# IAMUNABANK

## FINANCIAL STATEMENTS 2016

#### INDEPENDENT AUDITORS' REPORT to the shareholders of jamuna bank limited

We have audited the accompanying consolidated financial statements of Jamuna Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Jamuna Bank Limited (the "Bank") which comprise the consolidated and separate Balance Sheets as at 31 December 2016, consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant

#### Management's Responsibility for the Financial Statements

accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in Note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The BankCompanies Act, 1991(as amended in the year 2013) and the local central bank (Bangladesh Bank) Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

#### Auditors' Responsibility

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

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

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

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) as explained in note 2.

#### Report on Other Legal and Regulatory Requirements

- In accordance with the Companies Act 1994, Securities, and Exchange Rules 1987, the Bank Companies Act 1991 (as amended in the year 2013) and the rules and regulations issued by Bangladesh Bank, we also report that:
- 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;

- to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
  - a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in Notes 2 to the financial statements appeared to be materially adequate; and
  - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in these financial statements;
- financial statements of all subsidiaries of the Bank have been audited by other auditors and have been properly reflected in the consolidated financial statements;

in our opinion, proper books of account as required by law have been kept by the Group and the Bank so

- the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account;
- the expenditure incurred was for the purpose of the Bank's business;

far as it appeared from our examination of those books;

- the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the information and explanations required by us have been received and found satisfactory; we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around
- 6,263 person hours for the audit of the books and accounts of the Bank.

Dhaka, 27 April 2017

Letters of guarantee

Bills for collection

Other commitments

Managing Director

Dhaka, 27 April 2017

Irrevocable letters of credit

Other contingent liabilities

Documentary credits and short term trade related transactions

Indrawn formal standby facilities, credit lines and other commitments

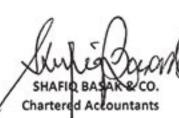
The annexed notes 01 to 51 form an integral part of the financial statements

As per our report of the same date.

Forward assets purchased and forward deposits placed

Indrawn note issuance and revolving underwriting facilities

Total Off-Balance Sheet items including contingent liabilities



#### **Consolidated Balance Sheet** As at 31 December 2016

	Notes	31.12.2016 Taka	31.12.2015 Taka
PROPERTY AND ASSETS			
Cash	4(a)	10,460,741,392	11,807,420,437
Cash in hand (including foreign currencies)	4.1(a)	1,679,484,757	1,435,720,630
Balance with Bangladesh Bank and its agent banks (including	2000000000		
foreign currencies)	4.2(a)	8,781,256,635	10,371,699,808
Balance with other banks and financial institutions		5,701,915,057	2,920,940,539
In Bangladesh	5.1(a)	4,644,129,389	771,949,130
Outside Bangladesh	5.2(a)	1,057,785,668	2,148,991,409
Money at call on short notice	6(a)	-	1,040,000,000
Investments	7(a)	30,315,152,477	34,926,339,742
Government	7.1(a)	29,747,268,179	34,353,193,898
Others	7.2(a)	567,884,298	573,145,844
Loans and advances	8(a)	118,293,779,461	88,428,802,008
Loans, Cash credit, Overdrafts, etc.	8.1(a)	106,608,386,514	80,464,426,360
Bills purchased & discounted	8.2(a)	11,685,392,946	7,964,375,648
Fixed Assets including premises, furniture and fixtures	9(a)	2,514,969,995	2,512,993,863
Other assets	10(a)	1,908,474,758	1,797,520,422
Non-Banking assets		-	-
Total assets		169,195,033,139	143,434,017,011
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	2,727,513,390	1,104,724,893
Deposits and other accounts	12(a)	141,505,954,044	118,843,998,099
Current/Al-wadeeah current accounts and other accounts	12.2(a)	19,749,454,389	15,439,585,382
Bills payable	12.3	10,914,338,305	1,961,645,959
Savings/Mudaraba savings bank deposits		12,729,966,705	10,154,755,624
Fixed/Mudaraba fixed Deposits	12(b)	51,600,389,749	49,668,192,528
Bearer certificates of deposit		-	
Short notice deposits	12(c)	7,523,877,711	6,537,571,060
Deposit under special scheme		38,402,419,319	34,584,730,398
Foreign currency deposit		585,507,866	497,517,148
Other liabilities	13(a)	7,177,311,172	5,756,019,419
Subordinated Debt	13 (c)	2,000,000,000	2,000,000,000
Total Liabilities		153,410,778,606	127,704,742,411
Capital / shareholders' equity			
Paid up capital	14	6,141,193,860	6,141,193,860
Statutory reserve	15	3,998,297,071	3,403,376,819
Dividend equalization fund	16.3.(a)	30,705,969	
Other reserve	16(a)	4,416,826,009	4,955,447,700
Minority interest	16(b)	1,690	1,826
Retained earnings		1,197,229,934	1,229,254,396
Total shareholders' equity		15,784,254,533	15,729,274,600
Total liabilities and shareholders' equity		169,195,033,139	143,434,017,011
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	18(a)		
Acceptances & endorsements		20,190,652,767	14,444,301,217

