

- To require the Management to comply with all relevant laws and regulations as well as the terms and conditions of various agreements.
- To ensure that the Bank has in place effective systems of risk management.
- To ensure that the Bank has in place effective internal controls; formulate and implement a well-defined conflict of interest policy; put in place policies and processes requiring Management and other concerned parties to refrain from using confidential information for personal gain; evaluate and provide assurance on the effectiveness of the Bank's internal controls at the end of every year.

It shall also be responsible for approving all matters which require its approval, or recommending them to the shareholders for approval, as it deems fit, based on the following principles:

- Act in the best interest of the Bank;
- Exercise sound and prudent judgment; and
- Decide rationally and impartially without consideration of personal gain.
- Exercise due care and diligence by taking all the steps that he or she ought to take as a Director;
- Make informed decisions; and
- Pose intelligent questions.
- Act in good faith;
- Make impartial decisions, avoid the possibility of appearance of any conflict of interest and
- Avoidance of abuse of power or authority by using classified information for personal gain.

*The Management and employees must comply with code of conduct when interacting with the Bank's clients, shareholders, employees, and business partners/ debtors.*

#### ■ Leadership and Vision

The Board of Directors consists of individuals from diverse professional backgrounds with a broad spectrum of experience, expertise and high standards of business ethics. The roles of the Board, including the appointment and removal of directors, are set out in the Articles of Association. The Board is committed to maintaining the highest standards of corporate governance and has a good understanding of the Bank's business and affairs.

It is responsible for ensuring independent oversight of internal control and risk management while providing an objective assessment of Management in the execution of the Bank's policies and strategies.

## ■ Ethics and Conflict of Interests

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.

*The Management and employees must comply with code of conduct when interacting with the Bank's clients, shareholders, employees, and business partners/ debtors.*

The Bank has in place policies to prevent conflicts of interest, connected transactions or related-party transactions. These include:

- A policy for the consideration of the granting of credits and investments to and undertaking contingent of liabilities or other credit-like transactions with the Bank's major shareholders, or businesses

with beneficial interest to directors or persons with managing authority of the Bank, which must adhere to the terms stipulated by the Bangladesh Bank. Any such grant must be approved unanimously by the Board and no director or person with managing authority who benefits from the granting of credits and investments and the undertaking of contingent liabilities or other credit-like transactions can take part in the decision-making process.

- A policy for undertaking major transactions. Major transactions include agreements to undertake connected transactions and/or agreements to undertake transactions to acquire or dispose of major assets and/or rights to acquire or dispose of the Bank's major assets. The Bank must comply with requirements of related regulatory bodies.
- Ensure that the transaction is legitimate and is in the best interest of the Bank, that the terms and conditions of the said transaction are not different from similar transactions entered into with unrelated parties; and
- Ascertain that the procedures for considering and approving any given transaction are fair, transparent, and verifiable.

Sufficient information on the transaction must also be disclosed to investors as per requirement of laws.

Connected transactions must be approved by the Board. Persons who review or recommend the transaction for approval must not have any interests in the said transaction. Directors with any material interest in the transaction are not allowed to take part in the discussion relating to such transaction or vote on the matter.

*The Board conducts an annual evaluation of its performance, where it also reviews problems and obstacles, and makes suggestions to increase the Bank's operational efficiency.*

#### ■ Related Transactions

As of 31 December 2012, the Bank recorded business transactions with its subsidiary company. These transactions have been concluded under commercial terms and based on mutual agreement on the criteria involved in the ordinary course of business between the Bank and its subsidiary company.

#### ■ Board Meetings

Board meetings are scheduled at least once in every month. In addition to the scheduled Board meetings, further Board meetings may also be held as and when they are required. The Board secretary is responsible for providing all Directors with the agenda, supporting papers and relevant information for each meeting seven days before the meeting, to give the Directors advance notice of the business to be transacted. The Secretary is also responsible for taking the minutes of each meeting and preparing the meeting report, which is signed by the Chairman of the Board and filed.

#### ■ Board Performance Review

The Board conducts an annual evaluation of its performance, where it also reviews problems and obstacles, and makes suggestions to increase the Bank's operational efficiency.

#### ■ Selection, Appointment and Removal of directors

The members of the Board of Directors are elected as per Bank's Articles of Association. The members are appointed to take charge of selecting and nominating qualified persons who have no disqualifications according to the law for appointment as directors before submitting to the meeting of the Shareholders for approval and appointment. This is compliant with the rules and procedures on appointment and removal of directors as specified in the Bank's Articles of Association as well as guidelines of regulatory bodies time to time issued in this respect.

#### ■ Remuneration of Directors

The Bank discloses information on the remuneration of its Directors and Senior Executives in compliance with the circular/notification time to time issued by the regulatory bodies. Each Board member get Tk.5,000.00 (five thousand) only as Meeting Attendance Fee and members who are living outside Dhaka get Traveling & Daily Allowance as per policy approved by the Board.

*JBL discloses information on the remuneration of its Directors and Senior Executives in compliance with the circular/notification time to time issued by the regulatory bodies.*

## Internal Controls

The Bank has implemented various initiatives in order to establish an internal control system which is in line with the International Standards on Auditing (ISA), International Financial Reporting Standards (IFRS) & International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and as per Bangladesh Bank core risk guideline. The Bank has prescribed duties for its committees and units as follows:

The Internal Control & Compliance Division is responsible for auditing the various Branches and Divisions/Departments of Head Office of the Bank under the supervision of the Audit Committee.

The Compliance Unit is responsible for providing clarification on the rules and regulations issued by relevant authorities as well as ensuring that the Bank complies with relevant laws and regulations.

With regard to risk management, the Bank recognizes the importance of controlling and managing risks that may arise in the course of doing business and has followed the risk management policy and guidelines as recommended by the Bangladesh Bank. The Bank's Risk Management Committee is charged with the responsibility of establishing and proposing to the Board of Directors the policy for overall risk management as well as supervising and monitoring to ensure that the management of risks is within the guidelines of the established policy.

To undertake the regular task of managing the Bank's assets and liabilities in such a way that market risk - which arises from the movement of interest rates, exchange rates and prices - is maintained within an acceptable level with minimal volatility.

## COMMITTEES

The Board of Directors has set up committees to closely monitor and oversee the Bank's operations, and reports the progress to the Board of Directors on a regular basis. These committees include the Executive Committee and Audit Committee:

*The Bank recognizes the importance of controlling and managing risks that may arise in the course of doing business and has followed the risk management policy and guidelines as recommended by the Bangladesh Bank.*

## EXECUTIVE COMMITTEE

The Board has set up the Executive Committee as per Guideline of Bangladesh Bank to deliberate important management issues and matters for execution of operations of the Bank. The Committee performs within the power delegated to it by the Board of Directors. The Committee is composed of 7 (seven) members. The Chairman of the Board is the member of the Executive Committee. The Chairman of Executive Committee has been selected from the members of the said Committee for a period of two months.

Details of Members of Executive Committee along with their duration are given here:

**FROM JANUARY, 2012 TO APRIL, 2012 :**

Mr. Md. Mahmudul Hoque	Chairman for January
Mr. Md. Belal Hossain	Member
Mr. Farhad Ahmed Akand	Member
Mr. Shaheen Mahmud	Member
Mr. Md. Sirajul Islam Varosha	Member
Mr. Kanutosh Majumder	Chairman for February, March & April
Mr. Gazi Golam Murtoza	Member

**FROM NOVEMBER 01, 2012 TO NOVEMBER 17, 2012:**

Mr. Md. Mahmudul Hoque	Member
Engr. Md. Atiqur Rahman	Chairman for November & December
Mr. Md. Tajul Islam	Member
Mr. Md. Belal Hossain	Member
Mr. Shaheen Mahmud	Member
Mr. Gazi Golam Murtoza	Member

**FROM MAY, 2012 TO OCTOBER 31, 2012:**

Mr. Fazlur Rahman	Chairman for May June
Mr. Md. Mahmudul Hoque	Member
Engr. A. K. M. Mosharraf Hussain	Member
Al-Haj Nur Mohammed	Chairman for July August
Mr. Sakhawat, Abu Khair Mohammad	Chairman for September & October
Al-haj Md. Rezaul Karim Ansari	Member
Mr. Md. Ismail Hossain Siraji	Member

**FROM NOVEMBER 18, 2012 TO DECEMBER 31, 2012:**

Mr. Md. Mahmudul Hoque	Member
Engr. A. K. M. Mosharraf Hussain	Member
Engr. Md. Atiqur Rahman	Member
Mr. Md. Tajul Islam	Chairman
Mr. Md. Belal Hossain	Member
Mr. Shaheen Mahmud	Member
Mr. Gazi Golam Murtoza	Member

## AUDIT COMMITTEE

### 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.

### Composition and Qualifications

The Audit Committee constituted with 5 (five) members of the Board as per BRPD Circular Letter No. 08 dated June 19, 2011 of Bangladesh Bank. All the members of the Audit Committee are professionally sound, having understanding and profound knowledge in accounting, finance & banking.

Name	Status	Position	Educational Qualification
Mr. A. S. M. Abdul Halim	Independent Director	Chairman	B. Com. (Hons), M. Com (Dhaka University)  Higher studies in Development Administration, Birmingham University, UK
Al-Haj Nur Mohammed	Director	Member	B. A.
Mr. Sakhawat, Abu Khair Mohammad	Director	Member	M. Sc. in Textile Engineering from Germany
Mr. Md. Sirajul Islam Varosha	Director	Member	B. Com. from Dhaka University
Mr. Kanutosh Majumder	Director	Member	M. Com.

