



Directors' Report

Dear Shareholders,

The Board of Directors of Jamuna Bank Limited takes pleasure in welcoming you all to the 21st Annual General Meeting (AGM) and presenting Annual Report and the audited financial statements of the bank for the year ended 31 December 2021 along with the Auditors' Report thereon. A snapshot of the world economic trend with the performance of Bangladesh economy along with economic prospect has also been provided in this report. This is a humble presentation for consideration and approval of our valued shareholders.

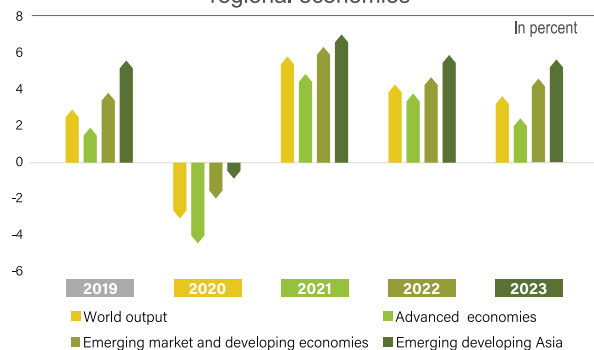
The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994, BSEC Corporate Governance Code issued on 03 June 2018, Listing Regulations of Dhaka and Chittagong Stock Exchanges, guidelines of Bangladesh Bank and other applicable rules and regulations. Moreover, the Directors are pleased to explain and disclose some issues, which they consider relevant to ensure more transparency in this regard. The Directors believe the Report will give insights of the Bank's overall performance during the year under review:

Global Economy: A Brief Review & Outlook

As the world enters the third year of the COVID19 crisis, economic developments have been both encouraging and troubling, clouded by many risks and considerable uncertainty. The good news is that output in many countries rebounded in 2021 after a sharp decline in 2020. Advanced economies and many middle-income countries have reached substantial vaccination rates. International trade has picked up, and high commodity prices are benefiting many developing countries.

Global economic growth is forecasted to decelerate from 5.9 percent in 2021 to 4.4 percent in 2022, due mainly to reduced economic growth predicted for the top two largest world economies, the USA and China. This forecast of global growth is half a percentage point down from October 2021 WEO as IMF revised its assumptions including removing the US's "Build Back Better" fiscal policy package from the baseline, and earlier withdrawal of monetary accommodation and continued supply shortages in the United States and lingering financial stress in China. Overall, global growth is forecasted to slide to 3.8 percent in 2023, though 0.2 percentage points higher than that in the previous forecast supported by declining severity of the pandemic, improved vaccination rates and more effective therapies worldwide.

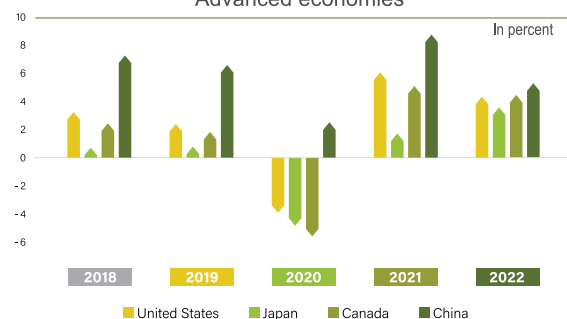
Chart I.1: Output growth of global and selected regional economies



Source: World Economic Outlook, January 2022 (Update), IMF.

Overall, persistence and rapid transmission of Omicron variant of the coronavirus, supply constraints, and mobility restrictions toward the end of 2021 are expected to drag economic growth down in early 2022. Two largest world economies, the US and China, are expected to grow by 4.0 percent and 4.8 percent in 2022, markedly below the 5.6 percent and 8.1 percent growth in 2021, respectively (Chart I.2). South Asia region would maintain positive growth in 2021 and 2022, depicted in Chart I.3, indicating a strong recovery. Indian economic growth is expected to return to its pre-pandemic trend and surpass the trend in 2021 (Chart I.3). Bangladesh economy is predicted to grow by 6.9 percent in 2022, 0.5 percentage-point higher than 6.4 percent in 2021 (Global Economic Prospects, World Bank, January 2022). However, this growth is still below the pre-pandemic growth rates (Chart I.3).

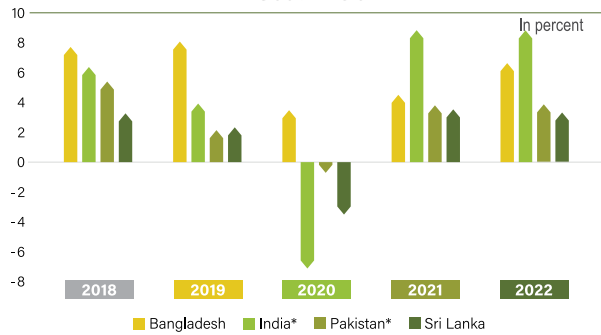
Chart I.2: Economic growth of peer countries: Advanced economies



Source: World Economic Outlook, January 2022 (update), IMF.



Chart I.3: Economic growth of peer countries: South Asia



Source: World Economic Outlook, October 2021 and *January 2022, IMF.

Global Trade Volume

Global trade is projected to moderate in 2022 and 2023, aligned with the overall pace of the economic expansion on the back of eased supply constraints, assuming dissipating severity of the pandemic. Despite a contraction of 8.2 percent in 2020, world trade volume grew by 9.3 percent in 2021, consistent with the global recovery. However, trade volume is projected to grow by 6.0 percent in 2022. (WEO, January 2022) (Chart I.4).

Chart I.4: Global trade, imports, and exports



Source: World Economic Outlook, October 2021, IMF.

Global Commodity Markets

Commodity prices have trended up with recovering economic activities. Oil prices are expected to increase about 12 percent and non-fuel prices about 3 percent in 2022 which are comparatively much lower than the increase predicted for 2021 (WEO, January 2022) (Chart I.5). The average price of oil was USD 69.07 a barrel in 2021. Based on the future markets, the WEO assumes that the average price of oil would increase to USD 77.31 a barrel in 2022 and USD 71.29 a barrel in 2023.

Chart I.5: Global commodity prices, in percent (year on year)

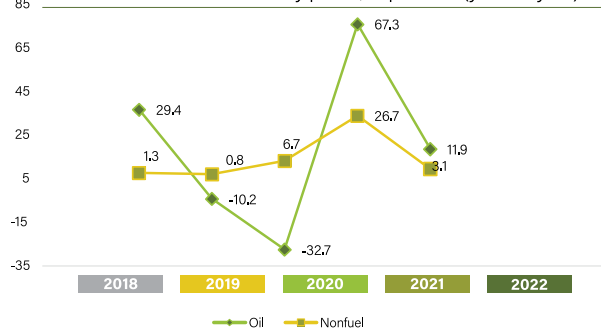
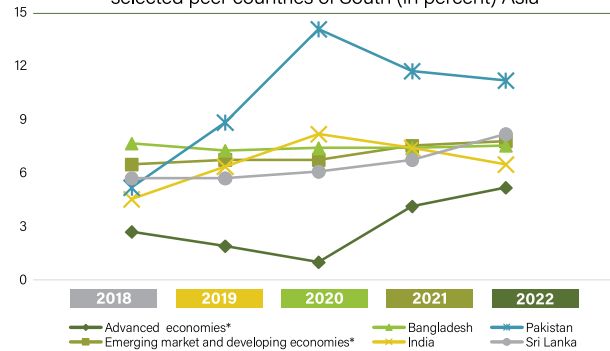


Chart I.6: Consumer prices: global and emerging markets and selected peer countries of South (in percent) Asia



Source: World Economic Outlook, October 2021 and *January 2022, IMF.

Global Inflation

Expansionary monetary and fiscal policies adopted for bolstering economic activities during the pandemic and persistent supply constraints are keeping global inflation elevated in the near term, averaging 3.9 percent in advanced economies and 5.9 percent in emerging market and developing economies in 2022, before subsiding in 2023. The headline inflation might be contained if inflation expectations remain well anchored, the transmission and severity of COVID-19 dissipate, the supply disruptions ease, monetary policy tightens, and global demand rebalances.

Among the selected South Asian countries as shown in Chart I.6, the IMF forecasted that India and Pakistan would be able to lower inflation rate in 2021 and 2022 compared to that of 2020, while Bangladesh would contain inflation around 5.6 percent. However, inflation in Sri Lanka is projected to increase in the upcoming years.

Global Economic Outlook

Global economy faces many risks such as health, limited space of fiscal and monetary policies, supply constraints, labor market distortions, external financial conditions and structural shifts. These risks have tilted to downsize global economic recovery and heighten global financial disruptions in 2022.

Elevated Health Risks

Health risks remain at elevated levels in emerging market and developing economies owing to slow rollout of vaccination, despite rapid and effective rollouts of vaccination programs in most advanced economies (WEO, January 2020). With recurrent waves of the COVID-19 variants, health care system is overwhelmed. Even though symptoms are less severe, the Omicron variant has amplified transmissibility rates, and has put extra pressure on hospitals, created labor shortages, and triggered tighter and longer-lasting mobility restrictions.

Limited Space of Fiscal and Monetary Policies

The unprecedented expansion of monetary and fiscal policy has squeezed policy space because of high inflationary pressures, low tax revenues and rising public debt. Central banks are in a dilemma as they have to raise interest rate to contain inflation on the one hand and the lingering of the pandemic necessitating easy credit availability and low interest rate on the other. Maintenance of low interest rates is likely to trigger a flight to safety, raise spreads for riskier borrowers, and thus impose pressures on emerging market currencies, firms, and fiscal positions.

Supply Constraints

Supply chain disruptions in global trade have led to shortages and higher prices for imported consumer goods. In 2021, supply disruptions cut 0.5–1.0 percentage-point off global GDP growth but added 1.0 percentage point to core inflation (IMF). The rapidly spreading Omicron variant is expected to further worsen supply-demand imbalances.

Labor Market Distortions

The pandemic has distorted the labor market since living costs have escalated provoking higher labor wage during the pandemic when firms are under production and supply constraints. If labor wages rise, it is like to trigger a wage-price inflationary spiral necessitating aggressive anti-inflationary policy responses.

External Financial Conditions

Limited scope for further expansionary monetary and fiscal policy and inflationary pressure has raised the risks of increased foreign debt burden, for central banks and governments in emerging market and developing economies. Central banks and government are forced to walk on tight rope, delicately controlling inflation and debt burden with limited fiscal space.

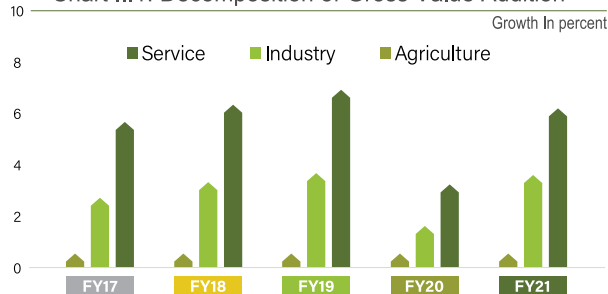
Structural Shifts

Prompted by the pandemic related lockdowns, and social distancing, the global economy has undergone noticeable structural shifts in terms of rapid deployment of digitalization platform, i.e., work-from-home via Internet and e-commerce. Education and training in developing countries suffered the most because of prolonged closure of educational training institutions and prohibition of on-site classes. To mitigate the long-term scarring impacts on the economy, governments need to retool and re-skill workers to enable them for work in a more digitalized economy.

Bangladesh Economy: A Brief Review & Outlook

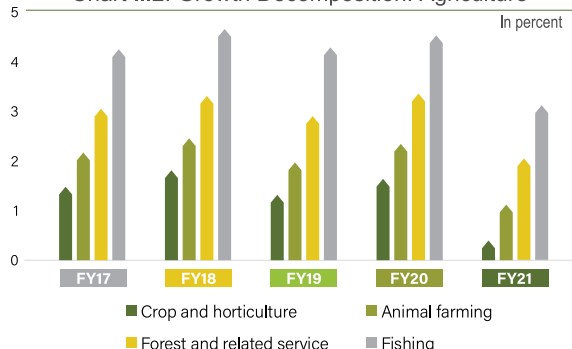
Bangladesh's economic growth in the last fiscal marks a quantum leap by 1.51 percentage points to an impressive 6.94 per cent in final official calculations, despite continued onslaught of the COVID-19 pandemic. In the provisional estimation made by Bangladesh Bureau of Statistics (BBS) in November, 2021 showed the Country's Gross Domestic Product (GDP) at constant price had grown 5.43 per cent. The overall growth performance of FY21 and onwards mainly owed to the supportive monetary and fiscal policies, improved business confidence, effective COVID-19 containment measures and consequent declining infection rate, enactment of mass vaccination across the country, and efficient management of supply chain during the pandemic by the government. The industry sector strongly recovered and grew by 10.29 percent in FY21 after a sharp decline (3.61 percent) in FY20 (Chart 2.1). The growth momentum in FY22 appeared to strengthen further, reflected in 16.18 percent growth of large and medium scale manufacturing output during July-October of FY22 compared to the same period of FY21, robust growth of export (28.41 percent), and strong growth in import of intermediate goods (66.21 percent) and capital goods (47.67 percent) during H1FY22.

Chart II.1: Decomposition of Gross Value Addition



Source: Bangladesh Bureau of Statistics (BBS).

Chart II.2: Growth Decomposition: Agriculture



Source: Bangladesh Bureau of Statistics (BBS).

The higher GDP size finally also boosted the per-capita income (gross national income) of Bangladeshis to \$2,591 in the last fiscal from the previous provisional data of \$2,554. Bangladesh economy has been consistently performing well with above 6 percent of GDP growth since FY 2010-11 to up until COVID-19 outbreak. After achieving above 7 percent growth since FY 2015-16 to three consecutive years, GDP growth in Bangladesh has reached 8.15 percent in FY 2018-19. This feat of achieving continued growth in Bangladesh's GDP has been praised worldwide.

To overcome the shock of COVID-19 as well to revitalise, GOB has provided different supports under incentives packages to its industry sector. Special fund for export oriented industries, working capital for the affected industries and service sector institutions, working capital to SMEs, credit guarantee skims for SMEs are mentionable programmes of the GOB. The number of the stimulus packages has further been increased to 23 in FY 2020-21 and the amount of fiscal and stimulus packages till April 2021 was Tk. 1,28,441 crore, which is 4.2 percent of GDP. The development efforts to build communication and transport infrastructure is going on Development projects like and highway development, Padma Bridge, Metro-rail, BRT, Dhaka Elevated Express way and some other mega-projects are being implemented.

Apart from economic development, Bangladesh has also made significant strides in the social sector. The government has adopted Vision 2041' after the implementation of 'Vision 2021' and formulated the Second Perspective Plan

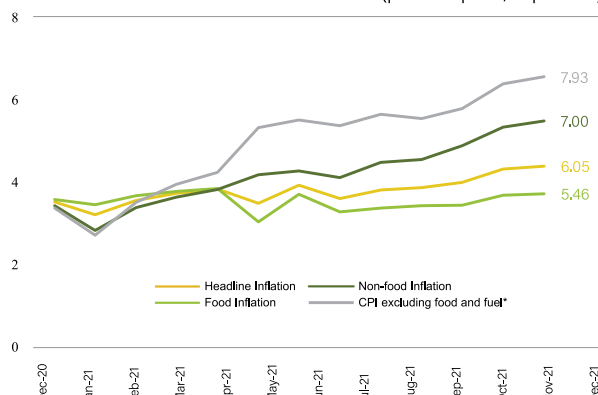


(2021-2041) as the strategic policy document for the vision. Implementation of the Seventh Five Year Plan (2015-2020) has been successfully completed. The implementation of the Eighth Five Year Plan (2021-2025) has started. The government has set its sights to become a higher middle income by 2031 and a happy and prosperous developed country by 2041. The government is working tirelessly to tackle the Coronavirus pandemic, implement the Second Perspective Plan (2021-2041) and achieve the Sustainable Development Goals (SDGs). It is hoped that through the implementation of the initiatives taken by the government, the expected growth targets will be achieved and the country will move towards the continued development.

Inflation Trend

Headline CPI inflation (point to point) exhibited an upward movement from 5.36 percent in July 2021 to 6.05 percent in December 2021 which was the highest since November 2020. While food inflation was crawled up slowly from 5.08 percent in July 2021 to 5.46 percent in December 2021, non-food inflation showed a substantial hike from 5.80 percent in July 2021 to 7.00 percent in December 2021. Moreover, core inflation, which excludes the influence of food and fuel prices, had showed persistent upward development since February 2021 and increased by 2.65 percentage points to reach 7.93 percent in December 2021 (Chart II.7). The increase in CPI inflation reflects an extended demand compared to supply, picked up global commodity prices, and eased financial conditions.

Chart: II.7 Consumer Price Index Inflation (point-to-point, in percent)



Source: Bangladesh Bureau of Statistics (BBS).
*calculated by Research Department using BBS data.

Balance of Payments (BOP)

External sector showed a mixed performance in H1FY22 compared to that of the corresponding period of previous year, reflected in an uptrend of export earnings, a faster pace of imports payment and a falling trend in remittance inflows. Current account (CA) recorded a deficit of USD 8.2 billion during H1FY22 compared to a surplus of 3.5 billion during H1FY21 because of a negative remittance growth of 21.0 percent, and widening trade deficit stemmed from faster import growth than export. Financial account reached USD 6.7 billion during H1FY22 from USD 2.2 billion in H1FY21, dominated by a larger medium and long-term loan (MLT) (USD 4.03 billion), higher inflows of net FDI (USD 0.87 billion), and increasing net aid flows (USD 3.2 billion). Overall balance of payments (BOP) registered a deficit of USD 1.79 billion in H1FY22 in contrast to the surplus of USD 6.16 billion in H1FY21 because of a large current account deficit.

