IAMUNABANK

Financial Statements

(8,752,189,892) (7,787,482,156) Interest payments 95,856,325 86,662,893 Fee and commission receipts 1,006,755,626 1.132,434,749 Recoveries on loans perviously written off (1,706,940,486) (1,314,713,952) Payments to suppliers (229.949.755) (212.481.527) (1,427,977,639) (1,047,572,886) Income taxes paid Receipts from other operating activities Payments for other operating activities (i) Operating profit before changes in operating assets and liab (600.542,112) (450,713,011) (1,564,255,322) 339,147,591 Statutory deposit (12,782,342,718) 1.724.758.799 Loans and advances (949,975,725) (1,103,554,376) Other assets 1,542,428,000 16,320,051,743 6,611,496,525 Other current liabilities 638,912,943 1,463,374 9,737,756,322 4,769,074,242 Net cash flow from operating activities (A)=(i+ii) 3,204,818,920 10,076,903,913 2,821,480,664 1,758,648,549 is a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book. Will Financial guarantees BFRS: As per BAS 33, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount, and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities. Bangladesh Bank: As per BRPD 14, financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin. Will Cash and cash equivalent items should be reported as cash item as per BAS 7. Bangladesh Bank: Some cash and cash equivalent items such as "money at call and on short notice," Treasury bills, Prize bond are not shown as cash and cash equivalent. Money at call and on short notice presented on the face of the balance sheet, and Treasury bills, Prize bonds are shown in investments. Is Non-banking asset BFRS: No indication of Non-banking asset is found in any BFRS. Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset. Proceeds from sale of securities (gain) 413.022.609 161.842,456 Payments for purchase of securities (398,607,974) (18,995,577) (210,626,324) Purchase of property, plant & equipm Net cash flow from investing activities (B) 2,593,554,771 1,690,869,104 Increase/ (Decrease) of long term borrowings (13.410.936.198) 11,337,499,341 (628,255,127) Cash dividend paid 23,105,272,358 Cash and Cash Equivalents at beginning of the year (E) 49,837,058,630 26,731,786,273 Cash and cash equivalents at end of the year (D+E) (*)

1.272.506.614

5,377,999,871

1,416,400

1.031.717.440

5,931,243,610

3,512,002,491

38,790,175,089

570,000,000

1,920,000

9,702,019,809

9,626,677,157

Cash Flow Statement For the year ended 31 December 2013

Cash flows from operating activi

Cash in hand (including foreign currency)

Money at call on short notice

Balance with Bangladesh Bank and its agent banks

Balance with other bank's and financial institut

Interest receipts

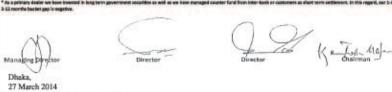
The annexed notes form an integr	al part of the cash flow statement.
	001
	Kampell Maja
Director	Director ' Chairman -

Fortissiers	Paid up Capital	Statutory Reserve	of Securities	Assets Revoluction Suserve	Retained Eurology	Total
Bolomoe en at OS January 2013	4,487,586,600	2,519,563,521	4,914,675	1,068,497,564	529,282,544	RADIABRAIS
Changes in accounting policy	20000000	200000000000000000000000000000000000000	2000	7	23177327	0.000
heatated belonce as at 01 January 2013	4,467,596,620	2,599,568,525	4,898,676	1,060,487,554	629,282,544	EXPLERENTS.
Simplogradicit on associat of revaluation of properties simplogradicit on associat of revaluation of transitionists Currency translation difference	. 49		*8,168,811		12	49,169,811
Net gains and losses not recognized in the income statement		-	49,169,911		18.7	48,568,811
Not that's for the year bladdend josets Statutory reserve		496,578,530	1	12	1,195,191,520 (636,855,137) (456,976,523)	\$28,391,520 (\$28,336,127)
Belonce as at 31 December 2013	4,497,536,620	2,596,542,000	\$4,108,507	1,063,497,554	679,250,200	A.MIG.205.210
Relance as at 30 December 2012	4,497,596,620	2,179,563,571	4,004,675	1,063,487,554	629,232,544	8,334,838,815



