

“As per provisions of the Depository Act, 1999 and regulations made thereunder, share of the company will be issued in dematerialized form only and for this purpose the Jamuna Bank Limited has signed an agreement with the Central Depository Bangladesh Ltd. (CDBL). Therefore, all transfer/ transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares(including right/bonus) will also be issued in dematerialized form only.”

PART-A

1. The company shall go for Initial Public Offer (IPO) for 42,90,000 ordinary shares of Taka 120/- each including a premium of Tk 20 per share worth Taka 51,48,00,000.00 following the Public Issue Rules, 1998, the Depository Act, 1999 and regulations issued there under.
2. The Prospectus, as vetted by SEC, shall be published in one widely circulated daily national newspaper (preferably in Bengali) within 5 (five) days from the date of consent. Information relating to publication of the prospectus shall be published in four daily national newspapers (Bengali and English) simultaneously. An abridged version of the prospectus vetted by SEC shall also be published in two widely circulated national daily newspapers before opening of subscription.
3. The issuer company and the issue manager shall ensure transmission of the prospectus and relevant application forms for NRBs through e-mail, simultaneously of publication of the prospectus, to the Bangladesh Embassies and Missions abroad, as mentioned in the prospectus, and shall also ensure sending of the printed prospectus and application forms to the said Embassies and Missions within **five working days** of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue manger within two working days from the date of said despatch of the prospectus & the forms.
4. The paper clipping of the published prospectus, as mentioned at condition 2 above, shall be submitted to the Commission within 24 hours of the publication thereof.
5. The company shall submit 40 (forty) copies of the printed prospectus, along with a diskette prepared in “MS WORD” containing the prospectus, as vetted by SEC, to the Securities and Exchange Commission for official record within 5 (Five) working days from the date of publication of the prospectus in the newspaper.
6. The company shall maintain bank account(s) for collecting proceeds of the Initial Public Offering from the prospective investing public, especially throughout the country.
7. The company shall also open FC account(s) to deposit the application money of the non- Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. NRB means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required to travel to Bangladesh.
8. The company shall open FC accounts on approval of Prospectus by SEC; and close these accounts after refund of over-subscription.
9. The company shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchange(s) where it intends to list its securities.
10. The following declaration shall be made by the company in the prospectus, namely:-

“Declaration about Listing of Shares with the Stock Exchange(s):

Application(s) will be made to the Dhaka and/or Chittagong Stock Exchange(s) within 5 (five) days of first issuance of the prospectus for permission of the share of the company for dealing in any or both of the said stock exchanges and for quotation on the stock exchange(s).

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money."

11. Notwithstanding anything contained in the Public Issue Rules, 1998 regarding limitation on the publication period, subscription shall start after 25 (Twenty five) days from the date of publication of the prospectus.
12. Notwithstanding anything contained in the Public Issue Rules, 1998 regarding limitation of the time on closure of the subscription, the subscription shall remain open for 5 (Five) consecutive banking days.
13. Application shall be sent by the NRB applicants directly to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus nine days. Applications received by the company after the above time period will not be considered for allotment purpose.
14. The company shall apply the spot buying rate (TT clean) in US\$, UK Pound Sterling and Euro of Sonali Bank, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
15. The company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshis, if applicable, for allotment of shares without any difficulty/ complain.
16. The company and the issue manager shall jointly provide SEC with the preliminary status of the subscription within one week from closure of the subscription date, and also the list of valid and invalid applicants (i.e. final status of subscription) to the Commission within 3 (three) weeks after the closure of the subscription date including bank statement (original), branch-wise subscription statement, NRB application forms (photocopy attested by MDs of the issuer company and the issue manager) regarding collection of initial public offer money. The final list of valid and invalid applicants shall be finalized after examining with the CDBL in respect of BO accounts and particulars thereof.
17. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 6 (six) weeks from the date of the subscription closure) if any of the following events occur:
 - a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - b) At least 50% of the IPO is not subscribed.
18. IPO distribution system:

All the applicants shall first be treated as applied for one minimum market lot of Tk. 6000/- worth of shares. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot, and thereafter, for the balance amount, lottery shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by the amount of a market lot separately for both non-resident Bangladeshis (NRBs) and General Public.

In case of over subscription, allotment shall be made by lottery among all the valid applicants in presence of the authorized representatives of the stock exchange(s) concerned, issue manager and a member of the Board of the company.

19. Lottery (if applicable) will be held within 5 (five) weeks from closure of the subscription date.
20. The company shall issue share allotment letters to all successful applicants within 6 (six) weeks from the date of the subscription closing date. At the same time, the unsuccessful applicants shall be refunded with the application money within 6 (six) weeks from the closing of the subscription date by Account Payee Cheque without interest payable at Dhaka/Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet, as the case may be. A compliance report shall be submitted with the Commission within 7(seven) weeks from the date of closure of subscription.
21. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within 24 (twenty four) hours of allotment.

22. In the event of under subscription of the issue (subject to Para -17 above), the issuer must notify the Underwriter to take up the underwritten shares within 10 (ten) days of the subscription closing date on full payment of the share money within 15(fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee, commission, etc. with the issue manager, other underwriter, issuer or the sponsor group.
23. In case of under subscription, the issuer shall not utilize the IPO fund before listing its securities with the stock exchange and the issuance of no objection letter from SEC.
24. The securities, which are subscribed by the Sponsors/Promoters/Directors, as described in the Prospectus, shall be subject to a Lock-in period of three years, in case of the companies intended/intending to go for Initial Public Offering (IPO), from the date of publication of the prospectus.
25. Either a Jumbo Share (one for each of the existing Sponsors/ Directors/ Shareholders) in respect of the shares already issued shall be issued covering together respective total holding which shall contain the expiry date of lock-in period or Sponsors/ Directors/ Promoters/Shareholders' shareholding shall be converted into demat form but shall be locked-in for three years as per the condition at Para 24 above.
26. In case of Jumbo Share Certificate of the existing Sponsors/ Directors/ Shareholders, the said share certificates shall be kept under custody of a security custodian bank registered with SEC during the lock-in period. The name and branch of the bank shall be furnished to the Commission jointly by the issuer and the issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s).
27. In case of dematerialization of shares held by the existing Sponsors/ Directors/ Shareholders, the copy of dematerialization confirmation report generated by CDBL and attested by the managing director of the company along with lock-in confirmation shall be submitted to SEC within one week of listing of the shares with the stock exchange(s).
28. The company and the issue manager shall inform SEC about which stock exchange they have applied for listing within 5 (five) days of publication of prospectus and disclose it in the abridged version of the prospectus.
29. The company shall not declare any benefit other than cash dividend based on the financial statement for the period ended 31st May 2005.

Part –B

1. The issue manager (i.e., AAA Consultants & Financial Advisers and ICB Capital Management Ltd.) shall ensure that the prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published prospectus on the date of publication with the prospectus, as vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus, jointly inform the Commission in writing that the published prospectus is a verbatim copy of the prospectus vetted by the Commission.
4. The company and the issue manager shall simultaneously submit to the Commission an attested copy of the application filed with the stock exchange(s) for listing of the securities.
5. The fund collected through IPO shall not be utilized prior to listing with stock exchange and that utilization of the said fund shall be effected through banking channel, i.e. account payee cheque, pay order or bank draft etc.
6. The company shall not account for any upward revaluation of its fixed assets creating reserve without prior permission from the Securities and Exchange Commission.

7. The company and the issue manager shall jointly furnish report to the Commission on utilization of IPO proceeds within 15 days of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
8. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
9. Proceeds of the IPO shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the EGM under intimation to SEC and stock exchange(s).
10. Directors on the company's Board: This will be in accordance with the applicable laws, rules and regulations.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without beneficial owner account (BO account).

The issue manager shall also ensure due compliance of all above

GENERAL INFORMATION

AAA Consultants & Financial Advisers and ICB Capital Management Ltd. have prepared this Prospectus from information supplied by Jamuna Bank Limited (the Company) and also several discussions with Chairman, Managing Director and related executives of the Company. The Directors of both Jamuna Bank Limited, AAA Consultants & Financial Advisers and ICB Capital Management Ltd. collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or AAA Consultants & Financial Advisers or ICB Capital Management Ltd.

The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this Prospectus may be obtained from the Head Office of Jamuna Bank Limited, AAA Consultants & Financial Advisers and ICB Capital Management Ltd., the underwriters and the Stock Exchanges where the securities will be traded.

This prospectus has been prepared, seen and approved by us; and we collectively and individually accept full responsibility for the authenticity and accuracy of the statement, information given in the prospectus, documents, financial statements exhibits, annexures, papers submitted to the Commission in support thereof; and confirm, after making all reasonable inquiries, that all conditions and requirements concerning this public issue and prospectus have been met, and that there are no other information or documents the omission of which make any information or statements therein misleading, for which the Commission may take any civil, criminal or administrative action against us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus, to enable the investors to make an informed decision for investment.

Sd/
(Arifur Rahman)
Chairman

Sd/-
(Farhad Ahmed Akand)
Vice Chairman

Sd/-
(Al-haj M. A. Khayer)
Director

Sd/-
(Engr. Md. Atiqur Rahman)
Director

Sd/-
(Golam Dastagir Gazi, Bir Protik)
Director

Sd/-
(Md. Tazul Islam)
Director

Sd/-
(Sakhawat, Abu Khair Mohammad)
Director

Sd/-
(Al-Haj Md. Rezaul Karim Ansari)
Director

Sd/-
(Md. Belal Hossain)
Director

Sd/-
(Md. Sirajul Islam Varosha)
Director

Sd/-
(Md. Mahmudul Hoque)
Director

Sd/-
(Mrs. Hosnara Bulu)
Director

Sd/-
(Anindya Majumder)
Director

Sd/-
(M. Nazrul Islam)
Managing Director

Sd/-
(K. Shamshi Tabrez)
Deputy Managing director

Sd/-
(Yahya Nasrat Uddin Adnan)
Executive Vice President

Sd/-
(Kazi Fariduddin Ahmed)
Sr. Executive Vice President &
Company Secretary

We undersigned hereby agree that we have been serving as Director(s) of Jamuna Bank Limited and continue to act as a Director(s) of the Bank.

Sd/
(Arifur Rahman)
Chairman

Sd/-
(Farhad Ahmed Akand)
Vice Chairman

Sd/-
(Al-haj M. A. Khayer)
Director

Sd/-
(Engr. Md. Atiqur Rahman)
Director

Sd/-
(Golam Dastagir Gazi, Bir Protik)
Director

Sd/-
(Md. Tazul Islam)
Director

Sd/-
(Sakhawat, Abu Khair Mohammad)
Director

Sd/-
(Al-Haj Md. Rezaul Karim Ansari)
Director

Sd/-
(Md. Belal Hossain)
Director

Sd/-
(Md. Sirajul Islam Varosha)
Director

Sd/-
(Md. Mahmudul Hoque)
Director

Sd/-
(Mrs. Hosneara Bulu)
Director

Sd/-
(Anindya Majumder)
Director

Sd/-
(M. Nazrul Islam)
Managing Director

A dated and signed copy of this prospectus has been filed for registration with the Registrar of Joint Stock Companies and firms, Bangladesh, as required by Section 138(1) of the Companies Act, 1994 on 6/12/2005 vide receipt no. 0044866.

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the prospectus and prior to its publication shall be incorporated in the prospectus and the said prospectus should be published with the approval of the Commission.

For Issuer
Sd/-
(M. Nazrul Islam)
Managing Director.
Jamuna Bank Limited
Date: July 26, 2005

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the prospectus and prior to its publication shall be incorporated in the prospectus and the said prospectus should be published with the approval of the Commission.

Sd/-
(Khwaja Arif Ahmed)
Managing Partner & CEO
AAA Consultants & Financial Advisers
Dated: 25th August 2005

Sd/-
(Md. Iftikhar-Uz-zaman)
Chief Executive Officer
ICB Capital Management Ltd.
Dated: 25th August 2005

To
The Chairman
Securities and Exchange Commission
Jiban Bima Tower (15th, 16th & 20th Floor)
10, Dilkusha C/A
Dhaka -1000.

Sub: Public Issue of 4,290,000 Ordinary Shares of Taka 120.00 each including a premium of Tk.20 per share by Jamuna Bank Limited

Dear Sir

We, the under-noted Issue Manager to the above mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination; and the discussion with the Bank; its directors and other officers and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the Bank;

WE CONFIRM THAT:

- a. The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers to the issue;
- b. All the legal requirements connected with the said issue have been duly complied with; and the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well-informed decision as to investment in the proposed issue.

Sd/-
(Khwaja Arif Ahmed)
Managing Partner & CEO
AAA Consultants & Financial Advisers
Dated: 25th August 2005

For Manager to the issue

Sd/-
(Md. Iftikhar-Uz-zaman)
Chief Executive Officer
ICB Capital Management Ltd.
Dated: 25th August 2005

To
The Chairman
Securities and Exchange Commission
Jiban Bima Tower (15th, 16th & 20th Floor)
10, Dilkusha C/A
Dhaka -1000.

Sub: Public Offer of 4,290,000 Ordinary Shares of Taka 120 each including a premium of Tk.20 per share by Jamuna Bank Limited. As per SEC's guideline, 50% of the Public Offer viz, 2,145,000 ordinary shares of TK. 120 each including a premium of Tk.20 per share valued at Tk. 257,400,000 are underwritten by the underwriters.

Dear Sir

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state as follows:

1. We, while underwriting the above mentioned-Issue on a firm commitment basis, have examined the draft prospectus; other documents and materials as relevant for our underwriting decision; and
2. On the basis of such examination; and the discussion with the Bank; its directors and other officers, and other agencies; and the contents of the documents and other materials furnished by the Bank; and our underwriting agreement(s) dated 30.07.2005*.

WE CONFIRM THAT:

- a. All information relevant for our underwriting decision has been received by us and that the draft prospectus forwarded to the Commission has been approved by us;
- b. We shall take up on payment any under-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- c. This underwriting commitment is unequivocal and irrevocable.

For Underwriters

Sd/-

MD/CEO/DMD/SVP/CS/AVP/EVP/GM/FD/Director

ICB Capital Management Limited	
Dhaka Bank Limited	Southeast Bank Limited
The Trust Bank Limited	Union Capital Limited
Express Insurance Limited	Bay Leasing & Investment Ltd.
IDLC of Bangladesh Limited	Popular Life Insurance Co. Ltd.
The Loyeds Insurance Co. Ltd	Prime Finance & Investment Ltd.
Arab Bangladesh Bank Limited.	Bangladesh Commerce Bank Ltd.
Capital Market Services Limited	Grameen Capital Management Ltd.
National Life Insurance Co. Ltd.	Bangladesh Mutual Securities Limited
Bangladesh Shipla Rin Sangstha	Republic Insurance Company Limited
Standard Insurance Company Limited	Export Import Bank of Bangladesh Ltd.
Green Delta Insurance Company Limited	Banco Transworld (Bangladesh) Limited

* Date of Underwriting Agreement of Southeast Bank Limited is August 04, 2005.

Jamuna Bank Limited is one of the most successful banks among the third-generation private banks. The Bank has successfully passing its fourth year of operations. With a professional and dedicated team of management having long experience, commendable knowledge and expertise in conventional and modern banking, the Bank has achieved success among its peer group within a short span of time. With all its resources, the management of the Bank firmly believes that the Bank would be able to encounter problems that may arise both at micro and macro economic levels. However, the prospective risk factors and the plan of the management to reduce such risk are given below:

01. Uncontrollable impact on the industry in which the borrowers operates in the form of classified debts may create systemic risk due to business failure, financial imprudence, unfavorable shift in the market for their products and services, civil disturbances, natural and environmental calamities, hazard, etc may disrupt the borrowers ability to conduct business.

☞ Some of the systemic risks outlined above are usual in the banking industry. Jamuna Bank scrutinizes all its customers/borrowers and the associated risks systemically using up-to-date risk evaluation techniques and thereby has been able to contain its asset quality so far and expects the same in the future. Some other systemic risks are external to the Bank, as they are to any other bank. Such risks may only be addressed by being vigilant to changing external circumstances and Jamuna Bank has been vigilant to such changing external circumstances.

02. The quality of asset originating from inadequate/inappropriate risk appraisal by the Banks may deteriorate due to slack monitoring of outstanding debts by them, improper documentation secured by the banks and other form of management deficiencies.

☞ Jamuna Bank has been able to maintain a very low classified portfolio over the last four years of operations. Its present classified portfolio stands at 0.07% of the total loan portfolio. Full provision has been made against this very small classified loan as per requirement of Bangladesh Bank.

03. Increased provisioning requirement arising out of creeping classified debts resulting in less than anticipated distributable profits and eventual lower dividend pay out. This could be a focal issue for relatively new banks.

☞ While the Management of the Bank recognizes these risks, it has so far demonstrated its ability to maintain a '0' classified portfolio and thus very low provisioning requirement, which has always been adequately addressed. Moreover, the bank has declared 10% stock dividend in 2003.

04. All commercial Banks are required to maintain Paid-up Capital and Reserves to the extent of at least Tk. 100.00 crore by March 10, 2005 provided at least 50% of the required adequacy will have to be met by March 10, 2004 as per requirement of the Bangladesh Bank. If the requirement of the capital adequacy as mentioned above can not be met by the Bank within the stipulated time, will not be eligible to pay cash dividend to the shareholders.

☞ While confronting this risk the Bank Management is quiet confident to meet aforesaid capital adequacy by enhancement of capital through forthcoming Public Issue and transferring statutory reserve out of the profit by 2004. If any reason, the situation does not permit to meet the requirement, the Bank has option to declare stock dividend instead of cash dividend and issuance of Right Share.

05. As per generic to the nature of banking business, every Bank carries some contingent liability in their books. Should any significant portion of such contingent liability become funded liability at any point of time due to client default, the profitability of a bank may affected negatively.

☞ As a natural course of banking business, Jamuna Bank carries contingent liability in its books and the quality of contingent liability is high as demonstrated by almost no default till date. Also, the amount of contingent liability carried by the Bank at any point of time is not significantly high compared to the size of its balance sheet in general and reserves in particular.

06. The banking industry may face unfair and hostile competition leading to price-cutting and entrance of similar other financial institutions in the traditional banking and quasi banking services,

including normal banking i.e. money lenders and brokers, unauthorized syndication, underwriters, etc.

☞ Recognizing these risks, Jamuna Bank has, since its inception, focused on a diversified client base with an innovative and differentiated product base. This strategy has been rewarding for Jamuna Bank, and it plans to remain innovative in future also by way of creating new markets for its products.

07. A general lack of confidence in the market may affect Jamuna Bank's business negatively, should one or more banks in the country fail to perform or become bankrupt at any point of time.

☞ This risk is absolutely external to the Bank and could affect any financial institution operating within the country. Jamuna Bank does not have any specific antidote to this risk, except its reputation and image. The Bank carries out all of its activities in such a way as will help create a lasting confidence amongst the public.

08. Deep and frequent exchange rate fluctuation negatively impacting on import and/or export business of the clients.

☞ Foreign exchange risks originating from transactions have always been professionally managed by the bank.

