

Directors' Report



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Directors' Report 2015

The Board of Directors of Jamuna Bank Limited takes pleasure in welcoming you all to the 15th Annual General Meeting (AGM) and presenting Annual Report and the audited financial statements of the bank for the year ended 31 December 2015 along with the Auditors' Report thereon.

The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994, BSEC Corporate Governance Guidelines issued on 07 August 2012, Listing Regulations of Dhaka and Chittagong Stock Exchanges, guidelines of Bangladesh Bank and other applicable rules and regulations.

Before going into details performance of the bank, let's start with the status of global and local economy in brief.

Global Economy: A Brief Review

A further deceleration of activity in key emerging and developing economies overshadowed a modest recovery in major high-income countries in 2015. Global growth again fell short of expectations in 2015, decelerating to 2.4 percent from 2.6 percent in 2014. The disappointing performance mainly reflected a continued growth deceleration in emerging and developing economies amid post-crisis lows in commodity prices, weaker capital flows and subdued global trade.

In developing countries, growth in 2015 is estimated at a post-crisis low of 4.3 percent, down from 4.9 percent in 2014. The economic rebalancing in China is continuing and accompanied by slowing growth. Brazil and Russia have been going through severe adjustments in the face of external and domestic challenges. On average, activity in emerging and developing commodity exporters stagnated in 2015, as they continued to be hard hit by declining commodity prices. As a result, the contribution to global growth from these economies has declined substantially. More generally, 2015 growth estimates for more than half of develop-

ing countries were further downgraded. Disappointments are concentrated in Latin America and, to a lesser degree, Sub-Saharan Africa, where a number of commodity exporters are struggling to maintain growth.

The global insecurity due to never-ending conflicts, fighting and racism in the Middle Eastern countries especially in Syria, Yemen, Iraq and Libya may extend the war-like situation to other regions. The refugee exodus is considered to be the most terrible crisis in recent times. The refugee crisis has already shaken the world economy and created economic pressure on many EU countries. The refugee crises in Europe will remain a major factor during 2016. The UN estimates that over one million people entered Europe seeking asylum during 2015. On a global level, the UNHCR has estimated that the number of displaced people reached almost 60 million in 2015, an increase of some 40 per cent since 2014. The failure of leaders of the super-powers and the United Nations to solve the long-time conflicts and war in Syria and Iraq, either politically or by use of force, has started taking its toll on the world economy including the economies of super-power countries. It is forecast that the refugee crisis will worsen further in 2016 unless the world leaders and the UN take effective and collective actions against the regimes which are responsible for it. The world leaders must work with honesty and sincerity and with the aim to solve the problem instead of lingering the crisis. Failure to do so will send the booming economies of the super-power countries to gloom within a short span of time.

Notable exceptions in an otherwise gloomy outlook for developing countries include South Asia (reflecting reduced macroeconomic vulnerabilities and domestic policy reforms in India), as well as some commodity-importing countries in East Asia. Growth in low-income countries generally remained robust in 2015, albeit slowing to 5.1 percent from 6.1 percent in 2014. Some low-income economies showed

continued strength (Ethiopia, Rwanda, Tanzania), supported by large scale infrastructure investment, ongoing mine development, and consumer spending. However, fiscal risks have increased in several countries in East Africa because of sharp increases in public debt and contingent liabilities.

These scattered bright spots aside, the widespread slowdown across emerging and developing economies is a source of concern for the

of commodity exporters. Significant nominal currency depreciations against the U.S. dollar are straining balance sheets in countries with elevated dollar-denominated liabilities. In an environment of weak global trade, exports are likely to languish. On the domestic front, a trend deceleration in productivity growth, rising private sector leverage, depleted fiscal buffers, and heightened policy uncertainty are major headwinds.

TABLE 1.1 Global real GDP growth¹
(Percent)

	2013	2014	2015e	2016f	2017f	2018f
World	2.4	2.6	2.4	2.9	3.1	3.1
High Income²	1.2	1.7	1.6	2.1	2.1	2.1
United States	1.5	2.4	2.5	2.7	2.4	2.2
Euro Area	-0.2	0.9	1.5	1.7	1.7	1.6
Japan	1.6	-0.1	0.8	1.3	0.9	1.3
United Kingdom	2.2	2.9	2.4	2.4	2.2	2.1
Russia	1.3	0.6	-3.8	-0.7	1.3	1.5
Developing countries²	5.3	4.9	4.3	4.8	5.3	5.3
East Asia and Pacific	7.1	6.8	6.4	6.3	6.2	6.2
China	7.7	7.3	6.9	6.7	6.5	6.5
Indonesia	5.6	5.0	4.7	5.3	5.5	5.5
Thailand	2.8	0.9	2.5	2.0	2.4	2.7
Europe and Central Asia²	3.9	2.3	2.1	3.0	3.5	3.5
Kazakhstan	6.0	4.4	0.9	1.1	3.3	3.4
Turkey	4.2	2.9	4.2	3.5	3.5	3.4
Romania	3.5	2.8	3.6	3.9	4.1	4.0
Latin America and the Caribbean²	3.0	1.5	-0.7	0.1	2.3	2.5
Brazil	3.0	0.1	-3.7	-2.5	1.4	1.5
Mexico	1.4	2.3	2.5	2.8	3.0	3.2
Colombia	4.9	4.6	3.1	3.0	3.3	3.5
Middle East and North Africa	0.6	2.5	2.5	5.1	5.8	5.1
Egypt, Arab Rep. ³	2.1	2.2	4.2	3.8	4.4	4.8
Iran, Islamic Rep.	-1.9	4.3	1.9	5.8	6.7	6.0
Algeria	2.8	3.8	2.8	3.9	4.0	3.8
South Asia	6.2	6.8	7.0	7.3	7.5	7.5
India ³	6.9	7.3	7.3	7.8	7.9	7.9
Pakistan ^{3, 4}	4.4	4.7	5.5	5.5	5.4	5.4
Bangladesh ³	6.1	6.5	6.5	6.7	6.8	6.8
Sub-Saharan Africa²	4.9	4.6	3.4	4.2	4.7	4.7
South Africa	2.2	1.5	1.3	1.4	1.6	1.6
Nigeria	5.4	6.3	3.3	4.6	5.3	5.3
Angola	6.8	3.9	3.0	3.3	3.8	3.8

Source: World Bank, Global-Economic-Prospect- January-2016-Spillovers-amid-weak-growth

global economy and poses a threat to hard-won achievements in poverty reduction: more than 40 percent of the world's poor live in the developing countries where growth slowed in 2015. Worsening prospects for developing countries have coincided with a sharp slowdown in global trade, a rise in financial market volatility, and a substantial decrease in capital inflows

Worsening prospects for developing countries have coincided with a sharp slowdown in global trade, a rise in financial market volatility, and a substantial decrease in capital inflows In anticipation of tighter U.S. monetary policy, currency pressures have intensified and borrowing costs have increased, particularly for a number

Source: World Bank, Global - Economic - Prospects - January - 2016 - Spillovers - amid - weak - growth

Outlook of 2016

The continuous political onslaughts in the Middle East and some African countries, the war-like situation prevailing in different countries in 2016 and oil price nosedive simply hint at looming global economic uncertainties. Developing and underdeveloped countries and the oil-rich states are expected to face the consequences of economic recession, sluggishness and melt-down. Budget deficits and cuts would be normal phenomena for oil-rich economies unless a U-turn takes place in oil price.

Glooms and booms are expected to happen to economies of many countries in 2016.

Global growth is projected to edge up in the coming years, but at a slower pace than envisioned in June 2015, reaching 2.9 percent in 2016 and 3.1 percent in 2017-18. This pickup is predicated on continued gains in major high-income countries, a gradual tightening of financing conditions, a stabilization of commodity prices, and a gradual rebalancing in China. The forecast is subject to substantial downside risks, including a disorderly slowdown in major emerging market economies, financial market turmoil arising from sudden shifts in borrowing costs amid deteriorating fundamentals, lingering vulnerabilities in some countries, and heightened geopolitical tensions. Weakening growth and sharply lower commodity prices have narrowed the room for policy makers to respond, especially in commodity-exporting countries, should risks materialize.

Managing Director of the International Monetary Fund (IMF) forecast the global economy would remain fluid in 2016. She said there is likely to be an increased divergence in monetary policies in developed economies. The IMF thinks the Bank of Japan and the European Central Bank will be providing extra strength at a time when the US Federal Reserve and the Bank of England are pushing up interest rates. In the past, this was a recipe for triggering trouble in the markets. It is predicted that China's attempt to rebalance its economy towards consumer spending rather than its exports would prove a bouncy rather than a trouble-free one: the transition was leading to lower demand for commodities with knock-on effects for those countries producing oil and industrial metals.

Burdens on goods and services producers are already palpable. Russia and Brazil are in recession; Saudi Arabia has announced a very conservative budget and is planning to sell a stake of its state-owned oil company Aramco.

Economists and international organizations have forecast that developed and developing economies in 2016 might see lesser growth in GDP. A number of factors are set to trigger discontent. Job security is undermined by global competition, digitalization and robotisa-

tion. New work opportunities ahead are more likely to be short-term contracts, part-time jobs and self-employment without full social benefits and full job security.

Climate change is seen as the biggest menace to the global economy in 2016, according to a survey of 750 experts conducted by the World Economic Forum (WEF). The annual assessment of risks conducted by the WEF before its annual meeting in Davos on January 20-23 showed that global warming has catapulted its way to the top of the list of concerns. A failure of climate change mitigation and adaptation is seen more likely to have major and unpredictable impacts than the spread of weapons of mass destruction, water crises, mass involuntary migration and a severe energy price shock. India has projected foreign direct investment (FDI) to rise by 45 per cent in 2016, helped by policies introduced in November, policymakers said. The announcement follows the government's ongoing efforts to reduce red tape and bolster investor confidence in Asia's third largest economy. India's economy is expected to be stronger in 2016 due to enhanced flow of FDI. India is ranked the fifth in FDI inflows after China, the US, the UK and Mexico. Also being an oil importing country, it will capitalise economic benefits from falling oil prices.

However, global economic growth in 2016 is expected to increase to 3.6 percent in light of the modest recovery in advanced economies and higher growth prospects for emerging markets and developing economies. In the advanced economies, growth is expected to 2.2 percent in 2016. However, growth in emerging markets and developing economies is projected to 4.5 percent in 2016.

Bangladesh Economy: A Brief Review

Over the last decade, the Bangladesh economy secured an average of 6.2 percent growth rate well above the global economic growth. Despite political doldrums, structural constraints and global volatility, the Bangladesh economy maintained its macroeconomic stability and high growth trajectory. In FY15, Bangladesh graduated to the status of a lower middle income country from the low income country, and to OECD Export Credit Eligibility

group 5, which is just below India but ahead of all other South Asian neighbors. The recurrence of political problems in January 2015 took toll on economic activity, particularly in services sector, agriculture, exports, and non-formal sector businesses. Domestic supply chain was disrupted due to disruptions of inter district transportation. Yet, Bangladesh economy remained resilient and recorded a 6.5 percent growth of GDP in FY15. Higher growth of industry sector along with satisfactory growth of services sector helped to achieve this satisfactory growth of the overall economy. The growth of agriculture sector was lower in FY15 compared to the preceding fiscal year due to the lower growth in crops and horticulture sub-sector. During FY15, the average inflation showed a downward trend due to favorable international commodity price movements and sound macroeconomic management.

Agriculture Sector: The growth of agriculture sector declined by 1.4 percentage points in FY15 from 4.4 percent in FY14. This was mainly due to fall in growth of crops and horticulture sub-sector. Moreover, this sector's share also decreased to 16.0 percent of total GDP in FY15 from 16.5 percent of total GDP in FY14.

Industry sector: The growth of the industry sector increased by 1.4 percentage points in FY15 vis-à-vis FY14. Despite the political problems spanned over the second half of the fiscal year, performance of all sub-sectors within industry sector picked up eventually to register a 9.6 percent growth at the end.

Services sector: The services sector registered a 5.8 percent growth in FY15 which was slightly higher than the preceding fiscal year. The growth of all sub-sectors of services sector was upward in FY15 except wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods; and transport, storage and communication sub-sectors.

Consumer Prices in Bangladesh: Annual average CPI inflation in Bangladesh declined in FY15. It stood at 6.40 percent in June 2015 against the target of 6.50 percent set in the

Monetary Policy Statement (January-June 2015) while it was 7.35 percent in FY14. Inflationary pressure started easing since June 2014 (7.35 percent) and continued its decline through FY15 due to falling food inflation resulting from sufficient food supply.

Lower fuel price, coupled with accommodative money growth rate and stable exchange rate contributed to decline in inflation rate. The twelve month point-to-point CPI inflation declined to 6.25 percent in June 2015 from 6.97 percent in June 2014. The annual average food inflation declined while point-to-point food inflation showed mixed trend in FY15. The annual average food inflation declined from 8.55 percent in July 2014 to 6.68 percent in June 2015. On the other hand, the point-to-point food inflation stood at 7.94 percent in July 2014 and gradually decreased to 6.07 percent in January 2015. For the following few months, the point-to-point food inflation kept rising until April 2015 with an inflation rate of 6.48 percent. Finally, in June 2015, the point-to-point food inflation stood at 6.32 percent.

Good harvests and improved supply chain due to easing of political unrest together contributed to decrease in food inflation. The annual average and point-to-point nonfood inflation also depicted mixed movement throughout FY15. The annual average nonfood inflation declined from 5.41 percent in July 2014 to 5.34 percent in September 2014. It started increasing from the following month and ended up 5.99 percent in June 2015. Similarly, the point-to-point non-food inflation was characterised by ups and downs throughout FY15. At the beginning of FY15, the point-to-point non-food inflation was 5.71 percent in July 2014, which increased to 6.15 percent in June 2015, while the highest rate (6.48 percent) prevailed in December 2014. It increased during FY15 mainly as a result of increase of prices of clothing and footwear; furniture furnishing; medical care and health related expenses; transport and communication and other non food items. Core inflation (non-food, non-fuel) showed a mixed behaviour throughout FY15 and reached at 6.74 percent in June 2015 which was 5.76 percent in August 2014. Monthly general, food and non-food inflation

also showed a mixed behaviour in FY15. In FY15, inflation in the urban areas was higher than that in the rural areas. In rural areas, average inflation was 6.20 percent while it was 6.80 percent in urban areas.

Annual average inflation in the rural areas decreased to 6.20 percent in June 2015 from 7.07 percent in June 2014. In the same areas, the food inflation fell to 6.40 percent in June 2015 from 8.11 percent in June 2014 while non-food inflation increased slightly to 5.81 percent from 5.21 percent over the same period.

Call Money Rates: The weighted average interest rate in the call money market ranging from 5.8 percent to 8.6 percent during FY15. During the same year the average volume of trade in the call money market decreased by Taka 271.41 billion which was 18.9 percent lower than that in FY14. Both the volume of transaction and the weighted average interest rate in the call money market remained within the reasonable band with a declining trend in the 4th quarter of the year.

Interest Rates on Deposits and Advances: The weighted average interest rates on deposits reached at 6.80 percent in FY15. Similarly, the weighted average interest rates reached at 11.67 percent in FY15. Though policy rates remained unchanged, lending rates declined due to lower cost of funds for banks, lower demand for credit as well as increasing competition from overseas lenders whose lending rates are in single digit. The spreads between lending rates and deposit rates were above 5 percent from FY10 to FY14 which decreased to 4.87 percent in FY15 from 5.31 percent in FY14.

Export: Total exports in FY15 had a low growth over FY14. Aggregate exports increased by 3.4 percent in FY15 to USD 31208.9 million from USD 30186.6 million in FY14. Apparels (woven garments and knitwear products) continued to occupy an overwhelming (above four fifths) share of the export basket in FY15.

Import: Import payments (fob) in FY15 stood at USD 40685 million (Table 11.2) registering a positive growth of 11.2 percent compared to USD 36571 million in FY14. Except raw cotton, oil seeds, sugar and milk & cream, all

other importable items indulge varying degrees of increase in the aggregate imports during FY15 over FY14. Import of food grain recorded significant growth of 64.5 percent in FY15 mainly due to rise in rice import. Import payment for food grains stood at USD 1490.7 million in FY15 compared to USD 906.2 million in FY14 (rice 394.3 percent and wheat 22.3 percent). Import of other food items decreased by 3.2 percent to USD 4800.1 million in FY15 from USD 4958.0 million in FY14. Except positive growth of spices (70.5 percent) and pulses (36.3 percent) all other items showed the negative growth. Consumer and intermediate goods increased by 13.6 percent to USD 22514.4 million in FY15 from USD 19823.3 million in FY14 (crude petroleum 337.1 percent, fertiliser 42.3, POL 40.7 percent, plastic & rubber article thereof 12.6 percent, tanning and dyeing extracts 10.3 percent, etc.). All the items of capital goods and others category registered growth of 9.8 percent to USD 16385.0 million in FY15 from USD 14928.9 million in FY14 (capital machinery 17.8 percent, iron, steel & other base metal 12.6 percent and others 6.4 percent). Imports by EPZ increased by 2.0 percent to USD 3138.1 million in FY15 compared to USD 3077.0 million in FY14.

Remittance: The flow of inward remittances from Bangladeshi nationals working abroad regained its growth in FY15 and played an important role to increase foreign exchange reserve and strengthening the current account balance of the country. Receipts from this sector increased by 7.7 percent from USD 14228.31 million in FY14 to USD 15316.92 million in FY15. Bangladesh Bank has been trying continuously to simplify the remittance distribution networks including easing approval policy of drawing arrangements between foreign exchange houses abroad and domestic banks. As a result, 39 banks have been granted permission to establish more than 1200 drawing arrangements with more than 320 exchange houses all over the world for collecting remittances. Some banks have already established 34 exchange houses/ subsidiaries abroad to collect remittances by their own. Some Micro Finance Institutions (MFIs) have been involved for smooth delivery of inward

remittances. Till 30 June 2015, 27 MFIs were allowed to perform the job of remittance distribution through their branches in remote areas. To increase the competition among the money transmitters, commercial banks are always instructed to make the contracts with Multinational Money Remitters/ Exchange Houses to avoid "Pay Cash Exclusivity Clause" or any other such clauses.

Monetary Policy: A cautious yet growth and investment friendly monetary policy stance was implemented during FY15. Bangladesh Bank maintained policy continuity by keeping the policy rates unchanged to dispel the inflationary pressure and support economic growth. Private sector credit growth was 13.2 percent in FY15 which was slightly higher compared to the preceding fiscal year but remained lower against the targeted growth rate of 15.5 percent. On the other hand, the growth of credit to the public sector registered a negative growth rate at 2.5 percent in FY15 against the target set at a 25.3 percent increase. But a good amount of resources through selling National Savings Certificates and a higher amount of NBR tax revenue was collected.