Liquidity Statement (Asset and Liability Maturity Analysis)

Particulars	Lipto 1 month	1 - 3 months	3-12 manths	1-5 years	More than 5 years	Yotal
Assets.	Leonardies .	-				1000000000
Cash in hand	6,650,506,404	NAME OF TAXABLE PARTY.	ANTON TO	11.00	***	6,650,506,404
Balance with other banks & Financial institutions.	265,865,607	8.212,119,499	700,000,000		47	4,278,885,283
Money at call on short notice		1141	100 mar.	7.4	417	4
livestreet	736,863,595	5.45	200,000,000	6,558,987,700	24,296,345,220	31,360,196,515
Leuro-S Advances	38,815,882,000	11,635,984,713	19,131,591,368	12,713,060,846	7,886,877,773	67,669,376,700
Reed assets including premises, furniture and fistures	100000000000000000000000000000000000000	W. C.	STATE OF THE PARTY	1,813,719,876	381,304,663	2,195,054,590
Other Assets	1,000,113,061	966,966,009	Strate Chin	1,629,792,232	2,681,540	3,495,522,852
Total assets	25,566,225,838	15,815,050,226	20,031,591,968	22,221,560,654	32,647,290,196	115,681,641,383
Linkillities	CONTRACTOR OF	SHOW SHEAT OF	CONTRACTOR OF THE PARTY OF THE	THE RESERVE	- CALIFORNIA -	THE RESERVE OF
Sorrowings from Bangladesh Bank, other banks, financial institutions and agents Deposits and other accounts Other fabilities	20,180,300,000 133,790,860	18219,186,512	5,677,278,517 25,705,736,967 4,752,250,988	18,208,623,660 756,793,760	10,087,817,051	3,677,276,377 97,405,614,390 5,617,815,466
Total Sabilities	20,309,091,360	18,218,196,512	94,135,243,735	20,045,417,400	13,047,607,051	186,800,706,865
Net liquidity	5,257,136,476	(3,404,086,286)	(14,100,652,965)	2,172,543,245	18,859,392,145	8,880,915,217



Notes to the Financial Statements For the year ended 31 December 2013

Reporting entity
Legal status and nature of the company
Jamuna Bank Limited (the 'Bank') was incorporated in Bangladesh on 02 April 2001 as a public limited company under the
Companies Act, 1994. The Bank within the stipulations laid down by the Bank Companies Act, 1991 & amended Act, 2013 and
directives as received from Bangladesh Bank and applicable to it from time to time provides all types of commercial banking
services. The registered office of the Bank is located at Hadi Mansion, 2 Dilkusha (AA, Dhaka-1000. The Bank has ninety one (91)
branches (including 2 Islamic Banking Branches) and four (4) SME centers, with no overseas branches as at 31 December 2013. The
consolidated financial statements of the Bank as at and for the year ended 31 December 2013 comprise financial statements of
the Bank and its subsidiaries (together referred to as the "Group" and Individually as "Group entities").
Nature of the business

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

1.03 Jamuna Bank Capital Management Limited
Jamuna Bank Capital Management Limited is a subsidiary company of Jamuna Bank Limited holding 99.99984% of total paid-up capital incorporated as a private limited company on 23 December 2009 with the Registrar of Joint Stock Companies & Firms, Dhaka vide certificate of incorporation no. C-81250/079. The main objectives of the company for which it was established are to carry out the business of full-fledged merchant banking activities like issue management, portfolio management, underwriting etc.