09. Ability of a bank to operate profitably is directly related to the monetary and fiscal policy of the country at any given point of time. Restrictions imposed by the Government's monetary and/or fiscal policy at any time may affect a bank's profitability negatively.

☞ Neither Jamuna Bank Limited nor any other commercial bank can effectively combat this risk. However, Jamuna Bank having small and targeted niche markets, it is likely to be less affected by restrictive monetary and/or fiscal policy.

10. Inability to hold on to a proactive and competitive posture due to lack of adequate technology, market access and skilled human resources.

☞ Adequate technology is a comparative issue. Jamuna Bank feels that it has adequate technology for the time being and would enhance its technology level with the demand of time. Market access is a function of innovation. Jamuna Bank has accessed the market successfully till date being one of the newest entrants in the market. Availability of skilled human resource is a national constraint, but the Bank has been addressing this aspect by focusing on training and ensuring quality intakes.

11. Equity security entails un-quantified risk and reward possibility including leading towards total erosion of investment in extreme cases which should be kept in mind by the investors .

☞ The risk is inherent to all equity securities and is not specific to the security of Jamuna Bank Limited.

The public issue is the compliance of statutory requirement of the Bank. The proceeds will strengthen the capital base of the Bank and augment business expansion. The fund thus raised through this public issue would be generally used for investment and creation of assets.

IPO EXPENSES

Detail of estimated Public Issue expenses are shown below:

Particulars	Amount in Tk.
Manager to the Issue fee	750,000.00
Underwriting Commission (0.50% of Tk. 257.40 million i.e., 50% of the IPO)	1,287,000.00
Application Fees (Securities & Exchange Commission)	10,000.00
Fees to Securities & Exchange Commission (0.30% of Tk. 514.80 million)	1,544,400.00
Brokerage Commission (assumed 25% of IPO i.e., 1% of Tk. 514.80 million)	1,287,000.00
Banker to the Issue (0.25% of Tk. 514.80 million assumed)	1,287,000.00
Printing of prospectus (Cost or at actual)	200,000.00
Advertisement in one daily news paper (full prospectus) (Cost or at actual)	300,000.00
Advertisement of abridged version of prospectus and notices, etc. (Cost or at actual)	140,000.00
Listing fee to DSE or CSE (0.25% on Tk. (429.00+514.80 million)	2,359,500.00
Lottery conduction fees	100,000.00
CDBL related expenses	231,200.00
Post Issue Expenses (assumed)	900,000.00
Total	10,396,100.00

BACKGROUND

Jamuna Bank Limited (JBL) is a Banking Company registered under the Companies Act, 1994 with its Head Office at Printers Building (2nd Floor), 5, Rajuk Avenue, Dhaka -1000. The Bank started its operation from 3rd June 2001.

JBL is a highly capitalized new generation Bank with an Authorized Capital and Paid-up Capital of Tk. 1600.00 million and Tk. 429.00 million respectively. Currently the Bank has 19 (Nineteen) branches. More branches are planned to be opened soon.

The Bank undertakes all types of banking transactions to support the development of trade and commerce in the country. JBL's services are also available for the entrepreneurs to set up new ventures and BMRE of industrial units.

MISSION STATEMENT

The Bank is committed to satisfying diverse needs to its customers through an array of products at a competitive price by using appropriate technology and providing timely service so that a sustainable growth, reasonable return and contribution to the development of the country can be ensured with a motivated and professional work-force.

OBJECTIVES:

- ✍ To maintain CAMEL Rating 'Strong'.
- ✍ To establish relationship banking and improve service quality through development of Strategic Marketing Plans.
- ✍ To remain one of the best banks in Bangladesh in terms of profitability and assets quality.
- ✍ To introduce fully automated systems through integration of information technology.
- ✍ To ensure an adequate rate of return on investment
- ✍ To keep risk position at an acceptable range (including any off balance sheet risks).
- ✍ To maintain adequate liquidity to meet maturing obligations and commitments.
- ✍ To maintain a healthy growth of business with desired image.
- ✍ To maintain adequate control systems and transparency in procedures.
- ✍ To develop and retain a quality work force through an effective Human Resources Management System.

- ✍ To ensure optimum utilization of all available resources.
- ✍ To pursue an effective system of management by ensuring compliance to ethical norms, transparency, and accountability at all levels.

STRATEGIES

- ✍ To raise capital up to Tk. 1000.00 million.
- ✍ To manage and operate the Bank in the most efficient manner to enhance financial performance and to control cost of fund.
- ✍ To strive for customer satisfaction through quality control and delivery of timely services
- ✍ To identify customers' credit and other banking needs and monitor their perception towards our performance in meeting those requirements.
- ✍ To review and update policies, procedures and practices to enhance the ability to better service to customers.
- ✍ To train and develop all employees and provide them adequate resources so that customers' needs can be responsibly addressed.
- ✍ To promote organizational effectiveness by openly communicating company plans, policies practices and procedures to all employees in a timely fashion.
- ✍ To cultivate a working environment that fosters positive motivation for improved performance.
- ✍ To diversify portfolio both in the retail and wholesale market.
- ✍ To increase direct contact with customers in order to cultivate a closer relationship between the Bank and its customers.

JBL CORPORATE CULTURE:

Employees of JBL share certain common values, which help create a JBL culture:

- ✍ The client comes first.
- ✍ Search for professional excellence.
- ✍ Openness to new ideas and new methods to encourage creativity.
- ✍ Quick decision making.
- ✍ Flexibility and prompt response.
- ✍ A sense of professional ethics.

(1) Business functions:

The Bank operates through its Head Office at Dhaka and 19 branches at Dilkusha Branch (Dhaka), Mohakhali Branch (Dhaka), Agrabad Branch (Chittagong), Sonargoan Road Branch (Dhaka), Moulvi Bazar Branch (Dhaka), Shantinagar Branch (Dhaka), Goala Bazar Branch (Sylhet), Sylhet Branch (Sylhet), Beani Bazar Branch (Sylhet), Dhanmondi Branch (Dhaka), Gulshan Branch (Dhaka), Naogon branch, Mohadevpur Branch (Naogaon), Nayabazar Branch (Malitola, Dhaka), Konabari branch (gajipur), Bhatyari branch (Chittagong), Foreign Exchange branch (Dhaka), Jubilee Road branch (Chittagong), Khatungonj branch (Chittagong). The Bank also carries out international business through a Global Network of Foreign Correspondent Banks.

(2) Business Operations:

(i) Main Products or Services Contribution to Revenues:

Revenue incomes during the past years are as follows:

(As per Audited Accounts in Tk)

Description	31/05/05	31/12/04	31/12/03	31/12/02
Interest income	652,657,558	1,163,089,970	738,496,818	344,892,685
Income from Investment	53,763,373	80,439,298	27,373,544	15,478,065
Commission, Exchange and Brokerage Income	77,686,907	133,703,617	71,204,997	25,948,013
Other operating income	7,189,160	20,036,441	9,659,631	4,877,928
Total Income	791,296,998	1,397,269,326	846,734,990	391,196,691

(ii) Other Business Indicators:

(Tk in Million except Branch & Employees figures)

Particulars	31/05/05	31/12/04	31/12/03	31/12/02
Authorised Capital	1600.00	1600.00	1600.00	1600.00
Issued, Subscribed &	429.00	429.00	390.00	390.00

Paid-up Capital				
Shareholder's Equity	681.43	607.32	451.37	390.22
Total Assets	12,682.79	13,491.52	9,766.79	5,290.60
Deposits	10,393.19	10,264.53	6,614.06	3,251.90
Loans & Advances	8,294.00	6,722.80	3,239.52	1,514.28
Import Business	5,269.29	7,923.90	3,801.21	1448.77
Export Business	1,739.97	4,790.80	3,068.51	1132.81
Operating Income	247.69	512.47	253.90	95.58
Operating Expenses	102.64	203.64	125.02	80.38
Profit before provision	145.05	308.83	128.88	15.20
Branches(Nos)	19	19	15	09
Employees (Nos)	470	447	314	253

(iii) Special products and Services:

The Bank has an array of tailor-made financial products and services. Such products are Monthly Savings Scheme, Monthly Profit Payable Scheme, Double Benefit Scheme, Consumer Credit Scheme, Lease Finance, Shop Finance, Personal Loan for Women. Jamuna Bank Limited has already introduced "Q-Cash" ATM cards for its customers, giving them 24 hours banking services through Debit/Credit cards.

(3) Associated and Related Company

The Bank does not have any associated/related company either as a subsidiary, parent or sister concern.

(4) Distribution of Products/Services:

The products of the Bank are distributed/services are rendered through network of branches and correspondents throughout the world.

(5) Competitive Conditions in the Business:

The Banking Sector comprises of monolith public sector consisting of four major commercial banks, two agricultural banks and three DFI and a large number (35) private commercial banks including about a dozen foreign owned private banks. They severely compete for savings/deposits and are in search of sound investment/lending targets. Despite stiff competition, the private sector banks earning have gone up significantly, especially for those having professionally managed operations.

(6) Sources of, and requirement for, power, gas & water:

The Bank does not require such utilities except for ordinary use in office work.

(7) Customers providing 10% or more revenues:

Bank's Customers do not include anyone providing 10% or more revenues.

(8) Contract with Principal Suppliers/Customers:

There is no specific contract with any concern excepting normal business contracts with borrowers/customers under the provision of the Banking Companies Act, 1991.

(9) Material Patents, Trade Marks, Licenses or Royalty Agreements:

The Bank has not entered into any such Agreements.

(10) Employees' Position (as on 31.05.2005):

SL.	DESIGNATION	No.
01.	Managing Director	1

02.	Deputy Managing Director	1
03.	Executive	43
04.	Officers	340
05.	Casual and Others (Peon, Tea boy & Driver)	85
	Total Employees	470

All of the above are fulltime employees.

PROFIT AND OPERATING RESULTS

The Bank earned net profit before tax of Tk. 128.26 million during the period May 2005 after all provisions including 1% General provision on unclassified Loans & Advances. Provision for Income tax for the year is amounted to Tk. 54.15 million resulting a net profit after tax of Tk. 74.10 million.

DEPOSIT

A strong deposit base is necessary for the success of a Bank. It is termed as the life-blood of a Commercial Bank. As at May 2005, Jamuna Bank able to mobilize a total deposit of Tk.10,393.19 million. The deposit of the Bank in 2004 was 10,264.52 million.

LOANS & ADVANCES

Jamuna was able to make a substantial amount of quality lending up to May 2005 with 0.07% of classification. The Bank's total Credit portfolio stood at Tk. 8,294.00 million as at 31st May 2005 which was Tk. 6,722.80 million as on 31st December 2004. The Bank financed a number of Projects and Industries. The Bank has also financed industrial projects under syndication with other Banks.

FOREIGN EXCHANGE BUSINESS

International Trade constitutes the main stream of business activities of Jamuna Bank. It offers a full range of trade finance and services namely, Issue, Advise and Confirmation of Documentary credit; arranging forward exchange coverage; Pre-shipment and Post-shipment finance; Negotiation and Purchase of Export Bills; Discounting bill of Exchange; collection of bills, inward and outward remittance, etc.

? Import Business:

The total Import Business handled by the Bank during the period May 2005 was Tk. 5269.29 million compared to Tk. 7,923.90 million in the year 2004.

? Export Business:

The total export Business handled by the bank during the period May 2005 was Tk. 1739.97 million compared to Tk. 4,790.80 million in the previous year.

? Foreign Correspondents:

Jamuna Bank Limited has established correspondent relationship with leading International Banks in 105 countries through 316 correspondents to cover all important financial centers of the Globe. It endeavors to increase its network of Correspondent Relationship with more International Banks and Financial Institutions in order to help satisfy the expanded needs of its customers globally. Efforts are being made to establish drawing arrangements with the overseas exchange houses to

bring home-bound remittances into the country through the Banking channel mainly issues Electronic Fund Transfer (ETT) system.

INVESTMENT

The total investment of the Bank stood at Tk. 1,607.55 million as on 31-05-2005 as against Tk.1,163.70 million in the year 2004 showing an increase of 91.54% (annualized). The notable investment represents deployment in Treasury bills, Shares, Prize Bond and Others.

CAPITAL AND RESERVE FUND:

The Authorized Capital of the Bank is Tk. 1,600.00 million. Total Share holders Equity at the end of May, 2005 stood at Tk. 681.43 Million. The Paid up Capital represents the face value of 4,290,000 ordinary shares of Tk. 100/- each fully paid by the Sponsor Share holders. Subsequently, the Paid up Capital increased from Tk. 390.00 million to Tk. 429.00 million by the end of December 31, 2004 by issuance of Bonus shares of 10.00%. At the close of business on May 31, 2005, the capital adequacy ratio was 12.14% as against accepted standard ratio of 9%.

The Bank has started the process of formulating a long-term strategic plan so as to maintain the momentum of overall growth and strong performance in its core business. The following special features can be attributed to the Bank.

- 1) Though Jamuna Bank is engaged in conventional commercial banking it also considers the inherent desire of the religious Muslims, and has launched Islami Banking system and established one Islami Banking Branch in the year-2003. The Islami Banking Branch is performing its activities under the guidance and supervision of a body called "SHARIAH COUNCIL".
- 2) The Bank is committed to continuous research and development so as to keep pace with modern banking.
- 3) The operations of the Bank are computerized to ensure prompt and efficient services to the customers.
- 4) The Bank has introduced camera surveillance system (CCTV) to strengthen the security services inside the Bank premises.
- 5) The Bank has introduced customer relations management system to assess the needs of various customers and resolve any problem on the spot.
- 6) The Bank has also introduced full Online Banking facility to the customer.

Capital Adequacy Ratio

In accordance with the instruction of Bangladesh Bank (the Central Bank of the country), the Bank adopted BIS (Basle Committee on Banking Supervision) risk adjusted capital standards to measure capital adequacy. Banks in Bangladesh are required to maintain the ratio of 9% at the minimum against risk weighted Assets.

CORE CAPITAL (TIER-I)

		(Tk. in million)			
		31.05.05	31.12.2004	31.12.2003	31.12.2002
A.	Paid up Capital	429.00	429.00	390.00	390.00
	Proposed issued as Bonus Shares	-	99.45	39.00	-
B.	Non-repayable Share Premium Account	-	-	-	-

C.	Statutory Reserve (SR)	102.66	77.01	22.27	.074
D.	Other Reserve (OR)	-	-	-	-
E.	Retained Earnings (RE)	149.77	1.86	0.10	0.15
Total Core Capital		681.43	607.32	451.37	390.22

SUPPLEMENTARY CAPITAL (TIER-II)

A.	General Provision (1% of Unclassified Loan)	82.58	67.00	32.27	15.00
B.	Assets Revaluation Reserves	-	-	-	-
C.	All Other Preference Shares	-	-	-	-
D.	Perpetual Subordinated Debt (PSD)	-	-	-	-
E.	Exchange Equalisation Account	0.33	0.33	0.33	0.33
Total Supplementary Capital		82.91	67.33	32.6	15.34
Total Risk Weighted Assets		6,298.47	5,846.04	3107.41	1877.65
Capital Adequacy Ratio		12.14%	11.54%	15.57%	21.60%

Classification of Loan & Advances

(Amount in '000)

Sl. No.	Type of Loan	31/05/05	% of Total Loan & Advance	2004	% of Total Loan & Advance	2003	% of Total Loan & Advance
A.	Unclassified	8,287,986	99.928	6,719,976	99.96	3,238,884	99.98
B.	Classified						
	i) Substandard	3,150	0.038	1,928	0.029	-	-
	ii) Doubtful	2,010	0.024	47	0.0007	-	-
	iii) Bad & Loss	854	0.010	853	0.013	635	.02
Total	Loans & Advance	8,294,000	100.000	6,722,804	100%	3,239,519	100%

Provision for Classified Loans & Advance

(Amount in '000)

		31 st May 2005			31 st December 2004			31 st December 2003		
		Base for Provision	Rate	Amount	Base for Provision	Rate	Amount	Base for Provision	Rate	Amount
A.	Unclassified	8,257,932	1%	82,579	6700018	1%	67,000	3,227,458	1%	32,275
B.	Substandard	3,149	20%	630	1894	20%	378	-	20%	-
C.	Doubtful	1,976	50%	988	47	50%	23	-	50%	-
D.	Bad & Loss	636	100%	636	636	100%	636	635	100%	635
Total		8,263,693		84,833	6,702,595		68,037	3,228,093		32,910

Position of Provision

(Amount in '000)

SL.	Particulars	31.05.2005	30.12.2004	30.12.2003	31.12.2002
A.	Provision Required	84,833	68,037	32,910	15,008
B.	Provision Made	84,833	68,037	32,910	15,008

1. The Bank's business is principally operates through its Head Office at Dhaka and its branch offices at different locations on rented premises. However, the Bank owns the following operating assets at written down value as given below:

(As per Audited Accounts)

	As at 31 May, 2005	As at 31 Dec, 2004	As at 31 Dec, 2003
(i) Furniture and Fixtures	49,772,498	46,757,938	37,068,202
(ii) Office Equipment	45,304,479	41,046,620	25,071,030
(iii) Motor vehicles	10,178,302	9,832,152	4,163,537
(iv) Books	326,556	351,556	300,162

Total	<u>105,581,835</u>	<u>97,988,266</u>	<u>66,602,931</u>
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2. The Bank itself owns the entire fixed assets.
3. There is no mortgage or lien on the property.
4. There is no leasehold property by the Bank – except premises of the Head Office and Branches on lease/rental basis.

The Bank started commercial operation since 3rd June 2001 and completed its annual Accounts as on 31 December 2001, 2002, 2003 and 2004 and for the period ended 31st May 2005.

(1) Internal & external Sources of Cash:

	(As per Audited Accounts amount in Taka)			
	31-05-2005	31-12-2004	31-12-2003	31-12-2002
Paid up capital	429,000,000	429,000,000	390,000,000	390,000,000
Proposed Bonus shares**	-	99,450,000	39,000,000	-
Statutory Reserve	102,661,977	77,010,603	22,269,798	74,872
Surplus in Profit and Loss Account **	149,763,213	1,859,925	97,740	149,745
Total	<u>681,425,190</u>	<u>607,320,528</u>	<u>451,367,538</u>	<u>390,224,617</u>

External Sources of Cash

Deposits & Other Accounts	10,393,193,239	10,264,528,296	6,614,059,192	3,251,898,582
Borrowing from Bangladesh Bank, other Banks & Financial Institutions	544,000,000	2,048,500,000	2,355,000,000	1,515,000,000
Total	<u>10,937,193,239</u>	<u>12,313,028,296</u>	<u>8,969,059,192</u>	<u>4,766,898,582</u>
Grand Total	<u>11,618,618,429</u>	<u>12,920,348,824</u>	<u>9,420,426,730</u>	<u>5,157,123,199</u>

** Proposition for Bonus Share for the year 2004 at Tk. 99,450,000/-subsequently reversed.

(2) Material Commitment for Capital Expenditure:

The Bank has entered into lease-agreements with the owners of the premises by the Head Office and nineteen (19) branches as part of normal business practice in the Banking Industry.