The Audit Committee has tenure of three years formed with following members of the Board of Directors complying BRPD Circular No. 12 dated December 23, 2002 and BRPD Circular Letter No. 08 dated June 19, 2011 issued by Bangladesh Bank. Chairman of the Committee is an Independent Director as per latest BSEC guideline

### Authority and Responsibility

The Audit Committee is charged with the duty and responsibility of reviewing the Bank's financial reports to ensure that they are accurate and is adequately disclosed and to work in coordination with the external auditors and the executive in charge of financial reports preparation

- It is responsible for ensuring that the Bank's internal control and audit systems are adequate, appropriate and effective by reviewing those systems with external auditors as well as internal auditors.
- Review quarterly, half yearly & annual financial statements.
- The Internal Control & Compliance Division is responsible for auditing the various Branches and Divisions/Departments of Head Office of the Bank under the supervision of the Audit Committee.
- The Compliance Unit is responsible for providing clarification on the rules and regulations issued by relevant authorities as well as ensuring that the Bank complies with relevant laws and regulations.

- Review statement of significant related party transactions submitted by the management.
- Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.
- With regard to risk management, the Bank recognizes the importance of controlling and managing risks that may arise in the course of doing business and has followed the risk management policy and guidelines as recommended by the Bangladesh Bank. The Bank's Risk Management Committee is charged with the responsibility of establishing and proposing to the Board of Directors the policy for overall risk management as well as supervising and monitoring to ensure that the management of risks is within the guidelines of the established policy.
- To undertake the regular task of managing the Bank's assets and liabilities in such a way that market risk - which arises from the movement of interest rates, exchange rates and prices is maintained within an acceptable level with minimal volatility.

### Meetings

The Audit Committee schedules meetings depending on circumstances to scrutinize matters as assigned by the Board of Directors. The Audit Committee held 18 meetings in 2012.

### Reporting

The Audit Committee has a duty to report its performance to the Board of Directors, and produce and publish its report as part of the Bank's Annual Report.

The Audit Committee is primarily responsible for internal control, audit and financial reporting. It monitors implementation of policies on internal control and compliances and management actions to rectify audit objections. It 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 time to time reports on its activities to the Board of Directors. 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.

### INDEPENDENT DIRECTORS

At the end of December 2012, the Board of Directors comprised 16 members, one of whom was independent director. The independent directors of the Bank are directors who have qualifications as specified in the Notification of the BSEC No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012. As per BSEC guideline, at least one fifth (1/5) of the

total number of directors in the company's board shall be independent directors and the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM). In this respect, the Bank is going to appoint remaining directors as Independent Directors prior to holding of its next Annual General Meeting as per guideline.

### **BOARD STRUCTURE**

Members of the Board comprise of professionals with diversified backgrounds. At present, there are 16 (sixteen) Board members including one Independent Director and Managing Director (ex-officio Director), which is within the framework set by the Bangladesh Securities & Exchange Commission (BSEC) in its revised guideline on Corporate Governance released on August 07, 2012. The election of Board members is done following the resolution of the Shareholders' Meetings, as set out in the Bank's Articles of Association. The number of directors on the Board is determined by the meeting of shareholders and should not be less than 7 or more than 20. The structure of the Board of Directors and Board Committees is set in accordance to the laws/notification regarding "Corporate Governance" issued by the regulatory bodies.

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. The Board is responsible for the Bank's goals, policies and strategic direction while the Management assumes responsibility for the day-to-day operations.

Each director has a term of office as prescribed in the Articles of Association, 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.

### **MANAGEMENT COMMITTEES**

The Bank is manned and managed by a team of efficient professionals headed by Mr. Shafiqul Alam, the Managing Director & CEO who has long 33 years' banking experience (both at home and abroad). 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:

#### **Management Committee (MANCOM)**

To address general issues of importance, evaluate different types of risks, monitor internal control structure and to review effectiveness of the internal control system, a Management Committee (MANCOM) is working in the Bank. It is composed of senior members of the Management. The Managing Director is the Chairman of MANCOM. The meeting of the MANCOM is held every month.



MANCOM consists of:

Name	Designation/Position	Status
Mr. Shafiqul Alam	Managing Director	Chairman
Mr. Md. Abul Shahjahan	Additional Managing Director	Member
Mirza Elias Uddin Ahmed	Deputy Managing Director	Member
Mr. Moslehuddin Ahmed	Deputy Managing Director	Member
Mr. Md. Yunus Ali	Senior Executive Vice President	Member
Mr. A.K.M. Rashiduzzaman	Senior Executive Vice President	Member
Mr. M. Shamsul Arefin	Senior Executive Vice President	Member
Mr. Md. Habibur Rahman	Senior Executive Vice President	Member
Mr. A.K.M. Saifuddin Ahamed	Senior Executive Vice President	Member
Mr. Mahbubul Haq Choudhury	Executive Vice President	Member
Mr. Md. Balayel Hossain	Executive Vice President	Member
Mr. Kh. Khalidur Rahman	Executive Vice President	Member
Mr. S. M. Allaf Hossain	Senior Vice President	Member

### ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Committee consists of the Managing Director, Additional Managing Director, the Deputy Managing Directors and strategically important Divisional Heads of Head Office.

The Managing Director and in his absence the Additional/Deputy Managing Director(s) chairs the meeting of the Asset Liability Management Committee. The Committee is responsible for managing Balance Sheet gap (minimize the mismatching between deposits and Loans & Advances), interest rate risk and liquidity risk of the Bank. The meetings of the Asset Liability Management Committee are held every month.

ALCO consists of:

Name	Designation/Position	Status
Mr. Shafiqul Alam	Managing Director	Chairman
Mr. Md. Abul Shahjahan	Additional Managing Director	Member
Mr. Mirza Elias Uddin Ahmed	Deputy Managing Director	Member Secretary
Mr. Moslehuddin Ahmed	Deputy Managing Director	Member
Mr. Md. Yunus Ali	Senior Executive Vice President	Member
Mr. M. Shamsul Arefin	Senior Executive Vice President	Member
Mr. Md. Habibur Rahman	Senior Executive Vice President	Member
Mr. A.K.M. Saifuddin Ahamed	Senior Executive Vice President	Member
Mr. Ahamed Sufi	Senior Vice President	Member
Mr. Ashim Kumer Biswas	Senior Vice President	Member
Mr. Md. Shah Alam	Vice President	Member

Details of the duties and responsibilities are as follows:

- Ensure that the Bank is able to meet its cash flow obligations in a timely and cost effective manner even in times of financial market stress;
- Ensure there is diversification of funding source and to avoid over dependence on volatile sources of funding;
- Decide on the level of Liquidity Reserves that needs to be maintained in the form of Liquid Assets;
- Ensure Compliance with the Bangladesh Bank liquidity requirements and to periodically review all assumptions made as a consequence of this;
- Approve the contingency funding plan and thereafter to monitor the liquidity management action triggers and the Early Warning System of the Contingency Funding Plan (CFP). Periodically to review the CFP and ensure Operational readiness and testing;
- Oversee the development of the stress test and the stress scenarios for Liquidity Risk and to ensure the Bank is able to meet its obligations under the stress situation;
- Review all new Product Programs to ensure that the Liquidity Risk and Market Risk reflected in the banking books associated with such new products are properly recognized and managed;
- Recommend the Risk and Returns objectives for the Banking Balance Sheet to the Board and thereafter to approve the entire Balance Sheet subject related matters;
- Review, evaluate and approve strategic hedging proposals within limits approved by the Board;
- Provide guidelines for determining special interest rates for Business Groups, with the exception of Capital Markets and Treasury products.
- Deliberate and decide on all FTP matters;
- Analyze, review and evaluate the performance of each product focusing on profitability, volume and market share;
- Review and track the Performance of deposits based on accumulation of initiatives against targets for Retail Banking, SME Banking and Corporate Banking;
- Review and recommend the liquidity risk management policies for managing interest rate risk on banking books to the Board for approval.

### **CREDIT COMMITTEE (CC)**

A Credit Committee headed by the Deputy Managing Director of the Bank has been constituted in the Head Office of the Bank for minute appraisal and quick disposal of credit proposals. The Head of Credit Division in Head Office plays an important role in the meetings of the Credit Committee.

Credit proposals that do not merit considerations are declined. Credit proposals that merit considerations in the opinion of the Credit Committee are presented before the Managing Director of the Bank for approval. The credit proposals that are beyond the delegated business power of the Managing Director are placed before the Executive Committee / Board of Directors for consideration/approval.

Credit Committee consists of:

Name	Designation/ Position	Status
Md. Yunus Ali	Senior Executive Vice President	Chairman
M. Shamsul Arefin	Senior Executive Vice President	Member
Md. Habibur Rahman	Senior Executive Vice President	Member

### RISK MANAGEMENT COMMITTEE (RMC)

The Bank has realized the significance of risk management covering both internal and external risk factors. Risk Management Committee has been appointed by the Board of Directors with relevant roles, duties and responsibilities defined and operations of which assessed to ensure conformity with the risk management plan in place. Risk Management Group is in charge of formulating risk management policy and procedures of the Bank.

