

# JAMUNABANK

## FINANCIAL STATEMENTS 2015

### 3.15.7 Interest rate risk

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

### 3.15.8 Equity risk

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

### 3.15.9 Operational Risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the branches and divisions at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

### 3.15.10 Risk Management Committee Disclosures

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

Sl.	Name of Member	Status with Bank	Status with Committee
1	Engr. A. K. M. Mosharrif	Director	Chairman
2	Mr. Golam Dastagir Gazi,	Director	Member
3	Mr. Md. Tajul Islam	Director	Member
4	Mr. Sakawat, Abu Khair	Director	Member
5	Mrs. Tasmin Mahmud	Director	Member

The Risk Management Committee of the Board has been formed after the Central Bank's instruction issued in October 27, 2013. The Committee conducted 5 (Five) meeting during the year where the following important issues were discussed / reviewed:

- Review the internal limit of sector and area wise exposure of the Bank;
- Review the internal limit against off-balance sheet exposure;
- Centralization process of the Bank;
- Compliance of core risk inspection by Bangladesh Bank;
- Strengthening and updating risk management system of the Bank;
- Review the internal capital adequacy assessment process;
- Maximization of collateral securities on account of top borrowers to reduce probable impact on CAR due to instance of default;
- Focus on rewarding business like Fuel, Energy and Fertilizer etc..;
- Imposing cap for commodity financing;
- Review the business continuity plan and disaster recovery;
- Review the quarterly Risk Management paper and Stress Testing report;
- Comprehensive Risk rating provided by Bangladesh Bank;
- Formation of Basel III/IV;
- Arrangement of regular training and workshop for head office and branch officials to create awareness;
- Review the revised green banking policy, green strategic plan and green office guide;
- Monitoring of large loans and work order financing;
- Stock monitoring through routine and surprise physical inspection of the premises of the borrowers.

### 3.16 Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). While preparing the financial statements, the Bank applied most of the BASs and BFRSs as applicable.

Name of the BAS	BAS No	Status
Presentation of Financial Statements	1	Complied with some departure (Note 2.01.1)
Inventories	2	N/A
Cash Flow Statements	7	Complied with some departure (Note 2.01.1)
Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
Events after the Reporting Period	10	Complied
Construction Contracts	11	N/A
Income Taxes	12	Complied
Property, Plant and Equipment	16	Complied
Lease	17	N/A
Revenue	18	Complied
Employee Benefits	19	Complied with some departure (Note 2.01.1)
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Complied
Borrowing Costs	23	Complied
Related Party Disclosures	24	Complied
Accounting and Reporting by Retirement Benefit Plans	26	Complied
Consolidated and Separate Financial Statements	27	Complied
Investment in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Complied with some departure (Note 2.01.1)
Earning Per Share	33	Complied
Interim Financial Reporting	34	Complied
Impairment of Assets	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	37	Complied
Intangible Assets	38	Complied
Financial Instruments: Recognition & Measurement	39	Complied with some departure (Note 2.01.1)
Investment Property	40	N/A
Agriculture	41	N/A

Name of the BFRS	BFRS No.	Status
First-time adoption of Bangladesh Financial Reporting Standards	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	Complied
Insurance Contract	4	N/A
Non-current Assets Held for sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instrument Disclosures	7	Complied with some departure (Note 2.01.1)
Operating Segments	8	Complied with some departure (Note 2.01.1)
Consolidated Financial Statements	10	Complied
Joint Arrangements	11	N/A
Disclosure of Interests in Other Entities	12	Complied
Fair Value Measurement	13	Complied

\* N/A = Not Applicable  
\*\* Relevant disclosures are made according to the requirement of Bangladesh Bank.

### 3.17 General

- Figures of previous years have been rearranged wherever considered necessary to conform to the current year's presentation.
- Figures have been rounded off to the nearest Taka.
- Expenses are shown including Value Added Tax (VAT) where applicable.

