



DIRECTORS' REPORT



Directors' Report

The Board of Directors of Jamuna Bank Limited takes pleasure in welcoming you all to the 18th Annual General Meeting (AGM) and presenting Annual Report and the audited financial statements of the bank for the year ended 31 December 2018 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 Code issued on 03 June 2018, 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 & Outlook

Global growth is expected to remain at 3.0 per cent in 2019 and 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world, according to the World Economic Situation and Prospects 2019. The global economy is facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks.

Global growth is moderating as the recovery in trade and manufacturing activity loses steam (Figure 1.1). Despite ongoing negotiations, trade tensions among major economies remain elevated. These tensions, combined with concerns about softening global growth prospects, have weighed on investor sentiment and contributed to declines in global equity prices. Borrowing costs for emerging market and developing economies (EMDEs) have increased, in part as major advanced-economy central banks continue to withdraw policy accommodation in varying degrees. A strengthening U.S. dollar, heightened financial market volatility, and rising risk premiums have intensified capital outflow and currency pressures in some large EMDEs, with some vulnerable countries experiencing substantial financial stress. Energy prices have fluctuated markedly, mainly due to supply factors, with sharp falls toward the end of 2018. Other commodity prices—particularly metals—have also weakened, posing renewed headwinds for commodity exporters.

Economic activity in advanced economies has been diverging of late. Growth in the United States has remained solid, bolstered by fiscal stimulus. In contrast, activity in

THE OUTLOOK FOR THE GLOBAL ECONOMY HAS DARKENED. GLOBAL FINANCING CONDITIONS HAVE TIGHTENED, INDUSTRIAL PRODUCTION HAS MODERATED, TRADE TENSIONS REMAIN ELEVATED, AND SOME LARGE EMERGING MARKET AND DEVELOPING ECONOMIES HAVE EXPERIENCED SIGNIFICANT FINANCIAL MARKET STRESS. FACED WITH THESE HEADWINDS, THE RECOVERY IN EMERGING MARKET AND DEVELOPING ECONOMIES HAS LOST MOMENTUM. DOWNSIDE RISKS HAVE BECOME MORE ACUTE AND INCLUDE THE POSSIBILITY OF DISORDERLY FINANCIAL MARKET MOVEMENTS AND AN ESCALATION OF TRADE DISPUTES. DEBT VULNERABILITIES IN EMERGING MARKET AND DEVELOPING ECONOMIES, PARTICULARLY LOW-INCOME COUNTRIES, HAVE INCREASED. MORE FREQUENT SEVERE WEATHER EVENTS WOULD RAISE THE POSSIBILITY OF LARGE SWINGS IN INTERNATIONAL FOOD PRICES, WHICH COULD DEEPEN POVERTY. IN THIS DIFFICULT ENVIRONMENT, IT IS OF PARAMOUNT IMPORTANCE FOR EMERGING MARKET AND DEVELOPING ECONOMIES TO REBUILD POLICY BUFFERS WHILE LAYING A STRONGER FOUNDATION FOR FUTURE GROWTH BY BOOSTING HUMAN CAPITAL, PROMOTING TRADE INTEGRATION, AND ADDRESSING THE CHALLENGES ASSOCIATED WITH INFORMALITY

Source: January 2019, Global Economic Prospects by World Bank Group.

TABLE 1.1 Real GDP¹

(Percent change from previous year)

Percentage point differences
from June 2018 projections

| | 2016 | 2017 | 2018e | 2018f | 2020f | 2021f | 2018e | 2019f | 2020f |
|---|-------|------|-------|-------|-------|-------|-------|-------|-------|
| World | 2.4 | 3.1 | 3.0 | 2.9 | 2.8 | 2.8 | -0.1 | -0.1 | -0.1 |
| Advanced economies | 1.7 | 2.3 | 2.2 | 2.0 | 1.6 | 1.5 | 0.0 | 0.0 | -0.1 |
| United States | 1.6 | 2.2 | 2.9 | 2.5 | 1.7 | 1.6 | 0.2 | 0.0 | -0.3 |
| Euro Area | 1.9 | 2.4 | 1.9 | 1.6 | 1.5 | 1.3 | -0.2 | -0.1 | 0.0 |
| Japan | 0.6 | 1.9 | 0.8 | 0.9 | 0.7 | 0.6 | -0.2 | 0.1 | 0.2 |
| Emerging market and developing economies (EMDEs) | 3.7 | 4.3 | 4.2 | 4.2 | 4.5 | 4.6 | -0.3 | -0.5 | -0.2 |
| Commodity-exporting EMDEs | 0.8 | 1.7 | 1.7 | 2.3 | 2.9 | 2.9 | -0.8 | -0.7 | -0.1 |
| Other EMDEs | 5.9 | 6.1 | 5.8 | 5.5 | 5.6 | 5.6 | 0.0 | -0.3 | -0.1 |
| Other EMDEs excluding China | 4.9 | 5.2 | 5.0 | 4.7 | 4.9 | 5.1 | -0.1 | -0.4 | -0.2 |
| East Asia and Pacific | 6.3 | 6.6 | 6.3 | 6.0 | 6.0 | 5.8 | 0.0 | -0.1 | 0.0 |
| China | 6.7 | 6.9 | 6.5 | 6.2 | 6.2 | 6.0 | 0.0 | -0.1 | 0.0 |
| Indonesia | 5.0 | 5.1 | 5.2 | 5.2 | 5.3 | 5.3 | 0.0 | -0.1 | -0.1 |
| Thailand | 3.3 | 3.9 | 4.1 | 3.8 | 3.9 | 3.9 | 0.0 | 0.0 | 0.1 |
| Europe and Central Asia | 1.7 | 4.0 | 3.1 | 2.3 | 2.7 | 2.9 | -0.1 | -0.8 | -0.3 |
| Russia | -0.2 | 1.5 | 1.6 | 1.5 | 1.8 | 1.8 | 0.1 | -0.3 | 0.0 |
| Turkey | 3.2 | 7.4 | 3.5 | 1.6 | 3.0 | 4.2 | -1.0 | -2.4 | -1.0 |
| Poland | 3.1 | 4.8 | 5.0 | 4.0 | 3.6 | 3.3 | 0.8 | 0.3 | 0.1 |
| Latin America and the Caribbean | -1.5 | 0.8 | 0.6 | 1.7 | 2.4 | 2.5 | -1.1 | -0.6 | -0.1 |
| Brazil | -3.3 | 1.1 | 1.2 | 2.2 | 2.4 | 2.4 | -1.2 | -0.3 | 0.0 |
| Mexico | 2.9 | 2.1 | 2.1 | 2.0 | 2.4 | 2.4 | -0.2 | -0.5 | -0.3 |
| Argentina | -1.8 | 2.9 | -2.8 | -1.7 | 2.7 | 3.1 | -4.5 | -3.5 | -0.1 |
| Middle East and North Africa | 5.1 | 1.2 | 1.7 | 1.9 | 2.7 | 2.7 | -1.3 | -1.4 | -0.5 |
| Saudi Arabia | 1.7 | -0.9 | 2.0 | 2.1 | 2.2 | 2.2 | 0.2 | 0.0 | -0.1 |
| Iran | 13.4 | 3.8 | -1.5 | -3.6 | 1.1 | 1.1 | -5.6 | -7.7 | -3.1 |
| Egypt ² | 4.3 | 4.2 | 5.3 | 5.8 | 5.8 | 6.0 | 0.3 | 0.1 | 0.0 |
| South Asia | 7.5 | 6.2 | 6.9 | 7.1 | 7.1 | 7.1 | 0.0 | 0.0 | -0.1 |
| India ² | 7.1 | 6.7 | 7.3 | 7.5 | 7.5 | 7.5 | 0.0 | 0.0 | 0.0 |
| Pakistan ² | 4.6 | 5.4 | 5.8 | 3.7 | 4.2 | 4.8 | 0.0 | -1.3 | -1.2 |
| Bangladesh ² | 7.1 | 7.3 | 7.9 | 7.0 | 6.8 | 6.8 | 1.4 | 0.3 | -0.2 |
| Sub-Saharan Africa | 1.3 | 2.6 | 2.7 | 3.4 | 3.6 | 3.7 | -0.4 | -0.1 | -0.1 |
| Nigeria | -1.6 | 0.8 | 1.9 | 2.2 | 2.4 | 2.4 | -0.2 | 0.0 | 0.0 |
| South Africa | 0.6 | 1.3 | 0.9 | 1.3 | 1.7 | 1.8 | -0.5 | -0.5 | -0.2 |
| Angola | -2.6 | -0.1 | -1.8 | 2.9 | 2.6 | 2.8 | -3.5 | 0.7 | 0.2 |
| Memorandum items: | | | | | | | | | |
| Real GDP¹ | | | | | | | | | |
| High-income countries | 1.7 | 2.3 | 2.2 | 2.0 | 1.7 | 1.6 | 0.0 | 0.0 | -0.1 |
| Developing countries | 4.0 | 4.6 | 4.4 | 4.4 | 4.7 | 4.7 | -0.3 | -0.4 | -0.1 |
| Low-income countries | 4.8 | 5.5 | 5.6 | 5.9 | 6.2 | 6.3 | -0.1 | 0.0 | 0.0 |
| BRICS | 4.4 | 5.2 | 5.3 | 5.2 | 5.3 | 5.3 | -0.1 | -0.2 | -0.1 |
| World (2010 PPP weights) | 3.2 | 3.7 | 3.6 | 3.5 | 3.6 | 3.6 | -0.2 | -0.3 | -0.1 |
| World trade volume⁴ | 2.6 | 5.4 | 3.8 | 3.6 | 3.5 | 3.4 | -0.5 | -0.6 | -0.5 |
| Commodity prices⁵ | | | | | | | | | |
| Oil price | -15.6 | 23.3 | 30.7 | -2.9 | 0.0 | 0.0 | -1.9 | -1.5 | -0.1 |
| Non-energy commodity price index | -2.8 | 5.3 | 1.7 | 1.0 | 1.2 | 1.2 | -3.4 | 0.8 | 0.7 |

Source: World Bank.

the Euro Area has been somewhat weaker than previously expected, owing to slowing net exports. While growth in advanced economies is estimated to have slightly decelerated to 2.2 percent last year, it is still above potential and in line with previous forecasts.

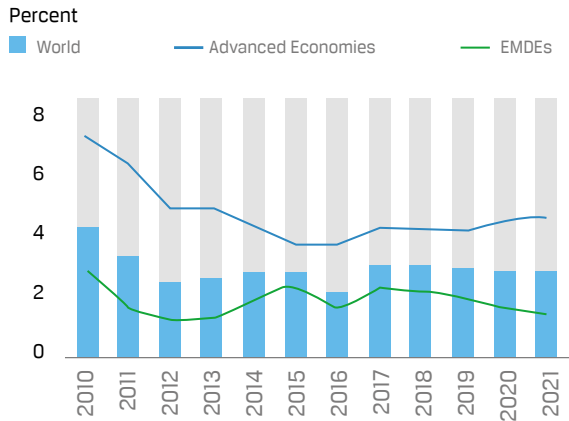
EMDE growth edged down to an estimated 4.2 percent in 2018—0.3 percentage point slower than previously projected—as a number of countries with elevated current account deficits experienced substantial financial market pressures and appreciable slowdowns in activity. More generally, as suggested by recent high-frequency

indicators, the recovery among commodity exporters has lost momentum significantly, largely owing to country-specific challenges within this group. Activity in commodity importers, while still robust, has slowed somewhat, reflecting capacity constraints and decelerating export growth. In low-income countries (LICs), growth is firming as infrastructure investment continues and easing drought conditions support a rebound in agricultural output. However, LIC metals exporters are struggling partly reflecting softer metals prices. Central banks in many EMDEs have tightened policy to varying degrees to confront currency and inflation pressures.

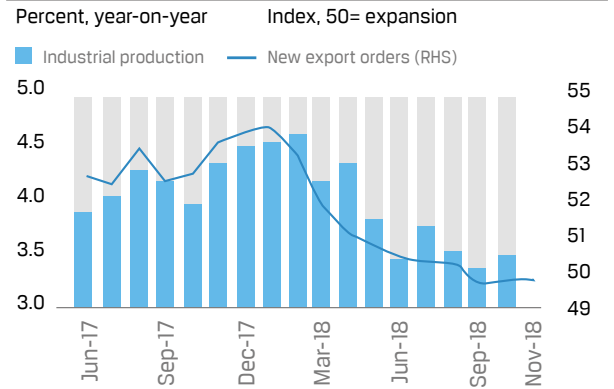
FIGURE 1.1 Summary – Global prospects

Global growth is moderating, as industrial activity and trade decelerate, negatively impacting investor sentiment and equity prices. The recovery in EMDEs has stalled, owing to softening external demand, tighter external financing conditions, and heightened policy uncertainties. Many EMDE central banks have raised interest rates to fend off currency pressures. Per capita growth will remain anemic in several EMDE regions—most notably in those with a large number of commodity exporters.

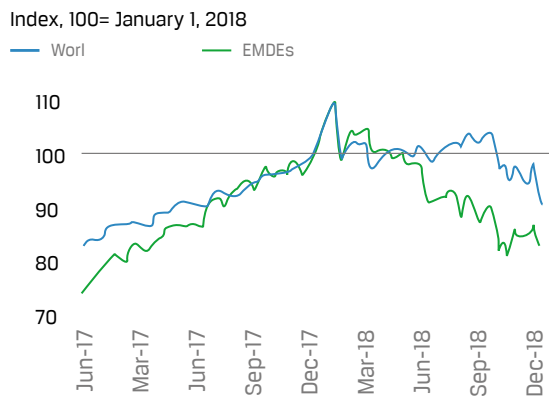
A. Global Growth



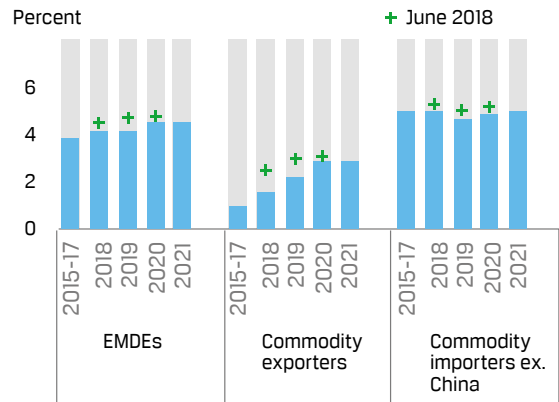
B. Global industrial production and new export orders



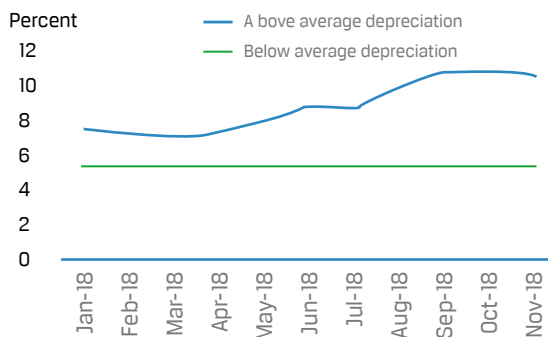
C. Global and EMDE equity prices



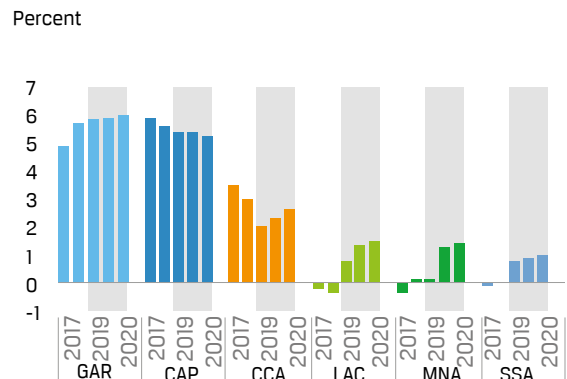
D. Growth in EMDEs



E. EMDE policy interest rates, by extent of currency depreciation against the U.S. dollar



F. Per capita growth, by region



In all, global growth is projected to moderate from a downwardly revised 3 percent in 2018 to 2.9 percent in 2019 and 2.8 percent in 2020-21, as economic slack dissipates, monetary policy accommodation in advanced economies is removed, and global trade gradually slows. Growth in the United States will continue to be supported by fiscal stimulus in the near term, which will likely lead to larger and more persistent fiscal deficits. Advanced-economy growth will gradually decelerate toward potential, falling to 1.5 percent by the end of the forecast horizon, as monetary policy is normalized and capacity constraints become increasingly binding.

Softening global trade and tighter financing conditions will result in a more challenging external environment for EMDE economic activity. EMDE growth is expected to stall at 4.2 percent in 2019—0.5 percentage point below previous forecasts, partly reflecting the lingering effects of recent financial stress in some large economies (e.g., Argentina, Turkey), with a sharply weaker-than-expected pickup in commodity exporters accompanied by a deceleration in commodity importers. EMDE growth is projected to plateau at an average of 4.6 percent in 2020-21, as the recovery in commodity exporters levels off. Per capita growth will remain anemic in several EMDE regions—most notably, in those with a large number of commodity exporters—likely impeding further poverty alleviation.

The projected gradual deceleration of global economic activity over the forecast horizon could be more severe than currently expected given the predominance of substantial downside risks. A sharper-than-expected tightening of global financing conditions, or a renewed rapid appreciation of the U.S. dollar, could exert further downward pressure on activity in EMDEs, including in those with large current account deficits financed by portfolio and bank flows. Government and/or private sector debt has also risen in a majority of EMDEs over the last few years, including in many LICs, reducing the fiscal room to respond to shocks and heightening the exposure to shifts in market sentiment and rising borrowing costs.

Escalating trade tensions are another major downside risk to the global outlook. If all tariffs currently under consideration were implemented, they would affect about 5 percent of global trade flows and could dampen growth in the economies involved, leading to negative global spillovers. While some countries could benefit from trade diversion in the short run, rising trade protectionism would stifle investment and severely disrupt global value chains, contributing to higher prices and lower productivity. Other downside risks—such as heightened political uncertainty, escalating geopolitical tensions, and conflict—further cloud the outlook.

Source: January 2019, Global Economic Prospects by World Bank Group.

Bangladesh Economy: A Brief Review & Outlook

Today Bangladesh is truly in a position to transform herself into a modern economic powerhouse, just as many countries including the Asian Tigers have done in the recent past. Bangladesh is not only an emerging economy in South Asia but also in the global arena with commendable progress in social and economic fronts over the past decades, achieved average 6% GDP growth and now moving towards 8%, fueled by diversified industrialization, increased multilateral trade, strong remittance, agricultural production and exemplary MDG achievements, supported by the visionary economic leadership set by the government and supported by the people of Bangladesh, we truly are on the super highway of the growth towards Middle-Income prosperity in the coming years.



As per International Monetary Fund (IMF), today we are the 32nd largest economy in terms of Purchasing Power Parity (PPP) and the 43rd largest economy in terms of Nominal GDP, ranked as one of the fastest growing nations of the world and have crossed China in terms of GP growth percentage -growing at 7.8% plus.

The Government of Bangladesh envisioned transforming Bangladesh into a Middle Income Country (MIC) as the set 'Vision 2021' and further set the 'Vision 2041' to be a Developed Country. The country has already translated its vision, pronounced at the highest political level, into an actionable agenda by formulating Perspective plan (2010-2021) and two Five Year Plans (FYPs) associated with this.

Bangladesh integrated the 2030 Agenda, while reflecting the priorities of the Sustainable Development Goals (SDGs) in the nation. The Government has adopted "Whole of Society" approach to ensure wider participation of NGOs, development partners, private sector, media and Civil Society Organizations (CSOs) in the process of formulation of Action Plan and implementation of the SDGs.



PricewaterhouseCoopers (PwC) in its "The World in 2050" report published in 2017 projected that Bangladesh would become the 28th largest economy by the year 2030, the PwC report further projects Bangladesh to be the 23rd largest with a GDP size larger than that of Malaysia and Thailand.



HSBC Global Research in October 2018 projected that Bangladesh's GDP is likely to be the biggest mover, becoming the 26th largest economy in the world by the year 2030.

Value of **Human Development Index (HDI)** is now 0.608 according to Human Development Report (HDR) 2017 -which put the country in the medium human development category—positioning it at 136 out of 189 countries and territories. **Rate of poverty** declined to 21.80% and **extreme**

poverty rate reduced to 11.30%. As economy develops, a country's agriculture, industry and services sectors are also transformed, and the economy consolidates during this process of development. In the case of Bangladesh, encouraging signs of structural transformation are gradually becoming visible albeit the strong presence of agricultural sector in food production and employment generation is still there. According to estimate of FY2017-18, contributions of agriculture, industry and services sectors to GDP will be 14.10%, 33.71% and 52.18% respectively showing the gradual consolidation outcomes. Although the agricultural production suffered a major setback due to flood in the beginning of the fiscal year, the production of Amon and Boro remained satisfactory. On the other hand, a solid domestic demand induced by increased personal consumption and government expenditure has made positive impact on growth. Furthermore, the upward trend in global growth and trade have had stimulating effect on exports, foreign remittance flow and foreign investment. Despite the fact that there is a downward trend in food inflation due to increased agricultural production supported by efficient supply management, non-food inflation is ticking up under the influence of rising global commodity prices. The food and non-food inflation in January 2019 were 5.33% and 5.57% respectively. (As per Dhaka Tribune February 27th, 2019)

Private sector credit growth was 17.7% which indicates higher investment by the private sector. In the external sector, export and foreign remittance have achieved a growth of 6.4 and 17.5 respectively. Similarly, imports registered a growth of 24.5% over the previous year. The exchange rate of Taka against US dollar has depreciated having favorable impact for exports and remittance. Foreign exchange reserve equivalent to USD 32.94 billion has import cover of seven months.

Bangladesh Economy



GDP Growth
Rate

7.86%



Per capita
Income

\$ 1,909



Forex
Reserve

\$ 32.94 bn



Export
Earning

\$ 36.66 bn



Power Generation
Capacity

17,685 MW



People Under
Electricity

90%



Poverty
Rate

21.80%



Foreign
Investment

\$ 2,580 mn



Remittance
Income

\$ 14.98 bn



Extreme
Poverty Rate

11.30%



Average Life
Expectancy

72.70 Years

উন্নয়নের অভিযাত্রায় অদম্য বাংলাদেশ

From LDC to Developing Country

Bangladesh's long desired travel with developing countries has started. Bangladesh begins her graduation process to a developing economy fulfilling three major criteria of the United Nations (UN) for qualification: (1) Gross National Income per capita (2) Human Assets Index and (3) Economic Vulnerability Index. As a result, the mid of March the Committee for Development Policy (CDP) made an announcement of Bangladesh's eligibility at a meeting at the UN headquarters in New York. Through the announcement Bangladesh 'a Journey has in fact started for searching for the new world's challenges and possibilities.

Bangladesh became a member of the Least Developed Country (LDC) in 1975. As a newly emerged independent country Bangladesh had to face many socioeconomic as well as geopolitical challenges at that period. But gradually we achieved remarkable progress in many fields and emerged as one of the fastest growing economic powers in Asia. As an example to the entire world, Bangladesh achieved the Millennium Development Goals (MDGs) with significant performance in many arenas. Bangladeshi expatriate workers and women workers in Ready Made Garments (RMG) sector are the significant contributors of this wonderful achievement.

Bangladesh reduced poverty rate into 21.80% (upto 2018) whereas it was 31.5% in 2010. At the same period extreme poverty rate declined into 11.30% from 17.6% in 2010. Per capita income of Bangladesh increased to USD 1,909 in 2018-19 fiscal year. Bangladesh has been considered to graduate from the list of LDC in triennial review meeting of CDP this year. Second review of the same committee could be made in 2021 than we will be observed for another 3 years upto 2024 to be finally graduated from the LDC club. This graduation is so much expectable and welcoming for the whole nation.

Sovereign Credit Ratings

Bangladesh has held on to its stable credit profile from three global rating agencies, in what can be viewed as an endorsement of the way the central bank and the government are steering the economy. For the ninth year in a row Moody's and Standard & Poor's gave Bangladesh 'Ba3' and 'BB-' ratings respectively. Fitch gave a 'BB-' for the fifth time. The Bangladesh Bank published the country's latest sovereign credit ratings from the three agencies on its website on July 22, 2018.

Bangladesh in space, enters new era

Bangladesh made history by successfully launching the country's maiden satellite into the earth's orbit. Bangabandhu-1 blasted into the space in the early hours on May 12, 2018. With the launch of Bangabandhu-1, Bangladesh has entered the 57-member prestigious satellite club. The satellite was fired into the space from the historic launch complex 39-A in Kennedy Space Centre, which was used for launch of the Apollo 11 to the Moon. As soon as the satellite left the ground, Bangladeshis in the country and across the globe burst into cheers. Prime Minister Sheikh

Least Developed Country Category: Bangladesh Profile

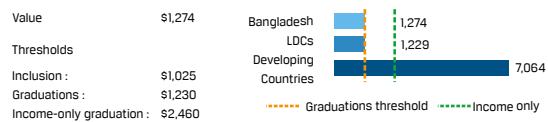
LDC status

Inclusion : 1975
Graduation: Fulfilled Eligibility Criteria for the first time in 2018

Reports and resolutions

Inclusion
CDP Report 1975
ECOSOC resolution E/RES/1976(LIX)
GA resolution A/RES/3487(XXX)
Graduation
CDP report 2018

Gross national income (GNI) per capita*



Human assets index (HAI)*



HAI Indicators

| | | | |
|---|--------------------------------------|--|--------|
| Under-five mortality rate | | Gross secondary school enrolment ratio | |
| Value | 34.2 | Value | 63.5 |
| Index | 85.3 | Index | 59.5 |
| Source | UNIAG for Child Mortality Estimation | Source | UNESCO |
| Percentage of population undernourished | | Maternal Mortality Rate | |
| Value | 15.1 | Value | 72.8 |
| Index | 83.2 | Index | 63.7 |
| Source | FAQ | Source | UNESCO |
| Maternal Mortality Rate | | | |
| Value | 176 | | |
| Index | 85.7 | | |
| Source | UNIAG for Maternal Mortality | | |

Economic vulnerability index (EVI)*



EVI indicators

| | | | |
|---|------------------------------|---|------------------------------|
| Population | | Share of population in low elevated coastal zones | |
| Value | 162,951,560 | Value | 8.9 |
| Index | 0.0 | Index | 25.5 |
| Source | UN/DESA, Population Division | Source | CIESIN |
| Remoteness | | Instability of export of goods and services | |
| Value | 38.5 | Value | 7.1 |
| Index | 35.7 | Index | 7.0 |
| Source | CDP | Source | UN/DESA, Statistics Division |
| Merchandise export concentration | | Victims of natural disasters | |
| Value | 0.51 | Value | 3,937 |
| Index | 36.0 | Index | 87.9 |
| Source | UNCTAD | Source | EM-DAT |
| Share of agriculture, forestry and fishing in GDP | | Instability of agricultural production | |
| Value | 15.4 | Value | 3.1 |
| Index | 24.4 | Index | 8.6 |
| Source | UN/DESA, Statistics Division | Source | FAQ |

Hasina formally announced the launch of the satellite in a televised speech just after blast-off. She congratulated the countrymen for the achievement and thanked the nations who helped Bangladesh in the mission.