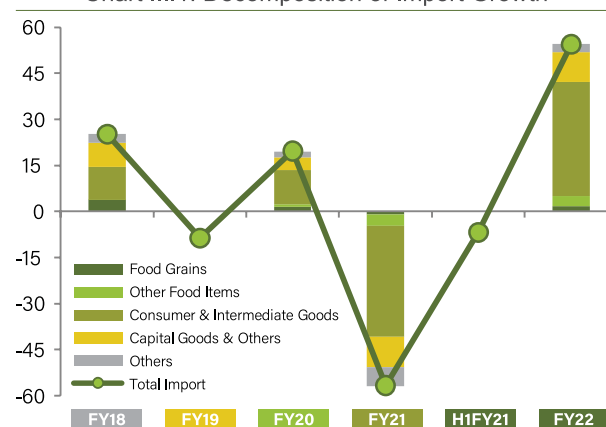
Export

After rebounding in H1FY21, export earnings continued its upward trend during H1FY22 as external demand picked up arising from recovery of global activities. During H1FY22, export performance was 15.5 percent higher than the target set by Export Promotion Bureau (EPB). Export earnings stood at USD 24.7 billion in H1FY22, which was 28.4 percent higher than USD 19.2 billion during the same period of the previous year, supported by 28.0 percent growth in RMG exports. The major contribution (80.1 percent) of export earnings came from knitwear (grew by 30.9 percent) and woven garments (grew by 24.5 percent), reflecting the reopening of major export destinations like the EU and USA after massive vaccination. Among the export categories, export of engineering products (67.9 percent), chemical products (56.8 percent), plastic products (34.2 percent), leather and leather products (26.4 percent), home textiles (30.8 percent), agricultural product (24.6 percent), frozen and live fish (21.2 percent) increased during the period under review.

Import

Resumed import demand in H2FY21, gained momentum during H1FY22 underpinned by the reopening and revitalization of economic activities as extension of vaccination coverage continued. The import-payments increased significantly by around 54.5 percent to USD 39.0 billion during July- December of FY22 compared to USD 25.2 billion in the same period of FY21 geared by payments of intermediate goods including raw cotton, yarn, and textile. Hence, the current import scenario reflected a strong domestic demand which is also evident by higher private credit growth.

Chart III.1: Decomposition of Import Growth



Source: BB staff's calculation based on NBR data.

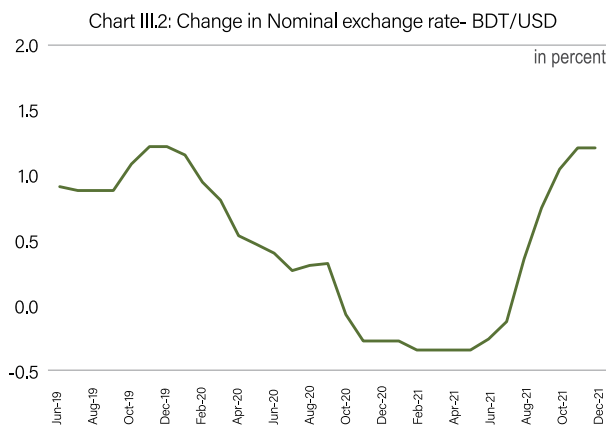
Remittance

Remittance inflows declined by 20.9 percent to USD 10.2 billion in H1FY22 from USD 12.9 billion in H1FY21 partly reflecting diversion of people's tendency to informal remittance channels after re-opening from the lockdowns. As a result of the second wave of the COVID-19 pandemic, many Bangladeshi migrants lost their jobs; some left their business, while many of them returned home and were unemployed. After gradual relaxations of global movement restrictions, number of migrant workers started to increase since July 2021 and increased by 373,392 during H1FY22 as compared to 36,451 during H1FY21. Despite cash support to wage

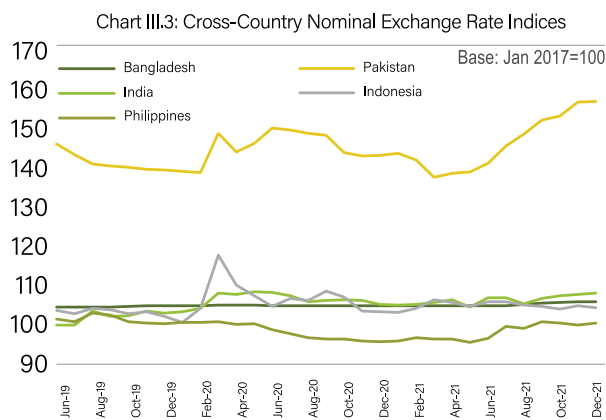
earners aimed at encouraging remittance inflows through formal channels in addition to an increase in manpower export during H1FY22, remittance inflows declined in the period under review. Whereas in FY21, robust remittance inflows was driven by some underlying reasons like-high consumption demand of household, highly depending on formal transfer channels which might induced a short-time rise in remittance inflows. Recently, government raise cash incentives to remitters from 2 percent to 2.5 percent in the view of encouraging transfer money from abroad through banking channel.

Exchange Rate Movement

In line with the development of external sectors, exchange rate dynamics reflected some market forces which allowed the Taka against USD to depreciate by 1.16 percent (y-o-y) at the end of December, 2021 (Chart 3.2). To avoid excessive volatility BB continued its intervention in the foreign exchange market by net selling of USD 2.27 billion during the period under review. On the other hand, in H1FY21, Bangladesh Bank purchased net amount of USD 5.3 billion to intervene forex market, thanks to hefty remittance inflows. However, foreign exchange reserve piled up to USD 46.2 billion at the end of December, 2021 which enough to cover the potential import of 6.0 months. Nonetheless, in comparison with the peer countries such as Pakistan, India, Indonesia, and Philippines, Bangladesh observed less volatility in the exchange rate during H1FY22 as shown in Chart 3.3.



Source: Statistics Department, Bangladesh Bank

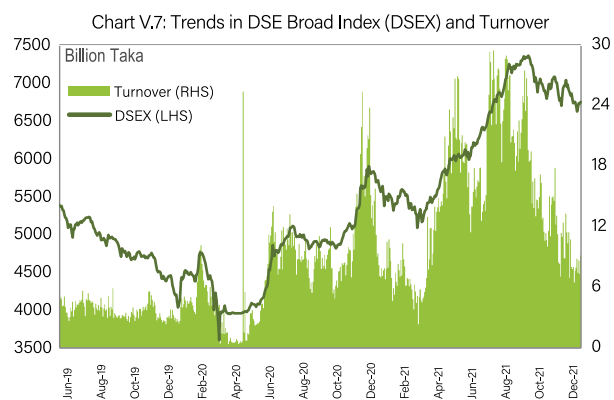


Source: International Financial Statistics, IMF.

Given the recent movement in Taka against the US Dollar, the shifts in major currencies movement and the inflation in the trading partners countries, NEER and REER appreciated by 2.44 and 4.17 percent (y- o-y) respectively at the end of December 2021.

Capital Market

The outgoing year bears special significance for Dhaka stocks for quite a number of developments. The benchmark index soared to its historical high thanks to a rebound in investors' confidence after many years. Average daily turnover was the second biggest in recent memory, more than double that of the preceding year. The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), ascended to 7,367 points on October 10, the highest since its inception in 2013. The DSE's daily average trading amounted to Tk 1,475 crore, coming second after that of 2010, according to the DSE data. This was a year-on-year jump of 126 per cent from Tk 648 crore in 2020. Market capitalization stood at Taka 5.422 trillion or 15.7 percent of GDP as of end December 2021. Issued capital stood at Taka 1.463 trillion at the end of December 2021. A total of 23 companies raised Tk 1,653 crore through initial public offerings (IPO). In contrast, Tk 985 crore was raised by eight companies in 2020.



Source: Dhaka Stock Exchange

The year 2021 was comparatively better for the capital market in context to recent times as investors' confidence returned and turnover more than doubled. Bangladesh Securities and Exchange Commission (BSEC) has already taken various initiatives and reforms for the development of the capital market. BSEC has introduced SME markets, abolished OTC platforms, introduced digital booth services for stockbrokers etc. In order to reduce imbalance in the financial system, the regulator is now encouraging both small and large business communities to come to the market for their long term financing support. Meanwhile, the successful inauguration of the SME market is a great milestone in the history of the Bangladesh capital market. This will help SME companies grow without any interest payment in their early growing stage and can be transferred to the main market when they become larger. Besides, the regulator is working towards popularizing the bond market in Bangladesh and a number of bonds were approved in recent times by BSEC. Listing procedure has now made it easy to reduce the listing timeline. The contribution of our capital market in the GDP of the country is still very low and listing of more good companies is necessary to take it to the desired level. However, the government and the regulator may facilitate



necessary policy support for bringing more good companies into the market.

The regulator has also increased supervision and compliances for market intermediaries and listed companies. BSEC and DSE have also taken various steps to enlist MNCs, Profitable SoEs and large business groups of the country. It should be noted that a regulator's duty in the market is to ensure a good investment friendly environment, protect minority investors against any wrong-doing and fraudulent activities, ensure good governance and supervision with appropriate surveillance and monitoring mechanism, formulating policies, rules and regulation for the long term betterment of the market. Market will perform naturally based on the overall economic landscape, supply and demand and business performance of the listed companies.

Bangladesh Economy Outlook 2022

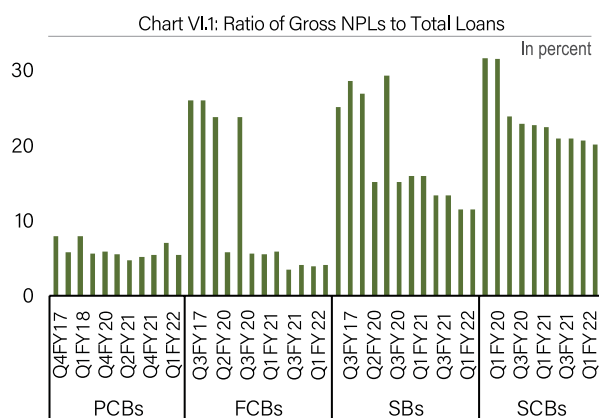
Looking ahead, given the current falling rate of COVID-19 infections, ongoing extended vaccination program, the continuation of growth supportive fiscal and monetary measures, along with solid growths in imports and exports, are expected to help strengthen economic recovery further in attaining the real GDP growth of 7.2 percent, a target set for FY22. However, this growth prospect may be clouded by a number of risk factors, such as the duration and severity of the ongoing pandemic, elevated global commodity prices, and unanchored inflation expectations both on the international and domestic front. The robust import growth on top of the recent moderation in the growth of the inward remittance may create an unfavorable position in the balance of payments. The exchange rate of BDT against USD has started to depreciate in recent periods, which may act as an automatic stabilizer boosting the export earnings and reducing the import payments to improve the balance of payments position in the near future. The recent global commodity price hikes amid unfolding geopolitical conflicts may exert some inflationary pressures in the coming days, making it difficult to maintain the CPI inflation within the target set for FY22.

Besides, the war between Russia and Ukraine began on February 24, 2022, the global economy has entered a new terrain of uncertainty. The war-induced challenges have surfaced on various fronts. With global economic integration, a crisis of such nature, which involves a country like Russia, is bound to impact other economies. Major countries including the US, the UK, Japan and the European Union (EU) have all suspended economic ties with Russia. Sanctions have been enforced on the Russian financial institutions with the objective to disrupt transactions with the country. As Russia is the third largest oil-producing country in the world, the global economy is suffering as a result of high oil prices. The ramifications of these challenges are seen through higher commodity and oil prices. Food prices have skyrocketed. Petroleum prices have been on the rise for quite some time. The war has pushed it upwards. In March 2021, petroleum price was USD 65.2 per barrel, which has reached USD 95.8 per barrel. Bangladesh is already feeling the heat of

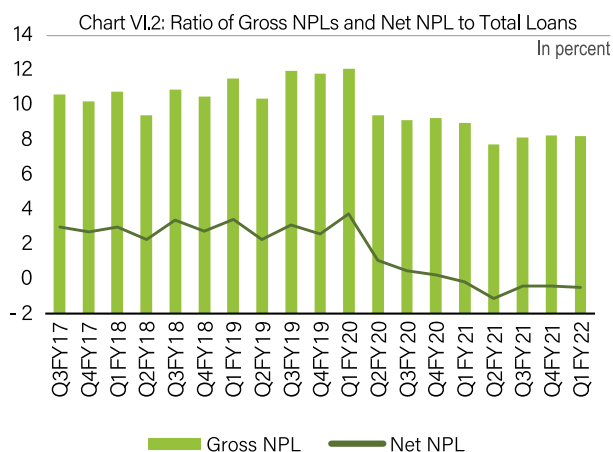
the Russia-Ukraine war in many ways. If the war continues for a longer period, the impact will intensify. We are feeling the impact through reduction in exports and rise in import bills. Being an oil-importing country, Bangladesh is already feeling the pressure through high import payments. In addition to fuel prices, costs of other imported products have also gone up significantly. This will push the production costs up, resulting in higher prices for the consumers. Global sanctions on Russia implies that Bangladesh's trade with Russia is going to be affected. Russia is a market for Bangladesh's ready-made garment (RMG) products. In FY2021, Bangladesh's export to Russia was to the tune of USD 550 million, and import from Russia was USD 480 million. Bangladesh imports wheat and maize from Russia. Sanctions mean Bangladesh will have to import these items from somewhere else. Russia is also implementing several projects in Bangladesh. The Rooppur Nuclear Power Plant (RNPP) is a large project being implemented by Russia that involves USD 12.65 billion and is scheduled to be completed by 2025. The ongoing war and economic sanctions against Russia could delay this expensive project, which means cost escalation in Bangladesh. This implies higher loans and burden on the country.

Banking Industry in 2021 & Outlook

The performances of overall banking sector exhibited a mixed trend at the end of Q1FY22 as reflected in a marginal improvement in non-performing loans (NPLs), a moderation in capital to risk weighted asset ratio (CRAR), an increase in the growth of bank's advances, a decline in provisions maintained against bad loans, an improvement in profitability, and maintenance of an adequate liquidity. The ratio of gross NPLs edged down in Q1FY22 from Q4FY21 after rising consecutively for the past two quarters, mostly facilitated by the state-owned commercial banks (SCBs). The ratio of gross NPLs to total loans edged down to 8.12 percent at the end of Q1FY22 from 8.18 percent at the end of Q4FY21 and 8.88 percent at the end of Q1FY21, partly owing to the relaxation of loan repayment policy due to COVID-19 hit business activities and strengthening loan recovery activities and loan disbursement screening by the banks.



Source: Bangladesh Bank



Source: Bangladesh Bank

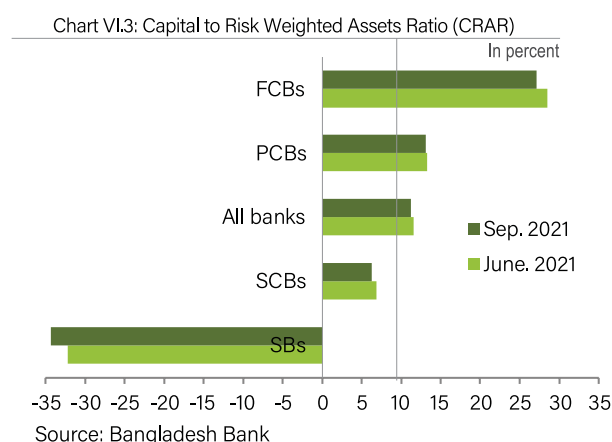
The gross NPLs ratio for SCBs dropped to 20.07 percent at the end of Q1FY22 from 20.62 percent at the end of Q4FY21 and 22.46 percent at the end of Q1FY21. While the ratio of gross NPLs for private commercial banks (PCBs) and foreign commercial banks (FCBs) inched up to 5.47 percent and 4.12 percent respectively at the end of Q1FY22 from 5.44 percent and 3.91 percent respectively at the end of Q4FY21. But the system-wide net NPLs ratio of the banking industry saw an improvement from -0.47 percent at the end of Q4FY21 to -0.55 percent at the end of Q1FY22. Provisions maintained against classified loans slipped further as reflected in widening provisioning shortfall at the end of Q1FY22. Although the capital to risk-weighted assets ratio (CRAR) moderated to 11.22 percent at the end of Q1FY22 from 11.57 percent at the end of Q4FY21, overall capitalization of the banking system remained above the Basel-III standard. The CRAR of SCBs, PCBs and FCBs went down to 6.25 percent, 13.09 percent and 27.10 percent respectively at the end of Q1FY22 from 6.82 percent, 13.26 percent and 28.46 percent respectively at the end of Q4FY21.

Deposit and Advance Position of Scheduled Banks (In percent)

Bank groups	Year-on-year growth of deposit, % (excluding interbank)*		Year-on-year growth of advances, % (excluding interbank)*		Advance Deposit Ratio (ADR)	
	Sep. 21	Jun. 21	Sep. 21	Jun. 21	Sep. 21	Jun. 21
SCBs	21.6	20.9	14.7	10.5	54.8	53.7
PCBs	9.1	11.7	9.9	8.4	80.2	79.9
FCBs	4.3	4.8	7.4	-4.2	54.0	51.6
SBs	22.0	16.9	10.2	13.3	70.5	73.9
All	12.3	13.8	10.7	8.5	72.1	71.6

Source: Bangladesh Bank. *Adjusted deposits growth for ADR

In FY 21-22, Bangladesh Bank also has continued to facilitate the ongoing expansionary and accommodative mode supporting economic recovery process while maintaining appropriate cautions for overall price and financial stability. The central bank has undertaken a number of initiatives to revive the financial sector amidst the impact of intermittent resurgence of COVID-19 pandemic. Simultaneously, Bangladesh Bank has also continued to align itself with the government's effort on restoration of the national economy and strengthening the resilience of the financial system to ensure its stability. Some of the key initiatives undertaken by



Source: Bangladesh Bank

Profitability of the banking sector improved in Q1FY22 compared with Q1FY21, as reflected in an uptick in return on equity (ROE). This uptick in ROE stemmed partly due to a fall in interest expenditure and a rise in non-interest income, and profit earning from capital market. Net profit of the banking industry increased from BDT 65.82 billion in Q1FY21 to BDT 72.29 billion (of which BDT 5.13 billion from capital market in Q1FY22 against BDT1.39 billion in Q1FY21) in Q1FY22. Return on equity (ROE) rose to 7.42 percent in Q1FY22 from 7.22 percent in Q1FY21, while return of asset (ROA) remained almost unchanged at 0.44 percent. The profitability of PCBs witnessed a marginal improvement, both ROA and ROE increased from 0.60 percent and 8.96 percent in Q1FY21 to 0.66 percent and 10.01 percent Q1FY22 respectively. Moreover, ROE of SCBs improved marginally to -0.14 percent in Q1FY22 from that of -0.18 percent during the same time of the previous year while ROA remained unchanged at -0.01 percent. In addition, ROA and ROE of FCBs decelerated to 1.31 percent and 8.40 percent Q1FY22 from 2.15 percent and 12.69 percent respectively Q1FY21.

the central bank are stated below:

Stimulus Package:

Bangladesh Bank has continued to extend stimulus package for various sectors. Following government's announcement, Bangladesh Bank has issued several instructions for banks to provide loan from their own source at 8.0 percent interest rate of which, Government would provide 4.0 percent as interest subsidy while the rest 4.0 percent would be borne by borrower. The interest subsidy facility will be provided for 01 (one) year.