The growth of export fell from 12.1 percent in FY14 to 3.3 percent in FY15 but the growth of imports increased from 8.9 to 11.3 percent during the same period. The higher growth of imports compared to exports led to an increase in trade deficit to the tune of USD 9917 million in FY15 from USD 6794 million in FY14. Workers' remittances growth stood at 7.5 percent in FY15 compared to 1.5 percent negative growth in FY14. A surplus in the overall balance of payments was maintained despite a deficit in current account balance. The foreign exchange reserves reached USD 205021 million at the end of FY15, at a comfortable level to meet over seven months of imports of goods and services.

Bangladesh Economy (Outlook 2016)

Bangladesh, the world's eighth most populous country in the present century, has plenty of opportunities to develop its economy and achieve a better GDP growth in 2016. It had GDP growth rate of 6.5 per cent in 2015 and is

expected to post 6.7 per cent growth in 2016. It has a large pool of skilled and unskilled workers, who work in vibrant private sector industries and businesses. But Bangladesh is much behind in FDI inflows because of poor industrial infrastructure, lack of energy, poor communication system and the last but not the least, the never-ending political instability. These are the root causes and great impediments on the way of industrial development, FDI inflows, and expansion of businesses in Bangladesh.

Doing business sheds light on how easy or difficult it is for a local entrepreneur to open and run small, medium and big-size businesses when complying with relevant regulations. It is a Herculean task for a businessman to face tough regulations that affect 11 areas in a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labour market regulation. The position of Bangladesh in 'doing business' criteria determined by the World Bank is 172 out of 189 which is not satisfactory at all. The economy of the country is expected to be gloomy in 2016 like that of 2015 unless conditions for 'doing business' are improved. In the whole world, oil-importing economies are getting the direct economic benefits from continuous falling of oil prices at the cost of the oil-exporting countries. But in Bangladesh, consumers, private sector industries and businesses are not, as no reduction in oil price has been made by the policy-makers in line with international oil price.

Only long-lasting political harmony, practicing true democracy, ensuring political stability, and economic policy certainties in Bangladesh can guarantee a robust economy in 2016. Proper implementation of recent Monetary Policy Statement (MPS) of the central bank of Bangladesh emphasizing great importance on growth of the private sector and reduction of interest rate may improve investment climate and the economy in 2016. To improve the economic performance in 2016, weak and vulnerable sectors like capital market and real estate sector need to be supported by fiscal and monetary policies.

Banking Industry in 2015

Banking industry was in excessive liquidity position throughout the year 2015 that eventually pushed the inter-bank call money rate to drop down extensively. The call money rate fallen to 3.69% at the close of 2015 from 8.57% at the beginning of the same year. The loan disbursement target set in the fiscal policy for the private sector could not be achieved and Government did not borrow from the banking sector as well. Because of all these factors, there was excessive liquidity in the banks and that is why the profit margin was not as much as we expected.

On the other hand, banking industry has achieved a significant growth in deposit mobilization and also in rational approach for loan disbursement. Total deposits (excluding inter-bank items) of the scheduled banks increased to Tk.7,450 billion in 2015 where as Tk.6,589 billion was in December 2014 achieving a growth of more than 13 percent. Besides, total bank's advance increased to Tk.6,175 billion in 2015 from Tk.5,451 billion in December 2014 registering more than 13 percent growth.

The amount of non-performing loans (NPLs) increased by 2.42 per cent in the last calendar year inspite of rescheduling and large loan restructuring by the central bank to tackle the problem. According to the central bank latest statistics, the volume of NPLs rose to Tk.513.71 billion as on December 31, 2015 from Tk.501.66 billion a year before (source: The Financial Express (16-02-2016)). However, the ratio of gross NPL to total outstanding loans of the banking sector decreased from 9.69 percent to 8.79 percent at the end of December 2015. Gross NPL ratio for SCBs, SBs, PCBs and FCBs were 21.8 percent, 24.7 percent, 6.1 percent and 8.8 percent respectively at the end of September 2015.

Despite surplus liquidity and growing burden of bad debts, operating profits of most of the private sector banks in the country increased in 2015. Bangladesh Bank has relaxed several rules for the banks in the past few years. Accordingly, taking advantage of this opportunity, Banks rescheduled several of their loans and also reconstructed loans related to the large industrial groups. By regularizing loans this way, the banks got the opportunity to

show interest against these loans as income. Experts say, these helped in increasing the operating profits of the banks at the end of the year.

At the end of the year 2015, Capital Adequacy Ratio (CAR) increased to 10.50% from 10.30% of 3rd Quarter of the same year against central Bank's minimum requirement of 10%.

According to Bangladesh Bank data, the overall lending rate fell from 12.84 percent (in Jul 2014) to 11.27 percent (in November 2015). The average deposit rate fell from 7.71 percent to 6.46 percent over the same period. Consequently the average spread came down below 5 percent.

Banking Industry Outlook and possible future developments

In 2016, Banking Industry is expected to perform better comparison to previous year. But for that Entrepreneurs' initiative for further investment/new investment will be major factor for utilization of Bank's fund in 2016 as the industry has enough liquidity for investment.

Political and economic stability is also the important factor for the growth of the Banking Industry. Economic growth and political stability are deeply interconnected. On the one hand, the uncertainty associated with an unstable political environment may reduce investment and the pace of economic development. On the other hand, poor economic performance may lead to government collapse and political unrest. Lack of consensus between the political parties may lead to political agitation, which may affect the growth of the private sector.

Corporate governance is also another factor for the growth of the Banking Sector. Bank and Financial Institutions are the backbone of the economic sector of any country. The healthy economic condition of a nation is depicted through the sound functioning of its banks. Banks form a crucial link of a country's economic sector hence they are universally regulated industry and their well being is imperative for the economy. Growth of investment and business activities may not explore due to lack of corporate governance.

Government borrowing from banking sector in 2016 may worsen liquidity position of this sector as the implementation of various mega projects are in progress by the Government. Government revenue collection is not at the targeted level, to meet up the expenditures, government may borrow fund from banking sector.

Brief History of Jamuna Bank Limited

Jamuna Bank Limited (JBL) is a Banking Company incorporated in Bangladesh on April 02, 2001 as Public Limited Company under the Companies Act 1994. The company obtained its license from Bangladesh Bank on 24.04.2001 as a Banking Company under the Bank Companies Act, 1991 and commenced business on June 03, 2001. Its Head Office currently at Hadi Mansion, 2, Dilkusha C/A, Dhaka-1000, Bangladesh.

The Bank provides all types of support to trade, commerce, industry and overall business of the country. JBL's finances are also available for the entrepreneurs to set up promising new ventures and BMRE of existing industrial units. Jamuna Bank Ltd., the only Bengali named 3rd generation private commercial bank, was established by a group of local entrepreneurs who are well reputed in the field of trade, commerce, industry and business of the country.

The Bank offers both conventional and Islamic banking through designated branches. The Bank is being managed and operated by a group of highly educated and professional team with diversified experience in finance and banking. The Management of the bank constantly focuses on understanding and anticipating customers' needs. Since the need of customers is changing day by day with the changes of time, the bank endeavors its best to device strategies and introduce new products to cope with the change. Jamuna Bank Ltd. has already achieved tremendous progress within its past 10 years of operation. The bank has already built up reputation as one of quality service providers of the country.

The company also obtained license from Bangladesh Bank as Primary Dealer to buy and sell Government Treasury Bonds and Bills on December 11, 2003.

The company went for Initial Public Offering (IPO) in December 12, 2005 and its shares were listed in Dhaka Stock Exchange Limited on April 12, 2006 and Chittagong Stock Exchange Limited on April 17, 2006.

Authorized capital of the Company is Tk.10,000 million divided into 1000 million ordinary shares of Tk.10 each. The company's paid-up capital stood at Tk.614,11,93,860.00 divided into 61,41,19,386 shares of Tk. 10 each.

At present the Bank has real-time Online banking branches (of both Urban and Rural areas) network throughout the country having smart IT-backbone. Besides traditional delivery points, the bank has ATMs of its own, sharing with other partner banks and consortium throughout the country. As on 31 December 2014, the Bank has 102 branches (including 2 Islamic Banking Branches) and 4 SME centers, with no overseas branches.

The Bank Consists of two subsidiaries; Jamuna Bank Capital Management Limited established in 23 December 2009 with the objectives to carry out the business of full-fledged merchant banking activities like issue management, portfolio management, underwriting etc. and Jamuna Bank Securities Ltd. with the objectives to carry out the business of brokerage services to the investors.

Main Activities of the Bank

Interest Earning Activities:

Corporate Banking: Corporate Banking of Jamuna Bank Limited offers customized corporate banking solution for both its local Business Houses as well as Multinational Companies. JBL Corporate Banking offers a wide range of financial solutions through both Conventional and Islamic Banking products that include-

- **Project Finance** is allowed for both new project and expansion of existing project by financing mainly capital machinery at a desired debt-equity in the form of Term Loan preferably up to 5 years, Hire Purchase, Lease Finance. However, for exceptionally desired Project, JBL also extends financing for factory building. For promoting Green Banking, JBL gives priority for financing ETP and other envi-

ronmental friendly arrangements. JBL prefers for being the lone banker in Project Financing. However, for economically desired projects, JBL offers Project Financing through loan syndication and take part in syndication.

- **Working Capital Finance** is the preferred area for JBL Corporate Banking. It offers wide range of products for meeting the working capital requirement of all types of industrial units, trading houses and commercial houses. JBL meets the working capital requirement not only of local but also of international businesses requiring import-export supports through Trade Finance. Various working capital modes of Finances that JBL offers i.e. Cash Credit (Hypothecation), Time Loan etc. for those business houses that procure raw materials/ Stocks-in-trade from local market.
- **Offers for importers:** JBL Corporate Banking extends all out supports to Importers by allowing Irrevocable Letter of Credit both sight and deferred term basis advising and even confirming the same through its wider correspondent network. Post Import Finance preferred mode are:
 - ▶ **Loan against Trust Receipt** popularly known as LTR is allowed as post import working capital finance for a period of mainly 45 days to 90 days for trading and 90 days to 180 days for manufacturing houses. This is a preferred mode of finance since it is a short-term facility.
 - ▶ **Time Loan** is allowed in very special cases considering the creditworthiness, reputation and/or security position of the customer for supporting a part of duty structure against high volume imported consignment.
- **Offers for Exporters:** Various Supports that JBL Offers for Exporters are as follows:
 - ▶ **Back-to-Back Letter of Credit** facility is allowed against confirmed Master (Export Order) LC/Contract of well-reputed buyers for procuring various raw materials from both local and international markets.
 - ▶ **Packing Credit** popularly known as PC is allowed at 7% interest rate for financing cutting and manufacturing expenses. PC is allowed at 10% to 20% of export bill considering other financial obligations of the customer(s). However, it is allowed at the pre-shipment stage but when raw materials against respective export order is available at warehouse.
 - ▶ **Overdraft** popularly known as OD is allowed to Exporters for meeting any emergency working capital requirement.
 - ▶ **Foreign Documentary Bill Purchase (FDBP)** is allowed at the request of the exporter against complied export documents.
 - ▶ **Local Documentary Bill Purchase (LDBP)** is allowed as finance against Accepted deferred Export Bills of deemed Exporters. This is the most preferred mode of finance for JBL and JBL offers concessional rate of interest on this finance.
- **JBL offers to Contractors/Suppliers:** Various supports that JBL offers to Contractors/Suppliers are as follows:
 - ▶ **Bid Bond** is allowed for helping Contractors/Suppliers for participating in different Tenders.
 - ▶ **Overdraft (Pay Order)** is allowed where Contractors/Suppliers are required to submit Pay Order in lieu of Bid Bond. JBL extends 90% finance in the form of Overdraft after depositing 10% cash margin by the Contractors/Suppliers for issuance of the Pay Order.
 - ▶ **Performance Guarantee (PG)** is allowed for ensuring Contractors' /Suppliers' performance of the Contract.
 - ▶ **Advance Payment Guarantee (APG)** is allowed for helping Contractors' /Suppliers' receipt of advance against the work from the Employer/Work Order awarding Agency.
 - ▶ **Overdraft (Work Order)** is allowed as working capital for smooth execution of

the work under a specific Work Order against assignment of entire bills under the Work Order. Finance is allowed for any construction work up to 20-30% of Work Order value, which is disbursed in phases based on satisfactory progress of work and for any Supply Order up to 60-70% of Supply Order value.

- ▶ **Security Bond** (Payment Guarantee) is allowed in favor of various utility providing authorities, customers, shipping agents, Airlines, AITA, or any other purpose as per requirement within the purview of regulatory rules & regulations.
- ▶ JBL also provides Guarantee against Counter Guarantee of any good rated foreign bank.

Investment Activities:

Money 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.

Primary Dealer: 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 significant amount of Capital gain from secondary trading of Govt. Securities.

The Bank and Financial Performance Highlights

Figures are in million BDT

Sl. No.	Particulars	2015	2014
1.	Paid up Capital	6,141.19	5,160.67
2.	Total Capital	14,596.97	11,058.24
3.	Capital surplus/deficit	3,216.33	1,228.38
4.	Total Assets	142,859.17	139,494.58
5.	Total Deposits	118,849.18	114,635.13
6.	Total Loans and Advances	87,252.28	77,899.79
7.	Total Contingent Liabilities and Commitments	46,632.78	37,602.08
8.	Credit Deposit Ratio	73.41%	67.95%
9.	Percentage of classified loans against total loans and advances	6.69%	5.68%
10.	Profit after tax and provision	1,642.47	1,347.11
11.	Amount of classified loans during current year	5,839.68	4,422.15
12.	Provisions kept against classified loan	1,549.91	1,796.86
13.	Provision surplus/deficit	-	-
14.	Cost of fund	10.22%	11.04%
15.	Interest earning Assets	91,213.22	84,236.73
16.	Non-interest earning Assets	51,645.95	55,257.85
17.	Return on Investment (ROI)	10.70%	8.77%
18.	Return on Asset (ROA)	1.15%	0.97%
19.	Incomes from Investment	3,783.69	3,267.68
20.	Earning per Share	2.67	2.19 (restated:2014)
21.	Net Income per Share	2.67	2.19 (restated:2014)
22.	Price Earning Ratio	4.52	5.61

Profitability and performance of Jamuna Bank

Jamuna Bank recorded operating profit of Tk.6,981.97 million in 2015 with a growth of 14.63% against previous year. We had to devote a lot of effort to achieve the growth. 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. Bank's performance was accomplished mainly from downsizing of loan loss, sticking to core banking business, consolidation of business mix with expanded pie on textile sector, efficient cost management as well as appropriate strategic choice.

Our overall position for the year 2015 suggests that our achievement particularly revenue basket was more viable than we have expected. Bank's Net Interest Income increased by 13.09%, Investment Income increased by 15.79% consequently total operating income increased by 14.63%. Thus the Bank could gross an amount of Tk.6,981.97 million in Operating Income.

On the balance sheet side, the total assets of the Bank Tk.142,859.17 million showing up an increase of Tk. 3,364.59 million from Tk.139,494.58 million of 2014. The Growth was achieved in Loans and advances by 12.01%. Deposits also showed a growth of 3.68%. The Bank continued to have remarkable capital adequacy at 12.83% in accordance with Basel-III requirement. Total Shareholders' Equity increased to Tk.4897.68 million. Liquidity maintained a comfortable position with liquid assets (Cash, Balance with other banks and financial institutions, money at call, treasury bonds and tradable securities) forming 34.34% of total assets. The Bank could maintain an effective control on Loan to Deposit ratio at 73.41% at the year-end.

Total non-performing loans and advances was Tk.5,839.68 million as on 31.12.2015 while it was Tk.4,422.15 million in 2014. The percent of nonperforming loans and advances as on 31.12.2015 6.69% while it was 5.68% in 2014.

Following table shows the comparative financial position of JBL both as a Group and as the Bank.

Particulars	Group (BDT Million)		Bank (BDT Million)		% Change (Group)	% Change (Bank)
	2015	2014	2015	2014		
Total Operating Income	7123.78	6277.96	6981.97	6090.62	13.47%	14.63%
Total Operating expense	3376.16	3047.3	3353.1	3021.83	10.79%	10.96%
Operating profit	3747.62	3230.66	3628.87	3068.79	16.00%	18.25%
Total provisions	1516.65	1296.7	1442.06	1221.43	16.96%	18.06%
Profit before tax for the year	2230.97	1933.96	2186.81	1847.36	15.36%	18.37%
Tax provision	544.38	544.27	500.6	463.31	0.02%	8.05%
Profit after tax (PAT) (considering contribution of JBF)	1642.85	1352.74	1642.47	1347.11	21.45%	21.93%
EPS (Restated: 2014)	2.68	2.2	2.67	2.19	21.82%	21.92%

Appropriation of Profit

Profit after Tax (PAT) stood at Tk.1,642.47 million. Profit available for distribution among

shareholders is Tk.1,208.34 million after a mandatory transfer of statutory reserve of Tk.437.36 million (@ 20% on PBT).

“Fig in BDT Million”

Particulars	Year 2015	Year 2014
Profit after tax	1,642.47	1,347.11
Retained earnings carried forward from previous year	3.23	6.11
Profit to be appropriated	1,645.70	1,353.22
Transfer to statutory reserve	437.36	369.47
Net profit after appropriation/Retained surplus	1,208.34	983.75

Recommended Dividend

Jamuna Bank continued to honour its commitment to optimization of shareholders’ value. However, Board of Directors in its 284th meeting held on 13 April 2016 has recommended cash dividend @19.50% subject to the approval of the shareholders at the next Annual General Meeting.

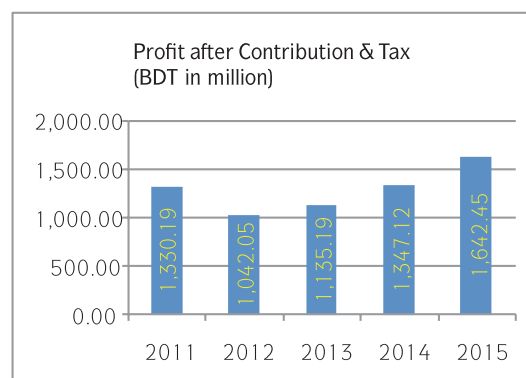
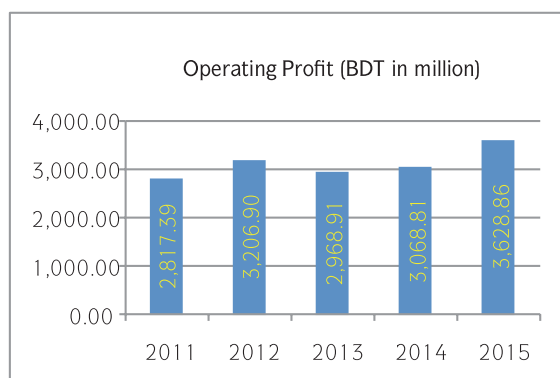
Key operating and financial data for last 5 (five) years

JBL is maintaining growth in last five years in term of business volume and profitability. At the end of the 2015 total assets of the Bank is stood BDT 142,859.17 million recording a growth of 64.08% compare to the year 2011. During last five year both deposits grew by more than 68.56% and loans & advances of the Bank grew by more than 54.12% compare to the year 2011.