(3) Causes for material changes in Income, Expenses & Net-Income:

Since start of the commercial operation on 3rd June, 2001, the Gross Income, Expenses and Net Income of the Bank have continued to change (increase) due to business promotion efforts of the Directors and Management Staff supported by the general economic growth factors including production of bumper crops, increase in exports/imports, increased public expenditures, increased investment in trade and industry and human resource development.

A Comparative Statement of Income & Expenditure

Income

A comparative income position of the Bank for the period ended May 2005 and for years ended 31 December 2004, 2003 & 2002 are as follows:

	(As per Audited Accounts amount in Taka)			
Description	31-05-2005	31-12-2004	31-12-2003	31-12-2002
Net Interest income	109,053,610	278,294,687	145,660,763	49,280,224
Income from Investment	53,763,373	80,439,298	27,373,544	15,478,065
Commission, Exchange and Brokerage	77,686,907	133,703,617	71,204,997	25,948,013
Other operating income	7,189,160	20,036,441	9,659,631	4,877,928
Total operating income	<u>247,693,050</u>	<u>512,474,043</u>	<u>253,898,935</u>	<u>95,584,230</u>

Operating Expenses

A comparative operating expense position of the Bank for the period ended May 2005 and for years ended 31 December 2004, 2003 & 2002 are as follows:

(As per Audited Accounts amount in Taka)

Description	31-05-2005	31-12-2004	31-12-2003	31-12-2002
Salaries and Allowances	50,079,480	98,534,573	54,075,360	39,853,121
Rent, Tax, Insurance, Electricity, etc.	12,973,952	28,741,897	21,686,942	15,347,994
Legal expenses	44,654	272,257	70,705	29,983
Postage, stamp, telecommunication etc.	7,289,919	7,486,100	6,282,000	2,676,672
Stationary, Printing, advertisement etc	6,958,632	11,459,595	7,726,381	3,485,910
Directors' fees & other expenses	951,819	2,174,953	2,511,958	2,213,740
Auditors' Fees	60,000	60,000	30,000	27,788
Managing Director's salary & allowances	1,150,000	4,197,096	5,053,582	2,413,096
Depreciation and Repair & Maintenance of Banks Assets	6,862,909	13,919,940	8,508,324	5,467,355
Other Expenses	16,269,274	36,795,683	19,077,727	8,863,693
Total Operating Expenses	102,640,639	203,642,094	125,022,979	80,379,352
Profit before provision	145,052,411	308,831,949	128,875,956	15,204,878
Provision for loans & advances	16,795,542	35,127,923	17,901,327	14,830,516
Total Profit before tax	128,256,869	273,704,026	110,974,629	374,362

(4) Seasonal Aspects:

In general there is no seasonal impact on the business of the Bank.

(5) Known Trends, Events or Uncertainties:

Political unrest, hartal, flood and other natural calamities are the known events in our country which may affect the business of the Bank.

(6) Changes in Assets to Pay Off Liabilities:

No asset of the Bank has been used to pay off any liabilities.

(7) Loans Taken from Subsidiary or Associate Concern or any other party

The Bank has no subsidiary or associate concern. Therefore, taking loan from such concerns does not arise. However the bank has taken borrowing facility from Bangladesh Bank Tk.4.00million and against REPO from other banks Tk. 540.00million as on 31st May 2005.

(8) Future Contractual Liabilities

The Bank has not, as on 31, May 2005, entered into any future contractual liability.

(9) Future capital expenditure

The Bank has planned to open 08 (eight) new branches in next 1 (One) year's time. The following capital expenditure has been planned to be incurred for the purpose:

Sl	Items of capital Expenditure	Amount in million (Estimated)
01.	Computers	1.60
02.	Office Equipment	2.00
03.	Furniture & Decoration	10.00
04.	Advance Rent	7.00
	Total	<u>20.60</u>

(10) VAT, Income Tax, Customs Duty or other Tax Liability

- (i) **VAT:** The Bank does not have any VAT outstanding till 31st May 2005.
- (ii) **Income Tax:**

Assessment Year	Status
2005-2006	Return has been submitted on 14.07.05. Assessment of which is not yet finalized.
2004-2005	Assessment completed and assessed tax of Tk. 4,55,12,348/- has been paid by the company.
2003-2004	Assessment completed and assessed tax of Tk. 22,13,562/- has been paid by the company.
2002-2003	Assessment completed with refund of Tk.93,00,446/-

(iii) Custom Duty or Other Tax Liability:

There are no dues outstanding on account of Custom Duty or Other tax liabilities.

(11) Sources from which Income Tax, VAT, Custom Duty and Other Liabilities to be paid:

Unpaid/Unadjusted liabilities, if any, on account of Income Tax, VAT, Custom Duty or other tax liabilities will be paid out of the ordinary resource of the Bank.

(12) Operating Lease Agreements (as at 31, May 2005):

The Bank has established its Head Office as well as the branches on leased accommodation as follows:

Sl no.	Particulars of Leased Premises	Area sft.	Period of Lease	Rent per sft (Tk.)	Monthly Amount	Advance Outstanding
1.	Head Office, 5,Rajuk Avenue, Dhaka	6,500 3 rd Floor	05 Years	38/- 1 st 3 years 40/- 2 nd 2 years	2,47,000/- - 260,000/-	247,000/-
		6,500 8 th Floor	05 Years	20/- 1 st Years 22/- 2 nd 2 years 25/- Rest 1 year	130,000/- 143,000/- 162,500/-	1,917,500/-
2.	Dilkusha Branch, 33, Dilkusha C/A, Dhaka	2,640	03 years	25/-	66,000/-	792,000/-
3.	Shantinagar Branch, 41/B, Chamelibag, Shantinagar	1,528	05 years	10/- 1 st 3 years	15,280/-	100,000/-
				12/- 2 nd 2 years	18,336/-	
4.	Agrabad Branch, 76-77, Agrabad C/A, Chitttagong	6,000	06 years	25/-	150,000/-	788,000/-
5.	Moulvi Bazar Branch, 77/3, Moulvibazar Bazar, Dhaka	2,944	10 years	14/-1 st 5 years 15/- rest 5 years	41,216/- 44,160/-	872,400/-
6.	Goala Bazar Branch, Osmani Nagar, Balaganj, Sylhet	2,100	08 years	7/-	14,700/-	-
7.	Beani Bazar Branch, Fatehpur, Union 6, Sylhet	2,700	10 years	5/- 1 st 6 years 5.50 Rest 4 years	13,500/- 14,850/-	256,500/-
8.	Sylhet Branch, 7647, Zinda Bazar, Sylhet	2,350	06 years	20/-	47,000/-	884,675/-
9.	Dhanmondi Branch, House-17, Road-6, Dhanmondi Dhaka	Ground Floor	09 years	1 st 3 years 2 nd 2 years 3 rd 2 years Rest 2 years	90,000/- 99,000/- 108,900/- 119,790/-	1,642,500/-
		1 st Floor		1 st 3 years 2 nd 2 years 3 rd 2 years Rest 2 years	60,000/- 66,000/- 72,600/- 89,860/-	1,095,000/-
10.	Gulshan Branch, 28, Gulshan North C/A, Circle-2, Dhaka	5,190	06 years	25/-	129,750/-	-
11.	Nayabazar Branch, 10/3, Malitola, Dhaka	2,200	10 years	1 st 3 years 15/- After 3 years the rent shall be increased @	33,000/-	269,000/-

				10%		
12.	Naogaon Branch, 28, Sadar Road, Naogaon	2,881	08 years	7.25	20,887.25	554,085/-
13.	Mohadevpur Branch, Mohadevpur, Naogaon	3,000	05 years	4/-	12,000/-	221,419/-
14.	Khatungonj Branch, 1575, P.S. Kotali Chittagong	2,300	06 years	7/-	16,100/-	419,594/-
15.	Mohakahli Branch, 32, Mohakhali C/A, Dhaka	5,000	05 years	22/-	110,000/-	674,176/-
16.	Sonargoan Road Br. 1/G, Free Street School, Dhaka	6,650	06 years	24.50/-	162,925/-	1,955,080/-
17.	Konabari Branch	3,000	6 years	1 to 3 years 6/- rest 3 years 7/-	18,000/-	473,400/-
18.	Bhatyari Branch	2,400	10 years	1 to 6 years 6/- rest 4 years 8.50	16,800/-	504,000/-
19.	Jubilee Road Branch	3,000	10 years	1 to 6 years 14/- rest 4 years 17.50	42,000/-	1,302,000/-
20.	Foreign Exchange Branch	2,400	08 years	1 to 3 years 35/- rest 5 years 40/-	84,000/-	3,718,984/-
	Total					1,86,87,313/-

(13) Financial Lease Commitments (as at May 31, 2005)

The outstanding advance against lease rent as on May 31, 2005 is Tk.1,86,87,313/-. The monthly dues of lease rent liabilities will be paid out of the ordinary resources of the Bank in terms of the provisions of Lease Contracts.

(14) Personnel Related Scheme

The Bank sincerely believes that investment in human resources ultimately pays high dividend and also recognize that intellectual capitals is the most important asset for the Bank. The Bank offers competitive compensation package to the employees. The Bank recognize the importance of developing a well-trained professional staff whose skill and dynamic x-ray vision and deep commitment will steer the Bank through the turbulence of globalize business scenario to growth and prosperity.

The Bank also recognizes the importance of employee participation in standardization and general well-being the bank. It believes that their success depends on their employees who are working together in the interest of the customers. It follows the under-mentioned policies for the development of our human resources

There is also provision for two Festival Bonus every year for the employees of the Company. Besides this the company facilitate incentive bonus, earn leave encashment, contributory provident fund as per guideline of the company.

(15) Amount to be paid to the Issue Manager and Underwriter:

a) Issue Management Fee Tk. 750,000.00

b) Underwriting commission at the maximum rate of 0.50% is underwritten on the amount of Tk.257,400,000.00 (50% of the IPO) being Tk.128,700,000.00. Take up commission @ 2.5% (maximum) on the amount remaining unsubscribed will be paid to the Underwriters.

(16) Revaluation of Bank's Assets & Summary Thereof

No revaluation has been made to the Bank's assets and liabilities.

(17) Transaction between Holding Company and the Issuer

Jamuna Bank has no subsidiary company. Hence no transaction has taken place.

We hereby declare that all requirements as specified in the Bank Companies Act, 1991 (Act No. 14 of 1991) as amended have been adhered to.

Sd/- (Arifur Rahman) Chairman	Sd/- (Farhad Ahmed Akand) Vice Chairman	Sd/- (Al-haj M. A. Khayer) Director
Sd/- (Engr. Md. Atiqur Rahman) Director	Sd/- (Golam Dastagir Gazi, Bir Protik) Director	Sd/- (Md. Tazul Islam) Director
Sd/- (Sakhawat, Abu Khair Mohammad) Director	Sd/- (Al-Haj Md. Rezaul Karim Ansari) Director	Sd/- (Md. Belal Hossain) Director
Sd/- (Md. Sirajul Islam Varosha) Director	Sd/- (Md. Mahmudul Hoque) Director	Sd/- (Mrs. Hosnara Bulu) Director
Sd/- (Anindya Majumder) Director		Sd/- (M. Nazrul Islam) Managing Director

This is to declare that to the best of our knowledge and belief no information, facts, circumstances that are disclosable have been suppressed that can change the terms and conditions under which the offer has been made to the Public.

Sd/-
(M. Nazrul Islam)
Managing Director
Date: July 26, 2005.

This is to certify that as per decision of 3rd Annual General Meeting of **Jamuna Bank Limited** held on December 05, 2004 the Company unanimously declared dividend @10% in the form of 390,000 Nos. of bonus share (Consideration other than cash) of Tk.100/- each fully paid up against existing 39,00,000 Nos. ordinary of Tk.100/- each. Subsequently, the shares were allotted to the Promoter shareholders whose name appeared in the member register as on 8th April, 2004.

Dated: October 02, 2005
Dhaka.

Sd/-
G. Kibria & Co.
Chartered Accountants

Sl. No.	Name of Directors	Date of becoming first Director	Date of expiration of current term
1.	Arifur Rahman	2 nd April 2001	2006
2.	Farhad Ahmed Akand	2 nd April 2001	2006
3.	Al-haj M. A. Khayer	2 nd April 2001	2006
4.	Engr. Md. Atiqur Rahman	2 nd April 2001	2006
5.	Golam Dastagir Gazi, Bir Protik	2 nd April 2001	2006
6.	Md. Tazul Islam	2 nd April 2001	2006
7.	Sakhawat, Abu Khair Mohammad	2 nd April 2001	2006
8.	Al-Haj Md. Rezaul Karim Ansari	2 nd April 2001	2006
9.	Md. Belal Hossain	2 nd April 2001	2006
10.	Md. Sirajul Islam Varosha	2 nd April 2001	2006
11.	Md. Mahmudul Hoque	2 nd April 2001	2006
12.	Mrs. Hosnara Bulu	2 nd April 2001	2006
13.	Anindya Majumder	2 nd April 2001	2006

Particulars of Officers

Sl No.	Name	Education Qualification	Position	Age	Length of Service with Jamuna Bank	Last five year's working Experience
1.	Mr. M Nazrul Islam	MBA	Managing Director	57	1 and Half years	MD, Jamuna Bank, SIBL, Dhaka Bank
2.	Mr. K. Shamshi Tebrez	MBA	Deputy Managing Director	53	2 and Half years	SEVP, Jamuna Bank, Dutch-Bangla Bank Limited
3.	Mr. Kazi Fariduddin Ahmed	Chartered Accountants	Company Secretary & Sr. Executive Vice President	52	1 and Half years	SEVP & Company Secretary Jamuna Bank, Dhaka Bank
4.	Mr. Y.N. Adnan	B.Com	Executive Vice President	56	3 years	EVP, Jamuna Bank, Shahjhal Bank, Prime Bank

Family Relationship between Directors/Officers

There is no family relationship between the Directors and Officers.

Family Relationship among the Directors

There is no family relationship among the Directors.

No Officer or Director of the bank was involved in any of the following types of legal proceedings in the past ten years:

- 1) Any bankruptcy petition filed by or against any company of which any Officer or Director or Nominee of the company filling the prospectus was a Director, Officer or general partner at the time of the bankruptcy or within two years prior to that time;

- 2) Any conviction of an Officer, Director or Nominee in the criminal proceedings or any criminal proceedings pending against him;
- 3) Any order judgment or decree of any Court of competent jurisdiction against Officer, Director or Nominee permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any Officer or Director or Nominee in any type of business, securities or banking activities.
- 4) Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any Officer or Director or Nominee in any type of business securities or banking activities.

Special Arrangement of Directors with the Bank

The Bank did not have any special arrangement/commitment with any of its Directors or Nominee for Director, Executive Officer, or Officer or any person owning 5% or more of the outstanding stock of the bank, or any member of the immediate family (including spouse, parents, children, and in-laws) or a person in a way connected with the Director of either the issuer company or any of its subsidiaries or sister concerns or who was a Director or connected in any way with a Director at any time during the last two years prior to the publication of the prospectus except for the following:

- a. Details of debts taken by directors or executive or any of them taken jointly or separately with other persons amount Taka 30,053,627 as at May 31, 2005 is shown below:

(As per Audited Accounts)

Name	Relation with the Bank	Nature of transaction	Amount
Mr. Kazi Fariduddin Ahmed	Senior Executive Vice President	House Building Loan	2,115,504/-
Abdul Gaffar Chowdhury	Senior Executive Vice President	Car Loan	524,800/-
Mr. Y.N. Adnan	Executive Vice President	Car Loan	234,920/-
Others Employees (Loan given to employees)	Officers & Executive	Car Loan & House Building Loan	27,178,403/-
		Total	30,053,627/-

- b. Total amount of advances including temporary advances made at any time during the period to Directors or managers or officers of the bank or any of them either severally or jointly with other persons amount Taka 30,053,627 as at May 31, 2005. Details of that are shown above.
- c. No amount of advances, including temporary advances granted during the period to the companies or firms in which the Directors of the Bank are interested as Directors, Partners to Managing Agents, or, in case of private companies as members.
- d. No transaction or arrangement entered into by the company for a person who is currently a director or in any way connected with a director of either the company or who was a director or connected in any way with a director at any time during the last three years prior to the publication of the prospectus.
- e. Information regarding related party transaction has been disclosed in note 35 of the accounts.

Loan Status:

The Bank did not take any loan from any Director or any person connected with any Director. The Bank has not taken any loan from any such person. The Bank also did not give any loan to any Director or any person connected with any Director.

Directors' Facilities during Prospectus Publication

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. The Directors only take the fees against their attendance in the Board meeting and other functions.

SHORT BIO – DATA OF THE DIRECTOR'S

Directors' Profile

The Board of Directors, Jamuna Bank Limited consists of 14 Members including The Managing Director. The brief introduction of Members of the Board of Directors is as follows.

1. Mr. Arifur Rahman, The Chairman

Mr. Rahman, son of Late Tajul Islam was born in a respectable Muslim family in the year 1946. He is the Chairman of the Board of Directors of the Bank.

Mr. Rahman is involved with different business houses in various capacities. He is the Director of South Asian Hospital Ltd. He is Chairman of Energotech International Ltd.

Mr. Rahman as a person of very humble and simple disposition and enjoy wide-ranging following in the business circle and considered as epitome of enterprise, integrity and hard work.

Mr. Rahman is one of the most important key sponsors in bringing up Jamuna Bank into reality through his relentless effort to assemble the Board of Directors.

2. Mr. Farhad Ahmed Akand, The Vice Chairman

Mr. Farhad Ahmed Akand son of Late Abdur Razzaque Akand, is a prominent and renowned entrepreneur and industrialist of the country. He is the Vice Chairman of the Bank. He was born in 1966 in a renowned Muslim family.

He is involved with a wide range of business houses, which include export, import, & trading activities. M/S Abdur Razzak Limited & Kohinoor Himagar (Pvt.) Ltd. of which he is the Managing Director has been known as an icon in business in its area.

Mr. Akand is also the Chairman of Bangladesh Shippers Council.

3. Al-haj M. A. Khayer, Director

Mr. Khayer, founder Chairman of Jamuna Bank was born in 1928 in a respectable Muslim family of Jhutigram under Gopalganj District. Mr. Khayer was elected member of National Assembly of erstwhile Pakistan in 1970 and was a member of the first Constituent Assembly of Bangladesh.

Mr. Khayer is a successful businessman and industrialist. He is the Managing Director of M/s. Globe Industrial Enterprise Ltd., East Asia Company Ltd. and Reo Movies Limited. As an active social worker he is the President of Gopalganj Zila Somity. Mr. Khayer was the Vice Chairman of Film Producers' Association of erstwhile Pakistan and General Secretary of Nikkon Academy of Fine Arts.

Mr. Khayer discharged responsibility as a Director of Agrani Bank in 1974. He was also Director of Bangladesh Film Development Corporation and Mutual Insurance Co. Ltd. He is the former member of Bangladesh Road Transport Authority, Bangladesh Family Planning Council and Bangladesh Film Censor Board. Mr. Khayer is a soft-spoken man of amiable disposition.

