



# Directors' Report

# Directors' Report for the Year 2020

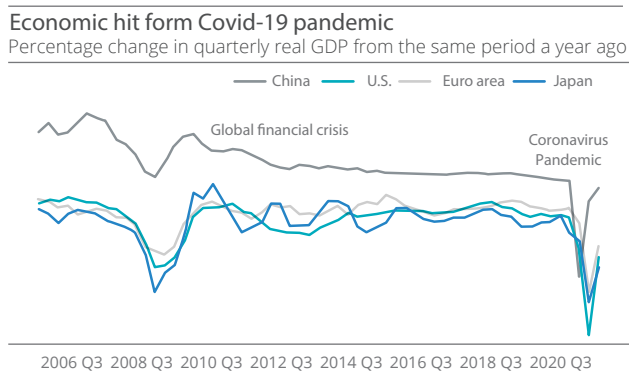
The Board of Directors of Jamuna Bank Limited takes pleasure in welcoming you all to the 20th Annual General Meeting (AGM) and presenting Annual Report and the audited financial statements of the bank for the year ended 31 December 2020 along with the Auditors' Report thereon.

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

The COVID-19 pandemic has triggered the deepest economic recession in nearly a century, threatening health, disrupting economic activity, and hurting well-being and jobs. Its depth was surpassed only by the two World Wars and the Great Depression over the past century and a half.



The rapid spread of Covid — which was first detected in China — forced many countries into months of lockdown in 2020 that markedly reduced economic activity. As a result, gross domestic product — the broadest measure of activity — plunged to record lows across many economies.

Rising trade barriers and associated uncertainty weighed on business sentiment and activity globally. In some cases (advanced economies and China), these developments magnified cyclical and structural slowdowns already under way. Further pressures came from country-specific

weakness in large emerging market economies such as Brazil, India, Mexico, and Russia. Worsening macroeconomic stress related to tighter financial conditions (Argentina), geopolitical tensions (Iran), and social unrest (Venezuela, Libya, Yemen) rounded out the difficult picture.

The International Monetary Fund forecast the global economy could shrink 4.4% this year, before bouncing back to 5.2% growth in 2021. The IMF said in October the world economy has started to recover, but warned the return to pre-pandemic levels will be "long, uneven, and uncertain."

Recent progress on coronavirus vaccines has brightened the economic outlook, but some economists said a potentially slow rollout of vaccines across developing economies could hamper the return of activity to pre-pandemic levels. After a strong decline this year, global GDP is projected to rise by around 4¼ per cent in 2021, and a further 3¾ per cent in 2022. Overall, by the end of 2021, global GDP would be at pre-crisis levels, helped by the strong recovery in China, but performance would differ markedly across the main economies. Output is projected to remain around 5% below pre-crisis expectations in many countries in 2022, raising the risk of substantial permanent costs from the pandemic. Countries and regions with effective test, track and isolate systems are likely to perform relatively well, as they have done since the onset of the pandemic, but will still be held back by the overall weakness of global demand. These output prospects would allow only gradual declines in unemployment, and damp near-term incentives for companies to invest. Persistent slack would also temper increases in wage and price inflation.

The outlook would be brighter if faster progress towards developing and distributing an effective vaccine reduces uncertainty and the need for precautionary saving. This would point the way towards a stronger recovery, especially in 2022, and a more sustained pick-up in investment and consumer spending. On the downside, growth would be weaker if virus outbreaks were to intensify more widely, as is already the case in Europe, or if the challenges in ensuring widespread deployment of a vaccine proved to be greater than currently expected. This would imply an extended period in which containment measures were deployed to control the spread of the virus, and weaken growth prospects substantially. Confidence is still fragile, and further setbacks could remove any GDP growth in large parts of the world through 2021 or longer, deepening the already inflicted scars from the crisis.

	Average 2013- 2019	2019	2020	2021	2022	2020 Q4	2021 Q4	2022 Q4	
		Percent							
Real GDP growth <sup>1</sup>									
World <sup>2</sup>	3.3	2.7	-4.2	4.2	3.7	-3.0	3.8	3.8	
G20 <sup>2</sup>	3.5	2.9	-3.8	4.7	3.7	-2.3	3.6	3.9	
OECD <sup>2</sup>	2.2	1.6	-5.5	3.3	3.2	-5.1	3.7	2.9	
United States	2.5	2.2	-3.7	3.2	3.5	-3.2	3.4	2.9	
Euro area	1.8	1.3	-7.5	3.6	3.3	-7.3	4.7	2.9	
Japan	0.9	0.7	-5.3	2.3	1.5	-3.2	2.0	1.5	
Non-OECD <sup>2</sup>	4.3	3.6	-3.0	5.1	4.2	-1.2	3.8	4.5	
China	6.8	6.1	1.8	8.0	4.9	5.4	4.1	5.4	
India <sup>3</sup>	6.8	4.2	-9.9	7.9	4.8				
Brazil	-0.5	1.1	-6.0	2.6	2.2				
<b>Unemployment rate<sup>4</sup></b>	6.5	5.4	7.2	7.4	6.9	7.2	7.3	6.6	
<b>Inflation<sup>5</sup></b>	1.7	1.9	1.5	1.4	1.6	1.2	1.5	1.7	
<b>Fiscal balance<sup>6</sup></b>	-3.2	-3.0	-11.5	-8.4	-5.7				
<b>World real trade growth<sup>1</sup></b>	3.3	1.0	-10.3	3.9	4.4	-9.9	5.1	4.1	

1. Percentage changes; last three columns show the change over a year earlier.

2. Moving nominal GDP weight, using purchasing power parities.

3. Fiscal year.

4. Per cent of labour force.

5. Private consumption deflator.

6. Per cent of GDP

Source: OECD Economic Outlook 108 database.

Policies can play a pivotal role in supporting the economy while the health crisis persists and in easing the adjustment to a post-COVID-19 environment and governments need to react further if the recovery falters. Effective and well-resourced healthcare policies, as well as supportive and flexible macroeconomic and structural measures, are essential both to contain the impact of the virus and to minimise the potential long-run costs of the pandemic on living standards.

### Bangladesh Economy: A Brief Review & Outlook

Bangladesh economy is enjoying an annual growth rate of GDP at the rate of more than 7% for the last couple of years. Despite the adverse effect on the economies of the countries worldwide due to COVID-19 pandemic since January 2020, the economy of Bangladesh experienced a satisfactory annual growth rate of 5.24% in 2019-2020 fiscal year. Bangladesh is among the few countries in Asia who achieved a growth rate in GDP above 5% despite the global pandemic situation.

Like all other economies, ours has experienced pressure due to the disruption in economic activities during the pandemic. Both domestic and global demand contracted. As our economy is integrated with the global economy, a downward trend was observed in case of exports, outflow

of Bangladeshi migrants for work, and foreign investment.

Bangladesh has undertaken several measures to overcome the negative effect of the pandemic. These include instructions on social distancing, wearing masks and general holiday for 66 days during March-May 2020. To tackle the immediate crisis due to the pandemic, Bangladesh's policymakers announced the crisis-phase support as soon as the pandemic hit the economy. The government announced several stimulus packages since the end of March 2020 to help the affected people stay afloat and boost economic activities. According to the Ministry of Finance (MoF), government's support measures include increasing government expenditure, providing loans at low interest rates, expansion of social safety net programmes, and raising the money supply. Broadly, these fall into two categories—fiscal and monetary measures. According to a report published by the MoF in November 2020, the government announced BDT121,353 crores worth of stimulus packages. This is equivalent to 4.3 percent of gross domestic product of the country. One of the important features of Bangladesh's stimulus packages is that these are more of liquidity support and less of fiscal stimulus. Of the total stimulus packages unveiled so far 80.7 percent (3.5 percent of GDP) is liquidity support and 19.3 percent (0.8 percent of GDP) is fiscal stimulus.

The government also targeted sectors for support through an assessment of the sectoral distress and need. Liquidity support has been provided to the export-oriented industries, large industries and service sector organisations, and cottage, micro small and medium enterprises (CMSMEs). Additionally, such support has been announced in the form of increased Export Development Fund of Bangladesh Bank, pre-shipment credit refinance scheme, refinancing scheme for the agriculture sector, low-income farmers and small traders, loans for job creation, government subsidy for interest waiver of deferred bank loans for the month of April-May 2020 and credit guarantee scheme for SMEs. On the other hand, fiscal support was announced for doctors, nurses and health workers, and distribution of free food items, rice at BDT 10 per kilogramme, and cash among the poorest. The government also allocated resources for allowance programmes, construction of houses for homeless people, procurement of boro paddy and rice, farm mechanisation, agricultural subsidies, and social safety net programmes.

Besides, Bangladesh in the recent years has earned special attention among the south-east Asian countries in terms of poverty alleviation, decreasing child-mortality rate, use of hygienic sanitation, access to safe water, empowerment of women, increase in per capita income, life expectancy of the people, reducing digital divide, higher literacy rate, high foreign currency reserve and some other socio-economic indices. Bangladesh is about to become a strong economic state. Bangladesh will be the 25th largest economy in the world by 2035 if the current economic growth continues. The Center for Economic and Business Research, a British economic research organization, has provided such information. According to the 2020 index, Bangladesh is now the 41st largest economy in the world.

The country is improving at a good pace in terms of infrastructure development in road transportation, communication, energy and water distribution. Bangladesh is presently implementing several mega project such as Rooppur Atomic Power Plant, Padma multi-purpose bridge, Metro Rail project etc., completion of which will contribute a lot in the country's GDP.

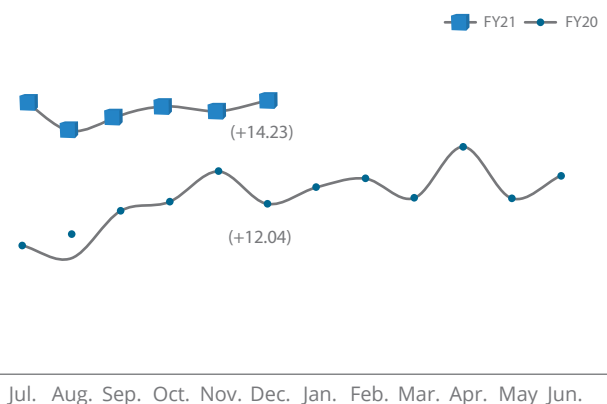
Recently Bangladesh has stepped into a new journey as it qualified to graduate into a developing nation from a Least Developed Country (LDC) after 45 years. Bangladesh has met, for the second time, all the three eligibility criteria for the graduation involving income per capita, human assets index (HAI), and economic and environmental vulnerability index (EVI). The United Nations Committee for Development Policy (UN CDP) recommended the graduation in its final evaluation. Bangladesh is scheduled to officially become a developing country in 2026 as the UN committee recommended that the country should get five years, instead of three, to prepare for the transition due to the impact of the Covid-19 on its economy.

## Major Economic Indicator

### Broad money

Broad money (M2) recorded an increase of BDT 184,249.20 crore or 14.23 percent at the end of December 2020 against the increase of BDT 139,074.50 crore or 12.04 percent at the end of December 2019. Of the sources of broad money, net domestic assets (NDA) increased by BDT 101,398.90 crore or 9.94 percent and net foreign assets (NFA) increased by BDT 82,850.30 crore or 30.22 percent at the end of December 2020 as compared to the same month of the previous year.

Trends of broad money growth (year-on-year)

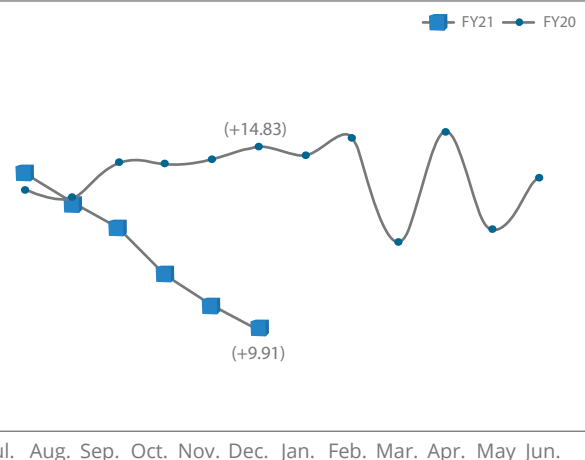


Source: Bangladesh Bank

### Domestic credit

Domestic credit recorded an increase of BDT 122,977.50 crore or 9.91 percent at the end of December 2020 against the increase of BDT 160,247.90 or 14.83 percent at the end of December 2019. Credit to the private sector and public sector recorded a growth of 8.37 percent and 18.58 percent respectively in December 2020 as compared to the same month of the previous year.

Trends of domestic credit growth (year-on-year)

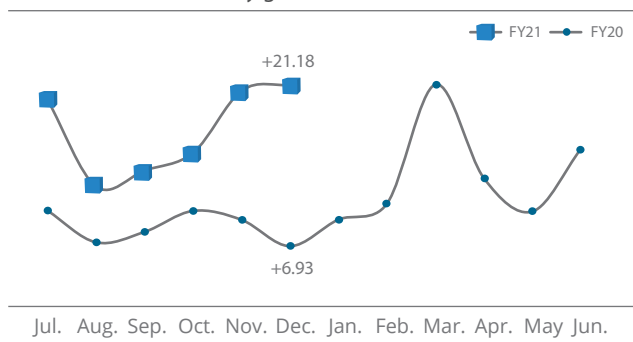


Source: Bangladesh Bank

## Reserve Money (RM)

Reserve money (RM) recorded an increase of BDT 53,142.40 crore or 21.18 percent at the end of December 2020 against the increase of BDT 16,254.00 crore or 6.93 percent at the end of December 2019. Of the sources of reserve money, net foreign assets of Bangladesh Bank increased by BDT 82,067.30 crore while net domestic assets of Bangladesh Bank decreased by BDT 28,924.90 crore at the end of December 2020 as compared to December 2019. Money multiplier (M2/RM) increased and stood at 4.86 at the end of December 2020 from 4.83 at the end of June 2020.

Trends of reserve money growth (year-on-year)



Source: Bangladesh Bank

## Export & Import of Bangladesh

### Export

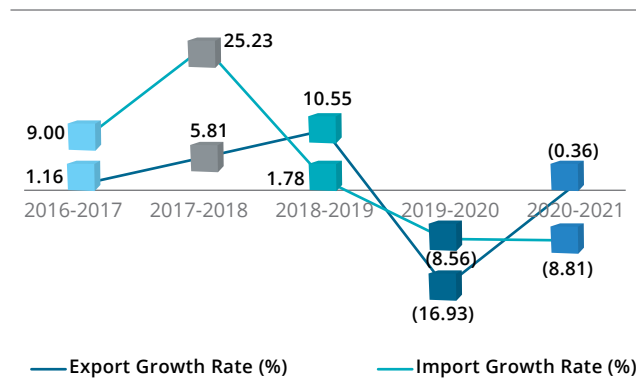
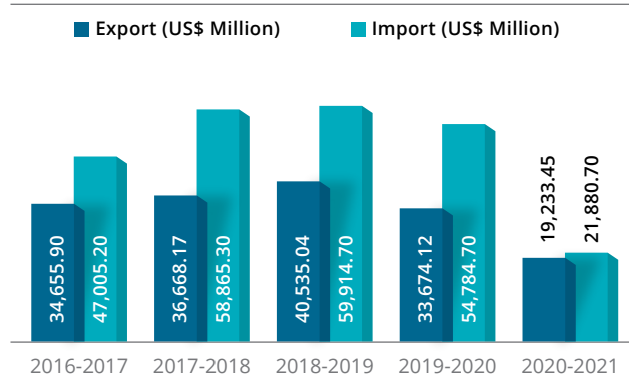
Total merchandise commodity export during July-December of FY21 decreased by USD 68.74 million or 0.36 percent to USD 19,233.45 million compared to USD 19,302.19 million during July-December of FY20. However, according to EPB data, merchandise commodity export in December of FY21, was lower by USD 215.23 million or 6.11 percent and stood at USD 3,309.86 million from USD 3,525.09 million in December of FY20.

Export earnings decreased during July-December of FY21 compared to that of July-December of FY20. During July-December of FY21 earnings from woven garments decreased by 10.22 percent although readymade garments contribute the lion share (80.83%) of the country's export earnings. Among other products, earning

from plastic products (-6.84%), leather and leather products (-6.24%), frozen and live fish (-3.71%) fell during the period under review. While, earnings from Engineering products (+57.47%), home textiles (+47.9%), jute and jute goods (+30.56%), chemical products (+16.57%), knitwear (+3.90) and agricultural products (+0.18%) increased during July-December of FY21 as compared to the same period of the preceding fiscal year.