#### **Consolidated Profit and Loss Account** For the year ended 31 December 2016

	7.0		2016	2017	
ts		Notes	2016	2015	
")			Taka	Taka	Particulars
id id	Interest Income & profit on investment	20(a)	9,709,005,665	9,902,689,115	Cash flows from operating activities
nt	Less: Interest/profit on deposits and borrowings, etc.	21(a)	7,142,300,073	8,194,848,391	Interest receipts
	Net interest income/net profit on investments	RS93 - 8	2,566,705,592	1,707,840,724	Interest payments
3253					Dividend receipts
of	Investment income	22(a)	3,748,123,446	3,794,169,364	Income received from investments
h	Commission, exchange and brokerage	23(a)	1,427,409,701	1,219,042,487	Fees and commission receipts
p	Other operating income	24(a)	446,743,292	396,958,571	Recoveries on loans previously written off
o		1000001	5,622,276,439	5,410,170,422	Payments to employees
ık	Total operating income (A)		8,188,982,031	7,118,011,146	Payments to suppliers
d ne	Salary and allowances	26(a)	2,507,148,284	2,097,231,908	Income taxes paid
	Rent, Taxes, Insurance, Electricity, etc.	27(a)	530,639,870	466,390,433	Receipts from other operating activities
	Legal expenses	(/	5,306,440	5,124,754	Payments to other operating activities  (i) Operating profit before changes in operating accets and liabilities
e	Postage, Stamps, Telecommunication, etc.	28(a)	93,440,474	78,276,852	(i) Operating profit before changes in operating assets and liabilities
th	Stationery, Printings, Advertisements, etc.	29(a)	128,372,192	114,947,238	Increase /Decrease in operating assets & liabilities
ts	Managing Director's salary & fees	30(a)	12,150,000	10,900,000	Loans and advances
al al	Directors' fees	31(a)	8,688,406	6,203,253	Other assets
aı	Auditors' fees	32(a)	632,500	655,500	Deposit from other banks
2253	Charges on loan losses	32(0)	-	033,300	Deposit from customers
e es	Depreciation and repairs of bank's assets	33(a)	202,758,736	186,130,013	Other current liabilities
ie	Other expenses	34(a)	475,124,677	404,531,384	(ii) Cash received from operating assets and liabilities
er	Operating expenses (B)	25(a)	3,964,261,581	3,370,391,333	Net cash flow from operating activities (A)=(i+ii)
's	Operating expenses (b)	25(0)	3,504,201,301	3,370,331,333	Cash flows from investing activities
nk ne	Profit before provision (C = A-B)		4,224,720,450	3,747,619,813	errythis Christian Anna Agent in the Christian Company Control Control
ie	Provision for loans and advances/investments	35(a)	1,236,932,348	1,426,715,693	Proceeds from sale of securities
ill	Provision for off balance sheet exposures	36(a)	101,775,000	90,307,000	Proceeds/ (Payments) for purchase of securities
of	Other provisions	30(0)	12,471,756	671,004	Purchase of property, plant & equipment
	Provision for diminution in value of investments	37(a)	(35,357,704)	(1,047,214)	Net cash flow from investing activities (B)
	Total provision (D)	37(0)	1,315,821,400	1,516,646,483	Cash flows from financing activities
	Profit before taxation (C-D)		2,908,899,050	2,230,973,330	Increase/ (Decrease) of long term borrowings
	Tronc scrote taxation (c b)		2,500,055,050	2,230,373,330	Dividend paid
ts	Contribution to Jamuna Bank Foundation	38(a)	89,238,038	43,736,099	Issue of subordinated bond
al	Provision for taxation				Net cash flow from financing activities (C)
ts	Current tax	13.7(a)	1,033,519,550	557,516,436	\$350 dt 50 00 00 00 00 00 00 00 00 00 00 00 00
ıg	Deferred tax	13.7.2	(4,913,299)	(13,131,779)	Net Increase/ Decrease in cash and cash equivalents D = (A+B+C)
			1,028,606,251	544,384,657	Cash and cash equivalents at beginning of the year (E)
	Net profit after taxation Attributable to:		1,791,054,761	1,642,852,574	40 ** 40 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
as			AL 2000 DE 000 DE 0		Cash and cash equivalents at end of the year (D+E) (*)
	Shareholders of JBL		1,791,054,888	1,642,852,581	(*) Closing cash & cash equivalent
	Minority interest		(127)	(7)	
33	Appropriations:				Cash in hand (including foreign currency)
he of	Statutory reserve	_	594,920,252	437,360,986	Balance with Bangladesh bank and its agent banks
of he	Retained surplus during the year		1,196,134,509	1,205,491,588	Balance with other bank's and financial institutions
as	20 MW 18				Money at call on short notice
	Earnings per share (EPS)	39(a)	2.92	2.68	Prize bond in hand