RMC consists of:

Name	Designation/ Position	Status
Mr. Md. Abul Shahjahan	Additional Managing Director	Chairman
Mr. Mirza Elias Uddin Ahmed	Deputy Managing Director	Member Secretary
Mr. Moslehd Uddin Ahmed	Deputy Managing Director	Member
Mr. Md. Yunus Ali	Senior Executive Vice President	Member
Mr. M. Shamsul Arefin	Senior Executive Vice President	Member
Mr. Md. Habibur Rahman	Senior Executive Vice President	Member
Mr. A.K.M. Saifuddin Ahamed	Senior Executive Vice President	Member
Mr. Md. Balayet Hossain	Executive Vice President	Member
Mr. Kh. Khalidur Rahman	Executive Vice President	Member
Mr. Engr. Shamsur Rahman Chowdhury	Executive Vice President	Member
Mr. Ahamed Suli	Senior Vice President	Member
Mr. Ashim Kumer Biswas	Senior Vice President	Member

### Powers, Duties and Responsibilities

- Allocation of risk capital and determination of global risk limits. Allocation of capital-at-risk (CAR) for different lines of businesses and for different categories of risks. In the process of allocating capital, the Committee seeks to ensure adequate diversification of risk and that the Bank has sufficient capital to cushion against stress scenarios;
- Enhancing shareholder value through evaluation of risk-return profiles of business activities and ensuring that they are within the parameters set by the Board of Directors;
- Risk Management Policies
- Review and recommend to the Executive Committee and Board of Directors for approval of appropriate risk policies so that the risk management framework is in line with corporate plans, best practices, and conforms to legal and regulatory requirements;
- Recommendations on appointment of members to the various risk committees for Board's approval;
- Evaluate and review proposals on new products, investments, businesses and product variations, and subsequently grant the approval in principle prior to operational readiness or recommendation to the Board of Directors for approval;
- Establish and revise guidelines on operational risk management and to approve tools and methodologies for risk assessment and risk controls; also to review the adequacy of resources to manage operational risk.
- Approve the guidelines and conditions for approval of any credit-related products of Corporate Banking, SME Banking, Retail Banking and subsidiaries; and the guidelines and conditions for investment in debt instruments or other financial instruments (the guidelines and conditions for investment in debt instruments with embedded derivatives must be proposed to the Board of Directors for approval);
- Compliance. Enforce compliance with all risk policies and limits allocated by the various risk committees.
- Risk Identification and Measurement
  - Deployment of proper methodologies to identify and measure risks for all positions;
  - Set strategies to evaluate, monitor and control risks to be within a reasonable level;
  - Approve methodologies and tools for the measurement of credit risk, market risk and operational risk.
- Maintenance of Asset Quality. Ensure to maintain asset quality through close monitoring of the processing and approval of new loans and the prompt recovery of Non-Performing Loans;

- Review contingency plans/business continuity management plans including business continuity plans of various departments of the Bank and its subsidiaries for implementation whenever necessary and to propose to the Board of Directors for approval;
- Review and recommend the risk-related delegated authorities for the Bank to the Board for approval;
- Review and recommend investment policies related to investment in equity, debt or other securities, to the Board for approval.

#### **BASEL-II SUPERVISORY REVIEW COMMITTEE**

Basel II Supervisory Review Committee consists of the Managing Director, the Deputy Managing Directors, Head of Treasury, Head of FAD, Head of Anti Money Laundering, Head of ICCD, Head of ID, Head of ICT and Head of Credit Division. The Committee is exclusively be assigned for reviewing the nature and level of risk relates to banking assets and planning for adequate capital framework. For this, the unit has developed their own review process document. A sound risk management process is the foundation for an effective assessment of the adequacy of a bank's capital position.

Basel-II Supervisory Review Committee consists of:

<b>Name</b>	<b>Designation/ Position</b>	<b>Status</b>
Mr. Shafiqul Alam	Managing Director	Chairman
Mr. Md. Abul Shahjahan	Additional Managing Director	Member
Mr. Mirza Elias Uddin Ahmed	Deputy Managing Director	Member Secretary
Mr. Moslehd Uddin Ahmed	Deputy Managing Director	Member
Mr. Md. Yunus Ali	Senior Executive Vice President	Member
Mr. M. Shamsul Arefin	Senior Executive Vice President	Member
Mr. Md. Habibur Rahman	Senior Executive Vice President	Member
Mr. A.K.M. Saifuddin Ahamed	Senior Executive Vice President	Member
Mr. Md. Balayet Hossain	Executive Vice President	Member
Mr. Kh. Khalidur Rahman	Executive Vice President	Member
Mr. Engr. Shamsur Rahman Chowdhury	Executive Vice President	Member
Mr. Ahamed Sufi	Senior Vice President	Member
Mr. Ashim Kumer Biswas	Senior Vice President	Member

Basel-II Supervisory Review Committee (B2SRC) is performing the following factors:

- Review the nature and level of risk being taken by the bank and how this risk relates to adequate capital levels.
- Liable for ensuring that the formality and sophistication of the risk management processes are appropriate in light of the risk profile and business plan.
- Analyze bank's current and future capital requirements in relation to its strategic objectives
- Adopt strategic planning process for bank's capital needs, anticipated capital expenditures, desirable capital level, and external capital sources.
- The Board and senior management reviews the capital planning to achieve its desired strategic objectives.
- Responsible for setting the bank's tolerance for risks, establishes a framework for assessing the various risks.
- Develops a system to relate risk to the bank's capital level, and establishes a method for monitoring compliance with internal policies.

### **COMPANY SECRETARY AND SECRETARY TO THE BOARD OF DIRECTORS**

The Board has appointed Mr. Malik Muntasir Reza as Senior Vice President & 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:

- Providing preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board.
- Arranging Board and Shareholders' Meetings in accordance with the laws and the Bank's Articles of Association, preparing minutes of these meetings and monitoring compliance with the resolutions passed at those meetings.
- Ensuring that corporate information disclosures to regulatory agencies are in accordance with laws and regulations.
- Communicating with shareholders.
- Maintaining the register of directors, shareholders, reports of Board meetings, stakeholders' reports and meeting notices
- Ensuring compliance with other rules and procedures as required by relevant laws and regulations.
- Ensure of payment of dividend/fractional dividend/refund warrant to the respective accounts as per instructions.
- Assist the regulatory bodies for conducting/discharging their duties (Bangladesh Bank, SEC, DSE, CSE, CDBL, NBR etc.).
- Timely submission of regulatory compliances.

## CHIEF FINANCIAL OFFICER (CFO)

The Board has appointed Mr. Uttam Kumar Saha, ACA, ACS as Assistant Vice President & Chief Financial Officer (CFO) of the Bank. He attends the meetings of the Board of Directors as and when required. Duties of the CFO include the following, ensuring compliance with the applicable laws and regulations and Corporate Governance Notification:

- Participate in developing new business, specifically: assist the CEO in identifying new funding opportunities, the drafting of budgets, and determining cost effectiveness of prospective service delivery.
- Oversee the management and coordination of all fiscal reporting activities for the Bank including: organizational revenue/expense and Quarterly, Half yearly & Annual Accounts of the Bank/Financial Statements, The Securities & Exchange Commission, Bangladesh Bank, sending of Statements and preparation of Returns to submit to the National Board of Revenue & VAT authority and other regulatory bodies and monitoring of organizational budgets.
- Oversee all purchasing, payment of Bills.
- 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.

- Oversee Accounts Payable and Accounts Receivable.
- Working as a Banker to the Issue,
- Ensure of payment of dividend/fractional dividend/refund warrant to the respective accounts as per instructions.
- 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.

## HEAD OF INTERNAL CONTROL & COMPLIANCE DIVISION

Mr. Ahamed Sufi, Senior Vice President has been appointed as the Head of Internal Control & Compliance Division as per compliance of the applicable laws and regulations and Corporate Governance Notification. ICCD of the Bank comprises three departments (i) Audit and Inspection Department, (ii) Monitoring Department and (iii) Compliance Department. As Head of ICCD he reviews and monitors Bank's Internal Control and Compliance Risk.

Audit & Inspection Department conducts inspection on Branches & different Divisions of Head Office as per Audit Plan duly approved by the Board of Directors. Monitoring Department reviews Quarterly Operation Reports, Loan Documentation Checklists etc. Compliance ensures full compliance of regulatory requirements including the directives of Bangladesh Bank (regulatory body), National Board of Revenue, the Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, Ministry of Finance etc.

## HOLDING OF POSITIONS IN SUBSIDIARY COMPANIES BY DIRECTORS OR HIGH-LEVEL EXECUTIVES

The Bank complies with the regulation of the BSEC, which specifies that the Bank's not more than 50% of directors and senior executives must not hold positions in its subsidiaries. The Bank also requires its executives to seek approval from the Board for taking up a directorship in its subsidiaries. The Bank is going to appoint at least 1 (one) independent director on the Board of Directors of the subsidiary companies after appointment of independent director(s) by the shareholders in ensuing Annual General Meeting. The minutes of the Board meeting of the subsidiary companies are being reviewed by the Board of the Bank on regular interval.

Members of Jamuna Bank Capital Management Limited (Merchant Bank & a subsidiary of JBL), JBCML consists of:

Name	Designation/ Position in JBL	Status	Remarks
Mr. Md. Abul Shahjahan	Additional Managing Director, JBL	Chairman	Nominated by Bank
Mr. Chowdhury Gajam Kibria	---	Independent Director	MBA (Mgt. Science), Associate Professor Jahangirnagar University
Mr. Erfanuddin Ahmed	---	Independent Director	MBA (Finance), EX-Managing Director, Bank Asia Ltd,
Mr. Md. Yunus Ali	SEVP & Head of CRM-1, JBL	Director	Nominated by Bank
Mr. Mirza Elias Uddin Ahmed	Deputy Managing Director, JBL	Managing Director & CEO	Ex-Officio Director

Members of Jamuna Bank Securities Limited (Brokerage House & a subsidiary of JBL), JBSL consists of:

Name	Designation/ Position in JBL	Status	Remarks
Mr. Shaliqul Alam	Managing Director, JBL	Chairman	Nominated by Bank
Mr. A. K. M. Saifuddin Ahamed	SEVP & Head of ID, JBL	Director	Nominated by Bank
Mr. A. F. Nurul Azam Khan	---	Independent Director	Ex-Managing Director, Bangladesh Commerce Bank Ltd.
Mr. Mohammed Ali Chowdhury	---	Independent Director	Ex-General Manager, Pubali Bank Ltd.
Mr. M. M. Mostafa Bilal	VP. JBL & CEO, JBSL	Managing Director & CEO	Ex-Officio Director

## ORGANIZATION AND ENVIRONMENT

The Bank has structured its organization taking into account proper segregation of duties that will contribute to effective risk management and internal control as well as monitoring and audit systems. It has also consistently monitored the operations of its staff to be in line with the code of ethics and best practice in business operations with fair treatment of its customers. Short- and medium-term business plans have been worked out to determine business strategy and framework, which are communicated to the staff at managerial levels bank-wide for their awareness and implementation to achieve the plans and targets set forth.



