

UNITED COMMERCIAL
BANK LIMITED



INTO THE DIGITAL REVOLUTION



ANNUAL REPORT 2021

Letter of Transmittal

To

The Shareholders
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited
Registrar of Joint Stock Companies & Firms

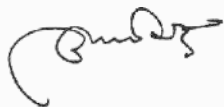
Subject: **Annual Report for the year ended December 31, 2021**

Dear Sir (s),

We are pleased to enclose a copy of the Annual Report of United Commercial Bank Limited together with the Auditors' Report, Directors' Report, and Audited Financial Statements as of December 31, 2021 for kind information and record.

Thanking you.

Sincerely yours,



ATM Tahmiduzzaman, FCS
DMD & Company Secretary

CONTENT



UNITED COMMERCIAL
BANK LIMITED





TABLE OF CONTENTS

Particulars	Page
● Letter of Transmittal	1
● General Information	7
• Forward-Looking Statement	8
• Vision, Mission & Core Values	9
• Strategic Priorities/Objectives	10
• Corporate Profile	11
• Code of Conducts & Ethics	13
• Five Years' Financial Summary	15
● Board of Directors	21
• Directors Profile	23
• Committees of the Board of Directors	29
● Senior Management Team	31
• Management Profile	32
● Message from the Frontiers	35
• Message from the Chairman	36
• Managing Director & CEO's Roundup	38
● Directors' Report	40
● Corporate Governance	75
• Report on Corporate Governance	76
• Compliance Status on Corporate Governance as per BSEC Notification	90
• Certificate on Compliance of Corporate Governance	108
• CEO's & CFO's Declaration to the Board of Directors	109
• Credit Rating Report	110
• Report of the Audit Committee of the Bank	111
• Report of the Risk Management Committee of the Bank	115
● Report on Risk Identification & Mitigation Methodology	118
● Disclosures on Risk-Based Capital (Basel - III)	149
● Report on Sustainability Finance	174
● Report on Corporate Social Responsibility	177
● Report on Islamic Banking of UCB	180

Particulars	Page
● Financial Statements	183
● Auditors' Report	184
● Consolidated Balance Sheet	191
● Off-Balance Sheet Items	192
● Consolidated Profit & Loss Account	193
● Consolidated Cash Flow Statements	194
● Consolidated Statement of Changes in Equity	195
● Balance Sheet	196
● Profit & Loss Accounts	198
● Cash Flow Statements	199
● Statement of Changes in Equity	200
● Liquidity Statement	201
● Notes to the Financial Statements	202
● Financial Statements of Islamic Banking Unit	262
● Financial Statements of Off-shore Banking Unit	270
● Balance Sheet	270
● Profit & Loss Accounts	272
● Cash Flow Statements	273
● Notes to the Financial Statements	274
● Subsidiary Companies of UCB	277
● UCB Stock Brokerage Limited	278
● Corporate Profile	279
● Board of Directors	281
● Directors' Report	282
● Management Discussion & Analysis	288
▪ Auditors' Report	290
▪ Statement of Financial Position	292
▪ Statement of Profit & Loss and Other Comprehensive Income	293
▪ Statement of Changes in Equity	294
▪ Statement of Cash Flows	295
▪ Notes to the Financial Statements	296
● UCB Asset Management Limited	315
● Corporate Profile	316
● Board of Directors	317
● Directors' Report	318
● Financial Statements	322
▪ Auditors' Report	322
▪ Statement of Financial Position	324
▪ Statement of Profit & Loss and Other Comprehensive Income	325
▪ Statement of Changes in Equity	326
▪ Statement of Cash Flows	327
▪ Notes to the Financial Statements	328

Particulars	Page
● UCB Investment Limited	336
● Corporate Profile	337
● Board of Directors	339
● Directors' Report	340
▪ Auditors' Report	346
▪ Statement of Financial Position	348
▪ Statement of Profit & Loss and Other Comprehensive Income	349
▪ Statement of Changes in Equity	350
▪ Statement of Cash Flows	351
▪ Notes to the Financial Statements	352
● UCB Fintech Company Limited	360
● Corporate Profile	361
● Board of Directors	362
● Directors' Report	364
▪ Auditors' Report	365
▪ Statement of Financial Position	367
▪ Statement of Profit & Loss and Other Comprehensive Income	368
▪ Statement of Changes in Equity	369
▪ Statement of Cash Flows	370
▪ Notes to the Financial Statements	371
● Branch Network	379
● Redressal of Investors' Complaint	396
● Notice of the 39th Annual General Meeting	398
● Proxy Form	399
● Glimpse of the 38th AGM of the Bank	401

GENERAL INFORMATION





FORWARD LOOKING STATEMENT

This announcement constitutes forward-looking statements of the Bank, including financial projections and estimating and their underlying assumptions, statements regarding planing, objectives and expectations or forecasts.

These statements include statements regarding our intent, belief or current expectations in respect of our customer base, estimates regarding future growth in our different business lines and our overall business, market share, financial results and other aspects of our activity and situation relating to the bank. The forward-looking statements in this document can be identified, in some instances, by the use of words such as "expects", "anticipates", "intends", "believes", and similar language or the negative thereof or by the forward-looking nature of discussions of strategy, plans or intentions.

Such forward-looking statements, by their nature, do not guarantee of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors.

Neither this presentation nor any of the information contained herein constitutes an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, or any advice or recommendation with respect to UCB. Moreover, be informed that this document may contain summarized information or information that has not been audited. In this sense, this information is subject to, and must be read in conjunction with, all other publicly available information, including if it is necessary, any disclosure documents published by the bank.

Finally, we caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our future oriented statement, to make any decision with respect to the bank, investors and other should carefully consider the foregoing factors and other uncertainties and potential events. We do not undertake to update any future oriented statement, whether written or oral that may be made from time to time by us on our behalf.



VISION, MISSION & CORE VALUES

VISION

TO BE THE BANK OF THE FIRST CHOICE THROUGH MAXIMIZING VALUE FOR OUR CLIENTS, SHAREHOLDERS & EMPLOYEES AND CONTRIBUTING TO THE NATIONAL ECONOMY WITH SOCIAL COMMITMENTS.

MISSION

TO OFFER FINANCIAL SOLUTIONS THAT CREATE, MANAGE, AND INCREASE OUR CLIENTS' WEALTH WHILE IMPROVING THE QUALITY OF LIFE IN THE COMMUNITIES WE SERVE.

CORE VALUES

- ▶ **WE PUT OUR CUSTOMERS FIRST.**
- ▶ **WE EMPHASIZE ON PROFESSIONAL ETHICS.**
- ▶ **WE MAINTAIN QUALITY AT ALL LEVELS.**
- ▶ **WE BELIEVE IN BEING A RESPONSIBLE CORPORATE CITIZEN.**
- ▶ **WE SAY WHAT WE BELIEVE IN.**
- ▶ **WE FOSTER PARTICIPATIVE MANAGEMENT.**



STRATEGIC PRIORITIES/OBJECTIVES

- Enjoyable experience**
To make all the stakeholders happy and make the entire banking process an enjoyable experience for everyone
- Compliant**
To be compliant with all the rules and regulations applicable in Bangladesh
- Innovation and diversity**
To foster creativity, innovation, and diversity with a view to sustainable business growth
- Needs of the future generation**
Continuous development without compromising the needs of the future generation
- World-class IT infrastructure**
To ensure the satisfaction of all the UCB's customers through delivering services with the implementation of world-class IT infrastructure
- Good Governance**
To establish good governance
- Risk Management**
Ensuring an effective risk management system within entire phases of activities
- Corporate Social Responsibilities**
Focusing on Corporate Social Responsibilities (CSR) in a responsible manner
- Image**
To build & enhance brand image



Corporate Profile

UNITED COMMERCIAL BANK LIMITED (UCB) STARTED ITS HUMBLE JOURNEY IN MID 1983 WITH A FIRM COMMITMENT TO THE ECONOMIC AND SOCIAL DEVELOPMENT OF BANGLADESH AND HAS BEEN ABLE TO ESTABLISH ITSELF AS ONE OF THE LARGEST PRIVATE COMMERCIAL BANKS OF THE COUNTRY TODAY.

To keep the promise unbroken, we dedicatedly spent more than three glorious decades and today we stand as one of the largest private commercial banks of Bangladesh. From the very inception, UCB had a steadfast determination towards ensuring optimum services and assistance. Aligned with our commitment to best financial services, we are continuously coming up with a number of diverse and customer friendly initiatives and products.

UCB has played a pivotal role in creating, nourishing and establishing leading entrepreneurs of the country and without these very special people (entrepreneurs) we wouldn't have the economically strong Bangladesh we have today. UCB is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and in all parameters UCB is considered as one of the top listed companies in Bangladesh.

UCB offers a wide range of banking products and financial services to corporate, SME and retail customers through a variety of delivery channels and through its subsidiary companies. With a vast network of 215 branches along with Off-shore Banking Unit, Unet, Uclick, E-Commerce, Agent Banking, Islamic Banking, Sub Branches, Priority Banking (UCB Imperial), remittance services, credit card business and with dedicated human capital of 5,060 the bank has already made a distinct mark in the realm of private sector banking through boutique service, innovative practices, dynamic problem solving approach and efficient management. The bank has very special focus on RMG, import-export, agriculture, SME sector and retail business with a view to leading

nationwide financial inclusion and green banking initiatives. The Bank has four fully owned subsidiaries namely i.e. UCB Stock Brokerage Limited (provides brokerage services in the capital market), UCB Investment Limited (aims to carry out full-fledged merchant banking activities in Bangladesh), UCB Asset Management Limited (incorporated for both institutional and individual fund management) and UCB Fintech Company Limited (Mobile Financial Services known as Upay).

UCB's Board members include eminent individuals with industrial, financial and operational expertise. The Board consists of 20 members including 3 independent Directors and Managing Director & CEO. There are three committees under the Board which are Executive Committee, Audit Committee and Risk Management Committee. There is also a Shariah Supervisory Committee for Islamic Banking services.

Our innovative banking services have been recognized and rewarded even in the global arena. UCB has gone through a massive transformation in the recent past. Our transformation is reshaping the client experience. The Board and the Management of the Bank clearly realize that multiple forces have reshaped the banking business in the country and UCB has to be ready to grab untapped potentials of the country. Moving forward, the Bank has a clear strategy to rationalize our portfolio, managing risks while accelerating the delivery of consistently strong results with special focus on people, planet and profit to embrace sustainability.

The foundation of our business is the commitment to excellence in everything we do. Our competitive advantage lies on Sustainable Development based on continuous diversification of business. UCB's core competencies may be classified into two segments interest earning activities in the form of providing loans and advances and investment activities.

We are committed to provide our clients with the highest level of service for managing their wealth effectively by adopting international best practices and operating ethically and transparently. Our branding concept gives practical expression to the bank's aspiration to position the customer, and the customer's needs and financial well-being, as central which is depicted in our motto – **United We Achieve.**

UCB AT A GLANCE

<i>Registered Name</i>	● United Commercial Bank Limited
<i>Legal Status</i>	● Public Limited Company
<i>Date of Incorporation</i>	● 26 June 1983
<i>Date of Commencement of Business</i>	● 27 June 1983
<i>Chairman</i>	● Rukhmila Zaman
<i>Vice Chairman</i>	● Bazal Ahmed
<i>Chairman, Executive Committee</i>	● Anisuzzaman Chowdhury
<i>Chairman, Audit Committee</i>	● Akhter Matin Chaudhury, FCA(E&W), FCA, FCS
<i>Chairman, Risk Management Committee</i>	● M.A. Sabur
<i>Chairman, Shariah Supervisory Committee</i>	● Bazal Ahmed
<i>Managing Director & CEO</i>	● Arif Quadri
<i>Company Secretary</i>	● ATM Tahmiduzzaman, FCS
<i>Head of Internal Control & Compliance</i>	● Mohammed Khorshed Alam
<i>Chief Financial Officer</i>	● Faruk Ahammad, FCA
<i>Date of Listing with DSE</i>	● 30 November 1986
<i>Date of Listing with CSE</i>	● 15 November 1995
<i>Authorized Capital</i>	● BDT 15,000 million
<i>Paid up Capital</i>	● BDT 12,783.96 Million
<i>Total Manpower</i>	● 5060 (As on 31.12.2021)
<i>Number of Branches</i>	● 215 (As on 31.12.2021)
<i>Number of Sub Branches</i>	● 135 (As on 31.12.2021)
<i>Number of Agent Banking Outlets</i>	● 177 (As on 31.12.2021)
<i>Number of ATM & CRM Booths</i>	● 628 (As on 31.12.2021)
<i>Auditors</i>	● MABS & J Partners Chartered Accountants SMC Tower, Level 33 Kamal Ataturk Avenue, Road#17 Banani C/A, Dhaka-1213, Bangladesh
<i>Tax Consultants</i>	● ACNABIN Chartered Accountants BDBL Bhaban (Level-13 & 15) 12 Kawran Bazar Commercial Area Dhaka-1215, Bangladesh
<i>Rating Agency</i>	● Emerging Credit Rating Ltd. Shams Rangs, Level A1, A2 & A5 House 104, Park Road, Baridhara, Dhaka-1212
<i>Registered Office</i>	● Bulus Center, Plot - CWS(A)-1, Road No - 34, Gulshan Avenue, Dhaka-1212, Bangladesh
<i>Telephone</i>	● +88-02-55668070 / +88-09610999999
<i>E-mail</i>	● info@ucb.com.bd
<i>Website</i>	● www.ucb.com.bd
<i>SWIFT</i>	● UCBL BDDH
<i>Trading Symbol</i>	● UCB

CODE OF CONDUCT & ETHICS



UCB EMPHASIZES THE IMPORTANCE OF AN EFFECTIVE CODE OF CONDUCT AND ETHICS POLICY FOR THE PROMOTION OF FAIR AND ETHICAL PRACTICES BY ALL INDIVIDUALS INVOLVED WITHIN THE BANKING INSTITUTION AS THE POLICY IS A FUNDAMENTAL BASIS TO SUPPORT THE BANK'S MISSION AND ITS BUSINESS OPERATIONS.

Our employee Code of Conduct and Ethics Policy applies to everyone who works at UCB including employees (both permanent and on probation). As we grow our business and expand our network, it is essential that our employees understand and act upon our Code of Conduct and Ethics Policy. All employees of UCB are required to comply with our Code of Conduct and Ethics Policy and any breach of conduct could lead to termination of employment in serious cases and employees' declaration is obtained at the time of joining at UCB. Furthermore, to help our employees in understanding and apply the principles of our Code of Conduct and Ethics Policy, a course is included in FTC. The following are the salient features of UCB code of conduct & ethics policy.

Confidentiality

Confidential information about United Commercial Bank Ltd.'s business or business plans, products and services, marketing methods, technology, or systems must never be disclosed to a third party except pursuant to a statute or regulations, or valid court order. The Bank owes a strict duty of confidentiality to their customers.

Conflicts of Interest

All employees of United Commercial Bank Ltd. should be scrupulous in avoiding any action or interest that conflicts or gives the appearance of a conflict with the Bank's interests.

Outside Pressure

The employees must refrain from bringing in outside pressure or influence to attain personal gains within the organization; any such attempt will be subject to disciplinary action.

Gifts and Entertainment

Employees are not permitted to accept gifts, entertainment, or other favours from existing or prospective customers of the Bank. This is essential to keep the employees of the Bank from being prejudiced or influenced or showing a lenient attitude keeping aside the bank's interest.

Accuracy of Records and Reporting

Bank's books, records, accounts, and reports must accurately reflect its transactions, and must be subject to an adequate system of internal controls and disclosure controls to promote the highest degree of integrity.

Fraud, Theft, or Illegal Activities

Employees are to be alert and vigilant concerning fraud, theft, or significant illegal activity committed within the office. If any such activity comes to the employee's attention, he/she must immediately report the same to his/her immediate superiors who will arrange for appropriate follow-up action to be taken. Failure to report any such activity will be subject to disciplinary action.

Opportunities

Employees are prohibited from taking for themselves opportunities that arise through the use of corporate

property information or position. They are further prohibited from using corporate property, information, or position for personal gain and/or competing with the bank.

Compliance with Laws, Rules, and Regulations

United Commercial Bank Ltd.'s policy is to maintain an open and cooperative relationship with our regulators and to comply with all applicable laws, rules, and regulations. Bank also disseminates information regarding compliance with laws, rules, and regulations that affect business.

Equal Employment Opportunity

United Commercial Bank Ltd. is an equal opportunity employer in hiring and promotion practices, benefits, and wages. The Bank will not tolerate discrimination against any person based on race, religion, color, gender, age, citizenship in recruiting, hiring, placement, promotion, or any other condition of employment.

Discrimination or Harassment

United Commercial Bank Ltd. is committed to the prohibition of harassment and intimidation of employees in the workplace. Bank encourages a work environment where employees are valued and respected. Bank promotes equality of gender, race, and religion and prohibits sexual or any other kind of discrimination, harassment, or intimidation whether committed by or against a superior, co-worker, customer, vendor, or visitor.

FIVE YEARS' FINANCIAL SUMMARY

(Figures in million Taka except ratios and per share data)

Results of Operation	2021	2020	2019	2018	2017
Interest income	27,323.65	27,306.96	30,948.75	25,266.93	21,034.16
Interest expense	13,927.26	17,796.18	20,150.94	16,024.50	12,087.39
Net interest income	13,396.39	9,510.78	10,797.81	9,242.44	8,946.77
Non-interest income*	11,423.35	10,977.44	9,911.08	9,050.08	8,435.50
Non-interest expenses	14,636.03	13,631.10	12,430.21	10,902.27	9,430.86
Gross Revenue*	38,747.00	38,284.39	40,859.83	34,317.01	29,469.66
Gross Profit*	24,819.74	20,488.21	20,708.89	18,292.52	17,382.27
Operating profit*	10,183.71	6,857.12	8,278.68	7,390.25	7,951.41
Earning before interest, depreciation and tax**	8,425.91	7,764.02	7,501.33	6,685.52	6,744.42
Profit before tax	5,609.91	4,948.01	4,932.09	4,907.76	5,461.41
Total Provision (Excluding Tax Provision)	4,573.81	1,909.10	3,346.60	2,482.49	2,490.00
Net profit after tax*	3,177.17	2,857.20	2,772.04	2,368.95	2,433.91
Balance Sheet					
Authorized capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Paid up capital	12,783.97	12,175.21	11,595.44	10,541.31	10,541.31
Shareholders' equity*	37,442.01	35,066.23	32,783.02	29,900.25	26,510.26
Borrowing	85,803.63	59,399.13	40,911.33	44,694.26	33,846.39
Deposits	389,900.72	353,981.62	330,632.23	297,172.82	278,195.49
Loans and advances	402,481.74	351,683.56	322,728.14	294,671.94	261,002.88
Investments	81,387.61	65,323.45	57,800.97	50,830.84	42,911.75
Fixed assets	14,721.19	14,539.96	14,454.64	9,056.11	8,344.10
Off-balance sheet exposure	260,413.16	201,041.69	183,957.88	182,066.61	197,973.80
Total assets*	565,314.21	493,306.95	446,760.12	402,749.10	363,314.80
Total liabilities*	527,872.20	458,240.72	413,977.10	372,848.85	336,804.54
Total Net Assets	37,442.01	35,066.23	32,783.02	29,900.25	26,510.26
Share Information					
Market price per share	15.30	14.10	13.30	17.60	23.60
No. of shares outstanding (No. in million)	1,278.40	1,217.52	1,159.54	1,054.13	1,054.13
Earnings per share (basic)	2.49	2.35	2.39	2.40	2.31
Earnings per share (diluted)*	2.49	2.23	2.28	2.04	2.31
Dividend (percent)	10.00	10.00	10.00	10.00	10.00
Cash Dividend (percent)	-	5.00	5.00	-	10.00
Stock Dividend (percent)	10.00	5.00	5.00	10.00	-
Net asset value per share*	29.29	28.80	28.27	28.36	25.15
Price earning ratio (times)*	6.16	6.01	5.56	8.61	10.22
Dividend cover ratio (times)*	2.49	2.35	2.39	2.25	2.31
Dividend Yield (percent)	6.54	7.09	7.52	5.68	4.24
Market capitalization (BDT in million)	19,559.47	17,167.04	15,421.93	18,552.71	24,877.49
Financial Ratios (%)					
Cost-income ratio*	58.97	66.53	60.02	59.60	54.26
Credit-deposit ratio	83.73	81.18	83.79	79.64	80.34

