

JAMUNA BANK

FINANCIAL STATEMENTS 2015

Independent Auditors' Report to the Shareholders of Jamuna Bank Limited

We have audited the accompanying consolidated financial statements of Jamuna Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Jamuna Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2015, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls
Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.01.1 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also the separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Companies Act, 1991 (as amended in 2013) and the Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and the separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and the separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also the separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, in the consolidated financial statements of the Group and also the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2015, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.01.

Report on Other Legal and Regulatory Requirements
In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Companies Act, 1991 as amended up to 2013 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - Internal audit note-2.01.2(ii), internal control note-2.01.2(i) and risk management (note 3.15) arrangements of the Group and the Bank as disclosed in notes appeared to be adequate with immaterial control deficiencies as identified in management report;
 - nothing has come to our attention regarding material instances of forgery or irregularity or administrative error or exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in note 2.01.2(iii);
- financial statements of subsidiary companies of the Bank namely Jamuna Bank Capital Management Limited has been audited by ACNABIN, Chartered Accountants and Jamuna Bank Securities Limited has been audited by S. H. Khan & Co., Chartered Accountants. These accounts have been properly reflected in the consolidated financial statements;
- in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from 86 branches not visited by us;
- the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- the expenditure incurred was for the purposes of the Bank's business;
- the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in note 2.01 as well as with related guidance, circulars issued by Bangladesh Bank;
- adequate provisions have been made as stated in note 8.8.1 for loans & advances, other assets and Off - Balance Sheet items which in our opinion, doubtful of recovery, and while making said provision instruction given in Bangladesh Bank Letter No. DBL-1/125/2015-847 dated April 12, 2016 in line with the discussions held in tripartite meeting on March 27, 2016 has been complied with;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the information and explanation required by us have been received and found satisfactory; and
- we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 7,960 person hours for the audit of the books and accounts of the Bank.

Date: 13 April 2016
Place: Dhaka

Syful Shamsul Alam & Co.
Chartered Accountants

Consolidated Profit and Loss Account For the year ended 31 December 2015

Notes	2015 Taka	2014 Taka
Interest income/profit on investment	20(a) 9,908,408,580	10,421,555,589
Less: Interest/profit on deposits and borrowings, etc.	21(a) 8,194,848,391	8,830,345,766
Net interest income/net profit on investments	1,713,560,189	1,591,209,824
Investment income	22(a) 3,794,169,364	3,243,592,747
Commission, exchange and brokerage	23(a) 1,219,042,487	1,111,538,824
Other operating income	24(a) 397,005,485	331,617,154
	5,410,217,336	4,686,748,726
Total operating income (A)	7,123,777,525	6,277,958,550
Salary and allowances	26(a) 2,097,231,908	1,943,748,480
Rent, Taxes, Insurance, Electricity, etc.	27(a) 466,390,433	444,506,353
Legal expenses	28(a) 5,124,754	6,803,628
Postage, Stamps, Telecommunication, etc.	29(a) 78,276,852	84,989,297
Stationery, Printings, Advertisements, etc.	30(a) 114,947,238	94,513,936
Managing Director's salary & fees	31(a) 10,900,000	10,900,000
Directors' fees	32(a) 6,203,253	7,116,009
Auditors' fees	33(a) 655,500	660,611
Charges on loan losses		-
Depreciation and repairs of bank's assets	34(a) 186,130,012	173,508,391
Other expenses	35(a) 410,297,763	280,552,019
Operating expenses (B)	3,376,157,712	3,047,298,724
Profit before provision (C=A-B)	3,747,619,812	3,230,659,826
Provision for loans and advances/investments	36(a) 1,426,715,693	1,249,375,374
Provision for off balance sheet exposures	37(a) 90,307,000	83,679,000
Other provisions		671,004
Provision for diminution in value of investments		(1,047,214)
Total provision (D)	1,516,646,483	1,296,701,963
Profit before taxation (C-D)	2,230,973,330	1,933,957,863
Contribution to Jamuna Bank Foundation @ 2% of Pre-tax Profit	38(a) 43,736,099	36,947,377
Provision for taxation		
Current tax	13.7(a) 557,516,436	554,520,226
Deferred tax	13.7.2 (13,131,779)	(10,245,332)
	544,384,657	544,274,894
Net profit after taxation A/(tributable to)	1,642,852,574	1,352,735,592
Shareholders of JBL	1,642,852,581	1,352,735,501
Minority interest	(7)	91
Appropriations		
Statutory reserve	437,360,986	369,473,772
Retained surplus during the year	1,205,491,588	983,261,820
Earnings per share (EPS)	2.68	2.20