Bangabandhu Satellite-1 blasts off from NASA's Kennedy Space Center in Florida.

On 04th September, 2018, Bangabandhu-1, the Country's first-ever satellite, made its debut with live broadcast of SAFF Championship on test basis. The satellite will control and facilitate telephonic, internet and other data transfer via sky. The Bangabandhu-1 satellite has 40 transponders. Bangladesh will use 20 of those, saving around \$14 million a year now spent on hiring the service from foreign countries. The remaining 20 transponders will be rented out.



The Bangabandhu-1 satellite will provide us huge benefit at meteorological forecast. Bangladesh will get more accurate data and images through this satellite. It will help Bangladesh in disaster management and preparedness. In broader context, the people of the country will get three types of benefits from this satellite: First, the ability to sell this satellite will allow foreign exchange revenue and savings. Second, it will be possible to expand the Internet and telecommunications services in the remote areas of the country. This satellite will play an important role in controlling

the condition and management of the satellite, and it is also possible to use the satellite to ensure national security. Bangabandhu satellite's ground stations have been built in Gazipur's Joydevpur and Rangamati's Betbunia.

International bourses enter Bangladesh

A Chinese consortium has become the Dhaka Stock Exchange's (DSE) strategic partner. The Chinese exchanges, i.e. Shenzhen and Shanghai Stock Exchanges both of which are listed in the top 10 stock exchanges in the world now own 25 percent stake in DSE. The premier bourse also received fund amounting to Tk.9.62 billion on Monday in exchange of its one-fourth stake, which has been transferred into BO (beneficiary owner's) account of the Chinese consortium. Now the fund will be equally distributed among the DSE Trading Right Entitlement Certificate (TREC)-holders, as each of them sold 25 per cent of respective share holdings. Mr. Xie Wenhai, deputy director general at IT Management Committee of Shenzhen Stock Exchange, has been nominated by the consortium to serve as a member of the DSE board of directors.



Jianjun, President and Chief Executive Officer of SZSE, Mr. Pan Xuexian, Chairman of the Board, SSE and K. A. M. Majedur Rahman, Managing Director, DSE are shaking hands after signing the agreement on 14 May, 2018.

Even after so many years, the DSE remains in a somewhat nascent stage of development. It is hoped that the new tie-up will bring about modernisation and halt the insider trading that has become synonymous with the way DSE has operated for decades. Besides, the entry of these two international bourses also opens up DSE to the prospect of foreign institutional investors. The consortium will provide long-term cooperation in key areas like technology, market cultivation, and product development. The materialisation of cooperation will contribute to taking forward the business of DSE and Bangladesh capital market into a growth path. It will also assist DSE in its transformational journey towards becoming an international stock exchange.

On May 3, Bangladesh Securities and Exchange Commission (BSEC) approved the Chinese consortium's proposal for being a strategic partner of DSE. Following the approval, DSE signed the share

purchase agreement with the Chinese consortium on May 14. The Chinese consortium earlier offered Tk 22 per share for 25 per cent of the DSE's total shares. It also offered technical supports worth nearly US\$ 37 million for free. However, the price offered by the Chinese consortium declined to Tk 21 per share following DSE's dividend disbursement.

Padma Bridge progress: Dream of millions coming true

The progress of the construction of the much-talked-about Padma Multipurpose Bridge is now more than halfway towards completion, after overcoming many hurdles. The construction of all approach roads on both sides of the bridge has been completed, while other components are also falling into place steadily.

The Padma Bridge is a multipurpose road-rail bridge across the Padma River under construction in Bangladesh. It will connect Louhajong, Munshiganj to Shariatpur and Madaripur, linking the south-west of the country, to northern and eastern regions. Padma Bridge is the most challenging construction project in the history of Bangladesh. The two-level steel truss bridge will carry a four-lane highway on the upper level and a single track railway on a lower level.[3] With 150 m span, 6.150 km (20,180 ft) total length and 18.10 m width it is going to be the largest bridge in the Pawdda-Brahmaputra-Meghna river basins of country in terms of both span and the total length.[4]

The project covers three districts –Munshiganj (Mawa Point/ North bank), Shariatpur and Madaripur (Janjira/South bank). The total area of land to be acquired and required for its components is 918 hectares (2248.63 acre). The requisition of land for the construction yard will be for six years on a rental basis. As per the new design, an additional 144.04 ha (355.93 acre) has been identified for acquisition, bringing the total to 1062.14 hectares (2624.61 acre). This additional land is required because project site lost significant land due to erosion, for transition structures and due to a change in railway alignment.



Work on Dhaka Metro Rail Project going on rapidly:

The much-hyped first-ever metro rail service in Dhaka is expected to start initial operations from next year. With high promises of saving the city dwellers from the menace of traffic congestions, the construction work of the project is moving on with speed.



Metro rail fact sheet

- Dhaka Metro Rail Project total cost of Tk 22,000 crore
- Officially known as the Mass Rapid Transit (MRT) Line-6, metro rail service is expected to open half of its 20.10 kilometres by the end of 2019
- Once completed, the service would carry 60,000 passengers/hour
- 20km Metro Rail route will be constructed from Uttara to Bangladesh Bank having 16 stops
- The project will save of Tk 200 billion/ year, equivalent to 1.5% gross domestic production (GDP) and 17% of the total tax revenue
- It will significantly reduce travel time from one end to the other to 36 minutes from at least two hours
- The Japan government through Jica will provide Tk 16,600 crores of the total project cost of Tk 22,000 crore (\$2.5 billion) as loan at 0.01% interest rate. The rest will have to be managed by the government
- Nippon Koei Ltd of Japan is leading the consortium of consultants with partners Nippon Koei India Ltd, Delhi Metro Rail Corporation Ltd, Mott MacDonald Ltd India, Mott MacDonald Ltd UK and Development Design Consultants Ltd Bangladesh
- The consortium has prepared metro's detailed design, supervised construction work and helped manage Dhaka Mass Rapid Transit Development Project, the official name of the metro scheme, with Dhaka Transport Coordination Authority (DTCA) as its implementing agency
- The metro rail will have 16 stations at Uttara, Mirpur, Rokeya Sarani, Khamarbari, Farmgate, Sonargaon Hotel, Shahbagh, Doel Chattar and on Topkhana Road.

- The 12km track of the first part stretches from north Uttara to Agargaon.
- According to Japan International Cooperation Agency (Jica), 14 trains would operate every three minutes and carry 60,000 passengers every hour in both directions.
- The estimated time to travel the 20km distance, from north end of Uttara to Motijheel, is 35 minutes. The trains would have six cars each, all air conditioned.
- The government has allocated Tk 3,425.83 crore for the project in 2018 fiscal year, which is about 64 percent of the amount it was supposed to foot.
- The second phase, which will be from Agargaon to Motijheel, will be complete by December 2020. The service will start with six trains and once the second phase is completed 24 trains will be sent out. The trains will be from Mitsubishi.
- The metro rail will have noise barriers and vibration-free tracks and thus be environment-friendly. The cars would be made of stainless steel and aluminium alloy.
- The project is being implemented by government-owned Dhaka Mass Transit Company Ltd while Dhaka Transport Coordination Authority is supervising.

Bangabandhu Sheikh Mujibur Rahman Tunnel (Tunnel beneath the Karnaphuli River)

Karnaphuli Tunnel is an under-construction underwater expressway tunnel in the port city of Chittagong, Bangladesh under the Karnaphuli river. China Communication and Construction Company has been constructing the 9.3km tunnel, about 3.4km of which would be under the river. The tunnel is expected to be completed in 2022... after which the socio-economic development of the region will accelerate significantly, which will contribute a lot to the country's economy. The tunnel is being built at the cost of Tk 9,880.40 crore to turn Chattogram into "One City, Two Towns". Centering this tunnel, a modern communication system will be developed connecting Dhaka-Chattogram-Cox's Bazar, which will eventually be connected to the Asian Highway network. Of the project cost, Tk 3,967.21 crore will come from the government and the rest from the Chinese government.



Govt endorses Delta Plan

The government endorsed the 'Delta Plan 2100', identifying six key areas of intervention for achieving Bangladesh's upper middle-income country status. Presided over by the Prime Minister, Sheikh Hasina, the National Economic Council (NEC) approved the plan at its meeting at the Planning Commission in Dhaka. The coastal, Barind, drought-prone, haor and flood-prone, Chittagong Hill Tracts, riverine, and urban areas are the fields, which have been identified as the hotspots under the plan. In the short-term through the financial year (FY) 2031, the investment equivalent to 2.5 per cent of gross domestic product (GDP) will be required for addressing the impact of the climate change and poverty reduction. The plan would tap Bangladesh's huge potentials as a delta country through addressing the climate change impact, water resources management, while ensuring food and water security and tackling disasters. These would require some \$37 billion funds by 2031 for implementing nearly 80 projects under the Plan. The plan would expedite Bangladesh's economic growth and bring down the poverty rate to zero.

Bangladesh enters into e-passport era

Eight years after the introduction of machine readable passport (MRP), the government is going to introduce high-tech electronic passports or e-passports for citizens soon. The Department of Immigration and Passports (DIP) has taken the initiative to enhance the security of Bangladeshi passports and to further increase their acceptability. According to the department, introduction of modern technology-based e-passports in the country is necessary also to keep pace with other countries of the world and to ensure the smooth arrival and departure of Bangladeshi citizens and foreign nationals at the immigration check post. E-passports are already in operation in some 120 countries since they are more secure and safe than the MRPs. E-passports contain an embedded electronic microprocessor chip with information on the holder. The e-passports will boast 38 security features, including a holographic image embossed in thin film laminate. The e-passports will change colour under light.

The department has undertaken the project titled 'Bangladesh e-passport and formulation of automated border control management' at an estimated cost of Tk 4,635.91 crore to be implemented with the funds from the state exchequer. Under the project, three crore (30 million) e-passports will be given in the next 10 years.

Bangladesh enters 4G era as regulator issues licenses

Bangladesh formally entered 4G era as the country's telecom regulator issued licences to four operators, paving the way for launching the fourth generation of mobile telecommunications services. Experts said the launch of 4G services could further bolster the government's efforts in minimizing the "digital divide" in Bangladesh, which is poorly served by broadband Internet services.

Prolonged Rohingya Crisis:

As hopes of quick repatriation of over one million Rohingya are fading away, Bangladesh is facing the challenge of absorbing the social and economic shocks of hosting a large number of refugees for an indefinite period. The long stay of the Rohingya people in the country will be catastrophic for its socio-economic structure. It will also create uncertainty in the region. It will also affect both Bangladesh and Myanmar and other regional countries. And in the long run, it will create a global problem.

The Bangladesh government, led by Prime Minister Sheikh Hasina, has shown unprecedented generosity in hosting such a large number of Rohingya people who fled Myanmar due to 'the textbook case of ethnic cleansing' by Myanmar security forces since August last year. Their fate remains very uncertain even after one year of their shelter at makeshift camps in Bangladesh.

The Rohingya crisis has created a multi-dimensional problem for Bangladesh. Already the country paid hugely due to an influx of one million Rohingya with the loss of a vast area of forest, fall in labour wage, degradation of environment and rise in living cost in Cox's Bazar and adjacent areas. Economists mentioned that each month around Tk.8.00 billion will be required for hosting Rohingya and per day expenditure per Rohingya stands at US\$ 2.45 or BDT 198. As per Centre for Policy Dialogue (CPD), the humanitarian support currently provided by the international organisations will not continue for a long period. Hence, the burden will fall on the government of Bangladesh.

BANGLADESH ECONOMY OUTLOOK

Today, there are few major macroeconomic challenges for Bangladesh's economy.

Repatriation of Rohingya to Myanmar is both the most necessary solution to the Rohingya crisis and the most controversial. It is not a question of whether Rohingya should be able to return to their homes; it is a question of when and under what conditions. To be clear, those conditions do not currently exist. Hundreds of homes have been destroyed. Rohingya in Myanmar continue to face restrictions and abuse. And there is little sign of accountability or a path to citizenship as demanded by Rohingya who have been forced to flee. The situation in Rakhine is still unstable, Rohingyas are trying to flee home to save their lives.

More than 40 humanitarian organizations working on the ground in Bangladesh have warned that returning the Rohingya to their homes now would be dangerous and premature. The UN Refugee Agency (UNHCR) has been clear that current conditions in Myanmar are not conducive "to the voluntary, safe, dignified, and sustainable return of refugees."

Still, the governments of Myanmar and Bangladesh have pushed for returns to move forward. A bilateral deal to start returns by November 15, 2018, fell apart only because Bangladesh was unable to find Rohingya willing to return voluntarily. Pressure for returns will continue through 2019, but the reality is that, more than likely, most Rohingya will not and should not return by the end of 2019. Whether returns can take place in line with international standards – that is safe, voluntary and dignified – will depend mostly on what the government of Myanmar does or does not do.

First,

accelerating economic growth and maintaining high economic growth over the coming years will remain a big challenge. Two major drivers of economic growth in Bangladesh have been the readymade garments exports and remittances. There is a need to find new drivers of growth through diversification of the economy and developing productive capacities. In these contexts, stimulating private investment in diversified economic sectors and ensuring efficient public investment remain uphill tasks.

Second

containing inflation is a critical challenge. In recent years, the inflation rate is less than 6 percent. Containing inflationary pressure for low-income people will remain a challenge for Bangladesh in the wake of further growth acceleration.

Third

the management of the exchange rate is a crucial area of concern. Though, for long, Bangladesh has been able to maintain a relatively stable exchange rate regime, the exchange rate in recent times is alleged to be over-valued. In recent years, while Bangladesh's major competitors in the global market, such as China, Vietnam, India, and Sri Lanka, have experienced significant depreciation of their currencies against US dollar, Bangladeshi taka remained quite stable. The analysis of the real effective exchange rate in Bangladesh also shows a misaligned exchange rate regime which, together with high tariff rates on imports, lead to significant anti-export bias. In other words, the current exchange rate and trade policies are not favourable for rapid export expansion in Bangladesh. A number of supply-side constraints, in terms of weak infrastructure, the high cost of capital, lack of access to credit, and lack of skilled human resources can prevent local producers from expanding exports, and the lack of an enabling business environment can strangle entrepreneurship and innovation.

Fourth

The surged balance-of-payment deficit in recent years remains a big concern for the stability of the macroeconomy. Over the past two years, the economy has been witnessing high growth rate in imports, while the growth rates in exports and remittances have been subdued and unstable, which has led to widening trade deficit and current account deficit. Though the current volume of foreign reserve can meet the import demand of around five months, the volume of the foreign reserve has been on a declining trend since the financial year of 2017.

Fifth

While the monetary policy by the Bangladesh Bank has been, in general, able to maintain a so-called stable "status quo", it has failed to generate a big push for accelerating private investment. A number of banking scams and escalation of non-performing loans show a major institutional weakness of the financial sector and pose a threat to macroeconomic stability. The high cost of credit is a reflection of the inefficient banking system which discourages inclusive financing.

Finally

though the country has been able to maintain a stable fiscal deficit of around 6 percent of GDP over a long time period, in a regime of low tax-GDP ratio of around 10 percent, this has only been possible through keeping the vital social expenditures, like public expenditure on education, health and social protection, at very low levels. However, as the country aspires to achieve stiff development goals in the coming years, public spending on education, health and social protection has to be raised substantially. Though the country has undertaken several reforms to improve tax collection, they have remained unsuccessful due to various institutional weaknesses and vested political patronage. The fiscal policy process thus needs a strong political commitment to simplifying tax systems, strengthening tax administration, and broadening the tax base under a wider reform agenda.

Challenges facing the economy

- Capital flight
- Weak exchange rate
- Unstructured Capital Market
- Slimming foreign direct investment inflow
- unemployment
- Negative trade balance and
- a lack of export diversification

(i) AN INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY

BANKING INDUSTRY IN 2018 & OUTLOOK

Default loans was the most talked-about issue in the country's banking sector in 2018. It is slated to reach new heights as default loans have reached a record high: as of September last year, the ratio of non-performing loans stood at 10.30 percent of the total outstanding loans. In terms of amount, it is

Tk.93,911 crore for the first time in the country's 48-year history. The culture of impunity and professional ineptness of bankers to deal with pressing issues have aggravated the already battered banking industry, economists and senior bankers remarked. Statistics show that NPLs rose by Tk.19,608 crore in the last one year. Several loan irregularities, particularly in the public banks, pushed up the volume of NPLs in the last calendar year. Besides, a portion of the rescheduled loans and restructured large loans along with fresh ones turned into NPLs.

Legal reforms are needed immediately to speed up the recovery process specially there is an urgent requirement to reform the money loan court act to reduce NPLs. Currently, when banks step in to realize the defaulted loans the habitual defaulters go to the courts, thwarting the move. More than Tk.75,000 crore of default loans is pending with the money loan courts because of drawn-out process to settle the cases. Even then, the money loan court can give a maximum six-month civil imprisonment to a defaulter in line with the Artha Rin Adalat Ain 2003. As per the act, the courts issue decrees in favour of banks to float tenders to sell the mortgaged assets when defaulters fail to make payment in line with verdicts. In most of the cases, the banks fail to find buyers for the mortgaged assets, fearing it may invite trouble for them in future. Besides, it takes a long time to resolve the cases at the money loan courts because of the lengthy process of the Artha Rin Adalat Ain 2003. The authority concerned should set up a dedicated bench with the High Court to settle the cases pertaining to default loans.

The Bangladesh Bank (BB) aims to recover non-performing loans (NPLs), particularly from the willful ones, through reforming the existing acts and regulations. BB has moved to amend Bankruptcy Act, 1997 with the view to handing out exemplary punishment to habitual defaulters. When lenders turn to the Artha Rin Adalat (Money Loan Court) they usually get the go-ahead to auction off the properties put up as collateral. But when news spreads that the properties are disputed, as unscrupulous borrowers usually keep disputed assets as collateral to take loans, the auction leads to no takers, sending banks back to square one. After climbing several legal steps lenders can then consult the Bankruptcy Act, which empowers the government to sell off the assets of the defaulters to pay back the lenders. But the problem with the existing Bankruptcy Act is that there is no specific timeframe by which creditors will get their funds back even after the court declares the defaulters as bankrupt. Furthermore, it is not possible to file a case under the Artha Rin Adalat Ain 2003 and the Bankruptcy Act at the same time.

Senior Bankers also suggested to expedite alternative dispute resolution (ADR) system under Artha Rin Adalats Act (Money Loan Courts Act) to help settle of loan dispute. We

also need to uphold spirit of Bangladesh Bank Amendment Bill 2003, which was geared to guarantee the central bank with autonomy. Besides, banking sector in Bangladesh is now saturated and there are 62 Scheduled Banks are now operating in the Market. The presence of too many banks and the resultant unhealthy competition, the improper loan approval process, incomplete documentation, aggressive, unscrupulous & target-oriented banking and political pressure are some of the main reasons for the rising amount of non-performing loan in the country. For an economy of US\$ 274 billion, there are too many banks in the country and it has become very much fragmented. Besides, everybody is running after large players. Meanwhile, the large borrowers are using this money for fixed asset purpose, which is not giving return, referring to the rising amount of NPL in the banking sector.

The overall NPL situation in the Banking system might improve in 2019 particularly in the Private Commercial Banks as the Banks already took a 'cautious stance', guarding against fresh loans turning troubled ones.

The state of the company's affairs (compliance of section-184 of CA, 1994)

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 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.

It 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. Thus the bank has already built up reputation as one of quality service providers of the country. Jamuna Bank Ltd. has already achieved tremendous progress within its past 18 years of operation. Branch network of the bank expanded to 132 covering more commercially strategic locations all over the country. All the branches are running with real-time Online and ATM facilities to settle their transaction from remote areas. Besides traditional delivery points, the bank has 270 nos. ATMs of its own, sharing with other partner banks and consortium throughout the country. Being the Primary Dealer (PD) of government securities, JBL has been conducting the dealing operations with utmost professionalism. In recognition, we are awarded with the "Best Primary Dealer Award" from Bangladesh Bank for 17 times. Our credit rating also impressive which was carried out by the Credit Rating Agency of Bangladesh (CRAB) and rated us as AA2 [very strong capacity and very high quality] for Long Term and ST-2 for Short Term.

JBL, a leading issuer of Debit and Credit cards in Bangladesh, has introduced EMV Chip based Credit Card to make authentication more secure risks from schemers and also introduced 'Protection Plus' the life insurance product for its valued Debit card customers. We have different attractive deposit and investment products or schemes to accumulate the hard earned remittance proceeds of NRBs so that NRBs and their Beneficiaries can contribute to the economic growth of the Country by investing their remittance proceeds into productive sector of the economy.

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.7492.26 million divided into 749,225,650 shares of Tk. 10 each.

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.

(ii) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.

Financial Performance Highlights (All Analysis is done based on solo basis)

Despite all challenges, Jamuna Bank managed its portfolio efficiently with an NPL 3.77%. The Bank is maintaining good asset quality, enhancing service excellence, recovering written off loans and rationalizing cost for establishing itself as the sound financial institution in the industry. A brief review is given below:

Figures are in million BDT

| Sl. No. | Particulars | 2018 | 2017 |
|---------|---|------------|------------|
| 1. | Paid up Capital | 7,492.26 | 6,141.19 |
| 2. | Total Capital | 26,430.07 | 19,894.12 |
| 3. | Capital surplus/deficit | 1,841.22 | 922.44 |
| 4. | Total Assets | 225,018.22 | 197,058.54 |
| 5. | Total Deposits | 188,034.30 | 167,571.33 |
| 6. | Total Loans and Advances | 165,402.85 | 142,252.94 |
| 7. | Total Contingent Liabilities and Commitments | 87,831.16 | 74,533.43 |
| 8. | Credit Deposit Ratio | 87.96% | 84.89% |
| 9. | Percentage of classified loans against total loans and advances | 3.77% | 4.02% |
| 10. | Profit after tax and provision | 2,316.69 | 2,021.01 |
| 11. | Amount of classified loans during current year | 6,231.12 | 5,725.10 |
| 12. | Provisions kept against classified loan | 1,662.39 | 1,799.71 |
| 13. | Cost of fund | 6.15% | 5.69% |
| 14. | Cost of deposit | 5.88% | 5.73% |
| 15. | Interest earning Assets | 166,409.37 | 146,863.42 |
| 16. | Non-interest earning Assets | 58,608.85 | 50,195.12 |
| 17. | Return on Investment (ROI) | 6.36 | 9.31 |
| 18. | Return on Asset (ROA) | 1.10 | 1.11 |
| 19. | Incomes from Investment | 1,836.38 | 2,615.20 |
| 20. | Earning per Share | 3.09 | 2.70 |
| 21. | Net Income per Share | 3.09 | 2.70 |
| 22. | Net asset value per share | 24.12 | 20.60 |
| 23. | Price Earning Ratio | 5.69 | 6.69 |

Previous year's figures have been rearranged to conform to the current year's presentation.

Profitability and performance of the Bank

Jamuna Bank recorded operating profit of Tk.4,740.53 million in 2018 (solo) with a growth of 9.34% 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 2018 suggests that our achievement particularly revenue basket was more viable than we have expected. Bank's Net Interest Income increased by 39.85%, Although Net Non-Interest Income decreased by 9.56%. total operating income increased by 9.34%.

On the balance sheet side, the total assets of the Bank Tk.225,018.22 million showing up an increase of Tk.27,959.68 million from Tk.197,058.54 million of 2017. The Growth was achieved in Loans and advances by 16.27%. Deposits also showed a growth of 12.21%. The Bank continued to have capital adequacy at 13.44% in accordance with Basel-III requirement. 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 7.76% of total assets. The Bank could maintain an effective control on Loan to Deposit ratio at 87.96 at the year-end.

During the year 2018, the NPL Ratio of the Bank decreased to 3.77% from previous year's 4.02%. Special efforts are being made by forming various Recovery Task Forces during the course of the year, which were further intensified during the last quarter of the year and it helped to reduce the impact of the stressful economy on NPL to a moderate extent comparing to the industry.

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) |
|--|------------------------|------------|-----------------------|------------|---------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 | | |
| Interest Income & profit on investment | 15,001.78 | 11,472.09 | 14,969.55 | 11,424.65 | 30.77% | 31.03% |
| Interest Expense | (9,656.43) | (7,625.48) | (9,656.43) | (7,625.48) | 26.63% | 26.63% |
| Net Interest Income | 5,345.35 | 3,846.61 | 5,313.12 | 3,799.17 | 38.96% | 39.85% |
| Income from Investment | 1,858.50 | 2,604.79 | 1,836.38 | 2,615.20 | -28.65% | -29.78% |
| Non-Interest Income | 2,690.54 | 2,414.13 | 2,668.29 | 2,365.58 | 11.45% | 12.80% |
| Total Operating Income | 9,894.39 | 8,865.54 | 9,817.79 | 8,779.95 | 11.61% | 11.82% |
| Total Operating expense | 5,105.69 | 4,475.66 | 5,077.25 | 4,444.54 | 14.08% | 14.24% |
| Operating profit | 4,788.70 | 4,389.88 | 4,740.54 | 4,335.41 | 9.08% | 9.34% |
| Total provisions | 1,075.04 | 802.57 | 1,023.34 | 839.06 | 33.95% | 21.96% |
| Profit before tax for the year | 3,713.66 | 3,587.31 | 3,717.20 | 3,496.35 | 3.52% | 6.32% |
| Contribution to Jamuna Bank Foundation | 111.52 | 104.89 | 111.52 | 104.89 | 6.32% | 6.32% |
| Tax provision | 1,305.02 | 1,405.83 | 1,288.98 | 1,370.45 | -7.17% | -5.94% |
| Profit after tax (PAT) (considering contribution of JBF) | 2,297.12 | 2,076.58 | 2,316.70 | 2,021.01 | 10.62% | 14.63% |
| EPS (Restated-2017) | 3.07 | 2.77 | 3.09 | 2.70 | 10.83% | 14.44% |

Note: Previous year's figures have been rearranged to conform to the current year's presentation.