Results of Operation	2021	2020	2019	2018	2017
Debt equity ratio (times)*	12.71	11.79	11.34	11.43	11.77
Gross profit ratio*	64.06	53.52	50.68	53.30	58.98
Current Ratio (times)	1.05	1.15	1.13	1.15	1.16
Return on Capital Employed	2.92	3.40	3.74	3.80	4.36
Net interest income as a % of working funds; i.e, Operating Cost-Efficiency Ratio"	100.59	32.80	39.46	32.78	31.71
Operating profit as % of working funds*	76.47	23.65	30.25	26.21	28.18
Return on assets*	0.60	0.61	0.65	0.62	0.70
Return on equity*	8.76	8.42	8.84	8.40	9.31
Burden coverage ratio*	78.05	80.53	79.73	83.01	89.45
CASA Deposit as % of Total Deposit	34.70	32.32	27.96	28.12	28.68
Cost of fund	6.01	7.42	8.57	7.58	6.79
Yield on advance	7.08	7.92	9.78	8.62	8.53
Spread/Net interest margin (NIM)	1.07	0.49	1.21	1.04	1.74
Foreign Business					
Import	403,177.50	259,241.13	246,212.60	248,969.80	217,858
Export	292,673.70	212,485.48	252,920.30	232,314.41	199,188
Remittance	64,272.80	45,283.20	48,763.90	32,206.00	5,595.48
No. of Foreign correspondents	601	596	581	547	535
Capital Measures					
Total Risk Weighted Assets	386,743.80	336,719.54	314,868.22	332,831.86	305,850.28
Tire I Capital*	34,364.53	28,848.43	27,254.27	25,012.30	23,595.90
Tire II Capital*	18,396.42	21,383.18	18,981.88	17,938.31	13,323.94
Total Capital*	52,760.95	50,231.61	46,236.15	42,950.61	36,919.84
Tire I Ratio (percent)*	8.89	8.57	8.66	7.51	7.71
Tire II Ratio (percent)*	4.76	6.35	6.03	5.39	4.36
Capital to RWA Ratio (percent)*	13.64	14.92	14.68	12.90	12.07
Required Capital	48,342.97	42,089.94	39,358.53	39,523.78	34,408.16
Capital Surplus/(Shortage)*	4,417.97	8,141.67	6,877.62	3,426.83	2,511.68
Liquidity Measures					
Cash Reserve Requirement (percent)	4.29	4.30	5.59	5.67	6.99
Statutory Liquidity Ratio (percent)	20.77	16.53	15.92	15.39	15.28
Current Assets	270,583.21	226,648.94	242,112.95	219,304.65	203,705.05
Current liabilities	257,265.96	197,650.27	214,747.29	191,106.98	175,486.35
Net Current Assets	13,317.25	28,998.67	27,365.67	28,197.67	28,218.70
Long term liabilities	270,606.25	260,590.45	194,446.48	181,969.40	161,318.19
Long term liabilities/ Current liabilities (%)	105.19	131.84	90.55	95.22	91.93
Asset Quality					
Non Performing Loans	17,737.29	8,983.56	11,711.23	20,021.63	19,268.09
% of NPL to Total Loans ad advances	4.41	2.55	3.63	6.79	7.38
Total provision for Classified loans and advances	10,122.34	7,239.86	6,430.06	4,940.01	5,020.94
Total provision for Unclassified loans and advances	6,462.04	5,406.04	4,005.39	3,727.76	2,396.52
Total provision for Investment	-	235.22	673.47	-	292.84
Total provision for Other assets	105.00	105.00	105.00	104.96	74.85
Total provision for Off BS Items	2,407.24	1,857.24	1,617.21	1,570.41	1,979.84
Other informations					
No. of branches	215	204	195	187	178
No. of ATM	628	556	523	398	187
No. of employees	5,060	4,900	4,988	4,982	4,459
Operating Profit per employee (BDT in million)	2.01	1.40	1.66	1.54	1.78

* Comparative numbers are restated in line with current year

** Earning before interest on long term debt, depreciation and tax

UNITED COMMERCIAL BANK LIMITED

HORIZONTAL ANALYSIS (STAND ALONE)

Statement of Financial Position

(Figures in million Taka except ratios and per share data)

	2021			2020			2019			2018			2017		
	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	
PROPERTY AND ASSETS															
Cash	25,380.18	2%	24,947.58	-6%	26,403.42	16%	22,790.71	-5%	23,914.51	-5%	23,914.51	13%			
Balance with other banks & financial institutions	19,409.25	-5%	20,468.43	6%	12,123.38	-25%	16,256.14	-18%	19,768.66	40%	19,768.66	40%			
Money at Call on short notice	3,200.00	244%	930.00	-45%	1,700.00	1033%	150.00	-48%	290.00	-69%	290.00	-69%			
Investments	81,387.61	25%	65,323.45	13%	57,800.97	14%	50,830.84	18%	42,911.75	-23%	42,911.75	-23%			
Loans and Advances	402,481.74	14%	351,683.56	9%	322,728.14	10%	294,671.94	13%	261,002.88	17%	261,002.88	17%			
Fixed assets including premises, furniture & fixture	14,721.19	1%	14,539.96	1%	14,454.64	60%	9,056.11	9%	8,344.10	-0.430%	8,344.10	-0.430%			
Other assets	18,734.25	22%	15,413.97	33%	11,549.57	28%	8,993.36	27%	7,082.89	19%	7,082.89	19%			
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-			
Total property and assets	565,314.21	15%	493,306.95	10%	446,760.12	11%	402,749.10	11%	363,314.80	10%	363,314.80	10%			
LIABILITY AND CAPITAL															
Liabilities															
Borrowings from other banks, financial institutions and agents	14,353.40	408%	2,826.68	-18%	3,444.50	-33%	5,160.68	2%	5,057.79	47%	5,057.79	47%			
Borrowings from Bangladesh Bank	58,150.24	44%	40,272.45	83%	22,066.82	-9%	24,133.58	32%	18,288.61	21%	18,288.61	21%			
Convertible Subordinate Bonds	13,300.00	-18%	16,300.00	6%	15,400.00	0%	15,400.00	47%	10,500.00	50%	10,500.00	50%			
Money at Call on short notice	-	-	-	-	-	-	-	-	-	-	-	-			
Deposits and other accounts	389,900.72	10%	353,981.62	7%	330,786.67	11%	297,172.82	7%	278,195.49	8%	278,195.49	8%			
Other liabilities	52,167.85	16%	44,859.97	6%	42,279.11	36%	30,981.77	25%	24,762.66	20%	24,762.66	20%			
Total Liabilities	527,872.20	15%	458,240.72	11%	413,977.10	11%	372,848.85	11%	336,804.54	11%	336,804.54	11%			
Capital and Shareholders' Equity															
Total Shareholders' Equity	37,442.01	7%	35,066.23	7%	32,783.02	10%	29,900.25	13%	26,510.26	3%	26,510.26	3%			
Total Liabilities and Shareholders Equity	565,314.21	15%	493,306.95	10%	446,760.12	11%	402,749.10	11%	363,314.80	10%	363,314.80	10%			

UNITED COMMERCIAL BANK LIMITED

HORIZONTAL ANALYSIS (STAND ALONE)

Profit & Loss Account

(Figures in million Taka except ratios and per share data)

	2021			2020			2019			2018			2017		
	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	
Interest Income	27,323.65	0.06%	27,306.96	-12%	30,948.75	22%	25,266.93	20%	21,034.16	1%					
Interest paid on deposits and borrowings etc	13,927.26	-22%	17,796.18	-12%	20,150.94	26%	16,024.50	33%	12,087.39	-1%					
Net Interest Income	13,396.39	41%	9,510.78	-12%	10,797.81	17%	9,242.44	3%	8,946.77	4%					
Investment Income	5,463.61	-11%	6,135.36	26%	4,853.22	10%	4,430.71	8%	4,097.00	-1%					
Commission, exchange and brokerage	5,739.17	22%	4,693.98	-5%	4,920.06	10%	4,480.62	10%	4,066.52	27%					
Other operating income	220.57	49%	148.09	7%	137.80	-1%	138.76	-49%	271.97	-25%					
Total operating income	24,819.74	21%	20,488.21	-1%	20,708.89	13%	18,292.52	5%	17,382.27	6%					
Salary and allowances	7,166.52	13%	6,354.17	7%	5,912.08	-9%	6,491.61	13%	5,736.49	11%					
Rent, taxes, insurance, electricity etc.	1,122.45	13%	995.87	-0.21%	998.00	-19%	1,226.15	6%	1,155.59	8%					
Legal expenses	128.65	37%	94.18	40%	67.21	6%	63.15	-3%	65.34	97%					
Postage, stamps, telecommunications etc.	184.56	6%	174.62	-8%	189.26	33%	141.98	-5%	148.93	22%					
Stationery, printing, advertisements etc.	1,249.15	-16%	1,482.82	21%	1,227.39	9%	1,127.86	74%	648.49	-27%					
Chief Executive's salary and fees	13.45	-10%	15.02	9%	13.74	39%	9.91	23%	8.03	-29%					
Directors' fees	2.59	-4%	2.71	-22%	3.46	-36%	5.40	-0.099%	5.41	-9%					
Auditors' fees	1.15	-33%	1.73	50%	1.15	0%	1.15	43%	0.81	0%					
Depreciation and repair of banks assets	1,822.19	13%	1,609.94	12%	1,437.61	80%	799.96	5%	764.89	7%					
Other expenses	2,945.32	2%	2,900.05	12%	2,580.30	149%	1,035.10	15%	896.89	20%					
Total Operating Expenses	14,636.03	7%	13,631.10	10%	12,430.21	14%	10,902.27	16%	9,430.86	8%					
Profit/(Loss) before provision	10,183.71	49%	6,857.12	-17%	8,278.68	12%	7,390.25	-7%	7,951.41	5%					
Loans & advances	4,362.47	97%	2,210.63	-21%	2,795.85	-18%	3,422.29	64%	2,092.07	1%					
Recovery from Write-Off	(102.58)	-1%	(103.35)	-39%	(169.29)	-37%	(267.64)	100%	-	-					
Diminution in value of investments	(235.22)	-46%	(438.25)	-165%	673.47	-330%	(292.84)	100%	-	-					
Off balance sheet items	549.13	129%	240.06	416%	46.53	-111%	(409.43)	-203%	397.93	21%					
Other Provisions	-	-	-	-100%	0.04	-100%	30.11	100%	-	-					
Total provision	4,573.81	140%	1,909.10	-43%	3,346.60	35%	2,482.49	-0.302%	2,490.00	4%					
Total Profit/(Loss) before taxes	5,609.91	13%	4,948.01	0.323%	4,932.09	0.496%	4,907.76	-1.0%	5,461.41	5%					
Provision for taxation:															
Current tax expense	3,823.48	45%	2,632.95	-5%	2,783.08	18%	2,360.09	-22%	3,027.50	18%					
Deferred tax expense/(income)	(1,390.74)	157%	(542.13)	-13%	(623.03)	-449%	178.72	100%	-	-					
Total provision for taxation	2,432.73	16%	2,090.82	-3%	2,160.05	-15%	2,538.81	-16%	3,027.50	18%					
Net Profit after taxation	3,177.17	11%	2,857.20	3%	2,772.04	17%	2,368.95	-3%	2,433.91	-7%					

UNITED COMMERCIAL BANK LIMITED

VERTICAL ANALYSIS (STAND ALONE)

Statement of Financial Position

(Figures in million Taka except ratios and per share data)

	2021		2020		2019		2018		2017	
	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%
PROPERTY AND ASSETS										
Cash	25,380.18	4%	24,947.58	5%	26,403.42	6%	22,790.71	6%	23,914.51	7%
Balance with other banks & financial institutions	19,409.25	3%	20,468.43	4%	12,123.38	3%	16,256.14	4%	19,768.66	5%
Money at Call on short notice	3,200.00	1%	930.00	0%	1,700.00	0%	150.00	0%	290.00	0%
Investments	81,387.61	14%	65,323.45	13%	57,800.97	13%	50,830.84	13%	42,911.75	12%
Loans and Advances	402,481.74	71%	351,683.56	71%	322,728.14	72%	294,671.94	73%	261,002.88	72%
Fixed assets including premises, furniture & fixture	14,721.19	3%	14,539.96	3%	14,454.64	3%	9,056.11	2%	8,344.10	2%
Other assets	18,734.25	3%	15,413.97	3%	11,549.57	3%	8,993.36	2%	7,082.89	2%
Non-banking assets	-	-	-	-	-	-	-	-	-	-
Total property and assets	565,314.21	100%	493,306.95	100%	446,760.12	100%	402,749.10	100%	363,314.80	100%
LIABILITY AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions and agents	14,353.40	3%	2,826.68	1%	3,444.50	1%	5,160.68	1%	5,057.79	1%
Borrowings from Bangladesh Bank	58,150.24	10%	40,272.45	8%	22,066.82	5%	24,133.58	6%	18,288.61	5%
Convertible Subordinate Bonds	13,300.00	2%	16,300.00	3%	15,400.00	3%	15,400.00	4%	10,500.00	3%
Money at Call on short notice	-	0%	-	0%	-	0%	-	-	-	0%
Deposits and other accounts	389,900.72	69%	353,981.62	72%	330,786.67	74%	297,172.82	74%	278,195.49	77%
Other liabilities	52,167.85	9%	44,859.97	9%	42,279.11	9%	30,981.77	8%	24,762.66	7%
Total Liabilities	527,872.20	93%	458,240.72	93%	413,977.10	93%	372,848.85	93%	336,804.54	93%
Capital and Shareholders' Equity										
Total Shareholders' Equity	37,442.01	7%	35,066.23	7%	32,783.02	7%	29,900.25	7%	26,510.26	7%
Total Liabilities and Shareholders Equity	565,314.21	100%	493,306.95	100%	446,760.12	100%	402,749.10	100%	363,314.80	100%

UNITED COMMERCIAL BANK LIMITED

VERTICAL ANALYSIS (STAND ALONE)

Profit & Loss Account

(Figures in million Taka except ratios and per share data)

	2021			2020			2019			2018			2017		
	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%	
Interest Income	27,323.65	71%	27,306.96	71%	30,948.75	76%	25,266.93	74%	21,034.16	71%					
Interest paid on deposits and borrowings etc	13,927.26	36%	17,796.18	46%	20,150.94	49%	16,024.50	47%	12,087.39	41%					
Net Interest Income	13,396.39	35%	9,510.78	25%	10,797.81	26%	9,242.44	27%	8,946.77	30%					
Investment Income	5,463.61	14%	6,135.36	16%	4,853.22	12%	4,430.71	13%	4,097.00	14%					
Commission, exchange and brokerage	5,739.17	15%	4,693.98	12%	4,920.06	12%	4,480.62	13%	4,066.52	14%					
Other operating income	220.57	1%	148.09	0.387%	137.80	0.337%	138.76	0.404%	271.97	1%					
Total operating income	24,819.74	64%	20,488.21	54%	20,708.89	51%	18,292.52	53%	17,382.27	59%					
Salary and allowances	7,166.52	18%	6,354.17	17%	5,912.08	14%	6,491.61	19%	5,736.49	19%					
Rent, taxes, insurance, electricity etc.	1,122.45	3%	995.87	3%	998.00	2%	1,226.15	4%	1,155.59	4%					
Legal expenses	128.65	0.332%	94.18	0.246%	67.21	0.164%	63.15	0.184%	65.34	0.222%					
Postage, stamps, telecommunications etc.	184.56	0.476%	174.62	0.456%	189.26	0.463%	141.98	0.414%	148.93	1%					
Stationery, printing, advertisements etc.	1,249.15	3%	1,482.82	4%	1,227.39	3%	1,127.86	3%	648.49	2%					
Chief Executive's salary and fees	13.45	0.035%	15.02	0.039%	13.74	0.034%	9.91	0.029%	8.03	0.027%					
Directors' fees	2.59	0.007%	2.71	0.007%	3.46	0.008%	5.40	0.016%	5.41	0.018%					
Auditors' fees	1.15	0.003%	1.73	0.005%	1.15	0.003%	1.15	0.003%	0.81	0.003%					
Depreciation and repair of banks assets	1,822.19	5%	1,609.94	4%	1,437.61	4%	799.96	2%	764.89	3%					
Other expenses	2,945.32	8%	2,900.05	8%	2,580.30	6%	1,035.10	3%	896.89	3%					
Total Operating Expenses	14,636.03	38%	13,631.10	36%	12,430.21	30%	10,902.27	32%	9,430.86	32%					
Profit/(Loss) before provision	10,183.71	26%	6,857.12	18%	8,278.68	20%	7,390.25	22%	7,951.41	27%					
Loans & advances	4,362.47	11%	2,210.63	6%	2,795.85	7%	3,422.29	10%	2,092.07	7%					
Recovery from Write-Off	(102.58)	-0.265%	(103.35)	-0.270%	(169.29)	-0.414%	(267.64)	-1%	-	0%					
Diminution in value of investments	(235.22)	-1%	(438.25)	-1%	673.47	2%	(292.84)	-1%	-	0%					
Off balance sheet items	549.13	1%	240.06	1%	46.53	0.114%	(409.43)	-1%	397.93	1%					
Other Provisions	-	0%	-	0%	0.04	0%	30.11	0.09%	-	0%					
Total provision	4,573.81	12%	1,909.10	5%	3,346.60	8%	2,482.49	7%	2,490.00	8%					
Total Profit/(Loss) before taxes	5,609.91	14%	4,948.01	13%	4,932.09	12%	4,907.76	14%	5,461.41	19%					
Provision for taxation:															
Current tax expense	3,823.48	10%	2,632.95	7%	2,783.08	7%	2,360.09	7%	3,027.50	10%					
Deferred tax expense/(income)	(1,390.74)	-4%	(542.13)	-1%	(623.03)	-2%	178.72	1%	-	0%					
Total provision for taxation	2,432.73	6%	2,090.82	5%	2,160.05	5%	2,538.81	7%	3,027.50	10%					
Net Profit after taxation	3,177.17	8%	2,857.20	7%	2,772.04	7%	2,368.95	7%	2,433.91	8%					

BOARD OF DIRECTORS



BOARD OF DIRECTORS



Rukhmila Zaman
Chairman



Bazal Ahmed
Vice-Chairman of the Board
Chairman
Shariah Supervisory Committee



Anisuzzaman Chowdhury
Chairman, Executive Committee



Akhter Matin Chaudhury
FCA (E&W), FCA, FCS
Chairman, Audit Committee



M.A. Sabur
Chairman, Risk Management
Committee



Hajee Yunus Ahmed
Director



Hajee M. A. Kalam
Director



Nurul Islam Chowdhury
Director



Asifuzzaman Chowdhury
Director



Roxana Zaman
Director



Bashir Ahmed
Director



Afroza Zaman
Director



Syed Kamruzzaman, FCMA
Director



Muhammed Shah Alam, FCMA
Director



Prof. Dr. Md. Jonaid Shafiq
Director



Kanak Kanti Sen, FCMA
Director



Md. Aksed Ali Sarker
Director



Dr. Aparup Chowdhury
Independent Director



Touhid Shipar Rafiquzzaman
Independent Director



Arif Quadri
Managing Director & CEO



ATM Tahmiduzzaman, FCS
DMD & Company Secretary

PROFILE OF THE DIRECTORS



Rukhmila Zaman
Chairman

Rukhmila Zaman, a young woman entrepreneur of the Country, is the Chairman of United Commercial Bank Limited. She is also the Managing Director of Aramit Group, a leading manufacturing Conglomerate of the Country. She is the spouse of Mr. Saifuzzaman Chowdhury, MP and Honourable Minister for Land, GoB. She is involved with different Socio-Economic organizations and contributing for upbringing the young women in the main stream of economy.



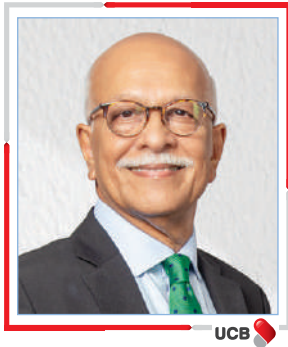
Bazal Ahmed
Vice-Chairman

Bazal Ahmed is the Vice-Chairman of the Board of Directors and Chairman of UCB Shariah Supervisory Committee as well as a member of Executive Committee of United Commercial Bank Limited. He is the son of Late M. A. Bari, a Sponsor Director of the Bank. This spectacular entrepreneur is also the Managing Director of Taj Accessories (Pvt.) Ltd., Saikat Textile Ind. Limited and Deen Fashion Limited. Mr. Ahmed was born in a respected Muslim family of Sylhet. He is allied with a good number of social & educational organizations to accelerate the benefit of the community.