4. Engr. Md. Atiqur Rahman

Mr. Rahman, Ex-chairman of Jamuna Bank, son of Late Alhaj Wahed Ali, was born in 1946 in a respectable Muslim family. After completion of his engineering education, he involved himself in number of business houses. He earned a notable fame in the business community for his remarkable progress particularly in the field of Engineering, Textile & Garments. He is the Chairman of Standard Group. Presently, he is the Chairman of Audit Committee of Board of Directors, Jamuna Bank Limited.

Engr. Md. Atiqur Rahman is a man of pleasant personality, amiable disposition and enjoys high admiration and esteem in all walks of life. He holds important positions in various industrial and business enterprises including banking.

He is involved with different aspects of social activities.

5. Mr. Golam Dastagir Gazi, Bir Protik, Director

Mr. Dastagir, son of Late Golam Kibria Gazi was born in 1948 in a respectable Muslim family. He was the Chairman of Board of Directors during 2004-2005. Mr. Dastagir is the Managing Director of Gazi Tanks, Gazi Tyres & Gazi Pumps and has earned excellent reputation as very successful business entrepreneurs in the country. He is a gallant freedom fighter and receives "BIR PROTİK" gallantry award for his act of courage in the Liberation war of Bangladesh.

Mr. Dastagir enjoys a huge reputation for his contribution in the field of sports, cultural & social works. He is also the Chairman of Gazipur Chamber of Commerce & Industry. He was awarded the "ATISH DIPANKAR" Gold Medal for his outstanding contribution to society.

6. Mr. Md. Tazul Islam, Director

Mr. Islam, son of late Alhaj Zulfikkar Ali Mian, was born in 1955 at Laksham, Comilla. After completion of his academics he started his business career and became very successful in establishing several industrial units.

As a renowned and reputed business personality Mr. Islam is the owner of Fabian Group. Fabian group has contributed significantly for the growth of the country's export activities. Besides, Mr. Tazul Islam has remarkable contribution in socio-cultural arena.

He was elected Member of Parliament during the year 1996. He is a man of amiable personality with diversified experience & knowledge.

7. Mr. Sakhawat, Abu Khair Mohammad, Director

Mr. Sakhawat, Abu Khair Mohammad, son of Late Abu Tarek Mollah was born in 1955 in a respectable Muslim family. His father was a renowned businessman. After completion of education he engaged himself as businessman. He is a reputed and successful industrialist in Garments sector.

His sincerity, integrity, self-reliance and hard work made him to be a successful business icon. As a renowned business personality, Mr. Sakhawat, was involved with number of industries and business houses in Bangladesh & Germany.

He is the Managing Director of Robintex Group and director of Eastern University, Islamic Finance & Investment Ltd. and International Holdings Ltd.

8. Alhaj Md. Rezaul Karim Ansari, Director

Mr. Ansari, son of Late Moulvi Md. Fazlul Karim Ansari born in a respectable Muslim family in 1955. After completion of his education he started his business career and gathered vast knowledge and experience as a renowned businessman. He is involved with versatile business houses, educational and social organizations that include Leather Industry, trading and business. He was the Chairman of Bangladesh Tanneries Association.

Mr. Ansari has an outstanding and significant profile in the business and industrial enterprises including banking. He is also a man of pleasant personality and is associated with various socio-cultural activities.

9. Mr. Md. Belal Hossain, Director

Mr. Hossain, son of Late Mohammad Ali, was born in 1956 in a respectable Muslim family at Naogaon. After completion of his education, he started his business career. His business affiliation is versatile and diversified. He is the Managing Director of Belcon Company (Pvt.) Ltd. His association with various well-reputed organizations makes him a forward looking and progressive businessman. He has recently been awarded the "Best Agro Entrepreneur of the year 2004" by Financial News Service.

Apart from the above, he is also involved in various social and cultural organizations.

10. Mr. Md. Sirajul Islam Varosha, Director

Mr. Varosha, son of Al-haz Karim Uddin Varosha was born in 1958 in a respectable Muslim family in Rangpur. After completion of education he started his business career. He is involved with different business houses and industrial organizations. Mr. Varosha is the Chairman of M/s. Karim Impex Ltd. and Managing Director of M/s. R. K. Metal Industries Ltd. He is associated and involved with a number of business and industries, which includes R. K. Industries Ltd., R. K. Jute Mills Ltd., Siam Enterprise and Global Insurance Ltd.

Mr. Varosha is an amiable person and has deep affinity and attachment with various socio-cultural activities.

11. Mr. Md. Mahmudul Hoque, Director

Mr. Hoque is a renowned businessman and entrepreneur of the country. He is a young, energetic and dynamic person. His versatile and diversified business affiliation and forward looking perception, particularly in Textile and Garments business has made him a leading businessman in this trade. He is the Chairman and Managing Director of Anlima Group which is playing a significant role in the Textile Exports in the country. He is also engaged in Real Estate business and the owner of "CITY HEART" & other residential properties.

Mr. Hoque was born in 1959 in a renowned Muslim family.

12. Ms. Hosneara Bulu, Director

Ms. Bulu, wife of Mr. M.N.H. Bulu was born in a respectable Muslim family of Dhaka in 1965. She has engaged in business profession just after completion of her education. She has also engaged in other trading & manufacturing business like National Chemical Manufacturing Co. Ltd., Avico Industries Ltd., Rumki Industries Ltd. & Safkat (PVC) Sole Industries Ltd.

Apart from business profession, Ms. Hosnara Bulu is also associated with various social organizations. She is a business lady and a reputed woman entrepreneur of the country.

13. Mr. Anindya Majumder, Director

Mr. Majumder, son of Mr. Kanutosh Majumder was born in 1975. After completion of his education, he started his business. He is a young, energetic and dynamic person.

Apart from his family business, Mr. Majumder started his own business ventures in Construction. He is associated and involved with a number of business and industries, which includes New Generation Construction Co. Ltd., New Generation Property Services Ltd., New Generation Knit Ware Ltd., Takion Ltd. and Amtel Ltd.

Mr. Majumder is considered as a young entrepreneur of the country with a very high growth potential.

EXECUTIVE'S PROFILE

A. Mr. M. Nazrul Islam, Managing Director

Mr. M. Nazrul Islam was born in 1952. He has a chequered banking career for about 31 years mostly in Multinational Banks at home and abroad. Mr. Islam started his banking career in 1973 and has worked in Janata Bank, ANZ Grindlays Bank (now Standard Chartered Bank), BCCI, Union Bank Zambia Ltd., Dhaka Bank Limited and Social Investment Bank Limited in different levels of Management capacities. He is one of the few top bankers of the country who has the working experience in Traditional and Islamic Banking in foreign and local banks at home and abroad.

Mr. Islam has keen interest and special skills in computerized Banking System and Foreign Exchange Dealings. During his career Mr. Islam has successfully developed many banking products specially Electronic Banking such as Credit Card, ATM Card, Tele-Banking, Online Banking etc.

B. Mr. K. Shamshi Tabrez, Deputy Managing Director

Mr. K. Shamshi Tabrez was born in the year 1951 in Dhaka. He obtained Masters in Business Administration (MBA) from the IBA, Dhaka University in the year 1974. Just after completion of his MBA, he joined BSRS as Financial Analyst in July, 1976. Mr. Tebrez served in SABINCO, BASIC Bank, Eastern Bank Ltd and Dutch-Bangla Bank Limited in the capacity of monitoring officer, Manager, Deputy General Manger, Senior Vice President and Senior Executive Vice President. He joined Jamuna Bank Ltd in the capacity of Senior Executive Vice President in 2002.

During his excellent career in Banking service he had undergone various training programs amongst which the extensive training on Appraisal of Industrial projects conducted by ADB Mission in 1976; Industrial Project Analysis conducted by EDI and BIDS in 1979; Credit Line Proposal conducted by BCCI at Hong Kong in 1990 and Strategy in Banking & Management at Dublin/London in 2002 are the major programs. He has traveled many countries for training purposes.

He is a highly committed and successful banker especially in exploring business opportunities and providing creative solutions as and when required in banking operations. Mr. Tabrez has good contribution in publication on "small Firms Informally Financial". He is a fellow Member of EDI (the World Bank), Life member of IBA Alumni Association and Bangladesh MBA Association.

C. Mr. Kazi Fariduddin Ahmed, Senior Executive Vice President & Company Secretary

Mr. Kazi Fariduddin Ahmed is a Chartered Accountant. He also obtained M.Sc in finance from U.K. He has about 11 years experience as an Investment Banker with ICB. He joined Dhaka Bank Limited in 1995. He worked there in various departments looking after the Investment Division and Central Accounts Division. He joined in Jamuna Bank Ltd. as Executive Vice President and Company Secretary. He is looking after the company matters, Board Secretariat and Financial Administration Division.

He is a widely traveled person, visited different countries of Europe, Asia, and Australia. He is involved with different aspects of social activities.

D. Mr. Yahya Nasrat Uddin Adnan, Executive Vice President

Mr. Yahya Nasrat Uddin Adnan, son of late Mohammad Abdullah was born in Brahmanbaria in the year 1948. After obtaining graduation in commerce he joined in Australasia Bank Ltd. in the year 1968 as a probationary Officer (Sr. Officer) and worked in various branches up to 1972. Before joining Jamuna Bank Limited, Mr. Adnan served in various capacities and senior positions under Rupali Bank Ltd. Islami Bank Bangladesh Ltd., National Bank Ltd; Prime Bank Ltd. and Shahjalal Islami Bank Ltd. He has vast managerial experience & joined JBL as Manager (Executive Vice President) in the year 2002 in the main Branch. During the Banking service he worked in various departments as In-charge of Credit Division, General Banking Division, Inspection Division, Law and Recovery Division, Human Resources Division, Law and Recovery Division and performed his responsibilities most successfully.

He has done extensive training on Banking at a Training Institute of a Bank at Lahore, Pakistan and local Institute (BIBM). He has also participated in International Bankers' Workshop at Singapore and Malaysia. He is a highly experienced executive having more than 37 years of service in banking. His diversified talent in various aspects of banking operations and innovative business development ideas is a great asset of JBL.

CIB STATUS

Bangladesh Bank has sent Credit Information Bureau (CIB) report to the Commission on 01/06/2005. It appears from the said report that Mr. Mahmudul Karim Ansari, shareholder of Jamuna Bank Limited is a loan defaulter and none of other 13 (Thirteen) directors and 20 (Twenty) shareholders of Jamuna Bank Limited are loan defaulter as per record of the CIB database.

It is mentionable that Mr. Mahmudul Karim Ansari was loan defaulter due to his directorship in Arco Apparels Ltd. However, he has transferred his entire shares of that company on 27th December 1999, which has been duly certified by the RJSC. But the current CIB report shows that Mr. Mahmudul Karim Ansari is still loan defaulter as Sonali Bank, the banker of Arco Apparels Ltd, has failed to report to Bangladesh Bank regarding the changes in the management of the said company. However, Mr. Ansari has taken up the matter with Sonali Bank for necessary correction in CIB data-base.

Executive Compensation

A. Remuneration paid to top three Executives

(Amount in Taka)

SL.	Name	Designation (present)	Jan. to May 2005	Jan. to Dec 2004
01.	Mr. M. Nazrul Islam	Managing Director	11,50,000/-	2,033,870/-
02.	Mr. K. Shamshi Tabrez	Deputy Managing Director	673,720/-	1,525,196/-
03.	Mr. Kazi Fariduddin Ahmed	Company Secretary & SEVP	472,550/-	1,511,700/-

B. Aggregate Amount of Remuneration paid to Directors & Officers

(Amount in Taka)

SL.	Name	Jan. to May 2005	Jan. to Dec 2004
01.	Directors` fees & Other expanses	951,819/-	2,174,953/-
02.	Executives, Officers & Staffs (including salary of MD)	51,229,480/-	102,731,669/-

- ? No officer of Jamuna Bank is currently employed by another company.
- ? There is no contract with any director, officer for future compensation.
- ? No remuneration was paid to any director who was not director during the last fiscal year.

Appointed Director

Mr. M Nazrul Islam the appointed Managing Director in the Bank. He is appointed for a term of 3 (three) years with effect from 12th December 2004.

Pay Increase Intention

Besides normal increment, the system of allowing additional increment to exceptionally deserving persons are also prevailing.

The Company has not offered any option for issue of shares to any of the officers, directors and employees or to any outsiders.

TRANSACTION WITH PROMOTERS

Benefit from the Bank

The Promoters of Jamuna Bank have not received any benefits other than Board Committee Meeting attendance fees during the period May 2005 and the Bank also has not received anything from its Promoters except fund against allotment of Shares.

Promoters' Asset to Bank

Promoters have not transferred any asset to the Bank but deposited share money from time to time. The Bank acquired assets by investing its own funds.

SI No.	Name	Address	Nos. of Shares	Amount of Shares	Percentage
1.	Al-haj M.A. Khayer	338 Dilu Road, Moghbazar, Dhaka-1000.	1,00,000	1,00,00,000	2.33 %
2.	Mr. Arifur Rahman	House # 30/B, Road # 5 Dhanmondi R/A, Dhaka-1205	1,10,000	1,10,00,000	2.56 %
3.	Mr. Farhad Ahmed Akand	House # 221, Road # 12 Block-B, Mirpur-12, Dhaka	2,20,000	2,20,00,000	5.13 %
4.	Mr. Md. Tajul Islam	House # 43/C, Road # 2, Khulshi Hill (North) Chittagong	2,20,000	2,20,00,000	5.13 %
5.	Mr. Md. Mahmudul Hoque	City Heart, 67, Naya Paltan, Dhaka-1000.	1,65,000	1,65,00,000	3.85 %
6.	Al-Haj Nur Mohammed	House # 421, Road # 30 New DOHS, Mohakhali, Dhaka-1206,	2,55,000	2,55,00,000	5.94 %
7.	Mr. Shaheen Mahmud	Road # 68/A, House # 7 Gulshan-2, Dhaka.	1,95,000	1,95,00,000	4.55 %
8.	Engr. A.K.M. Mosharraf Hussain	9/5 Iqbal Road, Mohammadpur, Dhaka 1207.	1,24,000	1,24,00,000	2.89 %
9.	Al-haj Md. Rezaul Karim Ansari	House # 82, Road # 11A (New) Dhanmondi R/A Dhaka-1205.	1,15,000	1,15,00,000	2.68 %
10.	Mr. Golam Dastagir Gazi, Bir Protik	4, Siddeshwari Lane Dhaka-1217.	1,70,000	1,70,00,000	3.96 %
11.	Mr. Fazlur Rahman	115/7/A, Distillery Road, Dhaka-1204.	2,20,000	2,20,00,000	5.13 %
12.	Mr. Md. Irshad Karim	Road # 5, House # 5, Khulshi R/A, Chittagong.	2,20,000	2,20,00,000	5.13 %
13.	Mrs. Hosneara Bulu	House # 11, Road # 24 Gulshan, Dhaka,	1,95,000	1,95,00,000	4.55 %
14.	Mr. Sakhawat, Abu Khair Mohammad	House # 55, Road # 10 Flat # 4-N, Gulshan-2 Dhaka-1212.	2,20,000	2,20,00,000	5.13 %
15.	Engr. Md. Atiqur Rahman	8/16, Block-A, Lalmatia Dhaka 1207.	4,20,000	4,20,00,000	9.79 %
16.	Mr. Md. Belal Hossain	House # B/105, Road # 08, New DOHS, Mohakhali, Dhaka.	2,20,000	2,20,00,000	5.13 %
17.	Mr. Gazi Golam Murtoza	4, Siddeshwari Lane Dhaka-1217,	2,20,000	2,20,00,000	5.13 %
18.	Mr. Anindya Majumder	36, Indira Road, Tejgaon, Dhaka-1205.	85,000	85,00,000	1.98 %
19.	Mr. Md. Ismail Hossain Siraji	House # 80, Road # 7/A Dhanmondi R/A, Dhaka-1205.	1,60,000	1,60,00,000	3.73 %
20.	Mr. Md. Sirajul Islam Varosha	House # 4, Road # 14 Gulshan-1, Dhaka.	1,10,000	1,10,00,000	2.56 %
21.	Mrs. Husna Ara Begum	9/5 Iqbal Road, Mohammadpur, Dhaka 1207.	74,000	74,00,000	1.73 %
22.	Mr. Hasnat Mosharraf	9/5 Iqbal Road, Mohammadpur, Dhaka 1207.	74,000	74,00,000	1.73 %
23.	Mr. Hasib Mosharraf	9/5 Iqbal Road, Mohammadpur, Dhaka 1207.	74,000	74,00,000	1.73 %
24.	Mr. Faheem Mosharraf	9/5 Iqbal Road, Mohammadpur, Dhaka 1207.	74,000	74,00,000	1.73 %
25.	Mrs. Monsura Begum	House # 421, Road # 30, New DOHS, Mohakhali, Dhaka-1206	25,000	25,00,000	0.58 %

26.	Ms. Tanzina Binta Nur	House # 421, Road # 30, New DOHS, Mohakhali, Dhaka-1206	25,000	25,00,000	0.58 %
27.	Ms. Sadia Binta Nur	House # 421, Road # 30, New DOHS, Mohakhali, Dhaka-1206	25,000	25,00,000	0.58 %
28.	Mrs. Rashida Islam	House # 7, Road # 68/A, Gulshan-2, Dhaka-1212.	25,000	25,00,000	0.58 %
29.	Mr. Mahmudul Karim Ansari	House # 82, Road # 11A (New) Dhanmondi R/A Dhaka.	25,000	25,00,000	0.58 %
30.	Mr. Momtazul Karim Ansari	House # 82, Road # 11A (New) Dhanmondi R/A Dhaka.	25,000	25,00,000	0.58 %
31.	Mrs. Hasina Gazi	4, Siddeshwari Lane Dhaka-1217.	25,000	25,00,000	0.58 %
32.	Mr. Gazi Golam Ashria	4, Siddeshwari Lane Dhaka-1217.	25,000	25,00,000	0.58 %
33.	Dr. Pratima Paul Majumder	House # 10A, Road # 96 Gulshan-2, Dhaka.	25,000	25,00,000	0.58 %
34.	Mr. M. N. H. Bulu	House # 11, Road # 24 Gulshan, Dhaka.	25,000	25,00,000	0.58 %
Total			42,90,000	42,90,00,000	100 %

No share is held by any officer of the company.