Consumer Financing:

Bangladesh Bank has raised the loan margin ratio to 70:30 for purchasing digital devices (laptop/computer/ mobile/ tab) under consumer finance from the previous ratio of 30:70. This would be conducive for accelerating "Digital Bangladesh" agenda through encouraging reliable digital access at mass scale. Besides, this would also be beneficial for pandemic-disrupted education system through facilitating online classes for the teachers and the students.

Rationalization of Deposit Rates:

To prevent the asset-liability mismatch due to the recent declining trend in banks' deposit rate Bangladesh Bank has issued a circular to rationalize the deposit rate of scheduled banks. Banks are instructed to determine the rate of deposit (with a period of three months and above) not below the inflation rate to encourage savings and also to maintain the purchasing power of the depositors.

Implementation of Basel III in Bangladesh:

To implement BASEL III, Bangladesh Bank has instructed scheduled banks to increase the leverage ratio gradually to 4.0 percent by 2026 from current 3.0 percent level. This increased leverage ratio will enhance the quality capital and thus improve the stability of the overall financial sector since banks will have higher risk absorbing capacity against unexpected losses with this implementation.

Relaxation of Loan Classification Criteria:

Bangladesh Bank relaxed some of the criteria of classification policy through a circular published in December 2021. As per the new regulation, loans cannot be classified if minimum 25 percent of the installment payable against the loan from January 2021 to December 2021 is paid by 31 December 2021. In this case the balance of the installments payable till December 2021 will be payable within 1 (one) year after the expiry of the existing term.

Policy for Non-Banking Asset (NBA):

Bangladesh Bank has issued a circular regarding non-banking asset policy. The policy describes the assessment of the value of assets, inclusion of non-banking assets into bank account by loan adjustment, inclusion of non-banking assets against write-off loans, discharge of defaulters after adjustment of entire loan, the sale and use of non-banking assets, disclosure, accounting, reporting, etc. This policy would help bringing better discipline in management of banks' non-banking assets.

Verification of Financial Statements submitted by borrowers: To enhance credit discipline and check nonperforming loans, scheduled banks have been instructed by Bangladesh Bank to verify financial statements of the borrowers using the Document Verification System (DVS) of the Institute of Chartered Accountants of Bangladesh (ICAB).

Constitution of Special Fund for Capital Market and Investment Policy:

To increase the investable elements in capital market, earlier Bangladesh Bank instructed all the scheduled banks to form a special fund of BDT 2.00 billion each to invest in the capital market. Now the new circular allows the use of this fund for investment in 100% asset backed green sukuk bond issued by private sectors for renewable power projects. The type

of investable Sukuk bonds and other conditions of usage of Sukuk funds have been specified in the circular. Addition of Sukuk bond as an investment option will bring diversity in investment and in turn, will reduce the overall investment risk.

Announcement of Agricultural & Rural Credit Policy:

Bangladesh Bank has announced the annual agricultural and rural credit policy and program for the financial year 2021-2022 by widening the target and scope of agricultural and rural credit considering pandemic situation and the rising demand. To boost up the agriculture sector amidst the ongoing economic slowdown caused by the COVID-19 pandemic, a scheme of BDT 30.00 billion has been set up by Bangladesh Bank from its own source. In order to encourage women entrepreneurs abreast of agriculture Bangladesh Bank has announced "Small Enterprise Refinance Scheme."

Refinance scheme for agriculture sector:

To boost up the agriculture sector amidst the ongoing economic slowdown caused by the COVID-19 pandemic, a scheme of Tk. 30.00 billion has been set up by Bangladesh Bank from its own source. Farmers/Borrowers will get credit at a maximum 4.0 percent interest rate from the banks, whereas banks will get refinance at 1.0 percent interest rate from Bangladesh Bank under this scheme. Banks can sanction loans amounting up to Tk. 2.00 lac to each grass-root level farmer without any collateral. Maturity of the crop-loan to the farmers will be maximum 12 months and for other loans it will be 18 months (with 3 months' grace period).

CMSME loans/ advances for women entrepreneurs:

Bangladesh Bank has set the target for the banks and Non-Bank Financial Institutions (NBFIs) to provide at least 15 percent of CMSME loans/ advances to women entrepreneurs within 2024. In order to encourage women entrepreneurs for taking CMSME initiatives, refinance facility named "Small Enterprise Refinance Scheme" has been dedicated for women entrepreneurs. Banks and NBFIs can avail the refinance facility at 0.5 percent interest rate (which was earlier 3.0 percent) from Bangladesh Bank and customer can get the same at 5.0 percent interest rate (which was earlier 7.0 percent).

Prohibition of receiving customers' money directly to the digital commerce enterprises' bank account:

Some digital commerce organizations, by averting government's "Digital Commerce Operation Guidelines-2021" and BB's directives, had been receiving advance of payments against goods and services at their own accounts. In such a situation, Bangladesh Bank has instructed all scheduled banks not to receive advance payments against goods and services directly to company's account or the accounts of persons involved in the organization. Banks are also instructed to perform due diligence in operating the accounts of such organizations by carefully examining their transactions and risk profiles.

Outlook

The banking sector will see good business opportunities in the New Year as both external and internal factors reflect full scale resumption of economic activities. We are seeing a good comeback in the market. External economic activities, that is export and import, will increase, which will open other investment opportunities. Bangladesh is making new

agreements with different countries, which is a good sign. In addition, our capital machinery imports are increasing. FDI (Foreign Direct Investment) is also likely to increase. Foreign investors will be more convinced now than ever to come to Bangladesh considering our indicators as we have shown good resilience in economic performance in the last two years. It will boost our economy further. The government policy towards the FDI is also in a positive tone. The economic zones are being activated. Overall, the investment environment seems to be positive. If investment increases, it will also make a positive impact on other issues including employment. Infrastructural projects like Metro Rail and Padma Bridge will add new value in the economy when completed.

However, unrealized income and loans especially recovering stimulus loans from SME segment will create an extra pressure on the balance sheet of some banks. Customers who are currently under economic stress can be encouraged to take advantage of the situation. Default loans are already on the rise, signaling a non-recovery of loans, and survival will be difficult for banks if bad loans continue to rise. The upward trend of the foreign exchange rate, and a deepening liquidity crunch are also matter of warning in the banking sector. Besides, the war between Russia-Ukraine will increase global inflation further which

will raise Bangladesh's import payments, putting pressure on the foreign currency reserves and the exchange rates. Due to the increasing demands, the Bangladesh Bank has been injecting huge amounts of US dollars to help businesses settle import bills—which is creating liquidity stress on the banking system, as lenders have to purchase US dollars in exchange of taka.

Keeping the remittance flow in the country will be a challenge although migrant workers are going abroad. We have already seen a discontinuity in this regard during the pandemic. The government is providing incentives for remittance. However, we have to ensure the remittance flow through the legal channel to prevent the alternative ones used by the migrant workers due to the difference in exchange rate of the dollar.

In the last two months, the prices of food and capital machineries have increased in the international market, which will affect the local market also. There has been some crisis in some sectors, including the hospitality and entertainment sectors. These sectors need a little concession. In general, the most affected sectors should be brought under subsidy by the government.

However, despite all these, we hope that the year 2022 will be a good year for the banks.

Financial Performance Highlights of Jamuna Bank

Banking industry passed a challenging year in terms of governance, capital adequacy, profitability and soundness in 2021. Despite intensified challenges, Jamuna Bank managed its portfolio efficiently closing the year 2021 with an NPL of 2.97% which is lower than that of industry average. It is to be mentioned here that, relaxation of classification criteria by Bangladesh Bank help in reduction of new classification and down-grade of loans. The prime focus during the year has been upholding service excellence, maintaining asset quality, recovering classified and written off loans, mobilization of low cost deposits and rationalizing costs. A brief review of financial performances of the Bank (solo) are as follows:

- Net Interest Income (NII) which contributed 23.65% of total operating income decreased by 30.79% in 2021 compared to last year due to imposition of deposits & lending rates cap by Bangladesh Bank. Under the said directive of Bangladesh Bank, the lending interest rate would be maximum 9.0% by the scheduled commercial banks for all categories of loans, investments and advances except credit card effective from April 1, 2020. Coincidentally, the cap guidance was issued at such a time when the economy was hit by the Covid-19 pandemic. During the pandemic time we are moving cautiously in case of lending to new customers.
- Non-interest income which contributed rest 76.35% of total income which increased by 1.02% mainly due to increase of income from investment by 24.53% and stood at BDT 5,649.90 million from BDT 4,537.06 million in the previous year and represented 51.50% of total revenue in 2021. Commission, exchange and brokerage income also increased by 8.63% in 2021 compared to 2020.
- Compared to last year, operating income increased slightly by 1.02% and operating expenses increased marginally by 0.34%. As a consequence, operating profit of the Bank increased by 1.79% and reached at BDT 5,179.70 million in 2021.
- Total provision for loans & advances, and investments stood at BDT 1,155.08 million in 2021 against BDT 738.50 million in the previous year, an increase by 56.41%. Bangladesh Bank issued a circular introducing loan deferral facility for clients in response to the pandemic. 2% additional provision has been reserved against accounts availing deferral facility as per Bangladesh Bank regulations. Given that the pandemic had a severe impact on the economy, clients may find it difficult to continue making regular installment payments after the deferral facility is withdrawn. As such, the company prudently kept additional provision against the above deferral facility availed clients. General provision charge during 2021 increased to BDT 999.01 million from BDT 740.64 million in the prior year due to increase in amount of classified loans.
- Total tax provision decreased by 7.85% in 2021 compared to last year mainly due to written off loans tax rebates as well as decrease of deferred tax income.
- Bank's profit after tax (PAT) decreased by 7.26% in 2021 stood at BDT 4,024.62 million from BDT 4350.33 million in the previous year due to increase of provision for loans & advances.



Particulars	Consolidated		% Change	Solo		% Change
	2021	2020		2021	2020	
Net Interest income (NII)	2,594.06	3,769.67	-31.19%	2,594.97	3,749.44	-30.79%
Non-interest income	8,457.35	7,134.01	18.55%	8,376.09	7,111.25	17.79%
Total Operating Income	11,051.41	10,903.68	1.35%	10,971.05	10,860.69	1.02%
Total Operating Expense	5,816.42	5,801.79	0.25%	5,791.35	5,771.86	0.34%
Operating Profit (Profit before provision & tax)	5,234.99	5,101.89	2.61%	5,179.70	5,088.83	1.79%
Total Provisions	1,163.94	762.44	52.66%	1,155.08	738.50	56.41%
Profit before tax for the year	4,071.05	4,339.44	-6.18%	4,024.62	4,350.33	-7.49%
Tax provision for the year	1,558.59	1,685.81	-7.55%	1,547.74	1,679.63	-7.85%
Profit after tax (PAT)	2,512.47	2,653.63	-5.32%	2,476.88	2,670.71	-7.26%
Earnings per share (EPS)	3.35	3.54	-5.37%	3.31	3.56	-7.02%

- ROA and ROE have decreased in 2021 due to higher growth of average assets & equity and decrease of PAT. Cost to income ratio has decreased because operating expense for the year 2021 was gone up compared to the previous year but the Operating Income did not increase in that way due to keeping additional General Provision for COVID 19 as per circular issued by Bangladesh Bank. The Capital to risk weighted assets ratio (CRAR) has increased to 16.42% in 2021 from 15.50% in 2020. Following table presents some of the key financial ratios:

Particulars	Bank	
	2021	2020
Return on average equity (PAT/Average Equity)	10.88	12.93
Return on average assets (PAT/Average assets)	0.98	1.10
Cost to income ratio(operating expense/operating income)	52.79	53.14
Capital to risk weighted assets ratio	16.42	15.50
NPL ratio	2.97	2.95
EPS (BDT)	3.31	3.56
PE ratio	6.87	5.27

Analysis of Key Operating and Financial Data for Last 5 Years

Jamuna bank recorded a remarkable growth in last five years in terms of business volume and profitability. At the end of 2017 total assets of the Bank was BDT 197,058.54 million whereas at the end of 2021 it stood at BDT 264,321.51 million recording a cumulative growth of more than 34.13 percent. During last five year cumulative deposits grew up 26.54 percent and loans and advances of the Bank grew by 22.90 percent.

figure in million

Balance Sheet	Change (%)	2021	2020	2019	2018	2017
Authorized Capital	0.00%	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Paid up Capital	0.00%	7,492.26	7,492.26	7,492.26	7,492.26	6,141.19
Shareholders' equity	-11.49%	21,369.33	24,144.71	17,160.59	18,073.50	15,433.37
Deposits	10.96%	212,052.50	191,103.99	202,509.52	188,034.30	167,571.33
Loans and advances	7.48%	174,824.78	162,658.43	177,278.78	165,402.85	142,252.94
Investments	32.77%	67,674.40	50,970.36	39,200.61	31,648.68	26,061.92
Fixed Assets	0.35%	3,272.11	3,260.65	3,217.47	2,614.52	2,509.81
Total Assets	9.43%	264,321.51	241,533.71	242,928.46	225,018.22	197,058.54
Total Liabilities	11.76%	242,952.17	217,389.00	225,767.88	206,944.71	181,625.17

In line with the increased volume of the business, the Net Profit after tax of the Bank has also increased. In 2017, NPAT of the bank was BDT 2,021.01 million whereas it was BDT 2,476.88 million at the end of 2021 recording cumulative growth of 22.56 %.

Income Statement	Change (%)	2021	2020	2019	2018	2017
Interest Income	-21.87%	11,106.91	14,215.14	17,825.53	14,993.70	11,424.65
Interest expense	-18.67%	8,511.94	10,465.70	11,391.97	9,656.43	7,625.48
Net interest income	-30.79%	2,594.97	3,749.44	6,433.56	5,337.27	3,799.17
Income from investment	24.53%	5,649.90	4,537.06	2,322.40	1,836.38	2,615.20
Non-Interest Income	5.90%	2,726.19	2,574.20	2,683.56	2,644.13	2,365.58
Gross Operating Income	1.02%	10,971.05	10,860.69	11,439.53	9,817.78	8,779.95
Operating Expense	0.34%	5,791.35	5,771.86	5,597.68	5,188.77	4,549.43
Profit before tax	-7.49%	4,024.62	4,350.33	4,779.90	3,605.68	3,391.46
Net profit after tax	-7.26%	2,476.88	2,670.71	2,607.85	2,316.69	2,021.01

However, details of operating and financial data of Jamuna Bank in last five years with graphical presentation are shown in the 'Information for the stakeholders' chapter.

Maintenance of Capital to Risk Weighted Assets Ratio (CRAR)

Risk Based Capital Adequacy Framework (Revised Regulatory Capital Framework for banks in line with Basel III) has been implemented in Bangladesh from beginning of 2015 through BRPD Circular No -18 dated December 21, 2014. 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. From very beginning of implementation of Basel III in Bangladesh, Jamuna Bank has been continuing to calculate minimum capital requirement (MCR) including capital conservation buffer considering credit risk, market risk and operational risk. Phase-in arrangements for Basel III implementation in Bangladesh and our status is given below:

Particulars	Standard	Status of compliance	2021 (solo)	2020 (solo)
Minimum Common Equity Tier 1 (CET1) Capital Ratio	At least 4.5% of the total RWA	Complied	9.47%	9.43%
Capital Conservation Buffer	At least 2.5% of the total RWA	Complied	4.48%	3.79%
Tier-1 Capital	At least 6% of the total RWA	Complied	10.48% BDT 20,188.03 mn	9.79% BDT 17,815.80 mn
Minimum Total Capital plus Capital Conservation Buffer	At least 12.5% of the total RWA	Complied	16.42%	15.50%
Tier-2 capital	maximum up to 4.00% of the RWA or 88.89% of CET1, whichever is higher.	Complied	5.94% BDT 11,449.19 mn	5.71% BDT 10,381.70 mn
Leverage Ratio	3%	Complied	6.50%	6.49%
Liquidity Coverage Ratio	>=100%	Complied	133.95%	183.95%
Net Stable Funding Ratio	>100%	Complied	105.80%	120.27%

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

Credit Rating

With a view to safeguard the interest of the prospective investors, depositors and creditors and to improve the functioning of the capital market of the country, Bangladesh Bank vide BPRD Circular No. 06 dated July 05, 2006 had made it mandatory for the Bank's to have themselves credit rated. Accordingly, Credit Rating of Jamuna Bank Limited was done by Credit Rating Agency (CRAB) based on audited Financial Statements as on December 31, 2021. The rating report is summarized as under:

Particulars	Long Term	Short Term
	AA2	ST-2
Date of Rating	May 27, 2021	
Based on Financial Statement	December 31, 2020	
Validity Date	June 30, 2022	
Outlook	Stable	



Rating AA2: Commercial Banks rated AA2 have very strong capacity to meet their financial commitments. AA2 is judged to be of very high quality and is subject to very low credit risk.

Rating ST2: Commercial Banks rated ST-2 are considered to have strong capacity for timely repayment. Commercial banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation, and access to alternative sources of fund.