Anisuzzaman Chowdhury
Chairman, Executive Committee

Anisuzzaman Chowdhury, a young and dynamic industrialist of the country, is a Director and Chairman of the Executive Committee of United Commercial Bank Limited. He is also the Chairman of UCB Fintech Company Limited as well as a member of Risk Management Committee of the Bank. Mr. Chowdhury is the Chairman of Navana Pharmaceuticals Limited. He is also the Director of Ronny Chemical Industries Limited. He holds his graduation in Business Administration from Palm Beach Atlantic College of USA. Anisuzzaman Chowdhury was born in a respected Muslim Family of Anwara under Chittagong District. With his brilliance and prudence, he has been contributing in UCB to reach its vision through providing best banking services in the country.



Akhter Matin Chaudhury, FCA (E&W), FCA, FCS
Chairman, Audit Committee

Akhter Matin Chaudhury, a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Chartered Accountants of Bangladesh and a Fellow of the Institute of Chartered Secretaries of Bangladesh, is one of the Independent Directors. He is also the Chairman of the Audit Committee of the Bank. Mr. Chaudhury qualified as a Chartered Accountant in 1976 in the United Kingdom, where he lived and worked for various organizations for 15 years. He returned to Bangladesh in 1987 to join BOC Bangladesh Limited. He was also the co-founder and Managing Director of Eshna Consulting Team Limited as well as he was the Chairman of Nuvista Pharmaceuticals Limited.



M.A. Sabur
Chairman, Risk Management Committee

M. A. Sabur, a leading industrial entrepreneur, is the Director of the Board and Chairman of the Risk Management Committee of UCB. He is also the Chairman of Masco Group and Maxim Group, leading export houses in textile sector of the country. He is a member of IBA Alumni Association, Dhaka University Alumni Association & also a golfer, being lifetime member of Kurmitola Golf Club, Dhaka and Bhatiary Golf & Country Club, Chittagong. M.A. Sabur is actively associated with various educational & socio-cultural organizations of Dhaka & Chittagong. This illustrious personality is guiding the Bank in exploring new opportunities of business procurement in this competitive market.



Hajee Yunus Ahmed
Director

Hajee Yunus Ahmed, an eminent industrialist of the country, is one of the Sponsor Directors of UCB and a Member of Executive Committee. He is also the Chairman of Yunusco (BD) Limited & Nine 2 Nine Intimates Ltd., Managing Director of Yunusco T & A (BD) Limited & also Director of other companies of Yunusco Group. Hajee Yunus Ahmed, son of Late Hajee Gura Miah Sowdagar, was born in a respected Muslim family of Rasulabad, Satkania in the District of Chittagong. A reputed philanthropist, Hajee Yunus is actively associated with many educational and socio-cultural organizations of Chittagong and Dhaka.



Hajee M. A. Kalam
Director

Hajee M. A. Kalam is one of the Sponsor Directors of UCB. This distinguished businessman is the Chairman of M. A. Kalam Ltd., United Overseas (BD) Ltd. and Arab Plantation Ltd. Hajee M. A. Kalam, son of Late Al-haj Mohammad Hashem, was born in a respected Muslim family in Chittagong. He is devotedly associated with many educational and socio-cultural organizations in Chittagong. He is the founder of Hajee M. A. Kalam Degree College at Naikhongchari, Bandarban and is the President of Arakan Historical Society of Bangladesh.



Nurul Islam Chowdhury
Director

Nurul Islam Chowdhury is one of the Directors of UCB and a Member of Executive Committee of the Bank. He is the son of Late Alhaj Sirajul Islam Chowdhury, a sponsor of the Bank. This distinguished businessman is also the Chairman of Islam Steel Mills Limited and Eastern Engineers (CTG.) Limited. Besides, he is the proprietor of NAMS Trading Corporation and NAMS Shipping Lines. He also maintains a strong rapport with many social & educational organizations in the country. He belongs to a respected Muslim family. His family is the pioneer in Jute & Steel Industries of the country.



Asifuzzaman Chowdhury
Director

Asifuzzaman Chowdhury, one of the young & promising Directors and Member of Executive Committee of the Bank. He comes from a respected Muslim family of Anowara, Chittagong. Mr. Chowdhury is also the Director of Ronny Chemicals Limited and Sharaf LPG Limited. He attained his BBA from Atlantic University, Florida, USA. Mr. Chowdhury is the Vice-Chairman of UCB Foundation. He is also one of the Directors of UCB Fintech Company Limited. With innovative ideas, this young entrepreneur is contributing to the nation.



Roxana Zaman
Director

Roxana Zaman, a promising entrepreneur of the country is a Director of United Commercial Bank Limited (Representative of Volkart Trading Limited). She is the daughter of Bank's Promoter & former Chairman as well as an esteemed politician of the country, Late Akhtaruzzaman Chowdhury. She is also a Member of Risk Management Committee of the Bank. She is involved with different business houses and organizations. Mrs. Zaman is engaged with numerous women development programs and philanthropic activities.



Bashir Ahmed
Director

Bashir Ahmed is a Director and Member of Executive Committee of UCB. This innovative entrepreneur is also the Managing Director of Airmate Goodie Electrical Industries Ltd., Goodie Accessories (Pvt) Ltd, and Chairman of International Distribution Company Bangladesh (Pvt) Ltd, and Airmate Lighting & Electrical Solutional (Pvt) Limited. He is also the proprietor of many other business enterprises in the country. He is allied with numerous social & educational organizations to accelerate the benefit of the community.



Afroza Zaman
Director

Afroza Zaman, a young entrepreneur of the country, is a Director of United Commercial Bank Limited (Representative of Legendary Assets Management Limited). She is the daughter of Bank's Promoter & former Chairman as well as esteemed politician of the country, Late Akhtaruzzaman Chowdhury. She is also a Member of Risk Management Committee of the Bank. She is associated with different socio-economic and philanthropic activities in the country.



Syed Kamruzzaman, FCMA
Director

Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited) is a Nominee Director and also a Member of Audit Committee of UCB. An eminent FCMA, Mr. Kamruzzaman completed his graduation from University of Chittagong. He became a qualified Cost and Management Accountant from "The Institute of Cost and Management Accountants of Bangladesh" in 1995. Throughout his career he maintained a passion for service management and has been involved in key leadership roles there for more than last two decades.



Muhammed Shah Alam, FCMA
Director

Muhammed Shah Alam, FCMA (Representative of Ardent Assets Management Limited) is a nominee Director of UCB and also a Member of Audit Committee of the Bank. Mr. Alam has a wide experience in the field of Cost and Management Accounting. As a qualified Cost and Management Accountant he is associated with numerous reputed group of Companies including Aramit Group. He obtained his graduation and post-graduation in Accounting from University of Chittagong.



Prof. Dr. Md. Jonaid Shafiq
Director

Prof. Dr. Md. Jonaid Shafiq (Representative of Splendid Trading Limited) is a nominee Director of UCB. Dr. Jonaid is a Professor of Pain Medicine, Chief Consultant and Managing Director of Japan Bangladesh Friendship Hospital, Dhaka. He is also Managing Director of Navana Pharmaceuticals Limited. He completed his Bachelor of Medicine and Bachelor of Surgery (MBBS) in 1985, from Dhaka Medical College. He also obtained his Ph.D. in Anaesthesiology in 1993 from Faculty of Medicine, Kyushu University, Japan. Dr. Shafiq is a widely travelled person who extensively visited a good number of countries. He is also associated with various philanthropic and cultural activities with different socio-cultural organizations.



Kanak Kanti Sen, FCMA
Director

Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited), is a Nominee Director and also a Member of Risk Management Committee. An FCMA, Mr. Sen completed his graduation and post-graduation from University of Chittagong. He became a qualified Cost and Management Accountant from "The Institute of Cost and Management Accountants of Bangladesh" in 1994. He attended several Internationally and Locally organized Seminars, Workshops, CPD/CPE Programs etc. on various issues relating to the Professional Interest, Economics, International Trade, National and International Economic Development Issues.



Md. Aksed Ali Sarker
Director

Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited) is a nominee Director of UCB. Mr. Sarker has a wide experience over 31 years covering in the field of Marketing, Finance and Administration. Throughout his professional career, he has been associated with reputed organizations in the country including Bangladesh Thai Aluminium Ltd (BTA). He obtained his graduation and post-graduation in Mathematics and also completed MBA in Marketing.



Dr. Aparup Chowdhury
Independent Director

Dr. Aparup Chowdhury, Former Secretary to the Government of the Peoples Republic of Bangladesh, is one of the Independent Directors of UCB. He holds important and sensitive positions like Deputy Commissioner, Chairman, Bangladesh Parjatan (Tourism) Corporation, Secretary, Ministry of Liberation War Affairs. He is also an Independent Director of UCB Asset Management Limited as well as Apex Weaving and Finishing Mills Ltd. He underwent numerous trainings and seminars at both home and abroad.



Touhid Shipar Rafiquzzaman
Independent Director

Touhid Shipar Rafiquzzaman is one of the Independent Directors of United Commercial Bank Limited. He is also a member of Audit Committee. Mr. Rafiquzzaman is a highly experienced international banker with 36 years of professional experience in the entire gamut of banking, having worked in two multi-national banks across four geographies. He is a certified risk professional and has extensive experience of working in emerging markets. Mr. Rafiquzzaman holds a B.A. Honors and a Master's degree from the University of Dhaka. He is a widely travelled person, sports fan and keen golfer.



Arif Quadri
Managing Director & CEO

Arif Quadri, prominent and professional Banker with years of rewarding multidimensional experience in banking and other fields of Management, is the Managing Director & CEO of United Commercial Bank Limited (UCB). Prior to joining in UCB, he was the Deputy Managing Director & Chief Operating Officer of Premier Bank Limited. During his long career with AB Bank Limited, Al Baraka Bank Limited, ONE Bank Limited and Meghna Bank Limited, Mr. Quadri played key roles as Head of Human Resources Management, CAMLCO, Chief Risk Officer, Head of ICCD, Head of Branch etc. He was also the Secretary General of Association of Bankers, Bangladesh Limited (ABB). Along with the role of Managing Director of UCB, Mr. Quadri is also contributing as Chairman of UCB Stock Brokerage Limited. Mr. Quadri has excellent academic track record.



ATM Tahmiduzzaman, FCS
DMD & Company Secretary

ATM Tahmiduzzaman FCS, a qualified Chartered Secretary & Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB), is the Deputy Managing Director of United Commercial Bank Limited. He is also the Company Secretary of the Bank. Mr. Tahmid is an accomplished Law Graduate and a faculty member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He obtained his graduation and post-graduation from University of Dhaka. Later on, he obtained MBA under the umbrella of Common Wealth of Learning, the education wing of Common Wealth.

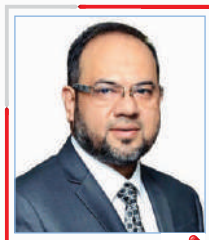


COMMITTEES OF THE BOARD OF DIRECTORS

Executive Committee



Anisuzzaman Chowdhury
Chairman



Bazal Ahmed
Member



M.A. Sabur
Member



Hajee Yunus Ahmed
Member



Nurul Islam Chowdhury
Member



Asifuzzaman Chowdhury
Member



Bashir Ahmed
Member



ATM Tahmiduzzaman, FCS
Secretary

Audit Committee



UCB
Akhter Matin Chaudhury
FCA (E&W), FCA, FCS
Chairman



UCB
Syed Kamruzzaman, FCMA
Member



UCB
Muhammed Shah Alam, FCMA
Member



UCB
Dr. Aparup Chowdhury
Member



UCB
ATM Tahmiduzzaman, FCS
Secretary

Risk Management Committee



UCB
M.A. Sabur
Chairman



UCB
Anisuzzaman Chowdhury
Member



UCB
Roxana Zaman
Member



UCB
Afroza Zaman
Member



UCB
Kanak Kanti Sen, FCMA
Member



UCB
ATM Tahmiduzzaman, FCS
Secretary

SENIOR MANAGEMENT TEAM



SENIOR MANAGEMENT



Arif Quadri
Managing Director & CEO

Arif Quadri, prominent and professional Banker with years of rewarding multidimensional experience in banking and other fields of Management, is the Managing Director & CEO of United Commercial Bank Limited (UCB). Prior to joining in UCB, he was the Deputy Managing Director & Chief Operating Officer of Premier Bank Limited. During his long career with AB Bank Limited, Al Baraka Bank Limited, ONE Bank Limited and Meghna Bank Limited, Mr. Quadri played key roles as Head of Human Resources Management, CAMLCO, Chief Risk Officer, Head of ICCD, Head of Branch etc. He was also the Secretary General of Association of Bankers, Bangladesh Limited (ABB). Along with the role of Managing Director of UCB, Mr. Quadri is also contributing as Chairman of UCB Stock Brokerage Limited. Mr. Quadri has excellent academic track record.



Syed Faridul Islam
Additional Managing Director & CRO

Syed Faridul Islam is the Additional Managing Director and Chief Risk Officer (CRO) of United Commercial Bank Limited (UCB). He is also the CAMLCO of the Bank. Prior to joining UCB, he was the Deputy Managing Director & Chief Risk Officer of Prime Bank Limited. He was also the Head of SME Banking, BRAC Bank, and reorganizing small business segments and centralization of CRM. He served Standard Chartered Bank and successfully launched SME business products there. He was Head of Medium Business, Standard Chartered Bank, Bangladesh. Mr. Islam has 38 years of Banking experience, covering Branch Management, Business process reengineering, and IT integration. Mr. Islam is a certified 'Credit Professional' from OMEGA in the UK organized by Standard Chartered Group, London.



Nabil Mustafizur Rahman
Additional Managing Director

Nabil Mustafizur Rahman, having over 29 years of experience in both foreign & local Banks, financial institutions as well as business conglomerate. Mr. Rahman joined UCB on March 2018, in the rank and status of Deputy Managing Director. Prior to join in UCB, he was CEO of Transbangla Group, a local corporate. Before that he was with BRAC Bank as Deputy Managing Director and Chief Risk Officer. He also worked with renowned multinationals banks, HSBC, Crédit Agricole Indosuez and ANZ Grindlays bank. He began his career with Beximco group. Mr. Rahman is a seasoned leader in Credit and Business in Corporate, SME Banking, Retail & Collections. He has hands-on experience in Islamic banking and in large and complex project finance and structured finance deals with different local and multinational Banking entities.



Abul Alam Ferdous
Additional Managing Director

Prominent Banker Abul Alam Ferdous is one of the Additional Managing Directors of United Commercial Bank Limited. Before becoming the Deputy Managing Director, he served the Bank as Senior Executive Vice President & Head of Principal branch. Mr. Ferdous started his career as a Probationary Officer of United Commercial Bank Limited in 1984. He held different Banking positions in the arena of General Banking, Foreign Exchange, Credit etc., during his 22 years of managerial responsibilities. An esteemed figure in the Banking industry, Mr. Ferdous completed his B.com (Honors) in Accounting and Mcom from Chittagong University. He participated in various training, workshops, and seminars at home and abroad.



N. Mustafa Tarek
Deputy Managing Director

N. Mustafa Tarek is the Deputy Managing Director and Head of Human Resources Management Division of United Commercial Bank Limited. Mr. Tarek, having 30 years of professional experience in Government, Multinational, telecommunications, Local Conglomerate and financial institutions i.e. Unilever (BD) Ltd., AKTEL (Currently Robi) and ACI Limited, joined United Commercial Bank Limited on 2012 as Executive Vice President. He has a long professional track record in Human Resource and Industrial Relations, Administration, Project Management, Supply Chain Management and Safety, Health and Environment etc. Mr. Tarek has been awarded with Managing Directors Appreciation Button for outstanding performance during his career with TM International BD Limited.



Md. Abdullah Al Mamoon, PMP
Deputy Managing Director & COO

Md. Abdullah Al Mamoon is the Deputy Managing Director and Chief Operating Officer (COO) of United Commercial Bank Limited. Mr. Mamoon joined UCB on March, 2017 as Senior Executive Vice President with over 30 years of multidisciplinary experience in diversified professional domains with Government and Financial Institutions. Prior to joining in UCB, Mr. Mamoon served in AB Bank and BRAC Bank Ltd in different capacities. He is a business graduate from Royal Roads University, British Columbia, Canada and a globally certified Project Management Professional (PMP) from Project Management Institute (PMI), the USA, and a Green Belt in Six Sigma from Benchmark Six Sigma, India.



Mohammed Habibur Rahman
Deputy Managing Director

Mohammed Habibur Rahman is one of the Deputy Managing Directors of UCB. Earlier, he was the Senior Executive Vice President at the Corporate Banking division of Eastern Bank Ltd. Having vast experience in diverse sectors for over 27 years, Mr. Habib worked in different local and multinational financial institutions in Corporate Banking & Credit Risk Management Division. He served as Deal Administration Manager in TD Securities at TD Bank Canada. His credentials also include a relationship manager in Corporate Business at ANZ Grindlays Bank, Standard Chartered Bank, the City Bank Ltd. and HSBC Bangladesh. He completed graduation and post-graduation in Economics from Jahangirnagar University, Dhaka. He also attained his MBA from Brussels, Belgium.



Md. Shah Alam Bhuiyan
Deputy Managing Director

Md. Shah Alam Bhuiyan, a distinguished Banking professional with about 32 years of which over 27 years covering experience in the financial service industry with both foreign and local Banks, is the Deputy Managing Director of United Commercial Bank Limited. Mr. Shah Alam Bhuiyan started his Banking career with the Muslim Commercial Bank (MCB) Ltd., Dhaka in 1990. Prior to joining UCB, he served BRAC Bank Limited in different key roles including Centralization of Banking Operation, Head of Financial Administration, Special Asset Management, Project Management, Asset & Liability Operation etc.



Mohammed Khorshed Alam
Deputy Managing Director & Head of ICCD

Mohammed Khorshed Alam, a visionary Banking professional, joined the service of United Commercial Bank Limited in 2008. Elevated in the status and capacity of Deputy Managing Director, Mr. Khorshed Alam has been discharging the duties & responsibilities of the Bank as Head of Internal Control & Compliance Division (ICCD) of the Bank since March, 2021. Prior to joining UCB, Mr. Khorshed Alam rendered services at Prime Bank Ltd. and also served in Bangladesh Bank (The Central Bank of Bangladesh) in the different key roles since 2000 & left the Bank in 2007. Before that, he served in Agrani Bank, one of the country's leading state-owned commercial banks, as Senior Officer in 1998.



ATM Tahmiduzzaman, FCS
DMD & Company Secretary

ATM Tahmiduzzaman FCS, a qualified Chartered Secretary & Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB), is the Deputy Managing Director of United Commercial Bank Limited. He is also the Company Secretary of the Bank. Mr. Tahmid is an accomplished Law Graduate and a faculty member of the Institute of Chartered Secretaries of Bangladesh (ICSB). He obtained his graduation and post-graduation from University of Dhaka. Later on, he obtained MBA under the umbrella of Common Wealth of Learning, the education wing of Common Wealth.



