| Hire Purchase | | 402,599,473 | 386,945,596 |
| Small and Medium Enterprise | | 100,376,853 | 38,273,640 |
| Shop finance scheme | | - | 41,884 |
| | | <u>3,100,307,455</u> | <u>2,696,808,138</u> |
| 4.2 Bills Purchased and Discounted | | | |
| Payable in Bangladesh | | 113,622,797 | 103,265,514 |
| Payable outside Bangladesh | | 1,794,000 | - |
| | | <u>115,416,797</u> | <u>103,265,514</u> |

4.3 Maturity-wise Classification of Investments

| | 31.12.2014 Taka | 31.12.2013 Taka |
|--------------------------------|----------------------|----------------------|
| Repayable on demand | 335,400,040 | 319,813,583 |
| Not more than 3 months | 1,058,937,996 | 845,011,868 |
| Over 3 month but within 1 year | 1,362,180,793 | 1,186,395,883 |
| Over 1 year but within 5 years | 343,760,923 | 348,438,036 |
| More than 5 years | 115,444,501 | 100,414,281 |
| | 3,215,724,252 | 2,800,073,651 |

4.4 Geographical Location wise Investments

| a) Urban | % of total loan | | |
|---------------------|-----------------|----------------------|----------------------|
| Dhaka Division | 80.61% | 2,592,190,955 | 2,139,716,991 |
| Chittagong Division | 19.39% | 623,533,297 | 660,356,660 |
| | 100% | 3,215,724,252 | 2,800,073,651 |

5. Fixed Assets Including Premises, Furniture & Fixture

| | | |
|-----------------------------------|------------------|------------------|
| Furniture & Fixture | 2,924,497 | 3,311,933 |
| Equipments & Machineries | 4,140,523 | 4,393,615 |
| Details are shown in Annexure - J | 7,065,020 | 7,705,548 |

6. Other Assets

| | | |
|---|--------------------|--------------------|
| i) Stationery, Stamps, Printing materials in stock etc. | 66,401 | 121,273 |
| ii) Advance Rent | 4,328,800 | 5,256,400 |
| iii) Profit Receivable | 3,364,559 | 3,842,523 |
| iv) Security deposit | 45,400 | 45,400 |
| v) Branch adjustment | 241,853,050 | 350,869,558 |
| vi) Suspense account (Note: 6.1) | - | 7,072 |
| vii) Others (Note: 6.2) | 491,385 | 533,345 |
| | 250,149,595 | 360,675,570 |

6.1 Suspense's Account

Amount of Suspense's Account represents advances payments against various contracts.

6.2 Others

| | | |
|-----------------------------------|----------------|----------------|
| Advance against insurance premium | 333,885 | 278,345 |
| Misc. Asset | 157,500 | 255,000 |
| | 491,385 | 533,345 |

6.3 Non-income Generating Classification of Other Assets

| | | |
|---|--------------------|--------------------|
| Stationery, Stamps, Printing materials in stock, etc. | 66,401 | 121,273 |
| Advance Rent | 4,328,800 | 5,256,400 |
| Interest receivable | 3,364,559 | 3,842,523 |
| Security deposit | 45,400 | 45,400 |
| Branch adjustment | 241,853,050 | 350,869,558 |
| Suspense account | - | 7,072 |
| Advance against insurance premium | 333,885 | 278,345 |
| Misc. Asset | 157,500 | 255,000 |
| | 250,149,595 | 360,675,570 |

| | | 31.12.2014 Taka | 31.12.2013 Taka |
|--|-------------|---------------------------|---------------------------|
| 7. Deposits and Other Accounts | | | |
| Al- Wadiah Current Accounts and other Accounts | (Note: 7.2) | 202,684,998 | 234,377,545 |
| Bills Payable | (Note: 7.3) | 7,645,870 | 13,353,443 |
| Mudaraba Savings Bank Deposits | | 163,393,007 | 132,560,164 |
| Mudaraba Term Deposits | | 1,580,532,363 | 1,707,441,626 |
| Mudaraba Short Notice Deposits | | 576,892,625 | 292,950,130 |
| Deposit Under special Scheme | | 819,774,203 | 703,641,861 |
| Foreign Currency Deposit | | 11,851 | 19,801 |
| | | 3,350,934,918 | 3,084,344,570 |
| 7.1 As per following segregation | | | |
| Inter Bank Deposits | | 494,054,327 | 223,676,292 |
| Other Deposits | | 2,856,880,591 | 2,860,668,279 |
| | | 3,350,934,918 | 3,084,344,570 |
| 7.2 Al- Wadiah Current Accounts and Other Accounts | | | |
| Current deposit | | 97,030,419 | 120,064,812 |
| Sundry deposit | | 70,842,419 | 71,070,561 |
| Profit Payable | | 34,812,160 | 43,242,172 |
| | | 202,684,998 | 234,377,545 |
| 7.3 Bills Payable | | | |
| DD payable | | 1,600 | 1,600 |
| P.O Issued | | 7,644,270 | 13,351,843 |
| | | 7,645,870 | 13,353,443 |
| 7.4 Maturity Grouping of Deposit and Other Accounts | | | |
| Repayable on demand | | 435,621,539 | 462,651,686 |
| Repayable within 1 month | | 469,130,888 | 339,277,903 |
| Over 1 month but within 6 months | | 1,239,845,920 | 1,233,737,828 |
| Over 6 months but within 1 year | | 435,621,539 | 339,277,903 |
| Over 1 year but within 5 years | | 402,112,190 | 308,434,457 |
| Over 5 years but within 10 years | | 368,602,841 | 400,964,794 |
| | | 3,350,934,918 | 3,084,344,570 |
| 8. Other Liabilities | | | |
| Interest suspense account | | 9,459,011 | 8,419,105 |
| Accrued profit on investment | | 141,396,528 | 122,649,651 |
| Adjusting account credit | | 67,034 | 383,064 |
| Others | | 2,259,885 | - |
| | | 153,182,459 | 131,451,820 |

| 9. Profit & Loss Account | | 31.12.2014 | 31.12.2013 |
|---|--------------|--------------------|--------------------|
| | | Taka | Taka |
| Income | | | |
| Profit, discount and similar income | (Note: 10) | 554,979,746 | 731,115,197 |
| Fess, Commission and Brokerage | (Note: 9.1) | 13,426,893 | 12,127,519 |
| Gain arising from dealing in foreign currencies | (Note: 9.2) | 2,386,228 | 2,679,978 |
| Other Operating Income | (Note: 13) | 6,779,248 | 6,077,874 |
| | | 577,572,116 | 752,000,569 |
| Expenses | | | |
| Profit and similar expenses | (Note: 11) | 371,866,281 | 538,864,162 |
| Administrative expenses | (Note: 9.3) | 45,958,542 | 42,621,687 |
| Other operating Expenses | | 3,912,575 | 3,904,900 |
| Depreciation on banking assets | (Note: 18) | 1,875,525 | 1,763,430 |
| | | 423,612,923 | 587,154,179 |
| Profit before tax & provision | | 153,959,193 | 164,846,390 |
| 9.1 Commission & Brokerage Income | | | |
| Commission | | 13,426,893 | 12,127,519 |
| Brokerage | | - | - |
| | | 13,426,893 | 12,127,519 |
| 9.2 Exchange Gain | | | |
| On foreign bill purchased | | 2,386,228 | 2,679,978 |
| | | 2,386,228 | 2,679,978 |
| 9.3 Administrative Expenses | | | |
| Salary and allowances | | 38,368,132 | 36,140,924 |
| Rent, taxes, insurance, electricity, etc. | | 5,186,977 | 3,686,176 |
| Postage, stamps, telecommunication, etc. | | 1,133,417 | 1,408,374 |
| Stationery, Printings, Advertisements, etc. | | 839,741 | 897,379 |
| Repairs and maintenance of bank's assets | | 430,275 | 488,834 |
| | | 45,958,542 | 42,621,687 |
| 10. Investment Income | | | |
| Profit on Investment | (Note: 10.1) | 405,836,878 | 417,864,277 |
| Profit on deposit to other bank / Financial inst. | | 5,374 | 15,511 |
| | | 405,842,251 | 417,879,788 |
| Profit received on JBL General account | | 149,137,495 | 313,235,409 |
| | | 554,979,746 | 731,115,197 |

| | 31.12.2014 | 31.12.2013 |
|--|--------------------|--------------------|
| | Taka | Taka |
| 10.1 Profit on Investment (Loan & Advances) | | |
| Profit on Bai-Muazzal (General/Com./others) | 225,284,281 | 216,541,789 |
| MPI Trust Receipt | 81,704,431 | 89,782,452 |
| Profit on Murabaha (Import) | 702,184 | 636,411 |
| Profit on local document bill purchased (LDBP) | 18,749,514 | 22,838,572 |
| Quards against MTDR/ Others | 6,446,942 | 7,326,392 |
| Profit on PAD/MIB | 1,828,594 | 5,274,949 |
| Profit on SME finance | 12,209,875 | 5,237,681 |
| Profit on Hire Purchase | 58,911,056 | 70,226,031 |
| | 405,836,878 | 417,864,277 |
| 11. Profit paid on Deposit & Borrowings etc | | |
| Profit paid on deposits (Note: 11.1) | 371,835,002 | 538,864,162 |
| Profit paid on borrowing from BB | - | - |
| | 371,835,002 | 538,864,162 |
| Profit paid on JBL General account | 31,279 | - |
| | 371,866,281 | 538,864,162 |
| 11.1 Profit Paid on Deposits | | |
| Profit paid on Mudaraba Savings Deposit | 5,936,471 | 8,945,664 |
| Profit paid on Mudaraba Short Notice Deposit | 113,638,936 | 275,668,166 |
| Profit paid on Mudarba Term Deposit | 173,174,588 | 199,243,858 |
| Profit paid on Scheme Deposit | 79,085,007 | 55,006,474 |
| | 371,835,002 | 538,864,162 |
| 12. Commission, Exchange & Brokerage Income | | |
| Commission | 13,426,893 | 12,127,519 |
| Exchange gain (Note: 9.2) | 2,386,228 | 2,679,978 |
| | 15,813,121 | 14,807,497 |
| 13. Other Operating Income | | |
| Charges on account closing | 15,204 | 19,482 |
| Charges on clearing returned & house | 35,393 | 29,582 |
| Service charge | 1,941,381 | 2,041,785 |
| Postage charges recovery | 69,291 | 55,965 |
| Telephone, telex & e-mail | 1,862,506 | 1,844,550 |
| Courler service | 30,000 | 51,600 |
| Documentation/ Processing Charge | 816,071 | 1,004,525 |
| Cheque Issuance Fees | 225,694 | 137,989 |
| Other receipts | 1,783,709 | 892,398 |
| | 6,779,248 | 6,077,874 |
| 14. Salary and Allowances | | |
| Basic Salary | 18,088,839 | 16,790,700 |
| Allowances | 18,570,793 | 17,674,645 |
| Salary Casual Staff | 1,708,500 | 1,675,579 |
| | 38,368,132 | 36,140,924 |

| | | 31.12.2014 Taka | 31.12.2013 Taka |
|---|--------------|--------------------|--------------------|
| 15. Rent, Taxes, Insurance, Electricity, etc. | | | |
| Rent | | 3,531,013 | 2,172,079 |
| Insurance expenses | (Note: 15.1) | 400,714 | 384,627 |
| Electricity bill | | 1,044,940 | 844,508 |
| WASA & Gas Bill | | 70,300 | 61,800 |
| Generator fuel | | 140,010 | 223,162 |
| | | <u>5,186,977</u> | <u>3,686,176</u> |
| 15.1 Insurance Expenses | | | |
| On Cash on transit, Cash in safe & Cash on counter | | <u>400,714</u> | <u>384,627</u> |
| 16. Postage, Stamps, Telecommunication etc. | | | |
| Postage Charges | | 105,242 | 63,847 |
| Stamps & law charge | | 116,450 | 216,369 |
| Online/ VSAT Charges | | 687,136 | 843,085 |
| Fax, Telex & Internet charges | | 21,571 | 43,622 |
| Tele communication | | 203,018 | 241,450 |
| | | <u>1,133,417</u> | <u>1,408,374</u> |
| 17. Stationery, Printing and Advertisements etc. | | | |
| Office stationery | | 199,774 | 204,828 |
| Printing stationery | | 132,612 | 261,522 |
| Security stationery | | 211,750 | 96,080 |
| Computer paper | | 72,903 | 103,961 |
| Ribbon, Diskette, Cable etc. | | 216,875 | 128,989 |
| Software maintenance | | 5,826 | 102,000 |
| | | <u>839,741</u> | <u>897,379</u> |
| 18. Depreciation and Repairs and Maintenance of Assets | | | |
| Repair, renovation & maintenance | | 430,275 | 488,834 |
| Depreciation | | 1,875,525 | 1,763,430 |
| | | <u>2,305,800</u> | <u>2,252,264</u> |
| 19. Other Expenses | | | |
| Security services | | 1,851,990 | 1,798,655 |
| Entertainment | | 393,336 | 403,639 |
| Car expenses | | 993,259 | 1,078,283 |
| Books, newspaper & magazine | | 17,884 | 13,325 |
| Donation | | 13,700 | 5,700 |
| Traveling expenses | | 303,542 | 189,365 |
| Conveyance, labour charges | | 132,526 | 179,781 |
| Liveries and uniform | | 16,000 | 16,290 |
| Business development | | 1,525 | 2,500 |
| Drinking Water | | 40,874 | 61,278 |
| Sanitation & cleaning | | 2,549 | 4,114 |
| Photograph & photocopy | | 290 | 12,536 |
| Cash carrying / remit. charge | | 98,750 | 89,900 |
| Bank Charges | | 1,650 | 3,500 |
| Sundry expenses | | 44,700 | 46,034 |
| | | <u>3,912,575</u> | <u>3,904,900</u> |

20. Receipt from Other Operating Activities

| | 31.12.2014 | 31.12.2013 |
|----------------------------------|-------------------|-------------------|
| | Taka | Taka |
| Charges on account closing | 15,204 | 19,482 |
| Charges on clearing returned | 35,393 | 29,582 |
| Service charge | 1,941,381 | 2,041,785 |
| Postage charges recovery | 69,291 | 55,965 |
| Telephone, telex & e-mail | 1,862,506 | 1,844,550 |
| Courier service | 30,000 | 51,600 |
| Documentation/ Processing Charge | 816,071 | 1,004,525 |
| Cheque Issuance Fees | 225,694 | 137,989 |
| Other receipts | 1,783,709 | 892,398 |
| | 6,779,248 | 6,077,874 |

21. Payment to Other Operating Activities

| | | |
|----------------------------------|------------------|------------------|
| Rent | 3,531,013 | 2,172,079 |
| Insurance expenses | 400,714 | 384,627 |
| Electricity bill | 1,044,940 | 844,508 |
| WASA & Gas Bill | 70,300 | 61,800 |
| Generator fuel | 140,010 | 223,162 |
| Repair, renovation & maintenance | 430,275 | 488,834 |
| Security & cleaning services | 1,851,990 | 1,798,655 |
| Entertainment | 393,336 | 403,639 |
| Car expenses | 993,259 | 1,078,283 |
| Books, newspaper & magazine | 17,884 | 13,325 |
| Donation | 13,700 | 5,700 |
| Traveling expenses | 303,542 | 189,365 |
| Conveyance, labour charges | 132,526 | 179,781 |
| Liveries and uniform | 16,000 | 16,290 |
| Business development | 1,525 | 2,500 |
| Drinking Water | 40,874 | 61,278 |
| Sanitation & cleaning | 2,549 | 4,114 |
| Photograph & photocopy | 290 | 12,536 |
| Cash carrying / remit. charge | 98,750 | 89,900 |
| Bank Charges | 1,650 | 3,500 |
| Sundry expenses | 44,700 | 46,034 |
| | 9,529,827 | 8,079,910 |