ROI is 5.80% which have decreased from the previous year and ROA is 1.03% which has increased slightly. EPS is increased to 14.44% as the Net profit after tax is increased

by 14.63% in the year 2018. Return on Average Equity (ROE) is 13.83% which was 12.92% in the year 2017. Following table presents some of the key financial ratios;

| Particulars | Bank | |
|--|-----------|-----------|
| | Year 2018 | Year 2017 |
| Return on Equity(PAT/Equity) | 13.83% | 12.92% |
| Return on Asset(PAT/Total Assets) | 1.10% | 1.11% |
| Return on Investment | 6.36% | 9.31% |
| Cost to Income Ratio (Operating Expense/Revenue) | 51.71% | 50.62% |
| Capital Adequacy Ratio (Basel III) | 13.58% | 11.86% |
| NPL ratio | 3.77 | 4.02% |
| Net asset value per share (Restated 2017) | 24.12 | 20.60 |
| EPS (BDT) (Restated 2017) | 3.09 | 2.70 |

(ii) RISKS AND CONCERNS

In banking organization, risk is the possibility that outcome of an action or event could bring up adverse impact. Such outcome could either result in a direct loss of earnings/ capital or may result in imposition of constraints on banks' ability to meet their business objectives. The types and degree of risks an organization may be exposed depend upon a number of factors such as its size, complexity business activities, volume etc. Initially Bangladesh Bank has issued guidelines on six core risk areas and accordingly scheduled banks operating in Bangladesh has implemented the guidelines for better risk management practice. Implementation of core risk management guidelines by Jamuna Bank Limited (JBL) and its status are discussed below.

1. CREDIT RISK MANAGEMENT

Credit risk arises while the borrowers or counterparty to a financial transaction fails to discharge an obligation as per agreed covenants, resulting in financial loss to the Bank. Credit exposures may arise from both the banking and trading books as well as Off-Balance sheet exposures. Credit risk is managed in the JBL through a framework that spell out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the Risk function. All credit exposure limits are approved within a defined credit approval authority framework. Credit policies and standards are considered and approved by the Board of Directors.

1.1 Credit rating and measurement

Risk measurement plays a central role, along with judgment and experience, in informing risk taking and portfolio management decisions. We have a sound framework that spell out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the Risk function. All credit exposure limits are approved within a defined credit approval authority framework. Credit policies and standards are considered and approved by the Board of Directors.

The standard credit risk grading (CRG) system is used in both Corporate and SME Banking. The Bank is also going to introduce Internal Credit Risk Rating System(ICRRS) as per the guidelines of the Bangladesh Bank. Major credit exposures to individual borrowers, groups of connected counterparties and portfolios of retail exposures are reviewed by the Head Office Credit Review Committee (HOCRC) and HOCRC recommend the loan to the approval authority.

1.2 Credit approval

Major credit exposures to individual borrowers, groups of connected counterparties and portfolios of retail exposures are reviewed by the Head Office Credit Committee (HOCC) and HOCC recommend the loan to the approval authority. All

credit approval authorities are delegated by the Board of Directors to executives based on their capability, experience & business acumen. Credit origination and approval roles are segregated in all cases.

1.3 Credit monitoring

We regularly monitor credit exposures, portfolio performance, and external trends through relationship and corporate administration team at Branch and Head Office. Internal risk management reports containing information on key environmental, political and economic trends across major portfolios; portfolio delinquency and loan impairment performance; as well as credit grade migration are presented to risk committees (Head Office Credit Review Committee (HOCRC) and Business Management Committee (BMC)). The HOCRC & BMC meets regularly to assess the impact of external events and trends on the credit risk portfolio and to define and implement our response in terms of appropriate changes to portfolio shape, underwriting standards, risk policy and procedures. Accounts or portfolios are placed on Early Alert (EA) when they display signs of weakness or financial deterioration, for example, where there is a decline in the customer's position within the industry, a breach of covenants, non-performance of an obligation, or there are issues relating to ownership or management. Such accounts and portfolios are subjected to a dedicated process overseen by the Monitoring & Recovery Division. Account plans are re-evaluated and remedial actions are agreed and monitored. Remedial actions include, but are not limited to, exposure reduction, security enhancement, exiting the account or immediate movement of the account into the control of Recovery unit. In Retail/Consumer Banking, portfolio delinquency trends are monitored continuously at a detailed level. Individual customer behavior is also tracked and informed in lending decisions, so far the existing software support them. Accounts which are past due are subject to a collections process, monitored in collaboration with the Relationship manager by the Risk function. Charged-off accounts of the Bank are managed by specialist recovery teams.

1.4 Concentration risk

Credit concentration risk is managed within concentration caps set for counterparty or groups of connected counterparty, for industry sector; and for product. Additional targets are set and monitored for concentrations by credit committee. Credit concentrations are monitored by the responsible risk committees in each of the businesses and concentration limits that are material to the Bank are reviewed and approved at least annually by the Board of Directors.

1.5 Credit risk mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, insurance, and other guarantees. The reliance that can be placed on these mitigates is carefully assessed in

light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include: cash; residential, commercial and industrial property; fixed assets such as motor vehicles, plant and machinery; marketable securities; commodities; bank guarantees; and letters of credit. Collateral is valued in accordance with our credit policy, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral. Collateral held against impaired loans is maintained at fair value.

2. FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk that an investment's value changing due to changes in currency exchange rates. The risk that an investor will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange rates. The risk is most acute for businesses that deal in more than one currency. However, other businesses are indirectly exposed to foreign exchange risk if, for example, their business relies on imported products and services. Foreign exchange risk should be managed where fluctuations in exchange rates impact the business profitability.

2.1 Methods of measuring foreign exchange risk:

There are many ways to measure foreign exchange risk, ranging from simple to complex measures. Following are some of the examples of the simpler measures which can be applied and understood by most businesses :

- MIS of foreign currency exposures
- Table of projected foreign currency cash-flows
- Sensitivity analysis
- Value at risk

Like other banks and financial institutions, Jamuna Bank Ltd. is also exposed to Foreign Exchange Risk that sprouts externally due to convergence and divergence of many factors in the international market. The foreign exchange business of the bank, fully backed by the underlying transactions, is well-managed as per Bank's internal risk management policies and guidelines and the guidelines of Bangladesh Bank (Central Bank of Bangladesh). The Asset Liability Management Committee (ALCO) of the bank, headed by the Managing Director & CEO, reviews the risk management position of the bank on regular intervals and provides insights and guidelines to the Treasury Division to manage the foreign exchange risk of the Bank with minimum financial impact.

3. ASSET LIABILITY MANAGEMENT RISK

The Bank has established an Asset Liability Committee (ALCO) contains 10 (ten) members headed by Managing Director. The committee meets at least once in every month. The main responsibilities of ALCO are to look after the Financial Market activities, manage liquidity and interest rate risk, understand the market position and competition etc.

The Asset Liability Management Committee also monitored the balance sheet risk. The balance sheet risk is defined as potential changes in earnings due to change in rate of interest and exchange earnings which are not of trading nature. To support ALM process, the most important strategy of the ALM of the Bank is medium to short-term funding and adequate liquidity both in local and foreign currency all time at the most appropriate funding cost. An important objective of ALCO is to provide cost effective funding to finance the asset growth and trade related transactions, optimize the funding cost, increase spread with the lowest possible liquidity, maturity, foreign exchange and interest rate risks.

4. INTERNAL CONTROL AND COMPLIANCE RISK:

Internal Control and Compliance Division of the Bank undertakes periodical and special audit of the branches and divisions at the Head Office for review of the operation and compliance of statutory requirements. If any deviations are reported, effective measures have been taken to obtain correction or mitigation it on continuous basis. In this way, the division is being ensured the senior management as well as the Board of Directors of the Bank that the operation of bank has been performing in compliance with all approved and established rules regulations, guidelines & instructions for internal control. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

5. MONEY LAUNDERING RISK:

Money Laundering Risk is one of the 6(six) core risk elements in banking business. Money Laundering Risk is defined as reputational and legal risk under operational risk and expenses incurred as penalty for being non-complied in prevention of money laundering. In order to manage the AML risk, the bank has set up an effective Anti-Money Laundering programme in line with Anti-Money Laundering Act, 2012 and Bangladesh Bank guidance which has been updated through inclusion of Anti-Terrorist Act, 2012. The Bank has developed manuals for prevention of money laundering and introduced know Your Customer (KYC) program and Transaction Profile (TP) including uniform A/c opening form at branch level for meticulous compliance. The Bank recognizes this risk as a separate classification emphasizing due importance for being compliant on it by way of making conversant of all Executives/Officers through issuing Circulars and providing necessary training of AML and CFT issues by AML Division of the Bank.

6. INFORMATION COMMUNICATION TECHNOLOGY RISK

ICT Division always procures and implements state-of-art technologies to provide better services to our valued clients. We are providing a broad line of services to our valued clients like Online Banking Operation and different Value Added Services (VAS) like SWIFT, ATM Operation, National Payment Switch, VISA Card, Mobile Financial Service (MFS), SMS Banking, Internet Banking service, BACH & EFTN, Trade Finance Processing Center (TFPC), RTGS & different types of utility bill collection like WASA, DPDC, BKash etc. in highly secured manner. JBL Branches have coverage of high-end NVR system for surveillance and monitoring, which can keep video footage up to one year. To provide secured online banking operation and minimize the risk of cyber threat, the bank has implemented the followings in the year 2018: -

- Mail filtering to reduce mail-based cyber threat.
- Next Generation Firewall for mitigating internet threat.
- Wild Fire Sand Boxing solution for advance persistent threat analysis.
- Anti-Malware for servers and end point work stations
- Intrusion Detection System (Damballa) for true positive malware detection.

Besides, bank has arranged awareness programs and trainings on the field of ICT Risk and its mitigation for both business and technical human resources, from top management to the trainee officers.

7. INTEREST RATE RISK

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills of 28 days maturity. The short-term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

8. EQUITY RISK

Equity risk arises from movement in market value of equities held. The risks are monitored by Investment Committee under a well designed policy framework. The market value of equities held was, however, lower than the cost price at the balance sheet date.

9. OPERATIONAL RISK

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance

Division undertakes periodical and special audit of the branches and divisions at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

10. RISK MANAGEMENT COMMITTEE DISCLOSURES

The Board of Directors constituted with the following members of the Risk Management Committee of the Board, the third Committee of the Board besides the Executive Committee and the Audit Committee in accordance with Bank Company (Amendment) Act 2013 and it does comply with the BRPD Circular no. 11, dated October 27, 2013.

(iv) DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN, WHERE APPLICABLE;

Discussion on Interest Income, Expense and Net Profit provided

(v) A DISCUSSION ON CONTINUITY OF ANY EXTRAORDINARY ACTIVITIES AND THEIR IMPLICATIONS (GAIN OR LOSS);

Not applicable

(vi) RELATED PARTY TRANSACTIONS

- (i) Names of the Directors together with a list of entities in which they have Interest. See note 46.3 of Financial Statements
- (ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2018: Nil
- (iii) Shares issued to Directors and Executives without consideration or exercisable at a discount: Nil
- (iv) Related party transactions

| Name of Directors | Relationship | Nature of Loan | Amount | Status |
|------------------------------------|--------------|----------------|----------------|---------|
| 1. Al-Haj Nur Mohammed | Director | Credit Card | USD 4.93 | Regular |
| 2. Al-Haj Nur Mohammed | Director | Credit Card | BDT 2,902 | Regular |
| 3. Gazi Golam Murtoza | Director | Credit Card | USD 1,811 | Regular |
| 4. Gazi Golam Murtoza | Director | Credit Card | BDT 290,367 | Regular |
| 5. Md. Mahmudul Hoque | Director | Credit Card | USD 3.00 | Regular |
| 6. Md. Mahmudul Hoque | Director | Credit Card | BDT 64,046 | Regular |
| 7. Sirajul Islam Varosha | Director | Credit Card | USD 15,066 | Regular |
| 8. Sirajul Islam Varosha | Director | Credit Card | BDT 406,646 | Regular |
| 9. Md. Rezaul Karim Ansari | Director | Term Loan | 230,320,773.00 | Regular |
| 10. Md. Mahmudul Hoque | | | | |
| 11. Al-Haj Nur Mohammed | | | | |
| 12. Abul Khayer Mohammad Shakhawat | | | | |

(v) Disclosure of transaction regarding Directors and their related concerns: Nil

(vi) Business other than banking business with any relation concern to the Directors as per Section 18(2) of the Bank Companies Act, 1991.

| Name of party | Relationship | Nature of transaction | Amount |
|--------------------------------|--------------|----------------------------------|------------|
| Samoy Media Ltd. | Director | Advertisement (Electronic media) | 8,280,000 |
| Gazi satellite Television Ltd. | Director | Advertisement (Electronic media) | 13,800,000 |
| Protidiner Sangbad | Director | Newspaper advertisement | 7,502,825 |
| Gazi Communications | Director | VSAT/ network connectivity | 11,617,463 |

(vii) Investment in the Securities of Directors and their related concern: Nil

(viii) Utilization of proceeds from public issues, rights issues and/or through any others instruments

Not applicable

(ix) An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.

Not applicable

(x) Variance between Quarterly Financial performance and Annual Financial Statements

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

| Particulars | Quarter-1 | Quarter-2 | Quarter-3 | Quarter-4 | Annually |
|---------------------------|-----------|-----------|-----------|-----------|----------|
| A) Net interest income | 1,306.19 | 1,357.81 | 1,817.76 | 831.36 | 5,313.12 |
| B) Non-interest income | 1,007.65 | 1,340.46 | 880.28 | 1,276.28 | 4,504.67 |
| C) Operating income (A+B) | 2,313.85 | 2,698.27 | 2,698.04 | 2,107.63 | 9,817.79 |
| D) Operating expenses | 1,174.18 | 1,197.29 | 1,167.11 | 1,538.67 | 5,077.25 |
| E) Operating profit (C-D) | 1,139.67 | 1,500.98 | 1,530.93 | 568.96 | 4,740.54 |

From the above, it was observed that there was no significant variance in 2017 except operating income of Q-4 (187% higher than that of Q-3) due to increase Interest/profit on loan and advances of main operation.

(xi) Remuneration to directors including Independent Director and

(xii) The total number of Board meetings held during the year and attendance by each 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.

Directors including Independent Director of the Bank Received Honorarium for Board Meeting during 01.01.2018 to 31.12.2018

| Sl. No. | Name | Position as on 31.12.2018 | No. of meetings attended | | Remuneration |
|---------|---------------------------------------|---------------------------|--------------------------|---------|--------------|
| | | | No. of meeting | Present | |
| 01. | Engr. A. K. M. Mosharrif Hussain | Chairman | 19 | 17* | 136,000.00 |
| 02. | Engr. Md. Atiqur Rahman | Director | 19 | 15* | 120,000.00 |
| 03. | Mr. Golam Dastagir Gazi, Bir Protik** | Director | 19 | 9 | 72,000.00 |
| 04. | Mr. Fazlur Rahman | Director | 19 | 2* | 16,000.00 |
| 05. | Al-Haj Nur Mohammed | Director | 19 | 18 | 136,000.00 |
| 06. | Mr. Md. Tazul Islam** | Director | 19 | 11 | 88,000.00 |
| 07. | Mr. Robin Razon Sakhawat | Director | 19 | 12* | 96,000.00 |

| Sl. No. | Name | Position as on 31.12.2018 | No. of meetings attended | | Remuneration |
|---------|-------------------------------|---------------------------|--------------------------|---------|--------------|
| | | | No. of meeting | Present | |
| 08. | Mr. Redwan-ul Karim Ansari | Director | 19 | 18 | 136,000.00 |
| 09. | Mr. Md. Belal Hossain | Director | 19 | 14* | 112,000.00 |
| 10. | Mr. Md. Mahmudul Hoque | Director | 19 | 1* | 8,000.00 |
| 11. | Mr. Shaheen Mahmud | Director | 19 | 4* | 32,000.00 |
| 12. | Mr. Md. Sirajul Islam Varosha | Director | 19 | 15* | 112,000.00 |
| 13. | Mr. Kanutosh Majumder | Director | 19 | 16* | 120,000.00 |
| 14. | Mr. Md. Ismail Hossain Siraji | Director | 19 | 15* | 112,000.00 |
| 15. | Mr. Gazi Golam Murtoza | Director | 19 | 11* | 88,000.00 |
| 16. | Mrs. Tasmin Mahmud | Director | 19 | 3* | 24,000.00 |
| 17. | Mr. Md. Hasan | Director | 19 | 3* | 24,000.00 |
| 18. | Mr. Narayan Chandra Saha | Independent Director | 19 | 19 | 144,000.00 |
| 19. | Mr. Chowdhury Mohammad Mohsin | Independent Director | 19 | 8* | 56,000.00 |
| 20. | Mr. Md. Rafiqul Islam | Independent Director | 19 | 15* | 120,000.00 |

Directors of the Bank Received Honorarium for Executive Committee meeting during 01.01.2018 to 31.12.2018

| Sl. | Name | Status | Presence of the members in the meeting during above tenure | | Remuneration |
|--|---|----------|--|---------|--------------|
| | | | No. of meeting | Present | |
| 01. | Mr. Gazi Golam Murtoza | Chairman | 7 | 6 | 48,000.00 |
| 02. | Mr. Md. Ismail Hossain Siraji | Member | 7 | 6 | 48,000.00 |
| 03. | Engr. Md. Atiqur Rahman | Member | 7 | 6 | 48,000.00 |
| 04. | Al-Haj Nur Mohammed | Member | 7 | 6 | 48,000.00 |
| 05. | Mr. Md. Tazul Islam | Member | 7 | 4 | 32,000.00 |
| 06. | Mr. Shaheen Mahmud | Member | 7 | 1 | 8,000.00 |
| 07. | Mr. Kanutosh Majumder | Member | 7 | 7 | 56,000.00 |
| 08. | Engr. A. K. M. Mosharraf Hussain, Director | * | | 2 | 16,000.00 |
| For the period 25.06.2018 to 31.12.2018 | | | | | |
| 01. | Mr. Kanutosh Majumder | Chairman | 8 | 6 | 48,000.00 |
| 02. | Engr. A. K. M. Mosharraf Hussain | Member | 8 | 7 | 56,000.00 |
| 03. | Engr. Md. Atiqur Rahman | Member | 8 | 6 | 48,000.00 |
| 04. | Al-Haj Nur Mohammed | Member | 8 | 8 | 64,000.00 |
| 05. | Mr. Md. Tazul Islam | Member | 8 | 5 | 40,000.00 |
| 06. | Mr. Shaheen Mahmud | Member | 8 | 2 | 16,000.00 |
| 07. | Mr. Gazi Golam Murtoza | Member | 8 | 4 | 32,000.00 |
| 08. | Mr. Golam Dastagir Gazi, Bir Protik, Director | * | | 1 | 8,000.00 |
| 09. | Mr. Md. Ismail Hossain Siraji, Director | * | | 1 | 8,000.00 |
| 10. | Mr. Md. Sirajul Islam Varosha, Director | * | | 1 | 8,000.00 |
| 11. | Mr. Chowdhury Mohammad Mohsin, Director | * | | 1 | 8,000.00 |

* The Board of Directors of the Bank in its 290th meeting held on 21.07.2016 took decision as follows

"The Board unanimously decided to the effect that the Chairman of the Executive Committee of the Board of Directors of the Bank may co-opt any other Directors, other than member of Audit Committee of the Board, in the Executive Committee (EC) to complete the Quorum of meeting."

Directors including Independent Director of the Bank Received Honorarium for Audit Committee meeting during 01.01.2018 to 31.12.2018

| Sl. | Name | Status | Presence of the members in the meeting during above tenure | | Remuneration |
|-----|--|----------|--|---------|--------------|
| | | | No. of meeting | Present | |
| 01. | Mr. Md. Rafiqul Islam, Independent Director | Chairman | 5 | 5 | 32,000.00 |
| 02. | Mr. Redwan-ul Karim Ansari, Director | Member | 5 | 5 | 32,000.00 |
| 03. | Mr. Md. Belal Hossain, Director | Member | 5 | 2 | 16,000.00 |
| 04. | Mr. Md. Hasan, Director | Member | 5 | 2 | 8,000.00 |
| 05. | Mr. Narayan Chandra Saha, Independent Director | Member | 5 | 5 | 32,000.00 |
| | | | | | |
| 01. | Mr. Md. Rafiqul Islam, Independent Director | Chairman | 4 | 4 | 32,000.00 |
| 02. | Mr. Redwan-ul Karim Ansari, Director | Member | 4 | 4 | 32,000.00 |
| 03. | Mrs. Tasmin Mahmud, Director | Member | 4 | 1 | 8,000.00 |
| 04. | Mr. Md. Hasan, Director | Member | 4 | - | 0.00 |
| 05. | Mr. Narayan Chandra Saha, Independent Director | Member | 4 | 4 | 32,000.00 |

Directors of the Bank Received Honorarium for Risk Management Committee meeting during 01.01.2018 to 31.12.2018

| Sl. | Name | Status | Presence of the members in the meeting during above tenure | | Remuneration |
|-----|--|----------|--|---------|--------------|
| | | | No. of meeting | Present | |
| 01. | Engr. A. K. M. Mosharruf Hussain, Director | Chairman | 2 | 2 | 16,000.00 |
| 02. | Mr. Robin Razon Sakhawat, Director | Member | 2 | 2 | 16,000.00 |
| 03. | Mr. Md. Mahmudul Hoque, Director | Member | 2 | 2 | 16,000.00 |
| 04. | Mr. Md. Sirajul Islam Varosha, Director | Member | 2 | 1 | 8,000.00 |
| 05. | Mrs. Tasmin Mahmud, Director | Member | 2 | 1 | 8,000.00 |
| | | | | | |
| 01. | Mr. Md. Sirajul Islam Varosha, Director | Chairman | 2 | 2 | 16,000.00 |
| 02. | Mr. Robin Razon Sakhawat, Director | Member | 2 | 2 | 16,000.00 |
| 03. | Mr. Md. Belal Hossain, Director | Member | 2 | 1 | 8,000.00 |
| 04. | Mr. Md. Mahmudul Hoque, Director | Member | 2 | 2 | 16,000.00 |
| 05. | Mr. Md. Ismail Hossain Siraji, Director | Member | 2 | - | 0.00 |

(xi) Managing Director's and CFO's Declaration on Integrity of Financial Statements to the Board

Date : 21-04-2019

The Board of Directors

Jamuna Bank Limited
Head Office
2, Dilkusha C/A
Dhaka

Subject: **Declaration on Financial Statements for the year ended on 31 December 2018.**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Jamuna Bank Limited for the year ended on 31 December 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2018 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (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 in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(Ashim Kumer Biswas)
Chief Financial Officer (CFO)



(Shafiqul Alam)
Managing Director & CEO

(xii) A statement that proper books of account of the issuer company have been maintained;

Proper books of account as required by law have been kept by Jamuna Bank Limited. The external auditor, SHAFIQ BASAK & 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."

Sd/-

(Ashim Kumer Biswas)

Chief Financial Officer (CFO)

(xiii) A statement that 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;

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.

Sd/-

(Ashim Kumer Biswas)

Chief Financial Officer (CFO)

(xiv) A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed

Financial statements of the Bank for the year ended 31st December 2018 have been prepared in accordance with International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS, 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.

Sd/-

(Ashim Kumer Biswas)

Chief Financial Officer (CFO)

(xv)(i) Statement of Board of Directors on the Responsibility to Establish Appropriate System of Internal Control:

The Board of Directors ("the Board") of Jamuna Bank Limited is pleased to provide the following Statement of Internal Controls, which outlines the nature and features of internal control of the Bank in accordance with the Bangladesh Bank's instructions, circulars and guidelines and Corporate Governance Code of Bangladesh Securities and Exchange Commission.

The Board of Directors, under section 15(kha) and 15 (Ga) of the Bank Company Act 1991 (Amended upto 2018) are responsible for establishing and executing policies of the Bank. The Board is also responsible to establish the system of internal control and review its effectiveness regularly. The principal aim of the internal control; is to mitigate the business risk with the view to enhance the interest of stakeholders' and safeguard of the assets of the Bank. Although no method of internal control can provide absolute assurance that the business risk's will fully be alleviated, the internal control systems have been designed to ascertain a well-defined management structure with clear authorities and delegation of responsibilities, documentation procedures and authority levels, to ensure that all material risks properly be addressed and controlled.

The key features of the Bank's internal control system can be summarized as follows:

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 Jamuna Bank Limited has been designed to protect the interest of all stakeholders of the Bank in the best possible way. The control methods of the bank are being implemented under active supervision of the Board of Directors and its constituted committees; Executive Committee, Audit Committee and Risk Management Committee. Moreover, the Senior Management Team of the Bank keeps constant involvement to risk management.

Audit Committees:

The Board of Directors of Jamuna Bank carries out its responsibilities extensively and has established an Audit Committee of the Board for sustaining sound, adequate and effective internal control systems to safeguard the asset of the bank and interest of the shareholders. The Audit Committee is a sub-committee of the Board of Directors is responsible to review the integrity of the financial statements of the Bank and formal announcements relating to the Bank's performance, to monitor and review the effectiveness of the company's internal audit function etc.