	31.12.2015 Taka	31.12.2014 Taka
<b>4 Cash</b>		
Cash in hand	1,435,706,066	1,246,727,668
Balance with Bangladesh Bank and its agent banks	10,371,699,808	8,794,246,707
	<b>11,807,405,874</b>	<b>10,040,974,375</b>
<b>4(a) Consolidated Cash</b>		
Jamuna Bank Limited	11,807,405,874	10,040,974,375
Jamuna Bank Capital Management Limited	9,000	10,844
Jamuna Bank Securities Limited	5,563	7,507
	<b>11,807,420,437</b>	<b>10,040,992,726</b>
<b>4.1 Cash in hand (including foreign currencies)</b>		
Local currency	1,423,338,033	1,229,491,140
Foreign currency	12,358,472	17,231,874
Offshore Banking unit	9,562	4,654
	<b>1,435,706,066</b>	<b>1,246,727,668</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>4.1(a) Consolidated Cash in hand</b>		
Jamuna Bank Limited	1,435,706,066	1,246,727,668
Jamuna Bank Capital Management Limited	9,000	10,844
Jamuna Bank Securities Limited	5,563	7,507
	<b>1,435,720,629</b>	<b>1,246,746,019</b>
<b>4.2 Balance with Bangladesh Bank and its Agent Bank</b>		
Balance with Bangladesh Bank	7,885,327,501	7,109,999,949
Local currency	2,486,372,306	1,579,033,538
Foreign currency	10,371,699,808	8,689,033,487
Balance with Sonali Banks	-	105,213,220
Local currency	-	105,213,220
	<b>10,371,699,808</b>	<b>8,794,246,707</b>
<b>4.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)</b>		
Jamuna Bank Limited	10,371,699,808	8,794,246,707
Jamuna Bank Capital Management Limited	-	-
Jamuna Bank Securities Limited	-	-
	<b>10,371,699,808</b>	<b>8,794,246,707</b>

### 4.3 Statutory Deposits

Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) have been calculated and maintained as per Section 33 of the Bank Company Act, 1991 & amended Act 2013 and BCD Circular No. 13 dated 24 May 1992, BRPD Circular No. 22 dated 06 November 2003 and BRPD Circular No. 11 & 12 dated 25 August 2005, MPD circular No. 01 dated 4 May 2010 and MPD circular No. 01 dated 23 June 2014.

The Cash Reserve Requirement on the Bank's time and demand liabilities of October 31, 2015 at the rate of 6.50% has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio, including CRR, on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including FC balance with Bangladesh Bank. Both the reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

	31.12.2015 Taka	31.12.2014 Taka
<b>(a) Cash Reserve Requirement (CRR): 6.50% of Average Demand &amp; Time Liabilities</b>		
Required Reserve	7,482,338,580	6,633,634,960
<b>Actual Reserve held with Bangladesh Bank:</b>		
Balance with Bangladesh Bank current account	7,591,904,797	6,849,206,884
Surplus / (deficit)	109,566,217	215,571,924
Maintained (%)	6.60	6.71

	31.12.2015 Taka	31.12.2014 Taka
<b>(b) Statutory Liquidity Requirement (SLR): 13% of Average Demand &amp; Time Liabilities</b>		
Required Reserve	14,964,677,160	13,267,269,910
Actual Reserve held	35,485,706,040	36,596,534,810
Surplus / (deficit)	20,521,028,880	23,329,264,900
Maintained (%)	30.83	35.86

Statutory Liquidity Requirement (SLR) required of Tk.14,964,677,160 but we maintained Tk.35,485,706,040. We have to maintain surplus amount of Tk.20,521,028,880 as Jamuna Bank Ltd involved in Primary Dealing (PD) operation and secondary trading activities.

### 5 Balance with Other Banks and Financial Institutions

	(Note: 5.1)	(Note: 5.2)
In Bangladesh	771,949,130	5,454,580,287
Outside Bangladesh *	2,148,991,409	882,357,279
	<b>2,920,940,539</b>	<b>6,336,937,566</b>

\* Details are given in Annexure-A

### 5.1 In Bangladesh

#### In Current & SB Deposit Account

	31.12.2015 Taka	31.12.2014 Taka
AB Bank Limited CD A/c	1,070,278	1,073,578
Janata Bank Limited CD A/c	15,793,104	26,609,993
National Bank Limited, CD A/c	-	235,931
Social Islami Bank Limited	1,478,418	2,583,153
Sonali Bank Ltd.	196,767,828	63,636,584
Standard Chartered Bank	4,086,016	7,786,446
The City Bank Limited	264,015	257,600
	<b>219,459,660</b>	<b>102,183,286</b>

#### In Short notice deposit Account

	31.12.2015 Taka	31.12.2014 Taka
AB Bank Limited	756,641	736,591
Bank Al- Falah	29,820	31,336
Export Import Bank Limited	377,974	377,974
Mercantile Bank Limited	5,782,934	30,279,620
National Bank Limited	10,267,502	6,252,779
Prime Bank Limited	133,692	131,822
Shajalal Islami Bank Limited	14,261,470	13,721,710
The Trust Bank Limited	879,437	865,170
Uttara Bank Limited	-	-
	<b>32,489,470</b>	<b>52,397,001</b>

#### In Fixed Deposit with Other Banks

	31.12.2015 Taka	31.12.2014 Taka
Al-Arafah Islami Bank Limited	-	2,500,000,000
The City Bank Limited	-	-
First Security Bank Limited	-	-
The Premier Bank Ltd.	-	1,000,000,000
Southeast Bank Limited	-	500,000,000
Commercial Bank of Ceylon	-	-
The Farmers Bank Ltd	-	50,000,000
	-	<b>4,050,000,000</b>