(Note: 15.1)

Jamuna Bank Limited

Schedule of Fixed Assets (Islamic Banking)

As at 31 December 2014

| Particulars | COST | | | Dep. Rate | DEPRECIATION | | | Written down as on 31.12.14 |
|-------------------------|------------------------|--------------------------|----------------|-----------|------------------------|-------------------------|-------------------|-----------------------------|
| | Balance as on 01.01.14 | Addition during the year | Adjustment | | Balance as on 31.12.14 | Charged during the year | Adjustment | |
| Furniture & Fixture | 8,010,282 | 290,398 | 79,855 | 10% | 4,698,349 | 597,979 | 5,296,328 | 2,924,497 |
| Equipment & Machinery | 11,824,860 | 1,143,036 | 118,582 | 15% | 7,431,245 | 1,277,546 | 8,708,791 | 4,140,523 |
| As on 31.12.2014 | 19,835,142 | 1,433,434 | 198,437 | | 12,129,594 | 1,875,525 | 14,005,119 | 7,065,020 |
| As on 31.12.2013 | 18,408,487 | 1,426,655 | - | | 10,366,164 | 1,763,430 | 12,129,594 | 7,705,548 |

Auditor's Report To the Shareholders of Jamuna Bank Capital Management Limited

We have audited the accompanying financial statements of Jamuna Bank Capital Management Limited, which comprise the Statement of Financial Position as on 31 December 2014, and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

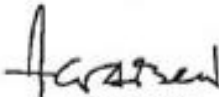
In our opinion, the financial statement referred to above give a true and fair view of the financial position of Jamuna Bank Capital Management Limited as on 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act 1994, the Securities and Exchange Act 1993, the Securities and Exchange Rules 1987, conditions for Registration issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulations; and

- a) 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;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the financial statements dealt with by this report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purpose of business of the Jamuna Bank Capital Management Limited.

Dhaka,
22 January 2015


ACNABIN
Chartered Accountants

Jamuna Bank Capital Management Limited

Statement of Financial Position

As on 31 December 2014

| ASSETS | Notes | 31.12.2014 Taka | 31.12.2013 Taka |
|--|--------------|----------------------------|----------------------------|
| Non-Current Assets | | | |
| Property, Plant and Equipment | 3 | 1,870,585 | 2,129,883 |
| Intangible Assets | 4 | 1,353,750 | 1,803,750 |
| Preliminary Expenses | 5 | 106,045 | 212,090 |
| | | 3,330,380 | 4,145,723 |
| Current Assets | | | |
| Cash and Bank Balances | 6 | 14,854,126 | 309,458,474 |
| Investment | 7 | 78,193,698 | 79,480,192 |
| Loans and Advances | 8 | 1,176,497,118 | 770,462,834 |
| Receivable from Brokers | 9 | 9,530,916 | 102,263,244 |
| Other Current Assets | 10 | 160,734,142 | 94,071,571 |
| | | 1,439,809,999 | 1,355,736,315 |
| Total Assets | | 1,443,140,379 | 1,359,882,038 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share Capital | 11 | 1,000,000,000 | 1,000,000,000 |
| Retained Earnings | 12 | 19,337,527 | 14,467,947 |
| | | 1,019,337,527 | 1,014,467,947 |
| Liabilities | | | |
| Current Liabilities | | | |
| Loans | | 45,633,136 | 32,829 |
| Deposits from Customers | 13 | 8,357,990 | 10,770,107 |
| Payable to Brokers | 14 | 9,027,537 | 94,808,947 |
| Payable Against Sale Proceeds | | 3,361,549 | 26,790,637 |
| Provision for Expenses | 15 | 2,319,772 | 2,098,257 |
| Provision for Margin Loan | 16 | 131,976,337 | 55,848,963 |
| Provision for Diminution in Value of Investments | 17 | 2,791,946 | 6,329,838 |
| Provision for Income Tax | 18 | 207,955,389 | 132,079,914 |
| Other Liabilities | 19 | 12,379,196 | 16,654,599 |
| | | 423,802,852 | 345,414,091 |
| Total Equity and Liabilities | | 1,443,140,379 | 1,359,882,038 |

The annexed notes form an integral part of the Statement of Financial Position.


Director


Director


Chief Executive Officer

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka,
22 January 2015


ACNABIN
Chartered Accountants

Jamuna Bank Capital Management Limited
Statement of Profit of Loss and Other Comprehensive Income
For the year ended 31 December 2014

| | Notes | 2014 Taka | 2013 Taka |
|--|-------|--------------------|--------------------|
| Operating Income | | | |
| Interest Income | 20 | 155,745,876 | 162,224,047 |
| Less: Interest Expenses | 21 | 1,079,295 | 1,083,354 |
| Net Interest Income | | 154,666,581 | 161,140,693 |
| Income from Investment | 22 | 21,777,138 | 6,575,691 |
| Fees and Charges | 23 | 47,933,539 | 48,987,420 |
| Other Operating Income | 24 | 2,049,284 | 1,192,408 |
| | | <u>71,759,961</u> | <u>56,755,518</u> |
| Total Operating Income (A) | | 226,426,543 | 217,896,211 |
| Operating Expense | | | |
| Salaries and Allowances | 25 | 12,170,788 | 10,566,419 |
| Rent, Taxes, Insurance and Electricity | 26 | 3,103,349 | 2,920,619 |
| Legal Expenses | 27 | 57,500 | 310,131 |
| Postage, Stamps and Telecommunication | 28 | 268,540 | 265,678 |
| Stationery, Printings and Advertisements | 29 | 669,290 | 519,052 |
| Directors' Fees and Other Expenses | 30 | 143,293 | 58,650 |
| Auditor's Fee | | 166,111 | 106,950 |
| Depreciation on Property, Plant and Equipment | | 412,573 | 381,241 |
| Amortization of Intangible Asset | | 450,000 | 450,000 |
| CDSL Charges | 31 | 3,542,182 | 2,840,831 |
| Other Expenses | 32 | 2,108,379 | 1,544,324 |
| Total Operating Expenses (B) | | 23,092,006 | 19,963,895 |
| Profit Before Provisions C=(A-B) | | 203,334,537 | 197,932,316 |
| Provisions for Margin Loan and Investment | | | |
| Provision for Margin Loan | | | |
| General Provision | 16.1 | 4,060,343 | 2,157,656 |
| Special Provision | 16.2 | 10,166,727 | 9,896,616 |
| Provision for Equity Shortfall | 16.3 | 61,900,304 | 27,221,479 |
| Provision for Diminution in Value of Investments | 17 | (3,537,892) | (4,673,948) |
| Total Provision (D) | | 72,589,481 | 34,601,803 |
| Profit Before Tax (C-D) | | 130,745,055 | 163,330,513 |
| Provision for tax for the year | 18 | 75,875,476 | 73,220,527 |
| Net Profit After Tax | | 54,869,580 | 90,109,986 |

The annexed notes form an integral part of the Statement of Profit or Loss and Other Comprehensive Income.


Director


Director


Chief Executive Officer

This is the Statement of Comprehensive Income referred to in our separate report of even date.

Dhaka,
22 January 2015


ACNABIN
Chartered Accountants

Jamuna Bank Capital Management Limited

Statement of Changes in Equity

For the year ended 31 December 2014

(Amount in Taka)

| Particulars | Paid up Capital | Retained Earnings | Total Equity |
|---|----------------------|-------------------|----------------------|
| Balance as on 01 January 2014 | 1,000,000,000 | 14,467,947 | 1,014,467,947 |
| Net Profit of the year 2014 | - | 54,869,580 | 54,869,580 |
| Interim dividend paid (January to October 2014) | | (50,000,000) | (50,000,000) |
| Balance as on 31 December 2014 | 1,000,000,000 | 19,337,527 | 1,019,337,527 |

| | | | |
|--|----------------------|-------------------|----------------------|
| Balance as on 01 January 2013 | 1,000,000,000 | 4,357,961 | 1,004,357,961 |
| Net Profit of the year 2013 | - | 90,109,986 | 90,109,986 |
| Interim dividend paid (January to November 2013) | | (80,000,000) | (80,000,000) |
| Balance as on 31 December 2013 | 1,000,000,000 | 14,467,947 | 1,014,467,947 |

Dhaka,
22 January 2015



Director



Director



Chief Executive Officer

Jamuna Bank Capital Management Limited

Statement of Cash Flows

For the year ended 31 December 2014

| | 2014 Taka | 2013 Taka |
|---|----------------------|----------------------|
| a. Cash Flows from Operating Activities | | |
| Interest Income | 155,745,876 | 162,224,047 |
| Interest Expense Paid | (1,079,295) | (1,083,354) |
| Income from Investment | 21,777,138 | 6,575,691 |
| Fees and Charges | 47,933,539 | 48,987,420 |
| Advance Income Tax | (71,489,485) | (54,797,623) |
| Other Operating Income | 2,049,284 | 1,192,408 |
| Operating Expenses Paid in Cash | (21,901,873) | (19,273,766) |
| Cash generated from Operating Activities before changes in Operating Asset and Liabilities | 133,035,184 | 143,824,823 |
| Increase / (Decrease) in Operating Liabilities | | |
| Loans Secured over Draft (SoD) | 45,600,307 | (579,195) |
| Deposits from Customers | (2,412,117) | 7,562,540 |
| Payable to Brokers | (85,781,409) | 48,305,563 |
| Payable Against Sale Proceeds | (23,429,088) | 11,625,544 |
| Other Liabilities | (4,275,403) | 5,011,237 |
| Increase/(Decrease) in Operating Assets | | |
| Loans and Advances | (406,034,284) | (215,765,627) |
| Receivable from Brokers | 92,732,328 | (57,554,387) |
| Other Current Assets | 4,826,915 | (2,058,283) |
| | (378,772,751) | (203,452,608) |
| Net cash (used in)/flow from Operating Activities | (245,737,567) | (59,627,786) |
| b. Cash Flow from Investing Activities | | |
| Acquisition of Property, Plant and Equipment | (153,276) | (336,088) |
| Investment | 1,286,494 | (22,998,143) |
| Net cash (used in)/flow from Investing Activities | 1,133,218 | (23,334,231) |
| c. Cash Flow from Financing Activities | | |
| Proceeds from Issue of Share Capital | - | - |
| Interim Dividend Paid | (50,000,000) | (80,000,000) |
| Net cash (used in)/flow from Financing Activities | (50,000,000) | (80,000,000) |
| Net (deficit)/ surplus in Cash and Bank Balance for the year | (294,604,348) | (162,962,017) |
| Cash and Bank Balance at beginning of the year | 309,458,474 | 472,420,491 |
| Cash and Bank Balance at the end of the year | 14,854,126 | 309,458,474 |

Dhaka,
22 January 2015


Director


Director


Chief Executive Officer

Jamuna Bank Capital Management Limited

Notes to the Financial Statements

For the period ended 31 December 2014

1. Background Information

1.1 Incorporation and Legal Status

Jamuna Bank Capital Management Limited was established on 23 December 2009 vide Reg.# C-81290/09 under the Companies Act 1994 as a private company limited by shares. The company is a subsidiary of Jamuna Bank Limited. The registered office of the company is situated at Hadi Mansion (3rd floor), 2 Dilkusha C/A, Dhaka-1000. The company started its operation as on 10 April 2011.

Jamuna Bank Capital Management Limited has achieved an unparalleled reputation as a leading Merchant Banker through providing portfolio management services by maintaining a high level of professional expertise and integrity in client relationship.

1.2 Nature of business of Jamuna Bank Capital Management Limited (JBCML)

The main objectives of the company are to act as a full-fledged merchant banker & portfolio manager to provide the following services:

- i. Underwrite public issue of shares and debentures or bonds of issues (Public Limited Companies);
- ii. Underwrite shares and debentures issues of Publicly traded companies;
- iii. Manage public issues of issuers of shares, debentures and bonds of companies intending to float shares and debentures for public subscription;
- iv. Manage right shares/debentures of issuers;
- v. Manage portfolio of Investments in securities (equity shares and fixed income securities) on behalf of clients under different modes of Investment Account;
- vi. Arrange for Pre-IPO private placement arrangements for investors; and
- vii. To participate in Pre-IPO private placement arrangements for Jamuna Bank Limited.

1.3 Regulatory Authorities

- i. Bangladesh Securities and Exchange Commission (BSEC) -29 November 2010
- ii. Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited

2. Significant Accounting Policies

2.1 Basis of Presentation of Financial Statements

The financial statements of the company have been prepared applying accrual basis of accounting under the historical cost convention in accordance with Bangladesh Financial Reporting Standards.

2.2 Revenue Recognition

The revenue during the period under audit is recognized satisfying the conditions as specified in Bangladesh Accounting Standards (BAS) 18 "Revenue Recognition".

2.3 Statement of Cash Flows

The statement of cash flows is prepared in accordance with Bangladesh Accounting Standard (BAS) 7 "Cash Flow Statement" and the cash flow from the operating activities has been presented under direct method.

2.4 Loans & Advances and Provision

Interest is calculated on daily product basis but charged and accounted for quarterly on accrual basis.

As per circular no. SEC/CMRRCD/2006-159/Adminstration/1-29 dated 02 October 2007, JBCML has created a 1% General Provision against outstanding loan amount at the end of the year 2013 due to fluctuating situation in the capital market.

2.5 Preliminary Expense

Expenses incurred for incorporation of the company i.e. preliminary expenses have been deferred and are being amortized/written off over a period of five years from 2011 upon commencement of commercial operation of the company.

2.6 Intangible Assets

Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

2.7 Property, Plant and Equipment

Property, Plant and Equipment are recognized as assets in accordance with Bangladesh Accounting Standard (BAS) 16: "Property Plant and Equipment".

2.8 Depreciation

During the period under audit, depreciation is charged at rates varying from 10% to 15% based on the nature & useful lives of the assets. Depreciation has been charged on addition during the period when respective assets put into use and in case of sale, up to date of sale. The depreciation rates are as under:

| Assets | Rate of Depreciation |
|------------------------|-----------------------------|
| Equipment & Machinery | 15% |
| Furniture and Fixtures | 10% |
| Electronics appliance | 15% |
| Computer Software | 15% |

2.9 Taxation

Provision for tax has been made @37.5% as prescribed in the Finance Act 2014 of the profit made by the Jamuna Bank Capital Management Limited considering major taxable allowances and disallowances.