Business risk and the Bank's risk assessment process:

The Board of Jamuna Bank is also aware that the main objectives of the bank can be achieved depending on the success of risk management. The Risk Management Committee is a sub-committee of the Board of Directors is monitoring risk management policies & process to ensure effective prevention and control measures; ensuring compliance of BB instructions regarding implementation of core risk management; ensuring formulation and review of risk appetite, limits and recommending these to Board of Directors for their review and approval;

Internal Control Process:

The Internal Control Division of the Bank contributes to make the job of the above committee 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, the division ensures the Board that the Bank is operating in compliance with all approved and established policies.

Conclusion

The Board is satisfied that, during the year under review, the system of internal control has instituted is sound and effective. Notwithstanding this, the Board is vigilant and continues to review the effectiveness and adequacy of the systems of internal control, in view of the dynamic and changing business environment, so as to safeguard the Bank's assets and stakeholder's interest.



Engr. Md. Atiqur Rahman
Chairman

(xv)(ii) Certificate of Senior Management Team (SMT) Regarding the Effectiveness of Internal Control Policy, Practice and Procedure

As per guidelines of Bangladesh Bank, the Board of Directors and Senior Management are required to take appropriate steps for establishing appropriate culture to facilitate an effective internal control process and for monitoring its effectiveness on an ongoing basis. Accordingly Senior Management has reviewed the internal control mechanism of the Bank, e.g Effectiveness of Internal Control Environment; Objective of Internal Control; Internal Control Policy Guidelines; Organization Structure; and Internal Control Process of the Bank. The Committee also reviewed the key points of Bangladesh Banks last Inspection Report on ICC of the Bank alongwith the Bank's Compliance thereof.

The Management Committee has observed that Internal Control Policy, Practice and Procedure of the Bank are effective and these provide a reasonable assurance in achieving objectives of the Bank in respect of reliability of the financial information; accuracy and completeness of the accounting records; compliance with applicable laws and regulations; prevention and detection of fraud and errors; safeguarding of Banks Assets; and adherence to management policies;

As it's a ongoing process, the management of the Bank will also take necessary steps to strengthen Internal Control System of the Bank as per guidelines of Bangladesh Bank vide BRPD Circular No.03 dated 08.03.2016 and an amendment of the guideline through their BRPD Circular No-04 dated 04.09.2016.

Sd/-

Shafiqul Alam

Managing Director

(xvi) A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;

Jamuna Bank ensures equal treatment to all shareholders. The Bank does not discriminate between minority and majority shareholders. It is mentioned that the most important protection afforded to minority shareholders comes in the form of a statutory remedy in section 233 of the Companies Act, 1994 of Bangladesh. In order to be eligible to file a petition under the section, the minority shareholder(s) must hold a minimum of ten percent of the issued shares in the case of a company having a share capital. To ensure equal treatment to all shareholders, the bank created various mechanisms, such as:

- ▶ minority shareholders are dealing with candor, honesty, good faith, loyalty, and fairness
- ▶ Minority shareholders have the right to benefit from such events as receiving dividends and selling shares for profit.
- ▶ **Access to Company Financial Records:** According to section 191 of the Companies Act, 1994, A copy of every balance sheet, including the profit and loss account, the auditors report or the income and expenditure account and every other document required by law to be annexed or attached to the balance sheet which is to be laid before a company in general meeting shall, not less than fourteen days before the date of the meeting, be sent free of charge, to every member of the company.

Jamuna Bank is always concern regarding the above issue and making available Annual Report to the shareholders of the Bank and the same also uploaded in the website of the Bank.

- ▶ Timeliness in the resolution of investors' complaints.
- ▶ Friendliness with all investors and all investor segments.
- ▶ 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, issue and dispatch of MICR Dividend/Fractional Dividend Warrants, To issue Shareholding 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.

Sd/-

M. A. Rouf

Company Secretary

(xvii) A statement that there is no significant doubt 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 there of shall be disclosed;

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.

Forward looking statement

Going forward, we intend to build up a strong and sound footing for the bank. We are concentrating on the fundamentals of our balance sheet and working on to get them stronger. We are looking forward to further strengthening our liquidity, capital and reserves, improve on quality and mix of assets & liabilities and maximize shareholder value.

We are reviewing, evaluating and monitoring our performance following the long term strategic plan to remain on course towards reaching our goals.

Putting in efforts on an on-going basis to excel in risk management capabilities and developing appropriate financial risk modeling.

Working on diversifying risks aimed at a balanced growth of lending by emphasizing more on small and medium sized enterprises through innovative, tailor-made products.

Improving on comprehensive loan work out strategies to maximize recovery of NPLs and add to the bottom line.

Reviewing and updating policies and procedures on a periodic basis to assimilate latest developments in the banking industry to efficiently manage affairs and offer superior services to customers.

Proactively focusing on sustainable development, increasingly emphasizing on environmental management system in bank financed projects.

Developing a comprehensive environmental and social risk management policy framework to address and manage both external and internal environmental and social issues.

Being adaptive to changing environment, responsive to market dynamics, supportive to regulatory reforms, keen to material development and protective to shareholders' and stakeholders' interest.

Putting in place a high standard core banking solution and where necessary, encouraging work around to bring in meaningful improvement in all banking activities, including speedy and online delivery of customer services.

On a continuing basis, imparting trainings to upgrade employee skill and morale, evaluating employee performance, elevating positions, awarding incentives, providing stimulus for motivation, reviewing compensation packages etc. in order to build a highly professional work force to be able lead the industry in course of time.

Sd/-

Shafiqul Alam
Managing Director

(xviii) Financial Highlights Jamuna Bank (Solo) and Jamuna Bank (Consolidated)

| | JBL | | | JBL (Consolidated) | | Changes 2018 to 2017(%) |
|---|---------------------|------------|--------------------------------|---------------------|------------|-------------------------------|
| | 2018 | 2017 | Changes 2018 to 2017 (%) | 2018 | 2017 | |
| | Taka In BDT Million | | | Taka In BDT Million | | |
| Performance during the year | | | | | | |
| Interest income | 14,969.55 | 11,424.65 | 31.03 | 15,001.78 | 11,472.09 | 30.77 |
| Interest expenses | 9,656.43 | 7,625.48 | 26.63 | 9,656.43 | 7,625.48 | 26.63 |
| Net interest income | 5,313.12 | 3,799.17 | 39.85 | 5,345.35 | 3,846.61 | 38.96 |
| Investment income | 1,836.38 | 2,615.20 | -29.78 | 1,858.51 | 2,604.79 | -28.65 |
| Other income | 2,668.28 | 2,365.58 | 12.80 | 2,690.54 | 2,414.13 | 11.45 |
| Operating income | 9,817.78 | 8,779.95 | 11.82 | 9,894.39 | 8,865.54 | 11.61 |
| Operating expenses | 5,077.25 | 4,444.54 | 14.24 | 5,105.69 | 4,475.66 | 14.08 |
| Profit before provision and tax | 4,740.53 | 4,335.41 | 9.34 | 4,788.70 | 4,389.88 | 9.09 |
| Provision for loans and assets | 1,023.34 | 839.06 | 21.96 | 1,075.04 | 802.57 | 33.95 |
| Profit after provision before tax | 3,717.19 | 3,496.36 | 6.32 | 3,713.66 | 3,587.31 | 3.52 |
| Contribution to Jamuna bank foundation | 111.52 | 104.89 | 6.32 | 111.52 | 104.89 | 6.32 |
| Tax including deferred tax | 1,288.98 | 1,370.45 | -5.94 | 1,305.02 | 1,405.83 | -7.17 |
| Profit after contribution to foundation and tax | 2,316.69 | 2,021.01 | 14.63 | 2,297.12 | 2,076.58 | 10.62 |
| At the end year | | | | | | |
| Total Shareholders' Equity | 18,073.50 | 15,433.37 | 17.11 | 18,045.12 | 15,424.56 | 16.99 |
| Total Liability | 206,944.71 | 181,625.17 | 13.94 | 207,494.97 | 182,244.64 | 13.86 |
| Deposits | 188,034.30 | 167,571.33 | 12.21 | 188,016.35 | 167,563.85 | 12.21 |
| Loans and Advances | 165,402.85 | 142,252.94 | 16.27 | 166,601.47 | 143,488.81 | 16.11 |
| Investments | 31,648.68 | 26,061.92 | 21.44 | 31,878.90 | 26,240.79 | 21.49 |
| Property, Plant and Equipment | 2,614.52 | 2,509.81 | 4.17 | 2,895.94 | 2,791.93 | 3.73 |
| Current Assets | 130,437.96 | 113,977.23 | 14.44 | 132,813.53 | 116,126.24 | 14.37 |
| Total Assets | 225,018.22 | 197,058.54 | 14.19 | 225,540.09 | 197,669.20 | 14.10 |
| Statutory Ratios (%) | | | | | | |
| Capital Adequacy Ratio | 13.58 | 11.86 | | 13.61 | 11.84 | |
| Required Minimum Capital Adequacy Ratios (MCAR) | 11.88 | 11.25 | | 11.88 | 11.25 | |
| Share Information | | | | | | |
| Earnings Per Share (Taka) | 3.09 | 2.70 | | 3.07 | 2.77 | |
| Dividend (%) | 20.00% | 22.00% | | 20.00% | 22.00% | |
| Net Assets Value Per Share (Taka) (Restated-2017) | 24.12 | 20.60 | | 24.09 | 20.59 | |
| Net Operating Cash flow per share (Taka) | (0.09) | 4.01 | | (0.02) | 3.98 | |
| Key Ratios (%) | | | | | | |
| Non Performing Loan | 3.77 | 4.02 | | 3.74 | 3.99 | |
| Return on Average Shareholders' Fund/Equity (after tax) | 13.83 | 12.92 | | 13.73 | 13.31 | |
| Return on Average Assets (after tax) | 1.10 | 1.11 | | 1.09 | 1.13 | |
| Return on Average Investment | 6.36 | 9.31 | | 6.40 | 9.21 | |

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

Figure In BDT. Million

| Particulars | YR- 2018 | YR- 2017 | YR- 2016 | YR- 2015 | YR- 2014 |
|--|------------|------------|------------|------------|------------|
| Income statement Information: | | | | | |
| Interest income | 15,001.78 | 11,472.09 | 9,709.01 | 9,902.69 | 10,421.56 |
| Interest expenses | 9,656.43 | 7,625.48 | 7,142.30 | 8,194.85 | 8,830.35 |
| Net interest income | 5,345.35 | 3,846.61 | 2,566.71 | 1,707.84 | 1,591.21 |
| Income from Investment | 1,858.51 | 2,604.79 | 3,748.12 | 3,794.17 | 3,243.59 |
| Non interest income | 2,690.54 | 2,414.13 | 1,874.15 | 1,616.00 | 1,443.16 |
| Total Operating Income | 9,894.39 | 8,865.54 | 8,188.98 | 7,118.01 | 6,277.96 |
| Total Operating Expenses | 5,105.69 | 4,475.66 | 3,964.26 | 3,370.39 | 3,047.30 |
| Profit before provision and tax | 4,788.70 | 4,389.88 | 4,224.72 | 3,747.62 | 3,230.66 |
| Provision for loans and assets | 1,075.04 | 802.57 | 1,315.82 | 1,516.65 | 1,296.70 |
| Profit before tax | 3,713.66 | 3,587.31 | 2,908.90 | 2,230.97 | 1,933.96 |
| Contribution to Jamuna bank foundation | 111.52 | 104.89 | 89.24 | 43.74 | 36.95 |
| Tax including deferred tax | 1,305.02 | 1,405.83 | 1,028.61 | 544.38 | 544.27 |
| Profit after tax | 2,297.12 | 2,076.58 | 1,791.05 | 1,642.85 | 1,352.73 |
| Balance Sheet Information: | | | | | |
| Authorized Capital | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |
| Paid up Capital | 7,492.26 | 6,141.19 | 6,141.19 | 6,141.19 | 5,160.67 |
| Reserve & Retained surplus | 10,552.86 | 9,283.36 | 9,643.06 | 9,588.08 | 5,670.20 |
| Total Shareholders' Equity | 18,045.12 | 15,424.56 | 15,784.25 | 15,729.27 | 10,830.87 |
| Deposits | 188,016.35 | 167,563.85 | 141,505.95 | 118,844.00 | 114,626.46 |
| Total liabilities | 207,494.97 | 182,244.64 | 153,396.06 | 127,704.74 | 129,064.55 |
| Total liabilities & Shareholders' equity | 225,540.09 | 197,669.20 | 169,180.32 | 143,434.02 | 139,895.43 |
| Long Term Liabilities | 86,952.93 | 80,183.16 | 65,793.74 | 41,947.62 | 32,860.18 |
| Loans and advances | 166,601.47 | 143,488.81 | 118,293.78 | 88,428.80 | 79,032.30 |
| Investments | 31,878.90 | 26,240.79 | 30,315.15 | 34,926.34 | 40,166.62 |
| Property, Plant and Equipment | 2,895.94 | 2,791.93 | 2,514.97 | 2,512.99 | 2,564.34 |
| Total Assets | 225,540.09 | 197,669.20 | 169,180.32 | 143,434.02 | 139,895.43 |
| Earning Assets | 167,607.99 | 148,099.29 | 117,821.36 | 84,181.69 | 79,962.54 |
| Net Current Assets | 132,813.53 | 116,126.24 | 101,971.64 | 81,052.13 | 73,226.01 |
| Foreign Trade Information: | | | | | |
| Import | 130,242.30 | 105,609.10 | 87,479.60 | 70,296.40 | 59,909.80 |
| Export | 106,070.70 | 80,459.30 | 74,317.50 | 67,080.80 | 64,988.60 |
| Remittance | 15,000.00 | 16,837.76 | 12,030.00 | 11,726.70 | 8,200.00 |
| Guarantee | 20,354.90 | 17,202.20 | 11,921.30 | 9,406.30 | 4,471.00 |
| Capital Information : | | | | | |
| Total Risk weighted Assets | 194,137.86 | 168,137.76 | 145,591.93 | 114,821.97 | 98,651.59 |
| Core Capital (Tier-I) | 14,472.53 | 12,179.70 | 11,359.22 | 10,773.83 | 9,144.80 |
| Supplementary Capital (Tier-II) | 11,940.74 | 7,721.91 | 4,398.76 | 3,851.99 | 1,951.87 |
| Total Capital | 26,413.27 | 19,901.61 | 15,757.97 | 14,625.82 | 11,096.67 |
| Tier-I Capital Ratio | 7.45 | 7.24 | 7.80 | 9.38 | 9.27 |
| Tier-II Capital Ratio | 6.15 | 4.59 | 3.02 | 3.35 | 1.98 |
| Capital Adequacy Ratio (CAR) | 13.61 | 11.84 | 10.82 | 12.74 | 11.25 |
| Credit Quality Information: | | | | | |
| Volume of Non-performing Loans (NPLs) | 6,231.12 | 5,725.10 | 4,743.50 | 5,839.60 | 4,422.15 |
| % of NPLs to total Loan & Advances | 3.74 | 3.99 | 4.01 | 6.60 | 5.60 |
| Provision for Un-classified Loans | 2,711.73 | 2,365.58 | 1,875.60 | 1,274.22 | 1,097.74 |
| Provision for Classified Loans | 1,662.39 | 1,799.71 | 1,608.11 | 1,549.91 | 1,796.86 |

Figure In BDT. Million

| Particulars | YR- 2018 | YR- 2017 | YR- 2016 | YR- 2015 | YR- 2014 |
|--|------------|------------|------------|------------|------------|
| Share information: | | | | | |
| No. of Share Outstanding | 749.23 | 614.12 | 614.12 | 614.12 | 516.07 |
| No. of Shareholders' (actual) | 24,953 | 26,229 | 31,981 | 38,596 | 46,984 |
| Dividend: | 20.00% | 22.00% | 20.50% | 19.50% | 19.00% |
| Cash (%) | 20.00% | 0.00% | 20.50% | 19.50% | - |
| Bonus (%) | 0.00% | 22.00% | 0.00% | 0.00% | 19.00% |
| Effective Dividend Ratio | 22.72% | 21.92% | 19.50% | 21.75% | 20.81% |
| Market capitalization | 13,186.37 | 13,510.63 | 9,586.40 | 7,424.71 | 6,352.82 |
| Market price per Share (Taka) | 17.60 | 22.00 | 15.61 | 12.09 | 12.31 |
| Earning per Share Taka (EPS) | 3.07 | 2.77 | 2.92 | 2.68 | 2.20 |
| Book value per Share/ NAV (Taka) | 24.09 | 20.59 | 25.70 | 25.61 | 20.99 |
| Price Earning Ratio (Times) | 5.69 | 7.94 | 5.35 | 4.52 | 5.59 |
| Key Financial Ratios Information: | | | | | |
| Net interest margin on average earning assets | 3.39 | 2.89 | 2.54 | 2.08 | 2.16 |
| Earning base in average assets | 74.60 | 72.49 | 64.62 | 57.93 | 57.72 |
| Burden Coverage ratio | 62.12 | 70.94 | 75.55 | 70.41 | 53.97 |
| Cost-income ratio (operating cost / operating income) | 51.60 | 50.48 | 48.41 | 47.35 | 48.54 |
| Credit-deposit ratio | 88.61 | 85.63 | 83.60 | 74.41 | 68.95 |
| Weighted average interest rate of loan | 10.66 | 9.54 | 10.36 | 12.07 | 13.59 |
| Weighted average interest rate of deposits | 5.88 | 5.60 | 5.60 | 6.75 | 7.87 |
| Asset Utilization ratio (Operating Income/Avg. Assets) | 4.68 | 4.83 | 5.24 | 5.02 | 4.92 |
| Leverage ratio (times) (Avg. Equity / Avg. Assets) | 7.91 | 8.51 | 10.08 | 9.37 | 7.74 |
| Net profit margin (Profit after tax/operating profit) | 23.22 | 23.42 | 21.90 | 23.08 | 21.55 |
| Current Ratio (Current Assets/Current Liabilities) | 1.10 | 1.14 | 1.16 | 0.95 | 0.76 |
| Debt Equity Ratio (Total Liabilities/Shareholder's Equity) | 11.50 | 11.82 | 9.72 | 8.12 | 11.92 |
| Per employee profit (after tax) | 0.81 | 0.80 | 0.73 | 0.71 | 0.61 |
| Dividend cover ratio (times) | 1.53 | 1.54 | 1.42 | 1.37 | 1.38 |
| Return on risk weighted assets (after tax) | 1.18 | 1.24 | 1.23 | 1.43 | 1.37 |
| Return on average investment | 6.40 | 9.21 | 11.49 | 10.11 | 9.05 |
| Return on average assets (after tax) | 1.09 | 1.13 | 1.15 | 1.16 | 1.06 |
| Return on average equity (after tax) | 13.73 | 13.31 | 11.38 | 12.37 | 13.71 |
| Other Information: | | | | | |
| Number of branches (Incl. SME/Agri Br. & SME center) | 132 | 122 | 112 | 102 | 97 |
| No. of Islamic Banking branches | 2 | 2 | 2 | 2 | 2 |
| Number of employees | 2,824 | 2,592 | 2,452 | 2,304 | 2,204 |
| Number of foreign correspondents | 875 | 901 | 897 | 880 | 836 |
| Average Earning Assets | 157,853.64 | 132,960.32 | 101,001.52 | 82,072.12 | 73,592.26 |
| Average Total Assets | 211,604.64 | 183,424.76 | 156,307.17 | 141,664.72 | 127,508.59 |
| Average Deposits | 177,790.10 | 154,534.90 | 130,174.98 | 116,735.23 | 105,854.87 |
| Average Investment | 29,059.84 | 28,277.97 | 32,620.75 | 37,546.48 | 35,830.70 |
| Average Advances | 155,045.14 | 130,891.29 | 103,361.29 | 83,730.55 | 73,736.07 |
| Average Equity | 16,734.84 | 15,604.41 | 15,756.76 | 13,280.07 | 9,863.19 |

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

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

Figure In BDT. Million

| Particulars | YR-2018 | YR-2017 | YR- 2016 | YR- 2015 | YR- 2014 |
|--|------------------|------------------|------------------|------------------|------------------|
| Income statement Information: | | | | | |
| Interest income | 14,969.55 | 11,424.65 | 9,687.22 | 9,807.08 | 10,269.61 |
| Interest expenses | 9,656.43 | 7,625.48 | 7,142.30 | 8,194.85 | 8,838.96 |
| Net interest income | 5,313.12 | 3,799.17 | 2,544.92 | 1,612.23 | 1,430.65 |
| Income from Investment | 1,836.38 | 2,615.20 | 3,735.87 | 3,783.69 | 3,267.68 |
| Non interest income | 2,668.28 | 2,365.58 | 1,835.02 | 1,580.28 | 1,392.31 |
| Total Operating Income | 9,817.78 | 8,779.95 | 8,115.81 | 6,976.20 | 6,090.64 |
| Total Operating Expenses | 5,077.25 | 4,444.54 | 3,936.30 | 3,347.33 | 3,021.83 |
| Profit before provision and tax | 4,740.53 | 4,335.41 | 4,179.51 | 3,628.87 | 3,068.81 |
| Provision for loans and assets | 1,023.34 | 839.06 | 1,204.91 | 1,442.07 | 1,221.43 |
| Profit before tax | 3,717.19 | 3,496.36 | 2,974.60 | 2,186.80 | 1,847.38 |
| Contribution to Jamuna bank foundation | 111.52 | 104.89 | 89.24 | 43.74 | 36.95 |
| Tax including deferred tax | 1,288.98 | 1,370.45 | 1,009.00 | 500.60 | 463.31 |
| Profit after tax | 2,316.69 | 2,021.01 | 1,876.36 | 1,642.46 | 1,347.12 |
| Balance Sheet Information: | | | | | |
| Authorized Capital | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |
| Paid up Capital | 7,492.26 | 6,141.19 | 6,141.19 | 6,141.19 | 5,160.67 |
| Reserve & Retained surplus | 10,581.25 | 9,292.18 | 9,707.45 | 9,567.16 | 5,650.00 |
| Total Shareholders' Equity | 18,073.50 | 15,433.37 | 15,848.64 | 15,708.35 | 10,810.67 |
| Deposits | 188,034.30 | 167,571.33 | 141,550.96 | 118,849.18 | 114,635.13 |
| Total liabilities | 206,944.71 | 181,625.17 | 152,569.66 | 127,150.82 | 128,683.91 |
| Total liabilities & Shareholders' equity | 225,018.22 | 197,058.54 | 168,418.30 | 142,859.17 | 139,494.58 |
| Long Term Liabilities | 87,688.05 | 80,603.64 | 65,981.97 | 42,106.07 | 32,922.17 |
| Loans and advances | 165,402.85 | 142,252.94 | 117,099.61 | 87,252.28 | 77,899.79 |
| Investments | 31,648.68 | 26,061.92 | 30,113.97 | 34,722.81 | 39,963.54 |
| Property, Plant and Equipment | 2,614.52 | 2,509.81 | 2,231.61 | 2,228.09 | 2,278.50 |
| Total Assets | 225,018.22 | 197,058.54 | 168,418.30 | 142,859.17 | 139,494.58 |
| Earning Assets | 166,409.37 | 146,863.42 | 116,627.19 | 83,005.17 | 78,830.04 |
| Net Current Assets | 130,437.96 | 113,977.23 | 99,904.75 | 79,203.65 | 71,648.34 |
| Foreign Trade Information: | | | | | |
| Import | 130,242.30 | 105,609.10 | 87,479.60 | 70,296.40 | 59,909.80 |
| Export | 106,070.70 | 80,459.30 | 74,317.50 | 67,080.80 | 64,988.60 |
| Remittance | 15,000.00 | 16,837.76 | 12,030.00 | 11,726.70 | 8,200.00 |
| Guarantee | 20,354.90 | 17,202.20 | 11,920.00 | 9,406.30 | 4,471.00 |
| Capital Information : | | | | | |
| Total Risk weighted Assets | 194,591.35 | 167,675.45 | 144,657.44 | 113,806.38 | 98,298.68 |
| Core Capital (Tier-I) | 14,508.33 | 12,188.51 | 11,423.60 | 10,752.90 | 9,110.44 |
| Supplementary Capital (Tier-II) | 11,921.74 | 7,705.61 | 4,385.64 | 3,844.06 | 1,947.80 |
| Total Capital | 26,430.07 | 19,894.12 | 15,809.24 | 14,596.96 | 11,058.24 |
| Tier-I Capital Ratio | 7.46 | 7.27 | 7.90 | 9.45 | 9.27 |
| Tier-II Capital Ratio | 6.13 | 4.60 | 3.03 | 3.38 | 1.98 |
| Capital Adequacy Ratio (CAR) | 13.58 | 11.86 | 10.93 | 12.83 | 11.25 |
| Credit Quality Information: | | | | | |
| Volume of Non-performing Loans (NPLs) | 6,231.12 | 5,725.10 | 4,743.50 | 5,839.60 | 4,422.15 |
| % of NPLs to total Loan & Advances | 3.77 | 4.02 | 4.05 | 6.69 | 5.68 |
| Provision for Un-classified Loans | 2,711.73 | 2,365.58 | 1,875.60 | 1,274.22 | 1,097.74 |
| Provision for Classified Loans | 1,662.39 | 1,799.71 | 1,608.11 | 1,549.91 | 1,796.86 |