### Import

Generally in developed countries, exports are greater than other or closer to import payments. But in Bangladesh Exports always fall short of Import payments at a good margin. However, Import payments during the month of September 2020 in the FY 2020-2021 stand lower by 7.03 percent to USD 4,652.50 million, against USD 5,004.20 million during the same month September 2019 of FY 2019-2020.



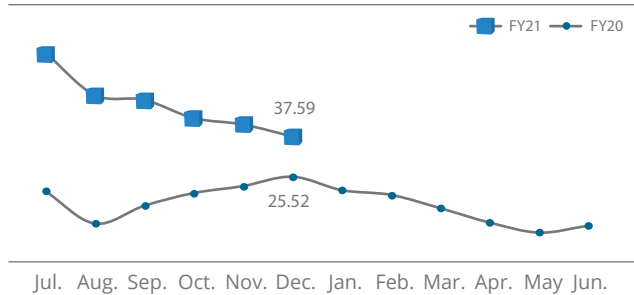
Year	Export (US\$ Million)	Export Growth Rate (%)	Year	Import (US\$ Million)	Import Growth Rate (%)
2016-2017	34,655.90	1.16	2016-2017	47,005.20	9.00
2017-2018	36,668.17	5.81	2017-2018	58,865.30	25.23
2018-2019	40,535.04	10.55	2018-2019	59,914.70	1.78
2019-2020	33,674.12	(16.93)	2019-2020	54,784.70	(8.56)
2020-2021 (July-Dec)	19,233.45	(0.36)	2020-2021 (July-Nov)	21,880.70	(8.81)

Source: Bangladesh Bank

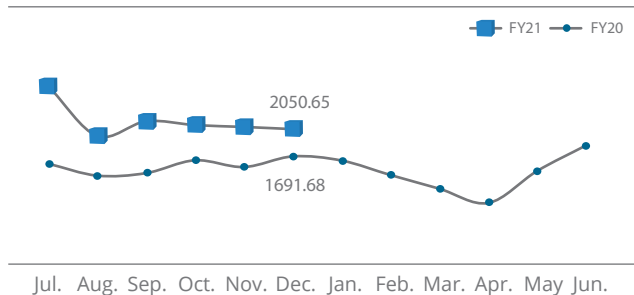
## Workers' Remittance

Receipts of workers' remittances during July-December of FY21 increased by USD 3,536.82 million or 37.59 percent and stood at USD 12,944.75 million against USD 9,407.93 million of July-December of FY20. This remarkable growth was mainly due to steps taken by different policy initiatives specially 2 percent cash incentive on inward remittance.

Trends of cumulative growth of workers' remittance inflow



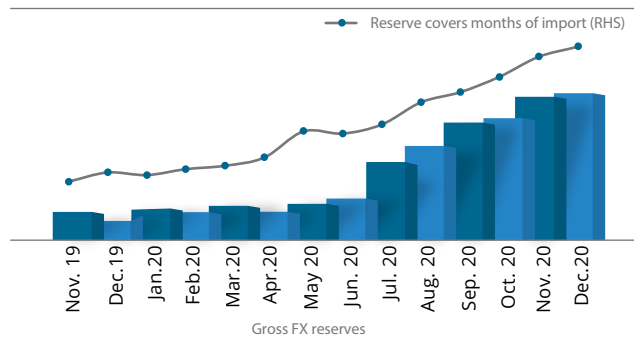
Monthly movements of workers' remittance inflow



## Forex Reserve of Bangladesh

Gross foreign exchange reserves of BB stood at USD 43163.54 million (with ACU liability of USD 1,274.15 million) as of end December 2020, which was USD 41,269.22 million (with ACU liability of USD 564.17 million) as of end November 2020. The current foreign exchange reserves (less ACU liability) is sufficient to pay import liability of 9.5 months; considering the average of the previous 12 months (December, 2019-November, 2020) import payments. Strong growth in remittance inflow and export along with large financial assistance helped to increase foreign reserves.

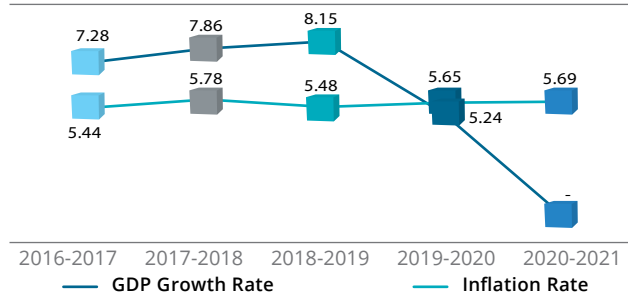
Trends of FX reserves of BB



## Gdp Growth Rate and Inflation Rate

Bangladesh economy is enjoying an annual growth rate of GDP at the rate of more than 7% for the last couple of years. Despite the adverse effect on the economies of the countries worldwide due to COVID-19 pandemic since January 2020, the economy of Bangladesh experienced a satisfactory annual growth rate of 5.24% in 2019-2020 fiscal year. Bangladesh is among the few countries in Asia who achieved a growth rate in GDP above 5% despite the global pandemic situation.

GDP growth rate and inflation rate



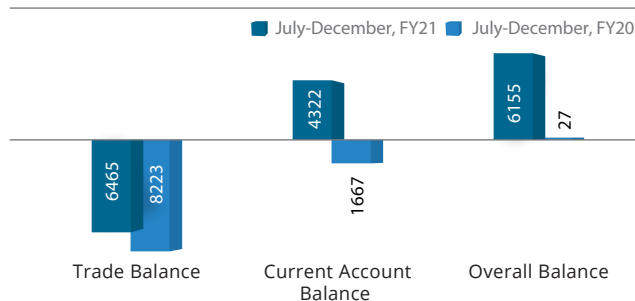
Besides, The average inflation in December 2020 stood at 5.69 percent as 5.73 percent in November 2020.

Period	GDP Growth Rate	Inflation Rate
2016-2017	7.28	5.44
2017-2018	7.86	5.78
2018-2019	8.15	5.48
2019-2020	5.24	5.65
2020-2021	-	5.69

## Balance of Payments (BOP)

Trade balance recorded a deficit of USD 6,465 million during July-December of FY21 which was USD 8,223 million during July-December of FY20 due to decrease in import by 6.77 percent. Current account balance incurred surplus at USD 4,322 million during July-December of FY21 supported by the robust growth of inflow of workers' remittances. The overall balance also achieved a remarkable surplus of USD 6,155 million during July-December of FY21 as compared to the surplus of USD 27 million during July-December of FY20, with the support of surplus in current account balance.

Balance of Payments



## Bangladesh Economy Outlook 2021

Against all the odds 2021 ushers in with a lot of expectations. The Covid-19 pandemic which engulfed our economic and social lives in every possible manner in 2020 is expected to be brought under control as hopes are high with the approval of vaccinations developed by a number of companies.

Despite COVID-19 pandemic, the GDP growth of Bangladesh stood at 5.24% driven by record remittance inflows and RMG export orders rising again post lockdown. With these early signs of recovery post pandemic phase, Bangladesh GDP is expected to be 6.8% in the coming year. Bangladesh has the highest FX reserve now till date and possess the capacity to manage all imports in the coming year without any hurdles. The international ties with India, Japan and China will remain stable for Bangladesh's increased participation in infrastructure development projects in the coming year. Bangladesh will continue to maintain strong relationship with Gulf countries to maintain the Bangladeshi expatriate pool there. The key challenge would be to maintain the stable influx of remittance despite oil prices fluctuating in Gulf Countries and export sustainability with Vietnam taking over the 2nd highest apparel exporter in the world.

In post pandemic era, 2021's focus and priorities are more on reviving economy, job retention, restoration of demand and maintenance of supply chain. In order to avoid the adverse impact of 'second wave' government policies are focused strongly on combating the economic and health threats posed by the coronavirus. The key challenge is to identify the correct action plan for COVID stimulus package disbursement to the right target group.

## Banking Industry In 2020 & Outlook

Most businesses have gone through a tough time since the start of the pandemic in March 2020. They are, however, not out of the woods though economic activities have started picking up albeit at a slow pace. Banks are equally hit by the pandemic. During the so-called 'holidays' declared by the government when the viral disease was at its peak, the banks had continued their operations on a limited scale. The sector was feared an unprecedented spike in the volume of soured loans as many borrowers, in addition to the delinquent ones, would default on their payments because of the pandemic.

Bangladesh Bank resorted to expansionary monetary policy and slashed bank rates, repo rates, reversed repo rates and CRR to ensure liquidity. These measures with strong remittance inflow will further ensure ample liquidity.

But the central bank had come to the rescue when it asked the banks on March 2020 not to consider the business people as defaulters if they failed to pay installments of their loans until June 30. The directive resulted in the suspension of loan classification. The effectiveness of the

central bank's directive was extended to September next and then again to December 2020.

On 23rd March, 2020, Bangladesh Bank (BB) issued another circular(s) where Banks permitted to extend LC usance (payment) periods for import of raw materials, agricultural implements and chemical fertilizers (from 180 days to 360 days) and of life saving drugs (from 90 days to 180 days) and Repo interest rate reduced from 6% to 5.75%. The repo rate is further reduced to 5.25% effective from 12 April. In another circular BB permitted Banks to provide advance up to USD 500k for import of coronavirus related life-saving drugs, medical kits/equipment and other essential medical items without repayment guarantee.

On 1st April, 2020, BB reduced Required Cash Reserve Requirement (CRR) of the banks from 5.5% to 5% on bi-weekly average basis and 5% to 4% on a daily basis. CRR is further reduced to 4% on bi-weekly average basis and 3.5% on daily basis effective from 15 April, 2020. On 4th April, 2020, Bangladesh Bank has set the margin limit to 5% for opening LC for importation of food for children. On 12th April, 2020, BB increased ADR rate to maximum 87% from 85% and IDR for Islamic banking has increased to 92% from existing 90%.

On 13th April, 2020, BB declared refinance scheme BDT 50bn (approx. USD 595m) for agriculture sector where the affected customers will be able to avail up to 20% extra of the existing loan facilities under the scheme. BB will charge interest 1% from banks and banks will charge 4% from customers. The loan will be repayable within 18 months including 6 months grace period. Besides, on 20th April, 2020, BB declared another refinance scheme of BDT 30bn (approx. USD 357m) for low income professionals, farmers, micro businessmen where Loan limit to individual customer is BDT 75k to BDT 3.00 million. BB will charge 1% interest to banks, banks will charge 3.5% interest to Micro Credit Financing Institutions (MCFIs) and MCFIs will charge 9% interest to customer. Customers will repay loan within 1 to 2 years including grace period. On 27th April BB instructed banks to provide agricultural loan at 4% to the crop sector from banks' own funds. BB will provide banks 5% interest as subsidy.

Bangladesh Bank also declared following Stimulus packages of BDT 677.5bn (approx. USD 8bn) to the affected industries in the year 2020:

**Package 1:** Government to provide BDT 300bn fund for banks to provide working capital loan facilities to the affected industries. These loans will carry interest at rate of 9%, half to be borne by borrower and half by Government as a subsidy. BB has published a circular detailing about eligibility, application, management and other terms of the package on 12 April. On 23 April BB has established Revolving Refinance Scheme of BDT 150bn to ensure financing by banks. Banks can borrow 50% of loan disbursed from BB at 4% interest rate.

**Package 2:** Government to provide BDT 200bn fund for banks to provide working capital loan facilities to Small (cottage industries) and medium enterprises. These loans will carry interest at rate of 9%, of which 4% to be borne by borrower and 5% by Government as a subsidy. BB has published a circular detailing about eligibility, application, conditions, reporting and other terms of the package on 13 April. On 26 April BB has established Revolving Refinance Scheme of BDT 100bn to ensure financing by banks. Banks can borrow 50% of loan disbursed from BB at 4% interest rate.

**Package 3:** Under Back-to-Back LC arrangement, the Export Development Fund will be increased from USD 3.5bn to USD 5bn for facilitating further import of raw materials. Interest rate will be 2%. BB has issued a circular on 7 April to implement the package.

**Package 4:** Central bank to launch BDT 50bn pre-shipment credit refinance scheme. BB has issued a circular detailing application method, payment method, reporting and other conditions of the package. It will be financed from BB's own

source. BB will charge interest 3% from banks and banks will charge 6% from customers.

## Outlook

2021 will be more challenging years for the banks. The sector is expecting to face substantial pressure originating from an ever-bulging defaulted loans in the year 2021 as the regulatory support to help businesses overcome the adverse effects of Covid-19 pandemic is due to expire by the end of December 31, 2020.

The Bank will seek fresh policy support from the central bank for rescheduling and restructuring of loans on the basis of 'banker-customer' relationship to cleanse the balance sheet. They should be given extra time for rescheduling their loans so that they can revamp their business. The banks should also expedite their own monitoring and supervisions to ensure proper use of the government's financial stimulus packages. The improper implementation of the stimulus packages could deteriorate the NPL situation further.

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## The State of the Company's Affairs (Compliance of Section-184 of Companies Act, 1994)

Jamuna Bank Ltd. (JBL) 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 20 years of operation. Branch network of the bank expanded to 149 covering more commercially strategic locations all over the country. Besides, we have 15 nos speed centers/collection booths, 28 nos sub-branches to extend the Banking Service scope and to reach the un-banked people of the Country with convenient banking services thus stepping into a greater financial inclusion for sustainable growth of the economy. Besides, All the branches along with sub-branches/collection booths/speed centers are running with real-time Online and ATM facilities to settle their transaction from remote areas. Besides traditional delivery points, the bank has 314 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 24 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.

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 BDT 10,000 million divided into 1000 million ordinary shares of BDT 10 each. The company's paid-up capital stood at BDT 7,492.26 million divided into 749,225,650 shares of BDT 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.



## KEY PERFORMANCE HIGHLIGHTS

BDT million



TOTAL ASSETS

241,533.71 ▼ 0.6%



LOANS &amp; ADVANCES

162,658.43 ▼ 8.2%



TOTAL DEPOSIT

191,103.99 ▼ 5.6%



REVENUE

10,860.69 ▼ 5.1%



OPERATING PROFIT

5,088.83 ▼ 12.9%



NET PROFIT

2,670.71 ▲ 2.4%



EPS (BDT)

3.56 ▲ 2.4%



NAV (BDT)

32.23 ▲ 40.7%



COST TO INCOME RATIO (%)

53.14 ▲ 7.9%



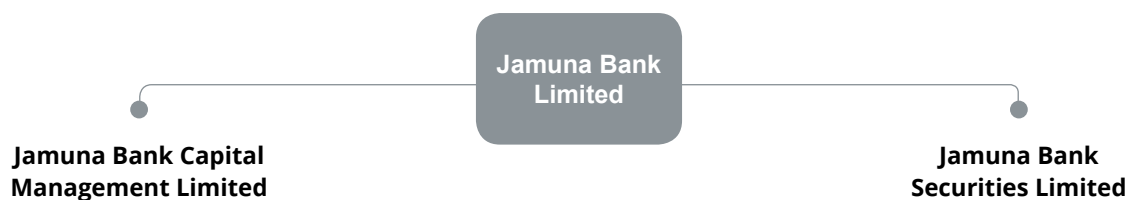
CAPITAL ADEQUACY RATIO (%)

15.50 ▲ 8.1%

## Segment-Wise Performance

The Bank offers both conventional and Islamic banking through designated 149 branches with innovative products to the society where it operates. Jamuna Bank has 01 Off-

shore banking unit, 2 Islami Banking Branches and 2 local subsidiaries. The Business and performance overview of those segments are enumerated as follows:

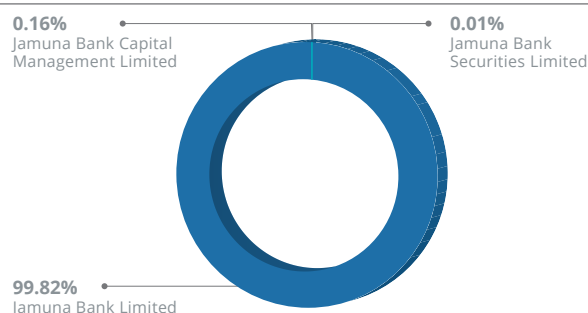


## Group Assets: (As per Financial Statements)

(Figure BDT in million)