Taka In BDT. Million

(Figures in million Taka except ratios and per share data)

	YR- 2015	YR- 2014	YR- 2013	YR- 2012	YR- 2011
Income statement Information:					
Interest income	9,812.78	10,269.61	9,697.92	9,626.68	8,473.44
Interest expenses	8,194.85	8,838.96	8,078.04	7,787.48	6,310.59
Net interest income	1,617.93	1,430.65	1,619.88	1,839.20	2,162.85
Income from Investment	3,783.69	3,267.68	2,660.31	2,007.15	1,404.67
Non interest income	1,580.33	1,392.31	1,355.47	1,438.77	1,296.37
Total Operating Income	6,981.95	6,090.64	5,635.66	5,285.12	4,863.89
Total Operating Expenses	3,353.09	3,021.83	2,666.75	2,078.22	2,046.50
Profit before provision and tax	3,628.86	3,068.81	2,968.91	3,206.90	2,817.39
Provision for loans and assets	1,442.07	1,221.43	684.02	1,126.38	347.39
Profit before tax	2,186.79	1,847.38	2,284.89	2,080.52	2,470.00
Contribution to Jamuna bank foundation	43.74	36.95	22.85	20.81	12.35
Tax including deferred tax	500.60	463.31	1,126.85	1,017.66	1,127.46
Profit after tax	1,642.45	1,347.12	1,135.19	1,042.05	1,330.19

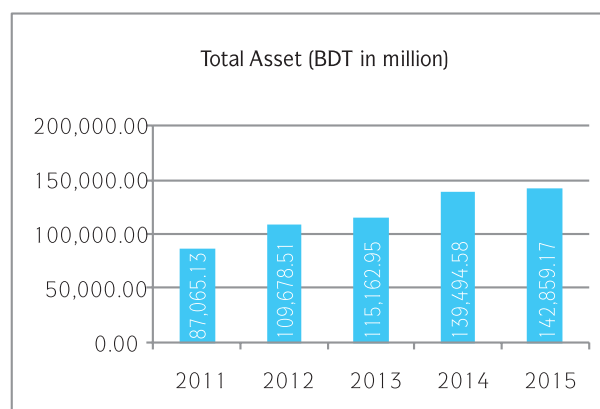
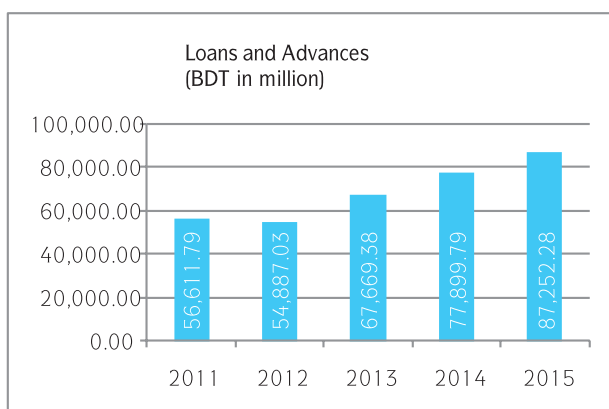
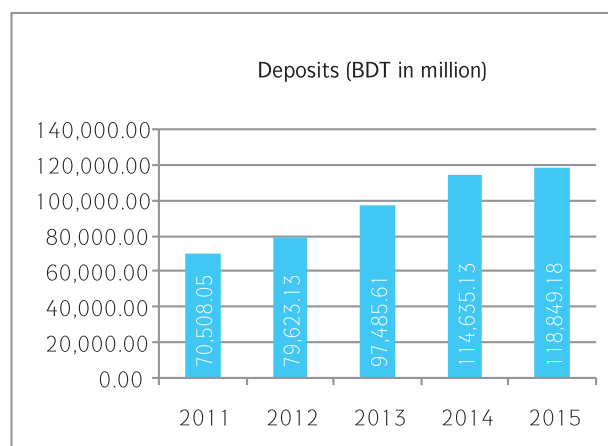
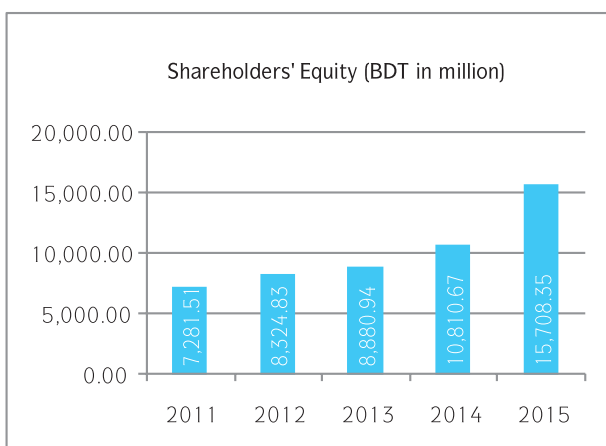


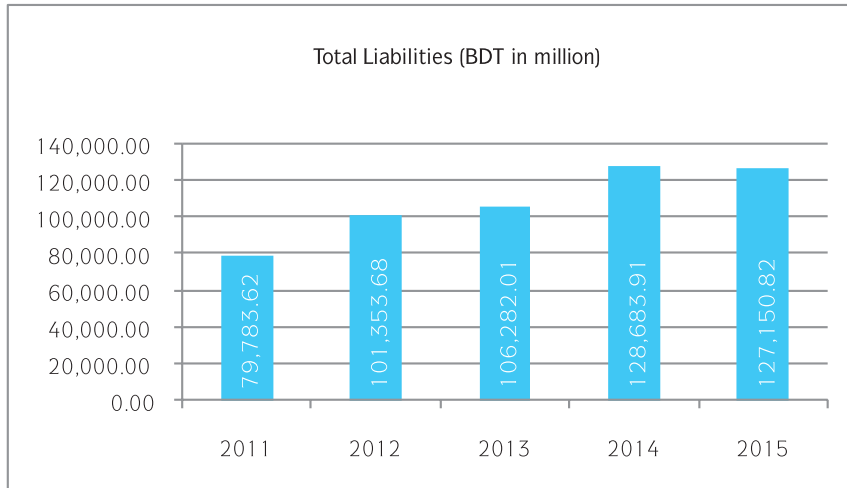
Taka In BDT. Million

(Figures in million Taka except ratios and per share data)

Balance Sheet Information:

	YR- 2015	YR- 2014	YR- 2013	YR- 2012	YR- 2011
Authorized Capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Paid up Capital	6,141.19	5,160.67	4,487.54	4,487.54	3,648.40
Reserve & Retained surplus	9,567.16	5,650.00	4,393.40	3,837.29	3,633.11
Total Shareholders' Equity	15,708.35	10,810.67	8,880.94	8,324.83	7,281.51
Deposits	118,849.18	114,635.13	97,485.61	79,623.13	70,508.05
Total liabilities	127,150.82	128,683.91	106,282.01	101,353.68	79,783.62
Total liabilities & Shareholders' equity	142,859.17	139,494.58	115,162.95	109,678.51	87,065.13
Long Term Liabilities	42,106.07	32,922.17	32,618.54	15,395.83	13,788.24
Loans and advances	87,252.28	77,899.79	67,669.38	54,887.03	56,611.79
Investments	34,722.81	39,963.54	31,392.20	39,118.93	16,314.93
Property, Plant and Equipment	2,228.09	2,278.50	2,195.05	2,082.03	1,971.72
Total Assets	142,859.17	139,494.58	115,162.95	109,678.51	87,065.13
Earning Assets	81,965.17	74,563.30	66,608.33	58,969.03	62,461.62
Net Current Assets	79,203.65	71,648.34	61,412.87	53,959.73	54,381.79





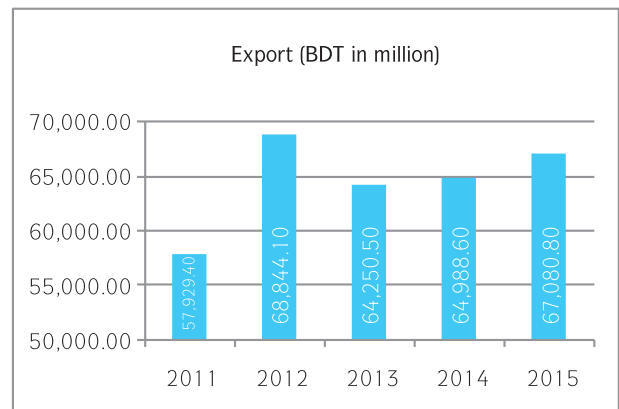
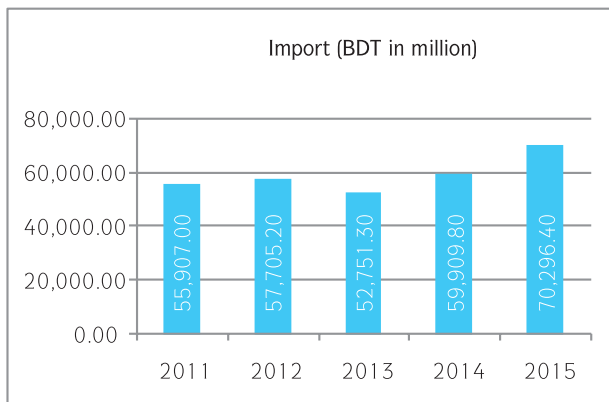
(Figures in million Taka except ratios and per share data)

Foreign Trade Information:

Import
Export
Remittance
Guarantee

Taka In BDT. Million

	YR- 2015	YR- 2014	YR- 2013	YR- 2012	YR- 2011
Import	70,296.40	59,909.80	52,751.30	57,705.20	55,907.00
Export	67,080.80	64,988.60	64,250.50	68,844.10	57,929.40
Remittance	11,726.70	8,200.00	6,859.00	4,029.00	3,360.03
Guarantee	9,406.30	4,471.00	5,578.10	4,515.30	5,687.20



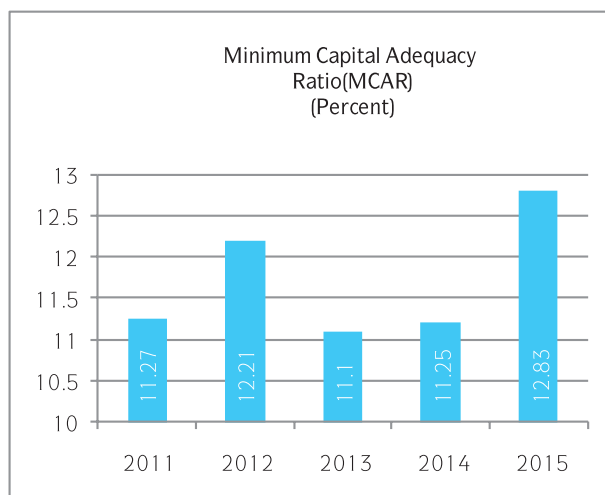
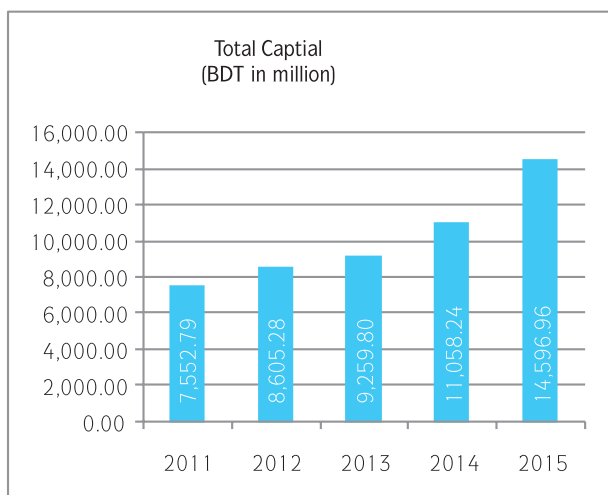
(Figures in million Taka except ratios and per share data)

Capital Information :

Total Risk weighted Assets
Core Capital (Tier-I)
Supplementary Capital (Tier-II)
Total Capital
Tier-I Capital Ratio
Tier-II Capital Ratio
Minimum Capital Adequacy Ratio (MCAR)

Taka In BDT. Million

	YR- 2015	YR- 2014	YR- 2013	YR- 2012	YR- 2011
Total Risk weighted Assets	113,806.38	98,298.68	83,421.38	70,448.60	67,041.40
Core Capital (Tier-I)	10,752.90	9,110.44	7,763.33	7,256.39	6,214.34
Supplementary Capital (Tier-II)	3,844.06	1,947.80	1,496.47	1,348.89	1,338.45
Total Capital	14,596.96	11,058.24	9,259.80	8,605.28	7,552.79
Tier-I Capital Ratio	9.45	9.27	9.31	10.30	9.27
Tier-II Capital Ratio	3.38	1.98	1.79	1.91	2.00
Minimum Capital Adequacy Ratio (MCAR)	12.83	11.25	11.10	12.21	11.27



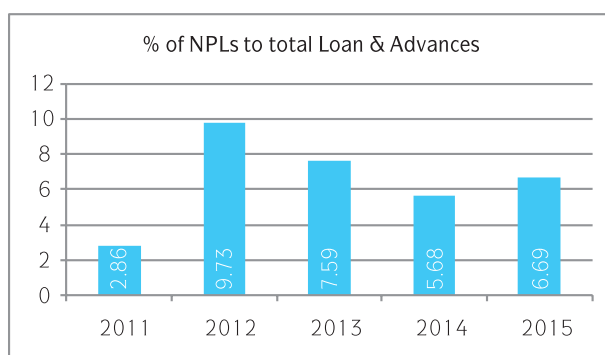
(Figures in million Taka except ratios and per share data)

Taka In BDT. Million

Credit Quality Information:

Volume of Non-performing Loans (NPLs)
 % of NPLs to total Loan & Advances
 Provision for Un-classified Loans
 Provision for Classified Loans

	YR- 2015	YR- 2014	YR- 2013	YR- 2012	YR- 2011
Volume of Non-performing Loans (NPLs)	5,839.60	4,422.15	5,133.76	5,337.87	1,618.73
% of NPLs to total Loan & Advances	6.69	5.68	7.59	9.73	2.86
Provision for Un-classified Loans	1,274.22	1,097.74	937.67	814.67	804.87
Provision for Classified Loans	1,549.91	1,796.86	2,256.68	1,698.25	627.30

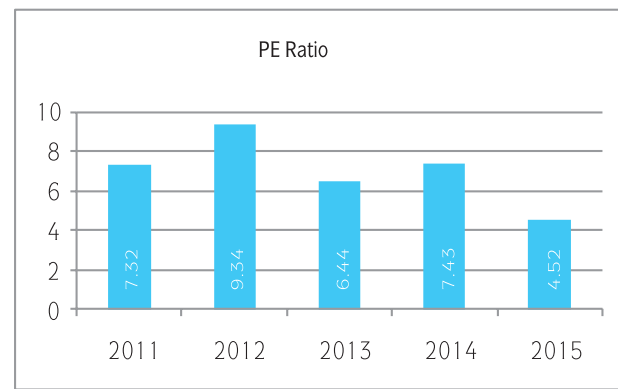
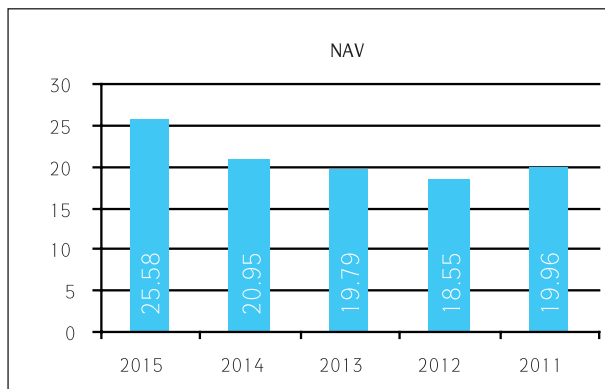
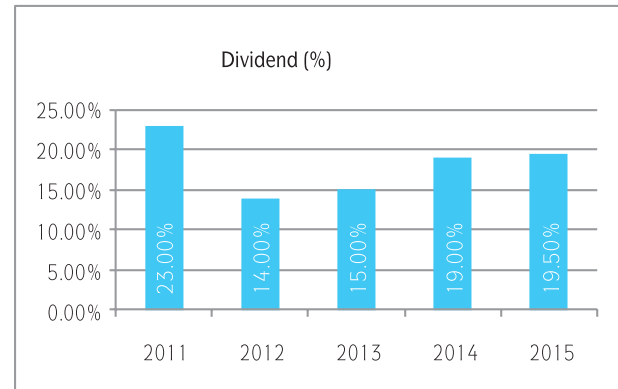
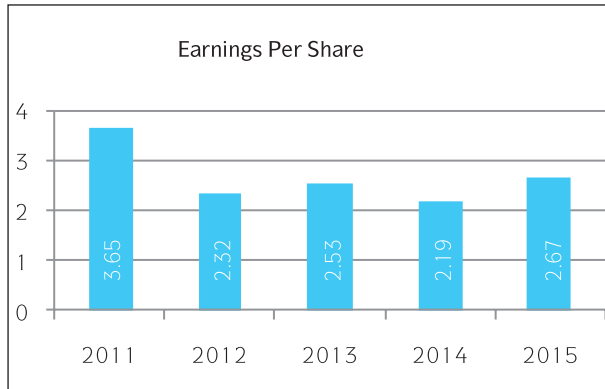


Taka In BDT. Million

Share information:

No. of Share Outstanding
 No. of Shareholders' (actual)
 Dividend:
 Cash (%)
 Bonus (%)
 Effective Dividend Ratio
 Market capitalization
 Market price per Share (Taka)
 Earning per Share Taka (EPS)
 Book value per Share/ NAV (Taka)
 Price Earning Ratio (Times)