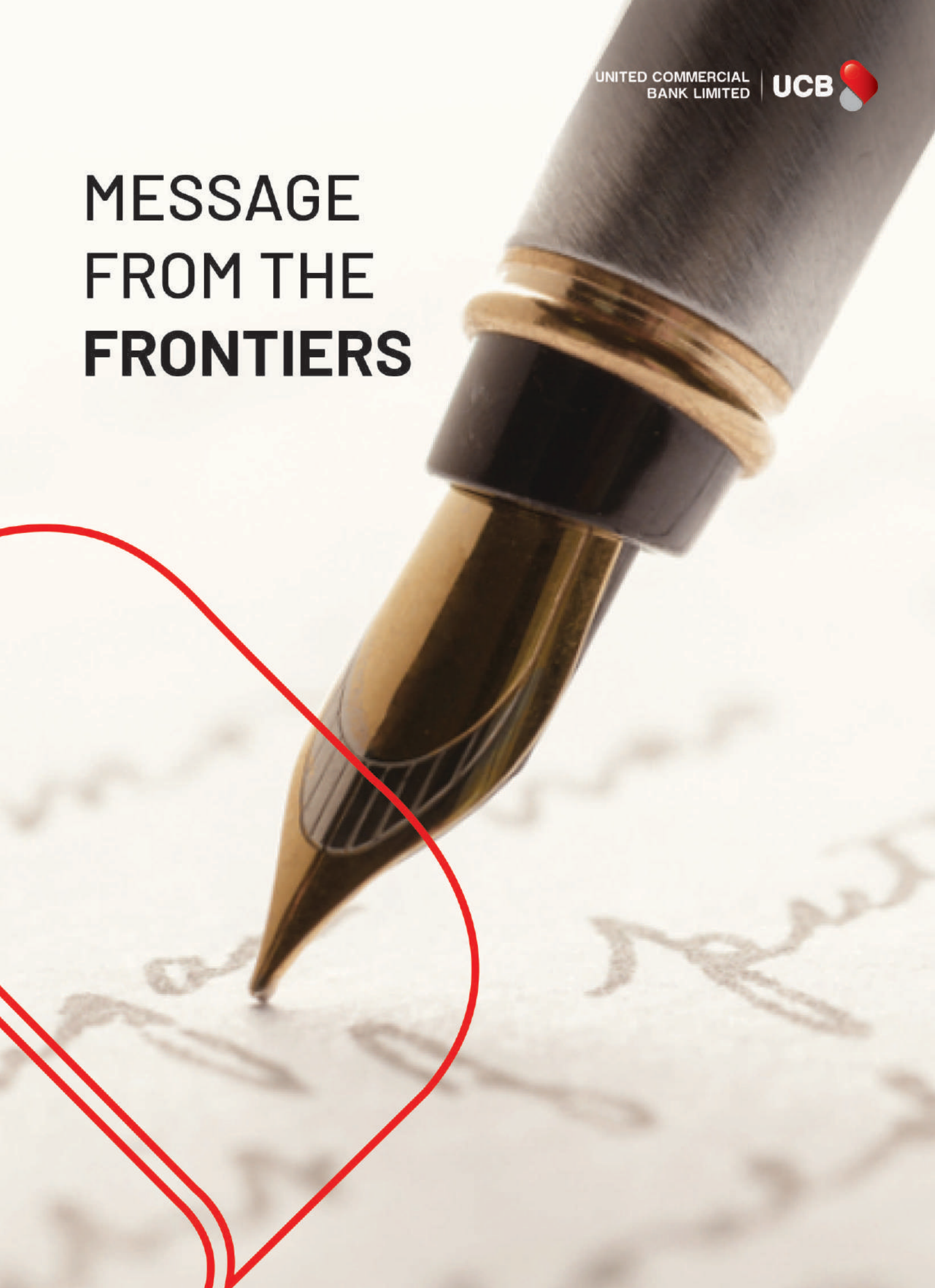
Faruk Ahammad, FCA
SEVP & Chief Financial Officer (CFO)

Faruk Ahammad is a business Graduate with over 22 years of versatile experience in different sectors like banking, capital market, telecommunications and manufacturing. He is a qualified Chartered Accountant and a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). Mr. Ahammad is discharging the duties as a Chief Financial Officer (CFO) in the rank and capacity of Senior Executive Vice President of United Commercial Bank Limited. Mr. Ahammad started his career with IPDC. He then served in different organizations in different Senior Management Strategic roles.

UNITED COMMERCIAL
BANK LIMITED



MESSAGE FROM THE FRONTIERS



Message From The CHAIRMAN



Dear Shareholders,

I am delighted to present the Annual Report of United Commercial Bank Limited for the financial year 2021 along with the audited financial statements. Additionally, I am grateful to our respected shareholders and the members of the Board for their consistent support and cooperation. United Commercial Bank Limited has continued its efforts to support the clients and the employees during these challenging times along with ensuring business continuity. This was made possible through the implementation of strategic initiatives, combined with ongoing coordination with the relevant stakeholders.

The pandemic has been around throughout the year and its impacts yielded uncertainty and turmoil in economic activity of the world. Despite the hurdles, UCB successfully overcame them and has established itself as a successful and innovative Bank that has continued to grow in terms of both, size and significance. With the combined endeavours of the Management team and the employees, UCB was able to tackle the uncertainties along the way. UCB continued to achieve good results and profits during 2021.

I am very pleased to report that in 2021, United Commercial Bank Limited has been able to secure Operating profit of 10,183.71 Million Taka which is a magnificent growth compared to previous year. In the year 2021, a praiseworthy deposit of an amount of Taka 389,900.72 Million and loans & advances of an amount of Taka 402,481.74 Million has also been

secured. The Bank is pursuing a well-defined growth strategy with the full support of its shareholders and is delivering consistent results.

UCB has always focused on applying prominent Management standards to its business. We follow a sequence of codes and charters which build the ethical foundation of our Management practices. I am glad to notify that the Board of UCB is always thoroughly attentive about the compliance issues of the regulators and the Management of the bank has reached out with their best efforts to secure and confirm the regulatory requirements.

Moreover, UCB aims to stand out as a good corporate citizen through our committed Corporate Social Responsibilities. Assisting in establishment of thriving communities in all areas that we conduct business in, is a crucial part of the way we operate. We have continuously identified social causes and worked towards accomplishing people's financial aspirations, making generous contributions to local charities and groups in need.

We must acknowledge the fact that UCB's milestones and achievements would not have been possible without the unwavering hard work, rigour and commitment of our splendid employees. UCB remains sincerely committed to ongoing investment in training and development of our people to make sure there is clarity in the roles, an organized career progression and joy of work; hence offering industry-leading employment.

In UCB, we believe in to instil a common vision, provide leadership and advance our dynamic approach towards corporate governance. The Board is proud to be actively engaged in the achievements of UCB and extends appreciation to Management and employees for their contributions to the success of the organization. While continuing to operate in a

challenging environment; the Board of Directors, Management and employees remain focused on enhancing the stability and strength of UCB and creating value for shareholders. I also express my sincere appreciation to Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) along with the other regulators for their continued guidance and support.

Thanking you.



Rukhmila Zaman
Chairman
Board of Directors



Managing Director & CEO's ROUND UP

Bangladesh inscribes a remarkable story of poverty reduction and development by reaching low middle income status in recent past (2015) and aiming to be an upper middle-income country by 2031. It has been among the fastest growing economies in the world over the past decades, supported by demographic dividend, strong RMG exports and stable macro-economic conditions.

The year 2021 started with a hope that Covid pandemic was over but unfortunately the pandemic hit back in first half again causing lockdown. From the very beginning of the pandemic, our focus was squarely upon two things: securing the well-being, health and safety of our own employees and steering the Bank successfully through this unprecedented crisis. We are proud to report that we achieved both. We implemented comprehensive hygiene standards across all our locations and provided our employees with clear guidance so that we could serve our customers flawlessly. The economy could have struggled a lot. Thanks to Her Excellency Prime Minister Sheikh Hasina for initiating timely actions to face the pandemic and the subsequent economic downturn. Bangladesh Bank came forward with different stimulus packages to support the entrepreneurs through the scheduled banks. UCB achieved the loan disbursement target of Tk.1250 crore as set by Bangladesh Bank, under SME Stimulus Package within the stipulate time, i.e. 30th June 2021 and got appreciated by Bangladesh Bank.

United Commercial Bank Limited (UCB) always strives for sustainable business growth. We have extended our footprints to new places through branches, sub branches, agent outlets and ATMs/CRMs to reach the unbanked population of the country. We are continuously bringing in new technologies to ensure hassle free banking experiences for our customers.

UCB achieved the milestone of surpassing foreign trade figure of USD 9 Billion during 2021. The growth rate compared to year 2020 is 50%. By achieving this landmark, UCB positioned itself at the top among the local conventional banks in terms of foreign trade.

Despite all the challenges prevailing over 2021, we endeavoured to make UCB a better company. Our business recovered quickly after having hit a lower point in 2020. We connected with more clients than before and expanded our digital capabilities and reach. We continued to invest in sustainability and our human resources. We increased our operational and business flexibility. As a result, we are now well positioned to tackle both short-term uncertainties and long-term challenges. Glimpses of performances of UCB in 2021:

- We continued to deliver growth across almost every aspect of the Bank's operations and registered 14.60% growth over the last year in the balance sheet size, which grew to BDT 56,531 crore in 2021.

- Funds under Management (FUM) of the bank had a standard growth of 12.29% with year end deposit and loans and advances balance of BDT 38,990 and 40,248 crore respectively.
- Total deposit increased to BDT 38,990 crore in 2021 from BDT 35,398 crore in 2020 demonstrating 10.15% growth.
- Total loans and advances increased to BDT 40,248 crore in 2021 from BDT 35,168 crore in 2020 representing 14.44% growth.
- UCB played a pivotal role in local and international trade business. Total import and export business of the bank in the year 2021 were USD 4,712 million and USD 3,421 Million respectively.
- Bank's operating profit increased to BDT 1,018.37 crore from BDT 685.71 crore of the previous year representing a growth of 48.51%.
- Earnings Per Share (EPS) was BDT 2.49 in 2021.
- In 2021, our banking network further expanded through 215 Branches, 135 sub branches and 628 ATM/CRM Booths, 5 domestic and international Airport Lounges, along with 177 agent outlets.

UCB believes in fostering learning culture that inspires team talents and promotes individual growth to transform employee to human capital, as the value of a business is determined by how well the financial and the intellectual capital are managed by the human capital.

UCB always believes in the welfare of the communities and focuses on serving the underprivileged population of the country. In 2021 UCB contributed an amount of BDT 26.14 crore in CSR activities to promote education, health security, environment protection and disaster management.

2021 was anything but easy. The only way to get through such a year is by working together as a team. Therefore, I would like to extend my heartfelt thanks to all employees of UCB. They have demonstrated resilience and shown great commitment in these unprecedented times. And I would also like to say 'thank you' to you, our shareholders, for the trust you have placed in us. We will continue to do everything we can to remain worthy of this trust. I am also grateful to our regulators, especially the Bangladesh Bank for their visionary and prudential guidance which enables us to carry on seamless operation towards serving customers' needs and to uphold the interest of our shareholders. As one of the country leaders in banking industry with a strong strategy in place, we are very well positioned for the years ahead.

Take care and stay healthy



Arif Quadri
Managing Director & CEO

UNITED COMMERCIAL
BANK LIMITED



DIRECTORS' REPORT





Directors' Report

Dear Stakeholders,

The Board of Directors is pleased to present the Annual Report and the audited financial statements of the Bank for the year ended 31 December 2021 together with the Auditors' Report thereon. A snapshot of the world economic trend with the performance of Bangladesh economy along with economic prospect has also been provided in this report. A review of this report would reveal consolidation of growth of the bank in a very stiff competitive environment which will ultimately led the bank to the sustainability. This is a humble presentation for consideration and approval of our valued shareholders.

The Directors' Report has been prepared in compliance with Section 184 of the Companies Act, 1994, BSEC Notification, the Listing Regulations of Dhaka Stock Exchanges Limited and Chittagong Stock Exchanges Limited, guidelines of Bangladesh Bank and other applicable rules and regulations. Moreover, the Directors are pleased to explain and disclose some issues, which they consider relevant to ensure transparency. The Directors believe the Report will give captivating insights of the bank's performance during the year under review.

World Economy

The continuing global recovery faces multiple challenges as the pandemic enters its third year. The rapid spread of the Omicron variant led to renewed mobility restrictions in many countries and increased labor shortages. Supply disruptions still weigh on activity and are contributing to higher inflation, adding to pressures from strong demand and elevated food and energy prices. Moreover, record debt and rising inflation constrain the ability of many countries to address renewed disruptions.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022, half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast mark downs in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by the end 2022, assuming that the vaccination rates will improve worldwide and therapies become more effective.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy operating with more limited space than earlier in the pandemic will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

World GDP Growth

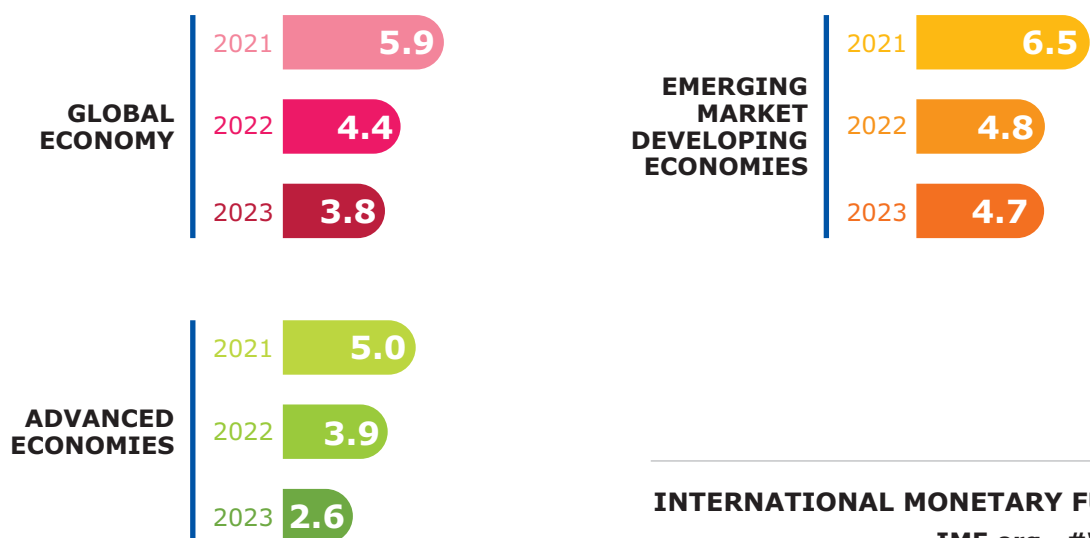
(year-on-year, in percent)

	Estimate	Projection	
	2021	2022	2023
World Output	- 5.9	4.4	3.8
Advanced Economies	- 5.0	3.9	2.6
United States	- 5.6	4.0	2.6
Euro Area	- 5.2	3.9	2.5
Japan	- 1.6	3.3	1.8
United Kingdom	- 7.2	4.7	2.3
Canada	- 4.7	4.1	2.8
Other Advanced Economies	- 4.7	3.6	2.9
Emerging market and Developing Economies	- 6.5	4.8	4.7
Russia	- 4.5	2.8	2.1
China	- 8.1	4.8	5.2
India	- 9.0	9.0	7.1
ASEAN-5	- 3.1	5.6	6.0
Emerging and Developing Europe	- 6.5	3.5	2.9
Latin America and the Caribbean	- 6.8	2.4	2.6

World GDP Growth Projection

WORLD ECONOMIC OUTLOOK UPDATE JANUARY 2022

GROWTH PROJECTIONS



INTERNATIONAL MONETARY FUND
IMF.org #WEO

Source: IMF, World Economic Outlook Update, January 2022

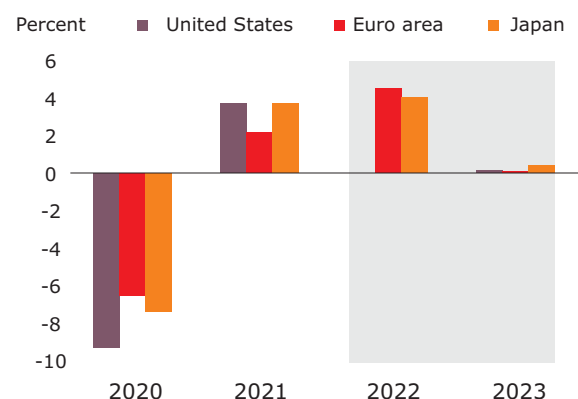
Advanced Economies

Growth in most advanced economies slowed unexpectedly in the second half of last year as a result of pandemic resurgence and supply bottlenecks. A recovery in demand, supply constraints, and earlier commodity price increases have contributed to notable inflationary pressures in most countries. After bouncing back to an estimated 5 percent in 2021, growth in advanced economies is projected to moderate to 3.8 percent in 2022 as the Omicron-driven pandemic resurgence weighs on activity at the start of the year, pent-up demand is gradually reduced, fiscal and monetary support is withdrawn, and supply strains ease only gradually. Sustained consumer demand and still favourable financing conditions are expected to underpin a strong recovery in investment. GDP growth is forecast to slow to 2.3 percent in 2023, as pent-up demand is exhausted and policy support is further withdrawn, despite this deceleration, advanced-economy output is projected to exceed its pre-pandemic trend next year. In the near term, more substantial economic dislocations from the rapid spread of the Omicron variant represent a key downside risk to the outlook.

In the United States, activity grew at a softer than expected pace in the second half of 2021, with material slowdowns in private consumption and manufacturing production. Activity faced several unanticipated headwinds, including COVID-19 outbreaks, mounting supply shortages, and rising energy prices, as well as a fading boost to incomes from pandemic-related fiscal support. Meanwhile, inflation surprised markedly to the upside and broadened across components, and a tightening labor market applied upward pressure to wages. Nonetheless, output is still projected to regain its pre-pandemic trend by the end of 2022. The possibility of additional fiscal support, such as more expansive social safety nets, poses an upside risk to the outlook. On the downside, tenacious inflation and an even faster tightening of monetary policy could lead to weaker-than-expected growth.

In Japan, activity remained subdued through 2021, but it is likely to have picked up toward the end of the year as high vaccination rates allowed for the relaxation of pandemic-control measures. After an estimated 1.7

Pent-up demand in advanced economies



Sources: Global Economic Prospects-January 2022; World Bank.

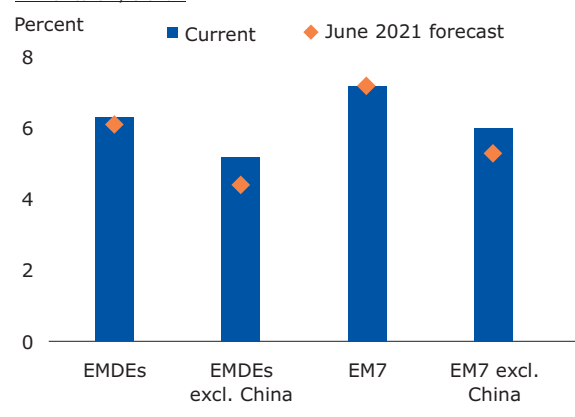
percent expansion in 2021, growth is set to firm to 2.9 percent in 2022 which is 0.3 percentage point above previous projections given the delay in the release of pent-up demand following last year's pandemic resurgence and additional fiscal stimulus legislated in December. Activity is expected to slow to 1.2 percent in 2023 as the boost from pent-up demand gradually fades.

Emerging Market and Developing Economies (EMDEs)

EMDE growth rebounded to an estimated 6.3 percent in 2021 but is projected to decelerate to 4.6 percent in 2022, as macroeconomic policy support is withdrawn and external demand moderates. Higher energy prices are expected to shift growth momentum from energy importers to exporters. Per capita income growth is expected to trail that of advanced economies in 70 percent of EMDEs over the forecast horizon.

As growth in China decelerates and as EMDE domestic demand is dampened by the continued effects of the pandemic, including from the recent spread of the Omicron variant, aggregate EMDE growth is projected to moderate to 4.6 percent in 2022. The outlook is further dampened by the withdrawal of macroeconomic policy support, including the removal of fiscal support in more than four-fifths of EMDEs. Elevated inflation and tighter monetary policy are expected to weigh on private consumption in 2022. EMDEs are also anticipated to face a less favorable external environment in 2022, as external demand from major economies plateaus and, in the case of commodity exporters, as non-oil commodity prices edge down. In this context, growth in some EMDE regions with particularly tight global trade and financial linkages is forecast to decelerate following stronger-than-expected growth outturns last year. In EMDEs excluding China, growth is to recast to decelerate to 4.2 percent in 2022 a pace insufficient to return output to pre-pandemic trends.

EMDEs Economy Growth:



Sources: Global Economic Prospects-January 2022; World Bank.

Bangladesh Economy

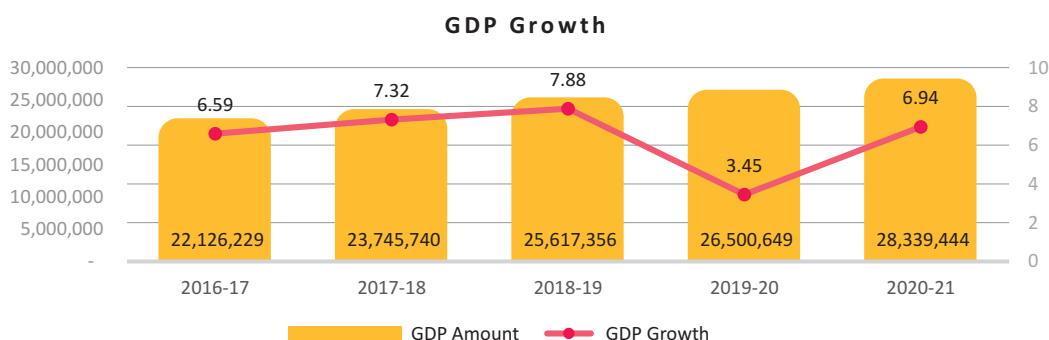
Bangladesh's progression path of the government's pursuit of an ascending trajectory of sustained inclusive, equitable and environmentally benign economic growth and social development proceeded broadly on track after the lockdown period. The pace of economic activities continued its normal trend due to robust domestic demand aided by strong remittance inflows and higher government investment, while declared private credit growth and weak external demand suggested some moderation.

Despite the recurrent shocks of COVID-19 and consequent containment measures of restrictions in

Macroeconomic Trends

GDP growth

As per Bangladesh Bureau of Statistics (BBS), GDP growth (Base 2015-16 at constant price) of 6.94 percent in FY21, significantly higher than last year 3.45 percent (In FY20). This growth exuberance has stemmed mainly from the healthy growth of the industry sector, whereas agriculture and service-related sectors maintained a stable growth momentum, aided by supportive monetary and fiscal policies and improved business confidence.