Particulars	2020		2019	
	Amount	% of total assets	Amount	% of total assets
Jamuna Bank Limited	241,533.71	99.82%	242,828.46	99.86%
Jamuna Bank Capital Management Limited	397.12	0.16%	305.32	0.13%
Jamuna Bank Securities Limited	31.31	0.01%	32.64	0.01%
<b>Total</b>	<b>241,962.13</b>	<b>100%</b>	<b>243,266.42</b>	<b>100%</b>

## Group Assets

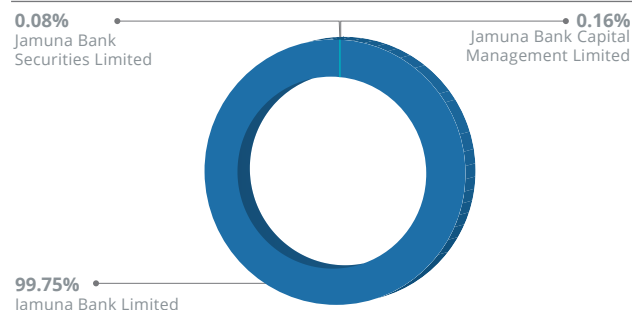


## Group Revenue: (As per Financial Statements)

(Figure BDT in million)

Particulars	2020		2019	
	Amount	% of total assets	Amount	% of total assets
Jamuna Bank Limited	21,316.39	99.75%	22,821.50	99.75%
Jamuna Bank Capital Management Limited	35.16	0.16%	36.26	0.16%
Jamuna Bank Securities Limited	18.12	0.08%	20.08	0.09%
<b>Total</b>	<b>21,369.67</b>		<b>22,877.84</b>	

## Group Revenue 2020



## Business Segmentation

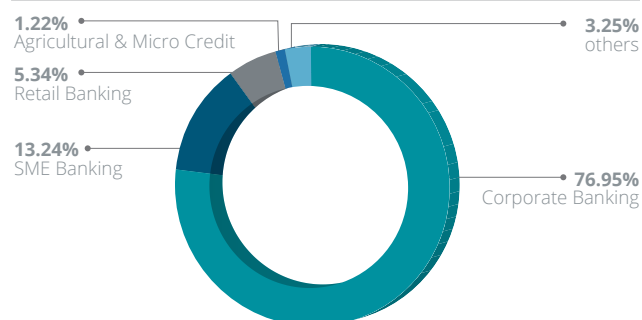
JBL business has been divided into four major segments i.e Corporate Banking, Retail Banking, SME Banking and Agricultural & Micro Credit. Corporate Banking segment

representing 79.87 percent of total loans and advance of the bank. Segmental business (Loans & Advances) as on 31 December 2020 has been stated as follows:

(Figure BDT in million)

Particulars	2020		2019	
	Amount	% of total assets	Amount	% of total assets
Corporate Banking	125,167.07	76.95%	136,247.44	76.85%
SME Banking	21,531.89	13.24%	25,761.08	14.53%
Retail Banking	8,683.00	5.34%	4,002.80	2.26%
Agricultural & Micro Credit	1,991.09	1.22%	2,632.51	1.48%
Others	5,285.38	3.25%	8,634.95	4.87%
<b>Total</b>	<b>162,658.43</b>		<b>177,278.78</b>	

## Business Segmentation



## Financial Highlights as Required by Bangladesh Bank

## Jamuna Bank Limited as on December 31, 2020

Figures are BDT in million

Sl. No.	Particulars	2020	2019
1	Paid up Capital	7,492.26	7,492.26
2	Total Capital	28,197.42	25,855.46
3	Capital surplus/deficit	5,451.43	3,171.31
4	Total Assets	241,533.71	242,928.46
5	Total Deposits	191,103.99	202,509.52
6	Total Loans and Advances	162,658.43	177,278.78
7	Total Contingent Liabilities and Commitments	78,031.05	89,066.67
8	Credit Deposit Ratio	82.64%	84.97%
9	Percentage of classified loans against total loans and advances	2.95%	3.70%
10	Profit after tax and provision	2,670.71	2,607.85
11	Amount of classified loans during current year	4,801.64	6,559.46
12	Provisions kept against classified loan	1,527.38	3,214.54
13	Cost of fund	8.25%	9.35%
14	Cost of deposit	5.07%	6.48%
15	Interest earning Assets	180,673.14	175,364.86
16	Non-interest earning Assets	60,860.57	67,563.60
17	Return on Investment (ROI)	10.06%	6.56%
18	Return on Average Asset (ROAA) (after tax)	1.08%	1.11%
19	Incomes from Investment	4,537.06	2,322.40
20	Earning per Share	3.56	3.48
21	Net asset value per share	32.23	22.90
22	Price Earning Ratio	5.27	5.31

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

# Risks and Concerns

Risk management is a part of internal governance involving all areas of Banks. At Jamuna Bank, we believe that getting risk management right is an essential component of success. The identification, evaluation and management of risk, together with the way we respond to changes in the external operating environment are keys to sustainable growth and underpin the robustness of our business plans and strategic objectives, protecting our license to operate and our reputation and helping create a long-term source of competitive advantage.

Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and ensuring the continued adequacy of all our financial resources. Our risk management processes have continued to prove effective throughout 2020. The management of the bank remained closely involved in important risk management initiatives, which have focused particularly on preserving appropriate levels of liquidity and capital, and effectively managing the risk portfolios. Responsibility and accountability for risk management resides at all levels within the bank.

In compliance with the Sub-section (3) of Section 15Kha of the Bank Company (Amended) Act, 2013 and the BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank, "Board Risk Management Committee" has been formed to formulate risk management policies and monitoring of risk management policies implementation & process to ensure effective prevention and control measures. In this regard, a Management level Risk Management Committees are parallelly working in the Bank. Risk Management Division (RMD) of Jamuna Bank Limited has been established in line with the directives of Bangladesh Bank, for strengthening risk management activities of the bank. The responsibility of the division is to ensure effectiveness of the Core Risk Management of the Bank and also to ensure the capital management of the Bank under Basel Accords in line with the directives of Bangladesh Bank from time to time.

The Head Office Credit Review Committee (HOCRC) and Asset and Liability Committee (ALCO) is constituted by the Company's senior management team which regularly reviews issues related to the markets, credit and liquidity and, accordingly, recommend and implement appropriate measures to proactively identify and mitigate risks. JAMUNA BANK possesses an approved Asset Liability Management (ALM) policy under the responsibility of the ALCO, together with a robust ALM management system and dedicated ALM desk to generate necessary information for improving ALCO's decision-making abilities.

The Company's Credit Risk Management (CRM) department independently scrutinizes projects from a risk-weighted perspective and assists relevant departments in setting

business development priorities. These are aligned with the Company's risk appetite while optimizing the risk-return trade-off derived from relevant risk exposures. The CRM team also clearly defines exceptionally high-risk sectors and prohibits lending to those projects which the Company does not ascribe to, including those which represent negative environmental, social or ethical standards.

At an individual exposure level, an Internal Credit Risk Rating System (ICRRS) is used for assessing the strengths of the borrowers. It is very helpful to analyze a borrower's repayment ability based on information about a customer's financial condition including their liquidity, cash flow, profitability, debt profile, market indicators, industry and operational background, management capabilities, and other indicators.

Jamuna Bank's Credit Administration Department (CAD) and Internal Control and Compliance (ICC) divisions are responsible for assessing operational risks across the Company and also ensure an appropriate framework to identify, assess and manage operational risks.

Details about our risk management policies and practices are discussed in the Risk Management Chapter of this report.

## DISCUSSION ON COGS, GROSS PROFIT MARGIN AND NET PROFIT MARGIN

Not applicable for the banking industry

## DISCUSSION ON CONTINUITY OF ANY EXTRAORDINARY ACTIVITIES AND THEIR IMPLICATIONS (GAIN OR LOSS)

Not applicable

## RELATED PARTY TRANSACTIONS

### (1) Names of the Directors together with a list of entities in which they have Interest:

See note 46.3 of Financial Statements

### (2) Significant contracts where Bank is a party and wherein Directors have interest during the year 2020: Nil

### (3) Shares issued to Directors and Executives without consideration or exercisable at a discount: Nil

### (4) Related party transactions:

AS 24 Related Party Disclosures requires disclosures about transactions and outstanding balances with an entity's related parties. The standard defines various classes of entities and people as related parties and sets out the disclosures required in respect of those parties, including

the compensation of key management personnel.

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The objective of IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

### Who are related parties?

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity') [IAS 24.9].

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - v. The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting

entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

- vi. The entity is controlled or jointly controlled by a person identified in (a).
- vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The following are deemed not to be related: [IAS 24.11]

- two entities simply because they have a director or key manager in common
- two venturers who share joint control over a joint venture
- providers of finance, trade unions, public utilities, and departments and agencies of a government that does not control, jointly control or significantly influence the reporting entity, simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process)
- a single customer, supplier, franchiser, distributor, or general agent with whom an entity transacts a significant volume of business merely by virtue of the resulting economic dependence

The Bank in its ordinary course of business undertook financial transactions with some entities or persons that all within the definition of 'Related Party' as contained in IAS 24 (Related Party Disclosures) and relevant provisions of Bank Company Act 1991 (amended up to 2018) and Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003.

Related party transactions are enclosed in the Notes 46 of the Financial Statements.

### UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUES AND/OR THROUGH ANY OTHERS INSTRUMENTS

In the year 2010, Jamuna Bank raised BDT 743.36 million capital through Right Issue of shares to strengthen the Capital Base of the Bank of which was clearly reported in the Annual Report of 2011.

### 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

## VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL STATEMENTS

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

Figures in BDT Million

Particulars	Quarter-1	Quarter-2	Quarter-3	Quarter-4	Annually
A) Net interest income	1,523.35	956.48	673.54	596.07	3,749.44
B) Non-interest income	1,481.80	1,308.32	1,774.80	2,546.33	7,111.25
C) Operating income (A+B)	3,005.15	2,264.80	2,448.34	3,142.40	10,860.69
D) Operating expenses	1,384.30	1,360.46	1,340.97	1,686.13	5,771.86
E) Operating profit (C-D)	1,620.85	904.34	1,107.37	1,456.27	5,088.83

From the above, it was observed that there was no significant variance in 2020 except Non-interest income of Q-4 (43.47% higher than that of Q-3) as rigorous efforts an increasing investment in treasury bills & bonds and operating expense of Q-4 (12.75% higher than that of Q-3) as the Bank continued to invest in branch infrastructure, technology and human capital to support its business growth.

## NUMBER OF BOARD MEETINGS HELD DURING THE YEAR & ATTENDANCE BY EACH DIRECTOR AND REMUNERATION TO DIRECTORS INCLUDING INDEPENDENT DIRECTOR

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

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

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

## Directors including Independent Directors of the Bank Received Honorarium for Meeting of the Board during 01.01.2020 to 31.12.2020

Sl. No.	Name	Position as on 31.12.2020	No. of meetings attended		Remuneration
			No. of meeting	Present	
1	Mr. Fazlur Rahman	Chairman	16	*11	88,000.00
2	Engr. A. K. M. Mosharraf Hussain	Director	16	*15	120,000.00
3	Engr. Md. Atiqur Rahman	Director	16	16	128,000.00
4	Mr. Gazi Golam Ashria	Director	16	**2 (out of 5)	16,000.00
5	Al-Haj Nur Mohammed	Director	16	16	128,000.00
6	Mr. Robin Razon Sakhawat	Director	16	*9	72,000.00
7	Mr. Redwan-ul Karim Ansari	Director	16	*11	88,000.00
8	Mr. Md. Belal Hossain	Director	16	*8	64,000.00
9	Mr. Md. Mahmudul Hoque	Director	16	*9	72,000.00
10	Mr. Shaheen Mahmud	Director	16	*7	56,000.00
11	Mr. Md. Sirajul Islam Varosha	Director	16	*15	120,000.00
12	Mr. Kanutosh Majumder	Director	16	16	128,000.00
13	Mr. Md. Ismail Hossain Siraji	Director	16	*12	96,000.00
14	Mr. Gazi Golam Murtoza	Director	16	*12	96,000.00
15	Mr. Md. Hasan	Director	16	*9	72,000.00
16	Mr. Md. Saidul Islam (Nominated by Fabian Industries Ltd.)	Representative Director	16	**3 (out of 5)	24,000.00
17	Mr. Md. Abdur Rahman Sarker	Independent Director	16	16	128,000.00
18	Mr. Md. Rafiqul Islam	Independent Director	16	*15	120,000.00
19	Mr. Obaidul Kabir Khan	Independent Director	16	*15	120,000.00

\* Directors who could not attend the meetings were granted leave of absence by the Board.

\*\* Appointed as Director/ Representative Director on 27.08.2020

## Directors of the Bank Received Honorarium for meeting of the Executive Committee of the board during 01.01.2020 to 31.12.2020

Sl.	Name	Status	Presence of the members		Remuneration
			No. of meeting	Present	
<b>For the period 01.01.2020 to 27.08.2020</b>					
1.	Mr. Gazi Golam Murtoza, Director	Chairman	5	1	8,000.00
2.	Engr. A. K. M. Mosharraf Hussain, Director	Member	5	5	40,000.00
3.	Engr. Md. Atiqur Rahman, Director	Member	5	5	40,000.00
4.	Al-Haj Nur Mohammed, Director	Member	5	5	40,000.00
5.	Mr. Shaheen Mahmud, Director	Member	5	3	24,000.00
6.	Mr. Md. Sirajul Islam Varosha, Director	Member	5	5	40,000.00
7.	Mr. Kanutosh Majumder, Director	Member	5	5	40,000.00
<b>For the period 28.08.2020 to 30.11.2020</b>					
1.	Al-Haj Nur Mohammed, Director	Chairman	7	7	56,000.00
2.	Engr. A. K. M. Mosharraf Hussain, Director	Member	7	7	56,000.00
3.	Engr. Md. Atiqur Rahman, Chairman (BOD)	Member	7	7	56,000.00
4.	Mr. Md. Belal Hossain	Member	7	3	24,000.00
5.	Mr. Shaheen Mahmud, Director	Member	7	-	-
6.	Mr. Kanutosh Majumder, Director	Member	7	7	56,000.00
7.	Mr. Md. Hasan, Director	Member	7	2	16,000.00
<b>For the period 01.12.2020 to 31.12.2020</b>					
1.	Mr. Md. Mahmudul Hoque, Director	Chairman	2	2	16,000.00
2.	Mr. Md. Belal Hossain, Director	Member	2	1	8,000.00
3.	Mr. Md. Sirajul Islam Varosha, Director	Member	2	2	16,000.00
4.	Mr. Kanutosh Majumder, Director	Member	2	2	16,000.00
5.	Mr. Md. Ismail Hossain Siraji, Director	Member	2	2	16,000.00
6.	Mr. Gazi Golam Ashria	Member	2	-	-
7.	Mr. Md. Hasan	Member	2	2	16,000.00

**Total 14 (Fourteen) meetings of Executive Committee were held during 01.01.2020 to 31.12.2020.**

## Directors including Independent Directors of the Bank Received Honorarium for meeting of the Audit Committee of the board meeting during 01.01.2020 to 31.12.2020

Sl.	Name	Status	Presence of the members		Remuneration
			No. of meeting	Present	
<b>For the period 01.01.2020 to 27.08.2020</b>					
1.	Mr. Md. Abdur Rahman Sarker, Independent Director	Chairman	4	4	32,000.00
2.	Mr. Redwan-ul Karim Ansari, Director	Member	4	2	16,000.00
3.	Mrs. Tasmin Mahmud, Director	Member	4	*-	-
4.	Mr. Md. Hasan, Director	Member	4	4	32,000.00
5.	Mr. Md. Rafiqul Islam Independent Director	Member	4	4	32,000.00
<b>For the period 28.08.2020 to 30.11.2020</b>					
1.	Mr. Md. Rafiqul Islam, Independent Director	Chairman	1	1	8,000.00
2.	Mr. Gazi Goalm Ashria, Director	Member	1	1	8,000.00
3.	Mr. Md. Sirajul Islam Varosha, Director	Member	1	1	8,000.00
4.	Mr. Md. Ismail Hossain Siraji, Director	Member	1	1	8,000.00
5.	Mr. Md. Abdur Rahman Sarker, Independent Director	Member	1	1	8,000.00
<b>For the period 01.12.2020 to 31.12.2020</b>					
1.	Mr. Md. Rafiqul Islam, Independent Director	Chairman	1	1	8,000.00
2.	Engr. Md. Atiqur Rahman, Director	Member	1	1	8,000.00
3.	Mr. Robin Razon Sakhawat	Member	1	1	8,000.00
4.	Mr. Gazi Golam Murtoza	Member	1	1	8,000.00
5.	Mr. Md. Abdur Rahman Sarker, Independent Director	Member	1	1	8,000.00