2.10 General

Figures in the financial statements have been rounded off to the nearest Taka.

| | 31.12.2014 | 31.12.2013 |
|---|-------------------------|-------------------------|
| | Taka | Taka |
| 3. Property, Plant and Equipment | | |
| a. At Cost | | |
| Opening Balance | 3,012,650 | 2,676,562 |
| Add: Addition during the year | 153,276 | 336,088 |
| | <u>3,165,925</u> | <u>3,012,650</u> |
| b. Accumulated Depreciation | | |
| Opening Balance | 882,767 | 501,525 |
| Add: Charged during the year | 412,573 | 381,241 |
| | <u>1,295,340</u> | <u>882,767</u> |
| Written Down Value (a - b) | <u>1,870,585</u> | <u>2,129,883</u> |

A schedule of property, plant and equipment is given in Annexure-A

4. Intangible Assets

a. At Cost

| | | |
|--------------------------------|------------------|------------------|
| Opening Balance | 3,000,387 | 3,000,387 |
| Less: Disposal during the year | - | - |
| | <u>3,000,387</u> | <u>3,000,387</u> |

b. Amortization

| | | |
|-----------------------------------|-------------------------|-------------------------|
| Opening Balance | 1,196,637 | 746,637 |
| Add: Amortization during the year | 450,000 | 450,000 |
| Less: Adjustment during the year | - | - |
| | <u>1,646,637</u> | <u>1,196,637</u> |
| Written Down Value (a - b) | <u>1,353,750</u> | <u>1,803,750</u> |

A schedule of Intangible Assets is given in Annexure-B

5. Preliminary Expenses

| | | |
|------------------------------------|----------------|----------------|
| Opening Balance | 212,090 | 318,135 |
| Less: Amortization during the year | 106,045 | 106,045 |
| | <u>106,045</u> | <u>212,090</u> |

6. Cash and Bank Balances

| | | | |
|-------------------|-------------|-------------------|--------------------|
| Cash in Hand | | 10,844 | 7,484 |
| Cash at Bank | (Note: 6.1) | 14,843,282 | 29,495,990 |
| Investment in FDR | (Note: 6.2) | - | 279,955,000 |
| | | <u>14,854,126</u> | <u>309,458,474</u> |

6.1 Cash at Bank

| Bank Name | Account No. | | |
|------------------|--------------------|-------------------|-------------------|
| Januna Bank Ltd. | 0018-0210007357 | 24,962 | 11 |
| Januna Bank Ltd. | 0006-0320001201 | 9,685,187 | 10,241,718 |
| Januna Bank Ltd. | 0006-0320001210 | 2,379,971 | 18,565,758 |
| Januna Bank Ltd. | 0006-0320001229 | 1,038,120 | 688,503 |
| Januna Bank Ltd. | 0006-0320001621 | 1,715,042 | - |
| | | <u>14,843,282</u> | <u>29,495,990</u> |

6.2 Investment in FDR

| Name of the Institution | Account/ FDR No. | | |
|-------------------------|--------------------|---|--------------------|
| Jamuna Bank Ltd. | 0171029/0330081991 | - | 99,990,000 |
| Jamuna Bank Ltd. | 0150369/0330079397 | - | 49,990,000 |
| Jamuna Bank Ltd. | 0150368/0330079388 | - | 49,990,000 |
| Jamuna Bank Ltd. | 0166929/0330028001 | - | 59,990,000 |
| Jamuna Bank Ltd. | 0167036/0330029046 | - | 19,995,000 |
| | | - | 279,955,000 |

| 31.12.2014 Taka | 31.12.2013 Taka |
|--------------------|--------------------|
|--------------------|--------------------|

7. Investment

| | | |
|------------------------------------|-------------------|-------------------|
| Investment in Shares (Anexure - C) | 78,193,698 | 29,480,192 |
| Investment in Govt.Treasury Bond | - | 50,000,000 |
| | 78,193,698 | 79,480,192 |

8. Loans and Advances

| | | |
|--|----------------------|--------------------|
| Portfolio Loan A/C- Investor Discretionary Account (IDA) | 1,176,497,118 | 770,462,834 |
|--|----------------------|--------------------|

9. Receivable from Brokers

| | | |
|--|------------------|--------------------|
| International Leasing Securities Ltd.(ILSL) - DSE | 879,054 | 9,000,838 |
| PFI Securities Ltd.- DSE | - | 419,320 |
| Green Delta Securities - DSE | 528,110 | 9,023,941 |
| Green Delta Securities- CSE | 209,276 | 2,415,454 |
| Arena Securities Ltd. - DSE | 36,387 | 2,002,133 |
| United Financial Trading Co. Ltd (UFTCL)-DSE | 913,572 | 2,244,282 |
| Hazi Ahmed Brothers Securities Ltd. - DSE | 1,056,191 | 12,130,913 |
| BRAC EPL Stock Brokerage Ltd.- DSE | 2,862,826 | 56,854,098 |
| BRAC EPL Stock Brokerage Ltd.-CSE | 765,774 | 2,972,938 |
| NCCB Securities & Financial Services Ltd. (NCCBSL)-DSE | 1,216,547 | 468,397 |
| United Financial Trading Co. Ltd (UFTCL)-CSE | - | 649,834 |
| Vision Capitam Management Ltd. -DSE | 553,111 | 830,792 |
| Multi Securities & Services Ltd.(MSSL)-DSE | 318,669 | 2,563,143 |
| International Leasing Securities Ltd.(ILSL) - CSE | 6,758 | 687,162 |
| IDLC-CSE | 51,418 | - |
| JBSL-CSE | 133,223 | - |
| | 9,530,916 | 102,263,244 |

10. Other Current Assets

| | | |
|-------------------------------------|--------------------|-------------------|
| Accrued FDR & Bond Interest | - | 4,691,469 |
| Prepaid Expense | 10,000 | 20,000 |
| Security Deposit | 201,000 | 201,000 |
| Advance Income Tax | 160,163,278 | 88,673,793 |
| Stock of Stationery | 359,864 | 43,204 |
| Deposit with JBSL for own portfolio | - | 442,106 |
| | 160,734,142 | 94,071,571 |

11. Share Capital

| | 31.12.2014 Taka | 31.12.2013 Taka |
|---|----------------------|----------------------|
| Authorized Capital | | |
| 30,000,000 Ordinary Shares of Tk.100 each | <u>3,000,000,000</u> | <u>3,000,000,000</u> |
| Issued, Subscribed and Paid up Capital | | |
| 10,000,000 Ordinary Shares of Tk.100 each | <u>1,000,000,000</u> | <u>1,000,000,000</u> |

Details of shareholdings are as under:

| Sl. # | Name of the shareholders | % of Holdings | No. of Share | | |
|-------|---------------------------------|-------------------|-------------------|----------------------|----------------------|
| 1 | Jamuna Bank Limited | 99.99984% | 9999984 | 999,998,400 | 999,998,400 |
| 2 | Sakhawat, Abu Khair Mohammad | 0.00001% | 1 | 100 | 100 |
| 3 | Md. Tsmail Hossain Siraji | 0.00001% | 1 | 100 | 100 |
| 4 | Al-haj M.A. Khayer | 0.00001% | 1 | 100 | 100 |
| 5 | Engr. A.K.M. Mosharraf Hussain | 0.00001% | 1 | 100 | 100 |
| 6 | Engr. Md. Atiqur Rahman | 0.00001% | 1 | 100 | 100 |
| 7 | Gulam Dastagir Gazi, Bir Protik | 0.00001% | 1 | 100 | 100 |
| 8 | Fazlur Rahman | 0.00001% | 1 | 100 | 100 |
| 9 | Al-Haj Nur Mohammed | 0.00001% | 1 | 100 | 100 |
| 10 | Md. Tajul Islam | 0.00001% | 1 | 100 | 100 |
| 11 | Al-haj Md. Rezaul Karim Ansari | 0.00001% | 1 | 100 | 100 |
| 12 | Md. Belal Hossain | 0.00001% | 1 | 100 | 100 |
| 13 | Md. Mahmudul Hoque | 0.00001% | 1 | 100 | 100 |
| 14 | Md. Sirajul Islam Varosha | 0.00001% | 1 | 100 | 100 |
| 15 | Kanutoosh Majumder | 0.00001% | 1 | 100 | 100 |
| 16 | Gazi Golam Murtoza | 0.00001% | 1 | 100 | 100 |
| 17 | Shaheen Mahmud | 0.00001% | 1 | 100 | 100 |
| | | <u>100.00000%</u> | <u>10,000,000</u> | <u>1,000,000,000</u> | <u>1,000,000,000</u> |

12. Retained Earnings

| | | |
|-------------------------------|-------------------|-------------------|
| Opening Balance | 14,467,947 | 4,357,961 |
| Add: Addition during the year | 54,869,580 | 90,109,986 |
| | 69,337,527 | 94,467,947 |
| Less: Dividend paid | 50,000,000 | 80,000,000 |
| | <u>19,337,527</u> | <u>14,467,947</u> |

13 Deposits

| | | |
|---|------------------|-------------------|
| Clients Deposit - Investors Discretionary Accounts (IDA) | 7,211,624 | 10,703,131 |
| Clients Deposit - Non-Investors Discretionary Accounts (NIDA) | 1,129,737 | 50,346 |
| Sundry Deposit - Contractors | 16,630 | 16,630 |
| | <u>8,357,990</u> | <u>10,770,107</u> |

14. Payable to Brokers

| | | |
|--|------------------|-------------------|
| International Leasing Securities Ltd.(ILSL) - DSE | - | 5,201,578 |
| PFI Securities Ltd. - DSE | - | 73,310 |
| Green Delta Securities - DSE | 835,210 | 9,517,694 |
| Green Delta Securities- CSE | 42,027 | 2,037,526 |
| Arena Securities Ltd. - DSE | 7,336 | 2,062,975 |
| United Financial Trading Co. Ltd (UFTCL)-DSE | 228,275 | 2,523,790 |
| Hazi Ahmed Brothers Securities Ltd. - DSE | 1,759,100 | 10,625,367 |
| BRAC EPL Stock Brokerage Ltd.- DSE | 2,115,343 | 49,279,973 |
| BRAC EPL Stock Brokerage Ltd.-CSE | 282,275 | 5,814,876 |
| NCCB Securities & Financial Services Ltd. (NCCBSL)-DSE | 1,210,227 | 219,566 |
| United Financial Trading Co. Ltd (UFTCL)-CSE | - | 4,957 |
| Vision Capita Management Ltd. -DSE | 1,016,656 | 590,444 |
| Multi Securities & Services Ltd.(MSSL)-DSE | 692,306 | 3,139,432 |
| International Leasing Securities Ltd.(ILSL) - CSE | - | 3,717,459 |
| IDLC-DSE | 238,044 | - |
| JBSL-CSE | 600,739 | - |
| | <u>9,027,537</u> | <u>94,808,947</u> |

15. Provision for Expenses

| | | |
|-------------------------------------|------------------|------------------|
| Audit Fee | 115,000 | 86,250 |
| Incentive Bonus | 1,286,910 | 888,600 |
| Electricity Bill | 47,488 | 53,000 |
| Leave Fare Allowance | 239,738 | 242,352 |
| Telephone Bill | 3,172 | 1,155 |
| Office Rent | 185,845 | 185,845 |
| CDBL Charges | 104,787 | 384,000 |
| Utility Charges | 27,032 | 152,055 |
| VAT and Tax Consultant | 57,500 | 92,000 |
| Cleaning Service | - | 11,500 |
| Plantation Bill | 1,500 | 1,500 |
| Newspaper, Magazine and others | - | - |
| Software/Antivirus/LAN and Internet | 250,800 | - |
| | 2,319,772 | 2,098,257 |

16. Provision for Margin Loan

| | | | |
|--------------------------------|--------------|--------------------|-------------------|
| General Provision | (Note: 16.1) | 11,764,971 | 7,704,628 |
| Special Provision | (Note: 16.2) | 28,115,215 | 17,948,488 |
| Provision for Equity Shortfall | (Note: 16.3) | 92,096,151 | 30,195,847 |
| | | 131,976,337 | 55,848,963 |

16.1 General Provision

| | | |
|-------------------------------|-------------------|------------------|
| Opening Balance | 7,704,628 | 5,546,972 |
| Add: Addition during the year | 4,060,343 | 2,157,656 |
| | 11,764,971 | 7,704,628 |

As per circular no. SEC/CMRRCD/2006-159/Administration/1-29 dated 02 October 2007, JBCML has created 1% General Provision against outstanding loan amount at the end of the year 2013 due to fluctuating situation in the capital market.

16.2 Special Provision

| | | |
|-------------------------------|-------------------|-------------------|
| Opening Balance | 17,948,488 | 8,051,872 |
| Add: Addition during the year | 10,166,727 | 9,896,616 |
| | 28,115,215 | 17,948,488 |

The Board of the company decided to create 5% provision on the Operating Profit for compensating loss generated from margin loan.

16.3 Provision for Equity Shortfall

| | | |
|-------------------------------------|---------------------------|-------------------|
| Opening Balance | 30,195,847 | 2,974,368 |
| Add: Provision made during the year | (Note: 16.3.1) 61,900,304 | 27,221,479 |
| | 92,096,151 | 30,195,847 |

A statement of Equity shortfall from Margin Loan is given in Annexure-D.

16.3.1 Provision made during the year

| | | |
|--|-------------------|-------------------|
| Total Equity Shortfall (January-October, 2014) | 122,306,496 | 55,848,963 |
| Less: General Provision | 11,764,971 | 7,704,628 |
| Special Provision | 28,115,215 | 17,948,488 |
| Total Required Provision | 82,426,310 | 30,195,847 |
| Less: Opening Balance | 30,195,847 | 2,974,368 |
| Required Provision for the period of January- October, 2014 (A) | 52,230,463 | 27,221,479 |
| Total Equity Shortfall (January-December, 2014) (Annexure-D) | 170,655,701 | - |
| Less: Total Equity Shortfall (January-October, 2014) | 122,306,496 | - |
| Additional Equity Shortfall | 48,349,205 | - |
| 20% Provision made as per BSEC circular No. SEC/CMRRCD/2009-193/166 of Additional equity shortfall (B) | 9,669,841 | - |
| Total required provision for the year-2014 (A+B) | 61,900,304 | - |

The company paid Interim dividend @ 5% i.e. total Tk. 5.00 crore for the period from 01 January 2014 to 31 October 2014 by keeping full provision of negative equity amount based on the audited accounts for that period. Due to unusual fall of market prices of shares in December 2014, the negative equity has increased. As BSEC has extended time for making provision for negative equity upto December 2015 vide their circular No. SEC/CMRRCD/2009-193/166 the company has made provision accordingly for the additional amount which was increased due to fall of market prices during November and December, 2014.

| | 31.12.2014 Taka | 31.12.2012 Taka |
|---|--------------------|--------------------|
| 17. Provision for Diminution in Value of Investments | | |
| Opening Balance | 6,329,838 | 11,003,786 |
| Add: (Adjustment)/Addition during the year | (3,537,892) | (4,673,948) |
| | <u>2,791,946</u> | <u>6,329,838</u> |

JBCML has created provision for compensating the unrealised loss which was incurred due to decrease in market price of shares.

A statement of Gain/ Loss from Investment in Shares is given in Annexure-C.