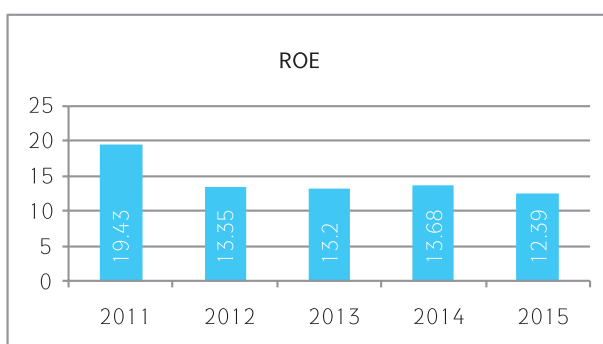
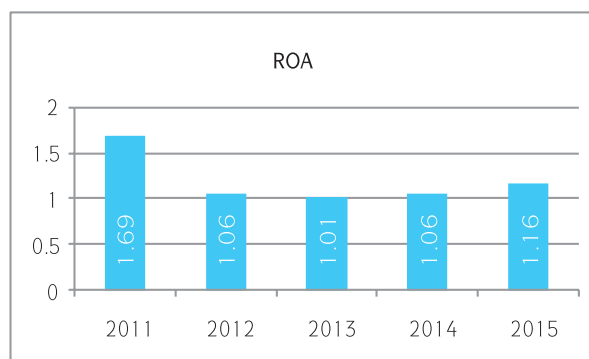
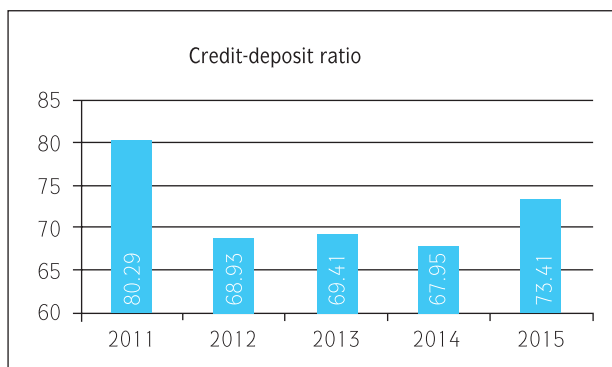
	YR- 2015	YR- 2014	YR- 2013	YR- 2012	YR- 2011
No. of Share Outstanding	614.12	516.07	448.75	448.75	364.84
No. of Shareholders' (actual)	38,596	46,984	51,535	51,758	52,903
Dividend:					
Cash (%)	19.50%	19.00%	15.00%	14.00%	23.00%
Bonus (%)	0.00%	-	-	14.00%	-
Effective Dividend Ratio	21.38%	20.39%	15.14%	15.47%	25.45%
Market capitalization	7,424.71	6,342.50	7,310.14	9,733.39	9,737.58
Market price per Share (Taka)	12.09	12.10	16.29	21.69	26.69
Earning per Share Taka (EPS)	2.67	2.19	2.53	2.32	3.65
Book value per Share/ NAV (Taka)	25.58	20.95	19.79	18.55	19.96
Price Earning Ratio (Times)	4.52	7.43	6.44	9.34	7.32



Taka In BDT. Million

Key Financial Ratios Information:

	YR- 2015	YR- 2014	YR- 2013	YR- 2012	YR- 2011
Net interest margin on average earning assets	2.07	2.03	2.58	3.03	3.82
Earning base in average assets	55.44	55.44	55.85	61.72	72.16
Burden Coverage ratio	47.13	46.08	50.83	64.30	58.34
Cost-income ratio	48.02	49.61	47.32	39.32	42.08
Credit-deposit ratio	73.41	67.95	69.41	68.93	80.29
Cost of funds on average deposits	6.83	7.13	7.99	8.05	8.28
Yield on average advances	11.40	13.20	14.87	16.63	15.31
Asset Utilization ratio	4.95	4.78	5.01	5.37	6.19
Leverage ratio (times)	9.39	7.73	7.65	7.93	8.72
Net profit margin (after tax)	23.52	22.12	20.14	19.72	27.35
Current Ratio	1.07	1.34	1.20	1.59	1.21
Debt Equity Ratio	8.09	11.90	11.97	12.17	10.96
Per employee profit (after tax)	0.71	0.61	0.53	0.52	0.74
Operating Profit as % of Working funds	0.03	0.02	0.03	0.03	0.03
Dividend cover ratio (times)	1.37	1.37	1.69	1.66	1.59
Return on risk weighted assets (after tax)	1.44	1.37	1.36	1.48	1.98
Return on average investment	10.13	9.16	7.55	7.24	10.33
Return on average assets (after tax)	1.16	1.06	1.01	1.06	1.69
Return on average equity (after tax)	12.39	13.68	13.20	13.35	19.43



Taka In BDT. Million

Other Information:

Number of branches (Incl. SME/Agri Br. & SME center)	102.00	97.00	91.00	83.00	73.00
No. of Islamic Banking Window	2.00	2.00	2.00	2.00	2.00
Number of employees	2,304.00	2,204.00	2,138.00	1,997.00	1,786.00
Number of foreign correspondents	880.00	836.00	822.00	818.00	798.00
Average Earning Assets	78,264.24	70,585.82	62,788.68	60,715.33	56,674.21
Average Total Assets	141,176.88	127,328.77	112,420.73	98,371.82	78,539.52
Average Deposits	116,742.16	106,060.37	88,554.37	75,065.59	65,590.81
Average Investment	37,343.18	35,677.87	35,255.57	27,716.93	13,602.98
Average Advances	82,576.04	72,784.59	61,278.21	55,749.41	53,173.30
Average Equity	13,259.51	9,845.81	8,602.89	7,803.17	6,844.85

	YR- 2015	YR- 2014	YR- 2013	YR- 2012	YR- 2011
Number of branches (Incl. SME/Agri Br. & SME center)	102.00	97.00	91.00	83.00	73.00
No. of Islamic Banking Window	2.00	2.00	2.00	2.00	2.00
Number of employees	2,304.00	2,204.00	2,138.00	1,997.00	1,786.00
Number of foreign correspondents	880.00	836.00	822.00	818.00	798.00
Average Earning Assets	78,264.24	70,585.82	62,788.68	60,715.33	56,674.21
Average Total Assets	141,176.88	127,328.77	112,420.73	98,371.82	78,539.52
Average Deposits	116,742.16	106,060.37	88,554.37	75,065.59	65,590.81
Average Investment	37,343.18	35,677.87	35,255.57	27,716.93	13,602.98
Average Advances	82,576.04	72,784.59	61,278.21	55,749.41	53,173.30
Average Equity	13,259.51	9,845.81	8,602.89	7,803.17	6,844.85

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

Material changes and commitments, affecting the financial position of the company

The Shareholders of Jamuna Bank Limited in its 13th Annual General Meeting held on 08.05.2014 accorded approval for issuing Subordinated Bond of Tk.200.00 Crore to strengthen the capital base of the Bank and augment business expansion for the upcoming years.

After getting all the regulatory consent to issue Subordinated Bond of Tk.200.00 Crore, the Financial Advisor (Universal Financial Solutions Limited) arranged full subscription of the issue as per closing date of the Bond which was fixed on 28 July 2015. The list of subscribers of Jamuna Bank Subordinated Bond is as under:

Name of the Subscribers	Total No. of Bond Purchased	Total Amount of Bond Purchased
01. Sonali Bank Limited	100	100,00,00,000/-
02. Rupali Bank Limited	50	50,00,00,000/-
03. Mercantile Bank Limited	50	50,00,00,000/-

Major Features of Jamuna Bank Subordinated Bond:

The Issue: Jamuna Bank Fully Redeemable, Non Convertible, Unsecured Subordinated Bond ("Bonds")

Issue Size	BDT 2000 Million
Mandated Lead Arranger	UFS-Universal Financial Solutions Limited
Purpose	To strengthen Tier-II Capital
Currency	Bangladeshi Taka (BDT)
Face Value	BDT [10,000,000 per bond]
Issue Price	At Par [BDT 10,000,000 per Bond]
Lot Size	[1] bonds equivalent to [BDT 10,000,000]
Denomination	[BDT 10,000,000 per bond]
Mode of Placement	Private Placement
Tenure	7 Years
Coupon Rate	11.50% p.a.
Interest Payment	Semi Annual
Jurisdiction	Laws of People's Republic of Bangladesh.
Security	Unsecured
Listing	Unlisted
Late Redemption	In case of any delay of payment issuer shall pay delay payment charges as per bond documents
Tax Features	Taxable as per the law of the country
Costs related to the issue	Arrangement Fee: Total of 0.75% of total Face Value of the Bonds Trustee Fee: BDT 950,000/-p.a. during the total tenor of the transaction. Other/Legal/Regulatory Cost (if any): At Actual
Enforcement of charges over securities	The investment is unsecured and hence investors will have no charge
Trustee, Paying Agent, Registrar, Transfer Agent	IDLC Finance limited
Legal Counsel	Bhuiyan Islam & Zaidi
Transferability/Liquidity	Freely Transferable upon payment of relevant duties
Prepayment, Call, Refunding, conversion features	Non-convertible, Non-callable
Redemption Procedure	[Years 3, 4, 5, 6 and 7 at 20% of issue size respectively]
Manager to the Issue	Alpha Capital Management Limited
Auditor	Syful Shamsul Alam & Co.
Entity Rating Agency	Credit Rating Agency of Bangladesh (CRAB)
Issue Rating Agency	Credit Rating Agency of Bangladesh (CRAB)

Risk Management

Capital Adequacy

Jamuna Bank Limited could maintain Capital Adequacy ratio of 12.83% percent as at 31.12.2015, which was 2.83% percent higher than that of Minimum Required Capital Adequacy Ratio. The amount of capital with break-up is given below:

Total Capital Structure - JBL

	Amount in BDT Million	
	2015 (In line of BASEL-III)	2014 (In line of BASEL-II)
Common Equity (Tier- I Capital)		
Paid up Capital	6,141.19	5,160.67
Statutory Reserve	3,403.38	2,966.02
Right Issue subscription money	-	-
Retained Earnings	1,208.33	983.75
Total: Tier -I capital	10,752.90	9,110.44
Additional/Supplementary capital (Tier-II Capital)		
General provision of unclassified loans & advances and off balance sheet items	1,164.01	1,097.74
Revaluation Reserve of securities & fixed assets after regulatory adjustment	680.05	850.06
Subordinated bond	2,000.00	
Sub total : Tier -II	3,844.06	1,947.80
Tier -I & Tier- II capital	14,596.96	11,058.24
Total Risk Weighted Assets	113,806.38	98,298.68
Required Capital (%)	10.00%	10.00%
Minimum Capital Requirement	11,380.64	9,829.87
Capital to Risk Weighted Assets Ratio (CRAR)	12.83%	11.25%
Tier - I Capital to Risk Weighted Assets	9.45%	9.27%
Tier - II Capital to Risk Weighted Assets	3.38%	1.98%

From the above it reveals that Jamuna Bank Limited was able to increase its core capital from Tk.9,110.44 million to Tk.10,752.90 million and supplementary capital from Tk.1,947.80 million to Tk.3,844.06 million and total capital increase from Tk.11,058.24 million to Tk.14,596.96 million.

Status of Asset Quality

Lower growth in credit coupled with an increasing trend of NPLs worsened the performance of the banking sector. The amount of non-performing loans (NPLs) increased by 2.42 per cent in the last calendar year despite resched-

uling and large loan restructuring by the central bank to tackle the problem. According to the central bank latest statistics, the volume of NPLs rose to Tk.513.71 billion as on December 31, 2015 from Tk.501.66 billion a year before (source: The Financial Express (16-02-2016)).

The NPL ratio of the Bank stood at 6.69% at the end of 2015 which was 5.68% at the end of 2014 due to taking strong recovery drives, conducting rescheduling and write-offs. The status of unclassified and classified loan of the Bank is given below:

Particulars	31-12-2015	%	31-12-2014	%	Change (%)
Unclassified & Special Mention Account	81,412.60	93.31%	73,477.64	94.32%	10.80%
Sub -standard (SS)	1,637.90	1.88%	387.60	0.50%	322.57%
Doubtful (DF)	580.18	0.66%	331.90	0.43%	74.81%
Bad/Loss (B/L)	3,621.60	4.15%	3,702.66	4.75%	-2.19%
Total	87,252.28		77,899.80		

History of raising capital

As on the reporting date (31-12-2015), the bank had paid up capital of BDT 6,141,193,860 of which 74.22% was raised through stock dividend. The history of raising our paid up capital to BDT 6,141.19 million as on Year 2015 is presented below:

Accounting year	Particulars	No. of Shares	Volume in Taka	Cumulative Paid up Capital in Taka
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 offering (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. Aysha 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
2014	19% Bonus share	98,052,675	980,526,751	6,141,193,860

Variance between Quarterly Financial performance and Annual Financial Statements

Following table presents quarterly information of four quarters of the Bank.

Figures in BDT Million

Particulars	Quarter - 1	Quarter - 2	Quarter - 3	Quarter - 4	Annually
A) Net interest income	354.76	599.37	462.18	201.64	1,617.95
B) Non -interest income	1,059.55	1,004.27	1,150.79	2,149.41	5,364.02
C) Operating income (A + B)	1,414.31	1,603.64	1,612.97	2,351.05	6,981.97
D) Operating expenses	764.32	793.42	805.95	989.42	3,353.10
E) Operating profit (C - D)	649.99	810.22	807.03	1,361.63	3,628.87

From the above, it was observed that there was no significant variance in 2015 except operating income of Q-4 (38% higher than that of Q-3) due to increase of interest income of Treasury Bills/Bonds.

Review of Financial Reporting

As per requirement of the Corporate Governance guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), we are presenting the following information:

True and Fair view of Financial Statements :

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 external auditors i.e. Syful Shamsul Alam & Co., Chartered Accountants also provided their opinion that 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.

Maintenance of Proper Books of Account:

Proper books of account as required by law have been kept by JBL. The external auditor, Syful Shamsul Alam & Co., Chartered Accountants mentioned in their report titled "Report on Other Legal and Regulatory Requirement" that "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."

Application of Accounting Policies and Accounting Estimates: 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.

Preparation of Financial Statements as BAS/BFRS and any Departure there from:

Financial statements of the Bank for the year ended 31st December 2015 have been prepared in accordance with International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, the "First Schedule" (section 38) of the Bank Companies Act, 1991, BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank Circulars, The Companies Act 1994, the Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange's listing regulations and any departure there-from has been adequately disclosed.

Going Concern of Bank's Business:

After reviewing the company's present and potential business growth, it is observed that the company has adequate resources to continue to operate in the foreseeable future and No significant doubts upon the Bank's ability to continue as a going concern. The financial statements of the Bank have been prepared on the assumption that the Bank is a going concern and will continue in operation for the foreseeable future.

Disclosure of Related party transactions:

The basis for related party transactions has been incorporated in the Corporate Governance Report and details of which has been presented in the Note 46(i) – 46(vii) of the Financial Statements.

Remuneration to directors including Independent Director

Chairman of the Board of Director is provided an office chamber, private secretary, peon, a telephone in office, a full time car and a mobile phone according to the provision of BRPD Circular No.11, dated: 27 October, 2013.

Directors including Independent Director are

getting fees/benefits according to the provision of BRPD Circular No.11, dated: 04 October, 2015 for attending Board/its Committee meeting. The details information regarding Director Honorarium is presented in Note 31 of the Financial Statements.

Managing Director is paid salary, allowances and other facilities according to his service contract. The details information regarding Managing Director's Salary and Fees is presented in Note 30 of the Financial Statements.

Review of Internal Control System

Jamuna Bank has established an effective organizational structure to maintain strong internal control culture by properly complying with Bangladesh Bank Guidelines and implementing JBL ICC policies through the resources of the ICC Division.

Control Environment:

The control environment is the foundation on which an effective system of internal control is built and operated in an organization that strives to (1) achieve its strategic objectives, (2) provide reliable financial reporting to internal and external stakeholders, (3) operate its business efficiently and effectively, (4) comply with all applicable laws & regulations, and (5) safeguard its assets. Control environment of JBL has been designed to protect the interest of all the stakeholders of the Bank in the best possible way.

Risk Management:

As Board of Directors, its Executive Committee, Audit Committee, Risk Management Committee, Management Committees, Management Units keep constant watch in risk management the ICC Division contributes making the job more effective and successful. This Division independently verifies that all the branches/divisions are conducting their business in compliance with all approved risk management and internal control policies. If deviations are found, they are reported and got corrected to mitigate risk on a continuous basis. Thus, ICCD ensures the Board that the Bank is operating in compliance with all approved and established policies.

Segregation of Duties:

Internal Control & Compliance Division (ICCD) of the Bank is comprised of 03 (three) inter-related 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/units of Head Office in line with the Annual Audit Plan as approved by the Board of Directors. This department also prepares Inspection Reports just after completion of the inspection, which helps the branches/divisions to know their lapses and irregularities for onward rectifications.

Monitoring Department: It monitors and reviews the operational performance of various branches through quarterly operations report (QOR), loan documentation checklist (LDC), departmental control function checklist (DCFCL), etc. as part of its off-site supervision activities. If any major deviation is found, this department recommends the HoICCD for sending inspection team to the concerned branch for thorough review. Besides, this department prepares Memo for the Audit Committee of the Board and subsequently, communicate their instructions to the branch/division for prompt implementation.

Compliance Department: The primary responsibility of this department is to ensure full compliance of the regulatory requirements including directives of Bangladesh Bank, National Board of Revenue (NBR), Bangladesh Securities & 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.

Accounting Information and Reconciliation:

A proper system and environment has been established in the Bank to provide accurate and updated accounting information and

proper reconciliation of accounts on timely basis.

IT security:

IT security is the protection of information systems from theft or damage to the hardware, the software, and to the information on them, as well as from disruption or misdirection of the services they provide. It includes controlling physical access to the hardware, as well as protecting against harm that may come via network access, data and code injection, and due to malpractice by operators, whether intentional, accidental, or due to them being tricked into deviating from secure procedures.

Jamuna Bank Ltd. started its Banking operation since June 2001 with the Core Banking solution called “Flora Bank”. Till date this software is providing all sorts of banking services to the valued clients of the Bank. In the CBS – the User security is being maintained in compliance with the ICT security guide line of the regulator.

JBL has the ATM services network having 188 Nos. of own ATMs. JBL has deployed the enterprise security solution for the Data and information security of the Bank. We have the real time replication system to maintain Data redundancy to mitigate the Data loss risk. We have a Disaster Recovery site (DRS) to ensure the banking operation at the time of any failure of the main Data center (DC).

Self-Assessment/Monitoring

While conducting comprehensive/surprise/special inspection on different branches the Audit & Inspection Division evaluates, assesses and gives risk rating of the branches in the reports and submits to the Audit Committee of the Board for their further evaluation and recommendation.

Furthermore, according to the provision of DOS circular letter no.17/2012 of Bangladesh Bank, JBL has started its self-assessment (on the effectiveness of anti-fraud internal controls) activities to report to Bangladesh Bank timely.

Board Meeting and Attendance

During the year 2015, a total 24 Board Meetings were held. The details information is given below:

Sl. No.	Name	Position	Meeting Held	Attended
1	Mr. Md. Sirajul Islam Varosha	Chairman (as on 31.12.15)	24	22
2	Engr. A.K.M. Mosharraf Hussain	Director	24	18*
3	Engr. Md. Atiqur Rahman	Director	24	23
4	Mr. Golam Dastagir Gazi, Bir Protik, MP	Director	24	15*
5	Mr. Fazlur Rahman	Director	24	07*
6	Al-Haj Nur Mohammed	Director	24	24
7	Mr. Md. Tajul Islam, MP	Director	24	20
8	Mr. Sakhawat, Abu Khair Mohammad	Director	24	13*
9	Mr. Md. Belal Hossain	Director	24	13*
10	Mr. Md. Mahmudul Hoque	Director	24	14*
11	Mr. Shaheen Mahmud	Director	24	21
12	Mr. Kanutosh Majumder	Director	24	17*
13	Mr. Gazi Golam Murtoza	Director	24	10*
14	Mrs. Tasmin Mahmud	Director	24	17*
15	Mr. Md. Hasan	Director	24	07*
16	Mr. Narayan Chandra Saha	Independent Director	24	22
17	Mr. Chowdhury Mohammad Mohsin	Independent Director	24	07*
18	Mr. Md. Rafiqul Islam	Independent Director	24	24

* Directors who could not attend the meeting(s) were granted leave of absence by the Board.