Figure In BDT. Million

| Particulars | YR-2018 | YR-2017 | YR- 2016 | YR- 2015 | YR- 2014 |
|---|------------|------------|------------|------------|------------|
| Share information: | | | | | |
| No. of Share Outstanding | 749.23 | 614.12 | 614.12 | 614.12 | 516.07 |
| No. of Shareholders' (actual) | 24,953 | 26,229 | 31,981 | 38,596 | 46,984 |
| Total Dividend: | 20.00% | 22.00% | 20.50% | 19.50% | 19.00% |
| Cash (%) | 20.00% | 0.00% | 20.50% | 19.50% | - |
| Bonus (%) | 0.00% | 22.00% | 0.00% | 0.00% | 19.00% |
| Effective Dividend Ratio | 23.14% | 22.07% | 20.54% | 21.38% | 20.39% |
| Market capitalization | 13,186.37 | 13,510.63 | 9,586.40 | 7,424.71 | 6,352.82 |
| Market price per Share (Taka) | 17.60 | 22.00 | 15.61 | 12.09 | 12.31 |
| Earning per Share Taka (EPS) | 3.09 | 2.70 | 3.06 | 2.67 | 2.19 |
| Book value per Share/ NAV (Taka) | 24.12 | 20.60 | 25.81 | 25.58 | 20.95 |
| Price Earning Ratio (Times) | 5.69 | 8.16 | 5.11 | 4.52 | 5.61 |
| Key Financial Ratios Information: | | | | | |
| Net interest margin on average earning assets | 3.39 | 2.88 | 2.55 | 1.99 | 1.97 |
| Earning base in average assets | 74.22 | 72.10 | 64.13 | 57.32 | 57.05 |
| Burden Coverage ratio | 62.03 | 70.34 | 75.09 | 69.82 | 52.74 |
| Cost-income ratio | 51.71 | 50.62 | 48.50 | 47.98 | 49.61 |
| Credit-deposit ratio | 84.59 | 85.15 | 84.03 | 73.41 | 67.95 |
| Weighted average interest rate of loan | 10.66 | 9.54 | 10.36 | 12.07 | 13.59 |
| Weighted average interest rate of deposits | 5.88 | 5.60 | 5.60 | 6.75 | 7.87 |
| Asset Utilization ratio | 4.65 | 4.80 | 5.21 | 4.94 | 4.78 |
| Leverage ratio (times) | 7.94 | 8.56 | 10.14 | 9.39 | 7.73 |
| Net profit margin (after tax) | 23.60 | 23.02 | 23.12 | 23.54 | 22.12 |
| Current Ratio | 1.09 | 1.13 | 1.15 | 0.93 | 0.75 |
| Debt Equity Ratio | 11.45 | 11.77 | 9.63 | 8.09 | 11.90 |
| Per employee deposit | 66.99 | 65.10 | 58.18 | 51.99 | 52.42 |
| Per employee operating profit | 1.69 | 1.68 | 1.72 | 1.59 | 1.40 |
| Per employee overhead cost | 1.81 | 1.73 | 1.62 | 1.46 | 1.38 |
| Dividend cover ratio (times) | 1.55 | 1.50 | 1.49 | 1.37 | 1.37 |
| Return on risk weighted assets (after tax) | 1.19 | 1.21 | 1.30 | 1.44 | 1.37 |
| Return on average investment | 6.36 | 9.31 | 11.52 | 10.13 | 9.16 |
| Return on average assets (after tax) | 1.10 | 1.11 | 1.21 | 1.16 | 1.06 |
| Return on average equity (after tax) | 13.83 | 12.92 | 11.89 | 12.39 | 13.68 |
| Other Information: | | | | | |
| Number of branches | 132 | 122 | 112 | 102 | 97 |
| No. of Islamic Banking branches | 2 | 2 | 2 | 2 | 2 |
| Number of employees | 2,807 | 2,574 | 2,433 | 2,286 | 2,187 |
| Number of foreign correspondents | 875 | 901 | 897 | 880 | 836.00 |
| Average Earning Assets | 156,636.40 | 131,745.30 | 99,816.18 | 80,917.61 | 72,640.78 |
| Average Total Assets | 211,038.38 | 182,738.42 | 155,638.74 | 141,176.88 | 127,328.77 |
| Average Deposits | 177,802.81 | 154,561.14 | 130,200.07 | 116,742.16 | 106,060.37 |
| Average Investment | 28,855.30 | 28,087.94 | 32,418.39 | 37,343.18 | 35,677.87 |
| Average Advances | 153,827.89 | 129,676.27 | 102,175.94 | 82,576.04 | 72,784.59 |
| Average Equity | 16,753.44 | 15,641.01 | 15,778.50 | 13,259.51 | 9,845.81 |

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

(xx) An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;

Jamuna Bank continued to honour its commitment to optimization of shareholders' value. However, Board of Directors in its 345th meeting held on 21 April 2019 has recommended cash dividend @ 20% subject to the approval of the shareholders at the next Annual General Meeting.

(xxi) Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;

The Board of Directors of Jamuna Bank Ltd. did not declare any interim dividend during the year 2018.

(xxiii) (i) Pattern of shareholding/Ownership Composition

As on 31st December 2018 the Sponsor and Directors of Jamuna Bank Ltd. held 50.55% of total shares whereas Financial Institutions and General Public held 3.90% and 45.55% respectively

| Sl. No | Particulars | 31-12-2018 | | 31-12-2017 | |
|--------|------------------------|--------------------|-------------------|--------------------|-------------------|
| | | No of Shares Held | % of total Shares | No of Shares Held | % of total Shares |
| 1 | Directors & Sponsors | 378,762,670 | 50.55% | 308,151,937 | 50.18% |
| 2 | Financial Institutions | 29,209,890 | 3.90% | 24,532,379 | 3.99% |
| 3 | Foreign Investors | - | - | - | - |
| 4 | General Public | 341,253,090 | 45.55% | 281,435,070 | 45.83% |
| | Total | 749,225,650 | 100.00% | 614,119,386 | 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;

| Name of the Directors | Status | Share holding position as on 31.12.2018 | % of Total Share |
|----------------------------------|-------------------------|---|------------------|
| Engr. A. K. M. Mosharrif Hussain | Chairman | 14,984,509 | 2.00 |
| Engr. Md. Atiqur Rahman | Director | 28,939,069 | 3.86 |
| Mr. Fazlur Rahman | Director | 14,985,428 | 2.00 |
| Al-Haj Nur Mohammed | Director | 22,140,168 | 2.96 |
| Mr. Robin Razon Sakhawat | Director | 15,006,908 | 2.00 |
| Mr. Redwan-ul Karim Ansari | Director | 15,683,473 | 2.09 |
| Mr. Md. Belal Hossain | Director | 14,985,979 | 2.00 |
| Mr. Md. Mahmudul Hoque | Director | 14,990,452 | 2.00 |
| Mr. Shaheen Mahmud | Director | 37,446,054 | 4.99 |
| Mr. Md. Sirajul Islam Varosha | Director | 14,984,838 | 2.00 |
| Mr. Kanutosh Majumder | Director | 15,493,336 | 2.07 |
| Mr. Md. Ismail Hossain Siraji | Director | 14,984,928 | 2.00 |
| Mr. Gazi Golam Murtoza | Director | 19,104,452 | 2.55 |
| Mrs. Tasmin Mahmud | Director | 37,461,280 | 5.00 |
| Mr. Md. Hasan | Director | 37,461,211 | 5.00 |
| Mr. Narayan Chandra Saha | Independent Director | - | - |
| Mr. Chowdhury Mohammad Mohsin | Independent Director | - | - |
| Mr. Md. Rafiqul Islam | Independent Director | - | - |
| Mr. Shafiqul Alam | Managing Director | - | - |
| Mr. M.A.Rouf & Spouse | Company Secretary | - | - |
| Mr. Ashim Kumer Biswas & Spouse | Chief Financial Officer | - | - |
| Md. Belal Hossain & Spouse | Head of ICC | - | - |

- (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 | Designation | Shares Held as on 31 Dec 2018 |
|---------|-------------------------------|------------------------------|-------------------------------|
| 1. | Mr. Mirza Elias Uddin Ahmed | Additional Managing Director | - |
| 2. | Mr. A. K. M. Saifuddin Ahamed | Deputy Managing Director | - |
| 3. | Mr. Muhammad Shahidul Islam | Deputy Managing Director | - |
| 4. | Mr. Md. Mofazzal Hossain | Deputy Managing Director | - |
| 5. | Mr. Md. Abdus Salam | Deputy Managing Director | - |

- (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 |
|---|-----|

(xxiii) (ii) 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%).

(xxiii) Directors Profile

Please see Director Profile

(xxv) Management's Discussion and Analysis

Please see Management's Discussion and Analysis Chapter

Carrying Reserve in the Balance sheet

Appropriation of Profit

Profit after Tax (PAT) stood at Tk.2,316.69 million. Profit available for distribution comprising of last year's retain earnings and net profit for the year 2018, among shareholders is Tk.1,573.26 million after a mandatory transfer of statutory reserve of Tk.743.44 million (@ 20% on PBT).

Profit and loss Appropriation Accounts for the year ended 31 December 2018

| Particulars | Fig in BDT Million | |
|---|--------------------|--------------|
| | | Year 2018 |
| Profit for the year before taxation | | 3,717.19 |
| Less: Contribution to Jamuna Bank Foundation | | 111.52 |
| Less: Tax | | 1,288.98 |
| Net Profit after tax | | 2,316.69 |
| Add: Retained profit from last year | | 4.05 |
| | | 2,320.74 |
| Less: Transfer to Statutory Reserve (@ 20% on PBT). | 743.44 | |
| Less: Dividend | 1,498.45 | |
| Retained profits carried forward to next year | | 78.85 |

History of raising capital

As on the reporting date (31-12-2018), the bank had paid up capital of BDT 7,492,256,500 of which 78.87% was raised through stock dividend. The history of raising our paid up capital to BDT 7,492.26 million as on Year 2018 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 | 6,141,193,861 |
| 2017 | 22% Bonus share | 135,106,264 | 1,351,062,639 | 7,492,256,500 |

Dividend Declared (Compliance of section 184 of CA, 1994)

Jamuna Bank continued to honour its commitment to optimization of shareholders' value. However, Board of Directors in its 345th meeting held on 21 April 2019 has recommended cash dividend @ 20% subject to the approval of the shareholders at the next Annual General Meeting.

Material changes and commitments, affecting the financial position of the company (Compliance of section 184 of CA, 1994)

The Board of Directors of Jamuna Bank Limited in its 314th Meeting held on 31.08.2017 accorded against issuance of Subordinated Debt up to Tk.5,000.00 million (3rd Issue) through Private Placement as part of the Tier-II Regulatory Capital following 'Guideline of Risk Based Capital Adequacy' of Bangladesh Bank so that Bank may comply with the capital regulations as per Basel-III guidelines and for achieving targeted business growth.

After that Bangladesh Securities and Exchange Commission (BSEC), vide its letter no.BSEC/CI/DS-18/2014/211 dated March 28, 2018, has accorded consent under the provisions of the Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012, for raising of Tier-II Regulatory Capital by Jamuna Bank Limited through issuance of 7 years Non-Convertible, Unsecured, Coupon Bearing (range 7.0% - 10.5% or as fixed by the regulators), Subordinated redeemable bond amounting to BDT 5,000.00 million only through private Placement.

Bangladesh Bank vide their letter no.BRPD(BFIS)661/14B(P)2018-2559 dated:17.04.2018 approved the issuance Subordinated redeemable bond amounting to BDT 5,000.00 million.

The major features of the Bonds are furnished below:

| | |
|-----------------------------|--|
| Issue Type | Non-convertible, fully-redeemable, unsecured, floating rate, coupon bearing subordinated bonds |
| Issuer | Jamuna Bank Limited |
| Purpose | To strengthen Tier-II Capital |
| Lead Arranger | Jamuna Bank Capital Management Limited |
| Currency | Bangladeshi Taka (BDT) |
| Lot Size | [1] bond equivalent to [BDT 10,000,000] |
| Denomination | [BDT 10,000,000 per bond] |
| Minimum Subscription | 1 bond equivalent to [BDT 10,000,000] |
| Mode of Placement | Private Placement |
| Issue Size | BDT 5,000,000,000 (Taka Five billion) (to be issued in tranches) |
| Face Value | BDT 10,000,000 (Taka Ten Million) per bond |
| Issue Price | At par |
| Investors | Local Financial Institutions and high net worth individuals |
| Distribution | Private placement |

| | | |
|---|--|---|
| Listing | Unlisted | |
| Tenor | 84 months from the date of drawdown | |
| Principal Repayment | Principal redemptions will be in five (5) tranches commencing at the end of thirty sixth (36 th) month of the drawdown in the following manner: | |
| | Month After Drawdown | Redemption |
| | 36 | BDT 100 crore |
| | 48 | BDT 100 crore |
| | 60 | BDT 100 crore |
| | 72 | BDT 100 crore |
| | 84 | BDT 100 crore |
| Coupon Rate | The coupon rate of the bond will be determined as a sum of Reference rate & Margin . However during the tenor the yield (Reference Rate + Margin) will be floored at 7.00% p.a. and capped (Reference Rate + Margin) at 10.50% p.a. | |
| Reference Rate | Latest average 6-month FDR rate of private commercial banks (excluding Foreign Banks) in Bangladesh published on Bangladesh Bank's website on the Quotation Day . | |
| Margin | 2.00% | |
| Quotation Day | 5 business day before the day on which the Coupon will be fallen due. | |
| Coupon Payment | Semi-annually beginning at the end of the 6 th (sixth) month from the date of drawdown. | |
| Financial Covenants | Capital to Risk Weighted Assets Ratio (CRAR) | Minimum requirement as per Bangladesh Bank guidelines from time to time |
| | Cost to Income Ratio | < 75% |
| Credit Rating Requirement | a) CAMELS rating of the issue should be at least '2' at the time of issuance of the Bond. | |
| | b) Issuer's credit rating will be at least '3' as per BB rating grade throughout the tenor of the Bond. | |
| | c) Credit rating of the issue will be at least '3' as per BB rating grade throughout the tenor of the Bond. | |
| Security | Unsecured | |
| Transferability | Freely transferable in accordance with the provisions of Trust Deed | |
| Auditors | Shafiq Basak & Co. | |
| Legal Counsel | Bhuiyan Islam & Zaidi | |
| Trustee, Paying Agent, Registrar, Transfer Agent | IDLC Finance Limited. | |
| Credit Rating Agency | Credit Rating Agency of Bangladesh (CRAB) | |
| Tax Feature | According to the laws of Bangladesh | |
| Governing Law | Laws of Bangladesh. | |

Subsidiaries of Jamuna Bank Ltd. (Compliance of section 184 of CA, 1994)

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 (JBCML) a fully owned subsidiary of Jamuna Bank Limited (JBL) started its merchant banking operation in April 2011, vide Securities & Exchange Commission (SEC) letter no. SEC/Reg/MB-54/2009/467 dated November 29, 2010 bearing Registration Certificate No. MB-49/2010. As per Registration Certificate JBCML performs the following activities:-

- 1) Issue Management
- 2) Underwriting of public issue of shares
- 3) Portfolio Management on behalf of clients through investors' scheme

The Balance sheet size of JBCML is Tk.2230.26 mn.

Jamuna Bank Securities Ltd. (JBSL)

Jamuna Bank Securities Limited, a fully owned subsidiary of Jamuna Bank Limited, was established in 2011 as a private limited company. The company obtained Stock Dealer, Stock Broker and Full Service Depository Participant (DP) licenses from the Bangladesh Securities and Exchange Commission in the year 2012 and started commercial operation in 2013. The company is both TREC and Share holder of Chittagong Stock Exchange Limited under TREC No. CSE-147. The main objective of the company is to provide brokerage services as well as margin loan to individual and institutional investors.

The net profit of Jamuna Bank Securities Limited for the year 2018 was Tk.9.2 million and the Balance sheet size of JBSL is Tk.426.72 million.

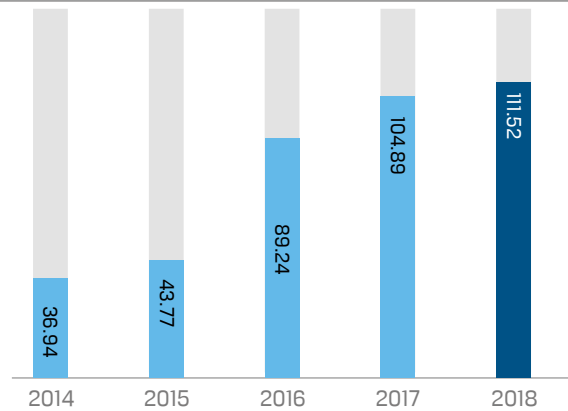
Corporate Social Responsibilities

Jamuna Bank has been playing pioneer role in the CSR activities

since its inception through Jamuna Bank Foundation. The Bank has been providing 3% pre-tax profit for helping the destitute people of the society. Jamuna Bank Foundation conducts multidimensional CSR activities regularly. Its activities encompass wide area e.g. Education, Pro-Poor healthcare, environmental friendly green product, alternative energy use, capacity building, helping destitutes, against drug abuse, improving ethical and religious values, preserving national heritage, helping to overcome natural disaster and calamities, humanitarian services, improving the standard of living by creating job opportunities to the destitute, eradicate extreme poverty and hunger. Recently, Kidney Dialysis Center of Jamuna Bank Foundation commenced its operation at 41, Chamelibag, Shantinagar, Dhaka which will provide dialysis facility with a minimum price and full free for the poor patient. The dialysis center is equipped with modern equipments and operating with the experienced Doctors and Nurses. At a glance, JBF CSR activities are as follows :

1. Scholarship for the unprivileged & disabled but meritorious students
2. GPA-5 Scholarship among the Offspring of employees of Jamuna Bank Limited.
3. Free Medical camps across the country
4. Free Medical Service Centre at Bishwa Ijtema, Tongi
5. Plastic Surgery Camp (Cleft Lip/Cleft Palate Operation and Burned patients) (Country-wide)
6. Blood Donation program
7. Anti Drug Rally & Seminar
8. Seminar on the Independence Day
9. Seminar on "Momentous and Importance of International Mother Language Day"
10. Seminar on importance of Holy Ramadan
11. Qirat Competition program
12. Relief distribution for disaster affected people
13. Regular donation to the honorable Prime Minister's Relief Fund
14. Regular Blankets donation to the honorable Prime Minister's Relief Fund
15. Art Competition on the occasion of Victory Day
16. Tree plantation program
17. Sewing machine training centers for assisting unprivileged women of the society
18. Jamuna Bank After Care centre/Rehabilitation Center
19. Model Village at Thakurgoan
20. Jamuna Bank Solar Village established at Kishoregonj District
21. Jamuna Bank BCS Nursing Computer Lab established at Bangabandhu Sheikh Mujib Medical University

Yearwise Contribution to CSR by Jamuna Bank BDT in Million



22. Jamuna Bank Badhir Computer Training Center, Dhaka
23. Vocational Training Center at Rayerbazar, Dhaka
24. Jamuna Bank DP Primary School
25. Free Primary School for the slum dwellers at Rayerbazar, Dhaka
26. Jamuna Bank Madrasa at Rayerbazar, Dhaka
27. Holy Quarn Teaching Centre
28. Disable Marriage Scheme
29. Bidhoba Boyosko Bhata
30. Disable Rehabilitates scheme
31. Financial support to Government & Non-Government organization
32. Financial support to poor people for treatment, educational purpose etc.
33. Financial support to poor Freedom fighters
34. Regular distribution of Blankets among winter distressed people across the country
35. Financial Contribution for Liberation War Museum
36. Distribution of Cloths among the poor people during Eid festival at every year
37. Deep Tube-well installation at Changerchor, Motlab, Chandpur
38. Donation of Wheel Chair among Autistic (Protibondi)
39. Financial Assistance of two martyred Army Officers in BDR Carnage at Peelkhana, Dhaka and one Army Personnel killed in Helicopter crash at Ghatail, Tangail
40. Financial assistance to Mr. Binod Bihari Chowdhury, a valiant freedom fighter
41. Financial support for cancer treatment to Singer Sabina Yesmin
42. Donation to National Heart Foundation, Sylhet
43. Contributed towards the development of Bangladesh sports
44. Tk.15.00 lac donated to the Cricketers of Bangladesh National Cricket Team to purchase cars
45. Donation to Bangladesh National Cricket Board
46. Donation to Sheikh Jamal Dhanmondi Club Ltd.

47. Donation for establishment/renovation of Mosques across the country
48. Establishment of Jamuna Bank Institute of Information, Communication & Technology

Corporate Governance Compliance Statement

Jamuna Bank Ltd. believes that enriched corporate governance contributes to the long-term success of a company and creates trust and engagement between the company and its stakeholders. Accordingly, the Board of Directors and Management are committed to continuously striving for the highest standards in governance to ensure that the business and its affairs are in strict adherence to the doctrine and principles of sound governance such as integrity, transparency, accountability and responsible business conduct to safeguard the interests of its shareholders and stakeholders. It is the responsibility of the Company Secretary, being the highest governance official in the Company, to ensure effective compliance of rules and regulations in this respect.

As part of its corporate policy, Jamuna Bank always strives to maximize its shareholders' value and benefit. In doing so, the Bank is committed to maintaining high standards of Corporate Governance. The Company's Corporate Governance framework is directed towards achieving its business objectives in a manner that is responsible and in accordance with its high standards of honesty, reliability, transparency and accountability. The essential elements that define effective corporate governance in the Company are outlined in the Corporate Governance Statement which is appended in this Annual Report.

Besides, we have the pleasure to confirm that the Company has, complied with all the necessary guidelines under BSEC Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The Compliance Report along with the necessary remarks and disclosures is appended in this Annual Report for the year 2018. Further, a Certificate of Compliance required under the said Guidelines, as provided by ACNABIN Chartered Accountants, is also annexed to this report.

In 2018

- Tk.2642.20 crore paid to National Ex-chequer against VAT and TDS.
- Tax paid on income BDT 1317.28 million
- Contributed 3.00% on pre-tax profit (amounting to Tk.111.52 million) to Jamuna Bank Foundation for the development of underprivileged segment of the Country .
- Recruited 232 employees
- Donated Tk.5.00 (five) crore to Prime Minister's Relief Fund

On behalf of the Board of Directors



Engr. Md. Atiqur Rahman
Chairman of the Board of Directors

Contribution to National Exchequer & Economy

Jamuna Bank Ltd. is always responsible to the society and the country as a whole. During the year 2018 payment made to national Ex-chequer as follows:

| |
|--|
| Tax Collected & deposited at source : BDT 2107.51 million |
| VAT & excise duty collected & deposited at source : BDT 534.69 million |
| Tax paid on income : BDT 1,317.28 million |

- The Bank made provision for Jamuna Bank Foundation at 3.00% on pretax profit of Jamuna Bank Limited amounting Tk. 111.52 crore for the cause of development of destitute/underprivileged segment of the society and for socio-economic development of the country.
- Direct economic impact by creating employment and a well-trained workforce. JBL and its subsidiary employed 2824 employees up to December 2018. During the year 2017 we have employed 232 employees.
- Jamuna Bank Limited donated Tk.5 crore to Prime Minister's Relief Fund to support the destitute people of the society.
- We are discouraging projects which is detrimental to the environment and health.

Various initiative have already been taken for Sustainable Banking.

Acknowledgements

The achievement of the year is more than a tribute to the customers of the Bank and its numerous stakeholders'. And with that conviction at the background, the Board of Directors firmly believes that Jamuna Bank has the necessary strengths, resources and commitments to further propel the Company to newer heights. The Members of the Board would like to place on record their high appreciation to the valued Shareholders and all other Stakeholders of the bank for their persistent support and guidance. The Board would also like to thank each and every customer for their continued support and banking with us. The Board also recognizes that its journey and accomplishments during the year was possible because of the cooperation, positive support and guidance that it had received from the Government of Bangladesh, particularly the Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies and Firms, National Board of Revenue and other numerous stakeholders. The Board would also like to appreciate the support from vendors, the Press & Media, business partners and all of our employees. Accordingly, the Board offers its utmost gratitude to them.

We also extend our warmest thanks to the management and employees for being the essential part of Jamuna Bank during the year. It was their unrelenting commitment, dedication and diligence throughout the year that led to the Company achieving the results in 2018.





CORPORATE GOVERNANCE REPORT

Corporate Governance

Corporate Governance can bring investors' trust by ensuring compliance of laws, transparency, accountability, responsibility and fairness. By maintaining compliance continuously for long term, it 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.

Effective corporate governance is critical to the proper functioning of the banking sector and the economy as a whole. Banks serve a crucial role in the economy by intermediating funds from savers and depositors to activities that support enterprise and help drive economic growth. Banks' safety and soundness are key to financial stability, and the manner in which they conduct their business, therefore, is central to economic health. Governance weaknesses at banks that play a significant role in the financial system can result in the transmission of problems across the banking sector and the economy as a whole.

Corporate governance determines the allocation of authority and responsibilities by which the business and affairs of a bank are carried out by its board and senior management, including how they:

- set the bank's strategy and objectives;
- select and oversee personnel;
- operate the bank's business on a day-to-day basis;
- protect the interests of depositors, meet shareholder obligations, and take into account the interests of other recognised stakeholders;
- align corporate culture, corporate activities and behaviour with the expectation that the bank will operate in a safe and sound manner, with integrity and in compliance with applicable laws and regulations; and
- establish control functions

Governance framework

Banks are vital elements in any economy. Banks keep deposit from various parties and provide loans to different parties. The amount of their loans is far bigger than their capital. Banks do business with the money of other peoples. Thus the risk of the banking sector is actually the risk of those peoples who make deposit with them.

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.

We have a sound governance framework as prescribed by the regulatory authorities that promotes transparency, fairness and accountability.

Compliance status of the Bank

For the financial year ended 31 December 2018, we have complied with:

- Memorandum of Association and Articles of Association of the Bank.
- The Bank Company Act, 1991 (Amended upto 2018), and
- Corporate Governance Code issued by BSEC dated 03 June 2018 Gazetted on 10 June 2018.
- BRPD Circular No.11 dated 27 October 2013: Formation & Responsibilities of Board of Directors of a Bank Company.
- BRPD Circular No.18 dated 27 October 2013: Appointment and Responsibilities of Chief Executive of a Bank-Company.
- Dhaka Stock Exchange (Listing) Regulations, 2015
- Chittagong Stock Exchange (Listing) Regulations, 2015
- And other regulatory guidelines/notifications/ circular etc

The Board of Directors of Jamuna Bank Ltd. plays the pivotal role in Bank governance through their choice of strategy and leadership to drive the company to growth path. They believes that corporate governance principles should be embedded in our corporate culture. Our corporate culture is anchored on competent leadership, (b) effective internal controls, (c) a strong risk culture and (d) accountability to shareholders. Our internal controls cover financial, operational, compliance and technology, as well as risk management policies and systems.