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

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

are enclosed in Annexure- G. Islamic Banking branches permission vide letter no. BRPD(P)745(55)/2003-3220 and BRPD(P)745(55)/2003-3232 and BRPD(P)745(55)/2003-32

Departures from BPRS
The financial statements of the Bank are prepared on a going concern basis under historical cost convention and in accordance with First Schedule (Sec-38) of the Bank Companies Act, 1991, as amended by Bangladesh Bank (Central Bank) vide BRPD Circular No. 14 dated 25 June 2003, other circulars of Bangladesh Bank, Bangladesh Accounting Standards (BAS), the Companies Act, 1994, the Listing Rules of the Stock Exchange, the Securities and Exchange Rule 1987 and other laws and regulations applicable in Bangladesh. In case any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions and circulars issued by Bangladesh Bank differs with those of other regulatory. As such the Group and the Bank have departed from those contradictory requirements of BFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

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

Bangladesh Bank: As per BRPO circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are
some server of last audited balance sheet respectively. Provision should be

nade for any loss arising from diminution in value of investment; otherwise investments are recognized at costs

made for any loss arising from diminution in value of investment; otherwise investments are recognized at costs. Revaluation gian/loss on Government securities T-bills and T-bonds will fall under the category of "held for trading", any change in the fair value of held for trading assets is recognized through profit and loss account. Securities T-bills designated as held to maturity are measured at amortized cost method and interest income is recognized through the profit & loss account. Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. HTM securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

Notes to the Financial Statements For the year ended 31 December 2013

III) Provision on loans and advances

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

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 05 dated 25 May 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loan, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007, a general provision at 11% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

IV Recognition of interest in suspense

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

Bangladesh Bankt: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest in suspense account, which is presented as liability in the balance sheet.

IV) Other comprehensive income

BFRS: As per BAS 1 Other Comprehensive income is a component of financial statements or the elements of Other Comprehensive lincome of Other Comprehensive home or are the elements of Other Comprehensive income or are the elements of other comprehensive income on or are the elements of other comprehensive income or are the elements of o

in equity.

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

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

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

vii) Financial guarantees

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset. **) Cash flow statement

BRRS: Cash flow statement can be prepared using either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

sitently. Hadesh Bank: As per BRPD 14, cash flow is the mixture of direct and indirect method. Hance with Bangladesh Bank: (CRR) : Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per

BAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

still Presentation of intangible asset

BFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD 14.

still Off-balance sheet items

BFRS: There is no concept of off-balance sheet items in any BFRS; hence there is no requirement of disclosure of off-balance sheet.

Bangladesh Bank: As per BRPD 14, orf balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately in face of balance sheet.

Bangladesh Bank: As per BRPD 14, orf balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately in face of balance sheet.

Bangladesh Bank: As per BRPD 14, an appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD 14, provision of profit should be disclosed in the face of profit and loss account.

xv) Loans and advance (net of provision)

BFRS: Ioans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

The financial statements of the islamic banking branches have also been prepared as per Bank Companies Act 1991, BFRSs and other prevailing laws and regulations applicable in Bangladesh.

The consolidated financial statements were authorised for issue by the board of directors on 27 March 2014

2.01.2 The Bank's compliance with related pronouncements by Bangladesh Bank:

I) Internal control

2.01.2 The Bank's compliance with related pronouncements by Bangladesh Bank:

1) Internal control

The objective of internal control is to ensure that management has reasonable assurance that (i) operations are effective, efficient and aligned with strategy, (ii) financial reporting and management information is reliable, complete and timely accessible, (iii) the entity is in compliance with applicable Laws and Regulations as well as its internal policies and ethical values sustainability, and (iv) assets of the company are safeguarded and frauds, forgeries & errors are prevented or detected. Jamuna Bank has established an effective internal control system whose primary aim is to ensure the overall control of risks and provide reasonable assurance that the objectives set by the Bank will be met. It has designed to develop a high level risk culture among the personnel of the Bank, establish efficient and qualified operating model of the Bank, ensure reliability of internal and external information including accounting and financial information, secure the Bank's operations and assets, and comply with laws, regulatory requirements and internal policies.