Source: Bangladesh Bureau of Statistics

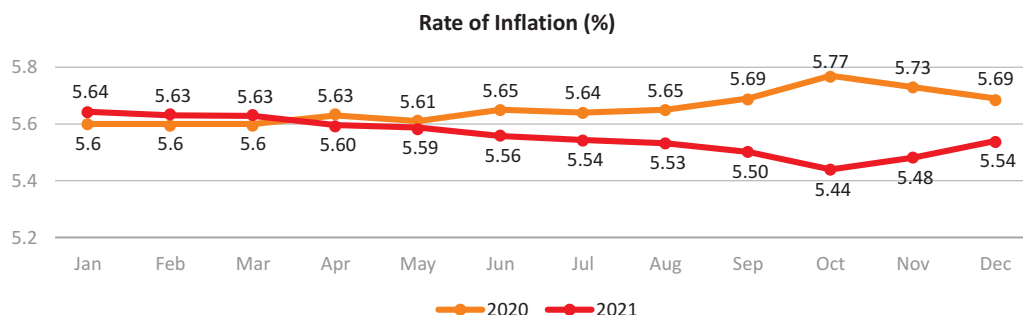
mobility and lockdowns nationwide, it was estimated that Bangladesh economy has attained around 6.94 percent real GDP growth in FY21 which is significantly higher than last year's estimated growth of 3.45 percent. The reasons could be related to reasonably healthy growth performance in agriculture and industrial sectors aided by Government and Bangladesh Bank's growth supportive unprecedented policy measures.

The economy of Bangladesh shows a bit of atypical movement in some indicators in the review quarter. Annual average inflation declined, but point-to-point inflation rose. Foreign exchange reserve fell marginally, yet its adequacy to cover imports of goods and services remained strong. Despite a decline in wage earners' remittance, its impact on the current account balance was offset by a slight negative import growth. Interest rate spread in the banking industry slimmed further in the reference quarter. Bangladeshi Taka (BDT) against USD experienced a sharp depreciation at this time.

Inflation

The rapid transmission of the COVID-19 pandemic across the world has changed the global economic scenario along with losses of human lives and livelihoods. The surge of the COVID-19 in the third quarter of FY21 led to lockdown nationwide and contracted the world economic activities, weakening demand condition. Reflecting these developments in the global commodity prices braced consumer price inflation in a number of economies. During the period, many emerging markets and developing economies including advanced economies experienced easing of inflation, although a sort of pressure from rising food prices triggered by the COVID-19 was also visible.

At the end of December 2021, annual average general inflation (base 2005-06=100) stood at 5.54 percent, recording a decline of 0.15 percentage points from the same of the previous year. Annual average food inflation decreased significantly to 5.30 percent from 5.77 percent of the preceding.



Source: Bangladesh Bureau of Statistics

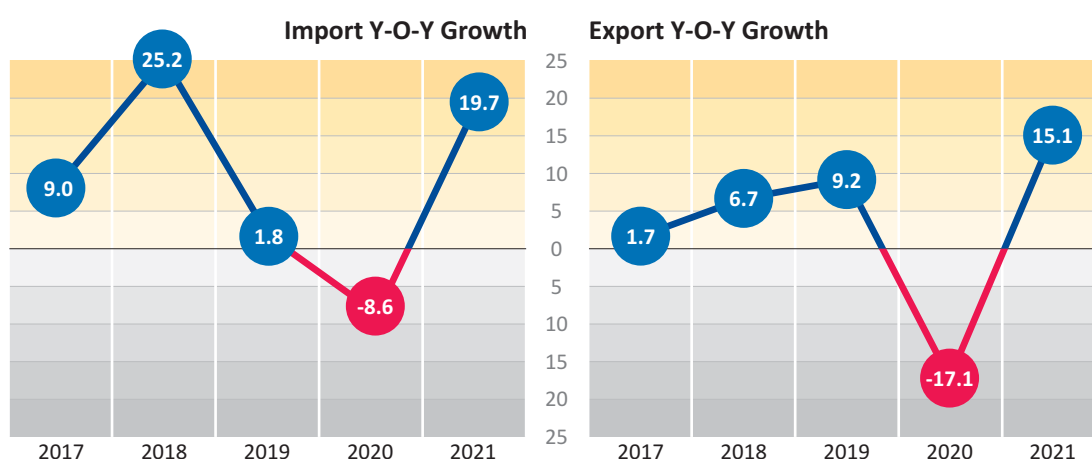
Exports & Imports

Export increased significantly by 15.1 percent in FY21 against 17.1 percent decrease in FY20. Major contributor includes woven garments, knitwear, home textile, petroleum bi-products. However, vegetables, fruits, tobacco, fish, shrimps, raw jute, and jute goods had positive export growth in the fiscal year under report.

Import increased significantly by 19.7 percent in FY21 against 8.6 percent decrease in FY20. Major import items which had increases in FY21, included pharmaceutical products, crude petroleum, oil seeds, pulses, spices and sugar. On the other hand, import of capital machinery, yarn, fertilizer and metals also increased in the fiscal year under report. Imports are

also expected to grow faster as the implementation of large infrastructural projects picks up requiring huge imports of capital machineries and other raw materials.

As per Bangladesh Bank's quarterly review, exports grew extensively, whereas imports slightly decreased. Export receipts stood at USD 10,818 million, increased by 12.6 percent from USD 9,612 million in the preceding quarter. On the other hand, aggregate import payments decreased by 3.3 percent from USD 17,914 million in the preceding quarter and stood at USD 17,321 million. However, in comparison with the same quarter of the previous year, export receipts and import payments increased by 11.6 percent and 47.6 percent respectively.

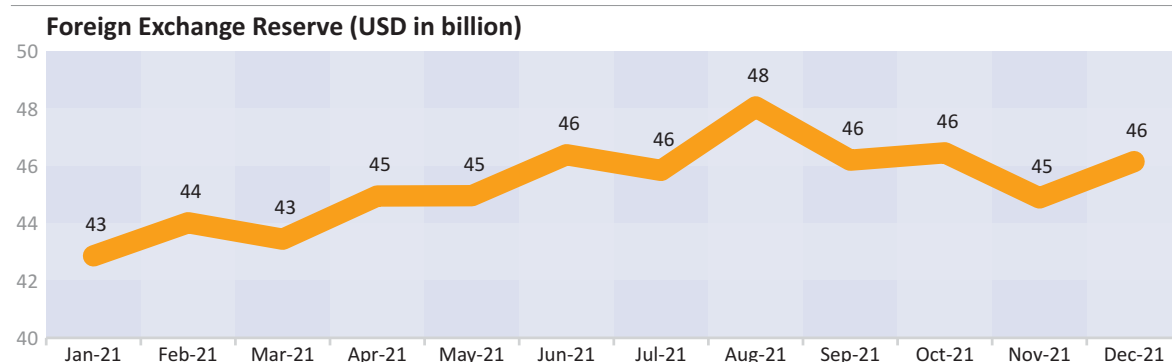


Source: Bangladesh Bureau of Statistics

Foreign exchange reserve

Gross international foreign exchange reserves stood at USD 46,154 million at the end of December 2021 supported by a remarkable surplus in financial account and significant amount of inflows of remittances.

Foreign exchange reserve increased by USD 3,291 million at the end of 2021 compare the same of 2020.

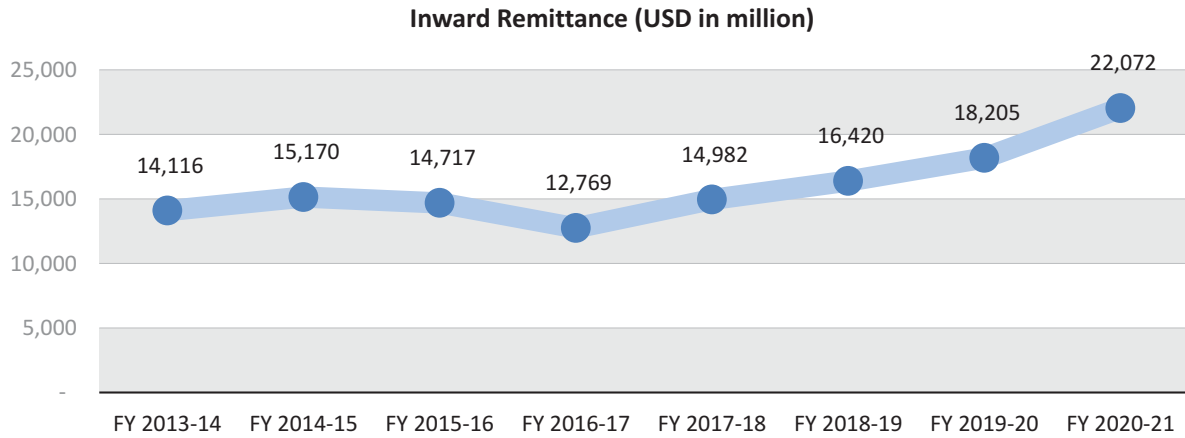


Source: Bangladesh Bureau of Statistics

Remittances

Remittance inflows increased by 21.24 percent at the end of FY21 compared with the growth of 10.87 percent in FY20. A record inflow of remittances at USD 22.07 billion in FY21. The increase in inward remittance is results of the increase in overall economy. Moreover, Government's drive of bringing inward remittances

into formal channels by providing 2% cash incentives to the beneficiaries of the inward remittances augments further. Remittance inflow increased significantly in FY 2021 from major contributing countries like Saudi Arabia, U.A.E., U.S.A., Kuwait, U.K. and Malaysia.

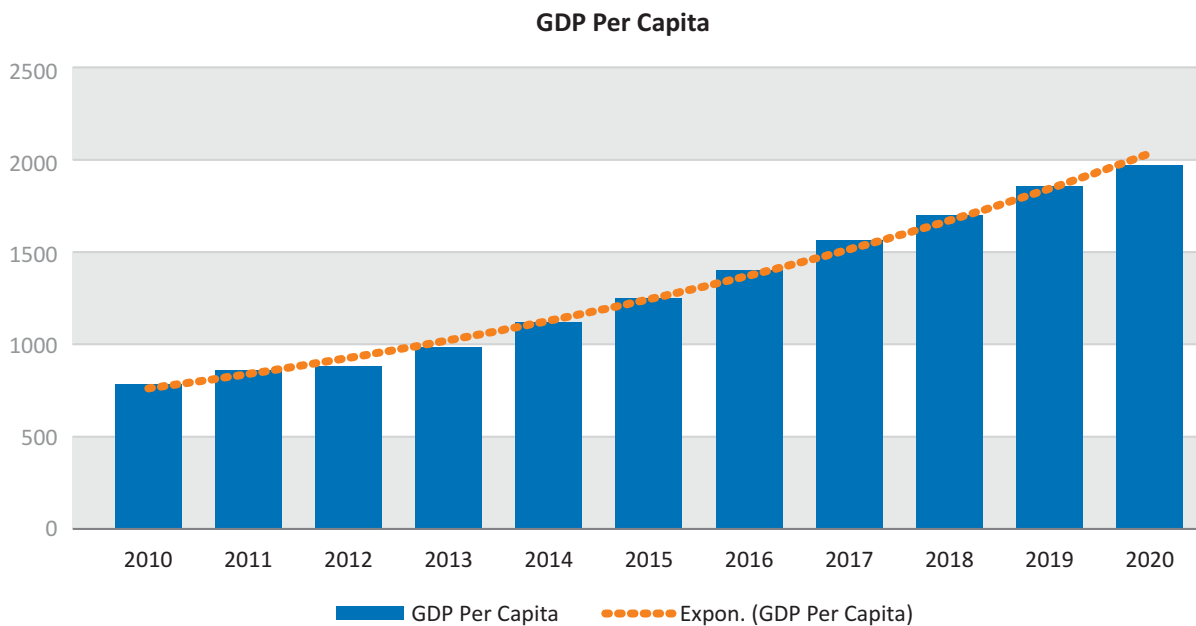


Source: Bangladesh Bureau of Statistics

Per Capita Income

According to data from the statistical agency, Bangladesh's per capita income in FY21 to USD 2,554

which is 30 percent higher compared to the preceding year (FY20 - USD 1,969).



Source: World Development Indicators, World Bank

Overall outlook

Bangladesh has an impressive track record of growth and development. It has been among the fastest growing economies in the world over the past decade, supported by a demographic dividend, strong ready-made garment (RMG) exports, remittances, and stable macroeconomic conditions. The country made a strong economic recovery from the COVID-19 pandemic.

Bangladesh tells the world a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971, Bangladesh reached lower-middle income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. Poverty declined from 43.5 percent in 1991 to 14.3 percent in 2016, based on the international poverty line of \$1.90 a day (using 2011 Purchasing Power Parity exchange rate). Moreover, human development outcomes improved along many dimensions.

Resolving longer term structural challenges could accelerate the post-COVID-19 recovery. Reform priorities include a diversification of exports beyond the RMG sector, deepening the financial sector, improving urbanization, and strengthening public governance. Addressing infrastructure gaps would accelerate growth and reduce spatial disparities in opportunities across regions and within cities. Human capital development remains a priority as well. While Bangladesh's ranking on the Human Capital Index is higher than the South Asian average, it is below the levels observed in comparator countries. Addressing vulnerability to climate risks would support the resilience of economic development to future shocks. Pivoting towards green growth could support the sustainability of development outcomes for the next generation. With the right policies and timely action, Bangladesh can accelerate its recovery from the economic downturn and continue to progress towards upper-middle income status.

Banking Industry Outlook

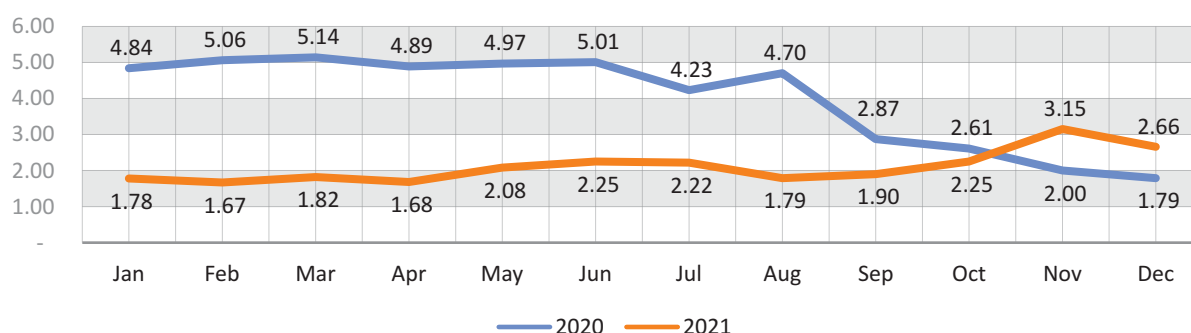
As a developing country, Bangladesh has made praiseworthy improvements in terms of financial inclusion and regulatory supervision in the banking sector. After the independence, banking industry in Bangladesh started its journey with only 6 nationalized

commercial banks, 2 State owned specialized banks and 3 Foreign Banks. But now, there are 61 scheduled banks in Bangladesh controlled & supervised by Bangladesh Bank. There are 6 State Owned Commercial Banks (SOCBs), 3 Specialized Banks, 33 Conventional Private Commercial Banks, 10 Islami Shariah based Private Commercial Banks and 9 Foreign Commercial Banks. On the other hand, there are now 5 non-scheduled banks in Bangladesh established for some special and definite objective.

The performance of the banking sector of Bangladesh has been largely affected by the COVID-19 pandemic situation for the last two years. Almost all the large financial markets around the world have been extremely impaired due to the lockdown aiming at hindering the escalation of pandemic. Bangladesh has also lost huge export earnings and its pace of internal production has been reduced significantly due to several times countrywide lockdown. Both the internal and external situations of the financial market have created enormous pressure on the banking sector. Despite these, all scheduled banks of the country remained operational for specified time in every working day during the lockdown period to provide regular banking services to their customers. Moreover, to help the scheduled banks to survive in this critical situation and to continue their contribution in revamping the country's economy, Bangladesh Bank (BB) has announced a series of policies and prudential measures from the very beginning of the pandemic situation. These include but not limited to, re-fixation of the regulatory liquidity ratios to ensure additional liquidity in the banking sector, issuance of sufficient prudential guidelines to maintain proper office environment in the banks for continuing the business activities in a limited scale as well as compensation package for the employees as frontline workers during the lock down period, easing of foreign trade and foreign currency transaction regulations, temporary relaxation in the loan classification policy, modeling and implementation of the Govt. stimulus packages for different segments of the economy and refinance schemes to provide liquidity support to those packages and introduction of special fund for capital market investment, etc.

During the year 2021, the call money rate has an upward trend from 1.78 percent in January 2021 to 2.66 percent in December of the same year.

Average Call Money Rate

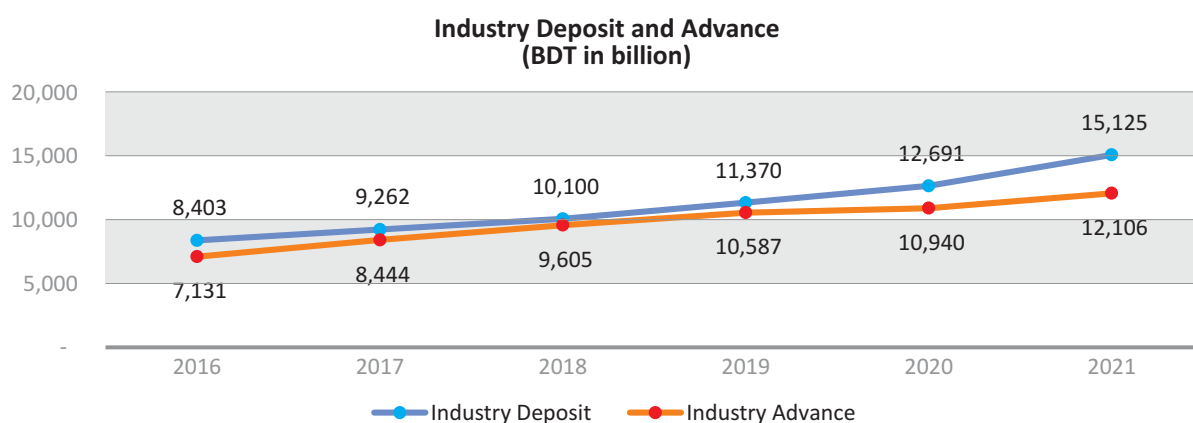


Source: Bangladesh Bank

Historic data showed an upward trend for both deposits and Advances in Banking industry which is in line with the increase in economy of Bangladesh. Disbursement of loans were lower than its deposit mobilization. Total deposits in banking industry increased to BDT 15,125

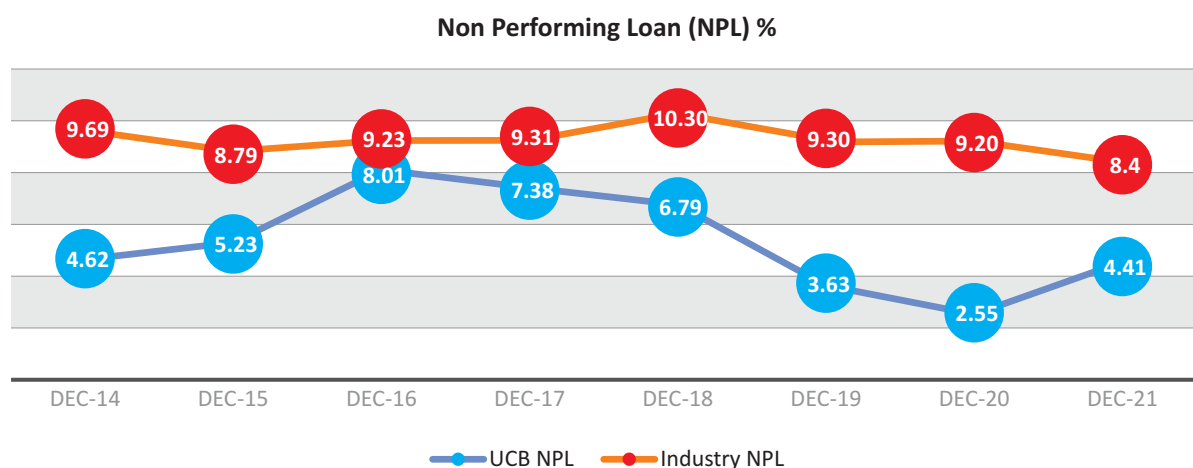
billion in 2021 as against BDT 12,691 billion in 2020 representing a growth of 19.18 percent. On the other hand, total bank's advance increased to BDT 12,106 billion in 2021 from BDT 10,940 billion in 2020 registering 10.66 percent growth.