The annexed notes 01 to 51 form an integral part of the financial statements

Managing Director: [Signature]
Director: [Signature]
Chairman: [Signature]

As per our report of the same date.
Syful Shamsul Alam & Co. Chartered Accountants
Dhaka, 13 April 2016

Consolidated Cash Flow Statement For the year ended 31 December 2015

Particulars	2015 Taka	2014 Taka
Cash flows from operating activities		
Interest receipts	9,844,160,793	9,513,709,575
Interest payments	(8,632,491,743)	(7,505,435,481)
Dividend receipts	9,590,739	28,826,709
Fees and commission receipts	1,219,042,487	1,111,538,824
Payments to employees	(2,108,131,908)	(1,954,648,480)
Payments to suppliers	(1,021,274,242)	(965,740,755)
Income taxes paid	(495,022,258)	(1,014,682,142)
Receipts from other operating activities	397,005,485	331,617,154
Payments to other operating activities	(410,297,763)	(280,552,019)
(i) Operating profit before changes in operating assets and liabilities	(1,197,418,409)	(735,366,613)
Increase /Decrease in operating assets & liabilities		
Loans and advances	(8,623,167,663)	(9,684,611,394)
Other assets	(43,280,319)	21,390,490
Deposit from other banks	(6,890,266,000)	2,287,668,000
Deposit from customers	11,107,804,666	13,930,593,038
Other current liabilities	2,379,112,295	(417,273,190)
(ii) Cash received from operating assets and liabilities	(2,069,797,023)	6,137,766,944
Net cash flow from operating activities (A)=(i+ii)	(3,267,215,431)	5,402,400,331
Cash flows from investing activities		
Income received from investments	2,041,899,445	2,840,271,400
Proceeds from sale of securities	1,719,641,270	602,417,813
Payments for purchase of securities	(5,263,314,704)	(8,842,527,280)
Purchase of property, plant & equipment	(112,198,604)	(235,985,116)
Net cash flow from investing activities (B)	8,912,656,816	(5,635,823,183)
Cash flows from financing activities		
Increase/ (Decrease) of long term borrowings	(8,255,130,299)	5,682,578,815
Issue of subordinated bond	2,000,000,000	-
Net cash flow from financing activities (C)	(6,255,130,299)	5,682,578,815
Net Increase/ Decrease in cash and cash equivalents D = (A+B+C)	(609,688,915)	5,449,155,963
Cash and cash equivalents at beginning of the year (E)	16,380,078,691	10,930,922,727
Cash and cash equivalents at end of the year (D+E) (*)	15,770,389,775	16,380,078,691
(*) Closing cash & cash equivalent		
Cash in hand (including foreign currency)	1,435,720,629	1,246,746,018
Balance with Bangladesh bank and its agent banks	10,371,699,808	8,794,246,707
Balance with other bank's and financial institutions	2,920,940,539	6,336,937,566
Money at call on short notice	1,040,000,000	-
15,770,389,775	16,380,078,691	

The annexed notes 01 to 51 form an integral part of the financial statements

Managing Director: [Signature]
Director: [Signature]
Chairman: [Signature]

As per our report of the same date.
Syful Shamsul Alam & Co. Chartered Accountants
Dhaka, 13 April 2016

Consolidated Statement of Changes in Equity For the year ended 31 December 2015

Particulars	Paid up Capital	Statutory Reserve	Revaluation Reserve of Securities	Assets Revaluation Reserve	Currency Translation Reserve	Retained Earnings	Total	Minority interest	Total Equity
Balance as at 01 January 2015	5,160,667,110	2,966,015,833	636,632,134	1,063,497,554	99,472	1,003,960,301	10,830,872,404	1,831	10,830,874,235
* Changes in accounting policy	-	-	-	-	-	329,250	329,250	-	329,250
Restated balance as at 01 January 2015	5,160,667,110	2,966,015,833	636,632,134	1,063,497,554	99,472	1,004,289,551	10,831,201,654	1,831	10,831,203,485
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	3,255,238,339	-	-	-	3,255,238,339	-	3,255,238,339
Currency translation reserve	-	-	-	-	(19,799)	-	(19,799)	-	(19,799)
Net gains and losses not recognized in the income statement	-	-	3,255,238,339	-	(19,799)	-	3,255,218,540	-	3,255,218,540
Dividend (Stock)	980,526,750	-	-	-	-	(980,526,750)	-	-	-
Net profit for the year	-	-	-	-	-	1,642,852,581	1,642,852,581	(7)	1,642,852,574
Statutory reserve	-	437,360,986	-	-	-	(437,360,986)	-	-	-
Balance as at 31 December 2015	6,141,193,860	3,403,376,819	3,891,870,473	1,063,497,554	79,673	1,229,254,396	15,729,272,775	1,824	15,729,274,599
Balance as at 31 December 2014	5,160,667,110	2,966,015,833	636,632,134	1,063,497,554	99,472	1,003,960,301	10,830,872,404	1,831	10,830,874,235