## Directors of the Bank Received Honorarium for meeting of the Risk Management Committee of the board during 01.01.2020 to 27.08.2020

Sl.	Name	Status	Presence of the members		Remuneration
			No. of meeting	Present	
<b>For the period 01.01.2020 to 27.08.2020</b>					
1.	Mr. Md. Belal Hossain	Chairman	2	2	16,000.00
2.	Mr. Md. Mahmudul Hoque	Member	2	2	16,000.00
3.	Mr. Robin Razon Sakhawat	Member	2	1	8,000.00
4.	Mr. Md. Ismail Hossain Siraji	Member	2	2	16,000.00
5.	Mr. Obaidul Kabir Khan	Member	2	2	16,000.00
<b>For the period 28.08.2020 to 30.11.2020</b>					
1.	Mr. Md. Mahmudul Hoque, Director	Chairman	1	1	8,000.00
2.	Mr. Redwan-ul Karim Ansari	Member	1	1	8,000.00
3.	Mr. Gazi Golam Murtoza	Member	1	1	8,000.00
4.	Mr. Md. Saidul Islam (Nominated by Fabian Industries Ltd.)	Member	1	-	-
<b>For the period 01.12.2020 to 31.12.2020</b>					
1.	Engr. A. K. M. Mosharraf Hussain	Chairman	1	1	8,000.00
2.	Al-Haj Nur Mohammed	Member	1	1	8,000.00
3.	Mr. Shaheen Mahmud	Member	1	-	-
4.	Mr. Redwan-ul Karim Ansari	Member	1	1	8,000.00
5.	Mr. Md. Saidul Islam (Nominated by Fabian Industries Ltd.)	Member	1	1	8,000.00

## Members of the Shariah Supervisory Committee received Honorarium during 01.01.2020 to 31.12.2020

Sl.	Name	Status	Presence of the members		Remuneration
			No. of meeting	Present	
<b>For the period 01.01.2020 to 31.12.2020</b>					
1.	Dr. Saikh Muhammad Mahadi Hasan	Chairman (CC)	2	2	16,000.00
2.	Mr. M. Azizul Haque	Member	2	1	8,000.00
3.	Professor Mawlana Md. Salahuddin	Member	2	0	0.00
4.	Mawlana Abdur Razzak	Member	2	2	16,000.00
5.	Hafez Mawlana Mufti Ruhul Amin	Member	2	1	8,000.00
6.	Hafez Mawlana Prof. Dr. Shahidul Islam Barakati	Member	2	2	16,000.00
7.	Dr. Ahmadullah Trishali	Member	2	2	16,000.00
8.	Dr. Saikh Muhammad Mahadi Hasan	Chairman	2	2	16,000.00

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors of Jamuna Bank, in conformance with the BSEC Notification No. SEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018, confirm compliance with the financial reporting framework for the following:

- Proper books of account as required by law have been kept by Jamuna Bank Limited. The external auditor, Khan Wahab Shafique Rahman & Co., Chartered Accountants mentioned in their report titled "Report on Other Legal and Regulatory Requirement" that "proper books of accounts as required by law have been kept

by the Group and the Bank so far as it appeared from our examination of those books."

- The financial statements, prepared by the management of Jamuna Bank make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure.
- Financial statements of the Bank for the year ended 31st December 2020 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.

- Accounting estimates are based on reasonable and prudent judgment.

- Internal control processes have been properly designed and effectively implemented and monitored.
- Minority shareholders have been duly protected as have effective means of redress.
- No significant doubt exists upon the Company's ability to continue as a going concern.

## STATEMENT OF BOARD OF DIRECTORS ON THE RESPONSIBILITY TO ESTABLISH APPROPRIATE SYSTEM OF INTERNAL CONTROL

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 may be summarized as follows:

- **Control Environment:** 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 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 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 & Compliance 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.

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.

## 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 Team (SMT) 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 team also reviewed the key points of Bangladesh Banks last Inspection Report on ICC of the Bank along with the Bank's Compliance thereof.

The SMT 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 an 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.

### **Statement regarding 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.

### **Assessment Report on the Going Concern of Jamuna Bank Limited**

The going concern principle is the assumption that an entity will remain in business for the foreseeable future. Conversely, this means the entity will not be forced to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices. The purpose of this going concern statement is to bring together the requirements of Company law, accounting standards and Listing Rules on going concern.

After reviewing the company's present and following 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.

### **Positive key financial ratios**

The Company's financial ratios indicate sound financial strength and prospects and are evident from financial highlights stated at 'Information for the stakeholders' chapter of this Annual Report.

### **Consistent payment of dividends**

Jamuna Bank has been paying dividend consistently to its shareholders over the years. We refer to financial highlights

stated at 'Information for the stakeholders' chapter of this Annual Report. to show our steady dividend payment records. Moreover, the Company has declared dividend @ 17.5% Cash in 2020, which reflects the Company's long-term operational viability.

### Credibility in payment of obligations

Jamuna Bank has strong credibility in terms of payment of its obligations to lenders. The Company is particular in fulfilling the terms of loan agreements and has never defaulted, even in terms of convenience.

### Increasing trend in Investment portfolio

Although Company's Loans & Advance have decreased by 8.25% (solo) but Investment portfolio have increased by 30%(solo) in 2020 as compared with 2019.

### Operating indications

#### Strengthening of Human Capital

Despite the pandemic, the Company has recruited 164 new employees during the year 2020, which resulted in a net increase in human resource count to 3097 at the end of the year 2020, in comparison to 3049 at the end of the year 2019.

### Business expansion

Jamuna Bank, in 2020, has been vested in growth through Corporate business and market diversification through channeling resources towards developing Retail segment and smaller loan products for SME segment.

### Employee satisfaction

There exists a healthy corporate environment in the Company. This is reflected in our discussion on Human Capital at Management Discussion and Analysis chapter.

### Maintenance of Capital Adequacy Ratio (CAR)

To strengthen global capital and liquidity rules with the goal of promoting a more resilient banking sector, the Basel Committee on Banking Supervision (BCBS) issued "Basel III: A global regulatory framework for more resilient banks and banking systems" in December 2010. The objective of the reforms was to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. Phase-in arrangements for Basel III implementation in Bangladesh and our status is given below:

Particulars	Standard	Status of compliance
Minimum Common Equity Tier 1 (CET1) Capital Ratio	At least 4.5% of the total RWA	Complied
Capital Conservation Buffer	At least 2.5% of the total RWA	Complied
Tier-1 Capital	At least 6% of the total RWA	Complied
Minimum Total Capital plus Capital Conservation Buffer	At least 12.5% of the total RWA	Complied
Tier-2 capital	maximum up to 4.00% of the RWA or 88.89% of CET1, whichever is higher.	Complied
Leverage Ratio	3%	Complied
Liquidity Coverage Ratio	>=100%	Complied
Net Stable Funding Ratio	>100%	Complied

From the above table it is observed that, Jamuna Bank complied with all the required conditions for maintaining regulatory capital as stipulated in the revised Risk Based Capital Adequacy (RBCA) guidelines by Bangladesh Bank.

### 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.

**Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained**

### Financial Performance Analysis

Fig. BDT in million

Particulars	Annual Performance- Jamuna Bank Ltd. (Consolidated)		
	2020	2019	Y-o-Y Growth (%)
Net interest income	3,749.44	6,433.56	↓ 41.72%
Investment income	4,537.06	2,322.40	↑ 95.36%
Commission, exchange and brokerage	1,966.51	2,002.29	↓ 1.79%
Other operating income	607.69	681.28	↓ 10.80%
Total operating Income (A)	10,860.69	11,439.53	↓ 5.06%
Total operating Expenses (B)	5,771.86	5,597.68	↑ 3.11%
Profit/(loss) before taxation & provisions	5,088.83	5,841.84	↓ 12.89%
Total provision	738.50	1061.94	↓ 30.46%
Provision for taxation for the year	1,679.63	2,172.05	↓ 22.67%
Net profit after taxation	2,670.71	2,607.85	↑ 2.41%

The tables above depict that our core income, which is the Interest Income, was declined by 41.72% due to ongoing Covid-19 pandemic. Besides, interest rates ceiling set by the government, low demand for funds from the private sector, and declining export and import issues have acted as an influence behind the decline in interest income. Non-Interest Income, specially investment income increased significantly by 95.36%. Subsequently, NPAT increased by 2.41%. Provision for income tax has been made during the

year @ 37.50% as prescribed by the Finance Act 2020-21 on the accounting profit made by the Bank after considering some of the add back to income and disallowances of expenditure as per Income Tax Ordinance and Rules 1984.

### KEY OPERATING AND FINANCIAL DATA OF PRECEDING 5 (FIVE) YEARS:

A detailed presentation on key operating and financial data of preceding 5 (five) years has been presented is appended at 'Information for the stakeholders' chapter of this Annual Report

### DIVIDEND (CASH OR STOCK) FOR THE YEAR 2020

Board of Directors in its 379th meeting held on 24.03.2021 has recommended Cash dividend @17.50% subject to the approval of the shareholders at the next Annual General Meeting.

### INTERIM DIVIDEND

No cash or bonus share dividend was declared as interim dividend during 2020. No Bonus Share shall be declared as interim dividend.

### DIVIDEND DISTRIBUTION POLICY OF JAMUNA BANK LIMITED

#### 1. Introduction

This Dividend Distribution Policy documents the guidelines on payment of dividends, and sets out the key considerations for arriving at the dividend payment decision. The Board of Directors will have the flexibility to determine the level of dividend based on the considerations laid out in the policy and other relevant developments/regulatory guidelines.

#### 2. Objective

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Bank before recommending dividend to its shareholders for a financial year.

#### 3. Authority

The decision regarding dividend shall be taken only by the Board of Directors at its Meeting and not by a Committee of the Board or by way of a Resolution passed by circulation.

Final dividend shall be paid only after approval of the Annual General Meeting (AGM) of the Bank. Shareholder approval is not required for payment of interim dividend.

#### 4. Regulatory Compliance

Jamuna Bank Limited is a public limited company incorporated under the Companies Act, 1994 and licensed as a bank under the Bank company act. 1991. The Bank has been making annual profits and declare dividend only after ensuring compliance with the Bank Company Act-

1991, various regulatory guidelines on dividend declaration issued by Different regulator time to time and the provisions of the Companies Act-1994, the Rules made there under and the Bangladesh Securities and Exchange Commission (BSEC) and Listing Regulation 2015 of DSE and CSE.

## 5. Principles for Dividend Declaration

The Board of Directors of the Bank will consider the following factors while making decision on the proposal for dividend:

### Financial Factors

- Financial performance of the Bank for the year for which dividend is recommended
- Any interim dividend paid
- Past dividend trends
- Optimal Capital to Risk Weighted Asset Ratio (CRAR) subject to regulatory minimum of total and Tier I Capital
- Expected capital requirements for planned growth.
- Additional regulatory requirements of capital in near future (if applicable)
- Cost of raising funds from alternative sources.
- Tax implications if any, on distribution of dividends
- Reinvestment opportunities
- Corporate actions including mergers/demergers, acquisitions and additional investments including expansion plans and investment in subsidiaries/ associates of the Bank
- Any applicable criteria from our legal or regulatory frameworks
- Such other factors and/or material events which the Bank's Board may consider

### External Factors

- Shareholder expectations including individual shareholders.
- Macro-economic environment including domestic and global economy, capital market conditions and dividend policy of competitors.

Since the Bank has only one class of equity shareholders, the dividend declared will be distributed equally among all Shareholders, based on their shareholding on the record date.

## 6. Circumstances under which the shareholders may or may not expect dividend

The Board of the Bank may vary the level of dividend or not recommend any dividend based on

- The capital and reserves position of the Bank.
- The regulatory eligibility criteria for recommendation of dividend, including any regulatory restriction placed on the Bank on declaration of dividend.
- The Bank could have undertaken under the terms of perpetual non-cumulative preference shares or debt capital instruments pursuant to applicable regulations which might prohibit the Bank from declaring dividend in certain circumstances.
- The need to conserve capital.

## 7. Dividend Distribution Process

7.1 The Bank shall pay off the annual or final dividend to the entitled shareholder, within 30 (Thirty) days (or the days as advised by the regulatory bodies from time to time) of approval, provided that interim dividend shall be paid off to the entitled shareholder, within 30 (Thirty) days (or the days as advised by the regulatory bodies from time to time) of record date.

7.2 Cash dividend shall be distribute in the following manner and procedures, namely

- i. An amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the Bank for compliance of regulatory requirements.
- ii. The Bank shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder through Bangladesh Electronic Funds Transfer Network (BEFTN).

Provided that the Bank may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN

- iii. The Bank, upon receiving the claim in cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to

- the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN
- iv. The Bank, in case of incomplete information of bank account or if not possible to distribute cash dividend through any electronic payment system, shall issue cash dividend warrant
  - v. The Bank shall pay off cash dividend to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard
  - vi. The Bank immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, shall intimate to the shareholder through a short message service (SMS) to the mobile number or email address as provide in the BO account or as provided by the shareholder or unit holder;
- 7.3 The Bank shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30(thirty) days (or the days as advised by the regulatory bodies from time to time) of declaration or approval or record date, as the case may be complying all existing rules and regulations in their regard.
- 7.4 The Bank shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership
- a. The Bank shall send at least 3 (three) reminders to the entitled shareholder
  - b. The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the issuer
- 7.5 The Bank shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder or unit holder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/ annually) in a separate line item as 'Unclaimed Dividend Account'
- 7.6 All other regulatory requirements relating to distribution of dividends to be complied.
- 7.7 The Bank shall submit a compliance report to the Commission and the exchange(s) as per prescribed format provided by the respective authority on completion of dividend distribution
- The Bank shall publish the compliance report in its website.

## 8. Dividend information

Information on dividend paid in last 3 years including dividend yield and payout ratio will be made available on the website of the Bank.

## 9. Policy amendment and review

This Policy may be reviewed as and when required by the Board of Directors of the Bank for compliance of regulatory requirements.

The Dividend Distribution Policy will be hosted on the website of the Bank and the same would be disclosed in the Annual Report of the Bank.

## UNCLAIMED DIVIDEND

### Cash Dividend & Sale proceed of fractional stock dividend

Year	No. of Shareholders	Dividend declared	Unclaimed Cash Dividend & Sale proceed of fractional stock dividend (figure in BDT million)	Total amount of dividend declared (figure in BDT million)	Date of recommendation of dividend by the Board	Record Date	Date of approval of dividend at AGM
2005	21,054	25% Stock & 1.5% Cash	1.37		26.04.2006	07.09.2006	28.09.2006
2006	17,206	14.29% Stock	1.47		22.05.2007	09.08.2007	09.09.2007
2007	19,860	7.14% Stock	0.55		28.05.2008	24.07.2008	25.08.2008
2008	20,264	23.50% Stock	1.33		27.04.2009	14.05.2009	05.07.2009
2009	17,845	37.5% Stock	1.77		31.03.2010	11.04.2010	13.06.2010
2010	51,921	22% Stock	0.26		12.03.2011	06.04.2011	19.05.2011
2011	52,174	23% Stock	0.05		12.04.2012	02.05.2012	23.05.2012
2012	53,684	14% Cash	10.30	628.26	28.04.2013	20.05.2013	06.06.2013
2013	50,254	15% Stock	0.04		27.03.2014	16.04.2014	08.05.2014
2014	43,703	19% Stock	0.015		01.04.2015	15.04.2015	04.05.2015
2015	36,115	19.50% Cash	20.52	1197.53	13.04.2016	08.05.2016	30.05.2016
2016	28,667	20.50% Cash	15.67	1258.94	27.04.2017	05.06.2017	07.08.2017
2017	25,499	22% Stock	0.03		26.04.2018	22.05.2018	24.06.2018
2018	23,969	20% Cash	21.41	1498.45	21.04.2019	15.05.2019	16.06.2019
2019	22,313	15% Cash	33.64	1123.84	16.06.2020	20.07.2020	27.08.2020
<b>Total</b>			<b>108.43</b>				

## Unclaimed Stock Dividend

Year	Stock dividend declared	Date of recommendation of dividend by the Board	Record Date	Date of approval of dividend at AGM	No. of Shareholders	Paid-up capital before stock dividend (BDT million)	Total shares issued as per corporate declaration	Paid-up capital after stock dividend	No. of Shares unclaimed as on 31.12.2020	No. of Shareholders against unclaimed dividend
2006	14.29%	22.05.2007	09.08.2007	09.09.2007	17,206	1,072.50	153.21	1,225.71	143,110	6
2007	7.14%	28.05.2008	24.07.2008	25.08.2008	19,860	1,225.71	87.55	1,313.26	81,840	7
2008	23.50%	27.04.2009	14.05.2009	05.07.2009	20,264	1,313.26	308.62	1,621.88	256,570	21
2009	37.5%	31.03.2010	11.04.2010	13.06.2010	17,845	1,621.88	608.21	2,230.09	504,180	51
2010	22%	12.03.2011	06.04.2011	19.05.2011	51,921	2,973.45	654.16	3,627.61	403,892	50
2011	23%	12.04.2012	02.05.2012	23.05.2012	52,174	3,627.61	839.13	4,487.54	515,886	46
2013	15%	27.03.2014	16.04.2014	08.05.2014	50,254	4,487.54	673.13	5,160.67	482,873	47
2014	19%	01.04.2015	15.04.2015	04.05.2015	43,703	5,160.67	980.53	6,141.19	703,919	81
2017	22%	26.04.2018	22.05.2018	24.06.2018	25,499	6,141.19	1,351.06	7,492.26	972,047	88

Note: As per Bangladesh Bank Letter no. BRPD (R-2)651/9(16)ga/2007 and BRPD(R-2)651/9(16)ga/2007-579 dated September 02, 2007, we kept all bonus shares of Mr. Arifur Rahman in suspense account.



