No. SEC/Enforcement/522/2006/743
Dated: 05 July 2007

Jamuna Bank Ltd.
Printers Building (3rd & 8th Floor),5, Rajuk Avenue, Dhaka-1000

Directors
Jamuna Bank Ltd.
Printers Building (3rd & 8th Floor),5, Rajuk Avenue, Dhaka-1000

Managing Director
Jamuna Bank Ltd.
Printers Building (3rd & 8th Floor),5, Rajuk Avenue, Dhaka-1000

Company Secretary
Jamuna Bank Ltd.
Printers Building (3rd & 8th Floor),5, Rajuk Avenue, Dhaka-1000

Sub: Alleged non-compliance of securities law in connection with the IPO: Warning.

As per section 2(g) of the Securities and Exchange Ordinance, 1969 (XVII of 1969), Jamuna Bank Ltd. is an issuer (herein after refereed to as "issuer").

Jamuna Bank Ltd. submitted its draft prospectus, alongwith an application, to the Securities and Exchange Commission (herein after refereed to as "Commission") on 31 July 2005 under the repealed Public Issue Rules, 1998 [corresponding rule 7 of the Securities and Exchange Commission (Public Issue) Rules, 2006] for Commission's consent/approval for issuance of shares to the public through IPO.

Based on the said prospectus and relevant documents/information furnished/submitted to the Commission in connection with the said public issue, the Commission accorded its consent to the issuer for the said purpose on 12 December 2005.

The subscription against said prospectus for IPO was due to open from 5 February 2006 thru 9 February 2006. The board of directors, in its meeting held on 27 November 2005, approved transfer of certain sponsors' shares to some persons which, being material changes/information in respect of share holding position of the sponsors which were not informed/furnished to the Commission when IPO was under consideration.

The aforesaid activities of the issuer, and for that matter those of its directors, including the Managing Director/Chief Executive Officer and the Company Secretary, concerned were violative of rule 6 of the repealed Public Issue Rules, 1998 [corresponding rule 7 of the Securities and Exchange Commission (Public Issue) Rules, 2006] as well as section 18 of the Securities and Exchange Ordinance, 1969, read with section 17 of the said Ordinance, because of furnishing to the Commission certain incorrect information as well as concealment of certain important and relevant information to the Commission at the time of considering the IPO of the said issuer.

A show cause cum hearing notice No. SEC/Enforcement/522/2006/991 dated 12 September 2006 was issued to the issuer as well as its director including managing director and company secretary to explain the above contravention and also to provide an opportunity of being heard by the Commission. The hearing was conducted on 04 October 2006.

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Mr. M. Nazrul Islam, Managing Director; Mr. Kazi Fariduddin Ahmed, Company Secretary; Mr. Jasim Uddin SEO of Jamuna Bank Limited and Mr. Faheemul Haq, Bar-at-Law (on behalf of the directors) of the issuer appeared for the hearing, and in course of hearing, the issuer submitted written explanations in respect of the aforesaid contravention vide letters dated September 20, 2006 and October 04, 2006, stating, among others, the following:

1. The Board of Directors in its meeting held on 27 November 2005 approved transfer of shares to their own family members which led to some changes in shareholding position from that the Bank submitted earlier.
2. The Bank informed the Commission in its first monthly statement in SEC's format on May 09, 2006 about the change of name of the sponsor shareholders arising out of the aforesaid approval if share transfer.
3. The Bank or its Directors or its Executive did not have any pecuniary benefit or any other benefit against the aforesaid share transfer, except distribution of sponsor shares among their family members and change in the shareholding.
4. The transfer of the share did not affect the Management/Board with resultant effect to any public shareholders or gain to any transferor or transferee.
5. The Board regrets the unintentional oversight/lapses that occurred. The Board reprimanded the concerned Executives and warned them seriously not to repeat such mistake in the future.
6. There has been bonafide mistake on the part of the Managing Director and Company Secretary for which both of them sincerely regretted and assured for strict adherence to all securities laws in future.

The Commission, considering the explanations, has decided to dispose of the matter against the issuer for the stated contravention, by placing on record the Commission's dissatisfaction on the aforesaid default made by it, with a warning to ensure strict compliance of all securities related laws in future.

Please note that the above disposal does not absolve the issuer from its lawful responsibilities/obligations to the persons, if any, affected as a result of its above said default.

For the Securities and Exchange Commission

Md. Mizanur Rahman
Director

Copy for information:
Governor, Bangladesh Bank
Registrar, Registrar of Joint Stock Companies and Firms
Chief Executive Officer, DSE
Chief Executive Officer, CSE
Managing Director & Chief Executive Officer, CDBL
Executive Director (R&D), SEC
Executive Director (SRMID), SEC
Executive Director (CID), SEC
Director (MIS), SEC
Chairman's Office, SEC