¶ Jamuna Bank Capital Management Limited Tk. 600,000 was booked in the year 2011 for purchasing of internet module but the module is not purchased yet and as a result Asset is overstated by an amount of Tk. 600,000 from the year 2011 and Amortization also overstated by an amount of Tk. 329,250 from that year. Hereafter Tk. 329,250 is adjusted with retained earnings because this amount was charged against profit incorrectly. The effect of this change has been accounted for by restating the accounts as per BAS-8.

Managing Director: [Signature]
Director: [Signature]
Chairman: [Signature]

As per our report of the same date.
Syful Shamsul Alam & Co. Chartered Accountants
Dhaka, 13 April 2016

Consolidated Balance Sheet As at 31 December 2015

Notes	31.12.2015 Taka	31.12.2014 Taka
PROPERTY AND ASSETS		
Cash	4(a) 11,807,420,437	10,040,992,726
Cash in hand (including foreign currencies)	4.1(a) 1,435,720,629	1,246,746,019
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	4.2(a) 10,371,699,808	8,794,246,707
Balance with other banks and financial institutions	2,920,940,539	6,336,937,566
In Bangladesh	5.1(a) 771,949,130	5,454,580,287
Outside Bangladesh	5.2(a) 2,148,991,409	882,357,279
Money at call on short notice	1,040,000,000	-
Investments	34,926,339,742	40,166,616,536
Government	7.1(a) 34,353,193,898	39,616,508,602
Others	7.2(a) 573,145,844	550,107,934
Loans and advances	88,428,802,008	79,032,296,942
Loans, Cash Credit, Overdrafts, etc.	8.1(a) 80,464,426,360	70,487,739,818
Bills purchased & discounted	8.2(a) 7,964,375,648	8,544,557,123
Fixed Assets including premises, furniture and fixtures	2,512,993,862	2,564,341,458
Other assets	1,797,520,422	1,754,240,103
Non-Banking assets	-	-
Total assets	143,434,017,010	139,895,425,330
Liabilities		
Borrowings from other banks, financial institutions and agents	11(a) 1,104,724,893	9,359,855,192
Deposits and other accounts	118,843,998,099	114,626,459,435
Current/AI-wadeeah current accounts and other accounts	12.2(a) 15,439,585,382	12,703,747,252
Bills payable	12.3 1,961,645,959	2,433,040,988
Savings/Mudaraba savings bank deposits	12.4 10,154,755,624	7,894,489,915
Fixed/Mudaraba fixed deposits	12(b) 49,668,192,528	57,955,482,168
Bearer certificates of deposit		-
Short notice deposits	12(c) 6,537,571,060	5,259,103,916
Deposit under special scheme	34,584,730,398	28,061,993,298
Foreign currency deposit	497,517,148	318,601,906
Other liabilities	5,756,019,418	5,078,236,469
Subordinated Debt	13 (c) 2,000,000,000	-
Total liabilities	127,704,742,410	129,064,551,095
Capital & shareholders' equity		
Statutory reserve	14 6,141,193,860	5,160,667,110
Other reserve	15 3,403,376,819	2,966,015,833
Minority interest	16(a) 4,955,447,700	1,700,229,160
Retained earnings	16(b) 1,229,254,396	1,003,960,301
Total shareholders' equity	15,729,274,599	10,830,874,235
Total liabilities and shareholders' equity	143,434,017,010	139,895,425,330
OFF-BALANCE SHEET ITEMS		
Contingent liabilities	18(a)	
Acceptances & endorsements	14,444,301,217	5,841,893,111
Letters of guarantee	11,041,004,349	8,665,021,198
Irrevocable letters of credit	14,054,453,185	16,484,239,741
Bills for collection	6,833,250,153	6,371,691,510
Other contingent liabilities	259,775,000	239,236,473
Other commitments	46,632,783,904	37,602,082,034
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total Off-Balance Sheet Items including contingent liabilities	46,632,783,904	37,602,082,034

The annexed notes 01 to 51 form an integral part of the financial statements

Managing Director: [Signature]
Director: [Signature]
Chairman: [Signature]

As per our report of the same date.
Syful Shamsul Alam & Co. Chartered Accountants
Dhaka, 13 April 2016

Balance Sheet As at 31 December 2015

Notes	31.12.2015 Taka	31.12.2014 Taka
PROPERTY AND ASSETS		
Cash	4 11,807,405,874	10,040,974,375