The Board of Directors of Jamuna Bank, through its Audit Committee, periodically reviews the effectiveness of Bank's internal control, including financial, operational and compliance controls, risk management systems, the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, training programs, budget, etc. The Board Audit Committee reviews the actions taken on internal control issues identified by the internal audit plan and frequency of the internal audit activities.

During the year 2013, ICCD conducted inspections of internal Control & Compliance Divisions of Head Office, particularly the scope of the annual audit plan and frequency of the internal audit activities.

During the year 2013, ICCD conducted inspections in behavior of the Branches/ Divisions of Head Office, particularly the scope of the an

meetings of the Audit Committee of the Board and necessary steps help taken according to the decision of the said Committee for correct functioning of internal Control & Compillance.

(ii) Internal audit is the continuous and systematic process of examining and reporting on the activities of an organization undertaken by the specially assigned officers. Internal Audit or works as the Eyes & Ears of the Management.

Internal Audit Mechanism is used as an important element to ensure good governance of JBL. Internal Audit Activity of JBL is effective and it provides Senior Management with a number of important services. These include detecting and preventing fraud, testing internal control. Monitoring and compiliance with own policies & procedures, applicable rules & regulations, instructions/guidelines of Regulatory Authority set., Our team carry out Comprehensive inspection, Special inspection & Surprise inspection and investigation, etc. in order to help avoiding any fraudulent activities which in turn would strengthen the bank to set up sound structural base.

III) Fraud and forgeries

Fraud can happen anywhere. Though, only relatively few major frauds are picked up by the media, huge sums are lost by all kinds of businesses against large number of frauds. The risks of fraud is increasing day by day as a result of growing globalization, more competitive markets, rapid developments in technology, periods of economic difficuity, etc. Banks by virtue of the nature of activities undertaken and its operating environment are vulnerable to frauds, which takes place maggressive business strategy and process for quick growth is adopted without adequate/ appropriate internal controls or non-adhering to operating standards/ controls, in the recent past, incidence of frauds in the Banking industry has increased to some extent, which calls for concerned steps in investigating the frauds and identifying the fraudsters for eventual criminal prosecution and internal punitive action.

It will never be possible to eliminate all

/evaluates the effectiveness of its Anti-Fraud Internal Control measures on quarterry reasons plan to the prescribed checklist of Bangladesh Bank.

N/ Risk management
The risky nature of Banking business has caused the Central Bank to be much concerned about the risk factors affecting the financial position of the banks. In this connection every Central Bank has come forwarded to establish a general framework to defeat risk factors considering the laws of the land. Bangladesh bank has also undertaken an overall core-risk management project under which every bank is bounded to the authoritative covaments to install risk management system.

Jamuna Bank Limited has established approved policies in compliance with Central bank's guidelines covering major areas such as (i) Credit risk management (b) Foreign exchange risk management (c) Asset liability management (d) Money laundering risk (e) internal control & compliance (f) information and communication technology security risk.

Jamuna Bank Limited has adopted Risk Management Guidelines formulated by Bangladesh Bank. The purpose of the guidelines is to inform management about the loopholes of full fledged implementation of Core risks management, improve risk management culturer, restructure minimum standards and assist in the ongoing improvement.

In compliance with the requirements of Bangladesh Bank guidelines, Risk Management Division monthly prepare Risk Management Paper (RNP) and the paper is reviewed in the meeting of Risk Management Committee to have their opinion/decision on the issues identified in RMP.

Functional and presentation currency
These financial statements are presented in Bangladesh Taka, which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

Use of estimates and judgments

person nicial statements cover one calendar year from 01 January 2013 to 31 December 2013. of cash flows

tatement of cash flows
ash flow statement has been prepared in accordance with the BRPD circular no. 14, Dated: 25 June 2013 issued by the Bankign
egulations and Policy Department of Bangladesh Bank.

sates". As such -dilabilities denominated in foreign currency are translated into Bangladesh Taka at the balance sheet date at mid rates ions in foreign currencies are converted into Bangladesh Taka currency at average exchange rate of such transactions ins or losses thereon are adjusted to revenue through foreign exchange trading account.