## PATTERN OF SHAREHOLDING/ OWNERSHIP COMPOSITION

As on 31<sup>st</sup> December 2020 the Sponsor and Directors of Jamuna Bank Ltd. held 47.94% of total shares whereas Financial Institutions, Foreign Investors and General Public held 5.93%, 0.82% and 45.31% respectively.

Sl. No	Particulars	31.12.2020		31.12.2019	
		No of Shares Held	% of total Shares	No of Shares Held	% of total Shares
1	Directors & Sponsors	359,168,767	47.94%	363,079,197	48.46%
2	Financial Institutions	44,452,808	5.93%	34,048,536	4.54%
3	Foreign Investors	6,120,811	0.82%	13,155,244	1.76%
4	General Public	339,483,264	45.31%	338,942,673	45.24%
	Total	749,225,650	100.00%	749,225,650	100.00%

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

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

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

Sl. No	Name of the Directors	Status	Share holding position as on 31.12.2020	% of Total Share
1	Mr. Fazlur Rahman	Chairman	14,985,428	2.0001
2	Engr. A. K. M. Mosharraf Hussain	Director	14,984,509	2.0000
3	Engr. Md. Atiqur Rahman	Director	28,939,069	3.8625
4	Mr. Gazi Golam Ashria	Director	14,984,616	2.0000
5	Al-Haj Nur Mohammed	Director	22,140,168	2.9551
6	Mr. Robin Razon Sakhawat	Director	15,006,908	2.0030
7	Mr. Redwan-ul Karim Ansari	Director	16,337,038	2.1805
8	Mr. Md. Belal Hossain	Director	14,985,979	2.0002
9	Mr. Md. Mahmudul Hoque	Director	14,990,452	2.0008
10	Mr. Shaheen Mahmud	Director	37,446,054	4.9980
11	Mr. Md. Sirajul Islam Varosha	Director	14,984,838	2.0000
12	Mr. Kanutosh Majumder	Director	15,493,336	2.0679
13	Mr. Md. Ismail Hossain Siraji	Director	14,984,928	2.0001
14	Mr. Gazi Golam Murtoza	Director	19,104,452	2.5499
15	Mr. Md. Hasan	Director	37,461,211	5.0000
16	Mr. Md. Saidul Islam (Nominated by Fabian Industries Ltd.)	Representative Director	15,000,000	2.0021
17	Mr. Md. Abdur Rahman Sarker	Independent Director	-	-
18	Mr. Md. Rafiqul Islam	Independent Director	-	-
19	Mr. Obaidul Kabir Khan	Independent Director	-	-
20	Mr. Mirza Elias Uddin Ahmed	Managing Director	-	-
21	Mr. M.A.Rouf & Spouse	Company Secretary	-	-
22	Mr. Ashim Kumer Biswas & Spouse	Chief Financial Officer	-	-
23	Mr. Anupam Kanti Debnath	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 2020
1	Mr. Md. Abdus Salam	Deputy Managing Director	-
2	Mr. Mohammed Fazlur Rahman Chowdhury	Deputy Managing Director	-
3	Mr. Noor Mohammed	Deputy Managing Director	-
4	Mr. Fazle Quayum	Deputy Managing Director	-
5	Mr. Md. Mukhlesur Rahman	SEVP	-
6	Md. Shahidul Islam	SEVP	-

**(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

**DIRECTORS’ SHAREHOLDING STATUS**

In compliance with BSEC Notifications dated May 21, 2019, 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%).

**DIRECTORS PROFILE: Please see Director Profile chapter of this Annual report**

MANAGEMENT’S DISCUSSION AND ANALYSIS : Please see the Management’s Discussion and Analysis chapter which is signed by MD & CEO of the Bank presenting detailed analysis of the company’s position and operations along with a brief discussion of changes in the financial statements.

**HISTORY OF RAISING CAPITAL**

As on the reporting date (31-12-2019), 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 2020 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 Issued 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

## 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 354<sup>th</sup> Meeting held on 29.09.2019 accorded issuance of coupon bearing Non-Convertible "Jamuna Bank Limited Perpetual Bond" of BDT 4000.00 million through private Placement as part of the Additional Tier-I of Revised Regulatory Capital Framework for banks in line with Basel III subject to the approval from the concerned Regulatory Authorities. The Bank got approval from the Bangladesh Securities and Exchange Commission (BSEC) on June 23, 2020, to issue the aforesaid bond.

Subsequently, Bangladesh Bank provided NOC to issue 'Jamuna Bank Limited Perpetual Bond' for BDT 400.00 crore with conversion features i.e. If the bank's consolidated CET- I ratio falls below Bangladesh Bank requirement of 4.50% and stays below the level of three successive quarters, then, the 3rd quarter-end date of consecutive below-minimum CET-I Ratio would be considered as the Trigger-Point or Trigger-Date. If the Trigger-Point or Trigger-Date is reached, the shortfall amount to maintain the minimum required Consolidated CET-I Capital of 4.50% will then be subject to 'Conversion to Common Equity'.

The matter was then placed to the shareholders of the Bank in its 13<sup>th</sup> Extra-Ordinary General Meeting held on 09.12.2020 and the shareholders of the Bank approved the issuance of the perpetual bond with convertible features of Jamuna Bank Ltd. for BDT 400.00 crore

Finally, Bangladesh Securities and Exchange Commission (BSEC), vide its letter no. BSEC/CI/DS-117/2020/295, dated 23/12/2020, accorded revised consent to Jamuna Bank Ltd. for issuance of Unsecured, Contingent-convertible, Floating Rate, Perpetual Bond of BDT 4,000 million with update features under the provisions of the Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012.

### Basic Features of Jamuna Bank Perpetual Bond

Name of the Instrument	Jamuna Bank Perpetual Bond
Issue Type	Unsecured, Contingent-Convertible, BASEL III compliant, Perpetual Debt instrument for inclusion in Additional Tier I Capital
Issuer	Jamuna Bank Limited
Nature of Instrument	Unsecured
Purpose and Objectives	To raise Additional Tier-1 Capital through issuance of Jamuna Bank Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The funds being raised by the Issuer through the mentioned Issue are not meant for financing any particular project. The Issuer shall utilize the proceeds of the Issue for its regular business activities. The Issuer shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the Bangladesh Bank and Bangladesh Securities Exchange and Commission where applicable.
Arranger	City Bank Capital Resources Limited
Trustee	IDLC Finance Limited
Paying Agent, Registrar, Transfer Agent	IDLC Finance Limited
Rating Agency	Credit Rating Agency of Bangladesh Ltd (CRAB)
Legal Advisor	Mr. ABM Iftekharul Haque
Mode of Issue	Private Placement
Facility Size	BDT 4,000,000,000
No. of Bonds to be Issued	4,000
Face Value Per Lot	BDT 1,000,000
Bonds per lot/ Minimum Subscription	01
Tenure	Not Applicable. The Bonds shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.

Investors	<p>The following class of investors are eligible to participate in the offer:</p> <ul style="list-style-type: none"> <li>Public Financial Institutions which are duly authorized to invest in Bonds as per Bangladesh Bank Regulations</li> <li>Mutual Funds, Insurance Companies, Scheduled Commercial Banks,</li> <li>Co-operative Banks, Regional Rural Banks authorized to invest in bonds/ debentures,</li> <li>Societies authorized to invest in bonds/debentures,</li> <li>Trusts authorized to invest in bonds/ debentures,</li> <li>Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures,</li> <li>Any other not mentioned in the list but is eligible to subscribe as per regulations by Bangladesh Bank.</li> </ul> <p>This being a private placement Issue, the eligible investors who have been addressed through this communication directly, are only eligible to apply.</p> <p>Prior to making any investment in these Bonds, each investor should satisfy and assure himself/ herself/itself that he/she/it is authorized and eligible to invest in these Bonds. The Issuer shall be under no obligation to verify the eligibility/authority of the investor to invest in these Bonds. Further, mere receipt of this Disclosure Document by a person shall not be construed as any representation by the Issuer that such person is authorized to invest in these Bonds or eligible to subscribe to these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any person, is found to have been ineligible to invest in/hold these Bonds, the Issuer shall not be responsible in any manner.</p>
Coupon Rate	Reference Rate + Coupon Margin
Reference Rate	20-year Treasury-Bond rate. (Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day)
Coupon Margin	2%
Quotation Day	Five (05) days before the first day of any period for which a coupon rate is to be determined
Coupon Range	<ul style="list-style-type: none"> <li>Coupon Ceiling: 10%</li> <li>Coupon Floor: 6% subject to having available distributable profit</li> </ul>
Coupon Payment Frequency	Semi-Annual but subject to Issuer's Coupon Discretion
Late Payment	Issuer shall pay a late payment penalty of 2% (two per cent) higher than the Coupon Rate and be payable on the amount not paid on the due date till the date of actual payment unless exercise of coupon discretion is not in effect.
Issuer's Coupon Discretion	The Issuer will have full discretion at all times to cancel distributions/payments to the Bondholder
Business Day Convention/ Effect of Holidays	<ul style="list-style-type: none"> <li>If any Coupon/ Interest Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day.</li> <li>If the Call Option Due Date (also being the last Coupon Payment Date, in case Call Option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</li> </ul>
Put Date	Not Applicable
Put Price	Not Applicable
Call Option	The Issuer may, by giving not less than 30 nor more than 60 days' notice to the Trustee of the Call Exercise Date, which notice shall be irrevocable, elect to redeem all, but not some only, of the Bonds at their principal amount together with any outstanding coupon payments which are accrued but unpaid and not been subject to exercise of Issuer's Coupon Discretion. The Call Option can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank.

Call Option Eligibility	<ol style="list-style-type: none"> <li>1. Replace this instrument with capital of the same or better quality that are sustainable for the income capacity of Issuer, or,</li> <li>2. Capital position is above the minimum requirements after the Call Option is exercised</li> </ol>
Claim Settlement in the event of Liquidation or Wind-up	<ol style="list-style-type: none"> <li>1. Claims of the investors on the bond are:</li> <li>2. Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future.</li> <li>3. Subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines) of the Bank;</li> <li>4. Is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors</li> </ol> <p>Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Loss Absorption in this terms and features.</p>
Loss Absorption	<p>The Perpetual Additional Tier-I Capital bond must have a "Loss Absorption Feature" that will activate a loss absorption mechanism through "conversion of the bonds into common shares" at an objective pre-specified "Trigger Point". Unless the Trigger-Point takes place, this mechanism will never be activated. If the Trigger-Point or Trigger-Date is reached, the shortfall amount to maintain minimum required Consolidated CET-1 Capital of 4.50% of Total Risk-Weighted Assets will be converted into Common Shares.</p>
Loss Absorption Methodology	<p>CET-1 on Trigger Point Condition Date will be considered to identify the shortfall percentage, which would be required to bring the consolidated Common Equity Tier 1 (CET 1) ratio to 4.5% of RWA and it will be converted into common shares at the Conversion Strike Price. The period between the Trigger Point Condition Date and the date on which the Issuer by a resolution of its Board converts the Bonds will be known as Conversion Period. If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number</p>
Trigger Point Condition	<p>If the bank's consolidated CET-1 falls below Bangladesh Bank requirement of 4.50% and stays below for 03 (Three) successive quarters it would be the Trigger Point Condition and the 3rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger Point Condition Date. Once the Trigger Point Condition has been met and Loss Absorption feature has been exercised, the cycle will start again.</p>
Conversion Strike Price	<p>Average of 180 business days market price prior to the Trigger Point Condition Date or par value (currently BDT 10tk) whichever is higher.</p>
Payment Suspension Methodology	<p>In case of the event of exercise of Loss Absorption feature of the Bond, any coupon payment in between the Trigger Point Condition Date and publication date of audited financials will be suspended. The bondholder will not be eligible for the coupon payment if the same situation prevails (Bank's consolidated CET-1 ratio remains below the regulatory requirement of 4.5%) after the publication of audited financials. In case of use of Loss Absorption feature, the portion that will be required to be converted, Coupon Payment will never resume back for that portion. The portion that shall not be converted, payment will resume from next coupon date for that non-converted portion, but subject to CET-1 Ratio remaining reaching 4.50% or above, and interest will be paid along with previous coupon for this portion.</p> <p>No penal/additional/delay fee shall be charged on the Issuer for the period when coupon(s) payment was suspension.</p>

Conversion Notice	<p>Within 2 (two) Business Days of the end of the 2nd Quarter when CET-1 Ratio remains below 4.50%, Issuer shall notify the Trustee that in the event that the Trigger Point Condition is met, the Loss Absorption feature shall be exercised (“Conversion Indication Notice”). Within 2 (two) Business Days of the approval of the audited financials which confirms fulfilment of the Trigger Point Condition Date, the Issuer shall notify the Trustee of the Conversion Strike Price, number of Bonds to be converted, expected end date of the Conversion Period (“Conversion Notice”); and the Trustee shall within 2 (two) Business Days of the receipt of the Conversion Notice, notify the Bondholders about the receipt of the Conversion Notice. All notices are validly given if:</p> <ul style="list-style-type: none"> <li>■ Mailed to bondholders at their respective address in the register,</li> <li>■ Published for three consecutive days in one English newspaper and one Bengali newspaper; each having wide circulation in Bangladesh,</li> <li>■ Emailed to bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the bondholders or published for three consecutive days in a leading newspaper as aforesaid.</li> <li>■ Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications</li> </ul>
Events of Default	<p>(a) Breach of Common Equity Holders’ Dividend Stopper Clause;</p> <p>(b) Subject to exercise of Issuer’s Coupon Discretion, Trigger Point Consideration being met, and/or exercise of Loss Absorption feature, the Issuer defaults in the payment of any money owing in respect of the Perpetual Bonds when the same shall become due and payable in accordance with these presents and such default continues for at least seven (7) Business Days</p> <p>(c) Breach of any covenant, warranty or other provision of the Trust Deed otherwise as provided in the preceding paragraphs of this Clause and such default continues for at least thirty (30) Business Days.</p> <p>It is further clarified that the Bondholders shall have no rights to accelerate the repayment of future scheduled payments except in bankruptcy and liquidation.</p>
Consent Right of Bondholders	<p>Issuer needs to take prior consent from AT-1 (Jamuna Bank Perpetual Bond) bondholders to issue new Tier-II capital over maximum limit (4.0% of RWA or 88.89% of CET-1 Capital, whichever is higher) as set by Bangladesh Bank.</p>
Common Equity Holders’ Dividend Stopper Clause	<p>Dividend Stopper Clause will be applicable to these Bonds and it will stop common equity holders’ dividend payments on common shares in the event the holders of the Bonds are not paid coupon either due to exercise of Issuer’s Coupon Discretion or otherwise. In the event the holders of the Bonds are not paid coupon, they shall not impede the full discretion that Issuer has at all times to cancel distributions/payments on the Bonds, nor will they impede / hinder:</p> <ul style="list-style-type: none"> <li>(i) The Re-Capitalization of the Issuer.</li> <li>(ii) The Issuer’s right to make payments on other instruments, where the payments on this other instrument were not also fully discretionary</li> <li>(ii) The Issuer’s right to making distributions to shareholders for a period that extends beyond the point in time that coupon on the Bonds are resumed. The normal operation of the Issuer or any restructuring activity (including acquisitions/ disposals).</li> </ul>
Listing	<p>The Bonds will be, subject to consent of Bangladesh Securities and Exchange Commission (BSEC), be listed as per rules and regulations by BSEC.</p>

Credit Rating	<b>Issuer Rating:</b>	
	<b>Credit Rating</b>	<b>Current</b>
	Long-term	AA2
	Short-term	ST-2
	Publishing Date	16 July 2020
	Validity Date	30 June, 2021
	<b>Bond Rating:</b>	
	<b>Credit Rating</b>	<b>Current</b>
	Long-term	A1 (Hyb)
	Short-term	-
	Publishing Date	03 December, 2020
	Validity Date	30 September, 2021
Transferability/Liquidity	Freely transferable in accordance with the provisions of the Deed of Trust.	
Governing Law	The Bonds are governed by and shall be construed in accordance with the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the arbitration under Arbitration Act 2001.	