## **OVERSIGHT OF EXECUTIVE MANAGEMENT**

The Bank has clearly defined, documented and regularly reviewed the scope of authority and responsibilities conferred on or delegated to executive officers at different levels. A clear division of responsibility between various management positions provides a mechanism for checks and balances between senior executives. Executive Management is required to bring to the attention of the Board any transactions that concern major shareholders, directors, and senior executives or parties related to them. In addition, the Bank has put in place policies and procedures governing the approval of loans for or investment in businesses in which the Bank or its senior executives have material interest, including in relation to shareholders or senior executives. In addition to the above, the Bank has established the Compliance Department to provide oversight and support to ensure that the Bank conducts its businesses in compliance with all applicable laws and regulatory requirements. The Internal Control & Compliance Division has been set up as an independent unit to examine and ensure all Bank activities are effectively and efficiently managed and operated.

## **INFORMATION AND COMMUNICATION INFRASTRUCTURE**

The Bank has established its accounting policies and procedures in line with Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standard (BFRS) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB) that support the Bank's business requirements. It has developed and managed its information and database systems consistently so that significant information is accessible on an adequate and timely basis.

The document management system provides an effective tool for retrieving and storing important electronic documents appropriately and safely. In addition, the policies and procedures have been communicated to relevant staff at all levels.

## **FOLLOW-UP AND MONITORING SYSTEM**

The Bank has put in place processes for monitoring and reviewing the implementation of activities against the Bank's strategic objectives, procedures, relevant laws, regulations and internal control systems. The Bank prepares an annual business plan, which is periodically reviewed to ensure its effectiveness in a rapidly changing environment. The Audit Committee is committed to ensure that concrete actions are taken to execute recommendations and regularly monitors resolutions to ensure that any identified issues are brought to a satisfactory conclusion.

## **SUCCESSION PLAN**

The Bank is well aware of the necessity to operating the business efficiently and continuously. Thus, Human Resources Management Division is responsible for providing Succession Plans to ensure that the Bank identifies executives or talents as successors with appropriate training and development plans to prepare identified individuals to succeed key positions in case of unexpected conditions/situations with immediate effect.

## **ORGANIZATION & EMPLOYEES**

As at 31 December 2012, the total staff strength of the Bank amounts to 2006 employees.

## Staff Development Programs and Human Resources Management Plans

The Bank will begin operation of its Human Resource Management (HRM) software very shortly to manage key administrative processes in human resource management such as attendance Register, leave plans of the employees/applications, end service benefit, claim submissions, training, transfer & posting, salary and performance appraisals. This paperless system will improve work efficiency. In addition to that, the Bank's HR Division has analyzed skills, knowledge, and capabilities of employees in different areas by making development plans together between staff and the Training team. This also includes development plans for the management.

### Employee Benefits

Staff welfare and benefits have been significantly enhanced in 2012, in order to retain outstanding talent. This enhancement is also aimed at ensuring that benefits offered by the Bank-housing loan facilities, car loan facilities, personal loan facilities and other loan facilities are in line with other banks. To be an employer of choice, the bank continues to develop more improvements in staff benefits, which are currently in the pipeline.

### Training Courses and Human Resources Development

In 2012, the Training Institute imparted training to 753 executives & officers and arranged workshops on different topics to 674 executives & officers. Alongside, Institute also arranged sessions on code of conduct of employees, manners, etiquettes and ethics in Banking.

### Responsibility towards the community and the environment

The Bank recognizes the importance of putting into practice the corporate social responsibility guidelines and principles generally accepted to be suitable for the economic and social environment of the country and the region. The Bank therefore supports undertakings, which contribute to the public, to the community and to society as a whole. The Bank is actively involved in a range of CSR activities, including blood donation, relief for affected people from natural disaster, distribution of blankets to the cold stricken people, free eye camp, Seminar on Anti Drug movement, Anti Drug

Rally, Seminar on Importance of Holly Ramadan, Qirat Competition Program, Scholarship & Crest Awarding Program among unprivileged but meritorious students and off springs of JBL employees who got GPA-5 in SSC & HSC, establishment of Jamuna Bank Old Home & Old Aged Rehabilitation Complex, establishment of Jamuna Bank After Care Centre, establishment of Sewing Machine Training Centre etc.

### Disclosure and Transparency

The Board of Directors is responsible for the preparation of consolidated financial statements of the Bank and its subsidiary companies. It has assigned the Audit Committee to review the Bank's financial statements to ensure that they are accurate, credible and in line with accounting standards. A report from the Audit Committee on the financial statements has been included in this Annual Report.

The Bank recognizes the significance of the disclosure of important financial and non-financial information, including the Annual Report. The Bank has disclosed such information to investors and involved parties across a variety of channels and media, namely sending information to shareholders by direct mail, holding press conferences and sending out press releases, including disseminating information through the Stock Exchange's and on its website. These initiatives include:

Dissemination of Bank's information and maintaining good communications with investors/stakeholders through media and other ways. Reports on financial results and material transactions are made in an accurate, fair, and transparent manner and in compliance with the applicable laws and regulatory requirements.

The dissemination of information to the general public via the media when financial results are announced.

### Counter parties

The Bank believes that counterparties play a significant role in supporting its business, and undertakes to honor its trade conditions and agreements with counterparties based on mutual good understanding and cooperation together with recognition of the basis for fair competition and market practice, as well as other widely accepted practices relating to the Bank's business undertakings.

### **Certificate on Compliance of Conditions of Corporate Governance to The Shareholders of Jamuna Bank Limited**

We, in respect of Jamuna Bank Limited (the Bank), have examined the status of its compliance with conditions of Corporate Governance issued by Bangladesh Securities & Exchange Commission (BSEC) vide its notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

The compliance with the said conditions of Corporate Governance and reporting the status thereof is the responsibility of the management of the Bank. Our responsibility is to provide a certificate about whether the Bank is in compliance with the said conditions of Corporate Governance based on our examination. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance and correct reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

To the best of our information and according to the explanations given to us we certify that Jamuna Bank Limited has, except condition # 1.2 (i) and 5 (ii) as reported on the attached status of compliance statement (Annexure- A), complied with the conditions of Corporate Governance stipulated in the above mentioned BSEC's notification dated 07 August 2012.

Dhaka,  
23 April 2013



**M. Moniruzzaman, FCA**  
**Partner**  
**ACNABIN, Chartered Accountants**  
ICAB Enrollment # 787

**ANNEXURE-I**

26 nos. of Board Meetings were held in 2012. Details of attendance of Directors in the Board meetings are as follows:

<b>Name of the member</b>	<b>Total meeting Held</b>	<b>Meeting Attended</b>
Mr. Md. Mahmudul Hoque, Chairman (BOD)	26	24
Al-haj M. A. Khayer, Director	26	7  (Outside of the Board from 22-05-2012 to 24-12-2012)
Engr. A. K. M. Mosharraf Hussain, Director	26	23
Engr. Md. Atiqur Rahman, Director	26	23
Mr. Golam Dastagir Gazi, Bir Protik, Director	26	14
Mr. Fazlur Rahman, Director	26	19
Al-Haj Nur Mohammed, Director	26	26
Mr. Md. Tajul Islam, Director	26	19
Mr. Sakhawat, Abu Khair Mohammad, Director	26	20
Al-haj Md. Rezaul Karim Ansari, Director	26	25
Mr. Md. Belal Hossain, Director	26	22
Mr. Shaheen Mahmud, Director	26	15
Mr. Md. Sirajul Islam Varosha, Director	26	23
Mr. Kanutosh Majumder, Director	26	16
Mr. Gazi Golam Murtoza, Director	26	16
Mr. A. S. M. Abdul Halim, Independent Director	26	26

**COMPLIANCE REPORT ON SEC'S NOTIFICATION****ANNEXURE- II****The Pattern of Shareholdings:**

The Authorized Capital of Jamuna Bank Ltd. is Tk.10,000,000,000.00 divided into 1,000,000,000 ordinary shares of Tk.10.00 each. The Paid-up Capital of the Bank is Tk.4,487,536,620.00 divided into 448,753,662 ordinary shares. As per Section 1.4 (k) of SEC Notification No. SEC/CMRRCD/2006-158/129/Admin/43 dated August 07, 2012 the pattern of shareholding is given below:

- i) Parent/Subsidiary Associated companies and other related parties : N/A
- ii) Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children are as follows :

a) Shares held by the Directors and their spouses as on 31 December 2012:

Name of Directors	Status	No. of shares	Name of spouse	No. of shares
Mr. Md. Mahmudul Hoque	Chairman	8978632	Mrs. Hubbun Nahar	2710201
Al-haj M.A. Khayer	Director	1230000	Mrs. Nilufar Khayer	-
Engr. A.K.M. Mosharraf Hussain	Director	8975073	Mrs. Husna Ara Begum	3848277
Engr. Md. Atiqur Rahman	Director	17333248	Mrs. Mahmuda Begum	1560082
Mr. Golam Dastagir Gazi, Bir Protik	Director	8975953	Mrs. Hasina Gazi	1565268
Mr. Fazlur Rahman	Director	8975622	Mrs. Hamida Rahman	2734909
Al-Haj Nur Mohammed	Director	13261001	Mrs. Monsura Begum	500079
Mr. Md. Tajul Islam	Director	10140732	Mrs. Fouzia Islam	1300078
Mr. Sakhawat, Abu Khair Mohammad	Director	9000568	Mrs. Petra Sakhawat	-
Al-haj Md. Rezaul Karim Ansari	Director	8338756	Mrs. Mariuam Akhter	279111
Mr. Md. Belal Hossain	Director	8975953	Mrs. Laily Hossain	800079
Mr. Shaheen Mahmud	Director	21269102	Mrs. Tasmin Mahmud	22557136
Mr. Md. Sirajul Islam Varosha	Director	8125283	Mrs. Hasina Siraj	1175206
Mr. Kanutosh Majumder	Director	8998508	Dr. Pratima Paul Majumder	1300079
Mr. Gazi Golam Murtoza	Director	11440851	Mrs. Sania Gazi	-
Mr. A. S. M. Abdul Halim	Independent Director	-	-	-

- b) Shares held by the Chief Executive Officer, Company Secretary, Head of ICCD and Chief Financial Officer as on 31 December 2012 :

Name of Executives	Status	Number of shares
Mr. Md. Abul Shahjahan	Managing Director (CC)	42,189
Mr. Malik Muntasir Reza	SVP & Company Secretary	Nil
Mr. Ahamed Sufi	SVP & Head of ICCD	Nil
Mr. Uttam Kumar Saha, ACA & ACS	Chief Financial Officer	Nil

- c) Shares held by top five salaried employees other than the Chief Executive Officer, Company Secretary, Head of ICCD and Chief Financial Officer as on 31 December 2012:

Name of Executives	Status	Number of shares
Mr. Mirza Elias Uddin Ahmad	Senior Executive Vice President	Nil
Mr. M. Shamsul Arefin	Senior Executive Vice President	
Mr. Md. Habibur Rahman	Senior Executive Vice President	Nil
A. K. M. Saifuddin Ahamed	Senior Executive Vice President	Nil
Mr. Md. Shamsur Rahman Chowdhury	Executive Vice President	Nil

- d) Share holdings 10% or more voting interest in the Company: N/A

**ANNEXURE III**

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance status (put $\checkmark$ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
		1.1	<b>Board's Size</b>	
1.2 (i)	<b>Independent Directors</b> All companies shall encourage effective representation of independent directors on their Board of Directors so that the Board, as a group, includes core competencies considered relevant in the context of each company. For this purpose, the companies shall comply with the following:- (i) At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	-	-	Prior to issuance of CGG Notification dated 7 August 2012, one Independent Director was appointed, which was approved in the 11 <sup>th</sup> AGM held on May 23, 2012. Thereafter, the Board recommended the shareholders of the Bank for appointment of additional independent directors as per BSEC Notification in the ensuing 12 <sup>th</sup> AGM.
1.2 (ii) a)	For the purpose of this clause "independent director" means a director- a) 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;	$\checkmark$		
1.2 (ii) b)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	$\checkmark$		
1.2 (ii) c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	$\checkmark$		
1.2 (ii) d)	who is not a member, director or officer of any stock exchange.	$\checkmark$		

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.2 (ii) e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii) f)	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;	✓		
1.2 (ii) g)	Who shall not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2 (ii) i)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2 (iii)	the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
1.3 (i)	<b>Qualification of Independent Director (ID)</b> (i) Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	-	-	Noted.
1.4	<b>Chairman of the Board and Chief Executive Officer</b> The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		



Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.5 (i)	<b>The Directors' Report to Shareholders</b> The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):- (i) Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	Segment-wise or product-wise performance.	✓		
1.5 (iii)	Risks and concerns.	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		As per law(s) details are discussed in the report
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		N/A
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	✓		N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	✓		
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	✓		
1.5 (x)	Remuneration to directors including independent directors.			
1.5 (xi)	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)	Proper books of account of the issuer company have been maintained.	✓ ✓		
1.5 (xiii)	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)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	There are no significant doubts 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 thereof should be disclosed.	✓		
1.5 (xvii)	(xvii) Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Non-complied	
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5(xxi)a)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:- a) Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1.5(xxi)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5(xxi)c)	Executives;	✓		
1.5(xxi)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5 (xxii) a)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:- a) a brief resume of the director;	✓		
1.5(xxii)b)	nature of his/her expertise in specific functional areas;	✓		
1.5(xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2.1	<b>2. CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS):</b> 2.1 Appointment The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		
2.2	<b>Requirement to attend the Board Meetings</b> The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		CFO attends meeting(s) as and when required.

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
3 (i)	<b>3. AUDIT COMMITTEE:</b> (i) The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors 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.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1 (i)	<b>3.1 Constitution of the Audit Committee</b> (i) The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	-	-	Noted.
3.1 (v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
3.2 (i)	<b>3.2 Chairman of the Audit Committee</b> (i) The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	-		Noted.
3.3 (i)	<b>3.3 Role of Audit Committee</b> Role of audit committee shall include the following:- (i) Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	✓		
3.4.1 (i)	<b>3.4 Reporting of the Audit Committee</b> <b>3.4.1 Reporting to the Board of Directors</b> (i) The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (ii) a)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-a) report on conflicts of interests;	✓		
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		
3.4.1 (ii) c)	suspected infringement of laws, including securities related laws, rules and regulations;	✓		
3.4.1 (ii) d)	any other matter which shall be disclosed to the Board of Directors immediately.	✓		
3.4.2	<b>3.4.2 Reporting to the Authorities</b> If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors 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 of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	-	-	Noted.
3.5	<b>Reporting to the Shareholders and General Investors</b> Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		

Condition No.	Title	Compliance status		Remarks (If any)
		(put ✓ in the appropriate column)		
		Complied	Non-complied	
4 (i)	<b>4. EXTERNAL/STATUTORY AUDITORS:</b> The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:- (i) Appraisal or valuation services or fairness opinions.	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Broker-dealer services.	✓		
4 (v)	Actuarial services.	✓		
4 (vi)	Internal audit services.	✓		
4 (vii)	Any other service that the Audit Committee determines.	✓		
4 (viii)	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.	✓		
5 (i)	<b>SUBSIDIARY COMPANY:</b> (i) Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	-	-	The Board of the Bank in its meeting approved to appoint additional independent directors, who will also act as the directors of its subsidiaries after approval by the shareholders in the ensuing 12 <sup>th</sup> AGM.
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
6 (i) a)	<b>DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):</b> The CEO and CFO shall certify to the Board that:- (i) 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:	✓		

Condition No.	Title	Compliance status (put ✓ in the appropriate column)		Remarks (If any)
		Complied	Non-complied	
6 (i) b)	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.	✓		
6 (ii)	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 company's code of conduct.	✓		
7 (i)	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b> (i) The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7 (ii)	The directors of the company shall state, in accordance with the <b>Annexure</b> attached, in the directors' report whether the company has complied with these conditions.	✓		



## بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

### SHARIAH SUPERVISORY COMMITTEE'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

**Honorable Shareholders of Jamuna Bank Limited**  
**Assalamu Alaikum Wa Rahmatullahi Wa Barakatuhu.**

All praises are due to Allah, the Lord of the Universe, the Beneficent, the Merciful. Durud and Salaam is for our Prophet Mohammad (SM.) who is Rahmat for the creatures of the world.

We take this opportunity to express our appreciation to the Board of Directors, the Managing Director and all members of the Management team of Jamuna Bank Limited for their continuous support. We are grateful to our shareholders and clients for their confidence reposed on us. Without their confidence and support, we could not be able to perform our activities properly.

The Shariah Supervisory Committee of Jamuna Bank Limited through different meetings held during the year 2012 reviewed different operational activities in respect of the Islami Shariah principles and regulations. Islami Banking Division of the Bank inspected the two Islami Banking branches of the Bank during the year and submitted their reports to the Shariah Supervisory Committee. Islami Banking Division is working & conducting Shariah inspection of the said branches independently. If any violation or irregularity is found, the same is reported directly to the Shariah Supervisory Committee for information and necessary measures and disseminate the decision of the committee accordingly to the respective branches for compliance/ non-recurrence of the said violation / irregularity.

The duty of the Shariah Supervisory Committee is to give independent opinions & 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. On the other hand the responsibility of the Islami Banking branches is to ensure that the businesses are carried in accordance with the rules and principles of Islami Shariah. As per Shariah Supervisory Committee's recommendation specific marks are reserved for questions relating to Islami Banking to be asked to the Bank's Officials during interview at the time of promotion.

Following issues were also discussed in the meeting of Shariah Supervisory Committee of Jamuna Bank Limited during 2012:

- Shariah Inspection Report of Islami Banking branches.
- Actualization of Profit Rate for the Mudaraba Depositors of Islami Banking branches.
- Different policies for Islami Banking branches.
- Awareness for compliance with Islami Shariah.

**Shariah Supervisory Committee is furnishing the following suggestions:**

- To take effective measures to operate investment in Musharaka and Mudaraba mode which are superior methods of investment in Islami Banking system.
- To take comprehensive initiative to train adequately all levels of manpower related with Islami Banking branches.

May Allah (SWT) give us tawfiq in granting His satisfaction to help in establishing Shariah based banking in the country and have His blessings in all spheres of life.

Ma-assalam.