The consolidated financial statements include the financial statements of Jamuna Bank Umited and its subsidiaries- Jamuna Bank Capital Management Umited and Jamuna Bank Securities Umited made up to the end of the financial year. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard 27: Consolidated and Separate Financial Statements. The consolidated financial statements are prepared to a common financial year ended 31 December 2013.

as terr venue; or

 as their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

 Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the controlling interests.

are amortised and discounts are accredited.

Held to maturity

Investments which have, "fixed or determinable payments" and are intended to be held to maturity are classified as "Held to

ified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if

Re-measured band
As per DOS circular letter no. 2 dated 19 January 2012, Treasury band held in HFT category by the Primary Dealer (PD) may be re-measured at amortized cost instead of fair value.

Notes to the Financial States For the year ended 31 December 2013

Provision for loans and advances is made on the basis of year-end review by the management and on the basis of instructions contained in Bangladesh Bank BCD Circular No- 34 of 1989, BCD Circular No. 20 dated 27 December 1994, BRPD Circular No-12 dated O4 September 1995, BRPD Circular No-19 dated 14 May 2001, BRPD Circular No-8 of 2005 and BRPD Circular No-14 dated 23 September 2012, BRPD Circular No-19, dated 27 December 2012, BRPD Circular No-5, dated 29 May 2013 at the following rates:

29 May 2013 at the following rates:
Particulars
General provision on
a. Consumer financing (house financing and loans to professional)
b. Consumer Financing (Other than 'a')
c. Small and medium enterprise financing (SMEF)
d. Short term agriculture & micro credit
e. Loans to 8Hs/ MBs/ Sds against shares etc
f. All other credit . All other credit f. All other credit
Specific provision on
Substandard loans and advances
Short term agri. credit & micro credit
Short term agri. credit & micro credit
Cher than short term agri. credit & micro credit
Sho. Doubtful loans and advances
Short term agri. credit & micro credit

However, write off will not reduce the claim against the borrower. Detailed records for all such wri Property, plant and equipment and their depreciation

losses, if any. Land is measured at cost/revaluation.

Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and con

necessary for it to be capable of operating in the intended manner. When parts of an item of fixed asset have different useful lives, they are accounted for as separate

The cost of replacing a component of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets rerecognised in profits or loss.

During the period under audit, depreciation is charged at the following annual rates on straight-line method on all flixed assets except land. Depreciation has been charged on addition during the period when respective assets put into use and in case of sale, us to the date of sale.

Name of the assets

Rate of depreciation Building Furniture & fixture Office equipment Motor vehicle

ities and basis of their valuation

3.03.1 Deposits and other accounts
Deposits by customers and banks are recognized when the bank enters into contractual provisions of the arrangements with the

Provision for manifices

A provision is recognized in the balance sheet when the bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS - 37 "Provisions, Contingent Liabilities and Contingent Assets". Minority interest in subsidiaries

Minority interest in business is an accounting concept that refers to the portion of a subsidiary corporation's stock that is not owned by the parent corporation. The magnitude of the minority interest in the subsidiary company is always less than 50% of the outstanding shares, else the corporation would cesse to be a subsidiary of the parent. Minority interest is reported on the consolidated income statement as a share of profit belonging to minority shareholders.

tutory reserve
Bank Companies Act, 1991 requires the bank to transfer 20% of its current year's profit before tax to reserve until such reserve
als to its paid up capital. The Bank transferred 20% of its profit before tax for the year 2013 to statutory resurve account.
Itingent liabilities, commitments and other off-balance sheet settlements Contingent liabilities, commitments and other off-balance sheet settlements
A contingent liability is
A possible obligation that arises form past events and the existence of which will be confirmed only by the occurrence or

A possible colligation that arises from past events and the existence of which will be confirmed only by the occurrence of non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or A present obligation that arises from past events but it is not recognised because:

*It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

*the amount of the obligation cannot be measured with sufficient reliability.