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

Managing Directo

Dhaka, 27 April 2017

As per our report of the same date.

#### **Consolidated Cash Flow Statement** For the year ended 31 December 2016

2016

(29,864,977,452)

(110,954,336)

2,138,586,561

20,523,369,384

(759,461,461)

(8,073,437,305)

(4,466,965,525)

4,605,925,718

(175,220,160)

4,435,967,104

(1,197,532,802)

425,255,695

394,257,273

15,770,389,776

16,164,647,049

5,261,546

1,622,788,497 (8,255,130,299)

2015

(9,396,505,066)

(6,890,266,000)

11,107,804,665

3,034,461,876

(2,187,784,844)

521,828,607

5,263,314,704

(27,503,322)

(112,198,604)

5,123,612,778

2,000,000,000

(6,255,130,299)

(609,688,915)

16,380,078,691

15,770,389,776

(43,280,319)

<u>Particulars</u>	Taka	Taka
Cash flows from operating activities		
Interest receipts	9,719,286,305	9,844,160,793
Interest payments	(7,301,599,715)	(8,632,491,743)
Dividend receipts	7,605,745	9,590,739
Income received from investments	3,836,908,517	3,880,969,442
Fees and commission receipts	1,427,409,701	1,219,042,487
Recoveries on loans previously written off	28,898,092	26,062,419
Payments to employees	(2,519,298,284)	(2,108,131,908)
Payments to suppliers	(1,143,082,647)	(1,021,274,242)
Income taxes paid	(421,274,548)	(495,022,258)
Receipts from other operating activities	446,743,292	397,005,485
Payments to other operating activities	(475,124,677)	(410,297,763)
(i) Operating profit before changes in operating assets and liabilities	3,606,471,780	2,709,613,451
Increase /Decrease in operating assets & liabilities		338 323 287

1,435,720,629 1,679,484,757 8,781,256,635 10,371,699,808 5,701,915,057 2,920,940,539 1,040,000,000 1,990,600 2,028,800 16,164,647,049 15,770,389,776

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



Dhaka, 27 April 2017

As per our report of the same date.