18. Provision for Income Tax

| | | |
|----------------------------------|--------------------|--------------------|
| Opening Balance | 132,079,914 | 58,859,387 |
| Add: Provision made for the year | 75,875,476 | 73,220,527 |
| | <u>207,955,389</u> | <u>132,079,914</u> |

19. Other Liabilities

| | | |
|-----------------------------|-------------------|-------------------|
| VAT Payable | 9,375 | 7,722 |
| TDS Payable to NBR | 10,021,221 | 16,018,709 |
| Sundry Creditors | 613,600 | 628,168 |
| Payable to CDBL | 132,000 | - |
| Payable for IPO Application | 1,603,000 | - |
| | <u>12,379,196</u> | <u>16,654,599</u> |

(Note: 19.1)

19.1 Sundry Creditors

| | | |
|--------------------------|----------------|----------------|
| Leads Corporation | 600,000 | 600,000 |
| Jamuna Bank Ltd. | 3,000 | - |
| Truly Nolen Pest Control | 6,000 | - |
| Maa Refrigeration | 4,600 | - |
| CDBL Charges | - | 14,000 |
| Massive | - | 10,143 |
| Bhulyan Islam & Zaidi | - | 4,025 |
| | <u>613,600</u> | <u>628,168</u> |

| | 2014 | 2013 |
|---|--------------------|--------------------|
| | Taka | Taka |
| 20. Interest Income | | |
| JBCML Investors A/C | 903,243 | 1,181,795 |
| JBCML Brokers A/C | 1,028,888 | 2,291,946 |
| JBCML General A/C | 225,544 | 262,441 |
| JBCML Public Issue Application A/C | 126,608 | |
| Interest on FDR | 2,851,951 | 49,093,398 |
| Portfolio Loan A/C - IDA | 150,609,642 | 109,394,467 |
| | 155,745,876 | 162,224,047 |
| JBCML charges interest to its IDA clients for loans given to them. Interest is charged quarterly @16.25% on daily product basis. | | |
| 21. Interest Expense | | |
| Bank Interest | 1,079,295 | 1,083,354 |
| 22. Income from Investment | | |
| Dividend Income | 844,677 | 485,321 |
| Capital gain from sale of Shares | 826,026 | 3,342,403 |
| Interest on Govt. Treasury Bond (Note: 22.1) | 20,106,435 | 2,747,967 |
| | 21,777,138 | 6,575,691 |
| 22.1 Interest on Govt. Treasury Bond | | |
| Interest on Govt. Treasury Bond | 22,530,040 | 3,273,753 |
| Less: Interest paid for holding period of forward seller | 2,423,605 | 525,786 |
| | 20,106,435 | 2,747,967 |
| 23. Fees and Charges | | |
| Management Fee (Note: 23.1) | 13,992,449 | 11,966,677 |
| Settlement Fee (Note: 23.2) | 32,572,291 | 36,606,743 |
| Documentation Charge (Note: 23.3) | 135,000 | 414,000 |
| BO A/c Opening Fees | 1,036,100 | - |
| BO A/c Maintenance Charge | 194,200 | - |
| BO A/c Closing Charge | 3,500 | - |
| | 47,933,539 | 48,987,420 |
| 23.1 Management Fee | | |
| Investors Discretionary Accounts (IDA) | 13,992,449 | 11,966,677 |
| JBCML charges management fee to its IDA clients for rendering services like receiving of shares from brokers, delivery of shares to brokers, custody of shares and collection of corporate entitlements etc. The fee is charged quarterly on daily value of securities @1% for General clients. | | |
| 23.2 Settlement Fee | | |
| Investors Discretionary Accounts (IDA) | 32,437,389 | 36,583,841 |
| Non Investors Discretionary Accounts (NIDA) | 134,902 | 22,902 |
| | 32,572,291 | 36,606,743 |
| 23.3 Documentation Charge | | |
| Investors Discretionary Accounts (IDA) | 133,500 | 408,000 |
| Non Investors Discretionary Accounts (NIDA) | 1,500 | 6,000 |
| | 135,000 | 414,000 |
| 24. Other Operating Income | | |
| Miscellaneous Income | 4,255 | 64,597 |
| Underwriting Commission | 86,957 | 40,000 |
| Other Charges and Fees Income | 1,958,072 | 1,087,811 |
| | 2,049,284 | 1,192,408 |

| | 2014 Taka | 2013 Taka |
|---|-------------------|-------------------|
| 25. Salary and Allowances | | |
| Salary and Allowances | 8,272,172 | 7,879,961 |
| Bonus | 2,106,150 | 856,400 |
| Leave Fare Assistance (LFA) | 260,900 | 344,507 |
| Co. Contribution to Employees' Provident Fund | 488,236 | 457,425 |
| ESS-Super Annuation Contribution | 504,404 | 502,255 |
| Wages of Casual Employes | 537,600 | 501,900 |
| Other Allowances | 1,326 | 23,971 |
| | 12,170,788 | 10,566,419 |
| 26. Rent, Taxes, Insurance and Electricity | | |
| Insurance Premium | 10,066 | 17,289 |
| Tax, Token, Fitness | 7,444 | 10,196 |
| Office Rent | 2,230,140 | 1,964,043 |
| Lease Rental - Car | 240,888 | 240,888 |
| Electricity Bill | 614,811 | 688,203 |
| | 3,103,349 | 2,928,619 |
| 27. Legal Expenses | | |
| Notary Public Charge | - | 200 |
| Consultant Fee | 57,500 | 34,500 |
| Other Legal Expenses | - | 275,431 |
| | 57,500 | 310,131 |
| 28. Postage, Stamps and Telecommunication | | |
| Stamp, Cartridge and Paper | 5,876 | 12,918 |
| Telephone-Office | 8,234 | 9,038 |
| Telephone -Residence | 24,000 | 22,000 |
| Mobile Bill | 91,200 | 80,707 |
| Courier Service | 280 | 7,965 |
| Internet/Online Charges | 138,950 | 133,050 |
| | 268,540 | 265,678 |
| 29. Stationery, Printings and Advertisements | | |
| Printing Stationery | 193,274 | 175,617 |
| Security Stationery | 113,750 | 162,500 |
| Office Stationery | 214,314 | 131,231 |
| Computer Paper, Ribbon and Cartridge | 47,008 | 29,880 |
| Souvenir/Calendar/Diary/Pen | 99,944 | - |
| News paper and Magazine (Advertisement) | - | 19,824 |
| Hoarding and Neon Sign | 1,000 | - |
| | 669,290 | 519,052 |
| 30. Directors' Fees and Other Expenses | | |
| Honorarium | 120,750 | 58,650 |
| AGM Expenses | 20,244 | - |
| Board Meeting Expenses | 2,299 | - |
| | 143,293 | 58,650 |
| 31. CDBL Charges | | |
| CDBL Charges | 3,542,182 | 2,840,831 |
| 32. Other Expenses | | |
| Amortization of Preliminary Expense | 106,045 | 106,045 |
| Training Expense | 15,000 | 10,000 |
| Fuel and Gas | 102,000 | 99,515 |
| Newspapers, Magazines, Books and Periodicals | 15,368 | 688,203 |
| Repair and Maintenance | 462,778 | 377,657 |
| Entertainment | 204,569 | 128,634 |
| Conveyance | 30,523 | 28,135 |
| Utility Bill | 324,384 | 202,740 |
| Fees and Renewals | 160,000 | 219,434 |
| Cleaning Services | 229,521 | - |
| Miscellaneous Expenses | 319,534 | 209,740 |
| Sodal Activities | - | 12,632 |
| Bank Charges and Commission | 63,307 | 40,650 |
| Excise Duty | 75,350 | 101,000 |
| | 2,108,379 | 1,544,324 |

Jamuna Bank Capital Management Limited
Schedule of Property, Plant and Equipment

As on 31 December 2014

(Amount in Taka)

| Particulars | Cost | | Rate % | Depreciation | | Written Down Value as on 31.12.2014 |
|---------------------------------------|-----------------------------|--------------------------------|-----------|--------------------------------|----------------------------|--|
| | Balance as on 01.01.2014 | Addition during the year | | Balance as on 01.01.2014 | Charged During the year | |
| Furniture & Fixtures | 1,072,582 | 107,516 | 10 | 229,321 | 116,175 | 834,601 |
| Electronics appliance | 523,750 | 29,224 | 15 | 124,969 | 51,287 | 376,718 |
| Equipment & Machinery | 1,416,318 | 16,536 | 15 | 528,476 | 245,111 | 659,266 |
| Balance as of 31 December 2014 | 3,012,650 | 153,276 | | 882,767 | 412,573 | 1,295,340 |
| Balance as of 31 December 2013 | 2,676,562 | 336,088 | | 501,525 | 381,241 | 882,767 |
| | | | | | | 2,129,883 |

Jamuna Bank Capital Management Limited

Schedule of Intangible Assets

As on 31 December 2014

(Amount in Taka)

| Particulars | Balance as on | | During the year | | Rate % | Balance as on | | Amortization | | Balance as on 31.12.2014 | Written Down Value as on 31.12.2014 |
|---------------------------------------|------------------|------------------|-----------------|---------------------------|-----------|------------------|------------------|---------------------------|----------------|-----------------------------|---|
| | 01.01.2014 | 31.12.2014 | Addition | Adjustment/ (Disposal) | | 01.01.2014 | 31.12.2014 | Adjustment/ (Disposal) | Charged | | |
| Computer Software | 3,000,387 | 3,000,387 | - | - | 15 | 1,196,637 | 3,000,387 | - | 450,000 | 1,646,637 | 1,353,750 |
| Balance as of 31 December 2014 | 3,000,387 | 3,000,387 | - | - | | 1,196,637 | 3,000,387 | - | 450,000 | 1,646,637 | 1,353,750 |
| Balance as of 31 December 2013 | 3,000,387 | 3,000,387 | - | - | | 746,637 | 3,000,387 | - | 450,000 | 1,196,637 | 1,803,750 |

Jamuna Bank Capital Management Limited

Term wise Investment in Shares

As on 31 December 2014

(Amount in Taka)

| Sl.# | Name of the Company | No. of shares | Cost per Share | Total Cost | Market Price per Share | Total Market Price | Unrealized Profit/(Loss) |
|---------------------------|--|------------------|----------------|-------------------|------------------------|--------------------|--------------------------|
| 1 | | 2 | 3 | 4 | 5 | 6 | 7 |
| Investment Purpose | | | | | | | |
| LONG TERM | | | | | | | |
| 1 | AB Bank 1ST Mutual Fund | 5,426,030.00 | 6.43 | 34,849,930.00 | 6.30 | 34,166,423.00 | (683,506.99) |
| 2 | Far East Knitting & Dyeing Industries Ltd. | 488,957.00 | 28.29 | 13,831,967.65 | 27.20 | 13,299,630.40 | (532,327.25) |
| 3 | Squire Pharmaceuticals Ltd. | 15,000.00 | 194.32 | 2,914,731.20 | 258.50 | 3,877,500.00 | 962,768.80 |
| MID TERM | | | | | | | |
| 4 | Barkatullah Electro Dynamic Ltd. | 109,378.00 | 35.21 | 3,850,667.07 | 33.00 | 3,609,474.00 | (241,213.07) |
| 5 | H R Textile Ltd. | 281,000.00 | 32.00 | 8,982,565.13 | 28.80 | 8,036,800.00 | (945,765.13) |
| 6 | S. Alam CR Steels Ltd. | 40,000.00 | 48.58 | 1,943,036.41 | 34.50 | 1,380,000.00 | (563,036.41) |
| 7 | Sinobangla Industries Limited | 149,100.00 | 32.67 | 4,871,134.60 | 29.80 | 4,443,180.00 | (427,954.60) |
| SHORT TERM | | | | | | | |
| 8 | Boximoo Limited | 3,000.00 | 37.99 | 113,970.70 | 38.40 | 109,200.00 | (4,770.70) |
| 9 | Generation Next Fashion | 426,298.00 | 16.01 | 6,825,665.41 | 15.20 | 6,479,744.80 | (345,920.61) |
| Grand Total | | 6,938,764 | | 78,193,698 | | 75,401,752 | (2,791,946) |

Jamuna Bank Capital Management Limited

Statement of Equity Shortfall

As on 31 December 2014

(Amount in Taka)

| Sl. # | Account No. | Name of the Party | Equity |
|-------|-------------|-------------------------------------|--------------|
| 1 | 0442 | SK. SOHEL RANA | 808.29 |
| 2 | 0581 | GAZI MD.FARIDUL ISLAM | 313.68 |
| 3 | 1034 | SHAHRIAR RAHMAN | 882.70 |
| 4 | 1082 | SANJIDA RAHMAN | 5,802.58 |
| 5 | 0088 | HAFIZUR RAHMAN | 973,348.18 |
| 8 | 0285 | MD. IMAM HOSSAIN | 888,424.76 |
| 7 | 0027 | MD.SAIFUL ISLAM MAJUMDER | 1,777,098.29 |
| 8 | 0384 | MD.MAHABUB ALAM | 8,885,188.04 |
| 9 | 0021 | G.M. AYUB | 865,580.88 |
| 10 | 0426 | MR. BIPROJIT GUNE | 717,076.95 |
| 11 | 0111 | KAZI SIRAJ | 638,794.86 |
| 12 | 0414 | MD.SALAH UDDIN KHAN | 102,406.70 |
| 13 | 0044 | MD. TAWHIDUL ISLAM | 1,107,032.68 |
| 14 | 0382 | MD.JAHID KHAN | 549,585.78 |
| 15 | 0341 | A.F.M.MUNIR SIDDIQUEE | 493,007.43 |
| 16 | 0282 | MOHAMMED HASAN KABIR | 546,739.46 |
| 17 | 0747 | ADNAN KAMAL MIR RASEL | 401,136.79 |
| 18 | 0105 | MD. ANISUZZAMAN MOLLA | 302,543.47 |
| 19 | 0005 | SHAMSUL ALAM | 2,075,570.90 |
| 20 | 0123 | ABUL KALAM BHUIYAN | 563,627.29 |
| 21 | 0073 | MD. IBRAHIM BABU | 2,386,519.28 |
| 22 | 0136 | MD. MAMUN SIKDER | 341,697.24 |
| 23 | 0309 | HARUN-OR-RASHID MOJUMDER | 1,041,111.90 |
| 24 | 0222 | MD. MIZANUR RAHMAN | 237,592.46 |
| 25 | 0307 | EMRAN HOSSAIN KHAN | 796,264.11 |
| 26 | 0158 | SHAIKH MOHAMMAD SALIM HOSSAIN | 274,507.07 |
| 27 | 0240 | MD. JAHANGIR HOSSAIN | 2,110,136.71 |
| 28 | 0352 | MD. ISMAIL MUNSHI | 1,160,528.07 |
| 29 | 0708 | SYED MAHABUBUR RAHMAN | 1,019,070.67 |
| 30 | 0038 | MD. AZHARUL ISLAM | 1,317,085.39 |
| 31 | 0199 | SAYDUL ISLAM | 283,988.82 |
| 32 | 0171 | MD. OMAR FARUQUE | 787,690.91 |
| 33 | 0155 | MD. SAYFUL ISLAM | 5,730,622.25 |
| 34 | 0406 | MD.MAHARAJUL MOWLA | 168,948.95 |
| 35 | 0182 | MD. MAINUL HASAN | 596,973.13 |
| 36 | 0202 | TURANI TALUKDER | 206,257.83 |
| 37 | 0217 | MAHMUDUL HASAN | 124,707.86 |
| 38 | 0081 | MD. IQBAL HOSSAIN | 2,129,034.64 |
| 39 | 0028 | ANWAR HOSSAIN MAZUMDER | 4,960,409.99 |
| 40 | 0110 | ABU ZAFAR MD. SAEF ULLAH | 151,927.45 |
| 41 | 0451 | MEHEDI HASSAN SHIMUL,MD.ABDUL GHANI | 56,989.80 |
| 42 | 0716 | PLABON KARMAKAR | 177,343.64 |
| 43 | 0583 | MD. HANNAN | 72,590.26 |
| 44 | 0282 | BISHWAJIT GHOSH | 917,138.69 |
| 45 | 0020 | MONIR AHMED | 136,728.34 |
| 46 | 0213 | AKTER MAMUN | 3,012,745.21 |
| 47 | 0223 | SAIFULLAH MASUD | 214,091.76 |
| 48 | 0808 | MD. MEHEDI HASAN | 542,314.47 |
| 49 | 0006 | MOHAMMAD SAIFUL ISLAM | 187,754.89 |
| 50 | 0499 | SYEADA SAMSUNNAHAR | 1,213,747.73 |
| 51 | 0244 | KHANDAKER ALIMUL ISLAM | 190,182.92 |
| 52 | 0225 | MD. KAMRUZZAMAN | 949,265.69 |
| 53 | 0435 | MD. JUBAIR | 1,077,480.80 |
| 54 | 0183 | MOHAMMAD ATAUR RAHMAN | 2,286,652.86 |
| 55 | 0456 | A.K. M SHAMSUL ALAM | 297,590.46 |
| 56 | 0543 | SHAHID-E-MANJUR MASUM | 1,161,264.34 |
| 57 | 0697 | MD.SALAH UDDIN BHUIYAN | 399,689.30 |
| 58 | 0431 | R.T.MASUM AHMAD | 340,903.58 |