Contingent Babilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Because acceptation.

Revenue recognition
The revenue during the period under audit is recognized satisfying the conditions as specified in Bangladesh Accounting Standard
(BAS) 18 "Revenue Recognition". Details are as under:

IAS) 1.8 "Neversur recognition", Details are as under: therest/ground income interest is calculated on daily product on unclassified loans and advances but charged on quarterly and monthly basis, processes.

Interest is charged on classified loans and advances by crediting interest suspense account as per BRPD Circular No 16 of 1990.

but charged on monthly basis. ion and discounts on bills purchased and discounted are recognized at the time of realization iv. For Islamic Banking, profit is charged on unclassified investments on daily product basis and charged to the clients on quarter

r. Islamic Banking branches calculate profit on classified investments and credits the same to profit suspense account until

Foes, commission and discounts income
Foes, commission and discounts on bills purchased and discounted are recognized at the time of realization.
Investment Income
Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.
Interest/profit paid and other expenses in terms of the provisions of 8AS-1. "Presentation of Financial Statements" interest/profit and other expenses are recognized on accrual basis.

a) Current tax ision for current tax has been made @ 42.50% as prescribed in the Finance Act, 2013 of the profit made by the Bank

b) Deferred tax
Deferred tax is calculated on the taxable/deductible temporary differences between tax base amount and carrying amount of
assets and liabilities as required by Bangladesh Accounting Standard (BAS)-12 "Income Taxes".
Provision for nostro accounts
As per instruction contained in the circular letter no. FEPD (FEMD)/01/2005-677 dated September 13, 2005 issued by Foreign
Exchange Policy Department of Bangladesh Bank, Bank are required to make provision regarding the un-reconciled debit balance
of nostro account over more than 3 months as on the reporting date in these financials. Since there is no un-reconciled entries
which are outstanding more than 3 months. As such, the Bank does not require to make provision.
Employee benefits
The retirement benefits accrued for the employees of the Bank during reporting period have been accounted for in accordance
with the provisions of BAS-19 "Employees Benefit".
Provisions fund

Provident fund Provident Fund benefits are given to the employees of the Bank in accordance with the locally registered Provident Fund Rules. This Fund is being operated under a Trustee Board. This fund got approval from the National Board of Revenue (NBR) on 28 August 2002. All employees of the bank are contributing 10% of the basic salary as subscription to the fund. The bank also contributes

Superannuation fund
The Bank operates a Social Security Superannuation Fund and it is operated by a separate Board of Trustees and Superan
Fund Rules of the Bank. This fund got approval from the National Board of Revenue (NBR) on 04 January 2004.

Gratuity

The Bank operates a funded gratuity scheme approved by the National Board of Revenue (NBR) on 04 April 2010. In the Bank gratuity scheme covers all permanent employees of the Bank. The company made provision to meet-up claim of out going employees. The gratuity is calculated on the basis of last basic pay and is payable at the rate of two months basic pay for every completed year of service. No actuarial valuation has been done as per the requirements of 8AS 19 for the year 2013.

Workers participation fund and welfare fund

SRO-336-AIN/2010 dated 5-10-2010 issued by the Ministry of Labour and Employment and published in Bangladesh gazatte on

SIG-36-AIN/2010 dated 5-10-2010 issued by the Ministry of Labour and employment and published in Bangladesh gazarte on 07-10-2010 declaring the status of business of certain institutions and companies (like mobile operating companies, mobile network service providing company, all Govt. and Non-Govt, money lending companies, all insurance companies etc.) as "industrial Undertakings" for the purpose of Chapter-av of the Bangladesh Labor Act, 2006 which deals with the workers participation in company's profit by way of Workers Participation Fund and Welfare Fund (WPPI). The Bangladesh Labor Act, 2006 requires the "industrial Undertakings" to maintain provision for workers profit participation fund @5% on net profit. However, we have obtained legal opinion from Legal advisor in this regard where it has been stated that Jamuna Bank Limited does not fall under this category. Therefore, no provision is this repearly has been grade in the financial statements during the war under

above were 2,206 in 2013 and 2,000 in 2012.