### 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 BDT 2081.40 million.

#### 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 2020 was **BDT 10.07 million** and the Balance sheet size of JBSL is **BDT 43.93 million**.

### CORPORATE SOCIAL RESPONSIBILITIES

Jamuna Bank has been playing pioneer role in the CSR activities since its inception through Jamuna Bank Foundation. 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 destitute, 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.

The Board in its 371<sup>st</sup> meeting held on 24-08-2020 decided to enhance the allocation of CSR fund @ 5% instead of earlier 3% of to Jamuna Bank Foundation from the Pre-Tax Profit of Jamuna Bank Limited to broaden the CSR activities of the Bank's Foundation with effect from the year 2020. Fund will be allocated quarterly in proportionate amount of the yearly budgetary allocation on the basis of Quarter end profit of the bank and be spent by the foundation in the following manner complying the Bangladesh Bank's CSR guidelines.

- 50% of the total allocated fund will be spent as donation to different Government, Semi-Government authorities/bodies/agencies etc.

- 25% of the rest 50% will be spent for foundation's recurring expenses ongoing projects and the expenses related to miscellaneous activities of the foundation
- Rest 25% of the allocated fund will be spent complying Bangladesh Bank's guidelines as under :
  - Emergency disaster relief
  - Promoting Artistic, cultural, lifestyle, sports.
  - Recreational facilities for the under privileged
  - Infrastructure improvement for disadvantaged communities in remote far flung areas and so forth.

The amount will be distributed on 4 phases, at winter, monsoon, Eid-ul-Fitre & Eid-ul-Azha for distribution of Blankets/Cash/goods among the poor & distress people of the country after obtaining prior consent and guidance of the Board of Directors of the Bank.

2020 was the year where providing community support was key. The officers and employees of the Bank donated 2 days' salary to the Jamuna Bank Foundation (JBF), a non-profit & charitable organization of Jamuna Bank Ltd for helping poor and helpless people during Covid-19. Afterward, Jamuna Bank Foundation distributed relief and cash among the distressed and helpless people in different districts of the country. In Dhaka, Jamuna Bank Foundation distributed cash to the day laborers, bhargari [plastic] workers, restaurant workers, maids, transport workers, agriculture laborers, construction and factory workers, petty businessmen, shop assistants, and rickshaw pullers who became economically inactive during the government declared lockdown due to outbreak of the novel corona virus.

Besides, the Bank made provision for Jamuna Bank Foundation at 5.00% on pretax profit of Jamuna Bank Limited amounting BDT 228.96 million for the cause of development of destitute/underprivileged segment of the society and for socio-economic development of the country. The Bank also donated BDT 130.00 million to Prime Minister Relief Fund for helping the destitute people in the Country.

Detailed CSR activities of the Bank has been presented at our Corporate Social Responsibilities chapter.

## 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.

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 2020. Further, a Certificate of Compliance required under the said Guidelines, as provided by Mahfel Huq & Co., Chartered Accountants, is also annexed to this report.

## CONTRIBUTION TO NATIONAL EXCHEQUER & ECONOMY

Jamuna Bank Ltd. is always responsible to the society and the country as a whole. Jamuna Bank considered to be one of the major contributors in the economy of Bangladesh. Some of our specific contributions to the national economy are highlighted below:

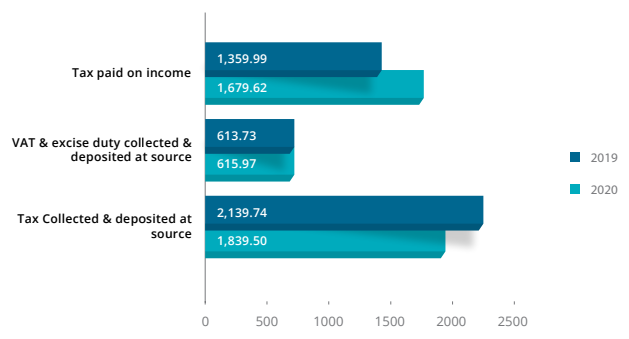
Taxes to Government Ex-chequer

During the year 2020 payment made to national Ex-chequer as follows:

Particulars	2020	Composition of Contribution	2019	Composition of Contribution
Tax Collected & deposited at source	1,839.50	44.49%	2,139.74	52.02%
VAT & excise duty collected & deposited at source	615.97	14.90%	613.73	14.92%
Tax paid on income	1,679.62	40.62%	1,359.99	33.06%
<b>Total</b>	<b>4,135.09</b>		<b>4,113.46</b>	



Tax Paid to the Government (in BDT mn)



- The Bank made provision for Jamuna Bank Foundation at 5.00% on pretax profit of Jamuna Bank Limited amounting BDT 228.96 million 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 3096 employees up to December 2020. During the year 2020, we paid BDT 3,567.94 million as salaries and allowances to our employees and spent BDT 1.16 million for trainings (the cost reduced from the previous year as most of the training programs were conducted through digital platform). Moreover, we continued to lending to Corporate, Cottage, Micro, Small & Medium Enterprises (CMSME) and Agricultural sector, thereby helping accelerate both direct and indirect job creation.
- Jamuna Bank Limited (JBL) donated BDT 130.00 million to Prime Minister Relief Fund for helping the destitute people in the Country
- 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 2019.

On behalf of the Board of Directors

**Gazi Golam Ashria**

Chairman of the Board of Directors



# 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.

Jamuna Bank's Corporate governance framework is rigorously aligned with its well-articulated vision, mission,

goals and objectives. The Bank's Board of Directors are responsible for proper governance, which includes setting out the Company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to shareholders on their stewardship. The Board is collectively accountable to the Company's shareholders for good governance to facilitate efficient and effective management towards delivering long-term shareholder value within appropriately established risk parameters.

The Board of Directors of Jamuna Bank Ltd. (JBL) plays the pivotal role in Bank governance through their choice of strategy and leadership to drive the company to growth path. They believe that corporate governance principles should be embedded in our corporate culture. Our corporate culture is anchored on (a) 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.

## Jamuna Bank corporate governance framework



Competent leadership



Effective internal controls



Strong risk culture



Accountability to shareholders

Being a 3rd generation Bank of Bangladesh, JBL is guided in its corporate governance practices mainly by two regulatory bodies: Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). However, the Bank's corporate governance philosophy encompasses not only regulator and legal requirements but also various internal rules, policies, procedures and practices based on the best practices of local banks. At JBL we attach a simple meaning to 'Corporate Governance' which is 'Due diligence' in observing responsibilities by Board as well as by management to safeguard interest of key stakeholders i.e. depositors, shareholders, employees and the society at large.

Jamuna Bank's corporate governance practices comply with The Bank Company Act, 1991 (Amended upto 2018), Corporate Governance Code issued by BSEC dated 03 June 2018 gazetted on 10 June 2019, notification no. SEC/CMRRCD/2006-158/208/Admin/81, dated June 20, 2018,

of financial reporting and disclosure and all aspects of 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 any other applicable regulatory guidelines/notifications/circular etc.

### Board Systems & Procedures

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

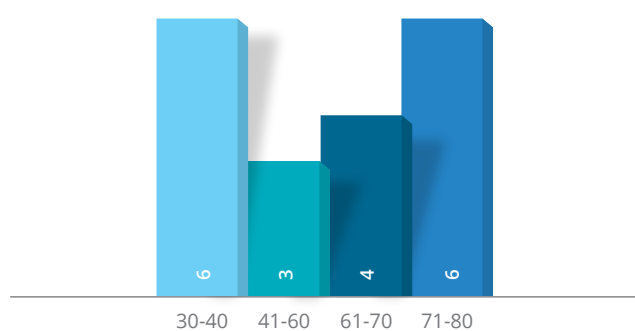
### Information Regarding Composition of Board and its Committees as on 31 December 2020

Name of the Director	Position	Executive committee	Audit Committee	Risk Management Committee	Subsidiary's Board
Mr. Fazlur Rahman	Chairman				
Engr. A. K. M. Mosharraf Hussain	Director			Chairman	
Engr. Md. Atiqur Rahman	Director		Member		
Mr. Gazi Golam Ashria	Director	Member			
Al-Haj Nur Mohammed	Director			Member	Director, JBCML
Mr. Robin Razon Sakhawat	Director		Member		
Mr. Redwan-ul Karim Ansari	Director			Member	
Mr. Md. Belal Hossain	Director	Member			
Mr. Md. Mahmudul Hoque	Director	Chairman			
Mr. Shaheen Mahmud	Director			Member	
Mr. Md. Sirajul Islam Varosha	Director	Member			Chairman, JBCML
Mr. Kanutosh Majumder	Director	Member			Director, JBCML
Mr. Md. Ismail Hossain Siraji	Director	Member			Chairman, JBSL
Mr. Gazi Golam Murtoza	Director		Member		Director, JBSL
Mr. Md. Hasan	Director	Member			
Mr. Md. Saidul Islam (Nominated by Fabian Industries Ltd.)	Representative Director			Member	
Mr. Md. Abdur Rahman Sarker	Independent Director		Member		Director, JBSL
Mr. Md. Rafiqul Islam	Independent Director		Chairman		Director, JBCML
Mr. Obaidul Kabir Khan	Independent Director				

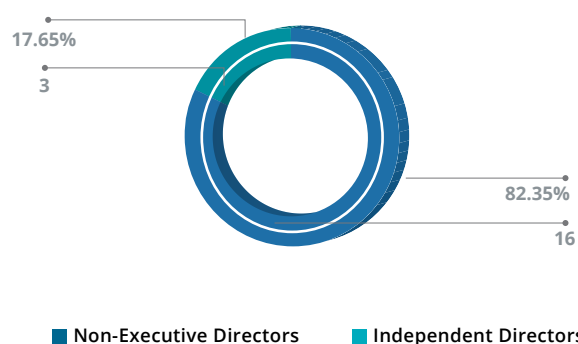
JBCML= Jamuna Bank Capital Management Limited; JBSL= Jamuna Bank Securities Limited

Note: All Directors are Non-Executive Director

#### Age group of our Directors



#### Board Composition



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. 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.

### 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 up to 2018) 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 following non-executive directors will retire from the Board in the upcoming 20th AGM:

Name of the Directors	Position
Engr. A.K.M. Mosharraf Hussain	Director
Engr. Md. Atiqur Rahman	Director
Al-Haj Nur Mohammed	Director
Mr. Kanutosh Majumder	Director
Mr. Gazi Golam Murtoza	Director
Mr. Md. Hasan	Director

### Compliance of BSEC notification dated 05 February, 2020 as regard to incorporating information of retiring Directors

Name	Primary employment and other engagement		Resume
	Entities where they have interest	Position with the entities/companies	
Engr. A.K.M. Mosharraf Hussain	The Civil Engineers Limited	Chairman	Resume has been presented at the Director's Profile Chapter
	Tulagaon Fashions Limited	Chairman	
	Standard Fashions Limited	Chairman	
	Standard Energy Limited	Managing Director	
	Standard Liquefied Petroleum Gas Ltd.	Managing Director	
	Adhunik Plastic Industries Limited	Managing Director	
	Amex Limited	Managing Director	
	Amotex Limited	Managing Director	
	Adhunik Poshak Shilpa Limited	Managing Director	
	Crazy Fashions Limited	Managing Director	
	International Trading Services Limited	Managing Director	
	Kazipur Fashions Limited	Managing Director	
	Matexport (Bangladesh) Limited	Managing Director	
	Peak Fashions Limited	Managing Director	

Name	Primary employment and other engagement		Resume
	Entities where they have interest	Position with the entities/companies	
	Standard Stitches Limited	Managing Director	
	Standard Group Limited	Managing Director	
	Shams Styling Wears Limited	Managing Director	
	Sterling Designs Limited	Managing Director	
	Tip Top Fashions Limited	Managing Director	
	Transworld Sweaters Limited	Managing Director	
	Wear Mag Limited	Managing Director	
	Your Fashion Sweater Limited	Managing Director	
	Concorde Knitting & Dyeing Industries Ltd.	Managing Director	
	Standard Global Economic Zone Ltd.	Managing Director	
	Amann Bangladesh Limited	Director	
	Inno Chemicals Limited	Director	
	United Financial Trading Company Ltd.	Director	
	Engr. Md. Atiqur Rahman	Amex Limited	
Amotex Limited		Chairman	
Adhunik Poshak Shilpa Limited		Chairman	
Crazy Fashions Limited		Chairman	
International Trading Services Limited		Chairman	
Kazipur Fashions Limited		Chairman	
Matexport (Bangladesh) Limited		Chairman	
Peak Fashions Limited		Chairman	
Standard Stitches Limited		Chairman	
Standard Group Limited		Chairman	
Shams Styling Wears Limited		Chairman	
Sterling Designs Limited		Chairman	
Tip Top Fashions Limited		Chairman	
Transworld Sweaters Limited		Chairman	
Wear Mag Limited		Chairman	
Your Fashion Sweater Limited		Chairman	
Concorde Knitting & Dyeing Industries Ltd.		Chairman	
Inno Chemicals Limited		Chairman	
Standard Fashions Limited		Managing Director	
The Civil Engineers Limited		Managing Director	
Tulagaon Fashions Limited		Managing Director	
Amann Bangladesh Limited		Director	
United Financial Trading Company Ltd.		Director	
Adhunik Plastic Industries Limited		Chairman	
Standard Global Economic Zone Ltd.		Chairman	
Standard Liquefied Petroleum Gas Ltd.		Chairman	
Standard Energy Limited	Chairman		
Standard Retail Ltd.	Chairman		

Name	Primary employment and other engagement		Resume
	Entities where they have interest	Position with the entities/companies	
Al-Haj Nur Mohammed	Munshigonj Chamber of Commerce & Industry	President	Resume presented at the Directors Profile Chapter
	Australian International School, Bangladesh & International Holdings Ltd.	Director	
	Star Trading Corporation	Proprietor	
	Modhumoti CNG Complex	Proprietor	
Mr. Kanutosh Majumder	New Generation Construction Co. Ltd.	Director	Resume has been presented at the Director's Profile Chapter
Mr. Gazi Golam Murtoza	Gazi Networks Limited	Managing Director	Resume has been presented at the Director's Profile Chapter
	Gazi Renewable Energy Company Limited	Managing Director	
	Gazi Infrastructure Development Company Limited	Managing Director	
	Gazi Satellite Television Limited	Director	
	Gazi Pipes	Proprietor	
	Gazi Doors	Proprietor	
	Gazi Foundry	Proprietor	
Mr. Md. Hasan	Gazi Communications	Proprietor	Resume has been presented at the Director's Profile Chapter
	Rahman Synthetics Ltd.	Director	
	Shampa Flour Mills Ltd.	Director	
	City Feed Products Ltd.	Director	
	Hamida Plastic Containers Limited	Director	
	City Navigation Limited	Director	
	Asgor Ali Hospital Ltd.	Director	
	Hasan Containers Ltd.	Director	
	Hasan Printing & Packaging Ind. Ltd.	Director	
	Safe Shipping Lines Ltd.	Director	
	M.A. Kalam & Co. Ltd.	Director	
	City Auto Rice & Dal Mills Ltd.	Director	
	Van Ommeran Tank Terminal (BD) Ltd.	Director	
	New Sagurnal Tea Co. Ltd.	Director	
	Somoy Media Limited	Director	
	Hasan Flour Mills Ltd.	Director	
	City Dal Mills Ltd.	Director	
	City Edible Oil Ltd.	Director	
	City Tea Estate Ltd.	Director	
	City Economic Zone Ltd.	Director	
	BRAC Banskali Tea Co. Ltd.	Director	
	F. Rahman Oil Mills Ltd.	Director	
	Hasan Plastic Industries Ltd.	Director	
M. A. Kalam & Co. Ltd.	Director		
Khan Brothers Ship Building Ltd.	Director		
Rupshi Flour Mills Ltd.	Director		
City Ploymers Ltd.	Director		

## 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 2019), 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 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/2019/7896 dated November 12, 2018 and subsequently they have informed us that they are

working on it vide their letter no. BRPD (R-1)717/2019-9488, 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

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.