#### **Consolidated Statement of Changes in Equity** For the year ended 31 December 2016

Particulars	Paid up Capital	Statutory Reserve	Revaluation Reserve of Securities	Assets Revaluation Reserve	Dividend equalization fund	Currency Translation Reserve	Retained Earnings	Total	Minority interest	Total Equity
Balance as at 01 January 2016	6,141,193,860	3,403,376,819	3,891,870,473	1,063,497,554		79,673	1,229,254,396	15,729,272,775	1,824	15,729,274,599
* Changes in accounting policy				14		1.		1		
Restated balance as at 01 January 2016	6,141,193,860	3,403,376,819	3,891,870,473	1,063,497,554		79,673	1,229,254,396	15,729,272,775	1,824	15,729,274,599
Surplus/deficit on account of revaluation of properties								0	- 2	
Surplus/deficit on account of revaluation of investments	12	2	(538,542,018)		-		1.0	(538,542,018)	21	(538,542,018)
Currency translation reserve	-	-			-	(79,673)	79,673	-	-	
Net gains and losses not recognized in the income statement			(538,542,018)			(79,673)	79,673	(538,542,018)	*	(538,542,018)
Dividend (Stock)	8.0	-				- 052304 01 - 325	(1,197,532,802)	(1,197,532,802)	*:	(1,197,532,802)
Interim dividend (Cash)	(2)						979		(7)	(7)
Net profit for the year			-				1,791,054,888	1,791,054,888	(127)	1,791,054,761
Statutory reserve	1.5	594,920,252			5		(594,920,252)		-	-
Dividend equalization fund					30,705,969		(30,705,969)			-
Balance as at 31 December 2016	6,141,193,860	3,998,297,071	3,353,328,455	1,063,497,554	30,705,969		1,197,229,934	15,784,252,843	1,690	15,784,254,533
Balance as at 31 December 2015	6,141,193,860	3,403,376,819	3,891,870,473	1,063,497,554	2	79,673	1,229,254,396	15,729,272,775	1,824	15,729,274,599



PROPERTY AND ASSETS

Dividend equalization fund

Other reserve



Chairman

2015

Taka

#### **Balance Sheet** As at 31 December 2016 31.12.2016 31.12.2015 Notes Taka Taka

PROPERTY AND ASSETS			
Cash	4	10,460,727,273	11,807,405,874
Cash in hand (including foreign currencies)	4.1	1,679,470,638	1,435,706,067
Balance with Bangladesh Bank and its agent banks (including		70 TO THE RESIDENCE OF THE PARTY OF THE PART	200 M 100 M
foreign currencies)	4.2	8,781,256,635	10,371,699,808
Balance with other banks and financial institutions	5	5,701,915,057	2,920,940,539
In Bangladesh	5.1	4,644,129,389	771,949,130
Outside Bangladesh	5.2	1,057,785,668	2,148,991,409
Money at call on short notice	6	-	1,040,000,000
Investments:	7	30,113,968,184	34,722,810,886
Government	7.1	29,636,168,180	34,242,093,898
Others	7.2	477,800,004	480,716,989
Loans and advances	8	117,099,608,428	87,252,280,635
Loans, Cash Credit, Overdrafts, etc.	8.01	105,414,215,481	79,287,904,987
Bills purchased & discounted	8.02	11,685,392,946	7,964,375,648
Fixed assets including premises, furniture and fixtures	9	2,231,612,797	2,228,090,335
Other assets	10	2,810,471,144	2,887,646,499
Non-banking assets			
Total assets		168,418,302,882	142,859,174,770
LIABILITIES AND CAPITAL Liabilities			
Borrowings from other banks, financial institutions and agents	11	2,727,513,390	1,104,724,893
Deposits and other accounts	12	141,550,956,381	118,849,176,379
Current/Al-wadeeah current accounts and other accounts	12.2	19,739,425,306	15,428,992,140
Bills payable	12.3	10,914,338,305	1,961,645,959
Savings/Mudaraba savings bank deposits		12,729,966,705	10,154,755,624
Fixed/Mudaraba fixed deposits		51,600,389,749	49,668,192,528
Bearer certificates of deposit		- 1	
Short notice deposits		7,578,909,132	6,553,342,582
Deposit under special scheme		38,402,419,319	34,584,730,398
Foreign currency deposit		585,507,866	497,517,148
Other liabilities	13	6,291,192,881	5,196,921,142
Subordinated Debt	13 (b)	2,000,000,000	2,000,000,000
Total liabilities		152,569,662,652	127,150,822,415
Capital/shareholders' equity			
Paid up capital	14	6,141,193,860	6,141,193,860
Statutory reserve	15	3,998,297,071	3,403,376,819
and the second s		20 202 222	