We work closely with our regulators to ensure that our internal governance standards meet their increasing expectations. We are committed to the highest standards of corporate governance

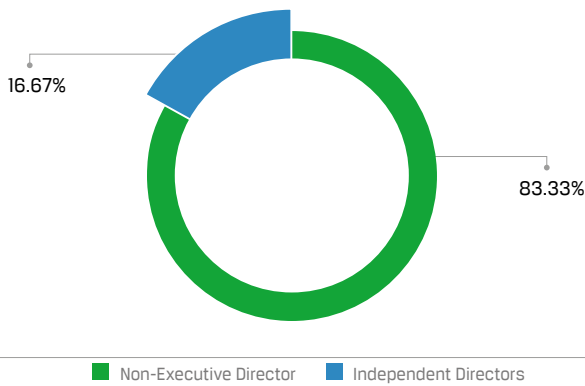
**"GOOD GOVERNANCE IS
THE ART OF PUTTING WISE
THOUGHT INTO PRUDENT
ACTION IN A WAY THAT
ADVANCES THE WELL-BEING OF
THOSE GOVERNED."**



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.

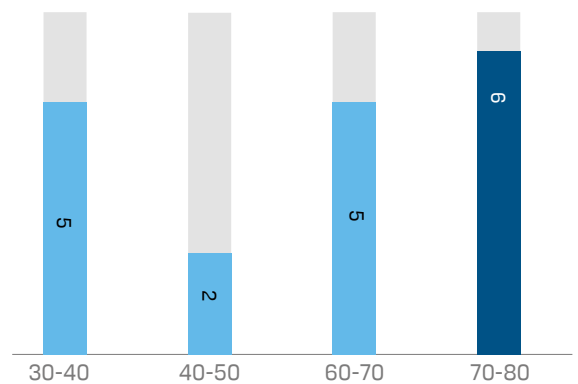
legal requirements but also various internal rules, policies, procedures and practices based on the best practices of local banks. At JBL we attach a simple meaning to 'Corporate Governance' which is 'Due diligence' in observing responsibilities by Board as well as by management to safeguard interest 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 Composition



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

Age group of our Directors





Board Systems & Procedures

Members of the Board comprise of professionals with diversified backgrounds. At present, there are 18 (Eighteen) Board members including 3(three) Independent Directors, which is within the framework set by the Bangladesh Bank as per section 15(9) of Bank Company Act 1991(Amended upto 2018). 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 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.



Appointment of Directors

The relevant provision of Companies Act 1994, Bank Company Act 1991 (amended up to 2018), Corporate Governance Code of BSEC, Guidelines of Bangladesh Bank 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 Committee(s) is set in accordance to the relevant section of Bank Company Act 1991 (amended up to 2018), "Corporate Governance Code" issued by the BSEC & BRPD Circular No.11 dated 27 October 2013 and other guidelines issued by Bangladesh Bank.

The BoD consists of local entrepreneurs who are well reputed in the field of trade, commerce, industry and business of the country. Collectively they have enriched the Board with the knowledge and expertise in banking and finance, Law, IT, Accounting, Telecom, Administration, and Engineering. Their rich and diverse backgrounds have given the Board a vantage point in directing and monitoring the Bank



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 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 complying rules/regulations of regulatory bodies in this regard. In this connection, JBL has been complying the provisions of the existing Law and the Articles of Association of the Bank.

The Board is responsible to set the vision, mission and policies of the Bank and to determine the goals, objectives and strategies 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:
- b) Credit and risk management:
- c) Internal control management:
- d) Human resources management and development:
- e) Financial management:
- f) Formation of Board committees
- g) Appointment of Managing Directors & CEO.

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.

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 Bank Company Act 1991 (amended up to 2018), the Board of Directors has appointed 03 (three) Independent Directors, subsequently approved by shareholders in the Annual General Meeting (AGM). It is mentioned that Bangladesh Securities and Exchange Commission (BSEC) has issued a new Corporate Governance Code vide its Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80; dated:03 June 2018 Gazetted on 10 June 2018, where they imposed condition as follows:

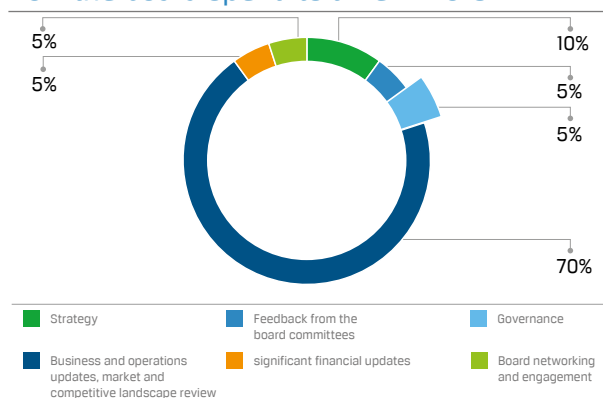
"1.2 (i) (a) At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);"

We have acknowledged the issue to Bangladesh Bank, Primary Regulator for the Banking Sector, through our letter no.JBL/HO/2018/7896 dated November 12, 2018 and subsequently they have informed us that they are working on it vide their letter no. BRPD (R-1)717/2018-9488, December 18, 2018

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

Chairman of the Board and Managing Director & CEO

How the board spent its time in 2018



As per Corporate Governance Code of BSEC, The positions of the Chairperson of the Board and the Managing Director & CEO of the Bank are filled by different individuals. The Chairman of the Bank has been elected from among the

Non-Executive 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. Besides, The Managing Director & CEO of the Bank is not holding the same position in another listed company.

In the absence of the Chairperson of the Board, the remaining members of Board of Directors elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting. The reason of absence of the regular Chairperson is also duly recorded in the minutes.

Meetings of the Board of Directors

We are conducting Board meetings and recording the minutes of the meetings as well as keeping required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. We have 01 (One) Fellow Member and 02 (two) Associate members of ICSB who are serving the Bank at Board Secretariat as well as Financial Administration Division of the Bank.

Before meeting

- To facilitate meaningful participation, all Board and Board committee meetings are planned and scheduled well in advance in consultation with the Chairman of the Board of Directors.
- The Chairman oversees the setting of the agenda of Board meetings in consultation with the Managing Director & CEO to ensure that there is sufficient information and time to address all agenda items.
- The agenda of the Board meetings is carefully thought out and well-managed. At the same time, the agenda allows for flexibility when it is needed.
- Directors are provided with complete information related to agenda items in a timely manner. For example, management provides Board members with detailed reports on the Bank's financial performance/ Business position prior to the Board meeting.

At every meeting

- The Chairman promotes open and frank debates by all Directors at Board meetings.
- The Board members come well prepared and engage in robust discussions on key matters pertaining to the Bank.
- If there are any situations where there is a conflict of interest, the Director in question will recuses him or herself from the discussions and abstain from participating in any Board decision

- Chairperson of Audit Committee provides a thorough update on significant matters discussed at the committee meeting.
- The Managing Director & CEO gives a complete and comprehensive update on the Group's business and operations as well as a macro perspective on industry trends and developments.
- The Chief Financial Officer (CFO) presents the financial performance and significant financial highlights certain business heads provide an update on their areas of business.
- The Board holds a private session for Directors.
- Divisional Heads/External professionals /in-house subject matter experts are also invited to present key topics identified by the Board as well as updates on corporate governance, risk management, capital, tax, accounting, listing and other regulations, which may have an impact on Bank' affairs.

Frequent and effective engagement with the Board

- The Board is regularly updated on the performance and prospects of JBL.
- Outside of Board meetings, Board approvals for matters in the ordinary course of business can be obtained through the circulation of written resolutions. Although no such event occurred in 2018.
- Ad-hoc meetings are held when necessary. There was no ad-hoc Board meeting held in 2018.
- The CFO provides the Board with detailed financial performance reports on a monthly basis.
- Directors have direct access to senior management and may request from management any additional information to make informed and timely decisions.
- Throughout the year, the Directors also have various opportunities to interact with members of the Bank Management Committee (for instance at Board hosted dinners, activities of Jamuna Bank Foundation)
- Some Independent Directors sit on the Boards of the Bank's subsidiaries as per regulatory guidelines ; this arrangement gives the Board access to first hand insight on the activities of these subsidiaries.
- Directors have separate and independent access to the Company Secretary at all times. The Secretary attends all Board & its Committee meetings and generally assists Directors in the discharge of their duties. The Secretary facilitates communication between the Board, its committees and management. The Secretary helps with the induction of new Directors. The appointment and removal of the Secretary require the approval of the Board.

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 as and when required. During the year 2018, total 19 Meetings of the Board 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. 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.

Written code of conduct for the Chairperson, other Board members and Chief Executive Officer

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.

Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer

As per Corporate Governance Code of BSEC, we declare that the positions of the Chairperson of the Board and the Managing Director (MD) and CEO of the company filled by different individuals. Eng. Md. Atiqur Rahman is discharging duties as Chairman of the Board of Directors of the Bank and Mr. Shafiqul Alam is discharging duties as Managing Director (MD) and CEO of the Bank. We also declare that

- Mr. Shafiqul Alam, Managing Director (MD) and CEO of bank is not holding the same position in another listed company;
- The Chairperson of the Board is elected from among the non-executive directors of the company
- The Board already defined respective roles and responsibilities of the Managing Director and CEO as per BRPD Circular issued by Bangladesh Bank
- In case of absence of the Chairperson of the Board, the remaining members present elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson duly recorded in the minutes.

Governance of Board of Directors of Subsidiary Company

Jamuna Bank Capital Management Limited (JBCML)

Jamuna Bank Capital Management Limited (JBCML) a fully owned subsidiary of Jamuna Bank Limited (JBL) started its

merchant banking operation in April 2011, vide Securities & Exchange Commission (SEC) letter no. SEC/Reg/MB-54/2009/467 dated November 29, 2010 bearing Registration Certificate No. MB-49/2010. As per Registration Certificate JBCML performs the following activities:-

- 4) Issue Management
- 5) Underwriting of public issue of shares
- 6) Portfolio Management on behalf of clients through investors' scheme

The Board of JBCML is comprised of 7(Seven) directors including 1 (one) independent director of the Holding Company (Jamuna Bank Limited). Minutes of the Board meeting of the JBCML has been reviewed by the Board of Directors of Jamuna Bank Limited in their meeting. Besides, Audit Committee of the Jamuna Bank Limited has been reviewed the financial statements of JBCML.

Jamuna Bank Securities Ltd. (JBSL)

Jamuna Bank Securities Limited, a fully owned subsidiary of Jamuna Bank Limited, was established in 2011 as a private limited company. The company obtained Stock Dealer, Stock Broker and Full Service Depository Participant (DP) licenses from the Bangladesh Securities and Exchange Commission in the year 2012 and started commercial operation in 2013. The company is both TREC and Share holder of Chittagong Stock Exchange Limited under TREC No. CSE-147. The main objective of the company is to provide brokerage services as well as margin loan to individual and institutional investors.

The Board of JBSL is comprised of 5(five) directors including 1 (one) independent director of the Holding Company (Jamuna Bank Limited). Minutes of the Board meeting of the JBSL has been reviewed by the Board of Directors of Jamuna Bank Limited in their meeting. Besides, Audit Committee of the Jamuna Bank Limited has been reviewed the financial statements of JBSL.

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 Jamuna Bank 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).

Roles and Responsibilities of Managing Director & CEO

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.

Roles, Responsibilities and Duties of Chief Financial Officer (CFO)

The Chief Financial Officer (CFO) is the officer of a company that has primary responsibility for managing the company's finances, including financial planning, management of financial risks, record-keeping, and financial reporting. Providing leadership, direction and management of the finance and accounting team.

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.

Roles, Responsibilities & Duties:

- Execute the financial strategy of the company.
- Manage financial controls and accounting procedures.
- Ensure full transparency over the financial performance of the company.

- Managing the processes for financial forecasting and budgets.
- To ensure that Financial Statements of the year have been prepared
 - (a) In compliance with Securities and Exchange Rules, 1987 as well as the provisions of International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh, any departure there from has been adequately disclosed or as per requirements under the financial Reporting Act, 2015 and other rules and
 - (c) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view.
 - (d) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements.
- To certify the Board along with the Managing Director/ CEO that they have reviewed Financial Statements for the year and that to the best of their knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
 - (c) no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.
- Providing strategic recommendations to the CEO/ Managing Director and members of the executive management team.
- Provide advice on how to increase revenue and reduce costs.
- Advising on long-term business and financial planning.
- Establishing and developing relations with senior management and external partners and stakeholders.
- Effectively and clearly communicate potential risks in a timely manner.
- Propose action plans to ensure that annual financial objectives are attained.
- Support the CEO with the preparation of monthly and annual financial plans.
- Maintain speed and accuracy of billings and client payments.
- Coordinate and produce all tax documentation as required .
- 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.

Roles, Responsibilities and Duties of Head of ICC

Md. Belal Hossain, has been given the charge of Internal Control & Compliance Division (ICCD). The Roles & Responsibilities of the Head of ICCD Should be:

- a) To lead the Internal Control & Compliance Division of the Bank as its Head for bringing a systematic & disciplined approach to evaluate and improve the effectiveness of risk management, control and transparent governance processes.
- b) To fix the job descriptions of the Heads of Audit & Inspection Department, Monitoring Department and Compliance Department and guide/ supervise them accordingly
- c) To identify risks by conducting audit & inspection on all the Branches & Divisions of the Bank
- d) To review and countersign the following Documents of the ICCD and submit the same to the competent authority:
 - Annual Audit Plan
 - Internal comprehensive Audit Reports of the Branches/Divisions
 - Special Audit Report on any Branch/Division
 - Investigation/ surprise Report on any of the Branches
 - Annual Health Report of the Bank

- Summary of irregularities of all the Audit Reports of the year
- Any other Report prepared by this Division
- e) To sign all the correspondences of the Division which are required to be signed by him
- f) To frame new policy or recommend revision of the existing policy as and when required
- g) To hold 'Review Meeting' with the Managers on important audit findings
- h) To arrange training program for the ICCD officials
- i) To run the total administration of Internal Control and Compliance Division of the bank
- j) Any other jobs as and when assigned by the higher management/ACB/Board.

Through performing the above functions the Head of ICCD will ensure the Board of Directors that the Internal Control measures set for the different branches/divisions/units are effectively functioning and the bank is running in a right direction to achieve its objectives.

Roles, Responsibilities and Duties of Company Secretary:

The Company Secretary has a wide-ranging responsibility as a corporate executive serving as the focal point for communications with the Board, the Company and the Stakeholders. The Company Secretary is also playing a key role in counseling the Board of Directors, Chief Executive Officer and Management team. Because Company Secretary work as bridge between Board and Shareholders/investors.

Every listed company should have a Company Secretary, whatever the size and the nature of the Company. It's the Board responsible to appoint a Company Secretary to look after the statutory functions of the Company. Listed companies have to go through different compliance and regulatory matters. Company Secretary of listed company has to maintain investors' relations as well.

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

Responsible to the Board:

- Adviser to the Board of Directors;
- Act as channel of Communication and information to executive & non-executive Directors. He is also an important liaison between the Board of Director and Management.
- To ensure that Board of Directors comply with statutory requirements and procedures (e.g. internal regulations, policies, competencies, recording the meetings).

- Support the Chairperson related to organizing board matters;
- To organize the Board in a good manner.
- To ensure important information is forwarded to the Board of Directors
- To ensure that collaboration between the Board Committees and Management is enabled.

Responsible to the Company:

- Compliance with statute and other appropriate legislation;
- Authentication of accounts & documents;
- Advice on business ethics;
- Avoid conflicts of interest;
- Maintains statutory books and registers
- To act in good faith in the company's interest;

Responsible to the Stakeholders:

- Adequate communication with the stakeholders of the company and also to ensure that due regards are paid to their interest.
- Primary contract for corporate governance

Officer of the Company

- To planning and organizing board meeting and its committee meeting efficiently.
- To planning and organizing Annual General Meeting, Extra-ordinary General meeting and similar jobs.
- To maintain and distribute the agenda of the meetings for the board of directors and management.
- To invitations, scheduling, and organization of meetings for the board of directors and executive committee of the Board of Directors.
- To record and maintain the records of the meeting and to draft the meeting minutes.
- To provide legal advice to the board of directors and management.
- To ensure and to supervise the share related matters.
- To ensure the compliance with statutory disclosure requirements
- The responsibility for the annual report regarding the corporate governance section.

Attendance of CFO, CS and HIAC in Board Meeting

Company Secretary of the Bank is attending the meetings of the Board of Directors regularly. Chief Financial Officer (CFO) & Head of Internal Control & Compliance Division are also attending the meeting when it is required. Provided that the CS, CFO and/or the HICC 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.

Board of Directors' Committee

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 the provisions contained in BRPD Circular No.11 dated 27 October, 2013, the Board of Directors reconstituted the Executive Committee comprising 7 (Seven) Non-Executive Directors. To comply with regulatory requirement only 01 member included from a family & no member of the Audit Committee is included as a member of the Executive Committee. The Committee performs within the delegated power/terms of reference time to time given/set by the Board of Directors in the light of prevailing rules/regulations. The Company Secretary acts as the secretary of the committee.

Meetings of the Executive Committee

Total 15 (fifteen) nos. meetings of Executive Committee held during 01.01.2018 to 31.12.2018.

Loan approval in 2018 by the Executive Committee

Figure in BDT Million

| | No. of Memo | Funded | Non-Funded |
|--------------|-------------|----------|------------|
| New Sanction | 74 | 1,835.73 | 3,999.79 |
| Enhancement | 30 | 218.50 | 991.88 |
| Rescheduling | 1 | 0.38 | - |
| Forced Loan | | | |

Audit Committee

Composition: In compliance with Section 15Kha(2) of the Bank Companies Act 1991 (amended up to 2018), BRPD Circular No.11 dated 27 October 2013 and BSEC's Corporate Governance Code dated 03 June 2018 the Board of Directors of JBL constituted the Audit Committee (AC) of the Board with 5 (five) members including 2 (Two) Independent Directors. All members of the Audit Committee are financially literate and four members have post-graduation degree in Accounting, Economics, Social Science and Law respectively. Moreover, all members of the AC have reasonable knowledge on banking business, its operations, and risks involved in it.

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.

Chairman of the AC: The Chairman of the AC is an Independent Director who performs his duties with full freedom and attending Bank's Annual General Meeting.

Board committees

Delegation by the Board to the Board committees

To discharge its stewardship and fiduciary obligations more effectively, the Board has delegated authority to 03 (three) Board committees to enable them to oversee certain specific responsibilities based on clearly defined terms of reference. Any change to the terms of reference for any Board committee requires Board approval

3 Board committees

- Constituted in accordance with Bangladesh Bank BRPD Circular No. 11, dated 27 October, 2013 & in compliance with Corporate Governance Code issued by BSEC on 03 June 2018.
- Comprises Directors only

Executive Committee

- Maximum 07 (seven) members (BRPD-11, 27/10/13)
- Chairman of the BOD can be the chairman of EC (BRPD-11, 27/10/13)
- Only 01 member from a family (BRPD 04, 14 March 2015)
- Delegation of Power of EC(As per 317th meeting of BOD of JBL held on 26/10/2017)

Qualification of Members of AC:

Financial expert in the AC:

Among the AC members **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.

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. Redwan-ul Karim Ansari is an innovation driven entrepreneur with a diversified portfolio. Born in November 30, 1985, Mr Redwan-ul Karim Ansari has had more than 12 years of experience in a variety of domains such as commercial, company and competition law, risk management, process flow management and design, optimization and financial Information Technology and alternative distribution channel exploration for banks.

Mr Ansari obtained Bachelor of Law in Commercial Law from Westminster University, London in 2008-09. He completed his LLM in International Competition Law from City University of London in 2009-10. In 2010-11, He received his tutelage from the City University and was called to the bar at Lincoln's Inn. He also completed post graduate diploma in Professional Legal Skill.

Mrs. Tasmin Mahud, Director, an eminent personality and well-known entrepreneur in telecommunication, real estate, RMG & textile sector of the country. She did her M.S.S in Public Administration from the University of Dhaka. She is serving as the Member of the Board of different concerns of the Cotton Group, one of the largest & renowned conglomerates of the country. She is widely recognized for her role in shaping the business in multiple sectors, for which Mrs. Mahmud

Audit Committee

- Maximum 05 (five) members, with minimum 2 (two) independent director (BRPD-11, 27/10/13)
- At least 03 members include at least 1(one) independent director (BSEC Cor. Gov. Code 03/06/18)
- AC will comprise with directors who are not EC members; (BRPD-11, 27/10/13)
- Chairperson of the Board shall not appoint members of the Audit Committee (Condition 5(2) (b) BSEC Cor. Gov. Code 03/06/18)
- Independent Director will be the Chairman of Audit Committee (BSEC Cor. Gov. Code 03/06/18)
- The quorum of the AC meeting shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an Independent Director is a must. (BSEC Cor. Gov. Code 03/06/18)
- The Audit Committee should hold at least 4 meetings in a year (BRPD-11, 27/10/13 & 5(4)(a) of Corporate Gov. Code 03/06/18)

was invited to travel Japan as one of the members of trade delegation led by Ministry of Commerce of the People's Republic of Bangladesh. She was also a member of business delegation led by the FBCCI upon receiving invitation from the Ambassador of Peoples' Republic of South Korea Bangladesh. She is an active and prominent member of Gulshan Ladies Community Club, Army Golf Club and Zonta Club of Dhaka III, Baridhara Diplomatic Club.

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.

Major agenda covered in 2018

- Audit Plan for the year 2018 for conducting Internal Comprehensive Audit & Inspection on all Branches and Divisions of Head Office.
- Audit and Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
- Reviewed the Quarterly, Half-yearly and Annual Financial Statements of the Bank itself and consolidated financial statements as well as disclosures of information supplementary to the financial statements and issues noted from the audit of financial statements made by the external auditors. Furthermore, the Audit Committee held meeting(s) with the external auditors to discuss the independence of the auditors and restrictions or limitations in performing their duties and expressing opinions.
- Reviewed the Bangladesh Bank comprehensive inspection report and the recommendations.
- Reviewed of the latest Implementation status on documentation of disbursed Loans & Advances against new/enhanced credit facilities of the Branches of the Bank.
- Actions taken by the management in regard to deficiencies raised in the Bangladesh Bank Inspection report and by the Internal Audit and Inspection team of the Bank.
- External Audit Report of The Bank and the recommendations of the Bank.

- The corrective measures taken by the management in regard to the lapses pointed out on the internal control and other issues as are raised by internal and external auditors and inspectors of the regulatory authority.
- The compliance status of the audit objections and the recommendations made by the Bangladesh Bank inspectors, External Auditors and the Internal Auditors in the reports.
- Management Report on Accounts of the Bank for the year ended on 31.12.2018.
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with compliance.
- Reviewed the Management's Discussion and Analysis for Annual Report of the Bank.
- The review of status of recovery of classified loans and providing with the necessary guidelines to the management to contain the NPLs.
- Reviewing the process of strengthening Internal Control Systems and Procedures of the Bank.
- Reviewing of Annual Report on the Financial Health of the Bank, 2018 in line with the directives /guidelines of Bangladesh Bank and Managing Core Risks designed for Banking Sector.

Reporting of the Audit Committee:

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 Audit Committee

Internal Control & Compliance Division has 03 units- (i) Audit & Inspection Department, (ii) Monitoring Department and (iii)

Compliance Department who are performing the following activities:

- Conducting comprehensive/surprise/special audit & inspection on branches and divisions/units of Head Office.
- Monitoring and reviewing the operational performance of various branches through examination of Quarterly Operations Report (QOR), Loan Documentation Checklist (LDC), Departmental Control Function Checklist (DCFCL), etc. as part of risk management.
- Collecting compliance of the inspection/audit reports & complying 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 has been submitting the internal comprehensive inspection reports on branches along with the compliance reports and Bangladesh Bank comprehensive inspection report on branches to the Audit Committee on a regular basis. Moreover, ICCD is submitting the Quarterly and Annual Summary Reports of irregularities detected during audit/ inspection to the AC.

Presence of the Chairman of the Audit Committee at the AGM:

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

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 09 (Nine) numbers of meetings of Audit Committee have been held during 01.01.2018 to 31.12.2018. Details of member of Audit Committee along with their terms/duration are:

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 4(Four) meetings during 2017 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.

Major agenda covered in 2018

- Comprehensive Risk Management Report and Minutes of the meeting of the Risk Management Committee (Monthly Basis)
- Stress Testing Report (Quarterly Basis)
- Risk Based Capital Adequacy Report in line with Basel-III (Quarterly Basis)
- Leverage Ratio
- Memorandum on quarterly calculation of Comprehensive Value at Risk (VAR) of Foreign Exchange position
- Appraisal of the minutes of the "Supervisory Review Committee (SRC)"
- Statement on ICAAP under Supervisory Review Process
- Memo on LCR & NSFR, Structural Liquidity Profile (SLP), Wholesale Borrowing & Commitments.

Risk Management Committee

- Maximum 05 (five) members
- Risk management committee should hold at least 4 meetings in a year
- Risk management policies & guidelines of the bank should be reviewed annually by the committee.
- Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.
- Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form;

Nomination and Remuneration Committee

As Bangladesh Bank is restricted (by Central Bank) to have more than 3(three) sub-committees of the Board, the Board oversees the following activities:

- Recruitment, promotion and remuneration up to two-level below the rank of Managing Director as per BRPD Circular No.11 dated 27 October 2013. Other than the above, all appointments, promotions and fixing remuneration are made by the Managing Director & CEO as authorized by the Board.
- Developing, recommending and reviewing the Bank's Human Resources policies.

Besides, we have acknowledged the issue to Bangladesh Bank, Primary Regulator for the Banking Sector, through our letter no.JBL/HO/2018/7896 dated November 12, 2018 and subsequently they have informed us that they are working on it vide their letter no. BRPD (R-1)717/2018-9488, December 18, 2018

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 or special audit services;
- Any other service that the Audit Committee determines.
- Audit or certification services on compliance of corporate governance as required by Corporate Governance Code.
- Any other service that creates conflict of interest.
- 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.

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 committee(s) 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.

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 2018, 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 observed that during 2018, the growth of Deposit, Loans & Advances, Import business, Export Business and Guarantee Business were 12.21%, 16.27%, 23.32%, 31.83% and 18.33% 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.