Pattern of shareholding

Particulars	No of Shares	Amount in Taka	(%) of Shares
Directors & Sponsors	381,461,570	3,814,615,700	62.12%
Financial Institutions	68,231,096	682,310,960	11.11%
Foreign Investors	437,375	4,373,750	0.07%
Non -resident Bangladeshi	-	-	-
General Public	163,989,345	1,639,893,450	26.70%
Total	614,119,386	6,141,193,860	100.00

(A) Share held by Parent/Subsidiary/Associated Companies and other related parties (name wise details);

Name of the Parent/Subsidiary/Associated	Status	Shareholding
Jamuna Bank Capital Management Limited	Subsidiary	Nil
Jamuna Bank Securities Ltd.	Subsidiary	Nil

(B) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children;

Sl. No.	Name	Shares Held as on 31 Dec 2015
i)	Directors	
	Mr. Md. Sirajul Islam Varosha, Chairman (as on 31.12.15)	12,282,655
	Engr. A.K.M. Mosharraf Hussain, Director	12,282,385
	Engr. Md. Atiqur Rahman, Director	23,720,549
	Mr. Golam Dastagir Gazi, Bir Protik, MP, Director	12,283,590
	Mr. Fazlur Rahman, Director	12,283,138
	Al-Haj Nur Mohammed,	18,147,679
	Mr. Md. Tajul Islam, MP, Director	13,877,590
	Mr. Sakhawat, Abu Khair Mohammad, Director	12,317,277
	Mr. Md. Belal Hossain, Director	12,283,590
	Mr. Md. Mahmudul Hoque, Director	12,287,256
	Mr. Shaheen Mahmud, Director	29,106,763
	Mr. Kanutosh Majumder, Director	12,314,456
	Mr. Gazi Golam Murtoza, Director	15,659,388
	Mrs. Tasmin Mahmud, Director	30,869,438
	Mr. Md. Hasan, Director	30,705,911
	Mr. Narayan Chandra Saha, Independent Director	-
	Mr. Chowdhury Mohammad Mohsin, Independent Director	-
	Mr. Md. Rafiqul Islam, Independent Director	-
ii)	Mr. Shafiqul Alam, Managing Director	-
iii)	Mr. M.A.Rouf, Company Secretary (CC) & Spouse	-
iv)	Mr. Ashim Kumer Biswas, Chief Financial Officer & Spouse	-
v)	Mr. Md. Ebtadul Islam, Head of ICC & Spouse	-

(C) Executives (executive” means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.)

Sl. No.	Name of the Executives	Shares Held as on 31 Dec 2015
1.	Mr. Mirza Elias Uddin Ahmed, Deputy Managing Director & Spouse	-
2.	Mr. A. K. M. Saifuddin Ahamed, Deputy Managing Director & Spouse	-
3.	Mr. Md. Habibur Rahman, Deputy Managing Director & Spouse	-
4.	Md. Mofazzal Hossain, SEVP & Spouse	-
5.	Mr. Muhammad Shahidul Islam, SEVP & Spouse	-

(D) Shareholders holding ten percent (10%) or more voting interest in the company :
Shareholders holding ten percent (10%) or more voting interest in the company - Nil

Appointment/Re-Appointment of Directors

Each director has a term of office as prescribed in the Articles of Association and Bank Company Act 1991 (amended up to 2013) 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. In this regards, JBL has been complying the provisions of Law and the Articles of Association of the Bank.

Brief resume of the directors and their expertise in specific functional areas is included in the Director’s profile chapter. The details of the interested entities of the Directors has been presented in the Note 46.3 of Financial Statements.

Brief Review of Subsidiaries Business

JBL has two subsidiaries namely (I) Jamuna Bank Capital Management Limited & (II) Jamuna Bank Securities Ltd.

Jamuna Bank Capital Management Limited (JBCML)

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. In 2012, the Company was converted from

Private Limited to Public Limited Company by shares. JBCML 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.

Jamuna Bank Capital Management Limited (JBCML) is operating as a full-fledged merchant bank since April 10, 2011 upon obtaining license from Bangladesh Securities and Exchange Commission (BSEC). The main 3 (three) functions of the company are:

1. Issue Management:

Providing services to any company for floating their shares to public through IPO/Pre-IPO, Placement/Right Issue etc.

2. Underwriting:

To underwrite the shares of any company for issuing right share and/or for going to IPO.

3. Portfolio Management:

To open investors accounts to provide them portfolio services. Under Portfolio management service two types of accounts are opened and operated:

A. *Investor’s Discretionary Account (IDA):* Account holders operate their accounts and take investment decisions.

B. Bank's Discretionary Account (BDA): JBCML operate the accounts and take investment decisions.

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.

Jamuna Bank Capital Management Limited is being running profitably since its operation. The operating profit of the company for the year 2015 was Tk.10.96 crore only.

Jamuna Bank Securities Ltd.

Jamuna Bank Securities Limited is a fully owned subsidiary company of Jamuna Bank Limited. The company was established in 2011. It obtained Stock Dealer, Stock Broker & Full Service Depository Participant licenses from the Bangladesh Securities and Exchange Commission in June 2012. The company is both the TREC & Share Holder of Chittagong Stock Exchange Limited. The TREC no of the company is CSE -147. The main objective of the company is to provide real time brokerage services as well as margin loan both for individual and institutional investor. The company started commercial operation in 2013.

Jamuna Bank Securities is being running profitably since its operation. The operating profit and net profit of the company for the year 2015 was Tk.116.67 & Tk.63.75 lac respectively. There was no negative equity with the company. Brokerage Commission Income of the company increased by 125% in the year 2015 than the previous year. Overall financial position of the company in the year 2015 was very well and consistent.

CSR Activities

Social Responsibilities with the object to contributing for the cause of destitute/under-privileged segment of the society and for socio-economic development of the country. The onerous task of fulfilling commitment to the society is commendably undertaken by Jamuna Bank Foundation since inception in the year 2008. The Bank made provision for



Al-Haj Nur Mohammed, Chairman, Jamuna Bank Foundation, handed over a cheque for Tk.1.00 crore only to the hon'ble Prime Minister Sheikh Hasina. Mr. Golam Dastagir Gazi, Bir Protik, MP and Mr. Md. Tazul Islam, MP, Directors, Jamuna Bank Ltd. were also present at the ceremony.

Jamuna Bank Foundation at 2.00% on pretax profit of Jamuna Bank Limited.

As Jamuna Bank's non-profit subsidiary, Jamuna Bank Foundation has a unique role to play, providing leadership and making a difference for CSR in the Country. We have always focused on providing and /or making need based services available for our priority target population. The details discussion on the bank's "Corporate Social Responsibility" has been presented in the "Corporate Social Responsibility" Chapter of this annual report.

Payment of Zakah (Zakat) on the reserves of Islami Banking Branches

Board of Directors of Jamuna Bank Limited in its 283rd meeting held on 30-03-2016 decided to make payment of Zakah @ 2.58% (as per solar year) on the proportionate reserves of Islami Banking out of Total Reserves of the Bank subject to approval from the shareholders with effect from the year 2016 and onward.

Board also decided to transfer the total amount of Zakah on yearly basis to the Jamuna Bank Foundation which would be maintained with a separate bank account for onward distribution to the concerned as per principles of Islami Shariah. The Board also decided to operate the said account jointly by

the Member-Secretary of Jamuna Bank Foundation & Managing Director of Jamuna Bank Limited and Chief Executive Officer of Jamuna Bank Foundation & Deputy Managing Director of Jamuna Bank Limited.

Contribution to National Exchequer & Economy

Jamuna Bank Ltd. is always responsible to the society and the country as a whole. During the year 2015 payment made to national Ex-chequer of Tk.1,325,406,302 against VAT and tax deducted at source as well as of Tk.516,589,521 made payment as income tax against profit of the Bank for the year 2014. JBL is also contributing to the economy in the following manner, besides the direct contribution to national economy in the form of payment of taxes:

- Direct economic impact by creating employment and a well-trained workforce. JBL and its subsidiary employed 2,308

employees up to December 2015. During the year 2015 we have employed 155 employees.

- We are discouraging projects which is detrimental to the environment and health.
- Various initiative have already been taken for Green Banking.
- The Bank made provision for Jamuna Bank Foundation at 2.00% on pretax profit of Jamuna Bank Limited for the cause of development of destitute/underprivileged segment of the society and for socio-economic development of the country.

The details discussion on the bank's "Corporate Social Responsibility" has been presented in the "Corporate Social Responsibility" Chapter of this annual report.

On behalf of the Board of Directors



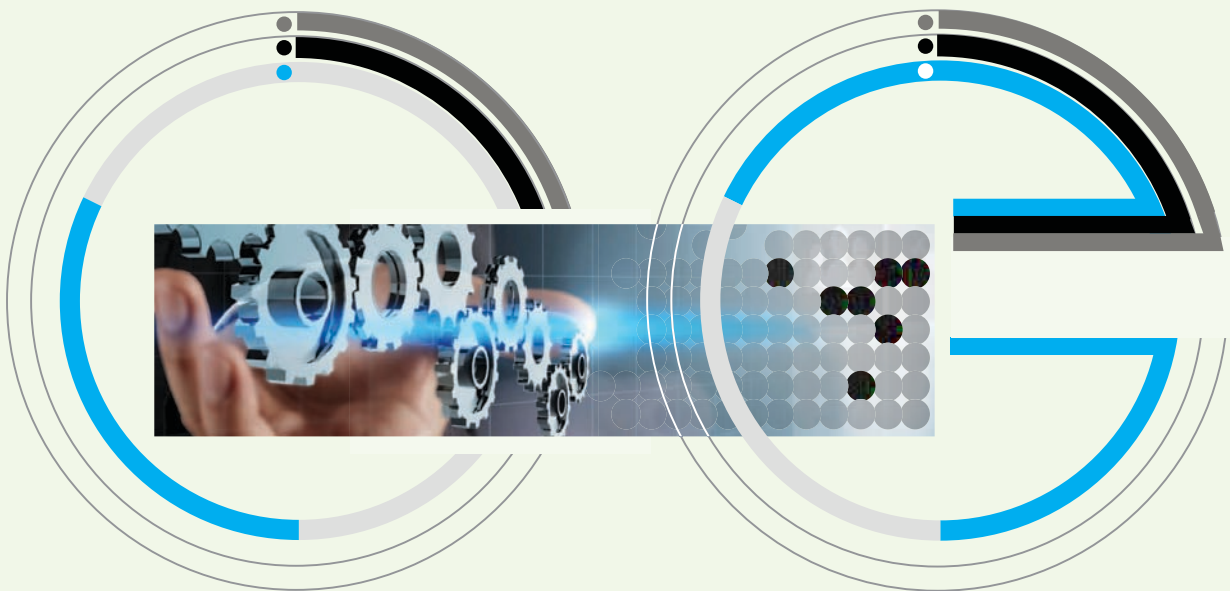
Gazi Golam Murtoza

Chairman of the Board of Directors

Dhaka, 30 April 2016

Corporate Governance

[Jamuna Bank recognizes the importance of good corporate governance as a major factor in enhancing the efficiency of the organization]



Corporate Governance

Corporate governance is the system of internal controls and procedures by which an individual Company is managed. It provides a framework that defines the rights, roles and responsibilities of different groups—Management, Board and Shareholders—within an organization. Corporate governance is the set of processes, customs, policies, laws, and institutions affecting the way a corporation (or company) is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. The principal stakeholders are the shareholders, management, and the Board of Directors. Other stakeholders include employees, customers, creditors, suppliers, regulators, and the community at large.

The primary role of corporate governance is played by the Board of Directors. It is the Board that formulates the vision, mission, objectives and strategic goals. The Board's dynamism, guidance, stewardship, policy making are all that drives the company towards sustainable growth. The Management's role is to execute those directives/policies in a professional, proactive and at the same time, ethical, appropriate manner.

Impact of Corporate Governance

Corporate Governance ensures to bring transparency, accountability and professionalism in the management system of a corporate body that enhances the credibility and acceptability to the shareholders, employees, potential investors, customers, lenders, governments, regulators and all other stakeholders.

The positive effect of corporate governance on different stakeholders ultimately is a strengthened economy and hence good corporate governance is a tool for socioeconomic development. Corporate Governance can bring the investors trust by ensuring compliance of laws, transparency, accountability,

responsibility and fairness. By maintaining compliance continuously for long term can benefit the major stakeholders including shareholder, vendor, customer, government, society and employees to keep trust on financial disclosures as well as strengths of the company.

This is more true in case of Banking Industry. Since Banks deal in public money, public



confidence is of utmost importance in this Industry. The responsibilities of the board of directors of a bank-company are more important than those of other companies; because in case of a bank-company it is essential to earn and maintain confidence of the depositors as its business is mainly run with the depositors' money.

Common Principles of Corporate Governance

Commonly accepted principles of corporate governance include:

- Rights and equitable treatment of shareholders: Organizations should respect the rights of shareholders and help sharehold-

ers to exercise those rights. They can help shareholders exercise their rights by effectively communicating information that is understandable and accessible and encouraging shareholders to participate in general meetings.

- **Interests of other stakeholders:** Organizations should recognize that they have legal and other obligations to all legitimate stakeholders.
- **Role and responsibilities of the board:** The board needs a range of skills and understanding to be able to deal with various business issues and have the ability to review and challenge management performance. It needs to be of sufficient size and have an appropriate level of commitment to fulfill its responsibilities and duties.
- **Integrity and ethical behavior:** Ethical and responsible decision making is not only important for public relations, but it is also a necessary element in risk management and avoiding lawsuits. Organizations should develop a code of conduct for their directors and executives that promotes ethical and responsible decision making. It is important to understand, though, that reliance by a company on the integrity and ethics of individuals is bound to eventual failure. Because of this, many organizations establish Compliance and Ethics Programs to minimize the risk that the firm steps outside of ethical and legal boundaries.



- **Disclosure and transparency:** Organizations should clarify and make publicly known the roles and responsibilities of board and management to provide shareholders with a level of accountability. They should also implement procedures to independently verify and safeguard the integrity of the company's financial reporting. Disclosure of material matters concerning the organization should be timely and balanced to ensure that all investors have access to clear, factual information.

The financial institutions market is very much sensitive and confronted with certain unique problems in applying governance principles. Any governance principles adopted by this industry should be flexible enough to take into account the variety of business within its purview. Having the right “tone at the top” is one of the most important factors in ensuring the corporate governance. The right “tone at the top” will establish the ethical culture of the corporation and permeate the corporation's relationships with employees, the business community and regulators.

Corporate Governance Practices

Following are some of the standardized best practices of Corporate Governance:

- The Board of Directors should participate in creating the right “tone at the top” and oversee how it is being communicated to all employees and constituents of the corporation.
- It is best practice for a board to have the following committees:
 - a) an Audit Committee
 - b) an Executive Committee
 - c) a Risk Management Committee

Each committee may formally establish a charter that specifies its responsibilities and the manner and frequency of meeting and reporting to the Board of Directors.

- There is no “one size fits all” template for board structures. When appropriate, smaller boards may opt to always meet as the full board with break-out sessions for

independent directors to perform committee-type functions.

- Adoption and implementation of a code of ethics is one of the most common practices in corporate governance. It is increasingly expected that all companies will have a code of ethics in place to ensure that employees conduct themselves in a fair and ethical manner. Topics commonly addressed in a code of ethics are as follows:
 - a) Conflict of interest;
 - b) Corporate opportunities;
 - c) Confidentiality;
 - d) Fair dealing;
 - e) Protection and proper use of company assets;
 - f) Compliance with laws, rules and regulations; and
 - g) Encouraging the reporting of any illegal or unethical behavior

Corporate Governance in JBL

The Board of Directors of JBL plays the pivotal role in Bank governance through their choice of strategy and leadership to drive the company to growth path. The Board is responsible for both designing and implementing governance mechanism including appointment and supervision of respective Board committees and top management. The onus of setting strategic aims and goals of the company is also on the Board. The management of JBL is an extended wing of the Board executes policies and procedures set by the Board for the greater interest of shareholders and other stakeholders. The risk management and overall support functions of JBL has been designed and kept fully independent from Business to guard against any unforeseen events that undermine the brand value of the Bank.

Being a 3rd generation Bank of Bangladesh, JBL is guided in its corporate governance practices mainly by two regulatory bodies: Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). However, the Bank's corporate governance philosophy encompasses not only regulator and legal



requirements but also various internal rules, policies, procedures and practices based on the best practices of local banks. At JBL we attach a simple meaning to 'Corporate Governance' which is 'Due diligence' in observing responsibilities by Board as well as by management to safeguard interest of key stakeholders i.e. depositors, shareholders, employees and the society at large. Two very important pillars of a good corporate governance structure are "Transparency" and "Accountability" backed by strong Internal Control and Compliance Structure and MIS capabilities.

Board Systems & Procedures

Members of the Board comprise of professionals with diversified backgrounds. At present, there are 19 (Nineteen) Board members including 3(three) Independent Directors 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/notifications 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.

Appointment of Directors

The relevant provision of Companies Act 1994, Bank Company Act 1991 (amended up to 2013), Corporate Governance Guidelines of BSEC, Guidelines of Bangladesh Bank (i.e. BRPD Circular No.11, dated: 27 October, 2013) and Articles of Association of the Bank are followed while appointing Directors. 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 section 15, 15kaka, 15 kha of Bank Company Act 1991 (amended up to 2013), BRPD Circular No.11, dated: 27 October, 2013 & "Corporate Governance" issued by the BSEC.

Retirement and Election of Directors

Each director has a term of office as prescribed in the Articles of Association and Bank Company Act 1991 (amended up to 2013) 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 subject to fulfilling regulatory requirement. In this regards, JBL has been complying the provisions of Law and the Articles of Association of the Bank.