Extraordinary Gains or Loss

Extraordinary gains or losses refer to infrequent and unusual gains or loss and which is not part of the Bank's ordinary, day-to-day operations. There is no such a gain or losses during the year under reporting.

Variance Between Quarterly Financial Performance and Annual Financial Statements

In compliance with the applicable rules and regulations of the regulatory authorities, the Bank prepared and submitted the quarterly reports to the regulators and communicated the results with the valued shareholders and stakeholders accordingly. 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	973.97	496.74	1,141.71	(17.45)	2,594.97
B) Non-interest income	1,768.87	2,251.88	1,877.68	2,477.66	8,376.09
C) Operating income (A+B)	2,742.84	2,748.62	3,019.39	2,460.20	10,971.05
D) Operating expenses	1,383.41	1,416.03	1,347.54	1,644.37	5,791.35
E) Operating profit (C-D)	1,359.43	1,332.59	1,671.85	815.83	5,179.70

From the above, it was observed that

- Net Interest income was negative in the Q-4 because of debiting income for write-off settlement of problematic loans and advances.
- Non-interest income of Q-4 32% higher than that of Q-3 due to increase of investment in treasury bills & bonds and increase of fees and commission income as well.
- Operating expense of Q-4 22% higher than that of Q-3 as the Bank continued to invest in branches/sub-branches/ATM infrastructure, technology and human capital to support its business growth.
- Operating profit also reduced in Q-4 due to decrease of in net interest income as well as increase of operating expenses.

Segment-Wise Performance

The Group has identified following three reportable segments which are the Group's major strategic business units/entities. The strategic business units offer different products and services, and are managed separately based on the management and internal reporting structure of the group. For each of the strategic business units, the Group's/Bank's Management Committee reviews internal management reports on quarterly basis. The following summary describes the operations in each of the reportable segments:

Segment Name	Description
Jamuna Bank Limited (Solo)	<p>Jamuna Bank Limited (JBL) is one of the Private Banks in Bangladesh, with a network of 157 branches, 35 sub-branches, 18 Collection booths, 18 Agent outlets along with 336 ATMs across the Country. Incorporate as a public limited company on 2nd April 2001 under the Companies Act, 1994, Jamuna Bank commenced its banking operation on 3rd June 2001. The registered office of the JBL is situated at Jamuna Bank Tower, Plot-14, Block-C, Bir Uttam A.K Khandakar Road, Gulshan-1, Dhaka.</p> <p>The Bank provides all types of support to trade, commerce, industry and overall business of the country through a broad spectrum of products and services, including Corporate, Retail, SME, Agri- finance & Islamic financing solutions. JBL is also indispensably contributing to the growth of economy by providing solutions for new and existing entrepreneurs, in the field of export – import, manufacturing, servicing, infrastructure building etc.</p> <p>Off-Shore Banking Unit Off-shore Banking Unit (OBU) is a separate business unit of Jamuna Bank Limited, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained the Offshore Banking Unit permission vide letter no. BRPD (P-3) 744 (107)/ 2009-4642 dated 22 December, 2009. The Bank commenced operation of this unit from 22 April, 2010 and its office is located at 116 Gulshan Avenue, Gulshan-2, Dhaka.</p> <p>Jamuna Bank Limited established Offshore Banking Unit (OBU) with a view to catering the banking needs of non-resident customers in EPZs, PEPZs, EZs, High-Tech Parks and abroad.</p>

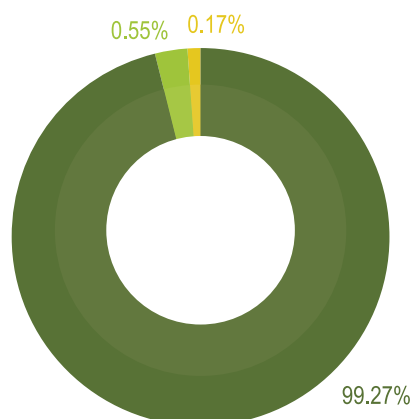
Segment Name	Description
	<p>Islami Banking Besides conventional banking, Jamuna Bank Limited is pursuing Islami Banking activities based on Islami Shari'ah principles. The first Islami Banking branch of the Bank was opened on October 25, 2003 at Nayabazar in Dhaka. Subsequently second branch was opened on November 27, 2004 at Jubilee Road in Chattogram. Considering the demand of the people of the Country Islami Banking Service Centers has been expanding day by day at all conventional branches of the Bank linked with the above mentioned two Islami Banking Branches and at present total 157 Bank's branches are prepared for the services under the brand Jamuna Al-Ihsan.</p> <p>Through the Islami Banking Branch the Bank extends all types of Islami Shar'iah compliant finance like Bai-Muazzal, Hire Purchase under Shirkatul Melk (HPSM), MPI Trust Receipt, Murabaha Import Bill and different types of deposits like Al-wadeeah current account, Mudaraba, Murdarab Short Notice Deposit and different Mudaraba Scheme A/cs. To achieve this goal a Shari'ah Supervisory Committee has been constituted comprising renowned Islami scholars of the country and senior banker having Islami Banking exposure with knowledge of conventional and Islami Banking. All activities of Islami Banking Branches are carried out under the guidance of this Committee. A full-fledged separate Division namely "Islami Banking Division" has also been set up at Head Office as per Guideline for Islamic Banking issued by Bangladesh Bank, BRPD Circular No. 15 dated November 09, 2009.</p>
<p>Jamuna Bank Securities Limited (JBSL)</p>	<p>Jamuna Bank Securities Limited (JBSL), a fully owned subsidiary of Jamuna Bank Limited, has been incorporated as a private limited Company with Registrar of Joint Stock Companies & Firms, Dhaka on 07 February 2011 bearing number C-90274/11. The Authorized Capital and Paid up capital of the company is Tk.100.00 crore (Taka one hundred crore) and Tk.40.00 crore (Taka forty crore) respectively.</p> <p>The registered office of the JBSL is situated at Hadi Mansion, 2, Dilkusha C/A, Dhaka. JBSL is both TREC and Share holder of Chittagong Stock Exchange Limited under TREC No. CSE-147. The Company obtained Stock Dealer, Stock Broker licenses from the Bangladesh Securities and Exchange Commission on June 13, 2012 and started commercial operation on February 18, 2013.</p> <p>Recently the Company obtained TREC (DSE-255) of Dhaka Stock Exchange Ltd. (DSE) and will start its' operation under DSE soon.</p> <p>The main objective of the company is to provide brokerage services as well as margin loan to individual and institutional investors.</p>
<p>Jamuna Bank Capital Management Limited (JBCML)</p>	<p>Jamuna Bank Capital Management Limited (JBCML) was established on 23 December 2009 vide Reg. # C-81290/09 under the Companies Act, 1994 as a private company limited by shares. The Company is a subsidiary of Jamuna Bank Limited. The registered office of the company is situated at Hadi Mansion (3rd floor), 2 Dilkusha C/A, Dhaka-1000. The Company started its operation on 10 April 2011. The main objectives of the company are to act as a full-fledged merchant banker & portfolio manager to provide the following services:</p> <ul style="list-style-type: none"> • Underwrite public issue of shares and debentures or bonds of issues (Public Limited Companies); • Underwrite shares and debentures issues of publicly traded companies; • Manage public issues of issuers of shares, debentures and bonds of companies intending to float shares and debentures for public subscription; • Manage right shares/debentures of issuers; • Manage portfolio of investments in securities (equity shares and fixed income securities) on behalf of clients under different modes of Investment Account; • Arrange for Pre-IPO private placement arrangements for investors; and • Participate in Pre-IPO private placement arrangements for Jamuna Bank Limited.

Information regarding the results of each reportable segment is included Financial Statement segment of this report. Each segment performance is measured based on segment revenue and profit, as included in the internal management reports that are reviewed by the management committee of the Bank.



Group Revenue (for the year ended 31 December 2021)

Particulars	2021		2020	
	Amount	% of total assets	Amount	% of total assets
Jamuna Bank Limited (Solo)	10,971.05	99.27%	10,850.69	99.51%
Jamuna Bank Capital Management Limited	61.11	0.55%	34.87	0.32%
Jamuna Bank Securities Limited	19.25	0.17%	18.12	0.17%
Jamuna Bank Limited (Consolidated)	11,051.41	100%	10,903.68	100%

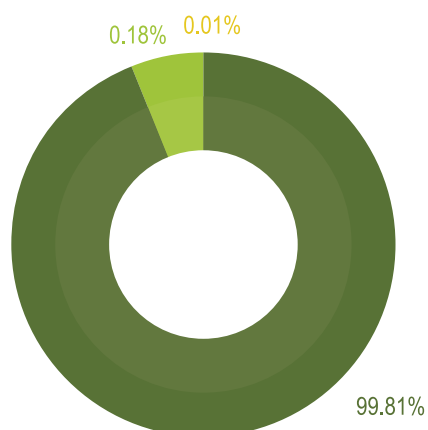


Group Revenue 2021

- Jamuna Bank Limited
- Jamuna Bank Capital Management Limited
- Jamuna Bank Securities Limited

Group Assets (as at 31 December 2021)

Particulars	2021		2020	
	Amount	% of total assets	Amount	% of total assets
Jamuna Bank Limited (Solo)	264,321.51	99.81%	241,533.71	99.82%
Jamuna Bank Capital Management Limited	469.47	0.18%	397.12	0.16%
Jamuna Bank Securities Limited	29.68	0.01%	31.31	0.01%
Jamuna Bank Limited (Consolidated)	264,820.66	100%	241,962.13	100%



Group Asset 2021

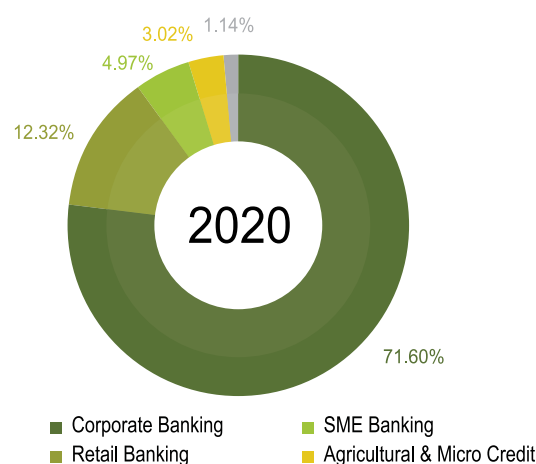
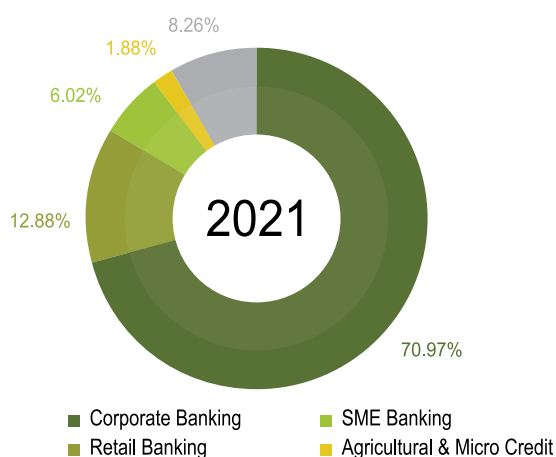
- Jamuna Bank Limited
- Jamuna Bank Capital Management Limited
- Jamuna Bank Securities Limited

Business Segmentation:

JBL business has been divided into five segments i.e Corporate Banking, Retail Banking, SME Banking, Agricultural & Micro Credit & Others (OBU, Credit Card & Others). Corporate Banking segment representing **79.87 percent** of total loans and advance of the bank. Segmental business (Loans & Advances) as on **31 December 2021** has been stated as follows:

(figure in million)

Particulars	2021		2020	
	Amount	% of total loans	Amount	% of total loans
Corporate Banking	124,067.58	70.97%	125,167.07	71.60%
SME Banking	22,510.41	12.88%	21,531.89	12.32%
Retail Banking	10,517.80	6.02%	8,683.00	4.97%
Agricultural & Micro Credit	3,279.86	1.88%	1,991.09	1.14%
Others (OBU, Credit Card & Others)	14,449.13	8.26%	5,285.38	3.02%
Total	174,824.78		162,658.43	



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 2021. 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.

“Board Risk Management Committee” has been discharging their duties 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.

Related Party Transactions

The Bank in its ordinary course of business undertook financial transactions with some entities or persons that fall within the definition of 'Related Party' as contained in IAS 24 (Related Party Disclosures) and relevant provisions of Bank Company Act 1991 and Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003. As on the reporting date, the Bank had funded exposures with its subsidiaries, funded exposures to some current directors and credit card limit to some of its Directors. Besides, the Bank had procured some goods and services from the entities of related parties during 2021. Details of related party transactions are furnished at **Annexure-I** of this report.

Share Capital

Authorized Capital and paid up capital of the Company stood at BDT 10,000.00 million and BDT 7,492.26 million respectively at the end of 31 December 2021.

History of Raising Capital

As on the reporting date (31-12-2021), 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 2021 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

REMUNERATION PAID TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS:

Please see **Annexure-II** of this report.

Preparation of Financial Statements

The financial statements prepared by the management of the bank present fairly its state of affairs, the result of its operations, cash flows and changes in equity. These statements have been prepared in accordance with the "first Schedule (Section 38) of the Bank Company Act 1991 as amended by BRPD circular no. 14 dated 25 June 2003, the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 2020 and other laws and rules applicable in Bangladesh, International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from have been adequately disclosed.

The financial statements of 2021 have been reviewed by the Audit Committee of the Board of Directors of the Bank and then referred to the Board of Directors for its consideration. The external auditor, Khan Wahab Shafique Rahman & Co., Chartered Accountants, appointed by the shareholders, have certified the fairness of the financial statements for the year ended 31 December 2021.

a. Maintaining Proper Books of Account

Jamuna Bank maintained proper books of account for its financial transactions occurred during 2021. For recording the transactions, the bank has followed the International Accounting Standard (IAS). The books of account have also been reviewed by the external auditor, Khan Wahab Shafique Rahman & Co., Chartered Accountants with an opinion that proper books of accounts as required by the law have been properly maintained.

b. Appropriate Accounting Policies

Appropriate accounting policies have been consistently applied, except for the changes disclosed in the financial statements in preparation of financial statements and that the accounting estimates are based on reasonable and prudent judgment. Bank records financial transaction on accrual basis with required disclosures and also prepares the financial statements accordingly.

c. Follow up of IAS & IFRS in Preparation of Financial Statements

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in preparation of financial statements. However, in case the requirement of provisions and Circulars issued by Bangladesh Bank differs with those of other regulatory authorities and accounting standards, the provisions and Circulars issued by Bangladesh Bank shall prevail. As such the Group and the Bank has departed from certain requirements of IFRS in order to comply with the rules and regulations of Bangladesh Bank which are disclosed in notes to the financial statements.

Internal Control & Compliance

Internal control systems of the Bank 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 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 Committee of 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.

The Risk Management Committee of the Board of Directors is monitoring risk management policies & process to ensure effective prevention and control measures; ensuring compliance of Bangladesh Bank 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;

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.

Statement of Director's Regarding System of Internal Control

The Directors confirm that the Board through its committees has reviewed the effectiveness of the bank's systems of internal control for the year ended 31 December 2021. The Board through the Audit Committee supervised the policies and various parts of business to ensure an effective internal control system. 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. We have appended a certificate signed by the Chairman of the Board of Directors at **Annexure-III** in this regard.

Statement Regarding Minority Shareholders

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 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.

Going Concern

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. Moreover, Board of Directors in its 397th meeting held on 30.03.2022 has recommended Cash dividend @17.5% subject to the approval of the shareholders at the next Annual General Meeting. History of our dividend payment for the last five years is as follows:

Year	Dividend Payout (%)
2017	22% Stock
2018	20% Cash
2019	15% Cash
2020	17.50% Cash
2021	17.50% Cash

Besides, we have annexed herewith (please see **Annexure-IV**) our Dividend Distribution Policy in compliance with Bangladesh Securities & Exchange commission (BSEC) directive no BSEC/CMRRCD/2021-386/03 dated 14 January 2021.

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 increased by 7.48% (solo) and Investment portfolio have increased by 32.77%(solo) in 2021 as compared with 2021.

Operating indications

Strengthening of Human Capital:

Despite the pandemic, the Company has recruited 393 new employees during the year 2021, which resulted in a net increase in human resource count to 3346 at the end of the year 2021, in comparison to 3096 at the end of the year 2020.

Business expansion

Jamuna Bank, in 2021, 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.

Appropriation of Profit and Dividend Recommendation

Thanking into account the profit available for distribution after complying with regulatory requirement, the Board in its 397th meeting held on 30.03.2022 recommended **17.50% cash dividend** for the year ended on December 31, 2021 which is subject to approval of shareholders in the ensuing Annual General Meeting scheduled to be held on June 14, 2022. Proposed appropriation are as follows:

(in million BDT)

Particulars	2021	2020
Net profit after tax for the year	2,476.88	2,670.71
Retained earnings at the beginning	2,407.53	1,730.73
Transfer from General Reserve	-	-
Profit available for appropriation	4,884.41	4,401.44
Transferred to statutory reserve	225.20	870.07
Transferred to Start Up Fund for 2021	26.71	-
Transferred to Start Up Fund for 2022	24.77	-
Proposed cash dividend	1311.14	1,123.84
Retained earnings	3,296.60	2,407.53

Interim Dividend:

No cash or bonus share dividend was declared as interim dividend during 2021. No Bonus Share shall be declared as interim dividend.