1,261,617,320 Retained earnings 1,208,333,975 Total shareholders' equity 15,848,640,230 15,708,352,355 Total liabilities and shareholders' equity 168,418,302,882 142,859,174,770 OFF-BALANCE SHEET ITEMS Contingent liabilities 20,190,652,767 14,444,301,217 Acceptances & endorsements 14,083,198,100 11,041,004,349 Letters of guarantee Irrevocable letters of credit 14,201,676,615 14,054,453,185 Bills for collection 7,944,289,697 6,833,250,153 Other contingent liabilities 390,533,907 259,775,000 56,810,351,086 46,632,783,903 Other commitments Documentary credits and short term trade related transactions

16.3

16

30,705,969

4,955,447,700

46,632,783,903

4,416,826,009

56,810,351,086

Total Off-Balance sheet items including contingent liabilities The annexed notes 01 to 51 form an integral part of the financial statements

Undrawn formal standby facilities, credit lines and other commitments

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting facilities

Managing Director

As per our report of the same date.

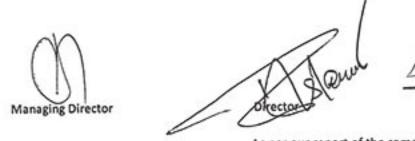
Taka

### **Profit and Loss Account** For the year ended 31 December 2016A

Notes

Interest income/profit on investment	20	9,687,217,942	9,807,078,243
Less: Interest/profit paid on deposits and borrowings, etc.	21	7,142,300,073	8,194,848,391
Net interest income		2,544,917,869	1,612,229,852
Investment income	22	3,735,873,134	3,783,694,054
Commission, exchange and brokerage	23	1,390,410,770	1,187,420,744
Other operating income	24	444,608,095	392,858,495
Total operating Income (A)	_	8,115,809,867	6,976,203,145
Salary and allowances	26	2,489,719,802	2,083,400,674
Rent, Taxes, Insurance, Electricity, etc.	27	526,923,024	463,304,169
Legal expenses		5,231,690	5,085,979
Postage, Stamps, Telecommunication, etc.	28	93,063,667	77,887,889
Stationery, Printings, Advertisements, etc.	29	128,149,521	114,625,250
Managing Director's salary & fees	30	12,150,000	10,900,000
Directors' fees	31	8,402,406	6,030,753
Auditors' fees	32	575,000	575,000
Charges on loan losses		· .	-
Depreciation and repairs of bank's assets	33	201,616,641	184,999,986
Other expenses	34	470,471,360	400,523,497
Total operating Expenses (B)	_	3,936,303,113	3,347,333,196
Profit/(loss) before provisions (C=A-B)		4,179,506,755	3,628,869,949
Provision for loans and advances	35	1,117,816,946	1,355,425,000
Provision for off balance sheet exposures	36	101,775,000	90,307,000
Others provision	13.5	12,471,756	671,004
Provision for diminution in value of investments	37	(27,158,209)	(4,337,984)
Total provision (D)	_	1,204,905,493	1,442,065,020
Total profit before taxes (C-D)	_	2,974,601,261	2,186,804,929
Contribution to Jamuna Bank Foundation Provision for taxation for the year	38	89,238,038	43,736,099
Current tax	13.7.1	1,013,913,827	513,732,755
Deferred tax	13.7.2	(4,913,299)	(13,131,779)
		1,009,000,528	500,600,975

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



Net profit after taxation

Earnings per share (EPS)

Statutory reserve (20% on pre-tax profit)

Retained Surplus during the year

Appropriations:

Dhaka, 27 April 2017

1,876,362,696

594,920,252

3.06

1,281,442,444

1,642,467,855

437,360,986

1,205,106,869

As per our report of the same date.

Dhaka, 27 April 2017

14,083,198,100

14,201,676,615

7,944,289,697

56,810,351,086

56,810,351,086

390,533,907

11,041,004,349

14,054,453,185

6,833,250,153

46,632,783,904

46,632,783,904

259,775,000