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

Shafiq Basak & Co., Chartered Accountants of has completed their 3(three) years term as External Auditor of the Bank and they are not eligible for re-appointment due to their 3 (three) consecutive years of act as per BRPD Circular issued by Bangladesh Bank.

In this regard, the Board recommended to the shareholders of the Bank in the ensuing Annual General Meeting (AGM) for their approval to appoint Khan Wahab Safique Rahman & Co., Chartered Accountants of Rupali Bima Bhaban (5th & 6th Floor), 7, Rajuk Avenue, Motijheel, Dhaka as External Auditor of the Bank for the year 2019 i.e. until next AGM of the Bank at a professional fee of Tk.5.00 lac only excluding VAT subject to obtaining No Objection from Bangladesh Bank.

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

Jamuna Bank Limited regards its employees as Human Capital in the sense that our people suffix the added value to organization in respect of both skill value and economic value. It is our people who are the differentiator for the organization and absolute basis for competitive advantage.

JBL feels, without creating core competencies, no organization can leapfrog than that of the competitors and

it is the caliber including their knowledge and skills can only create core competencies of the organization for reaping the cutting edge.

To this effect, JBL constantly sharpen its people's knowledge and skills through continuous training and development and acquire employees embodying a set of skills which ultimately generates a stock of productive capital for our organization. We simply link between the HR practices and business performance in terms of assets.

In this backdrop, JBL polarizes the investment cost i.e. acquiring cost, training & development cost and other cost expended for the individuals from plausible outcome which is generated from the employees' concerted efforts and consequently surfaces per employee cost and income.

To conclude, 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 Human Capital section in this annual report.

Communication to Shareholders & Investors' Relation Department

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, Dematerialization/ Re-materialization of shares, Distribution of Annual Report, issue and dispatch of MICR Dividend/ Fractional Dividend Warrants, To issue Shareholding 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.

Redressal of Investors Complaints

A share holder can take up matters like non-receipt of dividend, Annual Reports and Notices of General meetings etc., either with the Share Department at the Head Office of the Bank or with the Company Secretary. The Share Department look into the redressal of shareholder/investor complaints.

The company maintains investor grievance file in which full details of every written complaint are kept. We have 3 designated persons who look after the investor grievances within a timeframe. A letter or email is sent to the investor who has submitted written complaint by the designated person or compliance officer acknowledging receipt of the complaint and informing him/her of the process for suitable decision.

To ensure equal treatment to all shareholders, the bank created various mechanisms, such as:

- Shareholders who are unable to attend the shareholders meeting are provided with proxy forms to nominate proxy to attend and vote on their behalf. The proxy forms which are in accordance with the standard format, are sent along with the annual report.
- The bank sees the importance of the consideration of transactions which may have conflict of interest or may be connected or related transactions and abides by good corporate governance principles, including the rules and regulations of the Bangladesh Securities and Exchange Commission and the Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd.
- Directors, management and those who are related persons do not participate in the consideration to approve such transactions.
- The bank continues to have regular communication with the shareholders through periodic updates of performance.
- The shareholders' meetings proceed in accordance with the order of agenda.
- At times, the investors lodge complaints. These complaints are timely resolved. Investors at times lodge complaints through DSE and CSE. Those are also timely taken up and resolved. The concerned investors and the DSE/CSE are informed of the resolution of the complaint.
- Annual Report of each year and other relevant information about Jamuna Bank may be viewed on JBL's website <http://www.jamunabankbd.com/>.
- The Bank provides copies of Annual Reports to the Bangladesh Securities and Exchange Commission,

Bangladesh Bank, The Dhaka Stock Exchange Limited and The Chittagong Stock Exchange Limited for their reference. Investors may read them at public reference room or library.

Besides, Jamuna Bank Ltd. follows the following principles in dealing with the Investors:

- Fair treatment.
- Timeliness in the resolution of investors' complaints.
- Friendliness with all investors and all investor segments.
- Protection of investors' interest.

Investors' Inquiries Queries relating to shareholdings, for example, transfer

of shares and payment of dividend, are to be sent to the following address:

Investors' Relation Department:

Address : Jamuna Bank Limited, Head Office : Share Division, Hadi Mansion (3rd floor), 2, Dilkhusha C/A, Dhaka-1000
 Web Address : www.jamunabank.com.bd
 Name of Contact Person : Mr. Quzi Mohammad Taraqul Akbar, Division Head, Share Division
 E-mail : head.share@jamunabank.com.bd
 Phone : 9570938 (Head of the Division) & 9570912 -Ext 322, 291(10:00 A.M. to 6:00 P.M.)
 Fax : +8802 9565762, 47118671

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' or in other word 'Sustainable Banking' is a major issue worldwide now. Awareness about the development of sustainable/ green financial regulations has been increasing rapidly. Through protecting or preserving environment, such financial inclusion in sustainable measures result onto special jobs, economic uplift and creates a long-lasting positive impact in a country's economy. Jamuna Bank Limited has already stepped in different arena for implementation of "Sustainable Development Goals". as per following:

- JBL has taken initiatives to create a climate change risk - fund for financing in different areas after assessing the risks involved. The said fund will be a part of the bank's CSR expenses.
- JBL has given preferences for financing in eco-friendly business activities and energy efficient industries like Effluent Treatment Plant, renewable energy project, clean water supply, waste management plan, solid &

hazardous disposal plant, bio gas plant, bio-fertilized etc. The Bank has financed in Hybrid Hoffman Kiln (HHK) technology, solar panel etc.

- The Bank has started to set up energy efficient bulbs in the newly established/existing Branches. Different divisions of the Bank are disseminating operational guidelines, circulars and Management decisions as well as collecting statements through email reducing use of paper.
- We maintain negative list of sectors (adversely impacting the environment) in the credit policy as best practice.
- For setting up of Branches, Bank is emphasizing on use of renewable energy (e.g. solar), use of energy saving bulbs and other equipment, reduced water and electricity use, use of recycled water etc. Already 26 branches are powered partially by Solar energy.
- We have introduced and practicing Green Tips to manage better In-House Environment. Some of the practices are as below:
 - Preparation & maintenance of inventory of the consumption of water, paper, electricity , energy etc. in offices and branches in different places.
 - Saving electricity and reduce water and paper consumption.
 - In place of relying on printed documents, online communication is extensively used (where possible) for office management.
 - Installing energy efficient electronic equipment's and automatic shutdown of computers, -fans, lights, air coolers etc.
 - Use of energy saving LED Bulb as much as possible.
 - Printing on reusable sheets.
 - Printing multiple pages on single sheets of paper.
 - Setting defaults to print double -sided and print on both sides
 - Printing only the pages required.
 - Use email statements, we save an enormous amount of paper.
 - Low use of cheque book or paying-in book (withdrawal & payment through Card)
 - Switching off the ACs after 7 pm (or earlier specially when not required), and maintaining the temperature of the AC over 22 Degree Celsius ;
 - Switching off the lights of the common are after banking hour.

- Switching off the computer / printer, when not in use, and air coolers inside ATM Booths every night from 12:00 midnight to 6:00 a.m. etc.
- Putting a restrain and ensure judicious consumption of water, fuel and energy.

Please refer to "Sustainability Report" section of 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 enched their dividend

To acknowledge our valuable shareholders, we are publishing Notice of AGM (mentioning dividend, record date etc.) in two different National Dailies. Besides, Price Sensitive Information is also published in the two different national dailies and in one on-line news portal to acknowledge our shareholders regarding decision of the Board in this regard.

Shareholders of the Bank in their 16th AGM held on August 07, 2017 approved 20.50% Cash Dividend for the year 2016 which was subsequently credited to the respective Bank Account of the shareholders through Bangladesh Electronic Funds Transfer Network (BEFTN).

The shareholders who did not receive dividend through BEFTN due to not updating their information of Bank account with CDBL system, option also provided to collect the same by issuing dividend warrant. In this regard, JBL also issued Dividend Warrant and dispatched the same to the addresses of the respective shareholders as per record. Formal Newspaper add also published in two widely national dailies as per rule.

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.

| S/N | Name of the Members | Status |
|-----|--|------------------------|
| 1. | Al-Hajj Mawlana Mohammad Sadequl Islam Imam and Khatib, Mohakhali DOHS Jame Masjid, Dhaka Cantonment. | Chairman |
| 2. | Mr. M. Azizul Haque Founder Managing Director of Islami Bank Bangladesh Ltd., Consultant of Islami Banking | Member |
| 3. | Prof. Mawlana Md. Salahuddin Khatib, Baitul Mukarram, National Mosque, Dhaka | Member |
| 4. | Mawlana Abdur Razzak Principal, Madinatul Ulum Model Institute Boys Kamil Madrasah, Dhaka. | Member |
| 5. | Hafez Mawlana Mufti Ruhul Amin Principal, Jamea Islamia Darul Ulum Khademul Islam Gawherdanga Madrasah, Tungipara, Gopalganj. | Member |
| 6. | Hafez Mawlana Prof. Dr. Shahidul Islam Barakati Islami Scholar | Member |
| 7. | Dr. Ahmadullah Trishali Assistant Director, Bangladesh Madrasa Teachers' Training Institute (BMTTI) Board Bazar, Gazipur | Member |
| 8. | Mr. Shafiqul Alam Managing Director, Jamuna Bank Ltd. | Member (Ex-Officio) |

| Sl. | Name | Status | Presence of the members in the meeting during above tenure | | | Remuneration |
|---|--|------------------------|--|---------|--------|--------------|
| | | | No. of meeting | Present | Absent | |
| For the period 01.01.2018 to 31.12.2018 | | | | | | |
| 01. | Alhaj Mawlana Md. Sadequl Islam | Chairman | 4 | 4 | - | 32,000.00 |
| 02. | Mr. M. Azizul Haque | Member | 4 | 2 | 2 | 16,000.00 |
| 03. | Professor Mawlana Md. Salahuddin | Member | 4 | 0 | - | 0.00 |
| 04. | Mawlana Abdur Razzak | Member | 4 | 4 | - | 32,000.00 |
| 05. | Hafez Mawlana Mufti Ruhul Amin | Member | 4 | 2 | 2 | 16,000.00 |
| 06. | Hafez Mawlana Prof. Dr. Shahidul Islam Barakati | Member | 4 | 4 | - | 32,000.00 |
| 07. | Dr. Ahmadullah Trishali | Member | 4 | 4 | - | 32,000.00 |
| 08. | Mr. Shafiqul Alam Managing Director, Jamuna Bank Ltd. | Member (Ex-Officio) | | | | |

Management Committees

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

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 14 (fourteen) senior members of the Management. The Managing Director is the Chairman of MANCOM. The meeting of the MANCOM held every quarter.

Senior Management Team (SMT)

The highest committee of Management is the Senior Management Team (SMT), which is responsible for overall management of the Bank, internal control and core risk management as well as recommending strategy and monitoring business performance of the bank and its subsidiaries. It is composed of 6 (six) senior members of the Management.

Asset Liability Committee (ALCO)

Asset Liability Committee consists of the Managing Director, the Additional Managing Director & Deputy Managing Director and strategically important Divisional Heads of Head Office. The Managing Director and in his absence the Additional 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. The Head of Treasury acts as the secretary of the committee.

Meeting held by ALCO in 2018: 16 (Sixteen)

Major agenda covered in 2018:

- Review of the Fund Position and Mismatch Position.
- Review of interest rates on Deposits and Advances of our Bank compared to other Bank.
- Discussion on the comparative position of Deposit and Advances of our Branches.
- Discussion regarding activities of PD.
- Review of the Economic & Market Status and outlook & the Key Management indicators of the Bank.
- Discussion regarding bucket information of Asset & Liabilities of the Bank.
- Discussion regarding the position of rate sensitive Asset & Liability.
- Discussion regarding the unused whole sale borrowing capacity.
- Discussion regarding the undrawn portion of Commitment.
- Review of the trend of local & foreign currency deposits & advance position.
- Review of the statement showing the interest rate risk of Assets & Liabilities position of the Bank.
- Review of the loan & Deposit Movement.
- Review of the interest rate breakdown for asset & Liability.
- Review of the top 10 Depositors list.
- Review of the top 10 Borrowers list.
- Review of the trend of the limit as states in policy statement for last few months..
- Review of the combined & segmented Deposit & Advance trend in local & foreign currency.
- Review of the comparative balance position of the Bank.
- Review of the status of regulatory compliance.
- Review of the last financial data of the Bank.
- Review of the off balance sheet position.
- Review of the credit limit imposed by the counter parties.
- Review of the limit status and its utilization.
- Discussion regarding the amount of loan able fund
- Discussion regarding Borrowed fund to Total Asset
- Review of the average interest rate on loans & deposit
- Review of the highest call money rate for previous 12 months.
- Review on Foreign Exchange Asset & Liability and Net Open Position (NOP)
- Review of the Value at risk (VaR) on foreign Exchange Position.
- Review of the Stress testing report & expected capital requirement

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

Meeting held by HOCRC in 2018 : 162 (One hundred sixty two)

| Sanction type of Credit Committee | Number of proposal |
|-----------------------------------|--------------------|
| Facility Approved in 2018 | |
| New | 862 |
| Renewal | 208 |
| Enhancement | 75 |
| Renewal with Enhancement | 199 |
| Reduction | 5 |
| Renewal with Reduction | 11 |
| Restructuring | 6 |
| Renewal with Restructuring | 0 |
| Rescheduling | 27 |
| Specific | 385 |
| Others | 372 |

The business proposals having funded facilities within Tk.1.00 Crore will be placed before the Committee.

Business Management Committee (BMC)

The Board of Directors is the source of all powers. It can delegate power to any committee, The Managing Director and different tiers of the Management from time to time for smooth operation of the Bank. The Board in its 306th meeting held on 27/04/2017 delegated business power of total BDT 15.00 crore (where funded Tk.5.00 crore + non-funded Tk.10.00 crore) to the Managing Director and CEO of the Bank. And Managing Director formed a committee titled "Business Management Committee" chaired by the Managing Director and other member of the committee for this purpose will be as follows:

- 1) The Additional Managing Director.
- 2) The Head Office Deputy Managing Directors'
- 3) The Head of Corporate Banking Division'
- 4) The Head of Business.
- 5) The Head of Credit Risk Management Division'
- 6) An officer of Credit Risk Management Division will act as secretary to the Management Committee Board.

The business proposals having funded facilities above Tk.1.00 Crore to Tk.5.00 crore and non-funded facilities upto Tk.10.00 crore will be placed before the Committee. The Head of Retail Banking Division and Head of SME Division attend meetings if they have proposals placed in the BMC for discussion.

Meeting held by BMC in 2018 : 43 (Forty three)

Risk Management Committee at management-level

In compliance of DOS Circular Letter No. 13 dated 09 September 2015, the Bank has formed Risk Management Committee at management level comprising AMD, DMD (Operations), Head of ICC, Head of CRM & CRO, Head of ICT, Head of FAD, Head of AML, Head of ID, Head of Treasury, Head of Law and Recovery. The Head of RMD acts as the secretary of the committee. This Committee is engaged in formulating risk management policy and procedures of the Bank.

Meeting held by Bank's Risk Management Committee: 12 (Twelve)

Major agenda covered in 2018

- Discussion on the Comprehensive Risk Management Report on Monthly Basis.

Supervisory Review Committee (SRC)

A sound risk management process is the foundation for an effective assessment of the adequacy of a bank's capital position. In this regard, Supervisory Review Committee is engaged in reviewing the nature and level of risk relates to banking assets and planning for adequate capital framework.

Meeting held by Bank's Supervisory Review Committee: 06 (Six)

Major agenda covered in 2018

- Discussion on the Risk Management Paper on quarterly basis.
- Discussion on the statement of the Capital Adequacy on quarterly basis.
- Discussion on the statement of the Stress Testing on quarterly basis.
- Discussion on Internal Capital Adequacy Assessment Process (ICAAP) on yearly basis.

Corporate Governance Compliance Statement

Jamuna Bank Ltd. believes that enriched corporate governance contributes to the long-term success of a company and creates trust and engagement between the company and its stakeholders. Accordingly, the Board of Directors and Management are committed to continuously striving for the highest standards in governance to ensure that the business and its affairs are in strict adherence to the doctrine and principles of sound governance such as integrity, transparency, accountability and responsible business conduct to safeguard the interests of its shareholders and stakeholders. It is the responsibility of the Company Secretary, being the highest governance official in the Company, to ensure effective compliance of rules and regulations in this respect.

As part of its corporate policy, Jamuna Bank always strives to maximize its shareholders' value and benefit. In doing so, the Bank is committed to maintaining high standards of Corporate Governance. The Company's Corporate Governance framework is directed towards achieving its business objectives in a manner that is responsible and in accordance with its high standards of honesty, reliability, transparency and accountability. The essential elements that define effective corporate governance in the Company are outlined in the Corporate Governance Statement which is appended in this Annual Report.

Besides, we have the pleasure to confirm that the Company has, complied with all the necessary guidelines under BSEC Corporate Governance Code dated 3 June 2018. The Compliance Report along with the necessary remarks and disclosures is appended in this Annual Report for the year 2018. Further, a Certificate of Compliance required under the said Guidelines, as provided by ACNABIN, Chartered Accountant, is also annexed to this report.

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 director. | 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 the board of a banking company under Section 47 of BCA, 1991. | No such instance |
| 1.3 | 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. | No such instance |
| 1.4 | 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. | Currently No such Director in JBL |
| 2 | 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. | Currently No such Director in JBL |
| 3 | Information regarding Directors: Banks are advised to take the following steps regarding director information: | |
| (a) | Every bank should keep an updated list of Bank Directors. | Complied |
| (b) | Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director. | Complied |
| (c) | Banks should display a list of directors in the website and update it on a regular basis. | Complied |
| 4 | Responsibilities of the Board of Directors | |
| 4.1 | Responsibilities and Authorities of the Board of Directors: | |

| Sl. | Particulars | Compliance Status |
|-----|---|---|
| (a) | 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. | Complied |
| | (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. | Complied |
| (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. | Complied |
| | (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. | Complied |
| (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. | Complied |
| (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. | Complied. (BoD of JBL approves HR policy from time to time which guides all actions or decisions related to HR of JBL) |
| | (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. | Complied |
| | (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. | Complied |
| (e) | 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. | Complied |
| | (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. | Complied (JBL follows a Board approved 'Procurement and disposal policy') |
| | (iii) The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines. | Complied |

| Sl. | Particulars | Compliance Status |
|-----|--|---|
| (f) | 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. | Complied |
| (g) | Other responsibilities of the Board: In accordance to BB Guidelines issued from time to time. | Complied. (The BoD will do so as and when required by BB) |
| 4.2 | 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. | Complied. (Usually JBL holds two Board Meetings in a month) |
| 4.3 | 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. | Complied |
| | 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. | Complied |
| | 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. | Complied |
| 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. | Complied |
| 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. | Complied |
| 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. | Complied |
| 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. | Complied |
| 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. | Complied |
| 7 | The Chief Executive Officer will inform about this circular to the directors and other related persons. | Complied |

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

| Sl. | Particulars | Compliance Status |
|-----|---|-------------------|
| A | Rules and regulations for appointing CEO | |
| 1 | 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,- 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 | Experience and Suitability: 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, Accounting, Banking and Finance or Business Administration will be given importance for the concerned person for appointing/re-appointing as Managing Director. No third class will be acceptable in his/her educational life. In grading system, he should have minimum GPA 3.00 in SSC and HSC levels and CGPA 2.50 out of 4.00 or 3.00 out of 5.00 in Graduation and post-graduation level from any approved University. (amended on 24th December 2018 vide BRPD Circular Letter No.26) 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 | Transparency and Financial Integrity: As per BRPD Circular No.18 dated 27 October 2013 issued by Bangladesh Bank. | Complied |
| 4 | Age limit: No person crossing the age of 65 years shall hold the post of CEO of a bank. | Complied |
| 5 | 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. | Complied |
| 6 | 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. | 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 consultant 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

REGULATIONS

RULES - LAW

REQUIREMENTS

COMPLIANCE

STANDARDS

TRANSPARENCY

POLICIES

"Jamuna Bank Limited (JBL) is complying with the Corporate Governance Code vide its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80; dated:

03 June 2018 Gazetted on 10 June 2018. Status of compliance of Jamuna Bank for the year ended December 2018 is as follows: "

| Condition No. | Title | Compliance Status | | Remarks |
|-----------------------|--|--|--------------|---|
| | | (Put \checkmark in the appropriate column) | | |
| | | 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) | \checkmark | | |
| 1.2 | Independent Directors | | | |
| 1.2 (a) | At least one fifth (1/5) of the total number of directors in the company's board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s); | \checkmark | | The Board of JBL has constituted as per section 15(9) of Bank Company Act 1991(Amended upto 2013) |
| 1.2 (b) (i) | Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company; | \checkmark | | |
| 1.2 (b) (ii) | Who is not a sponsor and in not connected with any Sponsor/ director/nominated director/shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company; | \checkmark | | |
| 1.2 (b) (iii) | who has not been an executive of the company in immediately preceding 2 (two) financial years; | \checkmark | | |
| 1.2 (b) (iv) | Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies | \checkmark | | |
| 1.2 (b) (v) | who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange; | \checkmark | | |
| 1.2 (b) (vi) | who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market; | \checkmark | | |
| 1.2 (b) (vii) | who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code; | \checkmark | | |
| 1.2 (b) (viii) | Not be an independent director in more than 5 (five) listed companies; | \checkmark | | |
| 1.2 (b) (ix) | 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); | \checkmark | | |
| 1.2 (b) (x) | Not been convicted for a criminal offence involving moral turpitude | \checkmark | | |
| 1.2 (c) | The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM). | \checkmark | | |
| 1.2 (d) | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days. | \checkmark | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---------------|---|-----------------------------------|--------------|---------|
| | | (Put √ in the appropriate column) | | |
| | | Complied | Not complied | |
| 1.2 (e) | 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. Former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994. | √ | | |
| 1.3 | Qualification of Independent Director (ID) | | | |
| 1.3 (a) | Knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business. | √ | | |
| 1.3 (b) | Independent director shall have following qualifications: | | | |
| 1.3 (b) (i) | Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or | | N/A | |
| 1.3 (b) (ii) | Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or | | N/A | |
| 1.3 (b) (iii) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or | √ | | |
| 1.3 (b) (iv) | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or | | N/A | |
| 1.3 (b) (v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification; | | N/A | |
| 1.3 (c) | The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b); | √ | | |
| 1.3 (d) | In special cases the above qualifications may be relaxed subject to prior approval of the Commission | | N/A | |
| 1.4 | Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer. | | | |
| 1.4 (a) | The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals; | √ | | |
| 1.4 (b) | The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company; | √ | | |
| 1.4 (c) | The Chairperson of the Board shall be elected from among the non-executive directors of the company; | √ | | |
| 1.4 (d) | The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/ or Chief Executive officer; | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---------------|--|-----------------------------------|--------------|--|
| | | (Put ✓ in the appropriate column) | | |
| | | Complied | Not complied | |
| 1.4 (e) | In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | | | |
| 1.5 | The Directors' Report to Shareholders | √ | | |
| 1.5 (i) | An industry outlook and possible future developments in the industry; | √ | | |
| 1.5 (ii) | The segment-wise or product-wise performance; | √ | | |
| 1.5 (iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; | √ | | |
| 1.5 (iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; | √ | | Discussion on interest income, expense and net profit provided |
| 1.5 (v) | A discussion on continuity of any extraordinary activities and their implications (gain or loss); | √ | | |
| 1.5 (vi) | A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions; | √ | | |
| 1.5 (vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments; | √ | | |
| 1.5 (viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.; | N/A | | |
| 1.5 (ix) | An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements; | √ | | |
| 1.5 (x) | A statement of remuneration paid to the directors including independent directors; | √ | | Please refer to Directors Report |
| 1.5 (xi) | A statement that 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) | A statement that proper books of account of the issuer company have been maintained; | √ | | |
| 1.5 (xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment; | √ | | |
| 1.5 (xiv) | A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed; | √ | | Departure has been adequately explained in notes to the financial statements |
| 1.5 (xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | √ | | |
| 1.5 (xvi) | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress; | √ | | Please refer to Directors Report |