Pattern of Shareholding/Ownership Composition:

As on 31st December 2021 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	31-12-2021		31-12-2020	
		No of Shares Held	% of total Shares	No of Shares Held	% of total Shares
1	Directors & Sponsors	363,749,671	48.55%	359,168,767	47.94%
2	Financial Institutions	58,860,433	7.86%	44,452,808	5.93%
3	Foreign Investors	4,295,823	0.57%	6,120,811	0.82%
4	General Public	322,319,723	43.02%	339,483,264	45.31%
	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;

	Name of the Directors	Status	Share holding position as on 31.12.2021	% of Total Share
1.	Mr. Gazi Golam Ashria	Chairman	14,984,616	2.0000%
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. Fazlur Rahman	Director	14,985,428	2.0001%
5.	Al-Haj Nur Mohammed	Director	22,140,168	2.9551%
6.	Mr. Md. Saidul Islam (Nominated by Fabian Industries Ltd.)	Representative Director	15,000,000	2.0021%
7.	Mr. Robin Razon Sakhawat	Director	15,006,908	2.0030%
8.	Mr. Redwan-ul Karim Ansari	Director	16,337,038	2.1805%
9.	Mr. Md. Belal Hossain	Director	15,235,979	2.0336%
10.	Mr. Md. Mahmudul Hoque	Director	14,990,452	2.0008%
11.	Mr. Shaheen Mahmud	Director	37,446,054	4.9980%
12.	Mr. Md. Sirajul Islam Varosha	Director	14,984,838	2.0000%



	Name of the Directors	Status	Share holding position as on 31.12.2021	% of Total Share
13.	Mr. Kanutosh Majumder	Director	15,493,336	2.0679%
14.	Mr. Md. Ismail Hossain Siraji	Director	14,984,928	2.0001%
15.	Mr. Gazi Golam Murtoza	Director	19,104,452	2.5499%
16.	Mr. Md. Hasan	Director	37,461,211	5.0000%
17.	Mr. Md. Abdur Rahman Sarker	Independent Director	-	-
18.	Mr. Obaidul Kabir Khan	Independent Director	-	-
19.	Mr. Md. Humayun 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 & Spouse	Head of ICC	-	-

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

Sl. No.	Name of the Executives	Designation	Shares Held as on 31 Dec 2021
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. Md. Mukhlesur Rahman	SEVP	-
5.	Md. Shahidul Islam	SEVP	-

D. (D) Shareholders holding ten percent (10%) or more voting interest in the company : or shareholding information in compliance to the condition No. 4 of the Commission's Notification No. BSEC/CMRRCD/2009-193/10/Admin/118 dated 22 March 2021.

As per information stipulated in (B) under the head of pattern of shareholding/ownership composition, no director/ sponsor or any shareholders of the Bank holds 10% or more shares of our bank as per record available to our end. Besides the provision of section 14kha of the Banking Companies Act, 1991 (amended upto 2018) does not permit to a person/company/institution to hold shares more than 5% (substantial shareholder) of a Bank Company without approval of the Bangladesh Bank.

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%).

Resume of re-appointed and newly appointed Directors

(1)	(a) Name of the Director	Mr. Shaheen Mahmud
	(b) Status in the Board	Director
	(c) Date of First appointment	02/04/2001
	(d) Date of last appointment (subject to approval from the Shareholders of the Bank)	14/06/2022
	(e) Nature of his expertise in specific functional areas	Please see Director Profile chapter of this Annual report for details
	(f) Entities where they have interest	Position with the entities/companies
	i. Cotton Dyeing & Finishing Mills Ltd.	Chairman
	ii. Pacific Cotton Ltd.	Chairman
	iii. Cotton Line (BD) Ltd.	Chairman
	iv. Cotton N Cotton Garments Ind. Ltd.	Chairman
	v. Simran Velly Ltd.	Chairman
	vi. BG Tel Ltd.	Chairman
	vii. Bigstar Solution Ltd.	Chairman
	viii. Asif Ahmad & Company Ltd.	Chairman

(2)	(a) Name of the Director	Mr. Md. Ismail Hossain Siraji
	(b) Status in the Board	Director
	(c) Date of First appointment	02/04/2001
	(d) Date of last appointment (subject to approval from the Shareholders of the Bank)	14/06/2022
	(e) Nature of his expertise in specific functional areas	Please see Director Profile chapter of this Annual report for details
	(f) Entities where they have interest	Position with the entities/companies
	i. Ismail Leather Goods & Footwear Exporters Ltd.	Managing Director
	ii. Reliance Tannery Ltd.	Director
	iii. Reliance Footwear	Proprietor
	iv. Assarunnesa Memorial Hospital	Proprietor
	v. Shahjahan Dairy Farm	Proprietor
	vi. BG Tel Ltd.	Chairman
	vii. Bigstar Solution Ltd.	Chairman
viii. Asif Ahmad & Company Ltd.	Chairman	

(3)	(a) Name of the Director	Mr. Redwan-ul Karim Ansari
	(b) Status in the Board	Director
	(c) Date of First appointment	30/05/2016
	(d) Date of last appointment (subject to approval from the Shareholders of the Bank)	14/06/2022
	(e) Nature of his expertise in specific functional areas	Please see Director Profile chapter of this Annual report for details
	(f) Entities where they have interest	Position with the entities/companies
	i. Karim Leathers Ltd.	Shareholder
	ii. Kamtex Limited	Shareholder
	iii. Incline Limited	Director
	iv. International Holdings Limited	Shareholder
	v. Circle FinTech Ltd.	Managing Director & Shareholder
	vi. Panacea Systems Ltd.	Managing Director & Shareholder
	vii. Bigstar Solution Ltd.	Chairman
viii. Asif Ahmad & Company Ltd.	Chairman	

(4)	(a) Name of the Director	Mr. Fazlur Rahman
	(b) Status in the Board	Director
	(c) Date of First appointment	02/04/2001
	(d) Date of last appointment (subject to approval from the Shareholders of the Bank)	14/06/2022
	(e) Nature of his expertise in specific functional areas	Please see Director Profile chapter of this Annual report for details
	(f) Entities where they have interest	Position with the entities/companies
	i. City Seed Crushing Industries Ltd.	Managing Director
	ii. M.A. Kalam & Co. Ltd.	Managing Director
	iii. City Oil Mills Ltd.	Chairman and Managing Director
	iv. Safe Shipping Lines Ltd.	Chairman and Managing Director
	v. City Tea Estate Ltd.	Chairman and Managing Director
	vi. Khan Brothers Ship Building Ltd.	Chairman and Managing Director
	vii. Rupshi Flour Mills Ltd.	Chairman and Managing Director
	viii. City Economic Zone Ltd.	Chairman and Managing Director
	ix. Hasan Flour Mills Ltd.	Chairman and Managing Director
	x. City Dal Mills Ltd.	Chairman and Managing Director
	xi. City Feed Products Ltd.	Chairman and Managing Director
	xii. City Edible Oil Ltd.	Chairman and Managing Director
	xiii. City Sugar Industries Ltd.	Chairman and Managing Director
	xiv. Rahman Synthetics Ltd.	Chairman and Managing Director
	xv. Shampa Flour Mills Ltd.	Chairman and Managing Director
xvi. Hamida Plastic Containers Limited	Chairman and Managing Director	
xvii. City Navigation Limited	Chairman and Managing Director	
xviii. Somay Media Ltd.	Chairman and Managing Director	



xix. City PET Industries Ltd.	Chairman and Managing Director
xx. Hasan Containers Ltd.	Chairman and Managing Director
xxi. Hasan Printing & Packaging Ind. Ltd.	Chairman and Managing Director
xxii. Van Ommeran Tank Terminal (BD) Ltd.	Chairman and Managing Director
xxiii. New Sagurnal Tea Co. Ltd.	Chairman and Managing Director
xxiv. City Auto Rice & Dal Mills Ltd.	Chairman and Managing Director
xxv. Asgor Ali Hospital Ltd.	Chairman and Managing Director
xxvi. City Polymers Ltd.	Chairman and Managing Director
xxvii. BRAC Banskhalia Tea & Co. Ltd.	Chairman and Managing Director
xxviii. Rupshi Feed Mills Ltd.	Chairman and Managing Director
xxix. Rupshi Food Ltd.	Managing Director
xxx. VOTT Oil Refineries Ltd.	Managing Director
xxxi. Hasan Securities Ltd.	Chairman

(5) (a) Name of the Director	Mr. Md. Belal Hossain
(b) Status in the Board	Director
(c) Date of First appointment	02/04/2001
(d) Date of last appointment (subject to approval from the Shareholders of the Bank)	14/06/2022
(e) Nature of his expertise in specific functional areas	Please see Director Profile chapter of this Annual report for details
(f) Entities where they have interest	Position with the entities/companies
i. Belcon Company (Pvt.) Ltd.	Managing Director
ii. Nadia Food & Agro Industry (Pvt.) Ltd.	Managing Director
iii. B.H. Specialised Cold Storage (Pvt.) Ltd.	Managing Director
iv. B. H. Hitech Food Ind. (Pvt.) Ltd	Managing Director
v. M/s. Belal Hossain	Proprietor
vi. M/s. Bandhu Rice Mill	Proprietor
vii. M/s. New National Automatic Rice Mill	Proprietor
viii. Asif Ahmad & Company Ltd.	Chairman

(6) (a) Name of the Director	Mr. Md. Mahmudul Hoque
(b) Status in the Board	Director
(c) Date of First appointment	02/04/2001
(d) Date of last appointment (subject to approval from the Shareholders of the Bank)	14/06/2022
(e) Nature of his expertise in specific functional areas	Please see Director Profile chapter of this Annual report for details
(f) Entities where they have interest	Position with the entities/companies
i. Anlima Yarn Dyeing Limited	Managing Director
ii. Anlima Textile Limited	Chairman
iii. Allied Enterprise (Pvt.) Limited	Chairman and Managing Director
iv. Anlima Buildtech Limited	Chairman and Managing Director
v. Anlima Petroleum Limited	Chairman and Managing Director
vi. Anlima Meghnaghat Power Plant Limited	Chairman
vii. Anlima Energy Limited	Chairman
viii. Precision Energy Limited	Chairman
ix. Anlima Chemicals Limited	Chairman

x. Mirzapur Green City	Shareholder
xi. International Holdings Limited (Australian International School)	Shareholder

(7)	(a) Name of the Director	Mr. Md. Humayun Kabir Khan
	(b) Status in the Board	Independent Director
	(c) Date of First appointment	26/12/2021
	(d) Date of last appointment (subject to post-facto approval from the Shareholders of the Bank)	26/12/2021
	(e) Nature of his expertise in specific functional areas	Please see Director Profile chapter of this Annual report for details
	(f) Entities where they have interest	Position with the entities/companies
	i. Creative Paper Mills Ltd.	Director
	ii. Z. K. Trading	Proprietor
	iii. South East Shipping Corporation	Managing Director

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.

Unclaimed Dividend

Unclaimed dividend account is the residual amount of declared dividend for the income years 2005 to 2020 which has not yet been paid to or claimed by the shareholders. The bank has been maintaining year-wise separate bank accounts for unclaimed dividends of BDT 72.43 mn (as of 31-12-2021) (Cash dividend along with sale proceed of fractional Stock dividend).

We are maintaining detailed information of unpaid or unclaimed cash dividend and rationale thereof, as per BO account of the shareholders and disclosed the summary of aforesaid information in the notes to the statements of financial position as a separate line. We have also published the year-wise summary of its unpaid or unclaimed cash dividend in our website.

We sought recommendation from Bangladesh Bank, primary regulator for the banking sector, as regard to transfer the unclaimed cash dividend to Capital Market Stabilization Fund from the year 2005 to 2018 pursuant to the Directive No. BSEC/CMRRC-D/2021-386/03, dated 14 January 2021 and the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021. Bangladesh Bank vide their letter no. DOS(RMMCMS)/1154/2/2022-384 dated 25.01.22 instructed us to follow the provision of section 35(2) of Bank Companies Act, 1991 (amended upto 2018) in this regard.

Statutory Auditor

M/s. Khan Wahab Shafique Rahman & Co., Chartered Accountants; re-appointed as Statutory Auditor in the 20th Annual General Meeting by the shareholders and they have completed audit works for 3 (three) consecutive years as External Auditor of the Bank. As such, they are not eligible for re-appointment as external auditor according to Bangladesh Bank Circular and Bangladesh Securities & Exchange Commission notification dated 20 June 2018.

Meanwhile, 11 Audit firms have expressed their interest to

become External Auditor of the Bank for the year ended 2022. Among the 11 firms the Board of Directors recommended M/s. Shafiq Basak & Co., Chartered Accountants of Shatabdi Centre (6th & 8th Floor), 292, Inner Circular Road, Fakirapool, Motijheel, Dhaka -1000 for appointment as external auditor for the year 2022 subject to the approval of the shareholders in the ensuring 21st AGM of the Company scheduled to be held on 14th June 2022 and eventual NOC to be obtained 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.

Corporate Governance Compliance Auditor

Pursuant to the compliance with the Corporate Governance Code BSEC/CMRRC/2006-158/207/Admin/80 dated 03 June 2018 issued by Bangladesh Securities Exchange Commission (BSEC), each company shall obtain a certificate from a practicing professional Accountant/ Secretary regarding compliance of conditions of Corporate Governance Code of the Commission and shall disclosed the same to same in the Annual Report on yearly basis. M/s. Mahfel Huq & Co., Chartered Accountants appointed as Corporate Governance Compliance Auditor of the Bank in the 20th Annual General Meeting by the shareholders for the year 2021.



Besides, as per Corporate Governance Code of BSEC, the professional who will provide the certificate on compliance of Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting. Upon analysis, the Board of the Directors of the Bank has recommended to appoint **M/s. Mahfel Huq & Co.**, Chartered Accountants of BGIC Tower (4th Floor), 34 Topkhana Road, Dhaka as Corporate Governance Compliance Auditor of the Bank for the year 2022.

Independent Scrutinizer

As per the directive of Bangladesh Securities and Exchange Commission (BSEC) vide no. BSEC/CMRRCD/2009-193/08; dated 10 March 2021, clause (9), an independent scrutinizer is required to appoint for observing the due diligence and AGM process, election procedure and detailed information of voting results shall be authenticated by the concerned stock exchange(s) by an independent scrutinizer as appointed by the issuer company and such authenticated report shall be submitted to the commission within 48 hours of conclusion of the general meeting.

Consequently, 4 firms have expressed their interest to become an Independent Scrutinizer for the ensuing 21st Annual General Meeting to be held by using hybrid system: i.e. combination of physical presence and by using digital platform (in compliance with BSEC directive no. BSEC/CMRRCD/2009-193/08, dated 10 March 2021). Among the 4 firms the competent authority of the Bank appointed **ahamed shamim & co.**, House-1/B, Flat-1A, Road-8, Block-I, Banani, Dhaka-1213 as Independent Scrutinizer in compliance with the aforesaid directives.

Corporate Social Responsibilities

As one of the leading Bank, we acknowledge our responsibilities towards the society as a whole in which we live. 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. As a recognition, the Bank has been awarded the prestigious "Best CSR Bank 2021" award in "The Annual Global Economics Awards 2021" program organized by UK based "The Global Economics" in Dubai, UAE.

Taxes to Government Ex-chequer

During the year 2021 payment made to national Ex-chequer as follows:

(Figure in BDT million)

Particulars	2021	Composition of Contribution	2020	Composition of Contribution
Tax Collected & deposited at source	2246.54	44.06%	1,839.50	44.49%
VAT & excise duty collected & deposited at source	713.74	14.00%	615.97	14.90%
Tax paid on income	2138.16	41.94%	1,679.62	40.62%
Total	5098.44		4,135.09	

We want to be seen as a company that is making a positive contribution to the society. The Board of Directors of the Bank made provision for Jamuna Bank Foundation at 5.00% on pretax profit of Jamuna Bank Limited amounting Tk.211.82 million for the cause of development of destitute/underprivileged segment of the society and for socio-economic development of the country, whereas JBF made CSR expenditure BDT 299.60 million during the year 2021. We are confident that we are all positioned and prepared to deliver against our responsibilities in the short, medium and long term. A separate report on 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.

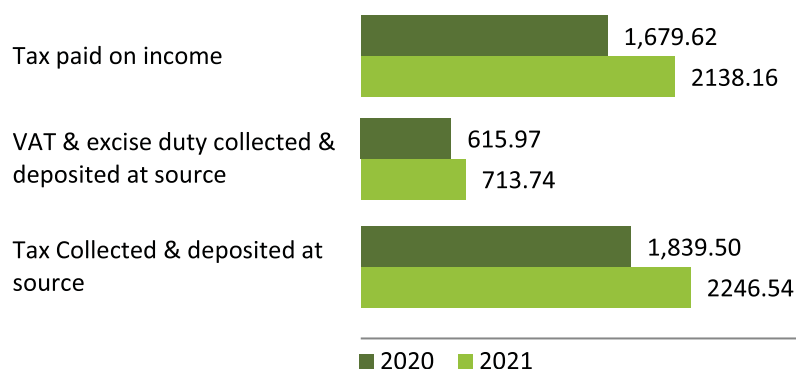
As part of its corporate policy, Jamuna Bank always strives to maximize its shareholders' value and benefit. In doing so, the Bank is committed to maintaining high standards of Corporate Governance. The Company's Corporate Governance framework is directed towards achieving its business objectives in 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 2021. 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:

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 Tk.211.82 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 393 employees up to December 2021. During the year 2021, we paid BDT 3,425.69 million as salaries and allowances to our employees and spent BDT 7.2 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.
- 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 2021.

On behalf of the Board of Directors

Al-Haj Nur Mohammed

Chairman of the Board of Directors





Corporate Governance

Our 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

depositors, shareholders, employees and the society at large.

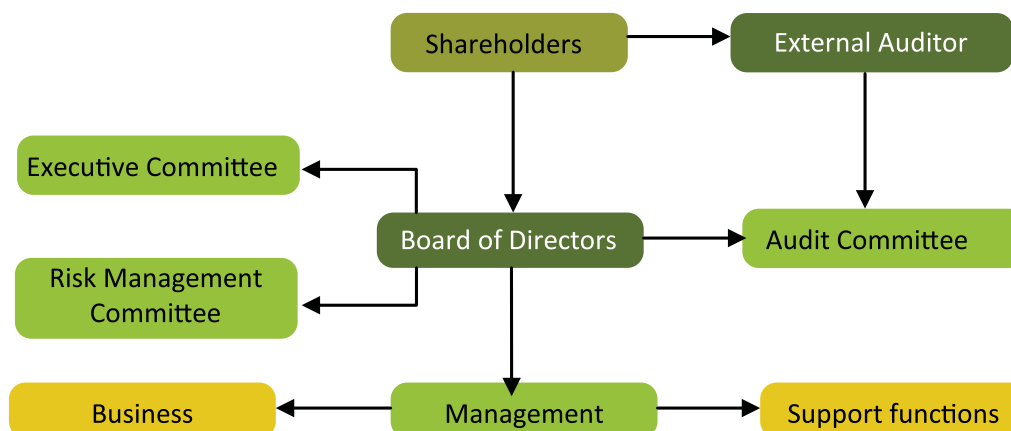
Governance structure of the Bank

The Board of Directors plays a pivotal role in shaping governance structure and practices through their choice of strategy and leadership to drive the Bank towards growth. The board is responsible for the design and implementation of governance mechanisms including selection and appointment of members of sub-committees. The risk management and overall support functions of the Bank have been designed and kept fully independent from the ordinary course of business to safeguard against any unforeseen events that may weaken the brand value of the Bank.