**Professor Dr. Muhammad Mustafizur Rahman**

Chairman, Shariah Supervisory Committee





## Corporate Social Responsibility

*Jamuna Bank happens to be the youngest among the 3rd generation banks. From the beginning, the bank is keen to serve the society and work for welfare of the people as corporate social responsibilities. To make effective contribution by these CSR activities, the Board of Directors of the bank established Jamuna Bank Foundation in the year 2007. The bank has proved through its effectiveness and efficiencies as a satisfactory bank to the central bank. Jamuna Bank every year spends a sizeable portion of its profit for unprivileged segment of the society.*



*We think the benevolent activities undertaken by Jamuna Bank Foundation are exceptional & exemplary, which is a matter for others to follow.*

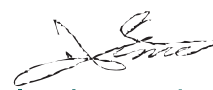
## A few words from the Jamuna Bank Foundation Chairman

Jamuna Bank Foundation has been playing pioneer role in the CSR activities since its inception in the year-2007. Among all the CSR activities done by Jamuna bank Foundation- scholarship is given to the poor and meritorious students for higher study, voluntary blood donation by the bank's executive, Officer and Staff in every year, Qirat Competition, Free Eye camp, Mobile Medical treatment, Providing relief assistance to the affected and distressed people for the cause of natural calamity, Distribution of Blanket to the poor people to get rid of cool from winter, awarding of reception and crest to the distinguished Citizen, establishment of old home, Seminar on Anti-drug and drug free society (June 26), arrangement of seminar in every year for establishment of drug-free society in every Division of the country by the participation of Executive, Officer & Staff of the bank, establishment of Medical center in Mirpur area of Dhaka City for the drug addicted persons, distribution of grant to the Prime Minister Relief fund for help of peel khana BDR killing/carnage tragedy, grant to the Prime Minister's Relief fund for the burnt people at Nimtoly, Grant for the establishment of Liberation War Museum, establishment of Jamuna Bank free primary School & Madarsa, Providing medical services through medical team to the musallis religious minded people in the Biswa Iztema at Tongi, providing financial assistance to Sk. Jamal Dhanmondi Club Ltd. for development of sports, Financial assistance to 11th SA Games, etc. Besides, arrangement of plastic surgery by the foreign (Netherland) expert /specialist medical team to the (poor patient having cleft Lip and cleft Palate) in different districts of the country, Establishment of model village at Sena Para remote area under Thakugaon district by Jamuna Bank Foundation as a part of Corporate Social Responsibilities.

Besides, establishment of solar village at char Tertakia, P.S. Pakundia under Kishoregonj district by Jamuan Bank Foundation. Char Tertakia is the remote char area where no electricity is available, many poor & meritorious students of the village can not study due to want of kerosene oil. We have arranged Solar light for every family in this village. Henceforth, the students of that village will be able to study at night by using solar light, the villagers can perform all works of the night continuously and without any hindrance/barrier. Land has been purchased and foundation Stone laid for establishment of world standard Medical College at Rupshi, Rupgonj near Dhaka, where medical services will be provided at free of cost/nominal cost for the poor patient and also arrangement of medical study for the poor meritorious students, many items like sewing machine, Van, Riskshaw will be provided for the rehabilitation of disabled & freedom fighters.

We have many more extensive planning. Inshaallah! These would be implemented gradually by increasing financial position of Jamuna Bank Foundation. We think the functionalities taken by Jamuna Bank Foundation are exceptional & exemplary, which is a matter for others to follow.

If these examples of us are followed by different Corporate body of the country then unprivileged people would be highly benefited and add great contribution to the national economy.



**Al-Haj Nur Mohammed**

Founder Chairman

Jamuna Bank Foundation

## Glimpses of CSR Activities of Jamuna Bank Foundation



Free Primary School



Free Eye Camp



Free Blanket Distribution



Model Village



Solar Village



Tree Plantation



Nursing Laboratory Establishment



Badhir Computer Training Center



Medical College & Hospital Establishment



Anti-Drug Rally



Blood Donation Camp



Free Dental Camp



Mobile Medical Team



Scholarship for unprivileged meritorious students



Art Competition for children



#### Donation for Nimtoli Tragedy Victims

In the year of 2010 Nimtoli Tragedy occurred in the old Dhaka where at least 150 people died instantly. Jamuna Bank Foundation donated 2.5 million BDT for as an aid for the victims.

Donation to the Honorable Prime Minister's Relief and Welfare Fund to the bereaved family members of the victims of the devastating blaze at Nimtoli and building collapse at Begunbari in the city

#### Free eye and medical camp

A free eye and medical camp was set up at Rupgonj, Naraygonj initiated and funded by Jamuna Bank Foundation. Mr. Md. Golam Dastagir Gazi, Bir Protik, MP, Director, JBL, inaugurated the camp as the chief guest of the program. Al-Haj Nur Mohammed, Chairman of JBF presided over the program. Mr. M. A. Shahjahan, the then Managing Director (CC) was present. A total of 1,800 patients was selected to be operated and took free medical checkup.



#### Medical Treatment at Biswa Ijtema 2013

On the occasion of Biswa Ijtema-2013, Jamuna Bank Foundation arranged a medical treatment camp for the Musullis. Chairman of Jamuna Bank Foundation, Alhaj Nur Mohammad inaugurated the program as the chief guest. He said in his speech, "We are glad and proud to render service for the Musullis coming to the Ijtema."

### Financial Contribution for Liberation War Museum

Recently Government of Bangladesh has taken an initiative to establish a Liberation War Museum in Dhaka to preserve the glorious memories and relics of the War of Liberation. Jamuna Bank Foundation being inspired by Liberation War has given 5 million BDT for the establishment of the Museum. In the meantime, Jamuna Bank Foundation has given 1 million BDT to muktijoddha sangsad.



### Free eye and medical camp

A free eye and medical camp was set up at the Pomgaon High School premises, Monohargonj, Comilla, initiated and funded by Jamuna Bank Foundation. Md. Tajul Islam, Director, JBL, inaugurated the camp as the chief guest of the program. Al-Haj Nur Mohammed, Chairman of JBF presided over the program. Mr. Shafiqul Alam, Managing Director was present as special guest. A total of 3,400 patients was selected to be operated and 50 patients took free medical checkup.

### Model Village

Jamuna Bank Foundation has turned a village named Singpara in Thakurgaon district as a 'model village' of the country, from where other villagers could learn and develop themselves. Al-Haj Nur Mohammed, Chairman of Jamuna Foundation, addressed the inaugural ceremony of Jamuna Bank Model Village as the chief guest. Director of the Bank Engr. A.K.M. Mosharraf Hussain and Md. Belal Hossain were present at the function as special guests along with Motior Rahman, former Managing Director of the bank.



#### Lifetime Financial Support for Vinod Bihari Chowdhury

Jamuna Bank Foundation organized a program on the occasion of awarding/declaring lifetime financial support to Mr. Vinod Bihari Chowdhury. Mr. Vinod was one of the pioneers of the anti British protest. Bangladesh Bank Governor Dr. Atiur Rahman was present in the program as the chief guest.



#### Blanket Donated to the poor

Jamuna Bank Foundation organized and financed to give blankets to the poor. District Commissioner Md. Saiful Hasan Badal inaugurated the event as the chief guest of the program. Vice Chairman of Sadar Upazilla Parishad, Mr. Monsur Ahmed Kalam, Mayor of Mir kadim purosova Mr. Shahidul Islam Shahin were also present as honorable guests. Chairman of Jamuna Bank Foundation, Al-Haj Nur Mohammad presided over the program. Md. Abul Shahjahan , the then Managing Director(CC ) delivered his speech giving vote of thanks. 1500 blankets were given to the poor in the program.

#### Blanket distribution among cold-hit distressed people

Jamuna Bank Foundation distributed Blanket among cold-hit distressed people. Al-Haj Nur Mohammed, Chairman of Bank Foundation was the chief guest.





#### Blood Donation Campaign in Chittagong

Jamuna Bank organized and financed Blood Donation campaign in Chittagong. Al-Haj Nur Mohammad, the Chairman of the then Executive Committee and also Jamuna Bank Foundation was present as the chief guest in the workshop. Mr. Md. Motior Rahman, the former Managing Director of Jamuna Bank Ltd presided over the workshop. In the program, 31 officers and executives donated blood. Other executives and officers of Chittagong region were also present there.

#### Tree Plantation & Distribution

With the endeavour of Jamuna Bank Foundation (JBF), a tree plantation and distribution programme was held at Tongabari, Ashulia. Mr. Md. Mosharraf Hossain Bhuiyan ndc, Secretary, Bridges Division, Ministry of Communication was present as the Chief Guest on the occasion. The Chairman of Jamuna Bank Foundation Al-Haj Nur Mohammed presided over the program. Besides, the former Managing Director of Jamuna Bank Mr. Md. Motior Rahman, the then Deputy Managing Director Mr. Md. Abul Shahjahan and Mr. Md. Obayedul Islam Talukder were also present in the program as honourable guests. At the end of the program, one thousand trees were planted and distributed.

#### Blood Donation Campaign at National Press Club

At its initiative and finance, Jamuna Bank Foundation and Assit of Voluntary Blood Donation program, Quantum Foundation jointly organized a Voluntary Blood Donation program at National Press Club, Dhaka. Mr. Md. Mahmudul Hoque, former Chairman, Board of Directors, Jamuna Bank Limited inaugurated the program as the Chief Guest. Al-Haj Nur Mohammed, Chairman, Jamuna Bank Foundation presided over the program. Besides, Mr. Md. Motior Rahman, former Managing Director, Mr. Md. Abul Shahjahan, Additional Managing Director were present in the program. Executives, Officers and Staffs of Dhaka Regional of Jamuna Bank Limited donated 53 bags Blood in program.

#### Voluntary Blood Donation Program

Voluntary Blood Donation Programs are arranged in Dhaka, Chittagong, Rajshahi, Sylhet, Bogra with the endeavor and finance of Jamuna Bank Foundation every year. The Chairman of Jamuna Bank Foundation Al-Haj Nur Mohammed initiates the program by donating his own blood. Moreover, the executives, officers and stuffs of the Bank donate blood on the occasion.