Particulars	2017	2018	2019	2020	2021	BDT in Billion	
						Growth (%) 2019 vs 2020	Growth (%) 2020 vs 2021
Industry Deposit	9,262	10,100	11,370	12,691	15,125	11.62%	19.18%
Industry Advance	8,444	9,605	10,587	10,940	12,106	3.33%	10.66%



Source: Bangladesh Bank

Gross non-performing loan has decreasing trend ended with 8.4 percent in 2021 from 9.2 percent in 2020. Align with Private Commercial Banks, UCB's NPL has increased in 4.41 percent in 2021 from 2.55 percent in 2020.



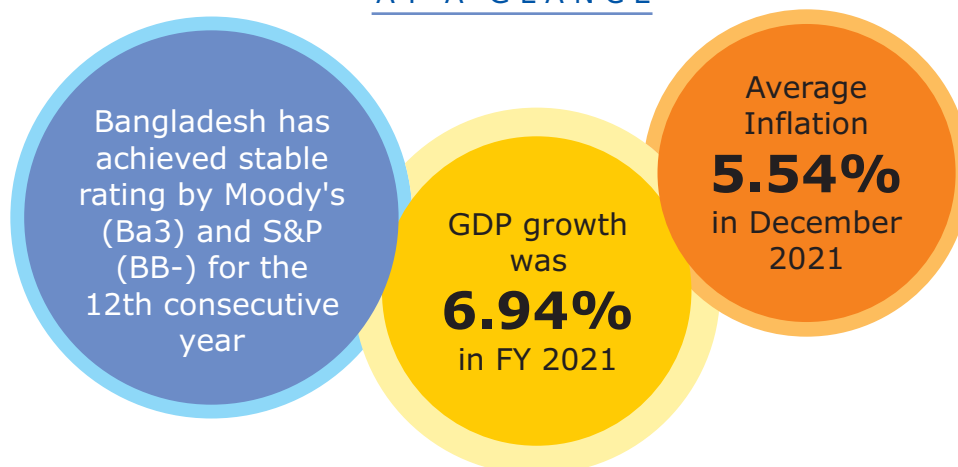
Source: Bangladesh Bank

Capital Market Outlook

Capital market is considered the second largest segment of financial system in the country. It plays significant role in the economy by providing funds for the long term investment and development which contributes to economic growth. The market comprised of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE), where DSE is pioneering in the exploration of economic advancement of the country. The instruments in these exchanges are equity securities (shares), debentures and corporate bonds. The regulator body of capital market is Bangladesh Securities and Exchange Commission (BSEC). Bangladesh Bank has been

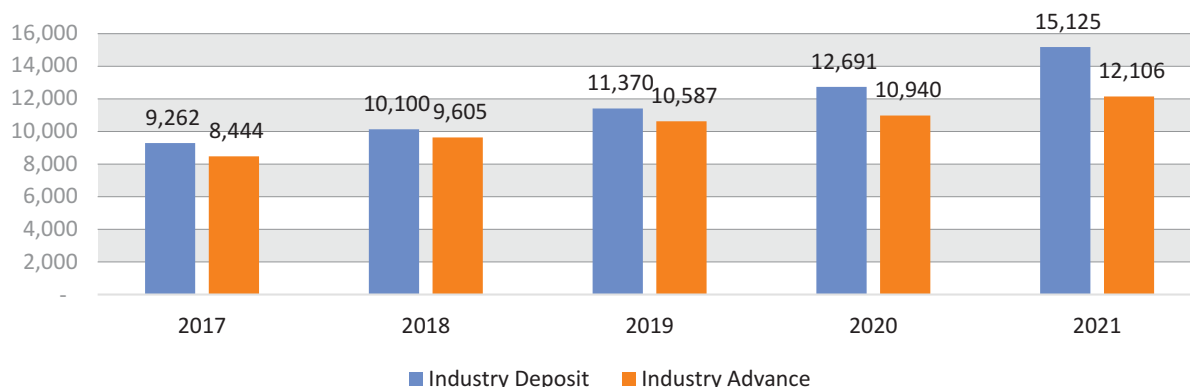
playing proactive role also to steady functioning and development of the market as well. In collaboration with DSE, third and final workshop of technical series titled 'Practical tips for preparing your people familiar with the market said round-the-year liquidity crunch in the banking sector, gloomy macroeconomic outlook, soaring non-performing loans, some policy changes and foreign investors' pulling funds out of the market worsened the situation. The market even after nine years of a fragile journey failed to get a strong foothold, as investors were discouraged by one issue after another. The government's market supportive measures, including redefining the banks' capital market exposure and amending public issues rules, expecting boost the fund flow.

ECONOMY AT A GLANCE



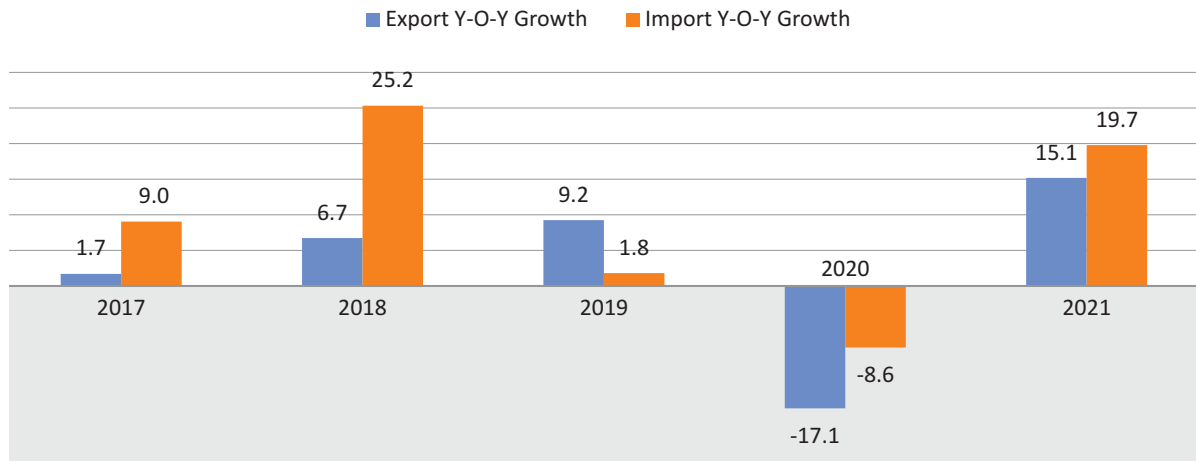
Source: Bangladesh Bureau of Statistics

Industry Deposit and Advance (BDT in billion)



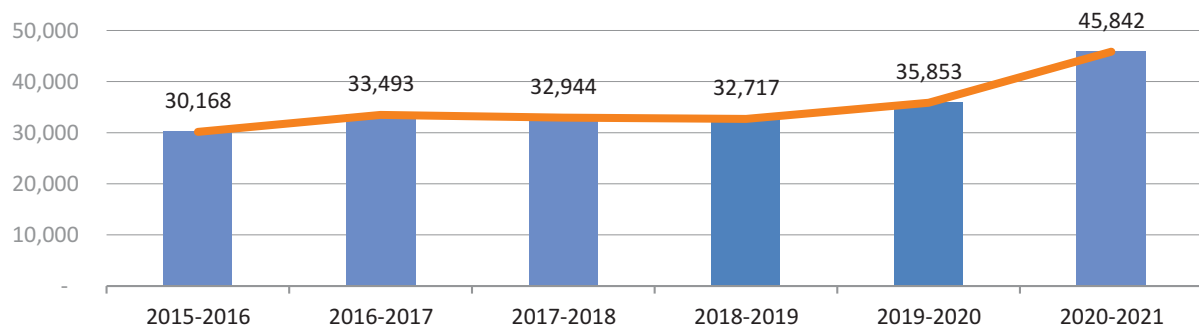
Source: Bangladesh Bureau of Statistics

Export Import Growth (Y-o-Y)



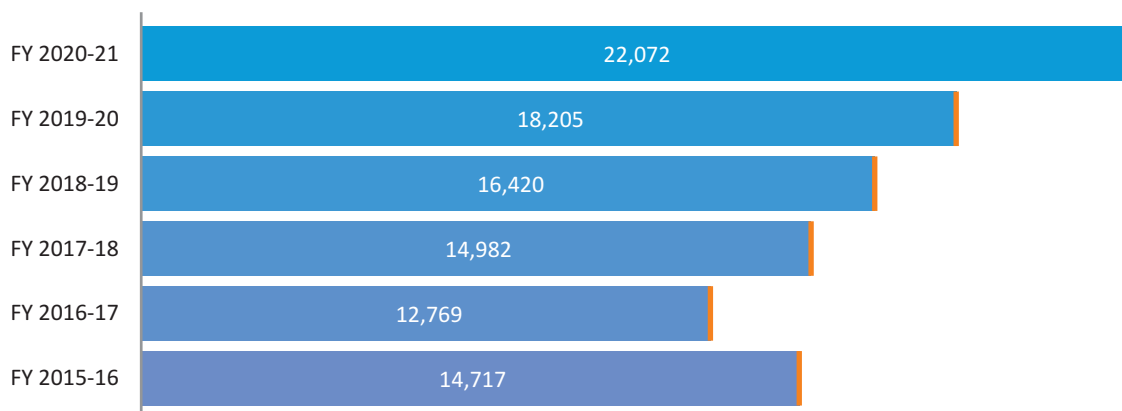
Source: Bangladesh Bureau of Statistics

Foreign Exchange Reserve Y-o-Y (In million US \$)



Source: Bangladesh Bureau of Statistics

Inward Remittance (USD in million)

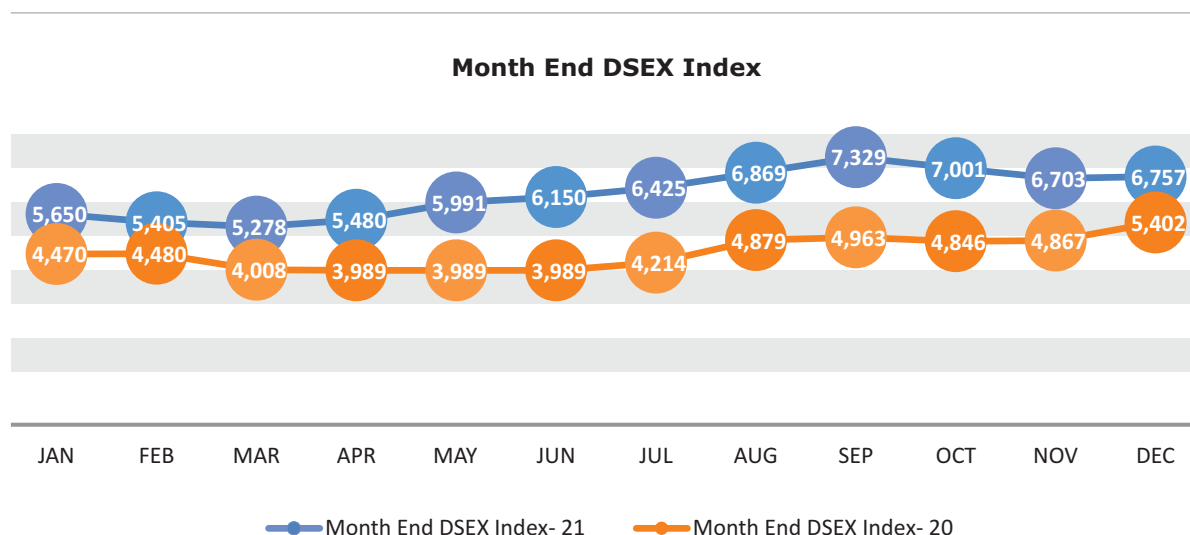


Source: Bangladesh Bureau of Statistics

Month End DSEX Index

The DSEX index has sharply increased to 6,757 at the end of December 2021 which was 5,402 in December 2020. The data reached an all-time high for market

capitalization in 2021 that is 64% higher in Y-O-Y comparison. In December 2021 market capitalization was BDT 5,137 billion against BDT 3,125 billion in December 2020.

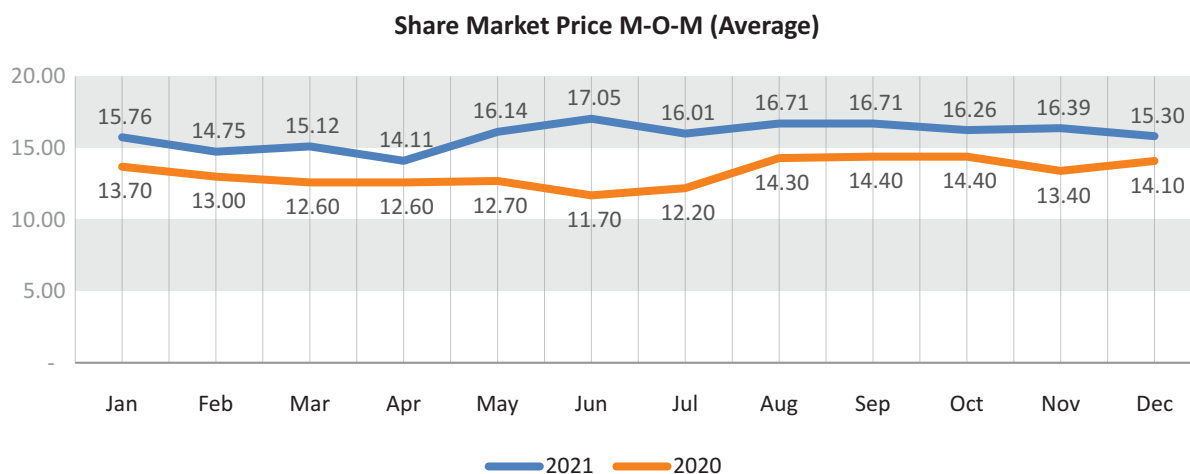


Source: Dhaka Stock Exchange (DSE)

UCB Share Price (month on month)

Share price of UCB has increased during the year 2021 in line with the increase in Profit after Tax and EPS. It

was BDT 15.30 at the end of December 2021 whereas it was BDT 14.10 in December 2020.



Source: Dhaka Stock Exchange (DSE)

Brief History of UCB

UCB started its journey in the year 1983 with an initial paid up capital of BDT 35.50 million with the objective of excellence in customer service with pleasure and happiness. Its vision is to be the best in all terms; sustainable inclusive business growth by ensuring efficiency, regulatory compliance, good asset quality, combination of experience and professional talents, consistent profitability and of course good governance. The bank formally started its commercial operation on 28 June in the same year. During the year 2021 the bank set record indeed in terms of advance, deposit and expansion of business through its continuous diversification. Now, UCB is one of the top banks in Bangladesh among the private commercial banks in terms of operating performance.

United Commercial Bank was listed with Dhaka Stock Exchange Limited (DSE) in the year 1986 and with the Chittagong Stock Exchange Limited (CSE) in the year 1995. The bank obtained license to open offshore banking unit on 9 June 2010. The Bank also obtained permission for Islamic Banking Branch from Bangladesh Bank vide, letter no. BRPD (P-3) 745 (17)/2020-1453 dated 6 February 2020. As on 31 December 2021, the bank feels proud of having 215 branches, 628 ATMs and 177 Agent Outlets throughout the country. Out of the above 215 branches, 10 branches provided both Islamic Banking and Commercial Banking facilities complying with the rules of Islamic Shariah and a new branch provided solely Islamic Banking facilities complying with the rules of Islamic Shariah.

business is one of the highest revenue-generating segments of UCB.

Remittance activities

UCB also facilitates inward and outward remittance facilities to Expatriates different organizations and individuals through branches, agents and correspondences.

Guarantee activities

UCB provides financial guarantee to different individuals and organizations which is also an important source of commission earning of the bank.

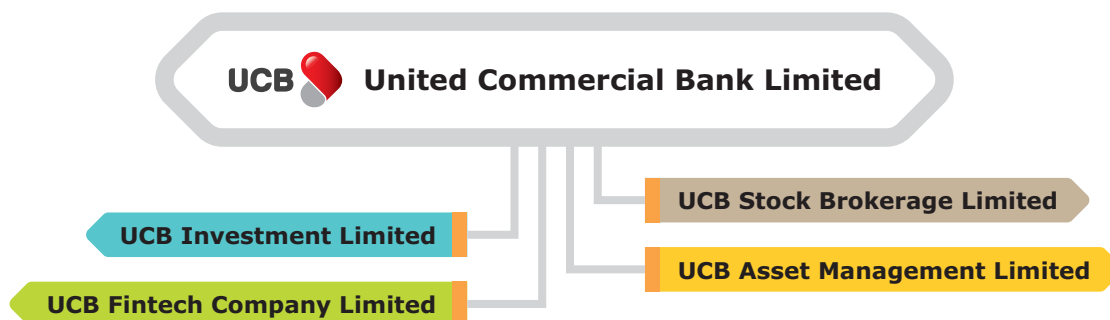
Investment activities

Money market- the Bank invests in the treasury bills & bond which is considered as secured investment and ensures a certain amount of return of the Bank. Considering the liquidity position, the Bank also participates in the call money market.

Capital market- the Bank has significant presence in capital market through direct investment. The Bank has also four subsidiaries with an aim to active participation in capital market through brokerage, portfolio management, investment banking etc.

Corporate structure

The bank consists of four subsidiaries: UCB Stock Brokerage Limited (former UCB Capital Management Limited), UCB Investment Limited, UCB Asset Management Limited and UCB Fintech Company Limited.



Principal activities

Sustainable development is not possible without continuous diversification of business. UCB's core competencies may be classified into two segments interest earning activities in the form of providing loans and advances and investment activities.

Interest earning activities

United Commercial Bank has an attractive basket of loan product which covers SME Financing, Project Finance, Export-Import Financing, overdraft facility & cash credit, home loan, car loan, lease finance, Consumer Financing RMG financing, Agro loan and many more.

Local and foreign trade activities

United Commercial Bank facilitates its valued clients in their local and foreign trade activities i.e. import and export business. These import and export

UCB Stock Brokerage Limited

UCB Stock Brokerage Limited (Former UCB Capital Management Limited) established in June 2013 has emerged as one of the esteemed stock brokers in Bangladesh. It is a fully owned subsidiary of the bank. UCB Stock Brokerage Limited was incorporated in Bangladesh as a private limited company in accordance with the Companies Act, 1994. The company provides stock brokerage and margin loan services.

UCB Stock Brokerage Limited started providing its services in June 2013 with a highly experienced and proficient management team with the aim of offering a global standard service to the clients of home and abroad in relation to securities originating in Bangladesh. Recently, UCB Stock Brokerage Limited has opened its first Digital Booth in Dubai which was the first initiative in the Capital Market of Bangladesh.

UCB Stock is catalogued as TREC Holder with both the stock exchanges in Bangladesh; Dhaka Stock Exchange Limited (TREC No.: 181) and Chittagong Stock Exchanges Limited (TREC No.:015). It is also a Depository Participant (DP) of Central Depository of Bangladesh Limited and provides allied services under the Rules & Regulations of Bangladesh Securities and Exchange Commission.

The registered office of the company is located at Bulus Center, 17th Floor (west side), Plot: CWS-(A)-1, Gulshan Avenue, Gulshan, Dhaka – 1212. UCB Stock Brokerage Limited has already earned outshine reputation for eminent ethics and trusted service. The Company is devoted to perform relentless duties for the development of capital market of Bangladesh.

UCB Investment Limited

UCB Investment limited (UCBIL) is a fully owned subsidiary of the bank. It was incorporated in Bangladesh with the Registrar of Joint Stock Companies & Firms (RJSC&F), vide registration number: C-94654/11 dated 3rd August, 2011 as a private limited company under the Companies Act (Act XVIII) of 1994. It obtained full-fledged Merchant Banker & Portfolio Management license (Reg No: MB- 97/2020) from Bangladesh Securities and Exchange Commission on 5th October, 2020.

The company has been inaugurated on 29th November 2020. The company aims to play a vital role in bridging the gap in professional financial management services in the country and the gap between investors and investment opportunities. The registered address of the company is Bulus Center, Road: 34, Plot: CWS- (A)-1, Gulshan avenue, Dhaka-1212.

With its group of versatile financial consultants, UCBIL covers all investment banking services, including Corporate Advisory, Fixed Income Securities, Syndicate Loans, IPO Management, Issue Management Service, Underwriting and Portfolio Management. The entity aims at delivering top-class, customized investment solutions to its clients to cater to their specific needs and be their long-term growth partner.

The key strength of UCBIL comes from its people, who are highly talented investment managers with vast and versatile experience in the investment landscape, both locally and globally. Utilizing this knowledge and expertise, UCBIL intends to provide and promote unique financial solutions for some of the nation's most successful institutions and corporations. Keeping innovation and sustainable growth at the core of its operations, UCBIL intends to lead its clients and the country to a brighter and wealthier future.