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

The Governance Structure of the Bank is as follows:



Guiding philosophy

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 2018, 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.

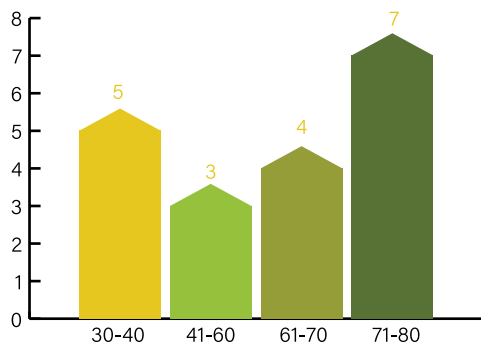
Information regarding Composition of Board and its Committees as on 31 December 2021:

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

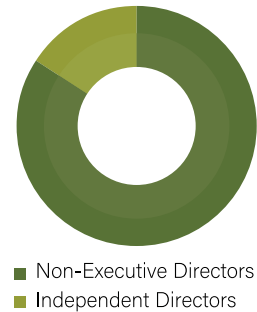
JBCML= Jamuna Bank Capital Management Limited; JBSL= Jamuna Bank Securities Limited

Note: All Directors are Non-Executive Director





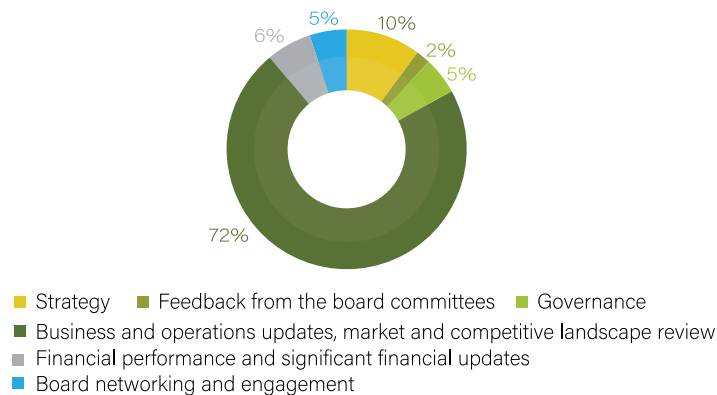
Board Composition



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.

Key activities of the Board in 2021

How the board spent its time in 2021



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 as well as compliance of requirements of regulatory bodies. 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 & 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 21st AGM:

Name of the Directors	Position
Mr. Fazlur Rahman	Director
Mr. Redwan-ul Karim Ansari	Director
Mr. Md. Belal Hossain	Director
Mr. Md. Mahmudul Hoque	Director
Mr. Shaheen Mahmud	Director
Mr. Md. Ismail Hossain Siraji	Director

Chairman of the Board and his role and responsibilities

The Chairman of the Board of Directors of Jamuna Bank has been elected as per Articles of Association of the Bank through the direct participation of the Board of Directors. The Chairman of the BoD does not personally possess the jurisdiction to apply policy making or executive authority. He does not participate in or interfere into the administrative or operational and routine affairs of the Bank.

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; and
- 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.

Non-Executive Director

All the Directors of Jamuna Bank Limited including the Chairman are Non-Executive Directors except the Managing Director & CEO. The Directors attend Board meetings regularly and participate in the deliberation and discussions effectively. They actively involved 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. Moreover, they ensure confidentiality of the Bank's agenda papers, discussions at the Board/Committee Meetings, Notes and Minutes.

Independent Directors and their Independence

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 non executive directors and management, the Independent Director aids in ensuring neutrality and fairness over policies formulated by the Board.

During the year 2021, the Board of Directors appointed one new Independent Director namely Mr. Md. Humayun Kabir Khan subject to approval from the shareholders of the Bank in 21st AGM. It is mentionable that Bank is following the criteria set in the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission while appointing/re-appointing Independent Directors and obtaining approval from BSEC, Shareholders of the Bank and Bangladesh Bank. The Independent Directors are conversant in the field of financial, regulatory and corporate laws and enjoy full freedom to carry out their assigned Responsibilities.

In order to ensure a director to be eligible as in Independent Director, the Board established that the Director has no substantial relationship with Jamuna Bank as a partner, shareholder or officer of an organization that has a relationship with Jamuna Bank. As per section 15(9) of Bank Companies Act (Amended upto 2018) Independent Directors of the do not hold any share of the bank,; not associated with the Bank's Promoters or Directors or Shareholders who maintains one percent or more of the total paid up share of the Company; not related with the existing Directors or families; do not have any other relationship, whether monetary or otherwise with the company or its subsidiary/associate companies; not a member, Director or officer of any Stock Exchange, not a shareholder, director or officer of any stock exchange or an intermediary of the capital market. The Independent Directors are appointed for a period of three years which may be extended by one term only. The Board ensures that all these guidelines are strictly followed regarding the appointment of the Independent Directors.

As per Bangladesh Bank's regulations and corporate governance guidelines issued by BSEC, the Audit Committee is formed with Independent Directors one of whom is the Chairman of the Audit Committee of the Board of Directors of the Bank. As an Independent Director, the Chairman of the Audit Committee enjoys full freedom to carry out the Committees' assigned responsibilities.



Duality of Chairperson of the Board of Directors 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.

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.

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.

Induction and Training of the 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 and other 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 02 (One) Fellow Members and 01 (one) 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 recues 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 2021, total 18 Meetings of the Board were held. Remuneration of the Directors and their attendance has been presented in the Director's Report section of this report. 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.

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 9(nine) directors. 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 199th meeting held on 30.03.2021 reviewed the financial statements of JBCML for the year ended 2021.

Jamuna Bank Securities Ltd. (JBSL)

The Board of JBSL is comprised of 7(seven) directors including. 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 199th meeting held on 30.03.2021 reviewed the financial statements of JBSL for the year ended 2021.

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 25 (twenty five) meetings of Executive Committee were held during 01.01.2021 to 31.12.2021.

Loan approval in 2021 by the Executive Committee

	No. of Memo	Funded	Non-Funded
New Sanction	162	12,381.30	4,341.60
Enhancement	73	374.50	2,063.50
Rescheduling	2	52.70	-
Forced Loan	-	-	-



Audit Committee

Composition:

In compliance with Section 15Kha(2) of the Bank Companies Act 1991 (amended up to 2018), BRPD Circular No.11 dated 27 October 2013 and BSEC's Corporate Governance Code dated 03 June 2018 the Board of Directors of JBL constituted the Audit Committee (AC) of the Board with 5 (five) members including 2 (Two) Independent Directors. All members of the Audit Committee are financially literate and four members have graduation/post-graduation degree in Commerce and Economics. 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 2021:

Financial expert in the AC:

Mr. Md. Humayun Kabir Khan, Independent Director & Chairman, Audit Committee obtained Master of Arts from the University of Dhaka in 1970 and has extensive professional and business experience. He earned his Diploma in TPDM (Trade Promotion and Export Marketing) from department of Extra-Mural Studies of University of Manchester, UK in the year 1982. He served in different Government, Semi-government Organizations, and Financial Institutions in senior position for long time. Currently he is associated with a number of business concerns. He is the Director of Creative Paper Mills Ltd., Proprietor of Z. K. Trading & Managing Director of South East Shipping Corporation.

Mr. Mahmudul Hoque, Director obtained Bachelor of Commerce Degree from Chittagong University. He is a born businessman as he started his business since early days of his career. Over the past thirty seven years of his business career he gained significant experience in import and export trade, power, real estate and textile sector. Apart from Managing Director of Anlima Yarn Dyeing Limited, a publicly listed company of DSE and CSE, Mr. Hoque is also the Chairman/ Managing Director of: Anlima Textile Limited, Precision Energy Limited, Anlima Energy Limited, Anlima Petroleum Limited, Allied Enterprise (Pvt.) Limited, Anlima Chemicals Limited, Anlima Meghnaghat Power Plant Limited and Anlima Buildtech (Pvt.) Limited. He is also one of the sponsor Directors of Jamuna Bank Limited. and Shareholder of Mirzapur Green City and International Holdings Limited.

Mr. Kanutosh Majumder, Director obtained Master's of Commerce from University of Dhaka. A renowned and pioneer businessman in construction sector, he set up New Generation Construction Co. Ltd., one of the oldest and leading construction firms of the country, which has been keeping remarkable contribution in building country's infrastructural development.

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.

Mr. Obaidul Kabir Khan, Independent Director of the Board of Directors did his graduation from University of Dhaka in 1967. He started his career in 1968 with National Insurance Company Limited and served the company in different capacities. He also served Sadharan Bima Corporation in different capacities. Later on he joined as Managing Director of Republic Insurance Company Limited and held the position for the period from 2004 to 2014. After that he appointed as Advisor of the Republic Insurance Company Limited and served upto December 31, 2018. He has extensive professional experience.

Major agenda covered in 2021

- Audit Plan for the year 2021 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 31.12.2021.
- 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, 2021 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 of the Board of Directors of the Bank actively reviews appropriateness of the accounting policies, annual internal audit plan, audit reports, risk management of the Bank and Bank's technological needs. It also oversees the discharge of responsibilities of the external auditors. The Committee reports on its activities to the Board of Directors time to time by ratifying Minutes to the Board on a regular basis. If any significant deviation(s) was/were come to the notice of the Committee including the following findings, inform the Board of Directors of the Bank immediately upon receiving such findings:

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

Reporting of Internal Auditor to the Audit Committee

Internal Control & Compliance Division has 03 units- (i) Audit & Inspection Department, (ii) Monitoring Department and (iii) Compliance Department who are performing the following activities:

- Conducting comprehensive/surprise/special audit & inspection on Branches and Divisions/units of Head Office.
- Monitoring and reviewing the operational performance of various Branches through examination of Quarterly Operations Report (QOR), Loan Documentation Checklist (LDC), Departmental Control Function Checklist (DCFCL), etc. as part of risk management.
- Collecting compliance of the inspection/audit reports & complying regulatory requirements including directives of Bangladesh Bank, National Board of Revenue (NBR), Bangladesh Securities & Exchange Commission (BSEC), Registrar of Joint Stock Companies & Firms (RJSC), Ministry of Finance, etc.

Head of ICCD has been submitting the internal comprehensive inspection reports on Branches along with the compliance reports and Bangladesh Bank comprehensive inspection report on Branches to the Audit Committee on a regular basis. Moreover, ICCD is submitting the Quarterly and Annual Summary Reports of irregularities detected during audit/inspection to the Audit Committee.

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

The Chairman of the Audit Committee attends Annual General Meeting (AGM) 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 8 (eight) meetings of Audit Committee were held during 01.01.2021 to 31.12.2021.

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 8(eight) meetings during 2021 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 2021

- Monthly Risk Management Report (MRMR) and Comprehensive Risk Management Report (CRMR) 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 (i.e Central Bank) is restricted not 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. Bangladesh Bank vide its letter no. BRPD (R-1)717/2021-5064 dated 16.06.2021 informed all the scheduled banks operating in the Country that there is no scope for compliance with the provisions of Corporate Governance Code, 2018 which conflict with the Banking Companies Act, 1991 and the directives issued by Bangladesh Bank.

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 Hassan Chief Instructor, Academy of Quran Studies, House # 38, Road # 1/A, Block # J, Baridhara, Dhaka-1212	Chairman
2.	Jb. Mawlana Abdur Razzak Principal, Madinatul Ulum Model Institute Boys Kamil Madrasah, Dhaka.	Member
3.	Hafez Mawlana Mufti Ruhul Amin Khatib, Baitul Mukarram National Mosque & Principal, Jamea Islamia Darul Ulum Khademul Islam Gawherdanga Madrasah, Tungipara, Gopalganj.	Member
4.	Hafez Mawlana Prof. Dr. Shahidul Islam Barakati Islami Scholar	Member
5.	Dr. Ahmadullah Trishali Associate Professor & Head of the Department, Islamic Studies Department, Tongi Government College, Tongi, Gazipur-1711	Member
6.	Dr. Md. Anwar Hosain Molla Principal, Uttar Badda Islamia Kamil Madrasah	Member
7.	Mr. Mirza Elias Uddin Ahmed Managing Director & CEO, Jamuna Bank Limited	Member (Ex-Officio)
8.	Mr. Md. Ashaduzzaman Head of Islami Banking Division, Jamuna Bank Limited	Member-Secretary

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

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

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
 - b. 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.
 - c. 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.
- a. To fix the job descriptions of the Heads of Audit & Inspection Department, Monitoring Department and Compliance Department and guide/ supervise them accordingly
- a. To identify risks by conducting audit & inspection on all the Branches & Divisions of the Bank
- a. 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



- b. To sign all the correspondences of the Division which are required to be signed by him
- c. To frame new policy or recommend revision of the existing policy as and when required
- d. To hold 'Review Meeting' with the Managers on important audit findings
- e. To arrange training program for the ICCD officials
- f. To run the total administration of Internal Control and Compliance Division of the bank
- g. 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 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 of the Bank.
- 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.

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

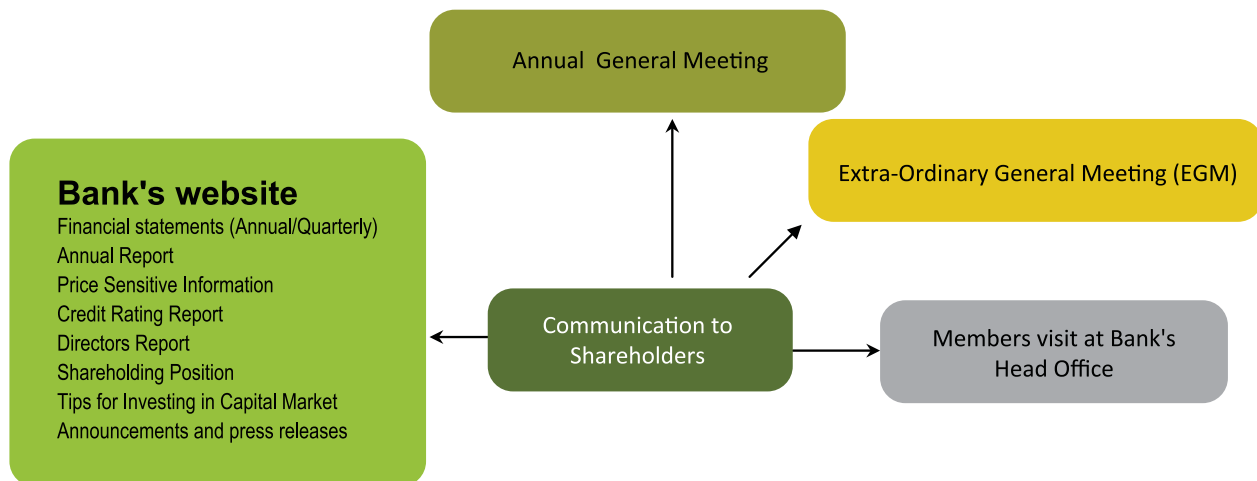
the Bank at today's height of success and beyond. We are always concerned with upgrading our entire workforce to the next level of skill and efficiency through internal & external training and it is a continuous process. In line with its expansion plans, Jamuna Bank plans to acquire talents from the 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, 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.



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.
- 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

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

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

E-mail : head.share@jamunabank.com.bd

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

Fax: 09610472124

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:

Environmental and Social 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 encashed 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. Formal Newspaper add also published in two widely national dailies as per rule for the shareholders of the Bank to encash their dividend.