| Condition No. | Title | Compliance Status | | Remarks |
|----------------|--|-----------------------------------|--------------|--|
| | | (Put √ in the appropriate column) | | |
| | | Complied | Not complied | |
| 1.5 (xvii) | A statement that there is no significant doubt 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 there of shall be disclosed; | √ | | |
| 1.5 (xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | √ | | |
| 1.5 (xix) | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized; | √ | | |
| 1.5 (xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year; | N/A | | |
| 1.5 (xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | √ | | |
| 1.5 (xxii) | The total number of Board meetings held during the year and attendance by each director; | √ | | |
| 1.5 (xxiii) | A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: | √ | | |
| 1.5 (xxiii) a) | Parent or Subsidiary or Associated Companies and other related parties (name-wise details); | √ | | |
| 1.5 (xxiii) b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details); | √ | | |
| 1.5 (xxiii) c) | Executives; and | √ | | |
| 1.5 (xxiii) d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); | √ | | Please refer to Directors Report |
| 1.5 (xxiv) | In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: | √ | | |
| 1.5 (xxiv) a) | a brief resume of the director; | √ | | |
| 1.5 (xxiv) b) | nature of his or her expertise in specific functional areas; and | | | |
| 1.5 (xxiv) c) | names of companies in which the person also holds the directorship and the membership of committees of the Board; | √ | | |
| 1.5 (xxv) | A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: | √ | | Please refer to Management's Discussion and Analysis section |
| 1.5 (xxv) a) | accounting policies and estimation for preparation of financial statements; | √ | | |
| 1.5 (xxv) b) | changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | √ | | |
| 1.5 (xxv) c) | comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | √ | | |
| 1.5 (xxv) d) | compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | √ | | |
| 1.5 (xxv) e) | briefly explain the financial and economic scenario of the country and the globe; | √ | | |
| 1.5 (xxv) f) | risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---------------|---|-----------------------------------|--------------|--|
| | | (Put ✓ in the appropriate column) | | |
| | | Complied | Not complied | |
| 1.5 (xxv) g) | future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | √ | | |
| 1.5 (xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and | √ | | Please refer to Directors Report |
| 1.5 (xxvii) | The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C. | √ | | |
| 1.6 | Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | | | |
| 1.7 | Code of Conduct for the Chairperson, other Board members and Chief Executive Officer. | | | |
| 1.7 a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company; | | | There is a conflict issue regarding formation of NRC between Bangladesh Bank circular and BSEC corporate governance code. Bangladesh Bank sent a letter to BSEC for clarification on the issue, but no feedback has yet been received. |
| 1.7 b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency. | | | |
| 2 | Governance of Board of Directors of Subsidiary Company. | √ | | |
| 2 a) | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company; | √ | | |
| 2 b) | At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company; | √ | | |
| 2 c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company; | √ | | |
| 2 d) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also; | √ | | |
| 2 e) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|--------------------|--|-----------------------------------|--------------|---------|
| | | (Put ✓ in the appropriate column) | | |
| | | Complied | Not complied | |
| 3.3 | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS). | ✓ | | |
| 3.1 | Appointment | | | |
| 3.1 (a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC); | ✓ | | |
| 3.1 (b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; | ✓ | | |
| 3.1 (c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; | ✓ | | |
| 3.1 (d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | ✓ | | |
| 3.1 (e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s). | ✓ | | |
| 3.2 | Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters. | ✓ | | |
| 3.3 | Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) | | | |
| 3.3 a) | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: | ✓ | | |
| 3.3 a) (i) | these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and | ✓ | | |
| 3.3 a) (ii) | 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; | ✓ | | |
| 3.3 b) | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members; | ✓ | | |
| 3.3 c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report. | ✓ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|----------------|---|-----------------------------------|--------------|---|
| | | (Put ✓ in the appropriate column) | | |
| | | Complied | Not complied | |
| 4 | Board of Directors' Committee. | | | |
| | For ensuring good governance in the company, the Board shall have at least following sub-committees: (3) (i) Audit Committee; and (4) (ii) Nomination and Remuneration Committee. | | | As Bangladesh Bank is restricted (by Central Bank) to have more than 3(three) sub-committees of the Board. We have a Audit Committee of the Board. But for NRC, the Board oversees the following activities: - Recruitment, promotion and remuneration up to two-level below the rank of Managing Director as per BRPD Circular No.11 dated 27 October 2013. Other than the above, all appointments, promotions and fixing remuneration are made by the Managing Director & CEO as authorized by the Board. - Developing, recommending and reviewing the Bank's Human Resources policies. Besides, we have acknowledged the issue to Bangladesh Bank, Primary Regulator for the Banking Sector, through our letter no.JBL/H0/2018/7896 dated November 12, 2018 and subsequently they have informed us that they are working on it vide their letter no. BRPD (R-1)717/2018-9488, December 18, 2018 |
| 5 | Audit Committee | | | |
| 5(1) | Responsibility to the Board of Directors | | | |
| 5(1)(a) | The company shall have an Audit Committee as a sub-committee of the Board; | ✓ | | |
| 5(1)(b) | The Audit Committee shall assist the Board 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; | ✓ | | |
| 5(1)(c) | The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing. | ✓ | | |
| 5(2) | Constitution of the Audit Committee | | | |
| 5(2)(a) | The Audit Committee shall be composed of at least 3 (three) members; | ✓ | | |
| 5(2)(b) | The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director; | ✓ | | |
| 5(2)(c) | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; | ✓ | | |
| 5(2)(d) | When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee; | | | Not such event occurred |
| 5(2)(e) | The company secretary shall act as the secretary of the Committee; | ✓ | | |
| 5(2)(f) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | ✓ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|----------------|---|-----------------------------------|--------------|---------|
| | | (Put ✓ in the appropriate column) | | |
| | | Complied | Not complied | |
| 5(3) | Chairperson of the Audit Committee | ✓ | | |
| 5(3)(a) | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director; | ✓ | | |
| 5(3)(b) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | ✓ | | |
| 5(3)(c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM. | ✓ | | |
| 5(4) | Meeting of the Audit Committee | | | |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee; | ✓ | | |
| 5(4)(b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | ✓ | | |
| 5(5) | Role of Audit Committee The Audit Committee shall: | ✓ | | |
| 5(5)(a) | Oversee the financial reporting process; | ✓ | | |
| 5(5)(b) | monitor choice of accounting policies and principles; | | | |
| 5(5)(c) | monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report; | ✓ | | |
| 5(5)(d) | oversee hiring and performance of external auditors; | ✓ | | |
| 5(5)(e) | hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | ✓ | | |
| 5(5)(f) | review along with the management, the annual financial statements before submission to the Board for approval; | ✓ | | |
| 5(5)(g) | review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval; | ✓ | | |
| 5(5)(h) | review the adequacy of internal audit function; | ✓ | | |
| 5(5)(i) | review the Management's Discussion and Analysis before disclosing in the Annual Report; | ✓ | | |
| 5(5)(j) | review statement of all related party transactions submitted by the management; | ✓ | | |
| 5(5)(k) | review Management Letters or Letter of Internal Control weakness issued by statutory auditors; | ✓ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---------------|---|-----------------------------------|--------------|---|
| | | (Put √ in the appropriate column) | | |
| | | Complied | Not complied | |
| 5 (5) (l) | oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and | √ | | |
| 5 (5) (m) | <p>oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:</p> <p>Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds 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:</p> <p>Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.</p> | √ | | |
| 5 (6) | Reporting of the Audit Committee | | | |
| | 5 (6) (a) Reporting to the Board of Directors | | | |
| | <p>(i) The Audit Committee shall report on its activities to the Board.</p> <p>(ii) The Audit Committee shall immediately report to the Board on the following findings, if any:</p> <ul style="list-style-type: none"> • report on conflicts of interests; • suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; • suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and <p>(d) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;</p> | √ | | |
| | 5 (6) (b) Reporting to the Authorities | | | No such reporting made by the Audit Committee during the year |
| | <p>If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.</p> | | | |
| | 5(7) Reporting to the Shareholders and General Investors | √ | | |
| | Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company. | | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---------------|--|---|--------------|---------|
| | | (Put ✓ in the appropriate column) | | |
| | | Complied | Not complied | |
| 6 | Nomination and Remuneration Committee (NRC) | | | |
| | <p>Responsibility to the Board of Directors</p> <p>(a) The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;</p> <p>(b) The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;</p> <p>(c) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).</p> <p>(2) Constitution of the NRC</p> <p>(a) The Committee shall comprise of at least three members including an independent director;</p> <p>(b) All members of the Committee shall be non-executive directors;</p> <p>(c) Members of the Committee shall be nominated and appointed by the Board;</p> <p>(d) The Board shall have authority to remove and appoint any member of the Committee;</p> <p>(e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;</p> <p>(f) The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;</p> <p>(g) The company secretary shall act as the secretary of the Committee;</p> | <p>As Bangladesh Bank is restricted (by Central Bank) to have more than 3(three) sub-committees of the Board. We have Audit Committee of the Board. But for NRC, the Board oversees the following activities:</p> <ul style="list-style-type: none"> - Recruitment, promotion and remuneration up to two-level below the rank of Managing Director as per BRPD Circular No.11 dated 27 October 2013. Other than the above, all appointments, promotions and fixing remuneration are made by the Managing Director & CEO as authorized by the Board. - Developing, recommending and reviewing the Bank's Human Resources policies. | | |
| | <p>(h) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;</p> <p>(i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.</p> | <p>Besides, we have acknowledged the issue to Bangladesh Bank, Primary Regulator for the Banking Sector, through our letter no.JBL/HO/2018/7896 dated November 12, 2018 and subsequently they have informed us that they are working on it vide their letter no. BRPD (R-1)717/2018-9488, December 18, 2018</p> | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---------------|--|-----------------------------------|--------------|---------|
| | | (Put ✓ in the appropriate column) | | |
| | | Complied | Not complied | |
| | <p>(3) Chairperson of the NRC</p> <p>(a) The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;</p> <p>(b) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;</p> <p>(c) The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.</p> <p>(4) Meeting of the NRC</p> <p>(a) The NRC shall conduct at least one meeting in a financial year;</p> <p>(b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;</p> <p>(c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);</p> <p>(d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.</p> <p>(5) Role of the NRC</p> <p>(a) NRC shall be independent and responsible or accountable to the Board and to the shareholders;</p> <p>(b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:</p> <p>(i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:</p> <p>(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;</p> <p>(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and</p> | | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---------------|---|-----------------------------------|--------------|---------|
| | | (Put √ in the appropriate column) | | |
| | | Complied | Not complied | |
| | <p>(c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;</p> <p>(ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;</p> <p>(iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;</p> <p>(iv) formulating the criteria for evaluation of performance of independent directors and the Board;</p> <p>(v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and</p> <p>(vi) developing, recommending and reviewing annually the company's human resources and training policies;</p> <p>(c) The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.</p> | | | |
| 7 | External or Statutory Auditors. | | | |
| | (1) The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:- | | | |
| | (i) appraisal or valuation services or fairness opinions; | √ | | |
| | (ii) financial information systems design and implementation; | √ | | |
| | (iii) book-keeping or other services related to the accounting records or financial statements; | √ | | |
| | (iv) broker-dealer services; | √ | | |
| | (v) actuarial services; | √ | | |
| | (vi) internal audit services or special audit services; | √ | | |
| | (vii) any service that the Audit Committee determines; | √ | | |
| | (viii) audit or certification services on compliance of corporate governance as required under condition No. 9(1); and | √ | | |
| | (ix) any other service that creates conflict of interest. | √ | | |
| | (2) 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; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members. | √ | | |
| | (3) Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders. | √ | | |

| Condition No. | Title | Compliance Status | | Remarks |
|---------------|---|-----------------------------------|--------------|-------------------------------------|
| | | (Put √ in the appropriate column) | | |
| | | Complied | Not complied | |
| 8 | Maintaining a website by the Company. | | | |
| | (1) The company shall have an official website linked with the website of the stock exchange. | √ | | |
| | (2) The company shall keep the website functional from the date of listing. | √ | | |
| | (3) The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s). | √ | | |
| 9 | Reporting and Compliance of Corporate Governance. | | | |
| | (1) The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | √ | | |
| | (2) The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting. | √ | | To be appointed in the upcoming AGM |
| | (3) The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not. | √ | | |

Corporate Governance Certificate



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Certificate on Compliance on the Corporate Governance Code

[Issued under condition #1(5) (xxvii) of Corporate Governance Code of BSEC vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018]

We have examined the compliance status to the Corporate Governance Code by Jamuna Bank Limited ("the Bank") for the year ended 31 December 2018. This Code relates to the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Bank. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Bank has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the Bank as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the Bank is satisfactory.

Dhaka,
16 May 2019

M. Moniruzzaman, FCA
Partner
ACNABIN, Chartered Accountants



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The Code of Conduct for Directors

The business of the Board of Directors are governed by the rules, procedures and provisions of the Companies Act, 1994. The Bank may have its own provisions as laid down in the Articles of Association. Moreover Bank Companies Act, 1991 and Circulars issued by Bangladesh Bank from time to time are also important components which control the workings of the Board.

The code of conduct as followed by the Board has been developed as a matter of practices and conventions in this part of the world. The Chairman/Chairperson plays a key role in controlling the proceedings of the meeting of the Board of Directors. It is expected that good working atmosphere prevails while making deliberations in the meeting. Discussions are held within the purview of the particular agenda of the meeting. It is not expected that the speaker is to be too assertive. Minority or majority shareholdings should not be a bottleneck in the smooth functioning of the Board. The Chairman of the Board would exercise utmost caution and impartiality in conducting the business of the Board. While presiding over the meeting of the Board, he will exercise his judgement as per norms and practices of the Bank. If any issue still remains unresolved or unsettled, he will seek opinion of the members present in the meeting. Decision/resolution should not be given violating credit restrictions as well as damaging the overall interest of the Bank. As per practice, the Managing Director of the Bank initiates discussion on any matter submitted in the Board. Other Directors participate in the discussion to assess the quality of the proposals and then come to a decision/ resolution. This is a procedural necessity.

As per Company Law, Banking Companies Act 1991 and the convention as followed by almost all the Banks, the code of conduct of the Directors may be summarised as under :

- 1) The Directors of a Bank must execute their powers honestly and in a bonafide manner for the benefit of the company as a whole.
- 2) The Directors must not place themselves in a manner in which there is a clash between their duties to the Bank and their personal interest.
- 3) The Directors should carry out their duties with reasonable care and exercise such degree of skill and diligence as is reasonably expected of persons of their knowledge and status.
- 4) The Directors need not exhibit in the performance of their duties a greater degree of skill than what can reasonably be expected of persons of their knowledge and experience. In other words, they are not liable for mere errors of judgement.
- 5) The Directors are not bound to give continuous attention in the affairs of their Bank. Their duties are of intermittent nature as are performed at periodical Board meetings and the meetings of any committee to which he is appointed.
- 6) The Directors having regard to the exigencies of business and Articles of Association, may leave their duties to other officials to be properly performed.
- 7) The Directors will not convene/arrange/attend any informal meeting without the knowledge of the Chairman/Chairperson which will hamper Bank's interest other than those which are provided in the Articles of Association of Jamuna Bank Limited.
- 8) The Directors shall attend meetings of the Board of Directors or the meetings of any committee to which they are appointed. They are not bound to attend all such meetings but they must ensure attendance as per Articles of Association of Jamuna Bank Limited.
- 9) The Directors must not delegate their functions except to the extent authorised by the Companies Act or the Articles of the Bank.
- 10) The Directors are required to disclose their interest at a meeting of the Board. The disclosure should be made at the earliest possible stage.
- 11) No Director of the company, shall, as a Director, take part in any discussion of, or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the company, if he is in any way concerned or interested in the contract or arrangement.
- 12) Except with the consent of the Board of Directors of the Bank, a Director shall not enter into any contract with the Bank and show personal interest :
 - a) for sale, purchase or supply of any goods, materials or services,
 - b) for underwriting of the subscription of any shares or debentures of the Bank,
 - c) for sanction of any loan which may presumably appear to have his own interest.
- 13) The Directors, in exercise of their duties, shall comply/ abide by the Company's Act 1994 or any other law prevailing in the country.
- 14) The Directors are required to maintain strict secrecy about the affairs of the Bank.
- 15) The Directors will not involve themselves in any matter which may tarnish the image of the Bank.
- 16) The Directors shall exercise powers acting in a body.
- 17) The Directors shall not interfere in the affairs of the Bank directly to the Management.
- 18) The Directors shall communicate any affair of the Bank

- through submission in the meetings of the Board/Committee.
- 19) The Directors shall not borrow from the Bank without the approval of the Board/Bangladesh Bank.
 - 20) The Directors shall not open and operate 'Benami' Account in the Bank.
 - 21) The Directors shall disclose their interest in any affair of the Bank for consideration of the Board.
 - 22) The queries of the Directors shall be referred to the Chairman/Chairperson of the Bank. He will get the queries met.
 - 23) The requirement of any paper/information of a Director from the management shall be made known to the Chairman/Chairperson and he will get them supplied by the management timely.
 - 24) Directors shall attend meetings in time and shall not leave the meeting under normal circumstances.
 - 25) While deliberations are being made in the meeting, the Directors shall keep their mobile phones off to contribute to the deliberations.
 - 26) In a meeting, every Director shall express their views and opinion freely. But he/she shall speak after getting the floor from the chair. He/she shall address his/her views and arguments to the chair.
 - 27) Directors shall not exchange words between/among two or more Directors in a meeting.
 - 28) A Director can contribute a lot in a meeting of the Board/Committee. But any side talk between or among a few respected Directors in a meeting diverts their attention from the deliberations of the meeting and is a hindrance to the conduct of the meeting. So, Directors shall not resort to side talk in a meeting.
 - 29) Directors shall exercise reasonable caution in their utterance of words so that those do not hurt the feeling of anybody anyway.
 - 30) Note of dissent hampers congenial atmosphere in a meeting of the Directors. Directors might have difference of opinion on any point. But decision of the majority shall be gracefully accepted and respected by all Directors.
 - 31) Directors shall not take anything personally.
 - 32) Directors shall not entertain any official's approach to them for lobbying for promotion, posting, extra-facility etc.
 - 33) Any Director may refer any candidate for employment in the Bank. If he/she is found suitable through the recruitment process, he/she may be employed. After his/her employment in the Bank, the Director's reference shall end. The concerned Director shall not request for his promotion, posting, etc.
 - 34) No Director shall pursue/insist/interfere for sanction of any credit facility favouring anybody/any client directly or indirectly.
 - 35) Every Director shall help establishment of congenial atmosphere in the Bank and shall prevent creation of any clandestine grouping within the workforce.
 - 36) Directors shall not try to make any secret profit from the Bank.
 - 37) Directors shall avoid direct or indirect personal involvement in any transaction of the Bank.
 - 38) Every Director shall avoid conflict of his/her personal interest with that of the Bank.
 - 39) Every Director shall abide by the rules made by them from time to time.
 - 40) Every Director shall strictly abide by the provision contained in the Articles of Association of the Bank.
 - 41) Every Director present at any meeting of Directors or committee of Directors shall put his signature in the Attendance Register.
 - 42) Officers/Executives of the Bank are the assets of the Bank. They are the driving force for the growth and development of the Bank. Directors shall, therefore, treat them accordingly and shall not act or utter any such words as may hurt, demean or embarrass any employee anytime.
 - 43) If any Director has any complaint against any Officer/Executive of the Bank, he/she will refer it to the Chairman/Chairperson of the Board for necessary action.
 - 44) Directors shall not directly instruct the Board Secretary to include any of his/her opinion as a decision during the Board/Committee meeting. Only the Chairman of the Board/Committee shall reserve the right to instruct the Board Secretary about any decision in a meeting.
 - 45) Directors shall not directly ask the Board Secretary to include/delete/edit any agenda which are to be discussed by the Board/Committee. They may, however, refer any issue to the Chairman for discussion in the meeting. The Chairman at his own discretion may accept/reject any such issue as agenda.

- 46) In between two meetings of the Board of Directors, the Chairman/Chairperson of the Bank may take decisions on emergent issues on the basis of recommendation of the management which will ultimately be placed before the Board for post facto approval. However, Bank's financial involvement as a consequence of Chairman's/Chairperson's any such decision shall not exceed Tk.15.00 lac (Taka Fifteen lac) only.
- 47) In between two meetings of the Policy and Regulations Committee/the Executive Committee of the Board of Directors, the Chairman/Chairperson of the respective committees may take decisions on emergent issues on the basis of recommendation of the management which will ultimately be placed before the respective committee for post facto approval. However, Bank's financial involvement as a consequence of any such decision of the Chairman/ Chairperson of the respective committee shall not exceed Tk.10.00 lac (Taka Ten lac) only.

The difference of opinion among the Directors may come up, but such difference should not be reflected in the proceedings of the meeting. The proceedings of each meeting are sent to Bangladesh Bank for their perusal. If any difference of opinion is highlighted in the proceedings, the Bangladesh Bank may have notice of it and take action in the light thereof.

Actually a Board meeting is likely to be successful if and when the members of the Board demonstrate co-operation whole-heartedly and are aware of their rights and limits.

Supplementary Code of Conduct for the Directors of the Bank

- (1) The office of the Bank shall never be used as the office of any Director.
- (2) Directors shall not avail any protocol service from the Bank for their personal work/purpose having no linkage with the affairs of the Bank

- (3) The Chairman, Vice Chairman or any Director of the Bank may, however, use the Bank's protocol in the interest of the Bank provided his such service is requested by the Board and the protocol service to him for the purpose of the Bank is approved by the Board of Directors.
- (4) The minutes of a meeting shall be prepared by the Secretary of the Bank on the basis of the deliberations in the meeting. It will ultimately be edited by the Chairman of the meeting only and signed by him. No Director shall dictate the Board's Secretariat in the process of preparation of the minutes of the concerned meeting. As per practice, it is the Chairman who will decide what to and what not to record in the minutes. The Chairman at his absolute discretion may omit to record in the minutes any matter which is or could reasonably be regarded as defamatory to any person or is irrelevant or immaterial to the proceedings or is detrimental to the interest of the Bank. If any correction is necessary in the minutes, that can be done by a resolution and recorded in another minute. But in no case, the original minutes could be deleted, erased or crossed out.
- (5) The agenda of a meeting shall be decided by the Chairman in consultation with the Managing Director of the Bank. If any respectable Director has any item which he strongly feels should be included as agenda, he may refer it to the Chairman only for his consideration for such inclusion. No Director shall direct the Board Secretariat to include any item as agenda of a meeting as that will amount to affront to the Chairman.
- (6) No Director, at his/her own accord, shall officially visit any unit of the Bank and shall make any query about any affairs of the Bank. He/she may officially pay such visit if so requested/ assigned by the Board/ Chairman of the Bank in the interest of the Bank. He/she may also officially visit any unit of the Bank with the Chairman of the Bank.

Directors' Responsibility Statements

The Directors are responsible for the governance of the Bank, and in that capacity, the Directors confirm, to the best of their knowledge that:

- a. The financial statements, prepared by the Management of the Bank, present fairly its state of affairs, the result of its operations, cash flows and change in equity;
- b. Proper books of account of the Bank have been maintained;
- c. 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;
- d. The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;
- e. The system of internal control is sound in design and has been effectively implemented and monitored;
- f. There is no doubt, whatsoever, upon the Bank's ability to continue as a going concern;
- g. The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirm that:
 - (1) these statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading
 - (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and laws
- h. The CEO and CFO have certified to the Board that no transactions entered into by the Bank during the year which are fraudulent, illegal or violation of the Bank's code of conduct.

Report of the Audit Committee of the Board

In compliance with Bangladesh Bank guidelines and Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), the Audit Committee (AC) is time to time formed by the Board of Directors of the Bank. The Audit Committee is comprised of five members including two Independent Directors. Name of the members of the Audit Committee as on 31 December 2018 is shown below:

| Sl. No. | Name | Status |
|---------|--|---------------|
| 1 | Mr. Md. Rafiqul Islam, Independent Director | Chairman (AC) |
| 2 | Mr. Redwan-ul Karim Ansari, Director | Member |
| 3 | Mrs. Tasmin Mahmud, Director | Member |
| 4 | Mr. Md. Hasan, Director | Member |
| 5 | Mr. Narayan Chandra Saha, Independent Director | Member |

The major objectives of the Audit Committee are:

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

Roles and Responsibilities of the Audit Committee:

(A) Internal Control:

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

(B) Financial Reporting:

- Audit committee checks whether the financial statements reflect the complete and concrete information and determines 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, Bangladesh Accounting Standards, etc.

- Discusses with management and the external auditors to review the financial statements before its finalization.

(C) Internal Audit:

- Audit committee monitors whether internal audit is working independently from the management.
- Reviews the activities of the internal audit and the organizational structure and ensures that no unjustified restriction or limitation hinders the internal audit process;
- Examines the efficiency and effectiveness of internal audit function;
- Examines whether the findings and recommendations made by the internal auditors are duly considered by the management or not.

(D) External Audit:

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

(E) Compliance with existing Laws and Regulations:

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

(F) Other Responsibilities:

- Submits compliance report to the board on quarterly basis on regularization of the omission, fraud & forgeries and other irregularities detected by the internal and the external auditors and inspectors of regulatory authorities;
- Asks the Internal and the External auditors to submit their related assessment reports for review purpose

- Performs other oversight functions as desired by the Board of Directors and evaluates the committee's own performance on a regular basis.

Meeting of the Audit Committee

In compliance with the instructions of the Bangladesh Bank Circular & Corporate Governance Code of BSEC, the Audit Committee held 09(nine) meetings throughout the year 2018. All decisions/observations of the committee are being noted in the minutes and the Board of Directors of Bank ratified the minutes of the Audit Committee in their meeting held on the year 2018. The committee invites Chief Executive Officer, Head of Internal Control & Compliance Division or any other officer to its meeting, if it deems necessary.

Areas focused by the AC in 2018:

The major areas focused by the audit committee of the Bank during the year 2018 are mentioned below:

- Audit Plan for the year 2018 for conducting Internal Comprehensive Audit & Inspection on all Branches and Divisions of Head Office.
- Audit and Inspection reports on the branches, divisions and departments of the Corporate Office prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
- Reviewed the Quarterly, Half-yearly and Annual Financial Statements of the Bank itself and consolidated financial statements as well as disclosures of information supplementary to the financial statements and issues noted from the audit of financial statements made by the external auditors. Furthermore, the Audit Committee held meeting(s) with the external auditors to discuss the independence of the auditors and restrictions or limitations in performing their duties and expressing opinions.
- Reviewed the Bangladesh Bank comprehensive inspection report and the recommendations.
- Reviewed of the latest Implementation status on documentation of disbursed Loans & Advances against new/enhanced credit facilities of the Branches of the Bank.
- Actions taken by the management in regard to deficiencies raised in the Bangladesh Bank Inspection report and by the Internal Audit and Inspection team of the Bank.
- External Audit Report of The Bank and the recommendations of the Bank.
- The corrective measures taken by the management in

regard to the lapses pointed out on the internal control and other issues as are raised by internal and external auditors and inspectors of the regulatory authority.

- The compliance status of the audit objections and the recommendations made by the Bangladesh Bank inspectors, External Auditors and the Internal Auditors in the reports.
- Management Report on Accounts of the Bank for the year ended on 31.12.2018.
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with compliance.
- Reviewed the Management's Discussion and Analysis for Annual Report of the Bank.
- The review of status of recovery of classified loans and providing with the necessary guidelines to the management to contain the NPLs.
- Reviewing the process of strengthening Internal Control Systems and Procedures of the Bank.
- Reviewing of Annual Report on the Financial Health of the Bank, 2018 in line with the directives /guidelines of Bangladesh Bank and Managing Core Risks designed for Banking Sector.

Overall, the Audit Committee has performed its duties diligently, independently and has expressed opinions with intent to optimize the overall benefit for the Bank. Finally, it can be said that the Audit Committee it has completely and effectively conducted meetings in accordance with its roles and responsibilities assigned by the regulators and fully addressed the defined objectives.

On behalf of the Audit Committee,



Md. Rafiqul Islam
Chairman, Audit Committee