Responsibilities and Authorities of the Board of Directors

The Board is responsible to set the vision, mission and policies of the Bank and to determine the goals, objectives and strate-

gies to ensure efficient utilization of the Bank's resources. In compliance with Bangladesh Bank BRPD Circular No.11 dated 27 October 2013, the roles and responsibilities of the Board of Directors of Jamuna Bank Limited are mentioned below (but not limited to):

a) Work-planning and strategic management:

- The board is determining the objectives and goals and to this end shall chalking out strategies and work-plans on annual basis. The Board is specially engaged itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. The Board also analyzing/monitoring the development of implementation of the work-plans at quarterly rests.

b) Credit and risk management:

- The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof are being made with the board's approval under the purview of the existing laws, rules and regulations. The board already distributed the power of sanction of loan/investment among the CEO and his subordinate executives. No director is interfering into the process of loan approval directly or indirectly.
- The board framed policies for risk management and getting them complied with and monitoring the compliance at quarterly rests and reviewing the concerned report of the risk management team and ensures compiling in the minutes of the board meeting. The board also monitoring the compliance of the guidelines of Bangladesh Bank regarding key risk management.

c) Internal control management:

- The board is vigilant on the internal

control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board established an internal control system for the bank and the division is conducting its activities independently from the management.

- It also reviewing the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

d) Human resources management and development:

- Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules are framed and approved by the board.
- The chairman or the directors are in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules.
- No member of the board of directors is included in the selection committees for recruitment and promotion to different levels.
- Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO is rested upon the Board by complying with the service rules of the Bank.
- The board is concerned to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS).
- The board is formulated Code of Ethics for every tier and they are following it properly. The board promoted healthy code of conducts for developing a compliance culture.

e) Financial management:

- The annual budget and the statutory financial statements are finalized with the approval of the board. It is reviewing/monitoring the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures at quarterly rests.
- The board framed the policies and procedures for bank's purchase and procurement activities and accordingly approved the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures is rested on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business is adopted with the approval of the board.
- The board reviewing the activities of Asset-Liability Committee (ALCO) according to Bangladesh Bank guidelines.

f) Formation of Board committees

According to the guidelines of BRPD Circular-No: 11, Dated: 27 October 2013, the Board of Directors have formed 1(one) Executive Committee, 1(one) Audit Committee and 1(one) Risk Management Committee comprising members of the Board of Directors.

g) Appointment of Managing Directors & CEO.

In order to strengthen the financial base of the bank and obtain confidence of the depositors the board of directors has re-appointed Mr. Shafiqul Alam as Managing Director & CEO with the approval of the Bangladesh Bank.

The Role and Responsibilities of the Chairman of the Board

The overall responsibility of the Chairman is to:

- Set the Board's Agenda and plan Board Meetings.
- Chair all Board Meetings, directing debate towards consensus.
- Ensure the Board receives appropriate, accurate, timely and clear information.
- Chair the AGM and other Shareholders' Meetings to foster effective dialogue with Shareholders.
- Work with Chairman of Board Committees.
- Ensure that the Board sets and implements the Bank's direction and strategy effectively.
- Act as the Bank's lead representative, explaining aims and policies to the Shareholders.
- Ensure no participation in or interference into the administrative or operational and routine affairs of the Bank.
- Provide overall leadership to the Board, setting vision and driving innovation, working closely with the CEO.
- Conduct (if required) on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the Board.

Chairman and Directors position as non-executive

All the directors of Jamuna Bank Limited including the Chairman are Non-Executive Directors except the Managing Director & CEO. Chairman of the Bank is getting facilities in line with BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank.

Chairman of the Board and Managing Director & CEO

The position of the Chairman of the Board and the Managing Director & CEO of the Bank is filled by different individuals. The Chairman of the Bank is elected from among the directors of the Bank. In this regard, the Board of Directors has already clearly defined respective roles and responsibilities of the Chairman and the Managing Director & CEO.

Independent Director

Independent Director acts as a third party for having a "neutral perspective" over policy-related issues of the Company. Having no share-based interest with the company and having no attachment with the nonexecutive directors and management, the Independent Director aids in ensuring neutrality and fairness over policies formulated by the Board.

In compliance with the Corporate Governance Guidelines issued by BSEC, Bank Company Act 1991 (amended up to 2013) and Corporate Governance Guidelines issued by Bangladesh Bank, the Board of Directors has appointed 03 (three) Independent Directors, subsequently approved by shareholders in the Annual General Meeting (AGM).

It is mentionable that Bank is following the criteria set in the Corporate Governance Guidelines issued by Bangladesh Securities and Exchange Commission while appointing Independent Directors. The independent directors being conversant in the field of financial, regulatory and corporate laws enjoy full freedom to carry out their assigned Responsibilities.

Board meetings and attendance

Meeting of the Board of Directors holds on a regular basis. According to the Bangladesh Bank guidelines meeting of the Board of Directors holds usually twice in a month but emergency meetings are called when required. During the year 2015, a total 24 Board Meetings were held. We are providing Notice to Every Director as per rule specifying day, date, time and full address of the venue.

The Agenda as to be transacted at the meeting along with Notes to the Agenda are circulating well ahead to the meeting. Supplementary items are taken up for consideration with the permission of the Chairman and with the consent of the majority of the Directors present in the meeting. In the meeting, the Chairman of the Board of Directors allocates sufficient time for the Directors to consider each item of the agenda and allow them to discuss, inquire, and express opinions freely on the

items of interest so that they can fulfill their duties to the best of their abilities.



273rd Meeting of the Board of Directors of Jamuna Bank Ltd. held on 17.08.2015

Name	Position	No.m.a
Mr. Md. Sirajul Islam Varosha	Chairman (as on 31.12.15)	22
Engr. A.K.M. Mosharrif Hussain	Director	* 18
Engr. Md. Atiqur Rahman	Director	23
Mr. Golam Dastagir Gazi, Bir Protik, MP	Director	* 15
Mr. Fazlur Rahman	Director	* 07
Al-Haj Nur Mohammed	Director	24
Mr. Md. Tajul Islam, MP	Director	20
Mr. Sakhawat, Abu Khair Mohammad	Director	* 13
Mr. Md. Belal Hossain	Director	* 13
Mr. Md. Mahmudul Hoque	Director	* 14
Mr. Shaheen Mahmud	Director	21
Mr. Kanutosh Majumder	Director	* 17
Mr. Gazi Golam Murtoza	Director	* 10
Mrs. Tasmin Mahmud	Director	* 17
Mr. Md. Hasan	Director	* 07
Mr. Narayan Chandra Saha	Independent Director	22
Mr. Chowdhury Mohammad Mohsin	Independent Director	* 07
Mr. Md. Rafiqul Islam	Independent Director	24

* Directors who could not make it convenient to attend the meeting(s) were granted leave of absence by the Board.

Attendance of CFO and CS in Board Meeting

Company Secretary of the Bank is attending the meetings of the Board of Directors regularly. Chief Financial Officer (CFO) also attending the meeting when it is required. Provided that the CFO and/or the CS do not attend such part of a meeting of the Board of Directors which involves consideration of an

agenda item relating to their personal matters.

Ownership Composition

Particulars	No of Shares		Percentages (%)	
	31 Dec'15	31 Dec'14	31 Dec'15	31 Dec'14
Directors & Sponsors	381,461,570	321,654,416	62.12%	62.33%
Financial Institutions	68,231,096	55,853,294	11.11%	10.82%
Foreign Investors	437,375	658,358	0.07%	0.13%
Non-resident Bangladeshi	-	-	-	-
General Public	163,989,345	137,900,643	26.70%	26.72%
Total	614,119,386	516,066,711	100.00	100.00

Directors' Shareholding Status

In compliance with BSEC Notifications dated 22 November 2011 and dated 07 December 2011, all the eligible directors (other than independent directors) of JBL have been holding required percentage of shares individually (minimum 2%) as well as jointly (minimum 30%)

Name of the Directors	Status	Share holding position as on 31.12.2015	% of Total Share
Mr. Md. Sirajul Islam Varosha	Chairman (as on 31.12.15)	12,282,655	2.00
Engr. A.K.M. Mosharrif Hussain	Director	12,282,385	2.00
Engr. Md. Atiqur Rahman	Director	23,720,549	3.86
Mr. Golam Dastagir Gazi, Bir Protik, MP	Director	12,283,590	2.00
Mr. Fazlur Rahman	Director	12,283,138	2.00
Al-Haj Nur Mohammed	Director	18,147,679	2.96
Mr. Md. Tajul Islam, MP	Director	13,877,590	2.26
Mr. Sakhawat, Abu Khair Mohammad	Director	12,317,277	2.01
Mr. Md. Belal Hossain	Director	12,283,590	2.00
Mr. Md. Mahmudul Hoque	Director	12,287,256	2.00
Mr. Shaheen Mahmud	Director	29,106,763	4.74
Mr. Kanutosh Majumder	Director	12,314,456	2.01
Mr. Gazi Golam Murtoza	Director	15,659,388	2.55
Mrs. Tasmin Mahmud	Director	30,869,438	5.00
Mr. Md. Hasan	Director	30,705,911	5.00
Mr. Narayan Chandra Saha	Independent Director	-	-
Mr. Chowdhury Mohammad Mohsin	Independent Director	-	-
Mr. Md. Rafiqul Islam	Independent Director	-	-

Shareholding of CEO, CS, CFO, Head of ICC and top 5 Salaried Executives

Name	Designation	No. of Shares (JBL) held
Mr. Shafiqul Alam	Managing Director	-
Mr. Mirza Elias Uddin Ahmed	Deputy Managing Director	-
Mr. A. K. M. Saifuddin Ahmed	Deputy Managing Director	-
Mr. Md. Habibur Rahman	Deputy Managing Director	-
Mr. Ashim Kumer Biswas	Chief Financial Officer	-
Mr. Md. Ebtadul Islam	Head of ICC	-
Mr. M.A.Rouf	Company Secretary	-

Roles and Responsibilities of Managing Director & CEO, CFO, Head of ICC and CS

The Bank appointed a Managing Director & CEO, a Chief Financial Officer, a Head of Internal Control & Compliance and a Company Secretary as per the policy of the bank and other regulatory laws and regulations. They are well conversant in the field of financial, regulatory and corporate laws to carry out their assigned responsibilities. The Board of Directors of JBL clearly defined and approved the respective roles, responsibilities and duties of Managing Director & CEO, Chief Financial Officer (CFO), Company Secretary and Internal Control & Compliance (ICC).

To set out the following responsibilities of Managing Director & CEO, BRPD Circular Letter No.18 dated 27 October 2013 issued by Bangladesh Bank and Corporate Governance Notification issued by BSEC on 07 August 2012 has been taken into consideration:

- In terms of the financial, business and administrative authorities vested upon him by the Board of Directors, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.
- The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging routine functions of the bank.
- The CEO shall include clearly any violation from Bank Company Act 1991 and/or other relevant laws and regulations in the "Memo" presented to the meeting of the BoD or any other Committee(s) engaged by the BoD.
- The CEO shall report to Bangladesh Bank of issues in violation of the bank Company Act 1991 or of other laws/regulations.
- The recruitment and promotion of all staffs of the bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with

the approved service rules on the basis of the human resources policy and approved delegation of employees as approved by the Board of Directors.

- Transfer, posting and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides under the purview of the human resources policy as approved by the Board of Directors, he shall nominate officers for training and other related issues.

Independence of Non-Executive Directors

All of the Directors of Jamuna Bank Ltd. are Non-Executive Directors and they are enjoying full freedom to carry out their coveted responsibilities. They attend Board meeting regularly and participate in the deliberation and discussions effectively. They actively involve in the matter of formulation of general strategies of the Bank. But they do not participate in or interfere into the administrative or operational or routine affairs of the Bank.

Independence of Chairmen of Board's Committees

Chairmen of the committees of the Board of Directors are enjoying full freedom to carry out their responsibilities.

Annual Appraisal of the Board's Performance

Shareholders are evaluating the performance of the Board at AGM through evaluation of financial position and performance of the bank, its adequacy and effectiveness of internal control system and overall governance mechanisms. The shareholders also ask questions and make queries to the BoD during AGM and the Chairman of BoD gives a patient hearing and responds to all their queries.

A board needs to make timely strategic decisions, to ensure operations are in line with strategy; to ensure the integrity of financial information and the robustness of financial

and other controls; to oversee the management of risk and review the effectiveness of risk management processes; and to ensure that the right people are in place and coming through.

The performance of the Board is appraised bases on certain parameters such as shareholder return, share price, return on capital employed, earnings per share etc. of the bank and the following issues:

- How well prepared and informed are they for board meetings and is their meeting attendance satisfactory?
- Do they demonstrate a willingness to devote time and effort to understand the company and its business and a readiness to participate in events outside the boardroom, such as site visits?
- What has been the quality and value of their contributions at board meetings?
- What has been their contribution to development of strategy and to risk management?
- How successfully have they brought their knowledge and experience to bear in the consideration of strategy?
- How effectively have they probed to test information and assumptions? Where necessary, how resolute are they in maintaining their own views and resisting pressure from others?
- How effectively and proactively have they followed up their areas of concern?
- How effective and successful are their relationships with fellow board members, the company secretary and senior management?
- Does their performance and behaviour engender mutual trust and respect within the board?
- How actively and successfully do they refresh their knowledge and skills and are they up to date with:
 - o the latest developments in areas such as corporate governance framework and financial reporting?
 - o the industry and market conditions?
- How well do they communicate with fellow

board members, senior management and others, for example shareholders. Are they able to present their views convincingly yet diplomatically and do they listen and take on board the views of others?

In JBL, the Board approves business target at the beginning of each year and monitors the status of the same periodically to ensure achievement of the target. The Board's performance is greatly dependent on the achievement (under or over) of business target. Besides, the performance reports of supporting committees of the Board are also placed in the Board meeting through which the performances of the Board members are regularly assessed.

Annual Evaluation of the MD & CEO by the Board

The roles, responsibilities and duties of Managing Director & CEO of JBL has clearly defined and approved by the Board of Directors. BoD also makes annual evaluation of MD & CEO through various reports like financial position and performance report of the Bank, knowing update of various assignments given by the Board to the CEO and the Management from time to time and doing variance analysis of Budget with Actual result and steps taken by CEO to achieve the Budgeted target. Among the financial parameters, NPL ratio, Growth of Loan & Deposit, Cost to Income Ratio, Loans write off and its recovery, Capital Adequacy Ratio, Credit to Deposit Ratio etc. are the common ones.

During 2015, the Board reviewed the overall business performance of the Bank and observed with satisfaction that there is significant growth in terms of profitability, deposit growth, growth of quality Loans & Advances, foreign remittances and decrease of problematic Loans & Advances. The Board felt that despite adverse global economic situation the Bank has been able to earn Operating Profit Target by 80.08% for the year 2015 having a growth of 14.73% over the previous year's achievement. The Board also observed that during 2015, the growth of Deposit, Loans & Advances, Import business, Export Business, Guarantee Business and

Foreign Remittance were 11.17%, 12.01%, 17.33%, 3.22%, 110.38% and 43.01% respectively compared to previous year.

Policy on Induction of Directors

The policy on training of Directors includes providing information on the latest update related to banking business such as relevant laws, policy guideline, circulars, notifications, directives, rules and regulations issued by the regulatory authorities; so that they could effectively discharge the responsibilities as a Director of the Bank. They also participate in the programs and seminars organized by various professional bodies at home and abroad on business, economic, technical, professional and corporate governance issues.



278th meeting of the Board of Directors held on 07.12.2015 where representatives of Department of Off-Site Supervision of Bangladesh Bank were present to discuss about the BASEL-III Implementation of the Bank and Challenges ahead.

Written code of conduct for Directors & Senior Management

Jamuna Bank Limited has written Code of Conduct for the members of the Board of Directors as well as Employees of the Bank. The Board of Directors complies with all applicable Laws and Regulations of the land and Memorandum & Articles of Association of the Bank.

Board Committees and their Responsibilities

To ensure good governance i.e. corporate

governance in bank management, Bangladesh Bank issued a circular (BRPD circular no.11 dated 27 October 2013) restricting banks to form more than three committees or sub-committees of the Board.

To ensure proper accountability and transparency through due diligence, JBL has three Board committees namely Executive Committee, Audit Committee and Risk Management Committee mainly to oversee and direct the operations, performance and strategic directions of the bank.

Executive Committee

Objective: To assist the Board, Executive Committee forms 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.

Composition: In compliance with BRPD Circular No.11 dated 27 October 2013, the Board of Directors of JBL constituted the Executive Committee (EC) of the Board with 7 (seven) members. 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. None of them are the members of Audit Committee of the Board. The Chairman of Executive Committee has been selected from the members of the said Committee for a period of two months. The Company Secretary acts as the secretary of the committee.

Roles and Responsibilities of the 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.

Meetings of the Executive Committee

Total 21 (Twenty One) numbers of meetings



440th Meeting of the Executive Committee of the Board of Directors held on 16.11.2015

of Executive Committee have been held during 01.01.2015 to 31.12.2015. Details of member of Executive Committee along with their terms/duration are as follows:

The Executive Committee of the Board of Directors for the period 01.01.2015 to 27.04.2015

Sl.	Name	Status
01.	Mr. Md. Sirajul Islam Varosha, Director	Chairman
02.	Engr. Md. Atiqur Rahman, Director	Member
03.	Mr. Md. Belal Hossain, Director	Member
04.	Mr. Md. Mahmudul Hoque, Director	Member
05.	Mr. Shaheen Mahmud, Director	Member
06.	Mr. Gazi Golam Murtoza, Director	Member
07.	Mr. Md. Hasan, Director	Member

The Executive Committee of the Board of Directors for the period 28.04.2015 to 31.10.2015

Sl.	Name	Status
1.	Engr. A. K. M. Mosharraf Hussain, Director	Chairman
2.	Mr. Md. Sirajul Islam Varosha Director & Chairman (BOD)	Member
3.	Al-Haj Nur Mohammed, Director	Member
4.	Mr. Md. Tajul Islam, Director	Member
5.	Mr. Sakhawat, Abu Khair Mohammad Director	Member
6.	Mr. Gazi Golam Murtoza, Director	Member
7.	Mrs. Tasmin Mahmud, Director	Member

The Executive Committee of the Board of Directors for the period 01.11.2015 to 31.12.2015

Sl.	Name	Status
01.	Engr. Md. Atiqur Rahman, Director	Chairman
02.	Mr. Md. Sirajul Islam Varosha Director & Chairman (BOD)	Member
03.	Mr. Fazlur Rahman, Director	Member
03.	Al-Haj Nur Mohammed, Director	Member
05.	Mr. Md. Mahmudul Hoque, Director	Member
06.	Mr. Shaheen Mahmud, Director	Member
07.	Mr. Gazi Golam Murtoza, Director	Member

Audit Committee

Composition: In compliance with Section 15Kha(2) of the Bank Companies Act 1991 (amended up to 2013), BRPD Circular No.11 dated 27 October 2013 and BSEC's Corporate Governance Guidelines dated 07 August 2012 the Board of Directors of JBL constituted the Audit Committee (AC) of the Board with 5 (five) members including 2 (Two) Independent Directors.

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.