### Free Eye Camp

Jamuna Bank Foundation provides treatment facilities to about 10,000 helpless rural people every year by organizing 7/8 free eye camp. The expenses of surgery, transportation, medicine, eye-glass and so on are provided by the bank foundation in the various Eye hospitals including Lions Eye Hospital.

### Free eye camp in Tangail

Jamuna Bank Foundation organized and financed a free eye treatment, medical camp and blanket donation program in Pakutia College Field, Tangail. Mr. Khandaker Abdul Baten, MP inaugurated the camp as the chief guest of the program. Mr. Khandaker Anwarul Islam, Secretary of Bridge section of Communication Ministry, Mr. Md. Abul Shahjahan, the then Managing Director (CC) of the Bank, Ms. Kamrun Nahar, Managing Director of Bangladesh Film Archive, Information Ministry, Mr. Md. Anisur Rahman, District Commissioner and Mr. Khandaker Sanaur Rahman were present as honorable guests. 1200 patients got treatment in the camp and 700 blankets were donated.

### Free eye camp in Shirajgonj

Jamuna Bank Foundation organized and financed a free eye treatment in R.D. High School, Shirajgonj. Engr. A.K.M. Mosharraf Hossain, Director of Jamuna Bank inaugurated the camp as chief guest of the program. Chairman of Jamuna Bank Foundation, Al-Haj Nur Mohammed presided over the program. Mr. Md. Abul Shahjahan, the then Managing Director (CC) of the Bank and Engr. Tanvir Shakil Joy, MP, Kazipur were present as special guests. 1050 patients got treatment in the camp and 426 patients was selected to be operated.

### Free eye, dental and medical camp

A free eye, dental and medical camp was set up at the Munshiganj Government Technical School and College premises in Dargha Bari area, initiated and funded by Jamuna Bank Foundation. Chairman of Jamuna Bank Foundation Al-Haj Nur Muhammed inaugurated the camp where a total of 1,500 people took free medical checkup. Besides, he distributed three sewing machines and a rickshaw van among poor people. Among others, Registrar of Sir Salimullah Medical College Surgery Department Dr. Kazi Mohammad Hannanur Rahman and Dr. Sadia Binte Noor were present in the inaugural ceremony with the Bank's former Managing Director Mr. Md. Motior Rahman in the chair.

### Free Eye Camp & a Free Medical Team in Tangail

With the endeavour and finance of Jamuna Bank Foundation, a Free Eye Camp & a Free Medical Team were inaugurated & blankets were distributed at Konra Primary School, Nagarpur, Tangail. Mr. Khandaker Abdul Baten, MP graced the occasion as the Chief Guest & inaugurated Free Eye Camp, Medical Team & distribution blankets to the cold-hit people of the area. A total of 2100 patients were treated on the occasion of which 65 were selected for operation. Also 700 blankets were distributed on the occasion. Al-Haj Nur Mohammed, chairman of Jamuna Bank Foundation presided over the programme while Secretary of Bridges Division, Ministry of Communications Mr. Khandaker Anwarul Islam was present on the occasion as special guest. The then Managing Director of Jamuna Bank Mr. Md. Motior Rahman was also present.





### Free Medical Camp in Comilla Organized by Jamuna Bank Foundation

A free Medical Camp was arranged by Jamuna Bank Foundation at Pomgaon High School Field, Monohorganj, Comilla. Al-Haj Nur Mohammed, Chairman of Jamuna Bank Foundation presided over the program. Mr. Md. Tajul Islam, MP and Director of the Bank inaugurated the camp as the chief guest. Mr. Shafiqul Alam, Managing Director of Jamuna Bank was present there as special guest. 3400 patients got treatment at the medical camp & 50 patients were selected to be operated.

### Surgical Treatment for Cleft Lip & Cleft Palate Patients

With the endeavor and finance of Jamuna Bank Foundation, a group of foreign doctors (Netherlands) that includes eight specialist doctors provided free surgical treatment reconstructive surgery to 150 patients with cleft lip or cleft palate of various districts.

### Mobile Medical Team

Jamuna Bank Foundation (JBF) sends Mobile Medical Teams to the various regions of the country to deliver free medication for the slum dwellers and rural people. By this initiative, JBF delivers medical services to the poor people of the country every year.

### Handing over Ambulance by JBF

Jamuna Bank Foundation (JBF) has handed over an ambulance for serving the pregnant women of Kazipur Upzila under Sirajgonj District. JBF Chairman Al-Haj Nur Mohammed, Directors of Jamuna Bank Engr. A.K.M. Mosharraf Hussain, Engr. Md. Atiqur Rahman and the then Managing Director Mr. Md. Motior Rahman were present.



**Jamuna Bank Foundation Organized Seminar on Narcotis**

At its initiative and finance, Jamuna Bank Foundation organized a Seminar on "Severity of Narcotis and our Responsibilities for combating it" at IDEB, Dhaka. Mr. Khandoker Anowarul Islam, Secretary, Bridges Division, Communication Ministry, Government of the Peoples Republic of Bangladesh was present as the chief guest. Al-Haj Nur Mohammed, Chairman, Jamuna Bank Foundation presided over the seminar. Besides, Mr. Md. Motior Rahman, former Managing Director, Jamuna Bank Limited, Executives, Officers and staffs of Dhaka Region were present in the seminar.



**Anti Drug Seminar & Rally**

Jamuna Bank Foundation organized series of seminars/symposia in different areas of the country on the menace of drugs with a view to unite, make aware of severe impact of drugs and to build up image against drug addiction among the people of the society/community and also employees of the Bank. The Foundation as a part of its anti-drug movement distributes Drug Awareness Posters, No Smoking Stickers etc. and on regular interval publishing "stay away from drugs" in widely circulated daily newspapers and also published Posters in this regard, which are displayed in the Branches and Head Office of the Bank with a view to make aware the people for saying no to drug. Foundation as a part of social responsibility also organized Seminar on Anti Drug on various places.

**Inauguration of Jamuna Bank Madrasa (no-fee)**

As a corporate social responsibility Jamuna Bank Foundation inaugurated a no-fee Madrasa in Rayerbazar, Dhaka which was patronized and financed by the foundation. Al-Haj Nur Mohammed, Chairman of Jamuna Bank Foundation was chief guest and former Managing Director of the Bank Mr. Md. Motior Rahman presided over the program.





### Qirat Competition

Jamuna Bank Foundation organizes Qirat Competition every year among children. Moreover, it also encourages internationally acclaimed qirat competitors.

### Art Competition on Victory Day

Jamuna Bank Foundation organized and financed an art competition on the occasion of Victory Day at Bangladesh Shishu Academy. Al-Haj Nur Mohammed, Chairman of Jamuna Bank Foundation inaugurated the event as the chief guest of the program. Mr. Md. Abul Shahjahan, the then Managing Director (CC) of the Bank presided over the program. Students from 40 schools of Dhaka participated in the program.

### Scholarship giving ceremony by Jamuna Bank Foundation

At the initiative and finance of Jamuna Bank Foundation, Scholarship giving ceremony was programmed for helpless and physically disabled students getting GPA-5 in 2012 S.S.C & Dakhil Exam. Mr. Md. Mahmudul Hoque, former Chairman of Jamuna Bank Limited awarded scholarship to 65 students as the chief guest. Al-Haj Nur Mohammed, Chairman of the Bank Foundation presided over the program.

### Monthly Donation for Tragedy of BDR Mutiny

In the year 2009, a tragic mutiny occurred in the BDR headquarter, Pilkhana. Few unruly BDR mutineer soldiers killed 57 army officers. Jamuna Bank Foundation has aided one-time 2.5 million BDT to Prime minister relief fund. Moreover, the foundation is giving BDT 40,000 to three victim families throughout 10 years.

Jamuna Bank Foundation has donated Tk 14.40 lakhs to two martyred army officers in BDR mutiny and one such officer killed in a helicopter crash.

### Donating for Development of sports of the country

Jamuna Bank Foundation patronizes for the development of our sports. The foundation has donated 5 million BDT as a co-sponsor to Bangladesh Olympic Association that has organized 11th SA Games in Dhaka. Moreover, the Foundation has donated a new car worth of 1.5 million to Bangladesh Cricket Board. The foundation has also donated for Sheikh Jamal Dhanmondi Club. Jamuna Bank Foundation is always ready to patronize for the promotion and upliftment of sports in the country.

April 28, 2013

**The Board of Directors**

Jamuna Bank Limited  
Hadi Mansion  
2 Dilkusha Commercial Area  
Dhaka-1000

**SUBJECT: CEO/CFO'S DECLARATION TO THE BOARD.**

In accordance with the notification of Bangladesh Securities and Exchange Commission no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012, we declare that for the financial year ended December 31, 2012:

i) We have reviewed the financial statements for the year and that to the best of our knowledge and belief:

- a) these statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading;
- b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and 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 violation of the Bank's code of conduct.