#### In Fixed Deposit with Other Financial Institutions

	31.12.2015 Taka	31.12.2014 Taka
National Housing Finance & Investments Limited	270,000,000	600,000,000
IDLC Finance Limited	-	500,000,000
Phoenix Finance Limited	200,000,000	-
Peoples Leasing & Financial services Limited	50,000,000	-
Lanka Bangla Finance Limited	-	150,000,000
	<b>520,000,000</b>	<b>1,250,000,000</b>
	<b>771,949,130</b>	<b>5,454,580,287</b>

### 5.1(a) Consolidated Balance - in Bangladesh

	31.12.2015 Taka	31.12.2014 Taka
Jamuna Bank Limited	771,949,130	5,454,580,287
Jamuna Bank Capital Management Limited	13,789,702	14,843,282
Jamuna Bank Securities Limited	3,175,174	2,187,376
	<b>788,914,006</b>	<b>5,471,610,945</b>
<b>Less: Inter-company transaction</b>		
Jamuna Bank Capital Management Limited	13,789,702	14,843,282
Jamuna Bank Securities Limited	3,175,174	2,187,376
	<b>771,949,130</b>	<b>5,454,580,287</b>

### 5.2 Outside Bangladesh

	31.12.2015 Taka	31.12.2014 Taka
AB Bank Limited Mumbai India	19,413,946	9,807,360
Axis Bank Ltd, Mumbai, India	67,287,018	52,311,493
Bank of Bhutan, Bhutan	8,903,016	3,962,012
Bank Al Bilad, Riyadh, KSA	57,191	156,675
Commerzbank AG, Germany	3,324,299	(7,961,588)
Emirates NBD Bank PJSC	536,353	523,825
Habib American Bank, New York, NY USA	101,482,373	62,830,843
Habib Bank AG (Burich, Switzerland)	2,319,820	4,975,336
ICIC Bank Limited, India	91,276,694	(14,491,921)
ICIC Bank Limited, Hong Kong	132,074,583	37,246,864
Mashreq Bank Mumbai, India	13,610,853	11,145,857
Mashreqbank psc - IBF Limited New York	1,469,725,337	450,614,340
National Australia Bank Limited	12,183,969	-
Nepal Bangladesh Bank Limited Katmandu, Nepal	5,654,544	3,743,271
Standard Chartered Bank, Colombo-Srilanka	9,629,309	2,482,339
Standard Chartered Bank, Karachi, Pakistan	6,625,934	2,815,342
Standard Chartered Bank, Mumbai -India	12,223,475	2,815,342
Standard Chartered Bank, London	47,421,982	28,541,215
Standard Chartered Bank, New York	123,304,827	225,914,832
Standard Chartered Bank, Tokyo, Japan	7,556,600	3,038,677
The Bank of Nova Scotia, Canada	23,046,283	1,699,254
Unicredit Bank, Germany	-	1,489,631
	<b>2,148,991,409</b>	<b>882,357,279</b>

### 5.2(a) Consolidated Balance - outside Bangladesh

	31.12.2015 Taka	31.12.2014 Taka
Jamuna Bank Limited	2,148,991,409	882,357,279
Jamuna Bank Capital Management Limited	-	-
Jamuna Bank Securities Limited	-	-
	<b>2,148,991,409</b>	<b>882,357,279</b>

### 5.3 Maturity Grouping of Balance with Other Banks and Financial Institutions

	31.12.2015 Taka	31.12.2014 Taka
On demand	2,368,451,069	984,540,565
One month term	32,489,470	52,397,001
3 months term	-	4,050,000,000
6 months term	520,000,000	1,250,000,000
1 year term	-	-
2 years term	-	-
3 years term	-	-
	<b>2,920,940,539</b>	<b>6,336,937,566</b>

### 6 Money at Call on Short Notice

	31.12.2015 Taka	31.12.2014 Taka
Banking Sector	10,000,000	-
Non - Banking financial Institutions	1,030,000,000	-
	<b>1,040,000,000</b>	-

### 6(a) Consolidated Money at Call on Short Notice

	31.12.2015 Taka	31.12.2014 Taka
Jamuna Bank Limited	1,040,000,000	-
Jamuna Bank Capital Management Limited	-	-
Jamuna Bank Securities Limited	-	-
	<b>1,040,000,000</b>	-

### 7 Investments

	(Note: 7.1)	(Note: 7.2)
Government	34,242,093,898	39,510,008,602
Others	480,716,989	453,533,367
	<b>34,722,810,886</b>	<b>39,963,541,969</b>

### 7(a) Consolidated Investments