## The Role and Responsibilities of the Chairman of the Board

### Role of the Chairman

The Chairman's primary role is to ensure that the Board is effective in its task of setting and implementing the Company's direction and strategy. The Chairman is appointed by the Board. The principal features of the role of the Chairman comprise the following:



Providing leadership to the Board



Taking responsibility for the Board's composition and development



Ensuring proper information for the Board



Planning and Conducting Board meetings effectively



Getting all Directors involved in the Board's work



Ensuring the Board's focus on key tasks



Engaging the Board in assessing and improving its performance



Overseeing the induction and development of Directors



Supporting the CEO & Managing Director



## Responsibilities of the Chairman

### 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.

### 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.

### 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.

### Training and Development 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.

### 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 Finance & Accounts 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 recuse 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 2020.
- 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.

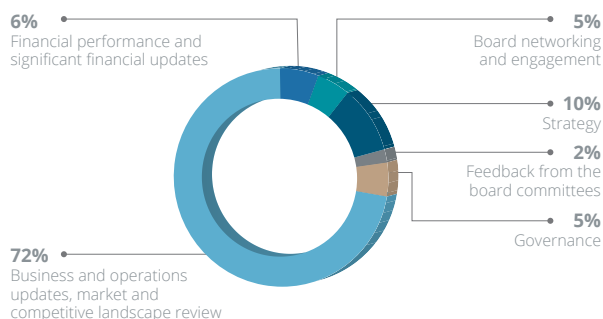
## Board Meetings and Attendance

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 2020, total 16 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.

## Key Activities of the Board in 2020

### How the board spent its time in 2020



### 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.

### Governance of Board of Directors of Subsidiary Company

#### Jamuna Bank Capital Management Limited (JBCML)

The Board of JBCML is comprised of 10(Directors) 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 in its 190th meeting held on 24/03/2021 reviewed the financial statements of JBCML for the year ended 2020.

#### Jamuna Bank Securities Ltd. (JBSL)

The Board of JBSL is comprised of 6(six) 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 in its 190th meeting held on 24/03/2021 reviewed the financial statements of JBSL for the year ended 2020.

### 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

Mr. Mirza Elias Uddin Ahmed has appointed as Managing Director & CEO of the Bank by the Board of Directors on October 21, 2019. 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 Code issued by BSEC on 03 June 2018 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**, Executive 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 Internal Audit and Compliance (HIAC)**

**Mr. Anupam Kanti Debnath**, 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. Company Secretary works as bridge between Board and Shareholders/investors. As per BSEC notification the Company Secretary is the Compliance Officer of the Company. He is responsible for monitoring the shares management. He maintains directly liaise with the authorities such as Bangladesh Bank, BSEC, Stock Exchanges, Registrar of Joint Stock Companies and Firms with respect to implementation of various clauses, rules, regulations and other directives of such authorities.

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**

- Counselor to the Board of Directors;
- Act as channel of Communication and information to 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;
- Ensuring the smooth running of the Boards and Board Committees (Audit, Executive & Risk Management)
- To ensure important information is forwarded to the Board of Directors
- Act as a confidential sounding Board to the Chairman, Executive and Non-Executive Directors.

### **Responsible to the Company**

- Act as the "Conscience of 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
- Act as an additional enquiring voice in relation to Board decisions.

### **Responsible to the Stakeholders**

- Timely dissemination of announcements to the market and ensuring that proper notification is made of Director's dealings.
- Maintaining relations with investors, particularly institutional Investors with regards to Corporate Governance issues and Board practices.
- Inducting new Directors into the business and explaining their roles and responsibilities.
- Ensuring compliance with all statutory filings and regulatory disclosures.
- Arranging and managing the Board meeting and General Meeting.
- 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 14 (fourteen) meetings of Executive Committee were held during 01.01.2020 to 31.12.2020.

### Loan approval in 2020 by the Executive Committee

	No. of Memo	Funded	Non-Funded
New Sanction	81	1,332.40	1,557.80
Enhancement	38	93.5	170.50
Rescheduling	2	1783.20	-
Forced Loan	-	-	-

## 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)

## Audit Committee

### 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)

**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.

## Qualification of Members of AC as on 31 December 2020:

### Financial expert in the AC:

**Mr. Md. Rafiqul Islam**, Independent Director & Chairman (AC), obtained M. A from University of Dhaka in 1977 and has extensive banking experience of 40 years. He comes from a respectable Muslim family of Satkhira. He started his career in 1977 as a Senior Officer with Pubali Bank Limited and afterwards, he served to the various Banks in different capacities including South Bangla Agriculture & Commerce Bank Limited as Managing Director & CEO.

**Engr. Md. Atiqur Rahman**, Director obtained B.Sc. Degree in Civil Engineering from Bangladesh University of Engineering and Technology (BUET), Dhaka and is a Fellow member of the Institute of Engineers, Bangladesh (IEB). He made his mark in business and industry. He is the Managing Director of The Civil Engineers Limited, one of the pioneer & leading construction companies in Bangladesh. In industrial sector, he was actively associated with setting up of a number of industrial concerns in garments sector. He is the Chairman of country's renowned industrial conglomerate named "Standard Group".

**Robin Razon Sakhawat**, Director obtained bachelor's degree in Financial Engineering from Goethe University Frankfurt. After completion of his graduation, he started administering Robintex Group as a Director in 2010 after returning to Bangladesh, which is a 100% export oriented knit-composite Germany-Bangladesh joint venture started in 1996. Renowned in global context, Robintex has become one of the leading manufacturers and exporters of knitwear. Being a Director, Robin Razon Sakhawat contributed to the company confidently focusing on technological innovations, productivity and quality enhancement through industrial engineering and the successful execution of current business processes and future developments side by side and thus accomplished the position of Managing Director in the year 2015. Mr. Robin Razon Sakhawat is also member of the Bangladesh German Chamber of Commerce and Industry (BGCCI) and is actively involved in various industries such as banking, logistics and property market.

**Gazi Golam Murtoza**, Director, completed his Bachelor Degree in Engineering (Polymer Science) from the University of Akron, a renowned North American University. Mr. Murtoza is the Deputy Managing Director of the country's renowned business conglomerate, "Gazi Group". He made his mark in IT development in the country. He is the key person of Gazi Networks Ltd. as its Managing Director. He is also Managing Director of Gazi Renewable Energy Company Limited and Gazi Infrastructure Development Company Limited. He is the Director of Gazi Satellite Television Limited and proprietor of Gazi Pipes, Gazi Doors, Gazi Foundry and Gazi Communications. He is also the Director of Bangladesh Cricket Board (BCB), the Chairman of Cricket Committee of Dhaka Metropolis (CCDM) and also President of Gazi Group Cricketers

**Md. Abdur Rahman Sarker**, Independent Director obtained M. A in Economics from Rajshahi University and has extensive banking experience of 40 years. He started his career in 1973 as a Probationary Officer with Janata Bank Limited and afterwards, he served in National Bank Limited in different capacities over 25 years. Lastly, he appointed as Managing Director & CEO of the National Bank Limited and served the Bank for the period from 2007 to 2010. He also served Shahjalal Islami Bank Limited as Managing Director for the period of 2010-2013.

### Major Agend Covered in 2020

- Audit Plan for the year 2020 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 31.12.2020.

- 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, 2020 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:

- Report on conflicts of interests.
- Suspected or presumed fraud or irregularity or material defect in the internal control system.
- Suspected infringement of laws, including securities related laws, rules and regulations.
- 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 6 (six) meetings of Audit Committee were held during 01.01.2020 to 31.12.2020.

## **Board 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 BRMC**

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 BRMC of JBL held 4(Four) meetings during 2020 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 2020**

- Monthly Risk Management Report (MRMR) and Comprehensive Risk Management Report (CRMR)

### **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

and Minutes of the meeting of the Executive Risk Management Committee.

- Stress Testing Report.
- Risk Based Capital Adequacy Report in line with Basel-III.
- 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)".
- Internal Capital Adequacy Assessment Process (ICAAP) Report under Supervisory Review Process.
- Memo on LCR & NSFR, Structural Liquidity Profile (SLP), Wholesale Borrowing & Commitments.

## Nomination and Remuneration Committee

As Bangladesh Bank is restricted (by Central Bank) to have more than 3(three) 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/2019/7896 dated November 12, 2018 and subsequently they have informed us that they are working on it vide their letter no. BRPD (R-1)717/2019-9488, December 18, 2018.

## 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	Dr. Saikh Muhammad Mahadi Hasan Chief Instructor, Academy of Quran Studies, house# 38, Road# 1/A, Block# J, Baridhara, Dhaka-1212	Chairman (CC)
2	Prof. Mawlana Md. Salahuddin Khatib, Baitul Mukarram, National Mosque, Dhaka	Member
3	Mawlana Abdur Razzak Principal, Madinatul Ulum Model Institute Boys Kamil Madrasah, Dhaka.	Member
4	Hafez Mawlana Mufti Ruhul Amin Principal, Jamea Islamia Darul Ulum Khademul Islam Gawherdanga Madrasah, Tungipara, Gopalganj.	Member
5	Hafez Mawlana Prof. Dr. Shahidul Islam Barakati Islami Scholar	Member
6	Dr. Ahmadullah Trishali Assistant Director, Bangladesh Madrasa Teachers' Training Institute (BMTTI) Board Bazar, Gazipur	Member
7	Mr. Md. Mirza Elias Uddin Ahmed Managing Director, Jamuna Bank Ltd.	Member (Ex-Officio)

## Appointment of External Auditors

Khan Wahab Safique Rahman & Co, Chartered Accountants of has completed their second year as External Auditor of the Bank and they are eligible for re-appointment. 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 2021 i.e. until next AGM of

the Bank subject to obtaining No Objection from Bangladesh Bank.

## 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.

### 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.

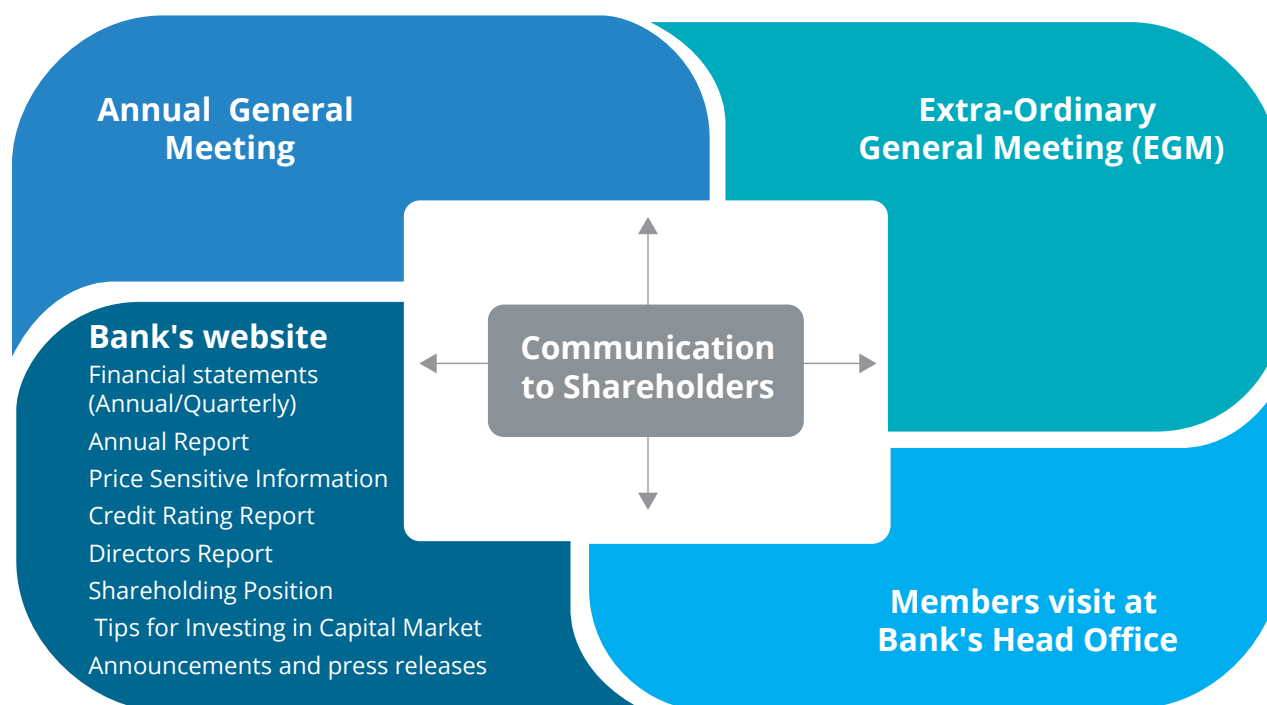
To conclude, our core brand has always been our employees, appreciated for their passion to perform. For us, employees are the best brand. We do not offer our employees a job, we offer them a career. We strongly believe that employees are required to work in a team to run a system smoothly and efficiently. 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 Capital" has been presented 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 shareholder 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.

Jamuna Bank ensures equal treatment to all shareholders. The Bank does not overlook the interest of minority shareholders. However, 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. It protects not just the rights of minority shareholders but also their legitimate expectations.

- 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, Bank's Head Office, Jamuna Bank Tower (5th Floor), Plot-14, Block-C, Bir Uttam A.K Khandakar Road, Gulshan-1, Dhaka.

Web Address : [www.jamunabank.com.bd](http://www.jamunabank.com.bd)

Name of Contact Person : Mr. Quzi Mohammad Taraqul Akbar, Division Head, Share Division

E-mail: [head.share@jamunabank.com.bd](mailto:head.share@jamunabank.com.bd)

Phone: +8809610005678(10:00 A.M. to 6:00 P.M.)

Fax: 09610472124

### 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.
- 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.

The details discussion on the “Sustainability Report” has been presented in this annual report.

### **Disclosure of Key Policies with Regard to Remuneration of Directors, Senior Management and Employees**

All employees including the Senior Management employees are paid competitive remuneration package. The structure and level of remuneration are reviewed time to time based on Bank's performance and affordability. The remuneration also stresses on ensuring internal and external pay equity.

### **Conflict of Interest**

The Code of Ethics and Business Conduct require all employees to avoid situations where their personal interests are in conflict, or may appear to be in conflict with those of the Bank. Employees are advised to take particular care when they are responsible for dealing with customers, business associates and agents on behalf of the Bank. Any failure to disclose a conflict of interest leads to a disciplinary action.

### **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 Wncashed 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 19th AGM held on August 27, 2020 approved 15.00% Cash Dividend for the year 2019 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.