Meeting of Audit Committee and Attendance: The committee is entitled to conduct at least four meetings in a year and call meeting at any time as per requirement. Total 10 (Ten) numbers of meetings of Audit Commit-



139th Meeting of the Audit Committee of the Board of Directors held on 29.11.2015

tee have been held during 01.01.2015 to 31.12.2015. Details of member of Audit Committee along with their terms/duration are:

Audit Committee of the Board of Directors held from the period 01.01.2015 to 27.04.2015

Sl.	Name	Status	Total meeting Held	Meeting Attended
01.	Mr. Md. Rafiqul Islam, Independent Director	Chairman	4	4
02.	Engr. A. K. M. Mosharraf Hussain Director	Member	4	3
03.	Al-Haj Nur Mohammed, Director	Member	4	4
04.	Mrs. Tasmin Mahmud, Director	Member	4	3
05.	Mr. A.S.M. Abdul Halim, Independent Director	Member	4	4

The Audit Committee of the Board of Directors held from the period 28.04.2015 to 31.10.2015

Sl.	Name	Status	Total meeting Held	Meeting Attended
01.	Mr. Md. Rafiqul Islam, Independent Director	Chairman	4	4
02.	Engr. Atiqur Rahman, Director	Member	4	4
03.	Mr. Fazlur Rahman, Director	Member	4	0
04.	Mr. Md. Mahmudul Hoque, Independent Director	Member	4	1
05.	Mr. Narayan Chandra Saha, Independent Director	Member	4	4

The Audit Committee of the Board of Directors held from the period 01.11.2015 to 31.12.2015.

Sl.	Name	Status	Total meeting Held	Meeting Attended
01.	Mr. Md. Rafiqul Islam, Independent Director	Chairman	2	2
02.	Mr. Md. Belal Hossain, Director	Member	2	1
03.	Mr. Kanutosh Majumder, Director	Member	2	1
04.	Mr. Md. Hasan, Director	Member	2	2
05.	Mr. Narayan Chandra Saha, Independent Director	Member	2	2

Chairman of the AC: The Chairman of the AC is an Independent Director who performs his duties with full freedom.

Qualification of Members of AC:

All members of the Audit Committee are financially literate and three members have post-graduation degree in Accounting and Economics respectively. Moreover, all members of the AC have reasonable knowledge on banking business, its operations, and risks involved in it.

Financial expert in the AC:

Among the AC members **Mr. Md. Rafiqul Islam**, Independent Director passed M. A (Economics) in 1970 from University of Chittagong. He started his career in the year 1974 in Bangladesh Civil Service (Administration). 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. Kanutosh Majumder, Director passed 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. Md. Hasan, Director obtained BBA from Charles Strut University in Australia. Mr. Hasan is one of the Directors of renowned business house City Group founded by his father, Mr. Fazlur Rahman, a prominent business personality in Bangladesh. Mr. 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 Corporate affairs of City Group.

Mr. Narayan Chandra Saha, Independent Director 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.

Roles and Responsibilities of the Audit Committee:

- 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 bank's 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.
- 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.
- 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.
- 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.
- 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.
- 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.

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 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 reports on its activities to the Board of Directors time to time by ratifying Minutes to the Board on a regular basis. 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.

Reporting of Internal Auditor to the AC

Internal Control & Compliance Division is engaged in Internal Audit of the Bank with 03 (three) interrelated wings/units, namely i) Audit & Inspection Department, ii) Monitoring Department and iii) Compliance Department. This division is performing the following actives:

- Comprehensive/surprise/special inspection on branches and different divisions/units of Head Office
- Monitors and reviews the operational performance of various branches like off-site supervision through quarterly operation reports (QORs), loan documentation checklists (LDCs), departmental control function checklists (DCFCLs), etc. as part of their off-site supervision activities
- Compliance of the regulatory requirements including directives of Bangladesh Bank, National Board of Revenue (NBR), Bangladesh Securities & Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms (RJSC), Ministry of Finance, etc.

Head of ICCD is submitting the AC, the inspection report on branches/different division, report regarding detection of irregularities/lapses (RED, ORANGE & YELLOW) etc. on a regular basis.

Presence of the Chairman of the AC at the AGM:

The Chairman of the Audit Committee is attending at the Annual General Meeting of the Bank regularly.

Risk Management Committee

Composition:

In compliance with Section 15 Kha (3) of the Bank Companies Act 1991 (amended up to 2013), BRPD Circular No. 11 dated 27 October 2013 the Board of Directors of JBL constituted the Risk Management Committee with 5 (five) members.

Objective:

- 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,
- 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.

Meeting of the RMC

The committee is entitled to conduct at least four meetings in a year and call meeting at any time as per requirement. The committee may call the CEO, Head of RMD or any executive to attend the committee meeting. The RMC of JBL held 5(Five) meetings during 2015 having detailed discussions and review session with the Head of RMD regarding their findings, observations and recommendations on issue of bank affairs that need improvement.



6th Meeting of the Risk Management Committee of the Board of Directors held on 17.08.2015

The Risk Management Committee of the Board of Directors for the period 01.01.2015 to 27.04.2015

Sl.	Name	Status
01.	Mr. Fazlur Rahman, Director	Chairman
02.	Mr. Md. Tajul Islam, Director	Member
03.	Mr. Sakhawat, Abu Khair Mohammad, Director	Member
04.	Mr. Al-haj Md. Rezzul Karim Ansari, Director	Member
05.	Mr. Kanutosh Majumder, Director	Member

Risk Management Committee of the Board of Directors for the period 27.04.2015 to 31.10.2015

Sl.	Name	Status
01.	Mr. Shaheen Mahmud, Director	Chairman
02.	Mr. Golam Dastagir Gazi, Bir Protik, Director	Member
03.	Mr. Md. Belal Hossain, Director	Member
04.	Mr. Kanutosh Majumder, Director	Member
05.	Mr. Md. Hasan, Director	Member

Risk Management Committee of the Board of Directors for the period 01.11.2015 to 31.12.2015.

Sl.	Name	Status
01.	Engr. A. K. M. Mosharruf Hussain, Director	Chairman
02.	Mr. Golam Dastagir Gazi, Bir Protik, Director	Member
03.	Mr. Md. Tajul Islam, Director	Member
04.	Mr. Sakhawat, Abu Khair Mohammad, Director	Member
05.	Mrs. Tasmin Mahmud, Director	Member

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) **Others**

Benefits provided to Directors and Managing Directors

Chairman of the Board of Directors and Directors of the Bank are enjoying benefits as per provision of BRPD Circular No.11, dated: 27 October, 2013 and BRPD Circular Letter No. 11, dated 04 October, 2015 issued by Bangladesh Bank.

The Managing Director is enjoying salary & allowances and other facilities according to his service contract duly approved by Bangladesh Bank.

Appointment of External Auditors

The shareholders of the Bank in its 14th AGM held on 04th May 2015 appointed Syful Shamsul Alam & Co., Chartered Accountants, Paramount Heights (Level-6), 65/2/1, Box Culvert Road, Purana Palton, Dhaka-1000 as the statutory auditor for the year 2015. Syful Shamsul Alam & Co. has completed their 3 years as statutory auditor of the Bank, so the new audit firm will be appointed in the ensuing AGM.

Services not involved by External Auditor

As per instruction of Corporate Governance Guidelines of BSEC, the statutory auditor is not involved in the following services of the Bank:

- Appraisal or valuation services or fairness opinions.
- Financial information systems design and implementation.
- Book-keeping or other services related to the accounting records or financial statements.
- Broker-dealer services.
- Actuarial services.
- Internal audit services.
- Any other service that the Audit Committee determines.

- 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.

Related Party Transactions

As of 31 December 2015, the Bank had funded exposures with its subsidiaries, to some current and ex-directors and credit card limit to some of its Directors. Besides, the Bank had procured some goods from the entities of related party (ies) during 2015. The details information regarding Related party transactions is presented in the Financial Statements.

Ethics and Compliance

Jamuna Bank Limited has written Code of Conduct for the members of the Board of Directors as well as Employees of the Bank. The Board of Directors complies with all applicable Laws and Regulations of the land and Memorandum & Articles of Association of the Bank.

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.

Human Capital

Human capital is the measure of the econom-

ic value of an employee's skill set that a company can use to further its goal. Therefore, economists regard expenditures on education, training, medical care, and so on as investments in human capital. They are called human capital because people cannot be separated from their knowledge, skills, health, or values in the way they can be separated from their financial and physical assets.

Our core brand has always been our employees, appreciated for their passion to perform. For us, employees are the best brand. We do not offer our employees a job, we offer them a career. We strongly believe that employees are required to work in a team to run a system smoothly and efficiently. Our efficient work force acted as the fundamental pillar to elevate the Bank at today's height of success and beyond. We are always concerned with upgrading our entire workforce to the next level of skill and efficiency through internal & external training and it is a continuous process. In line with its expansion plans, Jamuna Bank plans to acquire talents from the market to meet the customers' ever-increasing demand and to support the ever changing business scenario.

The details discussion on the bank's "Human Resources Division" has been presented in the Management Discussion & Analysis chapter of this annual report.

Communication to Shareholders & Stakeholders

To make effective communication to the shareholders and other stakeholders of the bank, the Share Division under the Board Secretariat is playing a vital role. They are providing various services to the shareholders and other stakeholders of the bank i.e. to allow or rejection transfer or transmission of shares, Share transfer/Buy/Sell/Gift of Shares for the Sponsors/Directors as per prevailing rules/regulations, allotment of shares issued from time to time, issue of duplicate certificates, payment of dividend, De-materialization/ Re-materialization of shares, Distribution of Annual Report and Half Yearly Report, issue and dispatch of MICR Dividend/Fractional Dividend Warrants, To issue Sharehold-

ing Certificate to the Directors/ Shareholders, to allow or rejection Pledge/Un-pledge/Confiscation of shares.

As per provision of regulation 44(2) (i) of the Dhaka and Chittagong Stock Exchange (Listing) Regulation, we have published the Contact number (Fax, e-mail & telephone) of the officials of

Investors' Relation Department of our Bank through which the honorable shareholders and other stakeholders can communicate with us.

Environmental and Social Obligations

Environmental obligations

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. 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:

- Formulation of comprehensive guidelines on Green Banking and Environmental and Social Risk Management.
- Application of Environmental and Social (E&S) risk management procedures in assessing all credit applications over BDT 2.5 million for SMEs and BDT 10.0 million for corporate and real estate.
- Originating In-house Environment Management:
- Preparation of Green Office Guide with the aim to reduce our own carbon footprint.
- Introducing Green Finance 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 started online banking activities since inception. 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.
- 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.
- Introduction of new SME product to increase the scope of financial inclusion.
- Introduction of new Green product for procurement of energy efficient machinery/ equipment by the customers.

The details discussion on the “Green Banking” has been presented in the Green Banking chapter of this annual report.

Social Obligation

Jamuna Bank earned mentionable applause in playing important role in the field of Corporate Social Responsibilities with the object to contributing for the cause of destitute/under-privileged segment of the society and for socio-economic development of the country. The onerous task of fulfilling commitment to the society is commendably undertaken by Jamuna Bank Foundation since inception in the year 2008. The Bank made provision for Jamuna Bank Foundation at 2.00% on pretax profit of Jamuna Bank Limited.

As Jamuna Bank’s non-profit subsidiary, Jamuna Bank Foundation has a unique role to play, providing leadership and making a difference for CSR in the Country. We have always focused on providing and /or making need based services available for our priority target population. The details discussion on the bank’s



Jamuna Bank donated 25000 Blankets and 50 Lac Taka to Prime Minister's Relief & Welfare Fund. Al-Haj Md. Sirajul Islam Varosha, Chairman of the Jamuna Bank Limited handed over 25000 Blankets and Tk. 50 Lac to the hon'ble Prime Minister Sheikh Hasina as donation to the Prime Minister's Relief and Welfare Fund for the cold-stricken people. Md. Mahmudul Hoque, Director, Jamuna Bank was also present at the occasion.

“Corporate Social Responsibility” has been presented in the “Corporate Social Responsibility” chapter of this annual report.

Particulars of Whistle blower Policy

The Internal Control & Compliance Division (ICCD) of the Bank engaged in examination of whether any fraud-forgery or irregularities is going on in the Bank. The ICCD also conducts special audit or investigations as instructed by the Board or Audit Committee of the Bank. The ICCD are submitting reports to Audit Committee regarding their finding on different issues at a regular basis.

Periodic reminders to shareholding who have not enchased their dividend

Jamuna Bank provided 14% Cash Dividend for the year 2012 and distribution of dividend is almost completed. In the year 2013 & 2014, we declared 15% Stock Dividend and 19% Stock Dividend respectively. In case of declaration of Cash Dividend we will follow it.

Shariah Supervisory Committee

The Shariah Supervisory Committee of the Bank 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. 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.

Sl. No.	Name	Status	Educational Qualification
01.	Prof. Mawlana Md. Salahuddin Khatib, Baitul Mukarram, National Mosque, Dhaka	Chairman	M.A. Kamil
02.	Hafez Mawlana Mufti Ruhul Amin Principal, Jamea Islamia Darul Ulum Khademul Islam Gawherdanga Madrasah, Tungipara, Gopalganj.	Member	M.A. (Mufti)
03.	Mawlana Abdur Razzak Principal, Madinatul Ulum Model Institute Boys Kamil Madrasah, Dhaka.	Member	Kamil
04.	Mr. M. Azizul Haque Founder Managing Director of Islami Bank Bangladesh Ltd., Consultant of Islami Banking.	Member	M.A. (Islami Economist)
05.	Hafez Mawlana Prof. Dr. Shahidul Islam Barakati Islami Scholar	Member	Kamil, M.A. and PhD.
06.	Alhaj Mawlana Md. Sadequul Islam Imam and Khatib, Mohakhali DOHS Jame Masjid, Dhaka Cantonment.	Member	Kamil, M.A.
07.	Mr. Shafiqul Alam Managing Director, Jamuna Bank Ltd.	Member (Ex-Officio)	M.Sc.
08.	Mr. M.A. Rouf Company Secretary (CC), Jamuna Bank Ltd.	Member Secretary	MBM

Total 03 (Three) numbers of meetings of Shariah Supervisory Committee have been held during 01.01.2015 to 31.12.2015. Details of which is illustrated as follows:

Sl.	Name	Status	Total meeting Held	Meeting Attended
01.	Professor Mawlana Md. Salahuddin	Chairman	3	2
02.	Hafez Mawlana Mufti Ruhul Amin	Member		2
03.	Mawlana Abdur Razzak	Member		3
04.	Mr. M. Azizul Haque	Member		3
05.	Prof. Shahidul Islam Barakati	Member		3
06.	Alhaj Mawlana Md. Sadequul Islam	Member		3
07.	Mr. Shafiqul Alam (Ex-Officio)	Member		2
08.	Mr. M.A. Rouf	Member Secretary		2

Management Committees

The Bank is manned and managed by a team of efficient professionals headed by Mr. Shafiqul 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 regula-

tory 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:

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 quarter.

MANCOM consists of:

Name	Designation/Position	Status
Mr. Shafiqul Alam	Managing Director	Chairman
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. Mamun Mahmud	Head of Human Resources Division	Member
Mr. M.A. Rouf	Company Secretary (CC)	Member
Mr. Md. Ebtadul Islam	Head of Internal Control & Compliance Division	Member
Mr. Ahmed Nawaz	Head of Information & Communication Technology Division	Member
Mr. Ashim Kumer Biswas	Head of Financial 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

Asset Liability Committee (ALCO)

Asset Liability Committee consists of the Managing Director, the Deputy Managing Directors and strategically important Divisional Heads of Head Office. The Managing Director and in his absence the 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. Shafiqul Alam	Managing Director	Chairman
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:

- 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;
- Ensure there is diversification of funding source and to avoid over dependence on volatile sources of funding;
- Decide on the level of Liquidity Reserves that needs to be maintained in the form of Liquid Assets;
- Ensure Compliance with the Bangladesh Bank liquidity requirements and to periodically review all assumptions made as a consequence of this;
- 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;
- 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;
- 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;
- 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;
- Provide guidelines for determining special interest rates for Business Groups, with the exception of Capital Markets and Treasury products.
- Deliberate and decide on all FTP matters;
- Analyze, review and evaluate the performance of each product focusing on profitability, volume and market share;
- Review and track the Performance of deposits based on accumulation of initiatives against targets for Retail Banking, SME Banking and Corporate Banking;
- Review and recommend the liquidity risk management policies for managing interest rate risk on banking books to the Board for approval.

Head Office Credit Review Committee (HOCRC)

The Head Office Credit Review Committee (HOCRC) serves as a reviewing body of client's credit application, recommended for approval by the branch/business group. The Committee also recommends credit applications/proposals for approval by the competent approving authorities. In addition, the committee reviews framing/updating of credit policy and recommends for approval by the Board of Directors. The committee also reviews adequacy of credit risk management and loan loss provisioning.

HOCRC consist of Head Office executives from different divisions. The Chairperson of the HOCRC is appointed by the MD/CEO. Presently, it comprise with the following executives :

Sl. No.	Designation	Status
1.	Deputy Managing Director-1	Chairman
2.	Deputy Managing Director-2	Member
3.	Deputy Managing Director-3	Member
4.	Head of Business	Member
5.	Head of CRM	Member
6.	Head of Corporate	Member
7.	Head of RMG	Member
8.	Deputy Head of Corporate	Member
9.	Deputy Head of CRM	Member Secretary

The Head of Retail Banking Division and Head of SME Division shall attend meetings if they have proposals placed in the HOCRC for discussion.

Meetings:

The committee has scheduled meetings at least twice in a week, preferably on Mondays and Wednesdays respectively. Meeting held at the Head Office or at any other place deemed appropriate by the committee. Meeting convened upon a notice of the Chairman or the Secretary of the Committee.

However, depending on requirement to discuss urgent business, the committee may sit on any other day(s) as well with prior permission to the Chair. The Secretary of the committee is, in consultation and approval of the Chairman developing the agenda for each meeting and circulating it to all members of the committee in advance. The Secretary gives notice of committee meetings to committee members and the Chairman.

The Committee may invite any staff member of the Bank to attend meetings and assist its discussion. All meetings preceded by recording the attendance of the members present. Minutes of the previous meeting is confirmed at the beginning of the business session. Committee may, time to time, meet in camera and upon invitation of the committee, a Branch Manager may attend in a camera session.

A committee meeting will not be valid unless a majority of its members are in attendance or represented. For the transaction of business and the meeting to be valid, at least two third of the members of the committee shall need to be present to constitute the quorum. In case of absence of the chairman in any HOCRC meeting, the senior most DMD present shall chair the meeting.

All credit applications shall need to be agreed unanimously by all members to recommend it to the approving authority. Any observation by any of the members shall need to be addressed adequately and be acceptable before recommending the proposal for approval.

Duties and responsibilities:

- The committee reviews applications related to loans, guarantees and all other

credit applications of Tk.10.00 lac and above forwarded and recommended by the branch/business group and reviewed, recommended by the CRM group. The committee recommend applications found acceptable & suitable for the bank to the approving authorities e.g. the Managing Director, the Executive Committee of the Board of Directors or the Board of Director as the cases may be.