| Sl. # | Account No. | Name of the Party | Equity |
|-------|-------------|--|--------------|
| 59 | 0190 | MD. MONIRUZZAMAN | 181,621.08 |
| 60 | 0066 | MUHAMMAD RAFIQUUL ISLAM | 628,385.83 |
| 61 | 0492 | A.T.M. SHAHIDUL HUQE | 120,190.82 |
| 62 | 0258 | MD. SUMON | 74,855.23 |
| 63 | 0061 | MD. NURUL ISLAM | 188,462.39 |
| 64 | 0895 | SYED NAZMUR REZA | 735,927.61 |
| 65 | 0224 | MASUMA KHONDKER | 150,541.39 |
| 66 | 0388 | MD. MAYEEN UDDIN SOHEL | 367,410.95 |
| 67 | 0132 | ADIL RIZWAN | 408,890.40 |
| 68 | 0531 | ASHISH KUMAR KUNDU | 4,378,507.42 |
| 69 | 0047 | MD. MIZANUR RAHMAN | 702,839.99 |
| 70 | 0371 | MD.NASIR UDDIN | 604,990.05 |
| 71 | 0301 | SYED SARWAR RAHMAAN | 231,723.33 |
| 72 | 0655 | WASIUL HASSAN CHOWDHURY,SAIFUL AHMED CHOWDHURY | 1,970,803.18 |
| 73 | 0481 | NIRUPAMA ROY | 379,815.60 |
| 74 | 0447 | MD.MASUD RANA | 74,712.22 |
| 75 | 0053 | MD. FARUKUL ALAM MOJUMDER | 258,510.39 |
| 76 | 0228 | MD. NAZMUL HOQUE KHAN | 86,925.21 |
| 77 | 0071 | NIPA SAHA | 4,967,253.95 |
| 78 | 0402 | UTPAL SARKER | 114,001.24 |
| 79 | 0130 | KHURSHED ALAM CHOWDHURY | 693,883.72 |
| 80 | 0325 | SYED MONIR KAWSER | 4,881,383.81 |
| 81 | 0134 | RAJU AHMED | 275,137.48 |
| 82 | 0154 | HASNA HENA CHOWDHURY | 1,139,485.26 |
| 83 | 0512 | MST.MOMOTAZ BEGUM | 144,712.16 |
| 84 | 0743 | ABDULLAH-AL-SUIZ | 61,111.32 |
| 85 | 0116 | MD. ARIFUL HOSSAIN MAJUMDAR | 579,287.89 |
| 86 | 0772 | TAIZUL ISLAM,SURIYA KHAN | 115,730.32 |
| 87 | 0391 | GOLAM MOHIUDDIN FARUQUE | 141,542.85 |
| 88 | 0521 | MD. MOSTAFIZUR RAHMAN | 97,035.41 |
| 89 | 0280 | SK SAIFUDDIN AHMED | 205,114.72 |
| 90 | 0615 | K.M MOKBUL HOSSAIN | 301,252.54 |
| 91 | 0388 | TAIZUL ISLAM | 390,929.89 |
| 92 | 0120 | SHAHARIA PATWARY | 301,063.77 |
| 93 | 0220 | MD. MOTAHER HOSSAIN | 473,746.01 |
| 94 | 0422 | MOHAMMED NAZRUL ISLAM | 1,741,353.32 |
| 95 | 0018 | MD. FAZLA RABBY KHOKON | 1,182,439.72 |
| 96 | 0345 | AKTER MAMUN,FAZILATUN NESSA | 2,328,790.77 |
| 97 | 0361 | TAPAS SAHA | 291,468.91 |
| 98 | 0100 | HAFIZ MD. JAHANGIR ALAM | 1,190,009.16 |
| 99 | 0389 | MD. SHAHADAT HOSSAIN | 426,930.65 |
| 100 | 0148 | M.Q.Z QAANAN | 225,224.82 |
| 101 | 0539 | MOHAMMAD SHORAB UDDIN | 67,818.81 |
| 102 | 0064 | MOHAMMAD NASIR UDDIN | 469,522.49 |
| 103 | 0537 | RAMANI MOHAN BHADRA,RAJIB BHADRA RONI | 209,016.30 |
| 104 | 0500 | A.K.M. SAMSUDDIN | 218,020.26 |
| 105 | 0605 | MD. KAMRUL HASAN | 655,546.15 |
| 106 | 0417 | A.K.M. ANISUL HAQUE MALLICK | 578,522.16 |
| 107 | 0096 | ZAHANGIR ALAM | 198,547.63 |
| 108 | 0096 | A.K.MOHAMMAD SHARIF-UL-ALAM RAZIB | 221,274.68 |
| 109 | 0620 | MD.ZAHANGIR ALAM | 316,064.40 |
| 110 | 0172 | MD. SHAHIDUL ISLAM | 90,819.08 |
| 111 | 0566 | MST.MOMOTAZ BEGUM,GAZI MD. FARIDUL ISLAM | 47,634.38 |
| 112 | 0268 | A.H.M. JAMAL HOSSAIN | 210,175.49 |
| 113 | 0826 | ARIF HOSSAIN | 148,497.13 |
| 114 | 0588 | R.T. MASUM AHMAD,MAINUDDIN AHMAD | 33,939.89 |
| 115 | 0504 | MOHAMMAD SHOWKAT NAWAZ | 1,671,430.82 |
| 116 | 0771 | MD.SHAFIQUUL HAQUE ANSARI | 83,593.77 |
| 117 | 0635 | MD.AFZAL HOSSAIN | 234,994.87 |
| 118 | 0708 | MD.ALI HOSSAIN | 122,768.52 |
| 119 | 0522 | MASUMA AKTER KAKOLY | 254,100.90 |
| 120 | 0197 | ANISUL HAQUE SOHEL | 79,474.95 |
| 121 | 0405 | MD.MANIRUZZAMAN | 220,115.02 |
| 122 | 0440 | MD. MOJIBUR RAHMAN DEWAN | 208,298.89 |
| 123 | 0568 | MD.AMDADUL HAQUE | 1,133,361.26 |

| Sl. # | Account No. | Name of the Party | Equity |
|-------|-------------|------------------------------------|--------------|
| 124 | 0574 | TARAFDER MD. RUHUL QUDDUS | 44,977.47 |
| 125 | 0398 | KAZI ABDUR RAHMAN | 737,629.83 |
| 126 | 0363 | MONSUR AHMED | 413,257.56 |
| 127 | 0298 | MOHAMMAD MOMINUL ISLAM | 407,290.96 |
| 128 | 0388 | KAZI ASAD ULLAH DIDAR | 494,742.29 |
| 129 | 0003 | TASLIMA ARA BEGUM | 144,344.81 |
| 130 | 0998 | SATYAJIT SAHA | 132,638.15 |
| 131 | 0025 | MD. BADSHA MIAH PATWARI | 2,890,056.18 |
| 132 | 0281 | NARGIS BEGUM | 1,229,548.61 |
| 133 | 0052 | ABU ISMAIL MOJUMDER | 615,843.57 |
| 134 | 0653 | MOHAMMAD KAMAL UDDIN | 72,315.37 |
| 135 | 0688 | MOHAMMED SHAHIDUL MOSTAFA | 179,335.88 |
| 136 | 0462 | MD.JAHANGIR ALAM | 38,370.11 |
| 137 | 0292 | MD.RABIUL ALAM | 155,884.10 |
| 138 | 0242 | MD. SADIQUR RASHED | 153,147.47 |
| 139 | 0453 | MD.SHAHIN | 17,675.14 |
| 140 | 0072 | MD. WAHIDUZZAMAN | 615,301.27 |
| 141 | 0077 | MD. MONIRUL ISLAM | 1,073,311.57 |
| 142 | 0784 | MD. FOYZUR RAHMAN SUMON | 184,117.29 |
| 143 | 0145 | MD. MUNSUR ALAM | 723,511.71 |
| 144 | 0271 | SHEIKH SHARAF UDDIN | 35,700.34 |
| 145 | 0177 | MD.TOTA MIAH | 284,894.29 |
| 146 | 0611 | SHANJIB PAUL LITON,SHOVA RANI PAUL | 129,864.58 |
| 147 | 0293 | MAHBUBA AKTER | 520,101.05 |
| 148 | 0175 | MD.ALI AKBAR MIAH | 191,664.82 |
| 149 | 0945 | MD. MAHABUBUR RAHAMAN | 63,508.08 |
| 150 | 0125 | MD. MAZHARUL ISLAM CHOWDHURY | 815,722.37 |
| 151 | 0180 | SAUD MIRZA | 62,960.04 |
| 152 | 0498 | MOHAMMAD IQBAL HUSSAIN | 53,670.17 |
| 153 | 0143 | SAJID RAHMAN | 2,676,512.27 |
| 154 | 0448 | MD. ALAMGIR MOLLAH | 121,030.75 |
| 155 | 0048 | KHOSH NAHAR | 28,883.19 |
| 156 | 0552 | TAHMINA MAHMOOD | 751,308.83 |
| 157 | 0322 | MD.MAHBUBUL ALAM | 425,196.70 |
| 158 | 0311 | AMAZ UDDIN BHUIYAN | 188,682.59 |
| 159 | 0094 | JAFRINA ORIN OVI | 379,695.87 |
| 160 | 0434 | MUHAMMAD KAMRUZZAMAN | 30,130.01 |
| 161 | 0243 | S.M. NAZMUL TARIQ | 40,956.25 |
| 162 | 0152 | MD. RUSTOM ALI | 34,442.85 |
| 163 | 0448 | A.B.M SHAHARIAR KABIR | 25,430.77 |
| 164 | 0550 | M.A. MANNAN | 54,734.84 |
| 165 | 0326 | MIR KABIR HOSSAIN | 178,403.37 |
| 166 | 0331 | JASMIN AKTER | 42,168.49 |
| 167 | 0241 | MD. MUJIBUR RAHMAN | 207,043.48 |
| 168 | 0415 | A.Q.M.MAHFUZUR RAHMAN | 5,729,389.21 |
| 169 | 0201 | MD. ATAHAR HOSSAIN JOY | 163,601.82 |
| 170 | 0545 | MONIR UDDIN AHMED | 1,408,704.83 |
| 171 | 0112 | MD. MONIRUZZAMAN MANIK | 294.27 |
| 172 | 0908 | MD. SAIFUL ISLAM LINGKON | 25,834.13 |
| 173 | 0333 | MD. APJ PATOWARI | 133,433.44 |
| 174 | 0704 | MD.ABDUL MANNAN | 104,672.83 |
| 175 | 0249 | MOSHFEKA BEGUM | 354,638.60 |
| 176 | 0344 | MD.SADEQUL HOSSAIN | 71,234.19 |
| 177 | 0632 | A.B.M AMINUR RAHMAN | 170,041.14 |
| 178 | 0385 | SARKER SELIM AHMED | 79,615.28 |
| 179 | 0624 | MD. ABQUL MATIN | 20,198.86 |
| 180 | 0173 | MOHAMMED ALI | 220,299.51 |
| 181 | 0468 | MOHAMMAD REAZ SARWER | 141,857.47 |
| 182 | 0496 | SAIF ULLAH FARUK | 75,038.46 |
| 183 | 0283 | MD. ASHIQUL ISLAM | 164,960.51 |
| 184 | 0210 | A.K.M. NOOR HOSSAIN | 519,677.39 |
| 185 | 0314 | HAMIDA BEGUM | 858,744.18 |
| 186 | 0722 | RIPON CHANDRA PAUL | 1,407,335.58 |
| 187 | 0587 | MD. SAIFUL ISLAM | 102,226.93 |
| 188 | 0138 | MD. SULTAN MAHMUD | 2,206,368.11 |