Sl. No.	Name of the Directors	Age	Designation with JBL	Entities where they have interest	Position
01	Mr. Arifur Rahman	55 years	Chairman	Energotech M/s. Sikder Feeling and Services Ltd.	Proprietor Managing Director
02	Mr. Farhad Ahmed Akand	38 years	Vice Chairman	Abdur Razzak Limited Mitali Food Industries Ltd. Peoples Insurance Co. Ltd. Kohinoor Himagar Ltd. Agrani Pat Sanghsta	Managing Director " " " Managing Partner
03	Al-Haj M.A. Khayer	76 years	Director	Globe Industrial Enterprise Ltd. East Asia Co. Ltd. Reo Movies Ltd. Sentosa Restaurant	Managing Director " " "
04	Engr. Md. Atiqur Rahman	59 years	Director	Amex Limited Barura Textile Products Ltd. Matexport (BD) Ltd. Crezy Fashion Ltd. Fazipur Fashion Ltd. Top Bottom Dresses Ltd. The Civil Engineers Ltd. Tulagaon Fashion Ltd. Eclipse Clothing Export (BD) PTE Ltd. Standard Insurance Co. Ltd. Burunggi Sports Ware Ltd. Fahims Fashions Ltd. Farius Fashions Ltd. Standard Garments Industries Ltd. Ware Mag Ltd. Adhunik Poshak Shilpa Ltd. Chandala Garments Ltd. Civil Dresses Ltd. Pick Fashions Ltd. Standard Fashions Ltd. Tip Top Fashions Ltd.	Chairman "
05	Mr. Golam Dastagir Gazi, Bir Protik	56 years	Director	Gazi Tanks Gazi Tyres Gazi Rims Gazi Kitchen Ware Gazi International	Proprietor " " " "
06	Mrs. Hosneara Bulu	39 years	Director	Abico Industries Ltd. Rumki Industries Ltd. Saffad PDC Steel Industries Ltd. National Chemical Manufacturing Co. Ltd.	Director " "
07	Mr. Md. Tajul Islam	50 years	Director	Fabian Industries Limited Fabian Jip Fastnar Fabian Multiplex Industries Ltd. Fabitex Industries Ltd. Fabian Thread Ltd. Tup Apparels Ltd. Standard Laboratories Ltd. Fabian Paper & Board Fouzi & Co. Fabian Metal Products Ltd. Famrose Apparels Limited Veragotex Limited	Managing Director " " " " " " " " " " " "
08	Mr. Md. Mahmudul Hoque	46 years	Director	Anlima Earn Dying Ltd. Anlima Textile Ltd. Anlima Builtech Ltd. Alid Enterprise (Pvt.) Ltd. Orkid International	Managing Director " " " Proprietor

09	Al-Haj Md. Rezaul Karim Ansari	49 years	Director	Karim Leathers Limited Karim Leather Products Karim Shoe Industry	Managing Director & Chairman " "
10	Mr. Sakhawat, Abu Khair Mohammad	49 years	Director	Robintex (BD) Limited Comptex Bangladesh Ltd. Robin Apparel Ltd. International Holding Ltd. Robin Knitwear Ltd. Islamic Finance & Investment Limited	Managing Director " " " " " Director
11	Mr. Md. Belal Hossain	48 years	Director	M/s. Belal Hossain National Automatic Rice Mills Belcon Company (Pvt.) Ltd. Bandhu Rice Mills	Proprietor " " "
12	Mr. Md. Sirajul Islam Varosha	47 years	Director	R.K. Metal Industries Ltd. Karim Impex Limited R.K. Industries Ltd. R.K. Jute Mills Limited Global Insurance Limited SIAM Enterprise	Managing Director Chairman Director " " Proprietor
13	Mr. Anindya Majumder	30 years	Director	New Generation Construction Co. Ltd. New Generation Property Services Ltd. New Generation Ware Ltd. Takion Limited Emtel Limited	Director " " " "

The offering price of ordinary shares of the Bank has been determined on the basis of comparative analysis of value as follows:

Net Asset Value (NAV)

Net Asset Value (NAV) is based on historical accounting book value of shareholder's net Assets. This is determined on the basis of audited balance sheet as at 31st May, 2005 as follows.

SI. No.	Particulars	Amount	Net Amount
1.	Current assets (Cash, bank balance, investment, money at call)	2,281,840,015	
2.	Investments	1,607,545,154	
3.	Loans and advances	8,294,000,478	
4.	Fixed assets	105,581,835	
5.	Other assets	393,821,435	
	Total assets (A)		12,682,788,917
1.	Borrowing from Bangladesh Bank, other banks, financial institutions and agents.	544,000,000	
2.	Deposits and other accounts	10,393,193,239	
3.	Other liabilities	1,064,170,488	
	Total liabilities (B)		12,001,363,727
	Net Asset Value (NAV)		681,425,190

The Net Assets Value (NAV) is also equivalent to the shareholders' equity consisting of Paid-up Capital and Reserve/Retained earnings as follows:

a) Paid-up-capital	Tk.	429,000,000
b) Statutory reserve	Tk.	102,661,977
c) Surplus in Profit and Loss A/C	Tk.	149,763,213
d) Total Shareholders' Equity	Tk.	681,425,190
Number of shares		4,290,000
Net Assets Value per share		158.84

We have examined the above calculation of Net Asset Value (NAV) of Jamuna Bank Limited which appears to be correct.

Sd/-

G. Kibria & Co.

Chartered Accountants

Dated: Dhaka, 04 August, 2005

Net asset Value per share is Tk.158.84 as on 31st May 2005. Accordingly the issue price of TK.120 each including a premium of Tk. 20 per share as being offered by the company is lower than the net worth per share.

Therefore this is justified to add premium of Tk.20 in each share of Jamuna Bank Limited.

Underwriting of Shares

Public Offer of 4,290,000 Ordinary Shares of Taka 120 each including a premium of Tk.20 per share by Jamuna Bank Limited. As per SEC's guideline, 50% of the Public Offer viz, 2,145,000 ordinary shares of TK. 120 each including a premium of Tk.20 per share valued at Tk. 257,400,000 are underwritten by the underwriters.

Sl. No.	Name of the Underwriters	No. of shares	Amount in Taka
01.	Southeast Bank Limited	90,000	1,08,00,000
02.	Arab Bangladesh Bank Limited	90,000	1,08,00,000
03.	Dhaka Bank	90,000	1,08,00,000
04.	Export Import Bank of Bangladesh Limited	90,000	1,08,00,000
05.	The Trust Bank Limited	90,000	1,08,00,000
06.	Bangladesh Commerce Bank Limited	90,000	1,08,00,000
07.	IDLC of Bangladesh Limited	90,000	1,08,00,000
08.	Bangladesh Shilpa Rin Shagshtha	90,000	1,08,00,000
09.	Green Delta Insurance Company Limited	90,000	1,08,00,000
10.	Loyeds Insurance Company Limited	90,000	1,08,00,000
11.	Standard Insurance Co. Ltd.	90,000	1,08,00,000
12.	Bay Leasing & Investment Limited	90,000	1,08,00,000
13.	Prime Finance & Investment Limited	90,000	1,08,00,000
14.	Grameen Capital Management Limited	90,000	1,08,00,000
15.	Union Capital Limited	90,000	1,08,00,000
16.	Bangladesh Mutual Securities Limited	90,000	1,08,00,000
17.	Republic Insurance Company Limited	90,000	1,08,00,000
18.	Capital Market Services Limited	90,000	1,08,00,000
19.	Banco Transworld (Bangladesh) Limited	90,000	1,08,00,000
20.	National Life Insurance Company Limited	90,000	1,08,00,000
21.	Popular Life Insurance Company Limited	90,000	1,08,00,000
22.	Express Insurance Limited	90,000	1,08,00,000
23.	ICB Capital Management Limited	1,65,000	1,98,00,000
	Total	21,45,000	25,74,00,000

TERMS AND CONDITIONS

- 1) If and to the extent that the shares offered to the public through a prospectus authorised hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Bank shall within 10 (ten) days of the closure of subscription call upon the underwriters in writing to subscribe the shares/debentures not so subscribed and ask the underwriters to pay for them in cash in full within 15 (fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
- 2) If payment is made by Cheque /Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under his Agreement, until such time as the Cheque / Bank Draft has been encashed and the Bank's account credited.
- 3) In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Bank shall send proof of subscription and deposit of share money by the underwriters to the Commission.
- 4) In the case of failure by the underwriters to pay for the Shares under the terms mentioned above, the said underwriters will not be eligible any issue, until such time as they fulfill their underwriting commitment under this Agreement and also other penalties as may be determined by the Securities & Exchange Commission.
- 5) In case of failure by any underwriters to pay for the shares within the stipulated time, the Bank/issuer will be under no obligation to pay any underwriting commission under this agreement.
- 6) In case of failure by the Bank to call upon the underwrites for the aforementioned purpose within the stipulated time, the Bank and its directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law.

Commission for Underwriters

1) For Public Issue of 4,290,000 ordinary shares of Tk. 120.00 each including a premium of Tk.20 per share of Jamuna Bank Limited, (As per guideline of Securities & Exchange Commission 50% of the IPO amount is required to be underwritten by the Underwriter i.e., for 2,145,000 shares of Tk. 120.00 each). Underwriters will be paid an underwriting commission up to a maximum of 0.50% of the issue value of shares underwritten by them out of the public issue. Simultaneously with calling upon an underwriter to subscribe or procure subscriber, and pay for any number of shares, the Bank shall pay to that underwriter an additional commission up to a maximum 2.5% of the amount of issue value of the shares required to be subscribed by it.

Underwriters' right to represent in the Board of the Bank

Underwriters have not acquired any right to have their Representatives in the Board of Directors of the Bank.

Officer or director of the underwriters acting as director of the Bank

Engr. Md Atiqur Rahman Director of Standard Insurance Co. Ltd. (one of the underwriters) is presently engaged as the Director of the Bank.

The Securities will be traded subject to listing at:

Dhaka Stock Exchange Limited (DSE)

9/F, Motijheel C/A, Dhaka-1000

And/or

Chittagong Stock Exchange Limited (CSE)

CSE Building, 1080 Sk. Mujib Road,

Agrabad C/A, Chittagong

“Declaration about Listing of Shares with the Stock Exchange(s):

Application(s) will be made to the Dhaka and/or Chittagong Stock Exchange(s) within 5 (five) days of first issuance of the prospectus for permission of the share of the company for dealing in any or both of the said stock exchanges and for quotation on the stock exchange(s).

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the share of the company.

Dividend, Voting, Preemption Right

The share capital of the Company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, selection of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorised representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares of in terms of the guidelines issued by the SEC from time to time.

Conversion & Liquidation Right

If the company at any time issues convertible preference shares or Debenture with the consent of SEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the Shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.

Dividend Policy

- a) The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the Shares held by them respectively.
- b) No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net Profit of the Company shall be conclusive.
- c) No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- d) The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- e) A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of transfer.

OTHER RIGHTS OF STOCK HOLDERS

The shareholders shall have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors shall present the financial statements as required under the Law and International Accounting standards. Financial Statements will be prepared in accordance with International Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the Financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act, 1994.

Authorized Capital:

16,000,000 ordinary shares of Tk. 100 each Tk. 1,600,000,000.00

Issued, Subscribed & Fully Paid up Capital:

4,290,000 ordinary share of Tk. 100 each as on 31st December 2004 Tk. 429,000,000.00

Initial Public Offering (IPO):

4,290,000 Ordinary Shares of Tk. 120.00 each including a premium of Tk.20 per share:

Share capital Tk. 429,000,000.00

Share Premium Tk. 85,800,000.00

Total Capital Structure after IPO will be Tk. 943,800,000.00

IPO funds will be utilised for purposes mentioned in the section "Use of Proceeds".

The securities, which are subscribed by the Sponsors/Promoters/Directors, as described in the Prospectus, shall be subject to a **Lock-in period of three years**, in case of the companies intended/intending to go for Initial Public Offering (IPO), from the date of publication of the prospectus.

Either a **Jumbo Share** (one for each of the existing Sponsors/ Directors/ Shareholders) in respect of the shares already issued shall be issued covering together respective total holding which shall contain the expiry date of lock-in period or Sponsors/ Directors/ Promoters/Shareholders' shareholding shall be converted into demat form but shall be lock-in for three years.

In case of **Jumbo Share** Certificate of the existing Sponsors/ Directors/ Shareholders, the said share certificates shall be kept under custody of a security custodian bank registered with SEC during the Lock-in period. The name and branch of the bank be furnished to the Commission jointly by the issuer and the issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s).

In case of dematerialization of shares held by the existing Sponsors/ Directors/ Shareholders, the copy of dematerialization confirmation report generated by CDBL and attested by the managing director of the company along with lock-in confirmation shall be submitted to SEC within one week of listing of the shares with the stock exchange(s).

DETAILS OF IPO

IPO will be of 4,290,000 shares @ Tk.120 each including a premium of Tk.20 per share are being hereby offered to the General Public for Subscription in cash in the following manner:

	Number	Total Amount
10% of IPO i.e. 429,000 shares kept reserved for Non-Resident Bangladeshis are being offered for subscription in cash in full on application	429,000	Tk. 51,480,000
90% of IPO i.e. 3,861,000 shares are hereby offered to the general public for subscription in cash in full	3,861,000	Tk. 463,320,000
Total IPO:	4,290,000	Tk. 514,800,000

1. Shares

01.	a) 10% of the Issue i.e., 429,000 ordinary shares shall be reserved for Non-resident Bangladeshis.	Tk. 51,480,000
02.	b) The remaining 90% i.e. 3,861,000 Ordinary Shares shall be open for subscription by the general public.	Tk. 463,320,000

2. All shares as stated in clause 1(a) and 1(b) shall be offered for subscription and subsequent allotment by the issue manager, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.
3. In case of over-subscription of both the categories mentioned in the clause 1(a) and 1(b) the all the applicants shall be treated as applied for one minimum lot. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money.
4. In case of under subscription of both the categories mentioned in clause 1(a) and 1(b) the unsubscribed portion of share shall be first distributed with a single lot and thereafter, for the balance amount, lottery shall be held for the applicants of a market lot separately for both NRB and General Public.
5. In case of under subscription under the 10% category as mentioned in clause 1(a) the unsubscribed portion shall be added to the general public category and if after such addition there is over subscription in the general public category the Issue Manager shall conduct an open lottery of all the applicants added together.
6. In case of over subscription under 10% category as mentioned in clause 1(a) the over subscription portion shall be added to the general public category and if after such addition

there is over subscription in the general public category the Issue Manager shall conduct an open lottery of all the applicants added together.

7. The lottery as stated in clause (3), (5) and (6) should be conducted in the presence of authorized representatives of DSE and Members of the Board of the Company and Issue Manager and the applicants if present.
8. Applications must not be for less than 50 shares and must be multiple of 50 shares. Any application not meeting the criteria will not be considered for allotment purpose.
9. There are no founders' management or deferred shares. It is also not presently intended to issue any preference shares.
10. No payment has been or is intended to be made to the promoters, directors or other persons for promotion of the company.
11. The minimum subscription on which Directors will proceed for making allotment is the full amount of the present issue, which in the opinion of the Directors must be raised in order to provide fund required by the Company.
12. The NRB Applicants, after completing and signing will submit the application form along with foreign drafts in US Dollar/UK Pound Sterling drawn and payable in Dhaka, to the Issuer Company's office directly.

ALLOTMENT

The company shall issue share allotment letters to all successful applicants within 6 (six) weeks from the date of the subscription closing date. At the same time, the unsuccessful applicants shall be refunded with the application money within 6 (six) weeks from the closing of the subscription date by Account Payee Cheque without interest 'payable at Dhaka / Chittagong /Khulna/ Rajshahi/ Barisal/ Sylhet, as the case may be. The company shall submit a compliance report in this respect with the Commission within 7 (seven) weeks from the closure of subscription.

APPLICATION FOR SUBSCRIPTION

01. Application for shares may be made for a minimum lot of 50 (Fifty) ordinary shares to the value of Tk. 6,000.00 and should be made on the Company's Printed Application forms. Application forms and the Prospectus may be obtained from the Registered Office of the Company, members of the Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. In case adequate forms are not available, applicants may use photocopied/cyclostyled/handwritten/ typed copies of the forms. Application must not be for less than 50 shares. Any application not meeting the criterion will not be considered for allotment purpose.
02. Joint application form for more than two persons will not be accepted. In the case of a joint application each party must sign the application form.
03. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies and Limited Companies must be accompanied by Memorandum and Articles of Association.
04. An applicant can submit not more than two applications, one in his own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purpose.
05. Bangladeshi Nationals (including Non-Resident Bangladeshi Nationals residing/ working abroad) and Foreign National shall be entitled to apply for shares.
06. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque or Pay Order or Bank Draft shall be made payable to the bank to which it is sent and be marked "**Jamuna Bank Limited**" And shall bear the crossing "**Account Payee only**" and must be drawn on a bank in the same town of the bank to which application form is deposited.
07. All completed application forms together with remittance for the full amount payable on application shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the following Bankers to the Issue :

BANKERS TO THE ISSUE

Jamuna Bank Limited

1. Mohakhali Br. Dhaka
2. Sonargoan Road, Br. Dhaka
3. Moulvibazar br. Dhaka
4. Dilkusha Br. Dhaka-1000
5. Shantinagar Br. Dhaka
6. Gulshan Br. Dhaka
7. Dhanmondi Br. Dhaka
8. Nayabazar Br. Dhaka
9. Agrabad Br. Chittagong
10. Sylhet Br., Sylhet.
11. Naogaon Br. Naogaon
12. Goalabazar Br. Sylhet
13. Beanibazar Br. Sylhet
14. Mohadebpur Br. Naogaon
15. Khatungonj Br. Chittagong.
16. Jubilee Road Br. Chittagong.
17. Konabari Br. Gazipur
18. Bhatiyari Br. Chittagong
19. Motijheel Foreign Exchange Br.

EXIM Bank of Bangladesh Limited

1. Motijheel Br. Dhaka.
2. Panthapath Br. Dhaka
3. Gulshan Br. Dhaka
4. Agrabad Branch, Chittagong
5. Sylhet Br. Sylhet
6. Islami Banking Br. Uttara
7. Khatungonj Br. Chittagong
8. Gazipur Br. Gazipur.
9. Imamgonj Br. Dhaka.
10. Soniamuri Br. Noakhali.
11. Nawabpur Br. Dh.
12. Narayangonj Br. Narayangonj.
13. Shimrail Br. Narayangonj.
14. Rajuk Avenue Br. Dhaka.
15. Uttra Br. Dhaka.
16. Laksham Br. Comilla.
17. Mirpur Br. Dhaka.
18. Jubilee Road Br. Chittagong.
19. Elephant Road Br. Dhaka.
20. Mawna Br. Gazipur.
21. Bogra Br. Bogra.
22. Jessore Br. Jessore.
23. Malibag Br. Dhaka.
24. Ashulia Br. Savar
25. Ashuganj Br. Brahmanbaria.

Investment Corporation of Bangladesh

1. Head Office, Dhaka.
2. Local Office, Dhaka.
3. Branch Offices, Chittagong
4. Rajshahi Br., Rajshahi
5. Khulna Br., Khulna.
6. Barishal Br., Barishal.
7. Sylhet Br., Sylhet
8. Bogra Br., Bogra

Arab Bangladesh Bank Limited

1. Merchant Banking Wing, Dhaka
2. Principal Br. Dhaka
3. Kawranbazar Br. Dhaka
4. Kakrail Branch, Dhaka
5. Dhanmondi Br. Dhaka.
6. Mohakhali Br. Dhaka.