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 2021
1.	Senior Management Team (SMT)	- Managing Director & CEO - Additional Managing Director - Deputy Managing Director(s) - Senior Executive Vice President(s) - The Chief Financial Officer	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
2.	Management Committee (MANCOM)	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.
3.	Asset Liability Committee (ALCO)	Managing Director & CEO (Chairperson) Deputy Managing Director(s) and Strategically important Divisional Heads of Head Office. The Head of Treasury acts as the member-secretary of the Committee.	<ul style="list-style-type: none"> ▪ Ensure that bank' measurement and reporting systems accurately convey the degrees of liquidity and market risk. ▪ Monitor the structure and composition of bank's assets and liabilities and identify balance sheet management issues that are leading to underperformance ▪ 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 ▪ Decide on how to respond to significant, actual and expected increases and decreases in required funding ▪ Review maturity profile and mix of assets and liabilities ▪ Articulate interest rate view of the bank and decide on balance sheet strategy ▪ Approve and periodically review the transfer pricing policy of the bank ▪ Evaluate market risk involved in launching of new products ▪ Review deposit-pricing strategy, and ▪ Review contingency funding plan for the bank 	The meetings of the Asset Liability Committee are held in every month. Total 17 meeting were held in the year 2021 Major agenda covered in 2021: - Review of the Fund Position and Mismatch Position. - Review of interest rates on Deposits and Advances of our Bank compared to other Bank. - Discussion on the comparative position of Deposit and Advances of our Branches. - Discussion regarding activities of PD. - Review of the Economic & Market Status and outlook & the Key Management indicators of the Bank. - Discussion regarding bucket information of Asset & Liabilities of the Bank. - Discussion regarding the position of rate sensitive Asset & Liability. - Discussion regarding the unused whole sale borrowing capacity. - Discussion regarding the undrawn portion of Commitment. - Review of the trend of local & foreign currency deposits & advance position. - Review of the statement showing the interest rate

No.	Name of the Committee	Members of the Committee	Functions of the Committees	Year 2021
				<p>risk of Assets & Liabilities position of the Bank.</p> <ul style="list-style-type: none"> - Review of the loan & Deposit Movement. - Review of the interest rate breakdown for asset & Liability. - Review of the top 10 Depositors list. - Review of the top 10 Borrowers list. - Review of the trend of the limit as states in policy statement for last few months.. - Review of the combined & segmented Deposit & Advance trend in local & foreign currency. - Review of the comparative balance position of the Bank. - Review of the status of regulatory compliance. - Review of the last financial data of the Bank. - Review of the off balance sheet position. - Review of the credit limit imposed by the counter parties. - Review of the limit status and its utilization. - Discussion regarding the amount of loan able fund - Discussion regarding Borrowed fund to Total Asset - Review of the average interest rate on loans & deposit - Review of the highest call money rate for previous 12 months. - Review on Foreign Exchange Asset & Liability and Net Open Position (NOP) - Review of the Value at risk (VaR) on foreign Exchange Position. - Review of the Stress testing report & expected capital requirement
4	Head Office Credit Review Committee (HOCRC)	<ul style="list-style-type: none"> -The Head of Business Administration Division -The Head of Corporate Banking Division -The Head of Credit Risk Management Division -The Deputy Head of Corporate Banking Division - The Deputy Head of Credit Risk Management Division <p>acts as the secretary of the committee</p>	<p>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</p>	



No.	Name of the Committee	Members of the Committee	Functions of the Committees	Year 2021																												
			recommends for approval by the Board of Directors. The committee also reviews adequacy of credit risk management and loan loss provisioning.	<table border="1"> <tr> <td colspan="2">Meeting held by HOCRC in 2021 : 147</td> </tr> <tr> <th>Sanction type of Credit Committee</th> <th>Number of proposal</th> </tr> <tr> <td colspan="2">Facility Approved in 2021</td> </tr> <tr> <td>New</td> <td>981</td> </tr> <tr> <td>Renewal</td> <td>385</td> </tr> <tr> <td>Enhancement</td> <td>115</td> </tr> <tr> <td>Renewal with Enhancement</td> <td>214</td> </tr> <tr> <td>Reduction</td> <td>24</td> </tr> <tr> <td>Renewal with Reduction</td> <td>14</td> </tr> <tr> <td>Restructuring</td> <td>3</td> </tr> <tr> <td>Renewal with Restructuring</td> <td>-</td> </tr> <tr> <td>Rescheduling</td> <td>26</td> </tr> <tr> <td>Specific</td> <td>349</td> </tr> <tr> <td>Others</td> <td>476</td> </tr> </table>	Meeting held by HOCRC in 2021 : 147		Sanction type of Credit Committee	Number of proposal	Facility Approved in 2021		New	981	Renewal	385	Enhancement	115	Renewal with Enhancement	214	Reduction	24	Renewal with Reduction	14	Restructuring	3	Renewal with Restructuring	-	Rescheduling	26	Specific	349	Others	476
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Renewal with Restructuring	-																															
Rescheduling	26																															
Specific	349																															
Others	476																															
5.	Business Management Committee (BMC)	<ul style="list-style-type: none"> - Managing Director - The Head Office Deputy Managing Directors' - The Head of Corporate Division - The Head of Business - The Head of CRM Division' - An Officer of Credit Risk Management Division acts as secretary of the committee 	The business proposals having funded facilities above Tk.1.00 Crore to Tk.5.00 crore and non-funded facilities upto Tk.10.00 crore will be placed before the Committee. The Head of Retail Banking Division and Head of SME Division attend meetings if they have proposals placed in the BMC for discussion.	Meeting held by BMC in 2021: 55 (Fifty five)																												
6.	Executive Risk Management Committee	<ul style="list-style-type: none"> - The Chief Risk Officer - The Head of ICC - The Head of CAD - The Head of CRM - The Head of ICT - The Head of BOD - The Head of FAD - The Head of HRD - The Head of MLTFPD - The Head of ID - The Head of Treasury - The Head of Law and Recovery - The Head of RMD acts as the secretary of the committee 	This Committee is engaged in formulating risk management policy and procedures of the Bank along with identifying, measuring, and managing Bank's existing and potential risks.	Meeting held by Bank's Executive Risk Management Committee: 12 (Twelve) <u>Major agenda covered in 2021</u> Discussion on the Monthly Risk Management Report (MRMR) and Comprehensive Risk Management Report (CRMR).																												
7.	Supervisory Review Committee (SRC)	<ul style="list-style-type: none"> - The Managing Director - The Deputy Managing Director - The Head of CRMD - The Head of CBD - The Head of ICTD - The Head of ICCD - The Head of RMD - The Head of LRD - The Head of ID 	The Committee is engaged in reviewing the nature and level of risk relates to banking assets and planning for adequate capital framework. The Committee engaged in developing an Internal Capital Adequacy Assessment Process (ICAAP) for assessing Bank's overall	Meeting held by Bank's Supervisory Review Committee: 06 (Six) <u>Major agenda covered in 2021</u> - Discussion on the Monthly Risk Management Report (MRMR) and Comprehensive Risk Management Report (CRMR).																												

No.	Name of the Committee	Members of the Committee	Functions of the Committees	Year 2021
		<ul style="list-style-type: none"> - The Head of TD - The Head of FAD - The Head of HRD - The Head of AMLD 	capital adequacy in relation to its risk profile and strategy for maintaining its capital at an adequate level.	<ul style="list-style-type: none"> - Discussion on the Risk Based Capital Adequacy Report in line with Basel-III. - Discussion on the Stress Testing Report. - Discussion on Internal Capital Adequacy Assessment Process (ICAAP) Report under Supervisory Review Process.
8.	Credit Risk Management Committee	<ul style="list-style-type: none"> - The Head of Business - The Head of CRMD - The Head of CBD - The Head of CAD - The Head of RBD - The Head of Monitoring Division - The Head of LRD - The Head of SME Division - The Head of ID - The Head of Treasury - The Head of RMD 	The committee shall responsible to implement Credit Risk Management in line with Bangladesh Bank's Guidelines within reasonable time by taking initiatives.	In 2021, the Committee was watchful to identify, measure, monitor and control credit risk as part of an overall approach to risk management.
9.	Sustainable Finance Committee	<ul style="list-style-type: none"> - The Head of CRMD - The Head of CAD - The Head of Monitoring Division - The Head of CBD - The Head of RBD - The Head of ID - The Head of RMD - The Head of HRD - The Chief Financial Officer - The Head of FAD - The Head of ICCD - The Head of Card Division - The Head of GCSD - The Head of BOD - The Head of Marketing & Development Division - The Head of ICTD 	<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>	<p>Meeting held by Bank's Supervisory Review Committee: 02 (Two)</p> <p>Major agenda covered in 2021</p> <ul style="list-style-type: none"> - Review of Sustainable Finance activities of our Bank and recommendations to improve Sustainability Rating. - Evaluating achievement of Sustainable Finance & Green Banking targets and recommendations to achieve the targets - Communicating latest update - Ensuring proper co-ordination & support of all related division of the Bank regarding activities of SFU. - Miscellaneous
10.	Purchase Committee	<ul style="list-style-type: none"> - The DMD & Chief Business Officer (CBO) - The DMD & Chief Information Technology Officer (CITO) - The Head of CRMD & Chief Risk Officer - The Head of FAD - The Head of HRD - The Head of GCSD - The Head of Engineering Department 	The Committee is engaged with timely and promptly logistic support i.e. different types of goods/equipments like office stationeries, printing books, forms & security stationary, office furniture, vehicles, office equipments, computers and computer accessories, electric appliances, etc. and engage/procure various services such as On line connectivity, Internet connectivity, Consultancy, Cleaning service, security service as well as repairing and maintenance of the purchased items etc.	Meeting held by Bank's Purchase Committee: 141 (One forty one)



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 2021. Further, a Certificate of Compliance required under the said Guidelines, as provided by Mahfel Huq & Co., Chartered Accountants, is also annexed to this report.

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

Date : 30/03/2022

The Board of Directors
Jamuna Bank Limited
Head Office, Jamuna Bank Tower,
Plot-14, Block-C, Bir Uttam A.K Khandakar Road
Gulshan-1, Dhaka

Subject: Declaration on Financial Statements for the year ended on 31 December 2021.

Dear Sirs,

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

1. The Financial Statements of Jamuna Bank Limited for the year ended on 31 December 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Bank's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Bank has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Bank were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern.

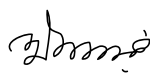
In this regard, we also certify that:

- i. We have reviewed the financial statements for the year ended on 31 December 2021 and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Ashim Kumer Biswas
Chief Financial Officer (CFO)



Mirza Elias Uddin Ahmed
Managing Director &
Chief Executive Officer (CEO)



Certificate on compliance of the Corporate Governance Code



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

An independent member firm of AGN International

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : info@mahfelhuq.com
Web: www.mahfelhuq.com

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, 2021. 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 highly satisfactory.

Place: Dhaka
Dated: 16 April 2022


Md. Abdus Satter Sarkar, FCA
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 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.
4. BRPD Circular letter no. 27 dated 12 May 2021: Appointment of director, contractual advisor and consultant for Bank-Company

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

Sl.	Particulars	Compliance Status
1	Formation of Board of Directors: Prior approval of Bangladesh Bank before the appointment/re-appointment of new directors including Independent Directors; director's fit & proper criteria; maximum number of directors; appointment of maximum 2(two) members from a family as director.	Complied
1.1	Appointment of New directors: Under section 15(4) of the Bank Company Act, 1991 (amended upto 2013), every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish documents as mentioned in the BRPD Circular No.11 dated 27 October 2013 along with the application.	Complied
1.2	Vacation of office of Director	
(a)	The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfill the minimum eligibility criteria, the office of the director will be vacated.	No such case
(b)	If the office of a director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of BCA, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution.	No such incident
(c)	Besides, Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the board of a banking company under Section 47 of BCA, 1991.	No such instance
1.3	Removal of Directors from office: With the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.	No such instance
1.4	Appointment of Alternate Director: an alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the instructions stipulated in BRPD Circular No.11 dated 27 October 2013 should be followed.	Currently No such Director in JBL
2	Depositor Director: As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended upto 2013) bank can consider the tenure of existing depositor director or may appoint them as independent director.	Currently No such Director in JBL
3	Information regarding Directors: Banks are advised to take the following steps regarding director information:	



Sl.	Particulars	Compliance Status
(a)	Every bank should keep an updated list of Bank Directors.	Complied
(b)	Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.	Complied
(c)	Banks should display a list of directors in the website and update it on a regular basis.	Complied
4	Responsibilities of the Board of Directors	
4.1	Responsibilities and Authorities of the Board of Directors:	
(a)	Work-planning and strategic management: (i) The board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor, at quarterly rests, the development of implementation of the work-plans.	Complied
	(ii) The board shall have its analytical review incorporated in the Annual Report as regards to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below the CEO, and have it evaluated from time to time.	Complied
(b)	Credit and risk management: (i) The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval.	Complied
	(ii) The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.	Complied
(c)	Internal control management	
	The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.	Complied
(d)	Human resources management and development:	
	(i) Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.	Complied. (BoD of JBL approves HR policy from time to time which guides all actions or decisions related to HR of JBL)
	(ii) The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System(MIS). The board shall get these programmes incorporated in its annual work plan.	Complied
	(iii) The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.	Complied

Sl.	Particulars	Compliance Status
(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
5	Formation of committees from the Board of Directors: Each bank company can form 1(one) executive committee, 1(one) audit committee and 1(one) risk management committee with the directors. Board can't form any other permanent, temporary or sub-committee except the above mentioned three committees.	Complied
5.1	Executive committee: Executive committee to be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors. Banks to be followed instruction of BRPD Circular No.11 dated 27 October 2013 as regards to (A) Organizational structure, (B) Qualifications of the Members & (C) Meetings of the Executive Committee.	Complied



5.2	Audit Committee: Audit committee to be formed with the members of the board to review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. Banks to be followed instruction of BRPD Circular No.11 dated 27 October 2013 as regards to (A) Organizational structure, (B) Qualifications of the Member, (C) Roles and Responsibilities of the Audit Committee & (D) Meeting of the Audit Committee.	Complied
5.3	Risk Management Committee: Risk Management committee to be formed with the members of the board to play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified. Banks to be followed instruction of BRPD Circular No.11 dated 27 October 2013 as regards to (A) Organizational structure, (B) Qualifications of the Member, (C) Roles and Responsibilities of the Risk Management Committee & (D) Meeting of the Risk Management Committee.	Complied
6.	Training for the Directors: The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.	Complied
7	The Chief Executive Officer will inform about this circular to the directors and other related persons.	Complied

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

Sl.	Particulars	Compliance Status
A	Rules and regulations for appointing CEO	
1	Moral Integrity: In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that,- a) He has not been convicted by any Criminal Court of Law; b) He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority; c) He was not associated with any such company/organization, registration or licence of which has been cancelled.	Complied
2	Experience and Suitability: a) For appointment as chief executive, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediate below the chief executive of a bank. b) He must at least have a Masters degree from any recognized university. Higher academic education in the field of Economics, Accounting, Banking and Finance or Business Administration will be given importance for the concerned person for appointing/re-appointing as Managing Director. No third class will be acceptable in his/her educational life. In grading system, he should have minimum GPA 3.00 in SSC and HSC levels and CGPA 2.50 out of 4.00 or 3.00 out of 5.00 in Graduation and post-graduation level from any approved University.(amended on 24th December 2018 vide BRPD Circular Letter No.26) c) In respect of service, the concerned person should have excellent record of performance. d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company; e) Any director of any bank or financial institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of chief executive.	Complied
3	Transparency and Financial Integrity: As per BRPD Circular No.18 dated 27 October 2013 issued by Bangladesh Bank.	Complied
4	Age limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.	Complied

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

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

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



Sl.	Particulars	Compliance Status
B.1	Compliance of BRPD Circular letter no. 27 dated 12 May 2021 regarding Appointment of director, contractual advisor and consultant for Bank-Company	
	A former Director, Managing Director or Chief Executive Officer of a banking company or an official up to the immediate two level below the Chief Executive Officer cannot be appointed as an Adviser or Consultant of the same Bank till 5 years have elapsed after retirement or expiry of the contract	Yes
	Regular or contractual officials will never be eligible to be appointed as a Director of the same Bank after retirement or expiry of the contract	Yes

Corporate Governance Compliance Report

Jamuna Bank Limited (JBL) is complying with the Corporate Governance Code vide its Notification No. BSEC/CMRRC/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 (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓	-	Number of Board members of Jamuna Bank is 19 including 3 Independent Directors
1(2)	Independent Directors (ID)			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓	-	The Board of JBL has constituted as per section 15(9) of Bank Company Act 1991 (Amended up to 2018).
1(2)(b)	Criteria of "Independent Director"			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓	-	
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or 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.	✓	-	-
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓	-	None of the Independent Directors is an ex-employee of the company
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓	-	-
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓	-	-
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓	-	-
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓	-	-
1(2)(b)(viii)	who is not an independent director in more than 5 (five) listed companies;	✓	-	-
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);			N/A
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;			N/A
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓	-	-
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓	-	-
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) tenure only	✓	-	-
1(3)	Qualification of Independent Director (ID)			



Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√	-	-
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	√	-	Please see the Directors profile for details
1(3)(b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk.100.00 million or of a listed company;	√	-	Please see the Directors profile for details
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;			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;			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(s) 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 or experiences may be relaxed subject to prior approval of the Commission.			No such deviation occurred
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√	-	-
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√	-	-
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√	-	-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√	-	-
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)(i)	An industry outlook and possible future developments in the industry;	√	-	Please see the Directors Report for details
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;	√	-	-
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;	√	-	Details in the Directors' Report and subsequently elaborated in the note 46(A) of Audited Financial Statements.

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 see the Directors Report for details
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;	√	-	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√	-	Please see the Directors Report for details
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;	√	-	
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√	-	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√	-	
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√	-	Details in the Directors' Report and subsequently elaborated in the Stakeholders' Information segment of this report.
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 shares or stock dividend has been or shall be declared as interim dividend;	√	-	Please see the Directors Report for details
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√	-	Please see the Directors Report for details
1(5)(xxiii)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√	-	Please see the Directors Report for 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;	√	-	
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/re-appointment of a Director, a disclosure on the following information to the Shareholders:			



Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiv)(a)	a brief resume of the director;	√	-	Please see the Directors profile for details
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	√	-	
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:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√	-	Details in the Management's Discussion and Analysis section of the Annual Report
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 immediately 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;	√	-	
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;	√	-	Please see the Directors Report for details
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)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√	-	-
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), 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. Besides, Bangladesh Bank vide its letter no. BRPD (R-1)717/2021-5064 dated 16.06.2021 informed all the scheduled banks operating in the Country that there is no scope for compliance with the provisions of Corporate Governance Code, 2018 which conflict with the Banking Companies Act, 1991 and the directives issued by Bangladesh Bank.
1 (7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company.	-	-	

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√	-	Jamuna Bank Limited has two (02) subsidiaries namely Jamuna Bank Capital Management Ltd. & Jamuna Bank Securities Ltd. Please see Directors' Report for details. Please see the Directors profile for details
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;	√	-	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	√	-	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√	-	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√	-	
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√	-	-
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a 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)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	√	-	-
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√	-	Please see Directors' Report for details.
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;	√	-	
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 violation of the code of conduct for the company's Board or its member;	√	-	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√	-	
4	Board of Directors' Committee			



Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	The Board shall have at least following subcommittees:			
	Audit Committee;	√		
	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. Besides, Bangladesh Bank vide its letter no. BRPD (R-1)717/2021-5064 dated 16.06.2021 informed all the scheduled banks operating in the Country that there is no scope for compliance with the provisions of Corporate Governance Code, 2018 which conflict with the Banking Companies Act, 1991 and the directives issued by Bangladesh Bank.
5	AUDIT COMMITTEE:			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	√	-	
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√	-	
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√	-	-
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√	-	-
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√	-	-
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√	-	-
5(2)(d)	When the term of service of any Committee members 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;	-	-	No such event occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√	-	-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√	-	-
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;	√	-	-

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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).	✓	-	-
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)(a)	The Audit Committee Shall 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;	✓	-	-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓	-	-
5(5)(m)	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:	-	-	N/A
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓	-	-
5(6)(a)(ii)(a)	Report on conflicts of interests;	-	-	No such incidence arose
5(6)(a)(ii)(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
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-	-	No such incidence arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such incidence arose



Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(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 reportable incidence arose
5(7)	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.	✓	-	
6	Nomination and Remuneration Committee (NRC) Nomination and Remuneration Committee (NRC)			
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. Besides, Bangladesh Bank vide its letter no. BRPD (R-1)717/2021-5064 dated 16.06.2021 informed all the scheduled banks operating in the Country that there is no scope for compliance with the provisions of Corporate Governance Code, 2018 which conflict with the Banking Companies Act, 1991 and the directives issued by Bangladesh Bank.
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;			
6(2)(g)	The company secretary shall act as the secretary of the Committee;			

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			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. Besides, Bangladesh Bank vide its letter no. BRPD (R-1)717/2021-5064 dated 16.06.2021 informed all the scheduled banks operating in the Country that there is no scope for compliance with the provisions of Corporate Governance Code, 2018 which conflict with the Banking Companies Act, 1991 and the directives issued by Bangladesh Bank.
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.			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			
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.			



Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7	External or Statutory Auditors			
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;	√	-	-
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	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√	-	The required information are available in the Bank's website https://www.jamunabankbd.com
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	Reporting and Compliance of Corporate Governance			
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.	√	-	Please see Directors' Report & Corporate Governance Report for details.
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.	√	-	-

Related Party Transactions

The Bank in its ordinary course of business undertook financial transactions with some entities or persons that fall within the definition of 'Related Party' as contained in IAS 24 (Related Party Disclosures) and relevant provisions of Bank Company Act 1991 and Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003. As on the reporting date, the Bank had funded exposures with its subsidiaries, funded exposures to some current directors and credit card limit to some of its Directors. Besides, the Bank had procured some goods and services from the entities of related parties during 2021. Details of related party transactions are furnished below

1. a) Funded/Non-Funded facilities

Name of the organization	Representing Directors	Nature of Interest of the Directors with the borrowing firm/ individual	Nature of facilities	Outstanding (BDT) as at 01.01.2022	Outstanding (BDT) as at 31.12.2022	Amount Overdue
International Holdings Ltd.	Md. Mahmudul Hoque	Director	Term Loan	151,561,246.00	132,360,699	Regular
	Al-Haj Nur Mohammed	Director				
	Redwan-ul Karim Ansari	Director				

1. b) Credit Card facilities:

Representing Directors	Nature of interest with Jamuna Bank	Outstanding as at 01.01.2021	Outstanding as at 31.12.2021	Status
1. Al-Haj Nur Mohammed	Director	BDT 26,069	BDT 186,805	Regular
			USD 9.58	
2. Gazi Golam Murtoza	Director	BDT 599,889	USD 6,316.93	Regular
			BDT 380,641	
3. Md. Mahmudul Hoque	Director		BDT 12,130	Regular

2. Transactions relating to procurement, service & rent

Name of the Company Person	Related Directors of Jamuna Bank	Nature of transactions	Transaction made in 2021	Outstanding as at 31.12.2021
Samoy Media Ltd.	Fazlur Rahman	Advertisement (Electronic media)	1,150,000	-
	Md. Hasan			
Gazi Satellite Television Ltd.	Gazi Golam Murtoza	Advertisement (Electronic media)	556,452	-

3. Inter-Company balances between Jamuna Bank and Subsidiaries

Name of the subsidiaries	Nature of Account	Closing Balance as at 31.12.2021
Jamuna Bank Capital Management Ltd.	Short Notice Deposit	30,205,854
	Secured Overdraft	542,808,908
Jamuna Bank Securities Ltd.	Short Notice Deposit	2,851,364
	Secured Overdraft	63,750,340

4. Compensation of key management personnel

Managing Director's Salary and fees	Amount as at 31.12.2021
Basic Salary	7,800,000
Allowances	3,650,000
Bonus	2,430,000
Total	13,880,000



Remuneration Paid to Directors Including Independent Directors:

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

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

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

Directors including Independent Director of the Bank Received Honorarium for Board Meeting during 01.01.2021 to 31.12.2021

Sl. No.	Name	Position as on 31.12.2021	No. of meetings attended		Remuneration
			No. of meeting	Present	
1.	Mr. Gazi Golam Ashria	Chairman	18	16*	128,000.00
2.	Engr. A. K. M. Mosharraf Hussain	Director	18	17*	136,000.00
3.	Engr. Md. Atiqur Rahman	Director	18	17*	136,000.00
4.	Mr. Fazlur Rahman	Director	18	17*	136,000.00
5.	Al-Haj Nur Mohammed	Director	18	18	144,000.00
6.	Mr. Md. Saidul Islam (Nominated by Fabian Industries Ltd.)	Representative Director	18	16*	128,000.00
7.	Mr. Robin Razon Sakhawat	Director	18	17*	136,000.00
8.	Mr. Redwan-ul Karim Ansari	Director	18	18	144,000.00
9.	Mr. Md. Belal Hossain	Director	18	18	144,000.00
10.	Mr. Md. Mahmudul Hoque	Director	18	15*	120,000.00
11.	Mr. Shaheen Mahmud	Director	18	14*	112,000.00
12.	Mr. Md. Sirajul Islam Varosha	Director	18	18	144,000.00
13.	Mr. Kanutosh Majumder	Director	18	16*	128,000.00
14.	Mr. Md. Ismail Hossain Siraji	Director	18	18	144,000.00
15.	Mr. Gazi Golam Murtoza	Director	18	17*	136,000.00
16.	Mr. Md. Hasan	Director	18	13*	104,000.00
17.	Mr. Md. Abdur Rahman Sarker	Independent Director	18	18	144,000.00
18.	Mr. Obaidul Kabir Khan	Independent Director	18	18	144,000.00
19.	Mr. Md. Humayun Kabir Khan	Independent Director	18	1**	8,000.00
20.	Md. Rafiqul Islam	Ex-Independent Director	18	13***	104,000.00

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

** Appointed as Independent Director as on 26.12.2021 and after that 01 (one) Board meeting was held.

*** As per instruction of BRPD letter No-BRPD(R-2)/651/9(31)DL/2021-8229 dated September 13, 2021, casual vacancy arises.

Directors of the Bank Received Honorarium for Executive Committee meeting during 01.01.2021 to 31.12.2021

Sl. No.	Name	Status	Presence of the members		Remuneration
			No. of meeting	Present	
For the period 01.01.2021 to 28.02.2021					
1.	Mr. Md. Mahmudul Hoque, Director	Chairman	6	6	48,000.00
2.	Mr. Md. Belal Hossain, Director	Member	6	4	32,000.00
3.	Mr. Md. Sirajul Islam Varosha, Director	Member	6	6	48,000.00
4.	Mr. Kanutosh Majumder, Director	Member	6	-	-
5.	Mr. Md. Ismail Hossain Siraji, Director	Member	6	6	48,000.00
6.	Mr. Gazi Golam Ashria, Director	Member	6	1	8,000.00
7.	Mr. Md. Hasan, Director	Member	6	6	48,000.00
For the period 01.03.2021 to 31.05.2021					
1.	Mr. Md. Ismail Hossain Siraji, Director	Chairman	5	5	40,000.00
2.	Engr. A. K. M. Mosharraf Hussain, Director	Member	5	5	40,000.00
3.	Mr. Md. Saidul Islam (Nominated by Fabian Industries Ltd.), Representative Director	Member	5	3	24,000.00
4.	Mr. Robin Razon Sakhawat	Member	5	5	40,000.00
5.	Mr. Redwan-ul Karim Ansari	Member	5	5	40,000.00
6.	Mr. Shaheen Mahmud, Director	Member	5	5	40,000.00
7.	Mr. Gazi Golam Murtoza	Member	5	4	32,000.00
For the period 01.06.2021 to 30.11.2021					
1.	Mr. Shaheen Mahmud, Director	Chairman (01.06.21 to 31.08.21)	10	8	64,000.00
2.	Engr. Md. Atiqur Rahman, Director	Chairman (01.09.21 to 30.09.21)	10	10	80,000.00
3.	Al-Haj Nur Mohammed, Director	Member	10	10	80,000.00
4.	Mr. Robin Razon Sakhawat, Director	Chairman (01.10.21 to 30.11.21)	10	8	64,000.00
5.	Mr. Md. Sirajul Islam Varosha, Director	Member	10	10	80,000.00
6.	Mr. Kanutosh Majumder, Director	Member	10	9	72,000.00
7.	Mr. Md. Hasan, Director	Member	10	7	56,000.00
For the period 01.12.2021 to 31.12.2021					
1.	Al-Haj Nur Mohammed, Director	Chairman	4	4	32,000.00
2.	Engr. A. K. M. Mosharraf Hussain, Director	Member	4	4	32,000.00
3.	Mr. Md. Saidul Islam (Nominated by Fabian Industries Ltd.), Representative Director	Member	4	4	32,000.00
4.	Mr. Redwan-ul Karim Ansari, Director	Member	4	4	32,000.00
5.	Mr. Md. Belal Hossain, Director	Member	4	4	32,000.00
6.	Mr. Md. Ismail Hossain Siraji, Director	Member	4	4	32,000.00
7.	Mr. Gazi Golam Murtoza, Director	Member	4	1	8,000.00

Total 25 (Twenty five) meetings of Executive Committee were held during 01.01.2021 to 31.12.2021.



Directors including Independent Director of the Bank Received Honorarium for Audit Committee meeting during 01.01.2021 to 31.12.2021

Sl. No.	Name	Status	Presence of the members		Remuneration
			No. of meeting	Present	
For the period 01.01.2021 to 28.02.2021					
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, Director	Member	1	-	-
4.	Mr. Gazi Golam Murtoza, Director	Member	1	1	8,000.00
5.	Mr. Md. Abdur Rahman Sarker, Independent Director	Member	1	1	8,000.00
For the period 01.03.2021 to 31.05.2021					
1.	Mr. Obaidul Kabir Khan, Independent Director	Chairman	3	3	24,000.00
2.	Al-Haj Nur Mohammed, Director	Member	3	3	24,000.00
3.	Mr. Kanutosh Majumder, Director	Member	3	3	24,000.00
4.	Mr. Gazi Golam Ashria, Director	Member	3	3	24,000.00
5.	Mr. Md. Rafiqul Islam, Independent Director	Member	3	3	24,000.00
For the period 01.06.2021 to 30.11.2021					
1.	Mr. Md. Abdur Rahman Sarker, Independent Director	Chairman (01.06.21 to 31.08.21)	3	3	24,000.00
2.	Engr. A. K. M. Mosharraf Hussain, Director	Member	3	2	16,000.00
3.	Mr. Redwan-ul Karim Ansari, Director	Member	3	3	24,000.00
4.	Mr. Md. Rafiqul Islam, Independent Director*	Member	3	2	16,000.00
5.	Mr. Obaidul Kabir Khan, Independent Director	Chairman (01.09.21 to 30.11.21)	3	3	24,000.00
For the period 01.12.2021 to 31.12.2021					
1.	Mr. Md. Abdur Rahman Sarker, Independent Director	Chairman	1	1	8,000.00
2.	Mr. Md. Mahmudul Hoque, Director	Member	1	1	8,000.00
3.	Mr. Kanutosh Majumder, Director	Member	1	1	8,000.00
4.	Mr. Obaidul Kabir Khan, Independent Director	Member	1	1	8,000.00

*Casual vacancy arises as per BRPD letter no-BRPD(R-2)/651/9(31)DL/2021-8229 dated September 13, 2021.

Total 8 (Eight) meetings of Audit Committee were held during 01.01.2021 to 31.12.2021.

Directors of the Bank Received Honorarium for Risk Management Committee meeting during 01.01.2021 to 31.12.2021

Sl. No.	Name	Status	Presence of the members		Remuneration
			No. of meeting	Present	
For the period 01.01.2021 to 28.02.2021					
01.	Engr. A. K. M. Mosharraf Hussain, Director	Chairman	1	1	8,000.00
02.	Al-Haj Nur Mohammed, Director	Member	1	1	8,000.00
03.	Mr. Shaheen Mahmud, Director	Member	1	-	-
04.	Mr. Redwan-ul Karim Ansari, Director	Member	1	1	8,000.00
05.	Mr. Md. Saidul Islam, Representative Director (Nominated by Fabian Industries Ltd.)	Member	1	1	8,000.00
For the period 01.03.2021 to 31.05.2021					
1.	Engr. Md. Atiqur Rahman, Director	Chairman	2	2	16,000.00
2.	Mr. Md. Belal Hossain, Director	Member	2	2	16,000.00
3.	Mr. Md. Mahmudul Hoque, Director	Member	2	2	16,000.00
4.	Mr. Md. Sirajul Islam Varosha, Director	Member	2	2	16,000.00
5.	Mr. Md. Hasan, Director	Member	2	1	8,000.00
For the period 01.06.2021 to 30.11.2021					
1.	Mr. Md. Belal Hossain	Chairman (01.08.21 to 30.09.21)	4	4	32,000.00
2.	Mr. Md. Mahmudul Hoque	Chairman (01.06.21 to 31.07.21)	4	4	32,000.00
3.	Mr. Md. Ismail Hossain Siraji	Chairman (01.10.21 to 30.11.21)	4	4	32,000.00
4.	Mr. Gazi Golam Murtoza	Member	4	4	32,000.00
5.	Mr. Md. Saidul Islam (Nominated by Fabian Industries Ltd.)	Member	4	4	32,000.00
For the period 01.12.2021 to 31.12.2021					
1.	Engr. Md. Atiqur Rahman, Director	Chairman	1	1	8,000.00
2.	Mr. Robin Razon Sakhawat, Director	Member	1	1	8,000.00
3.	Mr. Shaheen Mahmud, Director	Member	1	1	8,000.00
4.	Mr. Md. Sirajul Islam Varosha, Director	Member	1	1	8,000.00
5.	Mr. Md. Hasan, Director	Member	1	1	8,000.00

Total 08 (Eight) meetings of Risk Management Committee were held during 01.01.2021 to 31.12.2021



Members of the Shariah Supervisory Committee received Honorarium during 01.01.2021 to 31.12.2021

Sl. No.	Name	Status	Presence of the members		Remuneration
			No. of meeting	Present	
For the period 01.01.2021 to 03.09.2021					
01.	Dr. Saikh Muhammad Mahadi Hasan	Chairman (CC)	1	1	8,000.00
02.	Professor Mawlana Md. Salahuddin	Member	1	-	-
03.	Mawlana Abdur Razzak	Member	1	1	8,000.00
04.	Hafez Mawlana Mufti Ruhul Amin	Member	1	-	-
05.	Hafez Mawlana Prof. Dr. Shahidul Islam Barakati	Member	1	1	8,000.00
06.	Dr. Ahmadullah Trishail	Member	1	1	8,000.00
For the period 04.09.2021 to 31.12.2021					
01.	Dr. Saikh Muhammad Mahadi Hasan	Chairman	1	1	8,000.00
02.	Mawlana Abdur Razzak	Member	1	1	8,000.00
03.	Hafez Mawlana Mufti Ruhul Amin	Member	1	-	-
04.	Hafez Mawlana Prof. Dr. Shahidul Islam Barakati	Member	1	1	8,000.00
05.	Dr. Ahmadullah Trishail	Member	1	1	8,000.00
06.	Dr. Md. Anwar Hosain Molla	Member	1	1	8,000.00

Statement of Board of Directors on The Internal Control System of The Bank

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

The Board of Directors, under section 15(kha) and 15 (Ga) of the Bank Company Act 1991 (Amended upto 2018) are responsible for establishing and executing policies of the Bank. The Directors of Jamuna Bank Limited sincerely acknowledge their overall responsibility to establish an appropriate system of internal control. The Board of Directors and its committees thoroughly assessed all principal risk including, but not limited to Credit Risk Management, Foreign Exchange Risk Management, Money Laundering Prevention Risk (AML &CFT), Internal Control and Compliance Risk, Information Technology Risk, Environmental & Social Risk through various reports and early warning indicators to ensure that the Bank has in place all the necessary policies, procedures, systems and controls to mitigate risks that may affect its business objectives, performance, financial viability and sustainability.

The Audit 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.

The Risk Management 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; Moreover, the Senior Management Team (SMT) of the Bank keeps constant involvement to risk management. SMT is also monitoring the adequacy and effectiveness of the internal control system based on Bank's established policy and procedure.

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.

On the economic side, Bangladesh's economy has been able to rebound quickly in the outgoing year 2021 from the ravages of the COVID-19 pandemic. We hoped that the economy will be better in the incoming year 2022, though concern persists over the Omicron variant of the virus which has already infected a few people in Bangladesh. In the outgoing fiscal year (2020-21), Bangladesh achieved 6.94 percent GDP growth. In the current fiscal year 2021-22, the growth target has been set at 7.2 percent. During the outgoing year 2021, the Dhaka Stock Exchange (DSE) also posted a decade-high daily turnover value along with a rise in market cap to GDP (Gross Domestic Product) ratio. The daily turnover, an important gauge, stood at Tk 14.75 billion on an average in 2021, up by 127 percent year-on-year. During 2021, Jamuna Bank has managed to maintain its profitability and integrity in compliance and adhere to all the rules and regulations.

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.



Al-Haj Nur Mohammed
Chairman



Certificate of Senior Management Team (Smt) Regarding The Effectiveness of Internal Control Policy, Practice and Procedure

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

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

As it's a ongoing process, the senior 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.



Mirza Elias Uddin Ahmed
Managing Director & CEO

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:

6. 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.

7. 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.



8. Dividend Distribution Process:

- 8.1 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.
- 8.2 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.
 - i) 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;
 - i) 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;
 - i) 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;
 - i) 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;
 - i) 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;
- 8.3 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.
- 8.4 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;
- 8.5 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';
- 8.6 All other regulatory requirements relating to distribution of dividends to be complied.
- 8.7 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;
- 8.8 The Bank shall publish the compliance report in its website.

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.