| Sl. # | Account No. | Name of the Party | Equity |
|-------|-------------|--|--------------|
| 189 | 0459 | ANANGA MOHAN ROY | 3,256,182.35 |
| 190 | 0458 | ABDUL WADUD SHARIF,QUMRUNNESSA | 108,268.86 |
| 191 | 0612 | MANSURA BEGUM | 66,265.31 |
| 192 | 0570 | S M SHAMEEM WAHEED | 96,199.00 |
| 193 | 0161 | MD. NURUL ISLAM | 2,175,874.33 |
| 194 | 0364 | SHAH MD.ASHRAF | 51,732.90 |
| 195 | 0378 | JAHANGIR ALAM | 1,657,127.32 |
| 196 | 0599 | H.M. KIBRIA | 41,903.42 |
| 197 | 0571 | MOHAMMAD MASUD KARIM | 51,066.75 |
| 198 | 0095 | MD. GOLAM KIBRIA | 1,523,107.88 |
| 199 | 0732 | SANJAY MAZUMDER | 98,082.54 |
| 200 | 0015 | MD. ZIA UDDIN MOZUMDER | 1,282,918.80 |
| 201 | 0473 | MOHAMMAD SHOFI ULLAH | 493,909.90 |
| 202 | 0181 | MD. AKRAMUL ISLAM | 1,030,718.77 |
| 203 | 0313 | JAMAN MIAH | 10,923.06 |
| 204 | 0208 | MOHAMMAD SAMSUL ISLAM | 997,277.97 |
| 205 | 0520 | A.K.M SAMSUDDIN,TOBARAK ALI JAMALI | 233,165.49 |
| 206 | 0517 | A.K.M. ZAKIR HOSSEN | 28,062.47 |
| 207 | 0247 | KAPIL CHANDRA BOSE | 1,657,040.99 |
| 208 | 0092 | MOHSIN REZA | 85,459.04 |
| 209 | 0645 | MEHDI AQIF | 149,122.16 |
| 210 | 0284 | MD. ABDUS SALAM | 114,551.87 |
| 211 | 0318 | ISRAT TAMANNA | 526,957.41 |
| 212 | 0147 | SHAH MD. NAZRUL ISLAM | 43,990.88 |
| 213 | 0001 | MOHAMMED ABDUL MABUD | 361,470.06 |
| 214 | 0343 | INSHAN UDDIN BHUIYAN | 256,426.08 |
| 215 | 0611 | MD.JAMAL HOSSAIN KHAN,TAHAMINA AKTER | 29,300.65 |
| 216 | 0439 | MOHAMMED KAMRUL HASAN | 138,357.50 |
| 217 | 0328 | MD.TIPU SULTAN | 130,578.79 |
| 218 | 0273 | S.M. HASAN MURAD | 101,986.04 |
| 219 | 0656 | DILNOOR KHANOM BULA | 94,684.59 |
| 220 | 0051 | ZABIR MUHAMMAD TAQUI | 885,487.81 |
| 221 | 0791 | FAZILATUN NESA | 87,696.44 |
| 222 | 0977 | ABDUL AZIZ | 90,458.29 |
| 223 | 0590 | SHIRINA PARVIN SONIA | 70,314.62 |
| 224 | 0657 | MD.DELOWAR HOSSAIN | 663,638.75 |
| 225 | 0855 | MD. MONOURE HOSSAIN TALUKDER | 708,712.23 |
| 226 | 0840 | SOHANUR RAHMAN | 839,073.02 |
| 227 | 0518 | AL HAJ MD. JAYNAL ABEDIN | 50,206.77 |
| 228 | 0212 | SUMON BENJAMIN COSTA | 80,852.00 |
| 229 | 0348 | MUHAMMAD ASHIKUJJAMAN RUMON | 11,503.76 |
| 230 | 0011 | MASUD HASAN | 448,763.85 |
| 231 | 0103 | SALAUDDIN AHMED | 623,032.08 |
| 232 | 0270 | MD. SALEH MOHOSIN CHOWDHURY | 673,846.53 |
| 233 | 0541 | MONSUR AHMED,SHAHANAG PERVIN | 74,244.05 |
| 234 | 0083 | MOHAMMAD FARHAD FARID UDDIN | 7,680.81 |
| 235 | 0633 | SUMON MOJUMDAR | 61,622.49 |
| 236 | 0144 | RUBAIYET RASHID ROMEL | 56,530.53 |
| 237 | 0281 | BIJOY MANGAL DAS | 631,427.85 |
| 238 | 0469 | ABDUL BATEN,QAZI MD. AYUB ALI | 335,365.60 |
| 239 | 0654 | MD.ASIF IKBAL KAISER | 90,989.07 |
| 240 | 0297 | MD. ASADUJJAMAN | 582,234.14 |
| 241 | 0108 | MD. MEHEDUL ISLAM | 616,628.32 |
| 242 | 0659 | SYEDD MD.MAKSUD AHAMED | 14,817.89 |
| 243 | 0089 | H.M. FAZLEY RABBI | 498,983.73 |
| 244 | 0285 | MD. AHSAN ULLAH CHOWDHURY,KAZI SAROWAR HOSSAIN | 537,068.23 |
| 245 | 0735 | RIMPOL CHOWDHURY | 70,810.33 |
| 246 | 0009 | MD. SAKHAWAT HOSSAIN SIDDIQUEE | 836,250.39 |
| 247 | 0013 | SABINA YASMIN | 597,698.11 |
| 248 | 0078 | MONIR AHMED MAZUMDER | 591,937.37 |
| 249 | 0369 | MD.ATIQR RAHMAN | 449,465.87 |
| 250 | 0191 | MD. MOHIBUR RAHMAN | 744,978.22 |
| 251 | 0810 | MOHAMMAD SAIFUL KARIM | 33,320.95 |
| 252 | 0229 | MD. BILLAL HOSSAIN | 50,934.79 |
| 253 | 0065 | IMRAN AKBAR KHAN | 573,251.82 |

| Sl. # | Account No. | Name of the Party | Equity |
|-------|-------------|------------------------------------|--------------|
| 254 | 0142 | NEWAZ AHMED KHAN | 20,175.36 |
| 255 | 0188 | MD. ALAMGIR HOSSAIN | 535,344.50 |
| 256 | 0337 | TAWFIQ AHMED | 556,822.95 |
| 257 | 0386 | MD.ROBIUL ISLAM | 498,419.23 |
| 258 | 0767 | MD. KHAIRUL BASHAR | 402,844.23 |
| 259 | 0954 | MD. ASHIQUR RAHMAN | 275,178.45 |
| 260 | 0740 | OBIDUR RAHMAN KAJOL | 25,790.27 |
| 261 | 0460 | IMAM HOSSAIN | 1,164,630.58 |
| 262 | 0008 | MOHAMMAD REAZUL KABIR | 536,964.72 |
| 263 | 0168 | SAMSUN NAHAR,MD. SULTAN MAHMUD | 402,870.18 |
| 264 | 0198 | KAZI SAROWAR HOSSAIN | 485,238.88 |
| 265 | 0477 | MANIK BHATTACHARJEE | 90,643.34 |
| 266 | 0055 | KHANDAKER MOHAMMAD SABBIR HASAN | 425,266.51 |
| 267 | 0168 | KHALILUR RAHMAN CHOWDHURY | 190,605.44 |
| 268 | 0681 | SYED FERDOUS MORSHED | 235,585.12 |
| 269 | 0395 | MD.BASHAR AHMED CHOWDHURY | 925,307.17 |
| 270 | 0974 | ASADUZZAMAN CHOWDHURY | 58,088.40 |
| 271 | 0239 | ABU JAFAR MOJUMDER | 365,738.92 |
| 272 | 0245 | MD. MAINUDDIN | 211,867.94 |
| 273 | 0950 | MOSHIUR RAHAMAN | 433,857.70 |
| 274 | 0527 | MD.HUMYUN KABIR BHUIYAN | 245,354.82 |
| 275 | 0338 | MD.MASUD NEWAS | 92,798.96 |
| 276 | 0478 | OMAR FARUQ | 2,098.22 |
| 277 | 0189 | MD. SALIM KHAN | 63,989.11 |
| 278 | 0320 | MOHAMMAD KAUSAR,SHAIKH ABDUL AZIZ | 126,780.81 |
| 279 | 0054 | MAHBUBUL ARIFIN SHUVOO | 37,215.51 |
| 280 | 0692 | GRACE FOLIA | 31,816.84 |
| 281 | 0455 | MD.KASHEM KHAN | 11,394.77 |
| 282 | 0058 | MD. MOFAKHKHARUL ISLAM | 32,425.33 |
| 283 | 0480 | PRADIP KUMAR CHOWDHURY | 13,305.50 |
| 284 | 0548 | MOHAMMED NAZMUL HUDA | 5,693.54 |
| 285 | 0983 | MD. ABDUL LAIF SIDDIQUE | 33,259.06 |
| 286 | 0215 | DR. MD. NOMAN CHOWDHURY | 33.35 |
| 287 | 0483 | MD.NASIR UDDIN | 68,448.23 |
| 288 | 0664 | MD.HAMIDUL ISLAM | 7,243.25 |
| 289 | 0703 | MD.AKRAM HOSSAIN | 23,106.24 |
| 290 | 0827 | MOHAMMAD MASUD NEWAS,MD.SOHEL RANA | 892.20 |
| 291 | 0113 | AMIT GANGULY PALLAB | 2,812.33 |
| 292 | 0429 | MD.ABU YOUSUF | 4,995.25 |
| 293 | 0507 | MD.FARHADUL ALAM | 80.37 |

Grand Total

170,655,701

Less: Provision for Margin Loan

General Provision

11,764,971

Special Provision

28,115,215

Equity Shortfall Provision

130,775,515

Jamuna Bank Capital Management Limited

Sector wise Investment in Shares

As on 31 December 2014

Annexure-E

| Sl.# | Name of the Company | No. of shares | Cost per Share | Total Cost | Market Price per Share | Total Market Price | Unrealized Profit/(Loss) |
|------------------------|---|------------------|----------------|-------------------|------------------------|--------------------|--------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| PHARMACEUTICALS | | | | | | | |
| 1 | Square Pharmaceuticals Ltd. | 15,000.00 | 194.32 | 2,914,731.20 | 258.50 | 3,877,500.00 | 962,768.80 |
| TEXTILES | | | | | | | |
| 2 | Fair East Knitting & Dyeing Industries Ltd. | 498,957.00 | 28.29 | 13,831,957.65 | 27.20 | 13,299,630.40 | (532,327.25) |
| 3 | Generation Next Fashion | 426,288.00 | 16.01 | 6,825,665.41 | 15.20 | 6,479,744.80 | (345,920.61) |
| 4 | H R Textile Ltd. | 291,000.00 | 32.00 | 9,992,585.13 | 28.60 | 8,036,600.00 | (955,985.13) |
| ENGINEERING | | | | | | | |
| 5 | S. Alam CR Steels Ltd. | 40,000.00 | 48.58 | 1,943,036.41 | 34.50 | 1,380,000.00 | (563,036.41) |
| POWER | | | | | | | |
| 6 | Berkatullah Electro Dynamic Ltd. | 109,378.00 | 35.21 | 3,850,687.07 | 33.00 | 3,609,474.00 | (241,213.07) |
| MUTUAL FUND | | | | | | | |
| 7 | AB Bank 1ST Mutual Fund | 5,426,030.00 | 6.43 | 34,849,930.00 | 6.30 | 34,166,423.00 | (683,506.99) |
| MISCELLANEOUS | | | | | | | |
| 8 | Baximco Limited | 3,000.00 | 37.98 | 113,970.70 | 36.40 | 109,200.00 | (4,770.70) |
| 9 | Sincobangla Industries Limited | 149,100.00 | 32.67 | 4,871,134.60 | 29.80 | 4,443,180.00 | (427,954.60) |
| | Grand Total | 6,789,664 | | 78,193,698 | | 75,401,752 | (2,791,946) |

AUDITORS' REPORT

Jamuna Bank Securities Limited

Introduction

We have audited the accompanying Financial Statements of Jamuna Bank Securities Limited, which comprise the Statement of Financial Position as at 31 December 2014 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

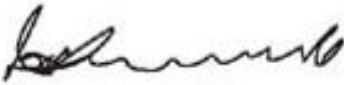
Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standard (BFRSs), give a true and fair view of the state of the company's affairs as at 31 December 2014 and of the results of its operations and cash flows for the period then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that

- (a) 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 ;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books ;
- (c) the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by the report are in agreement with the books of account ; and
- (d) The expenditure incurred was for the purposes of the company's business.

Dated: Dhaka
20 January 2015


(S. H. KHAN & CO.)
Chartered Accountants

Jamuna Bank Securities Limited

Statement of Financial Position

As on 31 December 2014

| ASSETS | Note | Amount in Taka 31.12.2014 | Amount in Taka 31.12.2013 |
|---------------------------------------|-------------|--------------------------------------|--------------------------------------|
| Non-Current Assets | | | |
| Property, Plant and Equipment | 3 | 1,683,167 | 1,956,252 |
| Intangible Assets | 4 | 82,621 | 98,716 |
| Membership at Cost | | 280,000,000 | 280,000,000 |
| Preliminary Expenses | 5 | 743,640 | 743,640 |
| Total Non Current Assets | | 282,509,428 | 282,798,608 |
| Current Assets | | | |
| Investment | 6 | 124,880,870 | 125,850,972 |
| Advance, Deposit & Prepayments | 7 | 6,450,558 | 2,457,027 |
| Loan | 8 | 1,642,484 | - |
| Other Current Assets | 9 | 2,688,176 | 7,000 |
| Cash and Cash Equivalent | 10 | 2,194,883 | 906,119 |
| Total Current Assets | | 137,856,970 | 129,221,118 |
| Total Assets | | 420,366,398 | 412,019,726 |
| EQUITIES AND LIABILITIES | | | |
| Equities | | | |
| Share Capital | 11 | 400,000,000 | 400,000,000 |
| Retained Earnings | 12 | 868,950 | 110,741 |
| Total Equity | | 400,868,950 | 400,110,741 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| | | - | - |
| Current Liabilities | | | |
| Payable to JBL | 13 | 22,222 | 22,222 |
| Security Deposit | 14 | 4,000 | 394,122 |
| Provision for Expenses | 15 | 243,325 | 217,952 |
| Provision for Investment | 16 | 4,196,894 | 1,510,319 |
| Provision for Income Tax | 17 | 13,062,336 | 7,976,683 |
| Other Liabilities | 18 | 1,968,671 | 1,787,687 |
| Total Current Liabilities | | 19,497,448 | 11,908,985 |
| Total Liabilities | | 19,497,448 | 11,908,985 |
| Total Equities and Liabilities | | 420,366,398 | 412,019,726 |

The annexed notes form an integral part of the Statement of Financial Position.


Chairman


Director


Chief Executive Officer

Signed subject to our separate report of even date.

Dated: Dhaka
20 January 2015


(S. H. Khan & Co.)
Chartered Accountants

Jamuna Bank Securities Limited

Statement of Comprehensive Income

For the year ended 31 December 2014

| Particulars | Notes | Amount in Taka 31.12.2014 | Amount in Taka 31.12.2013 |
|---|-------|------------------------------|------------------------------|
| Revenue | 19 | 16,438,914 | 15,785,359 |
| Other Operating Income | 20 | 468,800 | 102,598 |
| Total Operating Income (A) | | 16,907,714 | 15,887,957 |
| Less: Operating Expenses | | | |
| Salaries and Allowances | 21 | 1,157,926 | 1,115,814 |
| Rent, Taxes, Insurance and Electricity | 22 | 20,720 | 23,585 |
| Legal Expenses | 23 | - | 28,750 |
| Postage, Stamps and Telecommunication | 24 | 201,536 | 193,970 |
| Stationery, Printings and Advertisements | 25 | 11,988 | 72,302 |
| Directors' Fees | 26 | 103,500 | 47,150 |
| Auditor's fee | | 34,500 | 23,000 |
| Depreciation on Property, Plant and Equipment | 3 | 273,085 | 181,890 |
| Amortization of Intangible Asset | 4 | 16,095 | 8,584 |
| Other Expenses | 27 | 557,927 | 292,730 |
| Total Operating Expenses (B) | | 2,377,277 | 1,987,775 |
| Profit before Income Tax (C) = (A-B) | | 14,530,437 | 13,900,182 |
| Less: Provision for Income Tax | | 5,085,653 | 5,212,568 |
| Less: Provision for Investment | | 2,686,575 | 1,510,319 |
| Net Profit after Income Tax | | 6,758,209 | 7,177,295 |

The annexed notes form an integral part of the Statement of Comprehensive Income.


Chairman


Director


Chief Executive Officer

Signed subject to our separate report of even date.