UCB Asset Management Limited

Established in February 2019, as a wholly-owned subsidiary of United Commercial Bank, UCB Asset Management Limited has the unique advantage to offer a wide range of investment solutions. UCB Asset Management Limited has a strong team of investment professionals who have a long track record of managing mutual funds in Bangladesh.

The principal objective of the company is to carry out various merchant banking activities in Bangladesh i.e. portfolio management, share transfer agent, fund management to issue in the capital and security market, underwrite, manage and distribute the issue of stock shares, bonds and other securities.

Trust is the core value of UCB Asset Management and its mission is to gain people's confidence towards the capital market while maintaining an international standard-oriented service.

UCB Fintech Company Limited

UCB Fintech Company Limited a fully owned subsidiary of the United Commercial Bank Limited was incorporated in Bangladesh on July 30, 2020 vide registration no. C-162182 as a Private Company Limited by shares under the Companies Act, 1994. Upon receiving the license from Bangladesh Bank, UCB Fintech Company Limited started its journey in March 2021, under the brand name “উপায়” (“upay” in English) and offering a broad range of mobile financial services to people from all walks of life.

Product and services of UCB Fintech Company Limited include mobile transactions (cash-in, cash-out, send money etc.), utility bill payment, in-store and e-commerce payment, inward remittance, salary disbursement, G2P and P2G transaction, airtime recharge and other value added financial services. Going forward, UCB Fintech aims to offer different types of innovative products and services to fulfill need of different customer segments.

Agent Banking

The Bank obtained permission from Bangladesh Bank on 07.02.2017 through letter no. BRPD (p-3)745(17)2017-677 to start the operation of Agent Banking and subsequently started its commercial operation on February 1, 2018. There are 177 agent outlets launched around the country till 31 December 2021. The principal activities of the unit are to provide services that includes Account Opening (Savings), Cash deposit & withdrawal (Agent Banking A/C), Cash Deposit in Branch A/C, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Transfer of funds, Payment of salaries, Generation and issuance of Bank statements, SME Loan repayment collection, Balance inquiry, Internet Banking & SMS Banking, Corporate Bill/Distributor fee collection, Insurance Premium Collection etc.

Off-shore Banking Unit

Offshore Banking Unit (OBU), a separate business unit of United Commercial Bank Limited, governed under the Rules and guideline of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P-3) 744 (117)/2010-2577 dated 9th June 2010. The Bank commenced the operation of its Off-shore Banking Unit from November 10, 2010. Presently the Bank has 1 (One) unit in Dhaka operating under the Rules and guideline of Bangladesh Bank.

Since inception in 2010, OBU have registered remarkable growth in successive years in terms of both

business and profit by providing FC Term Loan and Demand Loan to the On-shore entrepreneurs thus contributing in the industrialization of the country. OBU offers trade finance facilities in the form of Bill Discounting under UPAS LC and short term financing in FC.

Islamic Banking

The Bank obtained permission for Islamic Banking Branch from Bangladesh Bank vide, letter no. BRPD (P-3) 745 (17)/2020-1453 dated 6 February 2020. Through the Islamic Banking wing and Branch, the

Segmentwise Business Analysis

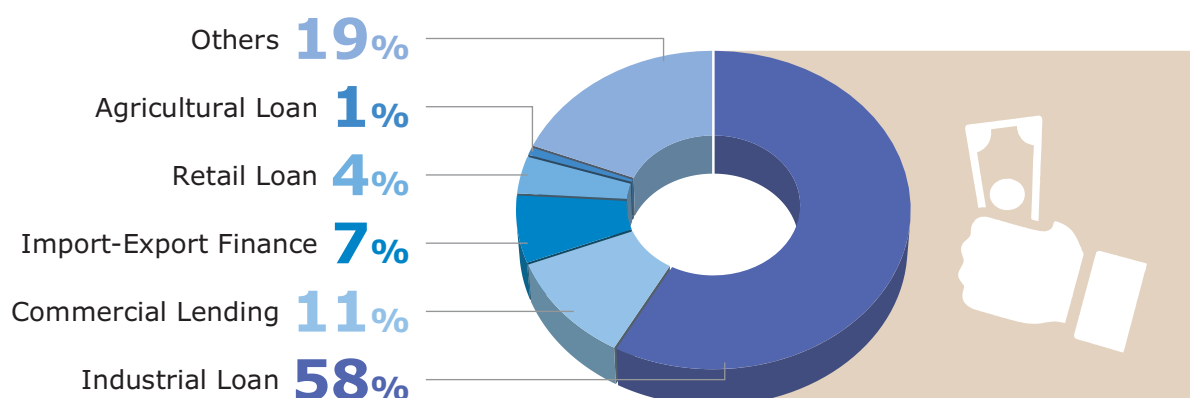
Segmentwise Distribution of Loans and Advances of United Commercial Bank Limited

Among total asset of BDT 565,314 million of United Commercial Bank Limited, loans and advances was BDT 402,482 million which was 71.19 percent of total assets. Below table shows the distribution of loans and advances at different segments.

BDT in million

Particulars of segments	Dec 31 2021	Dec 31 2020	Change	Growth (%)
Industrial Loan	234,011	198,343	35,668	17.98%
Commercial Lending	45,576	43,604	1,972	4.52%
Import-Export Finance	27,594	20,832	6,762	32.46%
Retail Loan	15,389	16,040	-651	-4.06%
Agricultural Loan	4,766	3,280	1,486	45.31%
Others	75,146	69,585	5,561	7.99%
TOTAL	402,482	351,684	50,798	14.44%

Segmentwise Loans and Advances



Bank extends all types of Islamic Shariah compliant finance like hire purchase shirkatul melk (HPSM), bai-Murabaha, Mushraka, Salam and agency, Ijarah Muntahia Bittamleek (Hire Purchase) etc. and different types of deposits like al-wadeeah, Murabaha etc.

Islamic banking focuses on the production of wealth and welfare. It follows and fosters the principle of partnership with customers rather than pursuing a debtor-creditor relationship. Through implementation of Islamic Banking, a positive and qualitative impact of genuine public welfare becomes visible in the overall activities of the Bank.

Islamic Banking was an unexplored avenue for the Bank, whereas UCB has proven track record and strong footage in all the financial eco system of the country. UCB has started its Islamic Banking operations (IBO) with a separate branch and 10 (ten) window branches and under brand name **UCB Taqwa**.

Among loans and advances, 58 percent was distributed in industrial area followed by 11 percent in commercial area. Others area of distribution of loans and advances were import-export, retail, agriculture and others where were 7 percent, 4 percent, 1 percent and 19 percent respectively. Among the above mentioned sector, the bank recorded highest growth in Industrial Loan.

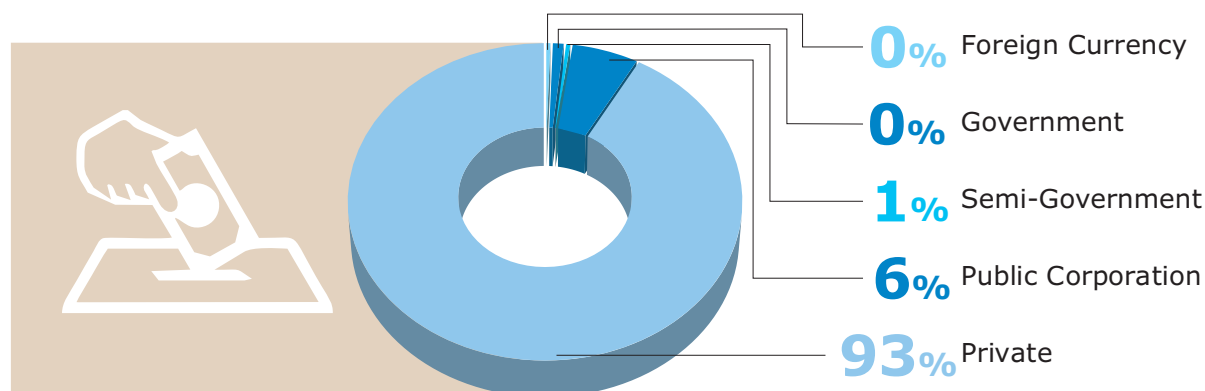
Segmentwise Distribution of Deposit of United Commercial Bank Limited

In total liabilities of BDT 527,872 million, 73.86 percent liabilities were in form of deposits which were BDT 389,901 million. Below table shows segmentwise distribution of deposit of the bank as on December 31, 2021.

BDT in million

Particulars of entities	Dec 31 2021	Dec 31 2020	Change	Growth (%)
Government	1,678	1,436	243	16.91%
Semi-Government	2,477	5,312	-2,835	-53.37%
Public Corporation	21,985	32,100	-10,115	-31.51%
Private	361,371	311,909	49,462	15.85%
Foreign Currency	2,390	3,224	-835	-25.89%
TOTAL	389,901	353,982	35,919	10.14%

Segmentwise Deposits



At the end of 2021, total deposits of the bank stood BDT 389,901 million against BDT 353,982 million in 2020 registering a growth of 10.14 percent. The bank mostly concentrated to private deposit is 93 percent which was BDT 361,371 million at the end of 2021 against BDT 311,909 at the end of 2020. Others area of concentration of deposit were public corporation, semi-government, government which were 5.64 percent, 0.64 percent and 0.43 percent of total deposit.

Risk and concerns for the banking industry

Although the year 2021 expected to be better for banking industry in Bangladesh but some uncertainty still remaining as follows;

- Banking industry may face hurdle for maintaining AD Ratio within the new regulatory limit which may lead to high cost of deposit for procurement of new deposit. Thus, yield on advance may also be higher.
- Maintaining the ongoing stability in political and economic activities is a challenge. Lack of consensus among political parties may any time lead to political agitation, which may ultimately affect the growth of private sector including banking industry.
- Growth of investment and business activities may not explore as per targets due to lack of initiatives for good governance in government and regulatory bodies' activities. Banking industry may not have sufficient good investment opportunities in private and public sectors.

- Implementation of various mega projects are in the process. Thus, to meet up the expenditure, government may borrow fund from banking sector which may some extend affect the liquidity scenario.
- In line with global practice of risk management, Bangladesh Bank also in phase of implementation of Basel III for the banks which will affect the capital adequacy of the banks. Banks need to maintain additional buffer capital of 2.50 percent by 2020 and onwards (each year additional requirement of 0.625 percent from 2016). This may increase pressure to banking industry to maintain additional capital requirement in coming years.

The details regarding risks and concerns are placed at disclosure on risk based capital (BASEL-III) at page no. 149.

Discussion on continuity of any extraordinary gain or loss

In last five years, UCBL has not experienced any extraordinary gain or loss. UCBL's Five Years Financial Summary presented in page no. 15 will provide detailed information to support this.

Related Party Transactions

UCB had no credit directly to its Directors at the end of 2021. However, there were some related party contacts and transactions wherein the Directors had interest. The Bank got Bangladesh Bank's approval to make related party contact. Details are as follows:

Significant related party Contracts/transactions where Bank is a party and wherein Directors have interest: _____ Nil

Shares issued to the Directors & the Executives without consideration or at discount _____ Nil

Related Party Transactions _____ Nil

Bank follows normal process of business for related party transaction ie. Related party does not enjoy any preferred facility or concession or favor from the view point of approval process, rate or cost charged etc.

Detail in this regards is given in the Notes to the Financial Statements at note no. 47.1 (a) of this annual report.

Utilization of proceeds from public issues, rights issues and/or through any other instruments

After the commencement of business in 1983, the Bank first raised its capital through Initial Public Offering (IPO) in 1986. Since then UCBL did not raise any capital through public issues except a Right Issue in 2011. However, the Bank raised BDT 200 crore, BDT 500 crore, BDT 700 crore and BDT 800 crore through issuance of 7-year non-convertible and non-cumulative subordinated bonds in 2013, 2015, 2017 and 2018 respectively. The Bank also raised BDT 400 crore through issuance of Perpetual Bond in 2021. The proceeds were utilized to generate liquidity and provide additional cushion in light of Capital to Risk Weighted Assets Ratio of the Bank.

Explanation of variances between quarterly and annual financial performance

No major variances have occurred between quarterly and annual performance.

Remuneration of Directors

At the end of 2021, UCB has 20 (Twenty) members in the Board of Directors including the Managing Director & CEO and 3 (three) Independent Directors. As per Bangladesh Bank's BRPD Circular No. 11 dated 04 October 2015, the members of Board of Directors (excluding Managing Director) received maximum BDT. 8000.00 (eight thousand) as honorarium for attending in a meeting. In the year, 2021, total honorarium was BDT. 2.17 million which was BDT. 2.20 million in 2020.

Preparation of Financial Statements

The financial statements prepared by the management of the bank present fairly its state of affairs, the result of its operations, cash flows and changes in equity. These statements have been prepared in accordance with the "first Schedule (Selection 38) of the Banking Companies Act, 1991 as amended by BRPD circular no. 14 dated 25 June 2003, the rules and regulations issued by Bangladesh Bank, International Accounting Standards (IASs), International Financial Reporting

Standards (IFRSs) as adopted by the Financial Reporting Council (FRC), the Securities and Exchange Rules 1987, Dhaka Stock Exchange (Listing) Regulations, 2015 and Chittagong Stock Exchange (Listing) Regulations, 2015 and other laws and rules applicable in Bangladesh.

The financial statements of 2021 have been reviewed by the Audit Committee of the Board of Directors of the Bank and then referred to the Board of Directors for its consideration. The external auditor, MABS & J partners Chartered Accountants appointed by the shareholders, have certified the fairness of the financial statements for the year ended 31 December 2021.

Maintaining proper books of account

UCB maintained proper books of account for its financial transactions occurred during 2021. For recording the transactions, the bank has followed the International Accounting Standards (IASs). The books of account have also been reviewed by the external auditor, MABS & J Partners Chartered Accountants with an opinion that proper books of accounts as required by the law have been properly maintained.

Appropriate Accounting policies

Appropriate accounting policies have been consistently applied, except for the changes disclosed in the financial statements in preparation of financial statements and that the accounting estimates are based on reasonable and prudent judgment. Bank records financial transaction on accrual basis with required disclosures and also prepares the financial statements accordingly.

Follow up of IAS & IFRS in preparation of financial statements

International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as applicable in Bangladesh, have been followed in preparation of financial statements. However, in case the requirement of provisions and Circulars issued by Bangladesh Bank differs with those of other regulatory authorities and accounting standards, the provisions and Circulars issued by Bangladesh Bank shall prevail. As such the Bank has departed from certain requirements of IASs/IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed in notes to the financial statements.

Internal control & compliance

The Audit Committee, a sub-committee of the Board reviews the effectiveness of the system of internal controls and management, establish effective audit

process and manage various risks. The internal audit function reporting to the Audit Committee operates independently of the other aspects of the company's management structure. It continually reviews the company's system of internal controls. These controls include financial controls that assist the Board in meeting its responsibilities for the integrity and accuracy of the company's accounting records. The Company's financial statements, prepared from these records, comply with the required laws and standards. The system of internal control is sound in design and has been effectively implemented and monitored.

Statement of Directors Responsibility to establish appropriate system of internal control

The Directors acknowledge their overall responsibility for the Bank's systems of internal control for establishing efficiency, effectiveness, reliability, timeliness, completeness and compliance with the applicable laws and regulations. This process ensures that a system of internal control in accordance with best financial reporting practice was in place throughout the year and up to the date of the signing of these financial statements. It also involved an assessment of the ongoing process for the identification, evaluation and management of individual risks and of the role of the various committees and bank's risk management functions.

Statement of Directors on adequacy of the system of internal control

The Directors confirm that the Board through its committees has reviewed the effectiveness of the bank's systems of internal control for the year ended 31 December 2021. The Board through the Audit Committee has supervised the policies and various parts of businesses to ensure an effective internal control system. The Boards' business strategy, significant policies for internal control system and risk management have been taken properly and internal audit and control has been accomplished as per requirement of the Banking Companies Act, 1991 and amendments thereon, Bangladesh Bank guidelines, Corporate Governance Code of Bangladesh Securities and Exchange Commission etc.

Protection of interest of minority shareholders and effective means of redress

The Bank is operated in accordance with the Articles of Association and all applicable laws and regulations of the land to ensure the greater interest of all the shareholders of the Bank. The Bank is committed to

sound governance practices based on integrity, openness, fairness, professionalism and accountability in building confidence among stakeholders. However, any complaint, received at AGM or throughout the year, from any shareholder, is resolved lawfully in time.

Going concern

After reviewing the company's present and potential business growth, annual budget, performance, liquidity position, plans and financing arrangement, the Directors are satisfied that the Company has adequate resources to continue to operate in the foreseeable future and confirm that there is no material issue threatening to the going concern of the Bank. For this reason, Directors continue to adopt the going concern basis in preparing these financial statements. There are no significant doubts upon the Bank's ability to continue as a going concern. A separate report highlighting key financial track record, good practices in business and operations indicating to continuity as a going concern has been separately attached with the Annual Report.

Significant deviations from operating results of last year

Bank's operating performance is improving in the year 2021 after the impact of pandemic. Significant deviations in key operating lines are described as follows:

Operating revenue: Bank's operating revenue (net interest income plus non-interest income) has increased by BDT 4,332 million from BDT 20,488 million in 2020 to BDT 24,820 million in 2021.

Profit from operation: Operating profit has increased by 49 percent. It was BDT 10,184 million in 2021 and BDT 6,857 million in 2020.

Net profit after tax: During the year 2021, net performance line has increased by BDT 320 million. During the year 2021 net profit after tax was BDT 3,177 million and it was BDT 2,857 million during the year 2020.

Analysis of key operating and financial data for last 5 (five) years

UCB recorded a remarkable growth in last five years in term of business volume and profitability. At the end of 2017 total assets of the Bank was BDT 363,315 million whereas at the end of 2021 it stood at BDT 565,314 million recording a growth of more than 50 percent. During last five year deposits grew by 40 percent and loans & advances of the Bank grew by 54 percent.

BDT in million

Balance Sheet	Change (%)	Change (Taka)	2021	2020	2019	2018	2017
Authorized Capital	0.00%	-	15,000	15,000	15,000	15,000	15,000
Paid up Capital	5.00%	609	12,784	12,175	11,595	10,540	10,541
Shareholders' Equity	6.78%	2,376	37,442	35,066	32,783	29,900	26,510
Borrowing	44.45%	26,405	85,804	59,399	40,911	44,694	33,846
Deposits	10.15%	35,919	389,901	353,982	330,787	297,173	278,195
Loans and advances	14.44%	50,798	402,482	351,684	322,728	294,672	261,003
Investments	24.59%	16,064	81,388	65,323	57,801	50,831	42,912
Fixed Assets	1.25%	181	14,721	14,540	14,455	9,056	8,344
Off-Balance Sheet Exposure	29.53%	59,371	260,413	201,042	183,958	182,067	197,974
Total Assets	14.60%	72,007	565,314	493,307	446,760	402,749	363,315
Total Liabilities	15.20%	69,631	527,872	458,241	413,977	372,849	336,805

Results of Operation	Change (%)	Change (Taka)	2021	2020	2019	2018	2017
Interest Income	0.06%	17	27,324	27,307	30,949	25,267	21,034
Interest Expense	-21.74%	(3,869)	13,927	17,796	20,151	16,024	12,087
Net interest Income	40.85%	3,886	13,396	9,511	10,798	9,242	8,947
Non-Interest Income	4.06%	446	11,423	10,977	9,911	9,050	8,435
Non-Interest Expense	7.37%	1,005	14,636	13,631	12,430	10,902	9,431
Gross Profit	21.14%	4,332	24,820	20,488	20,709	18,293	17,382
Operating Profit	48.51%	3,327	10,184	6,857	8,279	7,390	7,951
Profit before tax	13.38%	662	5,610	4,948	4,932	4,908	5,461
Net profit after tax	11.20%	320	3,177	2,857	2,772	2,369	2,434

In line with the increased volume of the business, the Net Profit after tax of the Bank has also increased. In 2017, NPAT of the bank was BDT 2,434 million whereas it was BDT 3,177 million at the end of 2021 recording a growth of 30 percent whereas Bank's gross profit

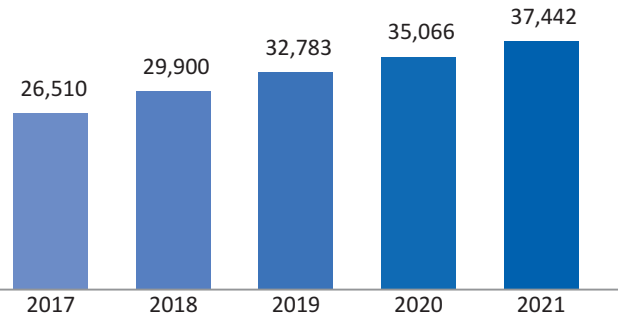
increased by 42 percent during last five years of time. However, details of operating and financial data of UCB in last five years are shown separately in financial summary of annual report with charts and graphical presentation.