### **Management Committees**

The Bank is manned and managed by a team of efficient professionals headed by Mr. Mirza Elias Uddin Ahmed, the Managing Director & CEO who has long banking experience. 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:

No.	Name of the Committee	Members of the Committee	Functions of the Committees	Year 2020
1.	<b>Management Committee (MANCOM)</b>	It is composed of 14(fourteen) senior members of the Management	To address general issues of importance, evaluate different types of risks, monitor internal control structure and to review effectiveness of the internal control system	Meeting: The meeting of the MANCOM held monthly.
2.	<b>Senior Management Team (SMT)</b>	<ul style="list-style-type: none"> <li>■ Managing Director &amp; CEO</li> <li>■ Additional Managing Director</li> <li>■ Deputy Managing Director(s)</li> <li>■ Senior Executive Vice President(s)</li> <li>■ The Chief Financial Officer</li> </ul>	Monitoring the adequacy and effectiveness of the Internal Control System based on the bank's established policy and procedure	Meeting held yearly  Reviewing overall internal control systems of the Bank
3.	<b>Asset Liability Committee (ALCO)</b>	<p>Managing Director (Chairperson)</p> <p>Deputy Managing Directors and Strategically important Divisional Heads of Head Office.</p> <p>The Head of Treasury acts as the member-secretary of the committee.</p>	<ul style="list-style-type: none"> <li>■ Ensure that bank' measurement and reporting systems accurately convey the degrees of liquidity and market risk</li> <li>■ Monitor the structure and composition of bank's assets and liabilities and identify</li> <li>■ balance sheet management issues that are leading to underperformance</li> <li>■ Decide on the major aspects of balance sheet structure, such as maturity and currency mix of assets and liabilities, mix of wholesale versus retail funding, deposit mix , etc</li> <li>■ Decide on how to respond to significant, actual and expected increases and decreases in required funding</li> <li>■ Review maturity profile and mix of assets and liabilities</li> <li>■ Articulate interest rate view of the bank and decide on balance sheet strategy</li> <li>■ Approve and periodically review the transfer pricing policy of the bank</li> </ul>	<p>The meetings of the Asset Liability Committee are held in every month. Total 16 meeting were held in the year 2020</p> <p>Major agenda covered in 2020:</p> <ul style="list-style-type: none"> <li>■ Review of the Fund Position and Mismatch Position.</li> <li>■ Review of interest rates on Deposits and Advances of our Bank compared to other Bank.</li> <li>■ Discussion on the comparative position of Deposit and Advances of our Branches.</li> <li>■ Discussion regarding activities of PD.</li> <li>■ Review of the Economic &amp; Market Status and outlook &amp; the Key Management indicators of the Bank.</li> <li>■ Discussion regarding bucket information of Asset &amp; Liabilities of the Bank.</li> <li>■ Discussion regarding the position of rate sensitive Asset &amp; Liability.</li> <li>■ Discussion regarding the unused whole sale borrowing capacity.</li> <li>■ Discussion regarding the undrawn portion of Commitment.</li> <li>■ Review of the trend of local &amp; foreign currency deposits &amp; advance position.</li> </ul>

No.	Name of the Committee	Members of the Committee	Functions of the Committees	Year 2020
			<ul style="list-style-type: none"> <li>■ Evaluate market risk involved in launching of new products</li> <li>■ Review deposit-pricing strategy, and</li> <li>■ Review contingency funding plan for the bank</li> </ul>	<ul style="list-style-type: none"> <li>■ Review of the statement showing the interest rate risk of Assets &amp; Liabilities position of the Bank.</li> <li>■ Review of the loan &amp; Deposit Movement.</li> <li>■ Review of the interest rate breakdown for asset &amp; Liability.</li> <li>■ Review of the top 10 Depositors list.</li> <li>■ Review of the top 10 Borrowers list.</li> <li>■ Review of the trend of the limit as states in policy statement for last few months.</li> <li>■ Review of the combined &amp; segmented Deposit &amp; Advance trend in local &amp; foreign currency.</li> <li>■ Review of the comparative balance position of the Bank.</li> <li>■ Review of the status of regulatory compliance.</li> <li>■ Review of the last financial data of the Bank.</li> <li>■ Review of the off balance sheet position.</li> <li>■ Review of the credit limit imposed by the counter parties.</li> <li>■ Review of the limit status and its utilization.</li> <li>■ Discussion regarding the amount of loan able fund</li> <li>■ Discussion regarding Borrowed fund to Total Asset</li> <li>■ Review of the average interest rate on loans &amp; deposit</li> <li>■ Review of the highest call money rate for previous 12 months.</li> <li>■ Review on Foreign Exchange Asset &amp; Liability and Net Open Position (NOP)</li> <li>■ Review of the Value at risk (VaR) on foreign Exchange Position.</li> <li>■ Review of the Stress testing report &amp; expected capital requirement</li> </ul>



No.	Name of the Committee	Members of the Committee	Functions of the Committees	Year 2020																										
4.	<b>Head Office Credit Review Committee (HOCRC)</b>	<ul style="list-style-type: none"> <li>The Head of Business</li> <li>The Head of Credit Administration Division</li> <li>The Head of Corporate Banking Division</li> <li>The Head of Credit Risk Management Division</li> <li>The Deputy Head of Corporate Banking Division</li> <li>The Deputy Head of Credit Risk Management Division acts as the secretary of the committee</li> </ul>	The committee is the 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.	<p><b>Meeting held by HOCRC in 2020 : 102</b></p> <table border="1"> <thead> <tr> <th>Sanction type of Credit Committee</th> <th>Number of proposal</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="text-align: center;"><b>Facility Approved in 2020</b></td> </tr> <tr> <td>New</td> <td>829</td> </tr> <tr> <td>Renewal</td> <td>351</td> </tr> <tr> <td>Enhancement</td> <td>51</td> </tr> <tr> <td>Renewal with Enhancement</td> <td>154</td> </tr> <tr> <td>Reduction</td> <td>14</td> </tr> <tr> <td>Renewal with Reduction</td> <td>6</td> </tr> <tr> <td>Restructuring</td> <td>27</td> </tr> <tr> <td>Renewal with Restructuring</td> <td>6</td> </tr> <tr> <td>Rescheduling</td> <td>14</td> </tr> <tr> <td>Specific</td> <td>131</td> </tr> <tr> <td>Others</td> <td>173</td> </tr> </tbody> </table>	Sanction type of Credit Committee	Number of proposal	<b>Facility Approved in 2020</b>		New	829	Renewal	351	Enhancement	51	Renewal with Enhancement	154	Reduction	14	Renewal with Reduction	6	Restructuring	27	Renewal with Restructuring	6	Rescheduling	14	Specific	131	Others	173
Sanction type of Credit Committee	Number of proposal																													
<b>Facility Approved in 2020</b>																														
New	829																													
Renewal	351																													
Enhancement	51																													
Renewal with Enhancement	154																													
Reduction	14																													
Renewal with Reduction	6																													
Restructuring	27																													
Renewal with Restructuring	6																													
Rescheduling	14																													
Specific	131																													
Others	173																													
5.	<b>Business Management Committee (BMC)</b>	<ul style="list-style-type: none"> <li>Managing Director</li> <li>The Head Office Deputy Managing Directors'</li> <li>The Head of Corporate Division</li> <li>The Head of Business</li> <li>The Head of CRM Division'</li> <li>An Officer of Credit Risk Management Division acts as secretary of the committee</li> </ul>	The business proposals having funded facilities above BDT1.00 Crore to BDT5.00 crore and non-funded facilities upto BDT10.00 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 2020 :30																										
6.	<b>Executive Risk Management Committee</b>	<ul style="list-style-type: none"> <li>Additional Managing Director</li> <li>DMD (Operations)</li> <li>The Head of ICC</li> <li>The Head of CRM</li> <li>The Head of ICT</li> <li>The Head of FAD</li> <li>The Head of MLTFPD</li> <li>The Head of ID</li> <li>The Head of Treasury</li> <li>The Head of Law and Recovery</li> <li>The Head of RMD acts as the secretary of the committee</li> </ul>	This Committee is engaged in formulating risk management policy and procedures of the Bank.	<p>Meeting held by Bank's Executive Risk Management Committee: 12 (Twelve)</p> <p>Major agenda covered in 2020</p> <p>Discussion on the Monthly Risk Management Report (MRMR) and Comprehensive Risk Management Report (CRMR).</p>																										

No.	Name of the Committee	Members of the Committee	Functions of the Committees	Year 2020
7.	<b>Supervisory Review Committee (SRC)</b>	<ul style="list-style-type: none"> <li>The Managing Director</li> <li>The Deputy Managing Director</li> <li>The Head of CRMD</li> <li>The Head of CBD</li> <li>The Head of ICTD</li> <li>The Head of ICCD</li> <li>The Head of RMD</li> <li>The Head of LRD</li> <li>The Head of ID</li> <li>The Head of TD</li> <li>The Head of FAD</li> <li>The Head of HRD</li> <li>The Head of AMLD</li> </ul>	The committee engaged in reviewing the nature and level of risk relates to banking assets and planning for adequate capital framework.	<p><b>Meeting held by Bank's Supervisory Review Committee: 06 (Six)</b></p> <p><b>Major agenda covered in 2020</b></p> <ul style="list-style-type: none"> <li>Discussion on the Monthly Risk Management Report (MRMR) and Comprehensive Risk Management Report (CRMR).</li> <li>Discussion on the Risk Based Capital Adequacy Report in line with Basel-III.</li> <li>Discussion on the Stress Testing Report.</li> <li>Discussion on Internal Capital Adequacy Assessment Process (ICAAP) Report under Supervisory Review Process.</li> </ul>
8.	<b>Credit Risk Management Committee</b>	<ul style="list-style-type: none"> <li>The Deputy Managing Director (CRM)</li> <li>The Head of Business</li> <li>The Head of CRMD</li> <li>The Head of CBD</li> <li>The Head of CAD</li> <li>The Head of RBD</li> <li>The Head of Monitoring Division</li> <li>The Head of LRD</li> <li>The Head of SME Division</li> <li>The Head of ID</li> <li>The Head of Treasury</li> <li>The Head of RMD</li> </ul>	The committee shall responsible to implement Credit Risk Management in line with Bangladesh Bank's Guidelines within reasonable time by taking initiatives.	In 2020, the Committee was watchful to identify, measure, monitor and control credit risk as part of an overall approach to risk management.
9.	<b>Sustainable Finance Committee</b>	<ul style="list-style-type: none"> <li>The Deputy Managing Director</li> <li>The Head of CRMD</li> <li>The Head of CAD</li> <li>The Head of Monitoring Division</li> <li>The Head of CBD</li> <li>The Head of RBD</li> <li>The Head of ID</li> <li>The Head of RMD</li> <li>The Head of HRD</li> <li>The Chief Financial Officer</li> <li>The Head of FAD</li> <li>The Head of ICCD</li> <li>The Head of Card Division</li> <li>The Head of GCSD</li> <li>The Head of BOD</li> <li>The Head of Marketing &amp; Development Division</li> <li>The Head of ICTD</li> </ul>	<p>Monitoring/following up and evaluating activities of Sustainable Finance Unit (SFU)</p> <p>Fixing Yearly target regarding activities of SFU and evaluating the same</p>	In 2020, the committee monitored and evaluated activities of SFU

## 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.

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 2020. Further, a Certificate of Compliance required under the said Guidelines, as provided by Mahfel Huq & Co., Chartered Accountants, is also annexed to this report.

# Corporate Governance Certificate



**Mahfel Huq & Co.**  
Chartered Accountants  
The first registered accounting firm in independent Bangladesh

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An independent member firm of AGN International

## REPORT TO THE SHAREHOLDERS OF JAMUNA BANK LTD. ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by Jamuna Bank Limited (the Company) for the year ended on 31 December, 2020. This Code relates to the Notification No-BSEC/CMRRCD/2006-158/207/admin/80 and dated: June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. 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 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 Company 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 Company 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 Jamuna Bank Limited as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Place: Dhaka  
Dated: 11 April 2021

Md. Abdus Satter Sarkar, FCA, FCMA  
For and on behalf of  
**Mahfel Huq & Co.**  
Chartered Accountants

## 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.

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

Sl.	Particulars	Compliance Status
(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:	
(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

Sl.	Particulars	Compliance Status
	(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
(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

Sl.	Particulars	Compliance Status
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	Complied
1	<p>Moral Integrity: In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that,-</p> <p>a) He has not been convicted by any Criminal Court of Law;</p> <p>b) He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority;</p> <p>c) He was not associated with any such company/organization, registration or licence of which has been cancelled.</p>	Complied
2	<p>Experience and Suitability:</p> <p>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.</p> <p>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. <b>(amended on 24th December 2018 vide BRPD Circular Letter No.26)</b></p> <p>c) In respect of service, the concerned person should have excellent record of performance.</p> <p>d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company;</p> <p>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.</p>	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 BDT 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

Sl.	Particulars	Compliance Status
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

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 2020 is as follows:

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
<b>1.0</b>	<b>Board of Directors</b>			
<b>1.1</b>	Board Size: The number of Board Members shall not be less than 5 (five) and more than 20 (twenty)	✓		
<b>1.2</b>	<b>Independent Directors</b>			
<b>1.2 (a)</b>	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);	✓		The Board of JBL has constituted as per section 15(9) of Bank Company Act 1991 (Amended upto 2018)
<b>1.2 (b) (i)</b>	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;	✓		
<b>1.2 (b) (ii)</b>	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;	✓		
<b>1.2 (b) (iii)</b>	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
<b>1.2 (b) (iv)</b>	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
<b>1.2 (b) (v)</b>	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
<b>1.2 (b) (vi)</b>	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;	✓		
<b>1.2 (b) (vii)</b>	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;	✓		
<b>1.2 (b) (viii)</b>	Not be an independent director in more than 5 (five) listed companies;	✓		
<b>1.2 (b) (ix)</b>	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);			N/A
<b>1.2 (b) (x)</b>	Not been convicted for a criminal offence involving moral turpitude			N/A
<b>1.2 (c)</b>	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		
<b>1.2 (d)</b>	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		

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	<b>Qualification of Independent Director (ID)</b>			
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 BDT 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 BDT 100.00 million or of a listed company; or	✓		
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			N/A
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	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.</b>			
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	<b>The Directors' Report to Shareholders</b>	✓		
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);			No Such event arose
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
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;	✓		

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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);			Nil
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	✓		
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	✓		

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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	<b>Meetings of the Board of Directors</b> 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	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer.</b>			
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;			Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, The company acknowledged the issue to Bangladesh Bank through Letter ref no.JBL/HO/2019//7896 dated. 12/11/2018 and subsequently Bangladesh Bank informed the company they are working on it through vide letter no. BRPD (R-1) 717/2019-9488 dated: 18/12/2018.
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	<b>Governance of Board of Directors of Subsidiary Company.</b>	✓		
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;	✓		Jamuna Bank Limited has two (02) subsidiaries namely Jamuna Bank Capital Management Ltd. & Jamuna Bank Securities Ltd.
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.	✓		
3	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).</b>	✓		
3.1	<b>Appointment</b>			

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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	<b>Requirement to attend Board of Directors' Meetings</b> 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	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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	
<b>4</b>	<b>Board of Directors' Committee.</b>			
<b>4(i)</b>	Audit Committee;	✓		
<b>4(ii)</b>	Nomination and Remuneration Committee.			Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the company acknowledged the issue to Bangladesh Bank through Letter ref no.JBL/HO/2019//7896 dated. 12/11/2018 and subsequently Bangladesh Bank informed the company they are working on it through vide letter no. BRPD (R-1) 717/2019-9488 dated: 18/12/2018.
<b>5</b>	<b>Audit Committee</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors</b>			
<b>5(1)(a)</b>	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
<b>5(1)(b)</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;	✓		
<b>5(1)(c)</b>	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
<b>5(2)(a)</b>	The Audit Committee shall be composed of at least 3 (three) members;	✓		
<b>5(2)(b)</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;	✓		
<b>5(2)(c)</b>	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;	✓		
<b>5(2)(d)</b>	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

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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.	✓		
5(3)	<b>Chairperson of the Audit Committee</b>	✓		
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)	<b>Meeting of the Audit Committee</b>			
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)	<b>Role of Audit Committee</b> 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	
<b>5 (5) (l)</b>	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	✓		
<b>5 (5) (m)</b>	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:  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:  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.			N/A
<b>5(6)(a)(i)</b>	The Audit Committee shall report on its activities to the Board.	✓		
<b>5(6)(a)(ii)(a)</b>	Report on conflicts of interests;			No such incidence arose
<b>5(6)(a)(ii)(b)</b>	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incidence arose
<b>5(6)(a)(ii)(c)</b>	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			No such incidence arose
<b>5(6)(a)(ii)(d)</b>	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such incidence arose
<b>5(6)(b)</b>	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.			No such incidence arose
<b>5(7)</b>	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(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee.  According the company acknowledged the issue to Bangladesh Bank through Letter ref no.JBL/HO/2019//7896 dated. 12/11/2018 and subsequently Bangladesh Bank informed the company they are working on it through vide letter no. BRPD (R-1) 717/2019-9488 dated: 18/12/2018.
6(1)(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;			
6(1)(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).			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			
6(2)(b)	All members of the Committee shall be non-executive directors;			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			
6(2)(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;			
6(2)(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;			
	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;			
6(2)(g)	The company secretary shall act as the secretary of the Committee;			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			
6(2)(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.			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			
6(3)(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;			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			
6(4)(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);			
6(4)(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.			

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the company acknowledged the issue to Bangladesh Bank through Letter ref no.JBL/HO/2019//7896 dated. 12/11/2018 and subsequently Bangladesh Bank informed the company they are working on it through vide letter no. BRPD (R-1) 717/2019-9488 dated: 18/12/2018.
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(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			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;			
6(5)(b)(i)(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;			
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6(5)(b)(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;			
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;			
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;			
6(5)(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.			
<b>7</b>	<b>External or Statutory Auditors</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	✓		
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any services that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(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:	✓		

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
7(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.	✓		
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(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(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.	✓		
9(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.	✓		
9(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.	✓		