Dated: Dhaka
20 January 2015


(S. H. Khan & Co.)
Chartered Accountants

Jamuna Bank Securities Limited

Statement of Changes in Equity For the year ended 31 December 2014

(Amount in Taka)

| Particulars | Paid up Capital | Retained Earnings | Total |
|---|--------------------|-------------------|--------------------|
| Balance as on 01 January 2014 | 400,000,000 | 110,741 | 400,110,741 |
| Net Profit as on 31 December 2014 | - | 6,758,209 | 6,758,209 |
| Interim Dividend Paid | - | (6,000,000) | (6,000,000) |
| Balance as on 31st December 2014 | 400,000,000 | 868,950 | 400,868,950 |

Statement of Changes in Equity For the year ended on 31 December 2013

(Amount in Taka)

| Particulars | Paid up Capital | Retained Earnings | Total |
|---------------------------------------|--------------------|-------------------|--------------------|
| Balance as on 01 January 2013 | 400,000,000 | 933,446 | 400,933,446 |
| Increase in Share Capital | - | - | - |
| Net Profit for the year 2013 | - | 7,177,295 | 7,177,295 |
| Interim Dividend Paid | - | (8,000,000) | (8,000,000) |
| Balance as on 31 December 2013 | 400,000,000 | 110,741 | 400,110,741 |


Chairman


Director


Chief Executive Officer

Signed subject to our separate report of even date.

Dated: Dhaka
20 January 2015


(S. H. Khan & Co.)
Chartered Accountants

Jamuna Bank Securities Limited

Statement of Cash Flow

For the year ended 31 December 2014

| | Amount in Taka 31.12.2014 | Amount in Taka 31.12.2013 |
|--|------------------------------|------------------------------|
| Cash Flows from Operating Activities | | |
| BO Fees & Charges | 400,000 | 108,000 |
| Brokerage Commission | 465,281 | 102,598 |
| Income from Investment | 16,848,186 | 15,674,730 |
| Income from Margin A/C | 131,703 | 2,629 |
| Other Operating Income | 3,519 | - |
| Operating Expenses Paid In Cash | (3,318,252) | (1,987,775) |
| Income Tax paid | (3,283,704) | (6,195,953) |
| (I) Cash Generated from Operating Activities before Changes in Operating Assets and Liabilities | 11,246,733 | 7,704,229 |
| Increase/Decrease in Assets and Liabilities | | |
| Current Assets | (5,033,487) | 176,065 |
| Current Liabilities | (183,765) | 2,360,983 |
| (II) Cash (used in) Operating Assets and Liabilities | (5,217,252) | 2,537,048 |
| Net Cash Flow from Operating Activities (A) = (I+II) | 6,029,481 | 10,241,277 |
| Cash Flow from Investing Activities | | |
| Non-Current Assets | 289,181 | (1,512,008) |
| Preliminary Expenses | - | - |
| Investment | 970,102 | 13,863,851 |
| Net Cash Used in Investing Activities (B) | 1,259,283 | 12,351,843 |
| Cash Flow from Financing Activities | | |
| Proceeds from Issue of Share Capital | - | - |
| Interim Dividend Paid | (6,000,000) | (22,000,000) |
| Net Cash Flow from Financing Activities (C) | (6,000,000) | (22,000,000) |
| Net Surplus/(use) in Cash & Bank Balances for the period (A+B+C) | 1,288,764 | 593,120 |
| Cash & Bank Balance at beginning of the period | 906,119 | 312,999 |
| Cash & Bank Balances at the end of the period (*) | 2,194,883 | 906,119 |
| (*) | | |
| JBSL Corporate A/C - (00060210016350) | 254,616 | 317,315 |
| JBSL Dealer A/C- (00060210017671) | 875,200 | 63,131 |
| JBSL (CCA) A/C- (00060210017662) | 1,057,560 | 518,507 |
| Petty Cash | 7,507 | 7,166 |
| Total Cash & Bank Balance | 2,194,883 | 906,119 |


Chairman


Director


Chief Executive Officer

Signed subject to our separate report of even date.


(S. H. Khan & Co.)
Chartered Accountants

Dated: Dhaka
20 January 2015

Jamuna Bank Securities Limited

Notes to the Financial Statements

For the year ended 31 December 2014

1. Background of the company

Jamuna Bank Limited is one of the leading private commercial banks in the country. The Bank has been carrying out its banking business efficiently since its incorporation in 2001. The Bank is offering various banking services to the customers through its wide branch network at different locations of the country.

The Board of Directors of the Bank felt necessary to make its presence in the growing capital market of our country and decided to form a fully owned subsidiary company in the name of **Jamuna Bank Securities Limited** to provide state of the art brokerage services to the investors.

Jamuna Bank Securities Limited has been incorporated as a private limited Company with Registrar of Joint Stock Companies & Firms, Dhaka on 07 February 2011 bearing number C-90274/11. The authorized capital and paid up capital of the company is Tk.100.00 crore (Taka one hundred crore) and Tk.40.00 crore (Taka forty crore) respectively.

The Company applied to Chittagong Stock Exchange (CSE) for a membership of the Exchange to start its brokerage business and accordingly CSE issued membership certificate no.147 to the company. The company applied for Stock -Broker and Stock -Dealer licenses from the Bangladesh Securities and Exchange Commission (BSEC) and subsequently received it from BSEC on June 13, 2012. The Company has started its operation since February 18, 2013.

2. Significant Accounting Policies

2.1 Basis of Presentation of Financial Statements

The financial statements of the company have been prepared applying accrual basis of accounting under the historical cost convention in accordance with Bangladesh Financial Reporting Standards.

2.2 Revenue Recognition

The revenue during the period under audit is recognized satisfying the conditions as specified in Bangladesh Accounting Standards (BAS) 18 "Revenue Recognition".

2.3 Amortization

Amortization is calculated on the cost of Intangible assets in order to write off such amounts over the estimated useful lives of such assets.

The rates of Amortization used on a straight-line method are as follows:

| | |
|-----------------|-----|
| System Software | 15% |
|-----------------|-----|

2.4 Depreciation

During the period under Audit, Depreciation is charged at rates varying from 10% to 15% based on the nature & useful lives of the assets. Depreciation has been charged on addition during the period when respective assets put into use and in case of sale.

The rates of depreciation used on a straight-line method are as follows:

| | |
|------------------------|-----|
| Office Equipments | 15% |
| Furniture & Fixtures | 10% |
| Computer & Accessories | 15% |

2.5 Statement of Cash Flows

The statement of cash flows is prepared in accordance with Bangladesh Accounting Standard (BAS) 7 "Cash Flow Statement".

2.6 Investment and Provision

Investment values and classification are assessed under the Bangladesh Accounting Standard (BAS) 25 "Accounting for Investments" which is shown below:

| Items | Assessment of Accounting |
|-----------------------------|---|
| Investment in Shares | Cost or market price whichever is lower |
| Investment in FDR | Cost Price |
| Investment in Bond & Others | Cost Price |

2.7 Preliminary Expenses

Expenses incurred for incorporation of the company i.e. preliminary expenses have been deferred and will be amortized/written off over a period of five years upon commencement of operation of the company.

2.8 Taxation

Provision for tax has been made @35% as prescribed in the Finance Act, 2014 of the profit made by the Jamuna Bank Securities Limited considering major taxable allowances and disallowances.

2.9 General

Figures in the financial statements have been rounded off to the nearest Taka.

Jamuna Bank Securities Limited

Notes to the Financial Statements

For the year ended 31 December 2014

| | Amount in Taka 31.12.2014 | Amount in Taka 31.12.2013 |
|---|------------------------------|------------------------------|
| 3. Property, Plant and Equipment | | |
| a. At Cost: | | |
| Opening Balance | 2,138,142 | 542,960 |
| Add: Addition during the year | - | 1,595,182 |
| | <u>2,138,142</u> | <u>2,138,142</u> |
| b. Less: Accumulated Depreciation: | | |
| Opening Balance | 181,890 | - |
| Add: Charged during the year | 273,085 | 181,890 |
| | <u>454,975</u> | <u>181,890</u> |
| Written Down Value (a - b) | <u>1,683,167</u> | <u>1,956,252</u> |

A schedule of Property, Plant and Equipment is given at Annexure-A

| | | |
|-----------------------------------|----------------------|----------------------|
| 4. Intangible Assets | | |
| a. At Cost: | | |
| Opening Balance | 107,300 | - |
| Add: Addition during the year | - | 107,300 |
| Less: Disposal during the year | - | - |
| | <u>107,300</u> | <u>107,300</u> |
| b. Less: Amortization | | |
| Opening Balance | 8,584 | - |
| Less: Adjustment during the year | - | - |
| Add: Amortization during the year | 16,095 | 8,584 |
| | <u>24,679</u> | <u>8,584</u> |
| Written Down Value (a - b) | <u>82,621</u> | <u>98,716</u> |

A schedule of Intangible Assets is given at Annexure-B

| | | |
|------------------------------------|-----------------------|-----------------------|
| 5. Preliminary Expenses | | |
| Opening Balance | 743,640 | 743,640 |
| Less: Amortization during the year | - | - |
| Total | <u>743,640</u> | <u>743,640</u> |

| | | |
|---|---------------------------|---------------------------|
| 6. Investment | | |
| Investment in Shares (Anexure - C) | 18,380,870 | 10,242,497 |
| Investment in Govt. Treasury Bond (Note: 6.1) | 106,500,000 | 12,862,225 |
| Investment in FDR (Note: 6.2) | | 102,746,250 |
| Total | <u>124,880,870</u> | <u>125,850,972</u> |

6.1 Investment in Govt. Treasury Bond

| Name of the BGTB | Account/ ISIN | | |
|----------------------|--------------------|---------------------------|--------------------------|
| JBL-04/20YRS/2012-13 | ISIN# BD0932041207 | 3,800,000 | 7,818,132 |
| JBL-39/15YRS/2012-13 | ISIN# BD0928391152 | 5,000,000 | 5,044,093 |
| JBL-46/10YRS/2011-12 | ISIN# BD0922461100 | 7,500,000 | - |
| JBL-38/10YRS/2011-12 | ISIN# BD0922381100 | 90,200,000 | - |
| Total | | <u>106,500,000</u> | <u>12,862,225</u> |

| | | Amount in Taka 31.12.2014 | Amount in Taka 31.12.2013 |
|---|-------------------------|------------------------------|------------------------------|
| 6.2 Investment in FDR | | | |
| Name of the Institution | Account/ FDR No. | | |
| Jamuna Bank Limited | 0006-0330079888 | - | 102,746,250 |
| 7. Advance, Deposit & Prepayments | | | |
| Advance (Note: 7.01) | | 6,225,558 | 2,232,027 |
| Deposit (Note: 7.02) | | 225,000 | 225,000 |
| Total | | 6,450,558 | 2,457,027 |
| 7.1 Advance | | | |
| Advance Income Tax | | 6,225,558 | 2,232,027 |
| 7.2 Deposits | | | |
| Security Deposit to CDBL | | 200,000 | 200,000 |
| Clearing House Deposit to CSE | | 25,000 | 25,000 |
| Total | | 225,000 | 225,000 |
| 8. Loan | | | |
| Portfolio Loan A/C- Margin Clients | | 1,642,484 | - |
| 9. Other Current Assets | | | |
| Accrued Interest- Bond & Others | | 2,628,704 | - |
| Trade Receivables- Stock Exchange (Note: 9.1) | | 46,072 | - |
| Dividend Receivables | | 13,400 | 7,000 |
| Total | | 2,688,176 | 7,000 |
| 9.2 Trade Receivables- Stock Exchange | | | |
| Chittagong Stock Exchange Limited (Broker) | | 46,072 | - |
| Chittagong Stock Exchange Limited (Dealer) | | - | - |
| Total | | 46,072 | - |
| 10. Cash and Cash Equivalent | | | |
| Cash in Hand | | 7,507 | 7,166 |
| Cash at Bank (Note: 10.1) | | 2,187,376 | 898,953 |
| | | 2,194,883 | 906,119 |
| 10.1 Cash at Bank | | | |
| Bank Account Name | Account No. | | |
| JBSL Corporate A/C | 0006-0210016350 | 254,616 | 317,315 |
| JBSL Dealer A/C | 0006-0210017671 | 875,200 | 63,131 |
| JBSL (CCA) A/C | 0006-0210017662 | 1,057,560 | 518,507 |
| | | 2,187,376 | 898,953 |

Credit risk mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, insurance, and other guarantees. The reliance that can be placed on these mitigates is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include: cash; residential, commercial and industrial property; fixed assets such as motor vehicles, plant and machinery; marketable securities; commodities; bank guarantees; and letters of credit. Collateral is valued in accordance with our credit policy, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral. Collateral held against impaired loans is maintained at fair value.

3.15.2 Foreign exchange risk

Foreign exchange risk is the risk that an investment's value changing due to changes in currency exchange rates. The risk that an investor will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange rates. The risk is most acute for businesses that deal in more than one currency. However, other businesses are indirectly exposed to foreign exchange risk if, for example, their business relies on imported products and services.

Foreign exchange risk should be managed where fluctuations in exchange rates impact the business profitability.

Sources of foreign exchange risk :

Foreign exchange risk for a business may arise from a number of sources, including:

- where the business is
- where other costs, such as capital expenditure, are denominated in foreign currency
- where export bill is received in foreign currency
- where other income, such as royalties, interest, dividends etc, is received in foreign currency
- where the loans are denominated (and therefore payable) in foreign currency
- where the business has offshore assets such as operations or subsidiaries that are valued in a foreign currency, or foreign currency deposits.