Earnings per share (EPS)

Earnings per share have been calculated in accordance with BAS-33."Earnings per Share". The Group and the Bank present basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group/Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to

Books of Accounts with regard to inter-bank (in Bangladesh & out side Bangladesh) and inter-branch have been reconciled and there is no material difference, which might effect the financial statements significantly.

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

Credit approval

Major credit exposures to individual borrowers, groups of connected counterparties and portfolios of retail exposures are
reviewed by the Head Office Credit Committee (HOCC) and HOCC recommend the loan to the approval authority. All credit
approval authorities are delegated by the Board of Directors to executives based on their capability, experience & business men. Credit origination and approval roles are segregated in all cases.

Credit monitoring

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

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

risk mitigation and other guarantees. The reliance that can be placed on these mitigated using a range of tools such as collateral, netting ments, insurance, and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. Risk tion policies determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include: cash, mitig, commercial and industrial property, fixed assets such as motor vehicles, plant and machinery marketable securities; codities; bank guarantees; and letters of credit. Collateral is valued in accordance with our credit policy, which prescribes the energy of valuation for different collateral types, based on the level of price volatility of each type of collateral. Collateral held

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

Sources of foreign exchange risk:

Foreign exchange risk for a business may arise from a number of sources, including:

where the business is related to imports or exports

where other costs, such as capital expenditure, are denominated in foreign currency

where export bill is received in foreign currency

where other income, such as royalties, interest, dividends etc, is received in foreign currency

where the business are denominated (and therefore payable) in foreign currency

where the business has offshore assets such as operations or subsidiaries that are valued in a foreign currency, or foreign

Methods of measuring foreign exchange risk:

3.02.3 Loans & advances and provision Interest is calculated on daily product basis but charged and accounted for quarterly on accrual basis. Interest on classified loans is kept in interest suspense account as per Bangladesh Bank guidelines and such interest is not accounted for as income until realized from borrowers, interests are not charged on bad / loss loans as per instructions of Bangladesh Bank. Advances are stated at gross value.

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

• MIS of foreign currency exposures

• Table of projected foreign currency cash-flows

• Sensibitly analysis

• Value at risk

audit.

Number of employees
The number of employees engaged for the whole year or part thereof who received a total yearly remuneration of Tk 36,000 or above were 2,206 in 2013 and 2,006 in 2012.

tion of inter-bank/books of accounts

Risk management in banking opparization, risk is the possibility that outcome of an action or event could bring up adverse impact. Such outcome could either result in a direct loss of earnings/capital or may result in imposition of constraints on banks' ability to meet their business objectives. Risk is the outcome of losses due to sudden downturn in economy or falling interest. Banks have to rely on their capital as a buffer to absorb such losses. The types and degree of risks an organization may be exposed depend upon a number of factors such as its size, complexity business activities, volume etc. Initially Bangladesh Bank has lessed guidelines on six core risk areas and accordingly scheduled banks operating. In Bangladesh has implemented the guidelines for better risk management practice. Implementation of core risk management guidelines by Jamuna Bank Umited (JBL) and its status are discussed below. Credit risk arises while the borrowers or counterparty to a financial transaction fails to discharge an obligation as per agreed

It rating and measurement
It is a certification of the second of Directors.

It is a primary area for sustained investment and senior management attention. The standard credit risk grading (CRG)
In it used in both Corporate and SME Banking. The grading is used to assess the client along with a range of quantitative and
tative factors. Our credit grades against Corporate & Medium clients are supported by external credit grades, and ratings
ned by external ratings agencies.