- The committee may decline a credit application or defer it with observations for submission in subsequent meeting duly addressing the observations. On a periodic basis, a list of declined proposals submitted to the Managing Director for information.
- The Chairman of HOCRC is a signatory to all credit proposals cleared by HOCRC and placed for approval of the competent authority.
- The committee ensures that all key credit risks are identified and adequately addressed in the credit applications.
- The committee reviews the credit policy of the bank, provide guidelines to branches & respective Divisions of the Head Office to manage the key credit risks. The reviewed credit policy shall be placed before the Board of Directors for approval.
- The Chief Risk Officer or the Head of Risk Management will attend all credit committee meetings and report to the committee on the performance of the Bank on the risk measures and limits contained in Risk Appetite Statement.
- The committee reviews the delegation of authority to the Managing Director and senior management for loans, guarantees, LCs, securitized transactions and all other credit transactions on an annual basis and recommend for approval to the Board.
- The committee reviews loan classification reports and the loan loss provisions to oversee compliance of regulations and bank's internal policy stipulations and the adequacy of loan loss provisions on a quarterly basis.
- The committee reviews risk management paper with particular reference to credit

risks submitted to the regulators and subsequent feedback, recommendations, received on the paper from the regulators towards implementation of the recommendations and strengthening the credit risk management capability.

- The committee is from time to time, review performance of financial inclusion and priority landings as directed and pursued by central bank and assess bank's position in order to suggest measures going forward.
- The committee assess this terms of reference (ToR) at least once in a year and evaluate its mandate to ensure that the ToR reflect best practices and are relevant to bank's business and associated risks and shall make recommendations to the Board with respect to any proposed modification.

Minutes: Minutes of the committee meetings are recorded and signed by the members attending the meeting and the Secretary.

Bank's 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:

Sl. No.	Name of Executives	Designation	Status
1.	Mr. Mirza Elias Uddin Ahmed	DMD	Chairman
2.	Mr. A.K.M. Saifuddin Ahamed	DMD	Member
3.	Mr. Md. Habibur Rahman	DMD	Member
4.	Mr. Md. Mukhlesur Rahman	EVP	Member
5.	Mr. Ahmed Sufi	SVP	Member
6.	Mr. Md. Belal Hossain	SVP	Member
7.	Mr. Ashim Kumer Biswas	SVP	Member
8.	Mr. Ahmed Nawaz	SVP	Member
9.	Mr. Md. Abul Bashar Mazumder	VP	Member
10.	Mr. Abdul Awal Khan	VP	Member
11.	Mr. Md. Shah Alam	VP	Member Secretary
12.	Mr. Mohammad Shamsur Rahman	SAVP	Member
13.	Mr. Md. Mehedi Hasan	SAVP	Member

Powers, Duties and Responsibilities

- 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;
- 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;
- Risk Management Policies
- 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;
- Recommendations on appointment of members to the various risk committees for Board's approval;
- 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;
- 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.
- 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);
- Compliance. Enforce compliance with all

risk policies and limits allocated by the various risk committees.

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

Supervisory Review Committee (SRC)

Supervisory Review Committee consists of the following members. 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.

Supervisory Review Committee consists of:

Sl. No.	Particulars of Members	Status
01.	Managing Director	Chairman
02.	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 Financial 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

Supervisory Review Committee (SRC) is performing the following factors:

- Review the nature and level of risk being taken by the bank and how this risk relates to adequate capital levels.
- Liable for ensuring that the formality and sophistication of the risk management processes are appropriate in light of the risk profile and business plan.
- Analyze bank's current and future capital requirements in relation to its strategic objectives
- Adopt strategic planning process for bank's capital needs, anticipated capital expenditures, desirable capital level, and external capital sources.
- The Board and senior management reviews the capital planning to achieve its desired strategic objectives.
- Responsible for setting the bank's tolerance for risks, establishes a framework for assessing the various risks.
- 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 Company Secretary (CC) 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:

- Providing preliminary advice and recom-

mendations pertaining to legal, regulatory, and governance issues and practices related to the Board.

- 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.
- Ensuring that corporate information disclosures to regulatory agencies are in accordance with laws and regulations.
- Communicating with shareholders.
- Maintaining the register of directors, shareholders, reports of Board meetings, stakeholders' reports and meeting notices
- Ensuring compliance with other rules and procedures as required by relevant laws and regulations.
- Ensure of payment of dividend/fractional dividend/refund warrant to the respective accounts as per instructions.
- 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 require. Duties of the CFO include the following, ensuring compliance with the applicable laws and regulations and Corporate Governance Notification:

- 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.
- Oversee all accounting practices 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 orga-

nizational budgets.

- Prepare and manage Employees' Provident Fund, Gratuity Fund, Social Security Fund
- Serve as one of the trustees and oversee administration and financial reporting of the organization's Savings and Retirement Plan.
- Assist in the design, implementation, and timely calculations of incentives, festival bonus and salaries for the employees.
- Supervises investment and raising of funds for business.
- Working as a joint custodian of cash to meet up day-to-day expenses.
- 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. Ebtadul Islam, Executive Vice President, an experienced central banker (Rtd.) has been appointed as the Head of Internal Control & Compliance Division (ICCD) in compliance with 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 arranges to conduct comprehensive/special/surprise inspections to examine whether the internal controls assigned for different branches and divisions of the bank working effectively with a view to reducing risks and achieving bank's 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 to examine whether they are conducting day to day business transactions as per set policies.

As part of their off-site supervision activities, Monitoring Department reviews Departmental Control Function Checklist (DCFCL), Quarterly Operations Report (QORs), Loan Documentation Checklists (LDCs), etc. as submitted by the branches.

Compliance Department ensures full compliance of the recommendations/suggestions as made in the internal comprehensive inspections and Bangladesh Bank inspection reports. It further complies with 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.

Bangladesh Bank Guidelines for Corporate Governance: Our Compliance Status

Bangladesh Bank (BB) issued three circulars in 2013 covering three following areas as follows to ensure good governance i.e. corporate governance in bank management,:

1. BRPD Circular No.11 dated 27 October 2013: Formation & Responsibilities of Board of Directors of a Bank Company.
2. BRPD Circular No.18 dated 27 October 2013: Appointment and Responsibilities of Chief Executive of a Bank-Company.
3. BRPD Circular No.19 dated 27 October 2013: Contractual appointment of Advisor and Consultant in a Bank-Company.

1. Formation & Responsibilities of Board of Directors of a Bank Company.

Sl.	Particulars	Compliance Status
1	Formation of Board of Directors: Prior approval of Bangladesh Bank before the appointment /re-appointment of new directors including Independent Directors ; director’s fit & proper criteria; maximum number of directors; appointment of maximum 2(two) members from a family as	Complied
1.1	Appointment of New directors: Under section 15(4) of the Bank Company Act, 1991 (amended upto 2013), every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish documents as mentioned in the BRPD Circular No.11 dated 27 October 2013 along with the application .	Complied
1.2	Vacation of office of Director	
(a)	The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfill the minimum eligibility criteria, the office of the director will be vacated.	No such case
(b)	If the office of a director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of BCA, 1991, he/she can’t transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution.	No such incident
(c)	Besides, Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede company under Section 47 of BCA, 1991.	No such instance

1.3	<p>Removal of Directors from office: With the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.</p>	No such instance
1.4	<p>Appointment of Alternate Director: an alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the instructions stipulated in BRPD Circular No.11 dated 27 October 2013 should be followed.</p>	Currently No such Director in JBL
2	<p>Depositor Director: As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended upto 2013) bank can consider the tenure of existing depositor director or may appoint them as independent director.</p>	Currently No such Director in JBL
3	<p>Information regarding Directors: Banks are advised to take the following steps regarding director information:</p>	
(a)	<p>Every bank should keep an updated list of Bank Directors</p>	Complied
(b)	<p>Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.</p>	Complied
(c)	<p>Banks should display a list of directors in the website and update it on a regular basis.</p>	Complied
4	<p>Responsibilities of the Board of Directors</p>	
4.1	<p>Responsibilities and Authorities of the Board of Directors:</p>	
(a)	<p>Work-planning and strategic management: (i) The board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor, at quarterly rests, the development of implementation of the work-plans.</p>	Complied
	<p>(ii) The board shall have its analytical review incorporated in the Annual Report as regards to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/ recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below the CEO, and have it evaluated from time to time.</p>	Complied

<p>(b) Credit and risk management: (i) The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval.</p>	<p>Complied</p>
<p>(ii) The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.</p>	<p>Complied</p>
<p>(c) Internal Control Management: The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.</p>	<p>Complied</p>
<p>(d) Human resources management and development: (i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.</p>	<p>Complied. (BoD of JBL approves HR policy from time to time which guides all actions or decisions related to HR of JBL)</p>
<p>(ii) The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programmes incorporated in its annual work plan.</p>	<p>Complied</p>
<p>(iii) The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.</p>	<p>Complied</p>

(e)	<p>Financial management: (i) The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.</p>	Complied
	<p>(ii) The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board.</p>	Complied (JBL follows a Board approved 'Procurement and disposal policy')
	<p>(iii) The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.</p>	Complied
(f)	<p>Appointment of Chief Executive Officer (CEO): In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.</p>	Complied
(g)	<p>Other responsibilities of the Board: In accordance to BB Guidelines issued from time to time.</p>	Complied. (The BoD will do so as and when required by BB)
4.2	<p>Meeting of Board: Board of directors may meet once or more than once in a month if necessary. But Board of directors shall meet at least once in every three months. Excessive meetings are discouraged.</p>	Complied. (Usually JBL holds two Board Meetings in a month)
4.3	<p>Responsibilities of the Chairman of the Board: As the chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.</p>	Complied
	<p>The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO.</p>	

<p>The chairman may be offered an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the board.</p>	Complied
<p>5. Formation of committees from the Board of Directors: Each bank company can form 1(one) executive committee, 1(one) audit committee and 1(one) risk management committee with the directors. Board can't form any other permanent, temporary or sub- committee except the above mentioned three committees.</p>	Complied
<p>5.1 Executive committee: Executive committee to be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors. Banks to be followed instruction of BRPD Circular No.11 dated 27 October 2013 as regards to (A) Organizational structure, (B) Qualifications of the Members & (C) Meetings of the Executive Committee.</p>	Complied
<p>5.2 Audit Committee: Audit committee to be formed with the members of the board to review 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. Banks to be followed instruction of BRPD Circular No.11 dated 27 October 2013 as regards to (A) Organizational structure, (B) Qualifications of the Member, (C) Roles and Responsibilities of the Audit Committee & (D) Meeting of the Audit Committee.</p>	Complied
<p>5.3 Risk Management Committee: Risk Management committee to be formed with the members of the board 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. 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. Banks to be followed instruction of BRPD Circular No.11 dated 27 October 2013 as regards to (A) Organizational structure, (B) Qualifications of the Member, (C) Roles and Responsibilities of the Risk Management Committee & (D) Meeting of the Risk Management Committee.</p>	Complied
<p>6. Training for the Directors: The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.</p>	Complied
<p>7. The Chief Executive Officer will inform about this circular to the directors and other related persons.</p>	Complied

2. Appointment and Responsibilities of Chief Executive of a Bank Company.

Sl.	Particulars	Compliance Status
A.	Rules and regulations for appointing CEO	
1.	<p>Moral Integrity: In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that,-</p> <ul style="list-style-type: none"> a) He has not been convicted by any Criminal Court of Law; b) He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority; c) He was not associated with any such company/organization, registration or licence of which has been cancelled. 	Complied
2.	<p>Experience and Suitability:</p> <ul style="list-style-type: none"> a) For appointment as chief executive, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediate below the chief executive of a bank. b) He must at least have a Masters degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c) In respect of service, the concerned person should have excellent record of performance. d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company; e) Any director of any bank or financial institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of chief executive. 	Complied
3.	<p>Transparency and Financial Integrity: As per BRPD Circular No.18 dated 27 October 2013 issued by Bangladesh Bank.</p>	Complied
4.	<p>Age limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.</p>	Complied
5.	<p>Tenure: The tenure of the chief executive shall be for at least 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that period.</p>	Complied
6.	<p>Guidelines in fixing the salary and allowances: Banks are required to follow the guidelines stipulated in BRPD Circular No.18 dated 27 October 2013 issued by Bangladesh Bank while determining the salary and allowances of the CEO and submitting such proposal to Bangladesh Bank.</p>	Complied

7.	Incentive Bonus: Subject to the payment of incentive bonuses to all staffs/employees, the CEO will be eligible to get such bonus. However, the amount of CEO's incentive bonus will not cross Taka 10.00 (ten) lacs per year.	Complied
8.	Honorarium for Board Meeting: As CEO is a salaried official of the bank, he will not get any honorarium for attending the Board meeting or the meeting of any Committee formed by the Board.	Complied
9.	Evaluation Report: While reappointing CEO, an evaluation report approved by the board of directors should be submitted to Bangladesh Bank by the chairman of the Board.	Complied
10.	Prior approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Bank Company Act 1991 (Amended upto 2013). For processing such approval, along with the proposal signed by the chairman of the board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure-ka & Annexure-kha to Bangladesh Bank.	Complied
11.	Decision of Bangladesh Bank if final The decision of BB for appointment of CEO will be treated as final and such appointed CEO cannot be dismissed, released and removed from his office without prior approval from Bangladesh Bank.	Complied
B.	Duties and Responsibilities of CEO: The CEO of the bank, whatever name called, shall discharge the responsibilities and affect the authorities as mentioned in the BRPD Circular No.18 dated 27 October 2013 issued by Bangladesh Bank.	Complied

3. Contractual appointment of Advisor and Consultant in a Bank-Company

Sl.	Particulars	Compliance Status
A.	Rules and regulations for Appointment of Advisor:-	No such advisor in JBL
1.	Experience and Suitability: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A
2.	Responsibilities: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A
3.	Prior approval from Bangladesh Bank: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A
4.	Remuneration and other facilities: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A
5.	Tenure: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A
6.	Appointment of Ex-officials: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A
B.	Appointment of Consultant:-	No such advisor in JBL
1.	Terms of Reference: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A
2.	Responsibilities: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A
3.	Appointment: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A
4.	Tenure: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A
5.	Remuneration/honorarium: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A
6.	Appointment of Ex-officials: As mentioned in the BRPD Circular No.19 dated 27 October 2013 issued by Bangladesh Bank.	N/A

Corporate Governance Compliance Report

Jamuna Bank Limited (JBL) is complying with the corporate governance guidelines as issued by the Bangladesh Securities & Exchange Commission vide the Notification No. SEC/CMRRC-D/2006-158/134/Admin/44 dated 07 August 2012. Status of compliance of JBL for the year ended December 2012 is as follows:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1.0	Board of Directors			
1.1	Board Size: The number of Board Members shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Directors			
1.2 (i)	One fifth (1/5th) of the total number of Directors	✓		
1.2 (ii) a)	Does not hold any share or holds less than 1 % shares of the total paid up shares	✓		
1.2 (ii) b)	Is not a sponsor and in not connected with any Sponsor/director/shareholder who holds 1 % or more shares of the total paid up shares on the basis of the family relationship.	✓		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2 (ii) d)	Not a member, director or officer of any stock exchange	✓		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	✓		
1.2 (ii) f)	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)	Not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	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)	Not been convicted for a criminal offence involving moral turpitude	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
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) cannot 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	Qualification of Independent Director (ID)			
1.3 (i)	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)	Background of the Independent Directors: Business Leader/Corporate Leader/Bureaucrat/Professionals like Chartered Accountants, Cost & Management Accounts, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experience.	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	N/A		
1.4	Chairman of the Board and Chief Executive Officer shall be filled by different individuals and clearly define respective roles and responsibilities	✓		
1.5	The Directors' Report to the Shareholders			
1.5 (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)	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	✓		

Discussion on interest income, expense, operating and net profit provided

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
1.5 (vii)	Explanation if the financial results	√		
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing	N/A		
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	N/A		
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	√		
1.5 (xiv)	Followed IAS, BAS, IFRS, BFRS, as applicable in Bangladesh, have been followed in preparation of 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)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
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.	N/A		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:			
1.5 (xxi) 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).	Nil		
1.5 (xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1.5 (xxii) 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.	√		Please refer to Note 46.3 of FS
2.0	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2.1	Appointment of 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.	√		
2.2	Attendance of CFO and Company Secretary at the meeting of the Board of Directors	√		
3	Audit Committee:			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not complied	
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	Constitution of Audit Committee			
3.1 (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)	Term of Service of Audit Committee Members/Filling Casual vacancy in committee	√		
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	Chairman of the Audit Committee			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√		
3.3	Role of the Audit Committee			
3.3 (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.	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
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.	✓		
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.	N/A		
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-	✓		
3.4.1 (ii) a)	Report on conflicts of interests;	Nil		
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;	Nil		
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.	Nil		
3.4.2	Reporting of anything having material financial impact to the commission.	Nil		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
3.5	Reporting to the shareholders & General Investors		Nil	
4	External/Statutory auditors: Non-Engagement of External/Statutory Auditors in the following services			
4 (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)	Service that the Audit Committee determines.	✓		
4 (viii)	Audit firms shall not hold any share of the company they audit	✓		
5	Subsidiary Company			
5 (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.	✓		
5 (iii)	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 reviewed the financial statements, in particular the investments made by the subsidiary company.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
6	Duties of Chief Executive Officer and Chief Financial Officer	Nil		Please refer to the declaration of MD & CEO and CFO on the Integrity of FS
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
6 (i) 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	Reporting and Compliance of Corporate Governance			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (CA/CMA/CS) 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.	✓		

শফিক বসাক এন্ড কোং SHAFIQ BASAK & CO.

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Md. Enayet Ullah, FCA
Sarwar Mahmood, FCA

CHITTAGONG OFFICE :

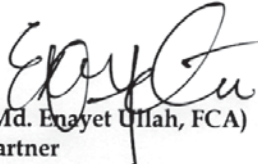
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CERTIFICATE OF COMPLIANCES OF CONDITIONS OF THE CORPORATE GOVERNANCE GUIDELINES TO THE SHAREHOLDERS OF JAMUNA BANK LIMITED

We have examined the compliances of conditions of The Corporate Governance guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by **Jamuna Bank Limited** (the "Bank") as stipulated in clause 7(i) of the BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated / August 2012.

The compliances of conditions of The Corporate Governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the Bank's Management. Our examination for the purpose of issuing this certificate was limited to the examining of procedures and implementations thereof, adopted by the Bank for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received thereon.

To the best of our information and according to the explanations given to us, we certify that the Jamuna Bank has complied with the conditions of corporate governance stipulated in the above mentioned BSEC notification dated 7 August 2012 issued under section 2CC of the Securities and Exchange Ordinance-1969, for the year ended 31 December 2015.


(Md. Enayet Ullah, FCA)
Partner

SHAFIQ BASAK & Co.
Chartered Accountants

Dhaka, April 21, 2016.

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