7. Gulshan Br. Dhaka.
8. Nawabpur Br., Dhaka
9. Uttara Branch, Dhaka
10. Mirpur Branch, Dhaka
11. Rokeya Sharani, Dhaka
12. Khulna Branch, Khulna
13. Modhuban Branch, Sylhet
14. Agrabad Br., Chittagong
15. New Elephant Rd. Br. Dhaka

Prime Bank Limited

1. Motijheel Br., Dhaka
2. Moulvi Bazar Br. Dhaka
3. Islamic Banking Br. Dhaka
4. Mohakhali Br. Dhaka
5. Mouchak Br., Dhaka
6. Gulshan Br., Dhaka
7. Bangshal Br., Dhaka
8. Uttara Br., Dhaka.
9. Foreign Exchange Br., Dhaka
10. Dhanmondi Br., Dhaka
11. Eskaton Br. Dhaka
12. Khulna Br., Khulna
13. Sylhet Br., Sylhet
14. Court Rd Br., Sylhet
15. Barishal Br., Barishal
16. Rajshahi Br., Rajshahi
17. Agrabad Br., Chittagong
18. Jubille Rd Br., Chittagong
19. Jessore Br., Jessore
20. Bogra Br., Bogra
21. Khatungonj Br. Chittagong.
22. Kawranbazar Br. Dhaka
23. Elephant Road Br. Dhaka
24. Islamic Banking Br. Sylhet.
25. Narayangonj Br. Narayangonj
26. Gonakbari Br. Dhaka
27. Madhabdi Br. Narsingdi
28. Banani Br. Dhaka
29. IBB Mirpur Br., Dhaka.
30. IBB O.R. Nizam Road Br. Chittagong

Dutch-Bangla Bank Limited

1. Local Office, Dhaka-1000
2. Motijheel Foreign Exchange Br. Dhaka.
3. Nababpur Br. Dhaka-1000
4. Banani Br. Dhaka-1213
5. Kawran Bazar Br. Dhaka-1215
6. Shantinagar Br. Dhaka-1217
7. Dhanmondi Br. Dhaka-1205
8. Beburhat Br. Narsingdi
9. Narayangonj Br. Narayangonj-1400
10. B.B. Road branch, Narayangonj
11. Agrabad Br. Chittagong
12. Mohakhali Br. Dhaka-1212
13. Gulshan Br. Dhaka-1212
14. Mirpur Br. Dhaka-1216
15. Uttara Br. Dhaka-1230
16. Patherhat Br. Chittagong
17. Islampur Br. Dhaka-1100
18. Dania Br. Dhaka
19. Hathazari, Chittagong

Trust Bank Limited

1. Principal Branch, Dhaka-1206
2. Sena Kallyan Bhaban Br., Dhaka.
3. Savar Cantonment Br., Savar, Dhaka.

4. Momenshahi Cantonment Br., Mymensingh
5. Jessore Cantonment Branch Jessore
6. Ghatail Cantonment Br., Tangail
7. Bogra Cantonment Br., Bogra
8. Rangpur Cantonment Br., Rangpur
9. Comilla Cantoment Br., Comilla
10. Jalalabad Cantonment Br., Sylhet.
11. Chittagong Cantonment Br., Chittagong
12. Agrabad Branch, Chittagong
13. Dhanmondi Branch, Dhaka
14. Khatungonj Br. Chittagong

Dhaka Bank Limited

1. Local Office Dhaka
2. Bangshal Br. Dhaka
3. Imamgonj Br. Dhaka
4. Islampur Br. Dhaka
5. Banani Br. Dhaka
6. Foreign Exchange Br. Dhaka
7. Amin Bazar Br. Dhaka.
8. Dhanmondi Br. Dhaka
9. Kawranbazar Br. Dhaka
10. Uttara Br. Dhaka
11. Narayangonj Br. Narayangonj
12. E.P.Z. Br. Dhaka
13. Islamic Banking Br. Dhaka.
14. Agrabad Br. Chittagong.
15. Khatungonj Br., Chittagong
16. Jubilee Road Br. Chittagong
17. Laldighirpar Br. Sylhet-3100
18. Fantasy Kingdom Br. Ashulia.

National Credit & Commerce Bank Limited

1. Motijheel Br., Dhaka
2. Moghbazar Br. Dhaka
3. Dilkusha Br. Dhaka
4. Mirpur Br. Dhaka
5. Dhanmondi Br., Dhaka
6. Gulshan Br. Dhaka
7. Malibagh Br. Dhaka
8. Uttara Br. Dhaka
9. Khulna Br. Khulna
10. Agrabad Br. Chittagong
11. Khatungonj Br. Chittagong
12. O.R Nizam Road Br. Chittagong
13. Jubilee Road Br. Chittagong
14. Chowhatta Br. Sylhet.
15. Moulvibazar Br. Moulvibazar
16. Rangpur Br., Rangpur
17. Jessore Br. Jessore.
18. Laxmipur Br. Laxmipur

Southeast Bank Limited

1. Principal Br, Dhaka
2. Corporate Br. Dhaka
3. Imamgonj Br., Dhaka.
4. Dhanmondi Br., Dhaka.
5. Uttara Br., Dhaka,
6. New Elephant Rd. Br. Dhaka.
7. Gulshan Br., Dhaka.
8. Motijheel Br., Dhaka
9. Kawran Bazar Br., Dhaka
10. Banani Branch, Dhaka
11. Bangshal Br, Dhaka
12. New Eskaton Br. Dhaka.
13. Agargaon Br. Dhaka. ,
14. Aganagar Br. Dhaka
15. Bandar Bazar Br. (Islami Banking), Shylet.,
16. Shahjahaj Upashahar Br. Sylhet.
17. Hetimgonj Br. Sylhet.
18. Laldighirpaar Br., Sylhet,
19. Chouhatta br. Sylhet.
20. Moulivi Bazar Br., Moulivi Bazar
21. Kulaura Br., Moulivi Bazar
22. Agrabad Br., Chittagong,
23. Jubilee Road Br., Chittagong
24. Khatungonj Br., Chittagong
25. Halishahar Br., Chittagong
26. CDA Avenue Br., Pachlaish, Chittagong
27. Cox's Bazar Br., Bazar Ghat, Cox Bazar.
28. Chagalnaya Br. (Islami Banking) Feni
29. Feni Branch, Feni,
30. Khulna Br., Sir Iqbal Road, Khulna.

National Bank Limited

1. Dilkusha Br., Dhaka.
2. Dhanmondi Br., Dhaka.
3. Elephant Road Br., Dhaka.
4. Foreign Ex. Br., Dhaka.
5. Gulshan Br., Dhaka.
6. Kawran Bazar Br., Dhaka.
7. Motijheel Br., Dhaka.
8. Narayangonj Br., Narayangonj
9. Agrabad Br., Chittagong
10. Khatungonj Br. Chittagong

08. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for. The value of securities applied for may be paid in Taka, US Dollar or UK Pound Sterling at the Spot Buying (TT Clean) rate of exchange prevailing on the date of opening of Subscription. Refund against over subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its registered office. Copies of Application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the SEC and JBL.
09. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis) by the bankers to the issue will be remitted to the Company's **STD Account No. 0320000471** with the **Jamuna Bank Limited** Local, 33, Dilkusha Dhaka for the purpose.
10. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling shall be deposited to "FC Account for IPO" bearing **FC A/C No. 0027000035** with **Jamuna Bank Limited** Local Office 33, Dilkusha C/A, Dhaka. In case of over subscription, refund shall be made by the Company out of the "FC Account for IPO". The Company shall open only one "FC Account for IPO" in US Dollar or UK Pound Sterling with a Bank on approval of Prospectus by SEC and close these accounts after refund of over-subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

UNDERWRITERS OBLIGATION

If and to the extent that the shares offered to the public through a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing with a copy of the said writing to the Securities and Exchange Commission, to subscribe the shares not so subscribed within the closing date and to pay for in cash in full, inclusive of any premium, if applicable, for such unsubscribed shares within 15 (fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards underwriting commitment under this agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account credited. In any case within 7 (seven) days after expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the commission. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfills his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission.

UNDERWRITING COMMISSION

Each underwriter will be paid underwriting commission up to a maximum of 0.50% of the issue value of shares underwritten by them out of the public issue. Simultaneously, with the calling upon an underwriter to subscribe or procure subscriber and pay for any number of shares, the company will pay to that underwriter an additional commission up to a maximum of 2.5% of the issue value of shares required to be subscribed by them.

COMMISSION TO THE BANKER TO THE ISSUE

Commission @ 1/4th of 1% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

MANAGER TO THE ISSUE

AAA Consultants & Financial Advisers and ICB Capital Management Ltd. are the Joint Manager to the Issue. The Issue Manager will be paid a fee at Tk. 750,000 for the Public Issue.

BROKERAGE

The Company shall pay brokerage @ 1% only on the paid up value of shares allotted to the members of recognized Stock Exchanges on applications bearing their rubber stamp. Neither the brokerage to the members of the Dhaka & Chittagong Stock Exchange nor the commission to the Bankers shall be payable in respect of the shares taken up by the underwriters in discharge of their underwriting obligation

CLASSIFIED INFORMATION

ISSUE MANAGER	AAA Consultants & Financial Advisers Amin Court, 4 th Floor (Suit#404) 62-63, Motijheel C/A, Dhaka-1000
	ICB Capital Management Limited 8, Rajuk Avenue (5 th Floor), Dhaka-1000
AUDITOR	G. Kibria & Co. Chartered Accountants Sadharan Bima Sadan (5 th Floor), 24-25, Dilkusha C/A Dhaka-1000.
BANKER	Jamuna Bank Limited Printers Building(3 rd & 8 th floor, 5, Rajuk Avenue, Dhaka-1000.
COMPANY'S COMPLIANCE OFFICER	Mr. Kazi Fariduddin Ahmed Senior Executive Vice President & Company Secretary

All investors are hereby informed by the company has appointed a Compliance Officer who may be contacted in case of any pre-issue /post issue related problems such as, non-receipt of letters of allotment /share certificates/refund orders/cancelled stock invests etc.

MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business which have been entered into by the Company.

- 1) Underwriting Agreement between the Bank and the Underwriters.
- 2) Issue Management Agreement between the Company and the Manager to the Issue, AAA Consultants & Financial Advisers & ICB Capital Management Limited.
- 3) Contract between Company and Central Depository Bangladesh Limited (CDBL).

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

OF
JAMUNA BANK LIMITED (JBL)

	Long Term	Short Term
Entity Rating	BBB+ (Triple B Plus)	ST-3
Date of Rating:	July 28, 2005	

Analysts: M. Maniruzzaman & Nazmul Hossain of CRISL, Bangladesh

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. Rating for IPO of shares of Financial Institutions is mandatory. The JBL has not entered into any surveillance agreement with us, which is not mandatory as per rules. Therefore our long-term rating is valid for only one year and short term rating for six months. Therefore, the above period this rating will not carry any validity unless the bank goes for rating surveillance on voluntary basis.

RATIONALE

CRISL reaffirms 'BBB+' (Triple Be Plus) rating to Jamuna Bank Limited in the long term and ST- 3 rating in the short term. The above rating has been done on the basis of the Banks' good fundamentals, superior asset quality, adequate capital adequacy, moderate profitability, comfortable liquidity and limited market share. Financial Institutions rated in this category fall under CRISL category of investment grade and are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a bank has got weaknesses in some areas of operation. However, these entities are considered to have the capability to overcome the above-mentioned limitations with persistent efforts. Risk factors are more variable in periods of economic stress than those rated in the higher categories. JBL is a third-generation private bank in the country and is performing average as compared to the peer group. It is managed by a team of professionals having expertise in traditional banking system. The management has been taking utmost care of capital adequacy maintenance and liquidity management as per the requirement of Bangladesh Bank.

CRISL PRIOR RATING

JBL was assigned 'BBB+' (Triple Be Plus) rating in the long term and ST- 3 rating in the short term by CRISL based on financials available up to December 2004. The above rating was done on the basis of its good fundamentals, superior asset quality, adequate capital adequacy and moderate profitability, comfortable liquidity and limited market share.

BANK PROFILE

JBL was incorporated as a public limited company under Companies Act, 1994. It started functioning on 3rd June 2001 under the ambit of the Bank Companies Act, 1991 with the vision "To become a leading banking institution and to play a pivotal role in the development of the country". Over the last four years the bank is successfully operating its business in order to cater the banking need of rapidly growing customers. Over the years JBL has been increasing its service coverage through introducing branches at different strategically important areas of the country. The bank is going for Initial Public Offerings (IPO) of shares with the main objective of raising paid up capital to Tk. 858.00 million from TK. 429.00 million.

JBL is the initiative of some local entrepreneurs having exposure in RMG, Real Estate, leather sectors etc. Over the last four years the bank has been successfully operating and providing services to an incremental number of clientele. In May 2005, the bank's net profit stood at Tk. 74.10 million, loans and advances stood at Tk. 8,294.00 million and total assets stood at Tk. 12,682.79 million. At present, the bank has 19 branches with the staff strength of 385.

MARKET SHARE

The banking industry had a deposit of Tk. 1,326.12 billion and loans and advances of Tk. 1,047.14 billion in YE 2004, shared among 49 banks comprising of 4 NCBs, 5 specialized banks, 10 foreign banks, 25 private commercial banks (PCB) and 5 Islamic banks. Of the above, JBL's deposits stood at Tk. 10.40 billion and TK. 10.26 billion in May 2005 and YE 2004 respectively. Its loans and advances stood at Tk. 8.29 billion in May 2005 and 6.72 billion in YE 2004. JBL held 0.77% of market share of deposits and 0.64% of loan & advances as on December 2004. The growth rate of JBL is much higher than that of the overall market growth. JBL's growth rate of customer deposits was 70.03% against industry growth of 16.90% and PCBs' growth of 25.60%. Its loans and advances were increased by 107.52% in YE 2004 against the industry growth rate and PCBs' growth rate were 16.95% and 26.80% respectively. As a third generation bank, JBL has been growing tremendously. However, the size of the bank is still small considering its market share of deposits and loans & advances.

OWNERSHIP PATTERN

So far JBL is a closely held Public Limited Company with 34 sponsor shareholders. Board members (13 members) hold 58.21% of total share outstanding as on May 2005. Engr. Md. Atiqur Rahman individually hold 9.49% and Engr. A.K.M. Mosharraf Hussain and family jointly hold 9.49%, slightly less than 10% of total outstanding shares, the maximum ceiling to hold Banking company share by a single family. It has been observed that 9 sponsor shareholders having more than 5.00% shares individually, constitutes a total 51.66% of total outstanding shares. However, with the ensuing IPO the above shareholding percentages will be diluted to half.

NETWORK OF BRANCHES

At present JBL operates its business through 19 branches located at different locations of Bangladesh. Dhaka zone holds 10 branches in different commercially important areas in the city. Three branches are operated at both Sylhet and Chittagong while 2 branches are operated at Naogaon. Out of the above branches, Nayabazar, Dhaka and Jubilee Road, Chittagong are operating on the basis of Islami Shariah.

INFORMATION TECHNOLOGY

The implementation and use of information technology in JBL, as a third generation bank, is notable as compared to the industry. The bank has been using FloraBank Online Banking Software since its inception. The branches of JBL are connected through VSAT and fiber optic cable link. At present, the bank uses in-house developed software such as Personnel Management Information System (PMIS), CIB, Foreign Exchange Returns software, etc. Existing system generates a number of basic reports for internal and external consumption. The bank started online banking facilities w.e.f. 15th February 2005. However, the existing software has limitations and need updating to accommodate the requirement of a modern banking institution. The architecture of the software has inherent limitations to handle large volume of transactions and interactivity between different branches and head office. The bank is required to enhance the security standard of the software to face the global challenge. Moreover the software needs to be tuned to the production of reports to assist the management in day-to-day management.

CORPORATE GOVERNANCE

Corporate governance is a blend of law, regulations, enforcement and appropriate voluntary practice by the companies that permit a corporate to attract capital, perform efficiently and generate long term economic value for its shareholders while respecting the interest of its stakeholders and society as a whole. The specific areas covered are transparency in disclosure of relevant, reliable financial and operational information, information on ownership and control, information on internal processing of management. Some of the areas are reviewed as follows:

Board

The Board holds one meeting on an average in every month against minimum requirement of once in every quarter. There were 12, 12 and 10 meetings were held in 2004, 2003 and 2002 respectively. In addition to the review of ongoing activities and business strategies, the board provides general guidelines to the management. The Board approves all Executive Committee meetings and apprises of the operational results. While the remuneration of the Managing Director and senior professionals are decided by the Board subject to approval of BB (only in case of managing director), the approval authority of the compensation packages of junior management is delegated to the top management. The Board has formed two Board Committees namely Executive Committee and Audit Committee consisting of the board members. The Executive Committee has nine members consisting of the Chairman, Vice Chairman and Chairman of Audit Committee and six other members are drawn from the rest Board members. However, the above six members continues in the committee for six months in a year and after that the balance six members are elected as EC members. The Chairman, Vice Chairman and Chairman, Audit Committee are not eligible to chair the EC. Other six members hold the Chairman position for one month each. The Audit Committee has been formed as per the instruction of central bank. Being the Audit Committee is headed a non-executive member specially other than the Chairman and Vice Chairman, the bank derives the benefit of having independent view on the operation.

Delegation of Power

The delegation in JBL is satisfactory as compared to the overall corporate environment in Bangladesh. The Board of Directors delegated required financial and administrative power and limited business power to MD, DMD and branch managers. In order to arrange functioning of the bank, the Board delegated its loan approving power to the Executive Committee. The Board concentrates only on policy matters with visionary attitude.

Internal Control Procedure

Audit and Inspection Division of JBL is responsible for internal control. This division is constituted by three wings - Audit and Inspection Wing, Inspection and Vigilance Wing, and Compliance and Internal Control Wing. The Audit and Inspection Wing directly reports to the Managing Director. In addition the Audit Committee of the Board works independently and reports direct to the Board. Internal audit team audits all divisions of head office and all branches once in a year except treasury division. This division is audited quarterly. Sometime the Inspection and Vigilance team pays surprise visit to the branches. In addition, the bank has loan administration and monitoring division in order to expedite the recovery of loans. With the above practices, the bank ensures internal compliance.

Management

The Management team of JBL has been given the target to achieve the mission "To satisfy diverse needs of its customers through an array of products at a competitive price by using appropriate technology and to provide timely service so that a sustainable growth, reasonable return and contribution to the development of the country can be ensured with a motivated and professional workforce". With the above mission, JBL has stepped into its 5th year of operation. Among the third-generation banks of the country, JBL's performance is moderate in terms of profitability. However, the bank has been maintaining superior asset quality.

JBL's management team is headed by its Managing Director (MD) Mr. M. Nazrul Islam. Mr. Islam joined JBL as an Additional Managing Director in March 2004. He was appointed as MD in December 2004. Mr. Islam brought with him a long experience of working for more than 30 years in various public sector banks, foreign banks and private commercial banks. Before joining JBL he was the Additional Managing Director of Social Investment Bank Limited. In his management team, the Managing Director is aided by one Deputy Managing Director, six Executive Vice Presidents, six Senior Vice Presidents, and eleven Vice Presidents. The day-to-day banking functions are handled by these professionals with modern banking knowledge and experience in respective fields. The above management team is well aware of Bank's mission and vision and they have ability and commitment to achieve the same.