Methods of measuring foreign exchange risk:

There are many ways to measure foreign exchange risk, ranging from simple to complex measures. Following are some of the examples of the simpler measures which can be applied and understood by most businesses :

- MIS of foreign currency exposures
- Table of projected foreign currency cash-flows
- Sensitivity analysis
- Value at risk

Like other banks and financial institutions, Jamuna Bank Ltd. is also exposed to Foreign Exchange Risk that sprouts externally due to convergence and divergence of many factors in the international market. The foreign exchange business of the bank, fully backed by the underlying transactions, is well-managed as per Bank's internal risk management policies and guidelines and the guidelines of Bangladesh Bank (Central Bank of Bangladesh) . The Asset Liability Management Committee (ALCO) of the bank, headed by the Managing Director & CEO, reviews the risk management position of the bank on regular intervals and provides insights and guidelines to the Treasury Division to manage the foreign exchange risk of the Bank with minimum financial impact.

| | Amount in Taka 31.12.2014 | Amount in Taka 31.12.2013 |
|--|------------------------------|------------------------------|
| 18. Other Liabilities | | |
| Trades Payable- Stock Exchange (Note: 18.1) | 548,751 | 61,331 |
| VAT Payable | 4,321 | 3,244 |
| Tax Payable | 1,199,999 | 1,599,999 |
| Unclaimed Dividend | 13 | 15 |
| Provident Fund (P F) | 184,148 | 74,708 |
| Employee Superannuation Security Service(ESSS) | 6,200 | 2,600 |
| Cheque in Transit- Payable | 4,603 | - |
| CDBL Charges | 7,236 | 25,066 |
| Others Payable | 13,400 | 20,724 |
| Total | 1,968,671 | 1,787,687 |
| 18.1 Trades Payable- Stock Exchange | | |
| Chittagong Stock Exchange Limited (Broker) | 548,751 | 61,331 |
| Chittagong Stock Exchange Limited (Dealer) | - | - |
| Total | 548,751 | 61,331 |
| 19. Revenue | | |
| Interest Income (Note: 19.1) | 131,703 | 1,129 |
| Income from Investment (Note: 19.2) | 15,907,211 | 15,674,730 |
| Fees & Charges (Note: 19.3) | 400,000 | 109,500 |
| Total | 16,438,914 | 15,785,359 |
| 19.1 Interest Income | | |
| Portfolio Loan A/C-Margin | 131,703 | 1,129 |
| Total | 131,703 | 1,129 |
| JBSL charges interest to its Clients for loans given to them. Interest is charged quarterly @16% on daily product basis. | | |
| 19.2 Income from Investment | | |
| Dividend from Share in Listed Company | 143,925 | 72,650 |
| Income from Investment in Shares | 670,459 | 1,322,796 |
| Interest on FDR | 5,766,742 | 14,044,244 |
| Interest on Govt. Treasury Bond (Note: 19.2.1) | 9,326,085 | 235,040 |
| Total | 15,907,211 | 15,674,730 |
| 19.2.1 Interest on Govt. Treasury Bond | | |
| Interest on Govt. Treasury Bond | 10,267,060 | 235,040 |
| Less: Interest paid for holding period of forward seller | 940,975 | - |
| Total | 9,326,085 | 235,040 |
| 19.3 Fees and Charges | | |
| BO Opening Fees | 176,500 | 99,000 |
| BO Maintenance Fees | 213,000 | 9,000 |
| Documentation Charge-Margin A/C | 10,500 | 1,500 |
| Total | 400,000 | 109,500 |
| 20. Other Operating Income | | |
| Brokerage Commission-CSE | 465,281 | 102,598 |
| Other Charges and Fees Income | 3,519 | - |
| Total | 468,800 | 102,598 |

| | Amount in Taka 31.12.2014 | Amount in Taka 31.12.2013 |
|---|------------------------------|------------------------------|
| 21. Salary and Allowances | | |
| Salary and Allowances | 898,716 | 793,847 |
| Bonus | 178,690 | 262,500 |
| Leave Fare Assistance (LFA) | 22,500 | 19,952 |
| Co. Contribution to Employees' Provident | 54,720 | 36,515 |
| Other Allowances | 3,300 | 3,000 |
| Total | 1,157,926 | 1,115,814 |
| 22. Rent, Taxes, Insurance and Electricity | | |
| Tax, Token, Fitness & Rates | 20,720 | 23,585 |
| Total | 20,720 | 23,585 |
| 23. Legal Expenses | | |
| Other Legal Expenses | - | 28,750 |
| Total | - | 28,750 |
| 24. Postage, Stamps and Telecommunication | | |
| Telephone-Office | 32,086 | 22,227 |
| Courier Service | 20 | - |
| Internet/ ISP Connectivity Charges | 169,430 | 171,743 |
| Total | 201,536 | 193,970 |
| 25. Stationery, Printings and Advertisements | | |
| Printing Stationery | - | 72,302 |
| Office Stationery | 11,988 | - |
| Total | 11,988 | 72,302 |
| 26. Directors' Fees and Other Expenses | | |
| Honorarium | 103,500 | 47,150 |
| Total | 103,500 | 47,150 |
| 27. Other Expenses | | |
| Fees & Charges of CDBL (Note: 27.1) | 339,279 | 122,713 |
| Fees & Charges of Stock Exchanges (Note: 27.2) | 94,900 | 16,539 |
| Fees & Charges of BSEC | 24,000 | 24,000 |
| Newspapers, Megazines, Books and Periodicals | 4,874 | 3,105 |
| Repair and Maintenance | 12,000 | 43,005 |
| Entertainment | 36,595 | 46,926 |
| Conveyance | 4,070 | 3,162 |
| Miscellaneous Expenses | 1,719 | 2,910 |
| Bank Charges and Commission | 28,690 | 30,370 |
| Financial Expenses- Bond & Others | 11,800 | - |
| Total | 557,927 | 292,730 |
| 27.1 Fees & Charges of CDBL | | |
| BO Opening Charges | 141,200 | 79,600 |
| BO Maintenance Charges | 170,400 | 7,200 |
| CDS Connection | 6,000 | 6,000 |
| Settlement Fees-CDBL | 20,772 | 26,789 |
| Corporate Action-CDBL | 524 | 3,124 |
| Other CDBL Charges | 383 | - |
| Total | 339,279 | 122,713 |

Amount in Taka
31.12.2014

Amount in Taka
31.12.2013

27.2 Fees & Charges of Stock Exchanges

Charges of CSE

Contact Charges

Commission Charges

Investor Protection Fund- BROKER

Investor Protection Fund- DEALER

Other Fees & Charges- CSE

Total

| | |
|---------------|---------------|
| 12,104 | 3,104 |
| 32,681 | 4,478 |
| 79 | 9 |
| 36 | 48 |
| 50,000 | 8,900 |
| 94,900 | 16,539 |


Chairman
Director

Chief Executive Officer

Signed subject to our separate report of even date.

Dated: Dhaka
20 January 2015


(S. H. Khan & Co.)
Chartered Accountants

Jamuna Bank Securities Limited
Property, Plant and Equipment Schedule
 As on 31 December 2014

(Amount in Taka)

| Particulars | Cost | | | Rate % | Depreciation | | Written Down Value as on 31.12.2014 | |
|---------------------------------------|-----------------------------|-----------------|------------------|-----------|-----------------------------|----------------|--|-----------------------------|
| | Balance as on 01.01.2014 | During the year | | | Balance as on 01.01.2014 | Charged | | Balance as on 31.12.2014 |
| | | Addition | | | | | | |
| Office Equipments | 109,928 | - | 109,928 | 15 | 11,389 | 16,489 | 27,878 | 82,050 |
| Furniture & Fixtures | 952,714 | - | 952,714 | 10 | 84,580 | 95,271 | 179,851 | 772,863 |
| Computer & Accessories | 1,075,500 | - | 1,075,500 | 15 | 85,921 | 161,325 | 247,246 | 828,254 |
| Balance as of 31 December 2013 | 2,138,142 | - | 2,138,142 | | 181,890 | 273,085 | 454,975 | 1,683,167 |

Note: Depreciation has been charged on Straight Line method.

Jamuna Bank Securities Limited

Schedule of Intangible Assets

As on 31 December 2014

(Amount in Taka)

| Particulars | Cost | | | Rate % | Amortization | | | Written Down Value as on 31.12.2014 | |
|---------------------------------------|--------------------------------|-----------------|---------------------------|-----------|--------------------------------|--------------------------------|---------------------------|---|-----------------------------|
| | Balance as on 01.01.2014 | During the year | | | Balance as on 01.01.2014 | During the year | | | Balance as on 31.12.2014 |
| | | Addition | Adjustment/ (Disposal) | | | Balance as on 31.12.2014 | Adjustment/ (Disposal) | | |
| System Software | 107,300 | - | - | 15 | 107,300 | - | 8,584 | 24,679 | 82,621 |
| Balance as of 31 December 2013 | 107,300 | - | - | | 107,300 | - | 8,584 | 24,679 | 82,621 |

Note: Depreciation has been charged on Straight Line method.

Portfolio Statement
As on 31 December 2014

Name : Jamuna Bank Securities Limited

ID : JBSL

BOID : 1205390046617091

Address : Head Office: Hadi Mansion (3rd Floor), 2 Dilkusha C/A, Dhaka.

| SL # | Instrument | Quantity | | | Avg. Rate | Total Cost | Market Rate | Market Value | Unrealised Gain/(Loss) |
|-------------------|-------------|-----------|-----------|-------|-----------|--------------|-------------|--------------|------------------------|
| | | Total | Free | Lock | | | | | |
| Marginable | | | | | | | | | |
| 1 | 1STPRIMFMF* | 5,000 | 5,000 | | 20.78 | 103,882.28 | 18.10 | 80,500.00 | -23,382.17 |
| 2 | ABBANK* | 10,000 | 10,000 | | 30.01 | 300,054.50 | 30.00 | 300,000.00 | -54.50 |
| 3 | AGNISYSL* | 1,100 | 0 | 1,100 | 25.43 | 27,978.35 | 32.20 | 35,420.00 | 7,441.65 |
| 4 | BEXIMCO* | 20,000 | 20,000 | | 43.54 | 870,774.35 | 38.40 | 728,000.00 | -142,774.35 |
| 5 | BSRMSTEEL* | 10,000 | 10,000 | | 97.65 | 976,495.47 | 88.20 | 882,000.00 | -94,495.47 |
| 6 | CENTRALPHL* | 56,975 | 56,975 | | 33.23 | 1,893,230.80 | 28.80 | 1,640,880.00 | -252,350.80 |
| 7 | CONFIDCEM* | 3,580 | 3,580 | | 138.36 | 498,901.28 | 108.80 | 382,344.00 | -116,557.28 |
| 8 | DELTASPINN* | 36,000 | 36,000 | | 21.62 | 778,210.16 | 13.90 | 500,400.00 | -277,810.16 |
| 9 | FAREASTLIF* | 2,050 | 2,050 | | 102.04 | 209,191.80 | 73.90 | 151,495.00 | -57,696.80 |
| 10 | FLEASEINT* | 5,500 | 5,500 | | 30.26 | 166,437.12 | 19.20 | 105,600.00 | -60,837.12 |
| 11 | GHAIL* | 24,000 | 24,000 | | 33.47 | 803,396.56 | 27.20 | 652,800.00 | -150,596.56 |
| 12 | LANKABAFIN* | 75 | 75 | | 47.93 | 3,594.80 | 44.00 | 3,300.00 | -294.80 |
| 13 | MEGHNALIFE* | 805 | 805 | | 118.55 | 71,721.55 | 88.30 | 53,421.50 | -18,300.05 |
| 14 | ONEBANKLTD* | 22,700 | 22,700 | | 16.03 | 363,986.56 | 15.80 | 358,660.00 | -5,326.56 |
| 15 | POPULAR1MF* | 1,378,855 | 1,378,855 | | 6.57 | 9,057,175.36 | 4.90 | 6,756,389.50 | -2,300,785.86 |
| 16 | SALAMCRST* | 10,000 | 10,000 | | 48.13 | 481,307.07 | 34.80 | 348,000.00 | -133,307.07 |
| 17 | TALLUSPIN* | 17,000 | 17,000 | | 38.18 | 648,992.21 | 15.20 | 258,400.00 | -390,592.21 |
| 18 | TITASGAS* | 12,000 | 12,000 | | 93.93 | 1,127,175.22 | 79.00 | 948,000.00 | -179,175.22 |

| | | | | | | | | | |
|--------------------|--|--|--|--|-----------------------------------|----------------------|--|----------------------|----------------------|
| Grand-Total | | | | | | 18,382,504.75 | | 14,185,610.00 | -4,196,894.83 |
| | | | | | Capital Gain/ (Loss) | | | | |
| | | | | | Realized | | | 1,994,957.45 | |
| | | | | | Un Realized | | | -4,196,894.72 | |
| | | | | | Total Capital Gain/ (Loss) | | | (2201937.27) | |

Portfolio Statement
As on 31 December 2013

Name : Jamuna Bank Securities Limited

ID : JBSL

BOID : 1205390046617091

Address : Head Office: Hadi Mansion (3rd Floor), 2 Dilkusha C/A, Dhaka.

| SL # | Instrument | Quantity | | | Avg. Rate | Total Cost | Market Rate | Market Value | Unrealised Gain/(Loss) |
|-------------------|-------------|-----------|-----------|------|-----------|--------------|-------------|--------------|------------------------|
| | | Total | Free | Lock | | | | | |
| Marginable | | | | | | | | | |
| 1 | ABB1STMF* | 24,500 | 24,500 | | 7.35 | 180,143.59 | 7.10 | 173,950.00 | -6,193.52 |
| 2 | MERCANBANK* | 1,000 | 1,000 | | 16.40 | 16,404.87 | 16.70 | 16,700.00 | 295.13 |
| 3 | MPETROLEUM* | 4,100 | 3,900 | 200 | 227.47 | 932,643.18 | 210.80 | 863,460.00 | -89,183.18 |
| 4 | ONEBANKLTD* | 3,500 | 3,500 | | 16.03 | 56,119.87 | 15.90 | 55,650.00 | -469.87 |
| 5 | POPULAR1MF* | 1,248,261 | 1,248,261 | | 7.26 | 9,057,175.36 | 6.10 | 7,614,392.10 | -1,442,783.26 |

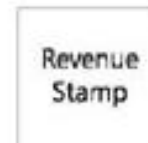
| | | | | | | | | | |
|--------------------|--|--|--|--|-----------------------------------|----------------------|--|---------------------|----------------------|
| Grand-Total | | | | | | 10,242,486.86 | | 8,724,152.10 | -1,518,334.70 |
| | | | | | Capital Gain/ (Loss) | | | | |
| | | | | | Realized | | | 1,322,795.17 | |
| | | | | | Un Realized | | | -1,518,334.76 | |
| | | | | | Total Capital Gain/ (Loss) | | | (195539.59) | |

JAMUNABANK
Jamuna Bank Limited
Hadi Mansion, 2 Dilkusha C/A, Dhaka-1000

PROXY FORM

I, of
(Address).....
.....being the member(s) of JAMUNA BANK LIMITED
do hereby appoint Mr./Ms.....of
(Address).....
..... as my/our proxy to attend and vote on my/our
behalf at the 13th Annual General Meeting (AGM) of the Bank to be held on Monday, May 4, 2015 at 10.00 a.m. at
Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka and at any adjournment thereof.
As witness my/our hand thisday of.....2015.

Signature of the Member(s)
Folio/BOID Number:
Number of Shares held:
Date:



Signature Verified

Signature of the Proxy/Attorney
Folio/BOID Number:
Date :

Authorized Signature

Notes:

1. A Shareholder entitled to attend and vote at the Annual General Meeting (AGM) may appoint a Proxy/Attorney to attend and vote in his/her behalf. The Proxy Form to be filled up completely, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting; i.e., latest by 4:00 p.m. of April 30, 2015.
2. Signature of the member(s) must be in accordance with the specimen signature recorded with the Company or with the Depository Participant(s) (CDBL)

JAMUNABANK
Jamuna Bank Limited
Hadi Mansion, 2 Dilkusha C/A, Dhaka-1000

ATTENDANCE SLIP

We hereby record my/our presence at the 14th Annual General Meeting (AGM) of Jamuna Bank Limited on Monday, May 4, 2015 at 10.00 a.m. at Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka.

Name of member(s)/Proxy:
Folio/BO ID Number:
Number of shares held:.....

Signature(s) of Member(s)/Proxy/Attorney

Note: Members attending the meeting in person or by proxy/Attorney are requested to complete the Attendance Slip and hand-over the same at the entrance of the meeting Hall. Any friend or children accompanying the honorable Member/Proxy/Attorney will not be allowed to the meeting. The Registration counters shall remain open from 8 a.m. to 10.00 a.m.

JAMUNABANK

Jamuna Bank Limited

Head Office: Hadi Mansion, 2 Dilkusha Comm. Area, Dhaka-1000, Bangladesh

Phone: 88-02-9570912, 88-02-9570913, Fax: 88-02-7117014, SWIFT: JAMUBDDH

E-mail: info@jamunabank.com.bd, web: www.jamunabankbd.com