**Uffam Kumar Saha**  
Chief Financial Officer



**Shafiqul Alam**  
Managing Director

## AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF JAMUNA BANK LIMITED AND IT'S SUBSIDIARIES

We have audited the accompanying consolidated financial statements of Jamuna Bank Limited (the bank) and its subsidiaries ("the Group") namely Jamuna Bank Capital Management Limited and Jamuna Bank Securities Limited as well as the separate financial statements of Jamuna Bank Limited (the Bank) which comprise the consolidated and separate Balance Sheets as at 31 December 2012 and the Profit & Loss Accounts, Statements of Changes in Equity and Cash Flow Statements for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management Responsibilities for the Consolidated and Separate Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the Group and also the separate financial statements of the Bank in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Bank Company Act 1991, the rules, regulations, circulars and policies issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's 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 (BSA). 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 the separate financial statements of the Bank. The procedures selected depend on the auditor's 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, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements of the Group and the separate financial statements of the Bank in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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, the financial statements referred to above give a true and fair view of the financial position of the Group and the Bank as at 31 December 2012 and their financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Bank Company Act 1991, the rules, regulations, circulars and policies issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

## **We also report that:**

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) 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 purposes of our audit have been received from the branches not visited by us;
- (iii) the consolidated balance sheet and the profit and loss account of the Group and the separate balance sheet and the profit and loss account of the Bank together with the annexed notes 1 to 49 dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditures incurred was for the purpose of the Group's and the Bank's business;
- (v) the financial positions of the Group and the Bank as at 31 December 2012 and their profits for the year ended 31 December 2012 have been properly reflected in the consolidated financial statements of the Group and the separate financial statements of the Bank and the consolidated financial statements of the Group and the separate financial statements of the Bank have been prepared in accordance with the generally accepted accounting principles;
- (vi) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with the Bank Company Act 1991 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank and the financial statements conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (vii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (viii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements on the basis of the statements certified by the branch managers and considered by us as correct;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) the capital adequacy ratio (CAR), as required by law, has been maintained adequately during the year;
- (xi) Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) with Bangladesh Bank have been maintained as per rule;
- (xii) as far as it was revealed from our test checks, the existing rules and regulations for loan sanctioning and disbursements have been followed properly;
- (xiii) it appeared from our test checks that the internal control system was satisfactory and adequate to prevent probable frauds and forgeries;
- (xiv) guidelines of Core Risk Management issued by Bangladesh Bank vide BRPD Circular # 17 dated 07 October 2003 were complied;
- (xv) adequate capital of the Bank, as required by law, has been maintained during the period under audit; and
- (xvi) 80% of the risk weighted assets of the Bank have been audited by us spending 2,950 man hours.

Dhaka,  
24 April 2013

  
**ACNABIN**  
**Chartered Accountants**

# Jamuna Bank Limited and its Subsidiaries

## Consolidated Balance Sheet As at 31 December 2012

PROPERTY AND ASSETS	Notes	31.12.2012 Taka	31.12.2011 Taka
<b>Cash</b>	4(a)	<b>6,962,970,338</b>	<b>4,874,884,421</b>
Cash in Hand (including foreign currencies)	4.1(a)	1,031,726,728	685,214,030
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)	4.2(a)	5,931,243,610	4,189,670,391
<b>Balance with Other Banks and Financial Institutions</b>	5(a)	<b>3,534,746,693</b>	<b>5,866,826,968</b>
In Bangladesh	5.1(a)	2,295,639,858	5,072,858,187
Outside Bangladesh	5.2(a)	1,239,106,835	793,968,780
<b>Money at Call on Short Notice</b>	6(a)	<b>570,000,000</b>	-
<b>Investments</b>	7(a)	<b>39,765,110,182</b>	<b>16,541,774,502</b>
Government	7.1(a)	24,436,380,481	15,987,083,174
Asset Pledge as Securities		14,355,714,608	20,000,000
Others	7.2(a)	973,015,094	534,691,329
<b>Loans, Advances and Lease etc.</b>	8(a)	<b>55,441,731,188</b>	<b>56,800,243,434</b>
Loans, Cash Credit, Overdrafts, etc.	8.1(a)	46,136,914,169	45,072,970,629
Bills Purchased & Discounted	8.2(a)	9,304,817,019	11,727,272,805
<b>Fixed Assets including Premises, Furniture and Fixtures</b>	9(a)	<b>2,368,064,303</b>	<b>2,257,847,810</b>
<b>Other Assets</b>	10(a)	<b>1,216,113,860</b>	<b>825,689,106</b>
<b>Total Assets</b>		<b>109,858,736,564</b>	<b>87,167,266,240</b>
<b>LIABILITIES AND CAPITAL</b>			
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	11(a)	17,088,212,575	5,750,713,233
<b>Deposits and Other Accounts</b>	12(a)	<b>79,626,954,048</b>	<b>70,513,499,565</b>
Current Accounts and other Accounts		8,742,190,742	7,876,768,718
Bills Payable		1,211,965,015	989,434,579
Savings Bank Deposits		5,046,423,127	4,473,698,154
Fixed Deposits		44,680,759,023	42,857,038,468
Short notice deposits		3,832,903,260	2,638,965,323
Deposit Under Special Scheme		15,915,005,992	11,506,959,762
Foreign Currency Deposit		197,706,889	170,634,562
<b>Other Liabilities</b>	13(a)	<b>4,813,447,518</b>	<b>3,600,515,779</b>
<b>Total Liabilities</b>		<b>101,528,614,142</b>	<b>79,864,728,579</b>
<b>Capital / Shareholders' Equity</b>			
Paid up Capital	14	4,487,536,620	3,648,403,760
Statutory Reserve	15	2,139,563,521	1,723,459,329
Other Reserve	16(a)	1,068,436,230	1,067,168,162
Minority Interest	16(b)	3,674	3,290
Retained Earnings	17(a)	634,582,377	863,503,120
<b>Total Shareholders' Equity</b>		<b>8,330,122,422</b>	<b>7,302,537,661</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>109,858,736,564</b>	<b>87,167,266,240</b>



# Jamuna Bank Limited and its Subsidiaries

## Consolidated Balance Sheet

As at 31 December 2012

Consolidated Off - Balance Sheet items	Notes	31.12.2012 Taka	31.12.2011 Taka
<b>Contingent liabilities</b>	18(a)		
Acceptances & Endorsements		2,266,309,998	1,649,285,500
Letters of Guarantee	A	4,410,779,895	3,725,818,119
Irrevocable Letters of Credit		16,162,152,362	11,624,731,318
Bills for Collection		4,958,366,722	1,578,857,952
Other Contingent Liabilities		358,386,473	217,200,000
		<b>28,155,995,450</b>	<b>18,795,892,889</b>
<b>Other Commitments</b>			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Indrawn note issuance and revolving underwriting facilities		-	-
Indrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>28,155,995,450</b>	<b>18,795,892,889</b>
<b>Note : A</b>	<b>Letters of guarantee</b>		
Money for which the Bank is contingently liable in respect of guarantee given favoring:			
Directors		-	-
Government		-	-
Bank and other financial institutions		-	-
Others		4,410,779,895	4,578,637,272
		<b>4,410,779,895</b>	<b>4,578,637,272</b>

The annexed notes form an integral part of the Consolidated Balance Sheet.



Managing Director



Director



Director



Chairman

This is the Consolidated Balance Sheet referred to in our separate report of even date.

Dhaka,  
24 April 2013



ACNABIN  
Chartered Accountants

# Jamuna Bank Limited and its Subsidiaries

## Consolidated Profit and Loss Account For the year ended 31 December 2012

Particulars	Notes	31.12.2012 Taka	31.12.2011 Taka
<b>OPERATING INCOME</b>			
Interest Income & Profit on Investment	20(a)	9,691,505.341	8,487,060.704
Less: Interest/profit on deposits and borrowings, etc.	21(a)	7,791,538.170	6,311,345.983
<b>Net interest income</b>		<b>1,899,967,172</b>	<b>2,175,714,721</b>
Income from Investment	22(a)	2,074,855.004	1,435,376.078
Commission, exchange and brokerage	23(a)	1,163,593.401	1,009,165.139
Other operating income	24(a)	307,375.803	296,728.103
		3,545,824.208	2,741,269.320
<b>Total operating income (A)</b>		<b>5,445,791,379</b>	<b>4,916,984,041</b>
<b>Operating expenses (B)</b>	25(a)	<b>2,097,240,815</b>	<b>2,056,305,000</b>
<b>Profit before provision (C = A-B)</b>		<b>3,348,550,564</b>	<b>2,860,679,042</b>
Provision against loans and advances	35(a)	1,000,049.860	282,265.954
Provision for off Balance Sheet Exposures	36(a)	93,601.145	(18,347,000)
Provision for other assets		213.980	278.000
Provision for diminution in value of investments	37(a)	54,071.617	89,215.173
<b>Total provision (E)</b>		<b>1,147,936,602</b>	<b>353,412,127</b>
<b>Profit before taxation (D-E)</b>		<b>2,200,613,962</b>	<b>2,507,266,915</b>
Contribution to Jamuna Bank Foundation @ 1% of Pre-tax Profit	38(a)	20,805,210	12,350,030
<b>Provision for taxation</b>		<b>1,069,491,962</b>	<b>1,143,448,267</b>
Current tax	13.6(a)	1,066,263.423	1,133,458.750
Deferred tax	13.6(b)	3,228.539	9,989.517
<b>Net profit after taxation</b>		<b>1,110,316,790</b>	<b>1,351,468,618</b>
Retained Surplus Brought forward from prior period		9,370.164	6,036.899
<b>Retained Surplus Before Appropriation</b>		<b>1,119,686,954</b>	<b>1,357,505,517</b>
<b>Appropriations:</b>			
Statutory reserve		416,104.192	494,001.192
<b>Retained surplus</b>		<b>703,582,762</b>	<b>863,504,325</b>
<b>Attributable to:</b>			
Shareholders of JBL		703,582.378	863,503.119
Minority interest		384	1,206
<b>Earnings Per Share (EPS)</b>	39(a)	<b>2.47</b>	<b>3.01</b>

The annexed notes form an integral part of the Consolidated Profit and Loss Account.

  
Managing Director


  
Director

  
Director

  
Chairman

This is the Consolidated Profit and Loss Account referred to in our report of even date.

Dhaka,  
24 April 2013

  
ACNABIN  
Chartered Accountants