Management Committee

The bank has formed several management committees for smooth operation. The main committees are Management Coordination Committee (MCC), Asset-Liability Management Committee (ALCO), and Credit Committee (CC). The MCC and ALCO meet once a month and CC meets once a week.

Human Resources Policy

Being a service industry, the success of the banking sector is dependent on techno-human resources. Although the sector is now absorbing substantial number of young post graduate professionals with comparatively good compensation packages with the objective of training them appropriately, large number of private banks are dependent on less number of experienced banking professionals at the top tier. As a result, there is large turnover of professionals within the sector. In order to keep the professionals in service for long, JBL follows a structured service rules and compensation package. The Bank launched long term benefits for the employees like gratuity, contributory provident fund, house building loan scheme, car loan scheme, etc. The employee turnover in JBL is acceptable. During 2004 and 2003 the number of employees resigned from the bank were seven and thirteen respectively. JBL follows a structured recruitment policy for fresh and experienced officers. The bank recruited 40 probationary officers through competitive selection process. So far, the bank does not have any training institute. It has been using the service of training institutes of Dhaka Bank Limited and National Bank Limited to train its professionals.

PRODUCTS AND SERVICES

The bank offers a wide range of conventional and Islami financial products and services compared to its competitors. Under conventional deposit schemes it renders savings account, current account, fixed deposit, short-term deposit account, etc. Shop Finance and Women Loans Scheme are the two new products of the bank. JBL also offers a wide range of Islami financial products and services through its two Islami banking branches. Bank finances in project loan, working capital loan, trade financing, house building financing, contractors financing, cash credit, overdraft, packing credit, trust receipt, guarantee, letter of Credit, etc. Recently bank has signed a contract with ETN for providing ATM services.

PERFORMANCE

JBL is one of the late entrant of the third generation banks which consisting of 12 banks. In line with the above, the operating performance is found to be below average among the competing banks of the third generation. The performance remained at average comparing with the whole banking sector. The bank's operating income and operating expenses were increased by 101.84% and 62.88% respectively in YE 2004 as compared to YE 2003. However, in May 2005, the bank's operating income was increased by only 16.00% vis a vis 20.97% increase of its operating expenses. JBL's operating income stood at Tk. 247.69 million (annualized 594.45 million), Tk. 512.47 million and Tk. 253.90 million in May 2005, YE 2004 and YE 2003 respectively. Its profit before provision and tax stood at Tk. 145.05 million, Tk. 308.83 million and Tk. 128.88 million in May 2005, YE 2004 and YE 2003 respectively. JBL's after tax profit was increased by 155.07% from Tk. 61.14

million in YE 2003 to Tk. 155.95 million in YE 2004. In May 2005, after tax profit stood at Tk. 74.10 million (annualized Tk. 177.84 million).

The bank's profitability parameters are in increasing trend since 2002. Its pre-tax return on average assets (ROAA) stood at 2.74% (annualized), 2.35% and 1.47% in May-2005, YE 2004 and YE 2003 respectively. The Net Interest Margin (NIM) was increased to 2.90% (annualized) in May 2005 compared to 2.87% and 2.31% in YE 2004 and YE 2003 respectively. However, its NIM is still lower compared to peer average of 3.35% in YE 2004. JBL's return on average equity (ROAE) was decreased to 27.60% (annualized) in May 2005, though it was increased to 29.46% in YE 2004 compared to 1.47% in YE 2003.

The present income portfolio of JBL is well diversified. Interest income grabs the larger portion in the total income pie of JBL followed by fee income. Its net interest income stood at Tk. 109.05 million (annualized Tk. 261.73 million), Tk. 278.29 million, and Tk. 145.66 million in May-2005, YE 2004 and YE 2003 respectively. The share of interest income was decreased to 44.03% in May-2005 compared to 54.30% and 57.37% in YE 2004 and YE 2003 respectively. Its investment income stood at Tk. 53.76 million (annualized Tk. 129.03 million), Tk. 80.44 million and Tk. 27.37 million in May-2005, YE 2004 and YE 2003 representing 21.71%, 15.70% and 10.78% of total income respectively. JBL's fee based income i.e. commission, exchange and brokerage income stood at Tk. 77.69 million (annualized Tk. 186.45 million), Tk. 133.70 million and Tk. 71.20 million in May-2005, YE 2004 and YE 2003 respectively representing 31.36%, 26.09% and 28.04% of total income respectively.

JBL's performance in cost efficiency is below average compared to its peer. The efficiency ratio of the bank stood at 41.44%, 39.74% and 49.24% in May 2005, YE 2004 and YE 2003 respectively. The trend of cost-to-income ratio was decreased mainly because of the higher growth of income compared to that of the cost. Personnel expenses to average assets was increased to 1.10% in May-2005 compared to 0.88% and 0.83% in YE 2004 and YE 2003 respectively against peer average of 0.88% and 1.00% during the same period. Operating expenses to average assets ratio was also increased and stood at 2.19% and 1.75% in May 2005 and YE 2004 respectively whereas average was 1.55% and 1.94% during the same period.

ASSETS QUALITY

The overall asset quality of the bank is good. JBL's total assets stood at 12.68 billion, Tk. 13.49 billion and Tk. 9.77 billion in May-2005, YE 2004 and YE 2003 respectively. Its total assets was decreased in May-2005 mainly due to less involvement in call money contra operation. In May-2005, 5.37% of total assets is financed by shareholders' fund and 69.20% is financed by customer deposits.

Credit Risk Management

The credit approval process of JBL appears to follow appropriate governance. JBL segregated marketing from loan approving authority. The branch managers and branch credit officers usually conducts the marketing activities. The branch credit committee does initial screening of credit proposals and forward with necessary recommendations and documents to Credit Division (CD) in head office. The proposals are settled by the branch manager if it falls within the delegated power. CD appraises the proposals and forward to Credit Committee (CC). The CC consists of MD, DMD, Head of FAD, Internal Control, Loans Inspection and Monitoring Division. No delegation of authority for approval is given to the CC. Executive Committee (EC) can approve loans up to Tk. 50.00 million while the proposal, above Tk. 50.00 million goes to Board for approval.

JBL's non-performing loan stood at Tk. 2.91 million against its total loans & advances of Tk. 8.29 billion, which is only 0.04% in May-2005. During YE 2004 and YE 2003 the same ratio was 0.04% and 0.02% respectively. The bank has only ten classified loan. As the portfolio of JBL has been developing since 2002, small gross NPL ratio (0.04%) cannot sufficiently speak about the quality of assets of the bank.

The bank has no documented sectoral exposure like most of the commercial banks. The trade finance grabs the largest portion in the total loans and advances portfolio of JBL followed by real estate loan. The trade finance / working capital loan stood at Tk. 3.36 billion (50.01% of total loan) and Tk. 2.24 billion as on YE 2004 and YE 2003 respectively. The real estate loan increased to Tk. 319.93 million (4.76% of total loans and advances) in YE 2004 as compared to Tk. 275.13 million (8.49% of total loans and advances) in YE 2003. The industrial loan of the bank stood at Tk. 1.77 billion (26.35% of total loans and advances) and Tk. 705.93 million (26.73% of total loans and advances) in YE 2004 and YE 2003 respectively. However, only 10.07% of industrial loans are in the form of term loan and the remaining 89.93% are working capital loan in YE 2004. As on December 2003 only 18.48% of industrial loan were term loan and the remaining 81.52% are working capital loan.

JBL is much exposed to large loan risk. The bank's exposure to large loans (as defined by BB, above 35% of bank's equity) stood at Tk. 5.51 billion in May 2005. Those above amounts consisted of Tk. 3.40 billion of funded and Tk. 2.11 billion of non-funded facilities. The funded portion of large loans accounted 41% of total funded loan in May-2005. JBL's top 10 and top 20 loans amounted Tk. 2.49 billion and Tk. 3.80 billion respectively in May-2005, which is 30.02% and 45.82% respectively of its total funded loan. During YE 2004 the exposure to both top 10 and top 20 customers were Tk. 1.51 billion and Tk. 2.49 billion. At present there is no director's loan as per the document submitted to BB.

Rescheduling statement of JBL reveals nominal portion of credit portfolio have been rescheduled during the period. The company rescheduled Tk. 35.32 million in May-2005 compared to Tk. 48.98 million in YE 2004. Its rescheduled loans represent 0.43% and 0.73% of total credit portfolio in May-2005 and YE 2004 respectively.

Market Risk Management

The bank formed Asset Liability Management Committee (ALCO) with members from six important functional areas of the bank headed by Managing Director. The asset liability maturity status of JBL as on May 31, 2005 projects that assets and liabilities of the bank is somewhat matched. The bank had assets of Tk. 5.35 billion maturing within three months as against Tk. 6.48 billion maturing liabilities, a negative gap of Tk. 1.13 billion assets. The assets are 111.10% of liabilities in the category of three months to one year. The JBL's short-term assets amount to 32.82% of total assets while short-term liabilities amounts to 29.55% of total liabilities.

Off- Balance Sheet Exposure (OBS)

JBL's OBS exposure is low compared to its peer. The bank's contingent liabilities to total footings (assets with contra) stood at 26.08%, 17.71% and 15.36% in May-2005, YE 2004 and YE 2003 respectively whereas the peer average was 26.89% in YE 2004. A 65.64% of the bank's contingent liabilities are made up of irrevocable commitments to extended credits as on May 2005. Letter of Guarantee contributed 13.94% and 15.62% of JBL's total off-balance sheet assets in May 2005 and YE 2004 respectively.

Investment in Securities

In order to maintain the Statutory Liquidity Requirement (which is 16% of total deposit liability excluding inter-bank deposits), JBL has to maintain a good number of interest bearing bills and government securities in its investment portfolio. JBL keeps mainly treasury bills (56.61% of total investments) of different maturity schedule considering the flexibility and return. In May-2005, the bank's investment in Treasury bond amounted to Tk. 238.00 million, which is 14.81% of total investments. The quoted securities amounted to only Tk. 4,155.00 and market value of these quoted securities was Tk. 19,838 as on the same date.

Non-funded Business

JBL's export and import business has been growing at a good pace since its inception but still below average among peer. The fee base income of JBL is also below average. During May-2005 the import and export business of JBL stood at Tk. 2.24 billion and Tk. 1.37 billion respectively. The growth rates of export and import business was 108.46% and 56.13% respectively in 2004.

CAPITAL ADEQUACY

JBL has been maintaining a cushion over the capital adequacy requirement of Bangladesh Bank since its inception. The risk weighted capital adequacy ratio of the bank reduced to 11.54% during YE 2004 as compared to 15.57% in YE 2003 (YE 2002: 21.60%) due to robust growth in risk-weighted assets. However, the bank shows some improvement and this ratio stood at 12.14% in May-2005. Though the bank's Tier-I capital adequacy ratio decreased to 10.39% in YE 2004 from 14.53% in YE 2003 (YE 2002: 20.78%), this ratio was again increased to 10.82% in May-2005.

JBL's shareholders' fund to total assets and shareholders' fund to total loans and advances were dropped down in YE 2004. These ratios stood at 4.50% and 9.04% in YE 2004 compared to 4.62% and 13.94% in YE 2003 against peer average of 6.70% and 11.01% in YE 2004 respectively. Compared to peer average, both ratio were below average in YE 2004. This is due to larger amount of inter bank dealings in both assets and liabilities. In May 2005, shareholder's fund to total assets (5.37%) was increased but shareholders' fund to total loans and advances (8.22%) was decreased.

Risk-weighted assets of JBL are increasing at a higher rate due to faster growth of loans and advances comparing to established banks. JBL's recent move to float IPO will assist the bank to raise additional Tk. 429 million which will enable the bank to achieve the required capital base of Tk. 1,000.00 million as set by the Bangladesh Bank.

LIQUIDITY AND FUNDING

JBL depends on both inter bank deposit and customer deposit for funding. Though the dependence on bank deposit was decreased to 42.61% in YE 2004 compared to 53.64% in YE 2003, still the dependence on unstable deposits is high among industry and peer. In May 2005, dependence on bank deposit stood at 19.76%, which indicates the bank is trying to reduce its dependence on inter bank borrowing. The bank's total deposit stood at Tk. 10.39 billion in May-2005 of which Tk. 8.78 billion was customer deposits. The bank's customer deposit was increased by 24.20% and 70.03% in May-2005 and YE 2004 respectively. Its total deposits was increased by 55.19% and 103.39% YE 2004 and YE 2003 respectively.

The bank's liquid asset ratio stood at 35.56%, 50.57%, and 68.37% in May-2005, YE 2004 and YE 2003 respectively. The bank is highly liquid compared to its peer and industry. JBL's Loans to Deposits ratio stood at 94.47%, 95.12% and 77.93% in May-2005, YE 2004 and YE 2003 respectively. The bank is aggressive in providing loan like all the other 3rd Generation Banks since 2004 though it was conservative till 2003. The net

loans and advances to stable fund ratio was 75.02% in May 2005 compared to 62.00% and 46.06% in YE 2004 and YE 2003 respectively whereas its peer average was 78.08% and 70.42% in YE 2004 and YE 2003 respectively.

JBL showed the highest dependence on interest rate sensitive fixed deposits for funds like all other 3rd generation banks. Its share of fixed deposits was 83.90%, 86.16% and 86.65% in May-2005, YE 2004 and YE 2003 respectively. The share of saving deposits in total deposits pie is insignificant. Though the contribution of savings deposit was increased to 5.99% in YE 2004 compared to 4.27% in YE 2003, contribution of saving deposit was slightly decreased in May-2005. It is worth noting here that deposits and investments of Islami Branches are not ring-fenced, which is a requirement to comply with Shariah principle.

Large deposit (Tk. 100.00 million and above) exposure risk of JBL is satisfactory. Its large deposits stood at Tk. 1,587.64 million, Tk. 336.58 million and Tk. 600.00 million in May-2005, YE 2004 and YE 2003 respectively. Large deposit to total deposit was stood at 15.28%, 3.28% and 9.07% during the same period, which indicates JBL's large deposit exposure has been increasing.

JBL's sources of fund are expensive as compared with its Peer and PCBs. Cost of funding of the bank during YE 2003 was 12.85% against peer average of 8.33% for the same period. However, the cost of fund of the bank has decreased to 10.59% in May-2005 compared to 11.41% in YE 2004.

PROSPECTS

The financial sector of Bangladesh is now considered to be the most regulated sector compared to other sectors. There are as many as 49 banks are now operating in a small economy like Bangladesh. Consequently, the institutions have been facing tough competition in grabbing market share. On the other hand, the Government has increased corporate tax to 45% in FY 2002-03 for the financial institutions. The above has a direct impact on the free profitability of the financial institutions. Macroeconomic indicators of Bangladesh are promising. Despite widespread and destructive flooding in 2004, Bangladesh's economy is expected to grow at 5.3 percent in the current fiscal year.

SWOT ANALYS	
Strengths <ul style="list-style-type: none"> ✍ Experienced top management. ✍ Satisfactory capital base ✍ Low infection in loan exposure ✍ Prospective IT infrastructure 	Weaknesses <ul style="list-style-type: none"> ✍ Limited market share ✍ Exposure to large loan ✍ Excessive dependency on term deposits ✍ Weak fund management ✍ High cost of fund ✍ Islami Branch funds are not ring fenced
Opportunities <ul style="list-style-type: none"> ✍ Regulatory environment favouring private sector development. ✍ Credit card ✍ Small and medium enterprises 	Threats <ul style="list-style-type: none"> ✍ Increased competition in the market for quality assets ✍ Supply gap of foreign currency ✍ Overall liquidity crisis in money market

Industrial growth is expected to reach 7.8 percent, while exports are projected to spike to by 15 percent during the year ending June 2005, particularly in textiles and services. However, Bangladesh is expected to lose a large portion of its US\$5.50 billion (euro4 billion) share of the textile export market to China and India since World Trade Organization-sponsored textile quotas ended on Jan this year. Thus, growth in exports is expected to fall by 2007 as more intense global competition limits expansion in textile exports. Bangladesh Bank has also favorable economic outlook in its quarterly report (October-December 2004). The said positive outlook of BB is underpinned by supporting macroeconomic policies, acceleration of investment and ongoing structural reforms. After substantial increase at the end of the first quarter, the 12-month Consumer Price Index (CPI) inflation declined to 5.5 percent in December-2004, but again increased to 6.11% in February-2005 and continuing upward trend. In order to ease the inflationary presser and to control excessive credit, Bangladesh Bank has been following contradictory monetary policy since beginning of this year. Banks are encouraging to increase interest rate, both deposit and lending side and BB itself increased CRR from 4.00% to 4.5 % w.e.f. March 2005. As a result the inter bank money market has been facing sever liquidity shortage and overnight rate has been hovering around 20%. At the same time, during first nine months of current fiscal, import growth observed 25% compared to export growth of 13%, resulting foreign exchange shortage in local market. At this situation, prices of foreign currencies shows upward trend and banks, having limited exposure in export portfolios and low volume of foreign remittances, has been facing problem.

Bank for International Settlement (BIS) has almost finalized Revised International Capital Framework Basel II. Under this framework, capital adequacy will be determined in either Standardized Approach or Internal Rating Based Approach. Most of the developed and developing countries have taken initiatives to implement Basel II within 2007. However, the banking sector in developing countries does not have adequate infrastructure facilities to implement Internal Rating Based Approach. Under the above backdrop, the central banks of

neighboring countries have already started discussion with Credit Rating Agencies in order to determine capital adequacy based on Standardized Approach.

JBL Bank is a third-generation bank in the private sector. This bank remained profitable since FY 2002 just after 1st year of its inception. Having better asset quality, acceptable capital adequacy, moderate profitability and liquidity and network of 19 branches the bank management aims to attain its target to become one of the well performing banks of the country. This to a great extent depends on achieving business growth with asset quality and low cost of funding.

END OF THE REPORT

CORPORATE INFORMATION (As on May 31, 2005)

Date of Incorporation: 2nd April 2001

Date of Functioning: 3rd June 2001

Board of Directors:

Mr. Arifur Rahman (Chairman)
 Mr. Farhad Ahmed Akand (Vice Chairman)
 Mr. Golam Dastagir Gazi, Bir Protik
 Mrs. Hosneara Bulu
 Engr. Md. Atiqur Rahman
 Al-Haj M.A. Khayer
 Mr. Md. Tajul Islam
 Mr. Md. Mahmudul Hoque
 Al-Haj Md. Rezaul Karim Ansari
 Mr. Sakhawat, Abu Khair Mohammad
 Mr. Md. Belal Hossain
 Mr. Md. Sirajul Islam Varosha
 Mr. Anindya Majumder

Auditor: G. Kibria & Co.

Management:

Mr. M. Nazrul Islam	Managing Director
Mr. K.S. Tabrez	Deputy Managing Director
Mr. Kazi Fariduddin Ahmed	Senior Executive Vice President
Mr. Md. Abdul Gaffar Chowdhury	Senior Executive Vice President
Mr. Y.N. Adnan	Executive Vice President
Mr. Sk. Md. Ruhul Amin	Executive Vice President
Mr. M.A. Salam	Executive Vice President
Mr. M. Hassan Ali	Senior Vice President
Mr. Shahrukh Ahmed	Senior Vice President
Mr. Md. Mahbubul Hoque	Senior Vice President
Mr. A.K.M. Saifuddin Ahmed	Senior Vice President
Mr. Mirza Elias Uddin Ahmed	Senior Vice President
Ms. Nur-E-Jannat Begum	Senior Vice President
Mr. Shafiqur Rahman Khan	Senior Vice President
Mr. Shahedul Alam Khan	Senior Vice President

Capital History:

Year	Authorized Capital (Million Tk.)	Issued, Subscribed and Paid-up Capital (Million Tk.)	Rate of Increase	Source of Paid up Capital
2001	1000	390.00		-
2002	1000	390.00	-	-
2003	1000	390.00	-	-
2004	1000	429.00	10.00%	Issue Bonus Share

BALANCE SHEET

Taka in Million

	May-05	2004	2003	2002
Property & Assets				
Cash & Equivalent	2,281.84	5,062.86	5,197.04	3,286.26
Investments In Govt. Securities	1,148.64	950.30	730.32	330.38
Investments In Other Securities	458.90	213.40	205.16	-
Loans, Advances and Bills	8,294.00	6,722.80	3,239.52	1,514.28
Land/Furniture/other Fixed Assets	105.58	97.99	66.60	50.44
Other Assets	393.82	444.17	328.14	109.24
Total Assets	12,682.79	13,491.52	9,766.79	5,290.60
Liabilities				
Inter-bank Borrowing	544.00	2,048.50	2,355.00	1,515.00
Deposits				
Current Deposit	903.22	720.26	529.21	266.67
Bills Payable	99.38	78.48	68.27	14.79
Savings Deposit	610.27	614.96	282.75	125.59
Short term Deposit and others	60.65	7.39	2.50	11.74
Term Deposit	8,719.67	8,843.44	5,731.33	2,833.11
Other Liabilities	1,064.17	571.18	346.36	133.48
Total liabilities	12,001.36	12,884.20	9,315.42	4,900.37
Issued and paid up capital	429.00	429.00	390.00	390.00
Proposed Bonus Share	99.45	99.45	39.00	-
Statutory Reserve	102.66	77.01	22.27	0.07
Profit & Loss account surplus	50.31	1.86	0.10	0.15
Total Shareholders' Fund	681.43	607.32	451.37	390.22
Total liability and Shareholders' Funds	12,682.79	13,491.52	9,766.79	5,290.60

INCOME STATEMENT

Taka in Million

	May-05	2004	2003	2002
Interest Income	652.66	1,163.09	738.50	344.89
Interest Expense	543.60	884.80	592.84	295.61
Net Interest Income	109.05	278.29	145.66	49.28
Income from investments	53.76	80.44	27.37	15.48
Commission, Exchange & Brokerage	77.69	133.70	71.20	25.95
Other Income	7.19	20.04	9.66	4.88
Total Operating Income	247.69	512.47	253.90	95.58
Personnel Expenses	51.23	102.73	62.65	42.27
Other Operating Expenses	51.41	100.91	62.37	38.11
Total Operating Expenses	102.64	203.64	125.02	80.38
Profit Before Provisions	145.05	308.83	128.88	15.20
Less: Specific Provision	1.22	-	0.64	-
Less: General Provision	15.58	35.13	17.27	14.83
Profit After Provisions	128.26	273.70	110.97	0.37
Taxation	54.15	117.75	49.83	0.15
Profit After Tax	74.10	155.95	61.14	0.22

LONG-TERM - BANKS AND FINANCIAL INSTITUTIONS

Rating scales and definitions

<p>AAA Triple A (Highest Safety)</p>	<p>Financial Institutions rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of banks.</p>
<p>AA+, AA, AA- (Double A) (High Safety)</p>	<p>Financial Institutions rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.</p>
<p>A+, A, A- Single A (Adequate Safety)</p>	<p>Financial Institutions rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.</p>
<p>BBB+, BBB, BBB- Triple B (Moderate Safety)</p>	<p>Financial Institutions rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a bank is under-performing in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however considered to have the capability to overcome the above-mentioned limitations.</p>
<p>BB+, BB, BB- Double B (Inadequate Safety)</p>	<p>Financial Institutions rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates a bank as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.</p>
<p>B+, B, B- Single B (High Risk)</p>	<p>Financial Institutions rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time, continuance of this would depend upon favorable economic conditions or on some degree of external support.</p>
<p>C (Very High Risk)</p>	<p>Financial Institutions rated in this category are adjudged to be with very high risk of timely repayment of financial obligations. This level of rating indicates entities with very serious problems and unless external support is provided, they would be unable to meet obligations in a timely fashion.</p>
<p>D (Default)</p>	<p>Financial Institutions rated in this category are adjudged to be either currently in default or expected to be in default. This level of rating indicates that the entities are unlikely to meet maturing financial obligations and calls for immediate external support of a high order.</p>

SHORT-TERM - BANKS AND FINANCIAL INSTITUTIONS

ST-1	<p>Highest Grade</p> <p>Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, Safety is almost like risk free Government short-term obligations.</p>
ST-2	<p>High Grade</p> <p>High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.</p>
ST-3	<p>Good Grade</p> <p>Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.</p>
ST-4	<p>Satisfactory Grade</p> <p>Satisfactory liquidity and other protection factors qualify issues as to invest grade. Risk factors are larger and subject to more variation.</p>
ST-5	<p>Non-Investment Grade</p> <p>Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.</p>
ST-6	<p>Default</p> <p>Issuer failed to meet scheduled principal and/or interest payments.</p>

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made thereunder shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in Block letters) in English or in Bengali and must NOT be abbreviated.
3. Application must be made on the Company's printed form/photocopy or typed copy/hand written form thereof.
4. Application must not be for less than 50 Ordinary Shares and must be for a multiple of 50 Ordinary Shares. Any Application not meeting these criterion will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the Issue A/C "**Jamuna Bank Limited**" and crossed "**A/C Payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application form for more than two persons will not be accepted. In case of joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and Private Company must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. An applicant can submit NOT more than two Applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two Applications, those in excess of two Applications shall NOT be considered for allotment purpose.
10. No receipt will be Issued for the payment made with Application, but the bankers will issue a provisional acknowledgment to the Issue for Application lodged with them.
11. Refund will be made only through "**ACCOUNT PAYEE**" Cheque(s) with Bank A/C No. and name of Bank Branch as mentioned in the Application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money and/or forfeiture of the share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall NOT be considered for allotment purpose.
15. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.

BANKERS TO THE ISSUE

<p><u>Jamuna Bank Limited</u></p> <ol style="list-style-type: none"> 1. Mohakhali Br. Dhaka 2. Sonargoan Road, Br. Dhaka 3. Moulvibazar br. Dhaka 4. Dilkusha Br. Dhaka-1000 5. Shantinagar Br. Dhaka 6. Gulshan Br. Dhaka 7. Dhanmondi Br. Dhaka 8. Nayabazar Br. Dhaka 9. Agrabad Br. Chittagong 10. Sylhet Br., Sylhet. 11. Naogaon Br. Naogaon 12. Goalabazar Br. Sylhet 13. Beanibazar Br. Sylhet 14. Mohadevpur Br. Naogaon 15. Khatungonj Br. Chittagong. 16. Jubilee Road Br. Chittagong. 17. Konabari Br. Gazipur 18. Bhatiyari Br. Chittagong 19. Motijheel Foreign Exchange Br. 	<ol style="list-style-type: none"> 7. Gulshan Br. Dhaka. 8. Nawabpur Br., Dhaka 9. Uttara Branch, Dhaka 10. Mirpur Branch, Dhaka 11. Rokeya Sharani, Dhaka 12. Khulna Branch, Khulna 13. Modhuban Branch, Sylhet 14. Agrabad Br., Chittagong 15. New Elephant Rd. Br. Dhaka 	<ol style="list-style-type: none"> 4. Momenshahi Cantonment Br., Mymensingh 5. Jessore Cantonment Branch Jessore 6. Ghatail Cantonment Br., Tangail 7. Bogra Cantonment Br., Bogra 8. Rangpur Cantonment Br., Rangpur 9. Comilla Cantoment Br., Comilla 10. Jalalabad Cantonment Br., Sylhet. 11. Chittagong Cantonment Br., Chittagong 12. Agrabad Branch, Chittagong 13. Dhanmondi Branch, Dhaka 14. Khatungonj Br. Chittagong 	<p><u>Southeast Bank Limited</u></p> <ol style="list-style-type: none"> 1. Principal Br, Dhaka 2. Corporate Br. Dhaka 3. Imamgonj Br., Dhaka. 4. Dhanmondi Br., Dhaka. 5. Uttara Br., Dhaka, 6. New Elephant Rd. Br. Dhaka. 7. Gulshan Br., Dhaka 8. Motijheel Br., Dhaka 9. Kawran Bazar Br., Dhaka 10. Banani Branch, Dhaka 11. Bangshal Br, Dhaka 12. New Eskaton Br. Dhaka. 13. Agargaon Br. Dhaka. , 14. Aganagar Br. Dhaka 15. Bandar Bazar Br. (Islami Banking), Shylet., 16. Shahjahanj Upashahar Br. Sylhet. 17. Hetimgonj Br. Sylhet. 18. Laldighirpaar Br., Sylhet, 19. Chouhatta br. Sylhet. 20. Moulivi Bazar Br., Moulivi Bazar 21. Kulaura Br., Moulivi Bazar 22. Agrabad Br., Chittagong, 23. Jubilee Road Br., Chittagong 24. Khatungonj Br., Chittagong 25. Halishahar Br., Chittagong 26. CDA Avenue Br., Pachlaish, Chittagong 27. Cox's Bazar Br., Bazar Ghat, Cox Bazar. 28. Chagalnaya Br. (Islami Banking) Feni 29. Feni Branch, Feni, 30. Khulna Br., Sir Iqbal Road., Khulna.
<p><u>EXIM Bank of Bangladesh Limited</u></p> <ol style="list-style-type: none"> 1. Motijheel Br. Dhaka. 2. Panthapath Br. Dhaka 3. Gulshan Br. Dhaka 4. Agrabad Branch, Chittagong 5. Sylhet Br. Sylhet 6. Islami Banking Br. Uttara 7. Khatungonj Br. Chittagong 8. Gazipur Br. Gazipur. 9. Imamgonj Br. Dhaka. 10. Soniamuri Br. Noakhali. 11. Nawabpur Br. Dh. 12. Narayangonj Br. Narayangonj. 13. Shimrail Br. Narayangonj. 14. Rajuk Avenue Br. Dhaka. 15. Uttra Br. Dhaka. 16. Laksham Br. Comilla. 17. Mirpur Br. Dhaka. 18. Jubilee Road Br. Chittagong. 19. Elephant Road Br. Dhaka. 20. Mawna Br. Gazipur. 21. Bogra Br. Bogra. 22. Jessore Br. Jessore. 23. Malibag Br. Dhaka. 24. Ashulia Br. Savar 25. Ashuganj Br. Brahmanbaria. 	<p><u>Prime Bank Limited</u></p> <ol style="list-style-type: none"> 1. Motijheel Br., Dhaka 2. Moulvi Bazar Br. Dhaka 3. Islamic Banking Br. Dhaka 4. Mohakhali Br. Dhaka 5. Mouchak Br., Dhaka 6. Gulshan Br., Dhaka 7. Bangshal Br., Dhaka 8. Uttara Br., Dhaka. 9. Foreign Exchange Br., Dhaka 10. Dhanmondi Br., Dhaka 11. Eskaton Br. Dhaka 12. Khulna Br., Khulna 13. Sylhet Br., Sylhet 14. Court Rd Br., Sylhet 15. Barishal Br., Barishal 16. Rajshahi Br., Rajs hahi 17. Agrabad Br., Chittagong 18. Jubille Rd Br., Chittagong 19. Jessore Br., Jessore 20. Bogra Br., Bogra 21. Khatungonj Br. Chittagong. 22. Kawranbazar Br. Dhaka 23. Elephant Road Br. Dhaka 24. Islamic Banking Br. Sylhet. 25. Narayangonj Br. Narayangonj 26. Gonakbari Br. Dhaka 27. Madhabdi Br. Narsingdi 28. Banani Br. Dhaka 29. IBB Mirpur Br., Dhaka. 30. IBB O.R. Nizam Road Br. Chittagong 	<p><u>Dhaka Bank Limited</u></p> <ol style="list-style-type: none"> 1. Local Office Dhaka 2. Bangshal Br. Dhaka 3. Imamgonj Br. Dhaka 4. Islampur Br. Dhaka 5. Banani Br. Dhaka 6. Foreign Exchange Br. Dhaka 7. Amin Bazar Br. Dhaka. 8. Dhanmondi Br. Dhaka 9. Kawranbazar Br. Dhaka 10. Uttara Br. Dhaka 11. Narayangonj Br. Narayangonj 12. E.P.Z. Br. Dhaka 13. Islamic Banking Br. Dhaka. 14. Agrabad Br, Chittagong. 15. Khatungonj Br., Chittagong 16. Jubilee Road Br. Chittagong 17. Laldighirpar Br. Sylhet-3100 18. Fantasy Kingdom Br. Ashulia. 	<p><u>National Credit & Commerce Bank Limited</u></p> <ol style="list-style-type: none"> 1. Motijheel Br., Dhaka 2. Moghbazar Br. Dhaka 3. Dilkusha Br. Dhaka 4. Mirpur Br. Dhaka 5. Dhanmondi Br., Dhaka 6. Gulshan Br. Dhaka 7. Malibagh Br. Dhaka 8. Uttara Br. Dhaka 9. Khulna Br. Khulna 10. Agrabad Br. Chittagong 11. Khatungonj Br. Chittagong 12. O.R Nizam Road Br. Chittagong 13. Jubilee Road Br. Chittagong 14. Chowhatta Br. Sylhet. 15. Moulvibazar Br. Moulvibazar 16. Rangpur Br., Rangpur 17. Jessore Br. Jessore. 18. Laxmipur Br. Laxmipur
<p><u>Investment Corporation of Bangladesh</u></p> <ol style="list-style-type: none"> 1. Head Office, Dhaka. 2. Local Office, Dhaka. 3. Branch Offices, Chittagong 4. Rajshahi Br., Rajshahi 5. Khulna Br., Khulna. 6. Barishal Br., Barishal. 7. Sylhet Br., Sylhet 8. Bogra Br., Bogra 	<p><u>Dutch-Bangla Bank Limited</u></p> <ol style="list-style-type: none"> 1. Local Office, Dhaka-1000 2. Motijheel Foreign Exchange Br. Dhaka. 3. Nababpur Br. Dhaka-1000 4. Banani Br. Dhaka-1213 5. Kawran Bazar Br. Dhaka-1215 6. Shantinagar Br. Dhaka-1217 7. Dhanmondi Br. Dhaka-1205 8. Beburhat Br. Narsingdi 9. Narayangonj Br. Narayangonj-1400 10. B.B. Road branch, Narayangonj 11. Agrabad Br. Chittagong 12. Mohakhali Br. Dhaka-1212 13. Gulshan Br. Dhaka-1212 14. Mirpur Br. Dhaka-1216 15. Uttara Br. Dhaka-1230 16. Patherhat Br. Chittagong 17. Islampur Br. Dhaka-1100 18. Dania Br. Dhaka 19. Hathazari, Chittagong 	<p><u>National Credit & Commerce Bank Limited</u></p> <ol style="list-style-type: none"> 1. Motijheel Br., Dhaka 2. Moghbazar Br. Dhaka 3. Dilkusha Br. Dhaka 4. Mirpur Br. Dhaka 5. Dhanmondi Br., Dhaka 6. Gulshan Br. Dhaka 7. Malibagh Br. Dhaka 8. Uttara Br. Dhaka 9. Khulna Br. Khulna 10. Agrabad Br. Chittagong 11. Khatungonj Br. Chittagong 12. O.R Nizam Road Br. Chittagong 13. Jubilee Road Br. Chittagong 14. Chowhatta Br. Sylhet. 15. Moulvibazar Br. Moulvibazar 16. Rangpur Br., Rangpur 17. Jessore Br. Jessore. 18. Laxmipur Br. Laxmipur 	<p><u>National Bank Limited</u></p> <ol style="list-style-type: none"> 1. Dilkusha Br., Dhaka. 2. Dhanmondi Br., Dhaka. 3. Elephant Road Br., Dhaka. 4. Foreign Ex. Br., Dhaka. 5. Gulshan Br., Dhaka. 6. Kawran Bazar Br., Dhaka. 7. Motijheel Br., Dhaka. 8. Narayangonj Br., Narayangonj 9. Agrabad Br., Chittagong 10. Khatungonj Br. Chittagong.
<p><u>Arab Bangladesh Bank Limited</u></p> <ol style="list-style-type: none"> 1. Merchant Banking Wing, Dhaka 2. Principal Br. Dhaka 3. Kawranbazar Br. Dhaka 4. Kakrail Branch, Dhaka 5. Dhanmondi Br. Dhaka. 6. Mohakhali Br. Dhaka. 	<p><u>Trust Bank Limited</u></p> <ol style="list-style-type: none"> 1. Principal Branch, Dhaka-1206 2. Sena Kallyan Bhaban Br., Dhaka. 3. Savar Cantonment Br., Savar, Dhaka. 		

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made thereunder shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the Application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be written or typed in Block Letters in English and must NOT be abbreviated.
3. Application must not be for less than 50 Ordinary Shares and must be for a multiple of 50 Ordinary Shares. Any Application not meeting this criterion will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of Shares favoring "Jamuna Bank Limited" and crossed "ACCOUNT PAYEE ONLY".
5. Application shall be sent by the applicant directly to the Company within 09/02/2006 so as to reach the Company within 19/02/2006. No Application sent after 09/02/2006 or received by the Company after 19/02/2006 will be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of Shares was paid for by the applicant through Account Payee Cheque payable at Dhaka with bank account number, Bank's name and Branch.
7. All the applicants shall first be treated as applied for one minimum lot. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. On the other hand, if there is under subscription, then all the applicants shall first be distributed with a single lot and thereafter, for the balance amount, lottery, shall be held for the applicants who have applied for multiple lots on the basis of dividing the application money by amount of a market lot separately for both NRB and General Public.
8. Money receipt of clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation or Company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of Application money and/or forfeiture of the share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
12. The intending NRB applicants shall deposit share money by US (\$) / Euro (?) / UK (£) draft drawn on and payable in Dhaka, Bangladesh, so that the Issuer's collecting Bank can clear that proceeds and deposit the same into Issuer's Bank account in time.
13. Spot buying rate (TT Clean) in US Dollars, UK Pound and Euro of Sonali Bank as prevalent on the date of opening of subscription will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
- 14. The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.**
15. In case of joint NRB application joint applicant shall also submit supporting papers/ documents in supported of their being an NRB as mentioned in para-14 above.
16. An applicant can submit NOT more than two Applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two Applications, those in excess of two Applications shall NOT be considered for allotment purpose.

THE NRB APPLICATION ALONG WITH THE DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.