Key Performance Ratio	2021	2020	2019	2018	2017
Cost-income ratio	58.97	66.53	60.02	59.60	54.26
Return on assets	0.60	0.61	0.65	0.62	0.70
Return on equity	8.76	8.42	8.94	9.45	9.31
Cost of fund	6.01	7.42	8.57	7.58	6.79
Yield on advance	7.08	7.92	9.78	8.62	8.53
Spread	1.07	0.49	1.21	1.04	1.74
Earnings per share (Basic)	2.49	2.35	2.39	2.40	2.31
Earnings per share (Diluted)	2.49	2.23	2.28	2.04	2.31
Dividend (percent)	10 B	5 C, 5 B	5 C, 5 B	10 B	10 C
Net asset value per Share	29.29	28.80	28.27	25.79	25.15
Price earnings ratio (Times)	6.16	6.01	5.56	8.61	10.22
Dividend cover ratio (percent)	2.49	2.35	2.28	2.25	2.31
Dividend yield (percent)	6.54	7.09	7.52	5.68	4.24*

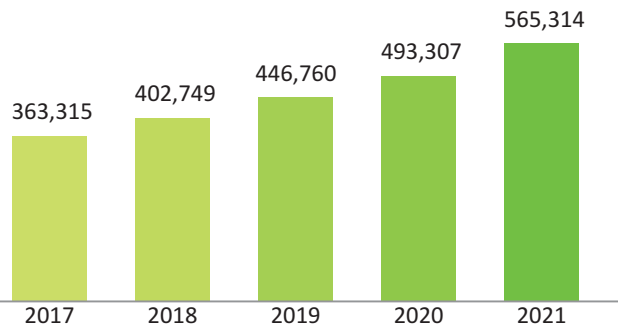
C =Cash, B = Bonus



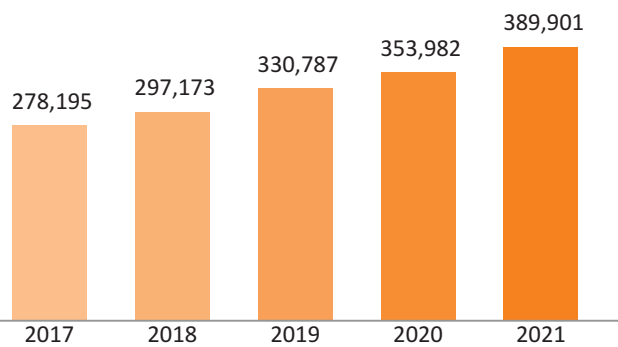
Shareholders' Equity (In Million)



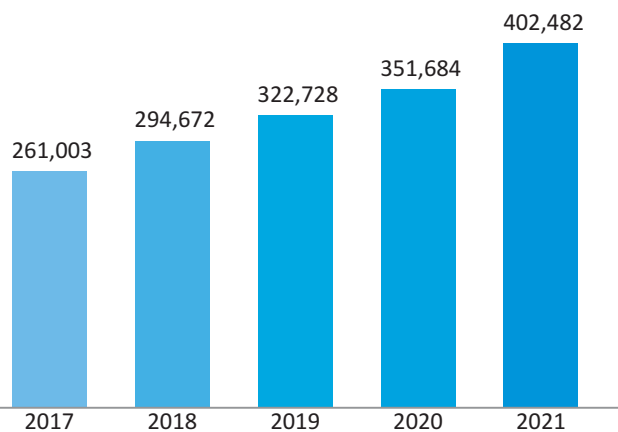
Total Assets (In Million)



Total Deposits (In Million)

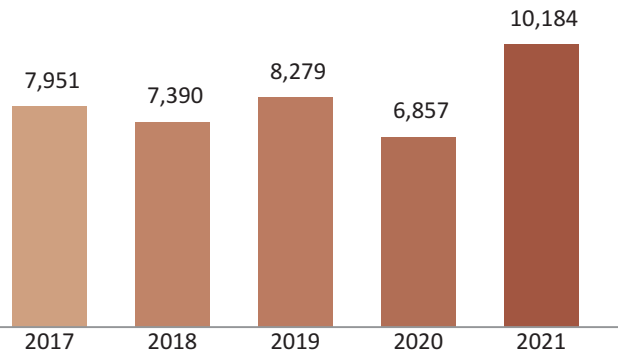


Loans and Advances (In Million)

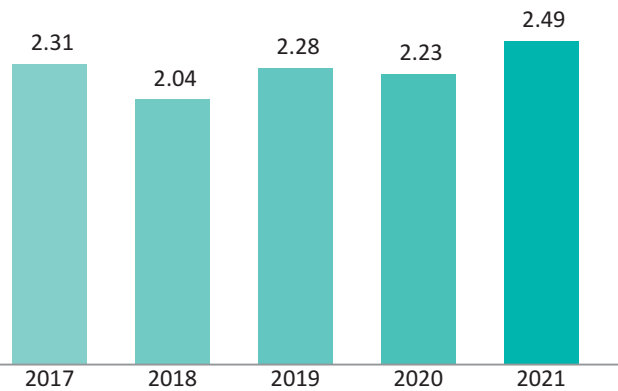




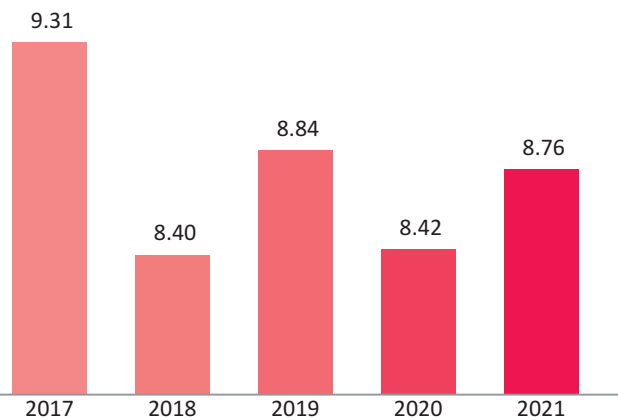
Operating profit
(In Million)



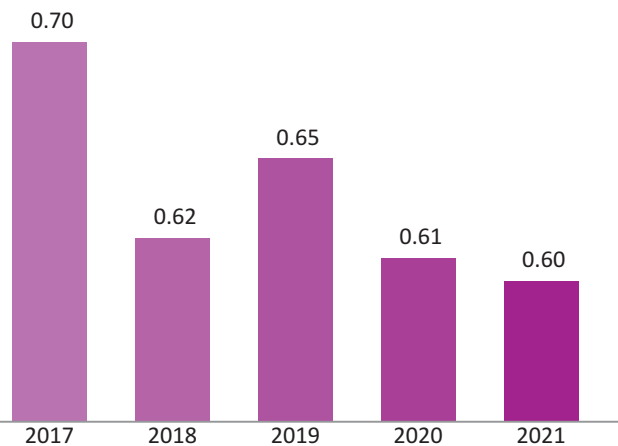
Earnings per share (EPS)
(In Million)



Return on equity
(In Million)



Return on assets
(In Million)



Declaration of dividend

The bank has declared 10% stock dividend for the year 2021.

Declaration of bonus share or stock dividend as interim dividend

No bonus shares or stock dividend was declared as interim dividend during the year, 2021.

Meeting of the Board of Directors and Attendance

During the year 2021 total 11 no. of Board of Directors' meetings, 09 no. of Executive Committee meetings, 06 no. of Audit Committee meetings and 04 no. of Risk Management Committee meetings were held. The status of the member along with the attendance is mentioned below:

Particulars of Board of Directors as on 31.12.2021

Board of Directors		
Sl	Name	Status in the Board
1	Rukhmila Zaman	Chairman
2	Bazal Ahmed	Vice-Chairman
3	Anisuzzaman Chowdhury	Chairman, Executive Committee
4	Akhter Matin Chaudhury FCA (E&W), FCA, FCS	Independent Director & Chairman, Audit Committee
5	M. A. Sabur	Chairman, Risk Management Committee
6	Hajee Yunus Ahmed	Director
7	Hajee M. A. Kalam	Director
8	Nurul Islam Chowdhury	Director
9	Asifuzzaman Chowdhury	Director
10	Roxana Zaman (Representative of Volkart Trading Limited)	Director
11	Bashir Ahmed	Director
12	Afroza Zaman (Representative of Legendary Assets Management Limited)	Director
13	Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited)	Director
14	Muhammed Shah Alam, FCMA (Representative of Ardent Assets Management Limited)	Director
15	Prof. Dr. Md. Jonaid Shafiq (Representative of Splendid Trading Limited)	Director
16	Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited)	Director
17	Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited)	Director
18	Dr. Aparup Chowdhury	Independent Director
19	Touhid Shipar Rafiquzzaman	Independent Director
20	Arif Quadri	Managing Director & CEO

Particulars of Executive Committee as on 31.12.2021

Sl	Name	Status
1	Anisuzzaman Chowdhury	Chairman
2	Bazal Ahmed	Member
3	M. A. Sabur	Member
4	Hajee Yunus Ahmed	Member
5	Nurul Islam Chowdhury	Member
6	Asifuzzaman Chowdhury	Member
7	Bashir Ahmed	Member

Particulars of Audit Committee as on 31.12.2021

Sl.	Name	Status
1	Akhter Matin Chaudhury FCA (E&W), FCA, FCS	Chairman
2	Syed Kamruzzaman, FCMA	Member
3	Muhammed Shah Alam, FCMA	Member
4	Dr. Aparup Chowdhury	Member

Particulars of Risk Management Committee as on 31.12.2021

Sl	Name	Status
1	M. A. Sabur	Chairman
2	Anisuzzaman Chowdhury	Member
3	Roxana Zaman	Member
4	Afroza Zaman	Member
5	Kanak Kanti Sen, FCMA	Member

Directors' Attendance in the Meetings of the Board of Directors During 2021

SL	Name of the Directors	Status in the Board	Total Meetings held during the year	Total Meetings held during their period	Attended	Leave of Absence	Remarks
1	Rukhmila Zaman	Chairman	11	9	7	2	Total 9 meetings held during her tenure.
2	Bazal Ahmed	Vice Chairman	11	11	10	1	
3	Anisuzzaman Chowdhury	Chairman - Executive Committee	11	11	10	1	
4	Akhter Matin Chaudhury FCA (E&W), FCA, FCS	Independent Director & Chairman-Audit Committee	11	11	4	7	
5	M. A. Sabur	Chairman - Risk Management Committee	11	9	8	1	Total 9 meetings held during his tenure.
6	Hajee Yunus Ahmed	Director	11	9	4	5	Total 9 meetings held during his tenure.
7	Hajee M. A. Kalam	Director	11	11	5	6	
8	Nurul Islam Chowdhury	Director	11	11	10	1	
9	Asifuzzaman Chowdhury	Director	11	11	8	3	
10	Roxana Zaman	Director	11	9	7	2	Total 9 meetings held during her tenure.
11	Bashir Ahmed	Director	11	11	8	3	
12	Afroza Zaman	Director	11	9	7	2	Total 9 meetings held during her tenure.
13	Syed Kamruzzaman, FCMA	Director	11	11	11	0	
14	Muhammed Shah Alam, FCMA	Director	11	11	11	0	
15	Prof. Dr. Md. Jonaid Shafiq	Director	11	11	11	0	
16	Kanak Kanti Sen, FCMA	Director	11	11	10	1	
17	Md. Aksed Ali Sarker	Director	11	0	0	0	He was appointed on 29.12.2021.
18	Dr. Aparup Chowdhury	Independent Director	11	11	8	3	
19	Touhid Shipar Rafiquzzaman	Independent Director	11	11	4	7	
20	Arif Quadri	Managing Director & CEO	11	3	3	0	Total 3 meetings held during his tenure.

Past Directors' Attendance Details

SL	Name of the Members	Position	Total Meetings held	Total Meetings held during their period	Attended	Leave of Absence	Remarks
1	Syed Mohammed Nuruddin	Member	11	9	2	7	Total 9 meetings held during his tenure.

** The Directors who could not attend the meeting were granted leave of absence.

Members' Presence in the EC Meetings of the Board of Directors during 2021

SL	Name of the Members	Position	Total Meetings Held	Total Meetings held during their period	Attended	Leave of Absence	Remarks
1	Anisuzzaman Chowdhury	Chairman	9	9	9	0	
2	Bazal Ahmed	Member	9	9	7	2	
3	M. A. Sabur	Member	9	8	7	1	Total 8 meetings held during his tenure.
4	Hajee Yunus Ahmed	Member	9	8	2	6	Total 8 meetings held during his tenure.
5	Nurul Islam Chowdhury	Member	9	9	8	1	
6	Asifuzzaman Chowdhury	Member	9	9	8	1	
7	Bashir Ahmed	Member	9	9	7	2	

** The Directors who could not attend the meeting were granted leave of absence.

Members' Presence in the Audit Committee Meetings of the Board of Directors during 2021

SL	Name of the Members	Position	Total Meetings held during the year	Total Meetings held during their period	Attended	Leave of Absence	Remarks
1	Akhter Matin Chaudhury FCA (E&W), FCA, FCS	Chairman	6	6	6	0	
2	Syed Kamruzzaman, FCMA	Member	6	6	6	0	
3	Muhammed Shah Alam, FCMA	Member	6	6	6	0	
4	Dr. Aparup Chowdhury	Member	6	6	5	1	

Past Members' Attendance Details

SL	Name of the Members	Position	Total Meetings held during the year	Total Meetings held during their period	Attended	Leave of Absence	Remarks
1	Syed Mohammed Nuruddin	Member	6	5	1	4	Total 5 meetings held during his tenure.

** The Directors who could not attend the meeting were granted leave of absence.

Members' Presence in the Risk Management Committee Meetings during 2021

SL	Name of the Members	Position	Total Meetings held during the year	Total Meetings held during their period	Attended	Leave of Absence	Remarks
1	M. A. Sabur	Chairman	4	4	4	0	
2	Anisuzzaman Chowdhury	Member	4	4	4	0	
3	Roxana Zaman	Member	4	4	3	1	
4	Afroza Zaman	Member	4	4	3	1	
5	Kanak Kanti Sen, FCMA	Member	4	4	4	0	

** The Directors who could not attend the meeting were granted leave of absence.

Pattern of Shareholding of UCB

Fully paid up shares issued to	No. of Shares	Amount in Taka	% of Shares
Sponsors/Directors	442,942,654	4,429,426,540	34.64
Institution (Financial & Others)	273,841,715	2,738,417,150	21.42
General Public	551,243,772	5,512,437,720	43.13
Govt. of the Peoples Republic of BD	10,368,808	103,688,080	0.81
Total	1,278,396,949	12,783,969,490	100.00

A. Share held by parent/subsidiary/associated companies

Name of the parent/subsidiary/associated companies	Status	Shareholding
UCB Stock Brokerage Limited	Subsidiary	Nil
UCB Investment Limited	Subsidiary	Nil
UCB Asset Management Limited	Subsidiary	Nil
UCB Fintech Company Limited	Subsidiary	Nil

B. i) Shareholdings of Directors, ii) Chief Executive Officer, iii) Company Secretary iv) Chief Financial Officer and v) Head of Internal Control and Compliance and their Spouses and Minor Children

SL	Name of Directors	Shares Held
i	Directors	Total
1	Rukhmila Zaman	25,571,208
2	Bazal Ahmed	25,619,905
3	Anisuzzaman Chowdhury	35,777,974
4	Akhter Matin Chaudhury, FCA (E&W). FCA, FCS (Independent Director)	0
5	M.A. Sabur	28,090,523
6	Hajee Yunus Ahmed	32,129,051
7	Hajee M.A. Kalam	29,390,767
8	Nurul Islam Chowdhury	25,573,103
9	Asifuzzaman Chowdhury	36,061,405
10	Roxana Zaman (Representative of Volkart Trading Limited)	25,589,025
11	Bashir Ahmed	25,713,046
12	Afroza Zaman (Representative of Legendary Assets Management Limited)	25,589,025
13	Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited)	26,208,739
14	Muhammed Shah Alam, FCMA (Representative of Ardent Assets Management Limited)	25,589,025
15	Prof. Dr. Md. Jonaid Shafiq (Representative of Splendid Trading Limited)	25,589,025
16	Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited)	25,568,408
17	Md. Akshed Ali Sarker (Representative of Aromatic Properties Limited)	25,578,000
18	Dr. Aparup Chowdhury (Independent Director)	0
19	Touhid Shipar Rafiquzzaman (Independent Director)	0
ii)	Arif Quadri Managing Director & CEO	0
iii)	A T M Tahmiduzzaman, FCS (DMD & Company Secretary)	0
iv)	Faruk Ahammad, FCA (SEVP & Chief Financial Officer)	0
v)	Mohammed Khorshed Alam (DMD & Head of Internal Control & Compliance)	0

C. Executives (Top five Salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance)

SL.	Name of Executives	Shares Held
1	Syed Faridul Islam (Additional Managing Director) and Spouse	0
2	Nabil Mustafizur Rahman (Additional Managing Director) and Spouse	0
3	Abul Alam Ferdous (Additional Managing Director) and Spouse	0
4	N. Mustafa Tarek (Deputy Managing Director) and Spouse	0
5	Md. Abdullah Al Mamoon (Deputy Managing Director) and Spouse	0
6	Mohammed Habibur Rahman (Deputy Managing Director) and Spouse	0
7	Md. Shah Alam Bhuiyan (Deputy Managing Director) and Spouse	0

D. Shareholders holding 10% or more voting interest in the company

No shareholder holds 10% or more voting interest in the company.

Rotation of Directors

As per Section 108 & 109 of the Article of Association of the Bank, 1/3 of the Directors are subject to retire in the ensuing Annual General Meeting and as per Section 110 of the Bank they are eligible for reelection/reappointment.

Resume of Reappointed and Newly appointed Directors

1	
Name of the Director	Rukhmila Zaman
Status in the Board	Director and Chairman
Date of Birth	06.05.1979
Date of First Appointment	13.04.2014
Date of last Appointment	05.08.2021
Entities where they have interest	1. Aramit Limited 2. Aramit Cement Limited 3. Aramit Thai Aluminum Limited 4. Aramit Power Limited 5. Aramit Alu Composite Panels Limited 6. Aramit Steel Pipes Limited 7. Aramit Footwear Limited 8. North West Securities Limited
2	
Name of the Director	M.A.Sabur
Status in the Board	Director
Date of Birth	02.01.1948
Date of First Appointment	29.06.1983
Date of last Appointment	05.08.2021
Entities where they have interest	1. Masco Industries Limited 2. Masco Cottons Limited 3. Mascotex Limited 4. Masco Printing & Embroidery Limited 5. Masco Picasso Limited 6. Tasniah Fabrics Limited 7. Shanta Expressions Limited 8. Masco Properties Limited 9. Concept Knitting Limited 10. Masco Shares & Securities Limited 11. Masminu Energy Limited 12. Masminu Footspree Limited 13. Masco Poultry Limited 14. Masco Services Limited 15. Masco Energy Limited 16. Masco Superknits Limited 17. Masco Bazar Limited 18. Masco Shakib Cricket Academy Limited 19. Masco Cotspin Limited 20. Maxim Limited 21. Masco Dairy Enterprise 22. Masco Trims Limited

3	
Name of the Director	Hajee Yunus Ahmed
Status in the Board	Director
Date of Birth	02.07.1945
Date of First Appointment	29.06.1983
Date of last Appointment	05.08.2021
Entities where they have interest	
1. Yunusco T&A (BD) Limited	9. YK Limited
2. Yunusco K. Textiles Limited	10. Best Eat (Pvt) Limited
3. Adapt ID Bangladesh Limited	11. Nine 2 Nine Intimates Limited
4. Yunusco Stone & Engineering Limited	12. Wonder Gas Limited
5. Yunusco Properties Limited	13. Consolidated Agencies Limited
6. Yunusco Limited	14. SSI Yunusco (BD) Limited
7. Ynunusco (BD) Limited	15. Centra Transportation Services Limited
8. Yunusco Global Sourcing Limited	16. Contrade Shipping Lines Limited
	17. Bangladesh Media Services Limited
4	
Name of the Director	Roxana Zaman
Status in the Board	Director
Date of Birth	20.02.1969
Date of First Appointment	12.04.2018
Date of last Appointment	05.08.2021
Entities where they have interest	1. Volkart Trading Limited
5	
Name of the Director	Afroza Zaman
Status in the Board	Director
Date of Birth	08.08.1976
Date of First Appointment	30.04.2018
Date of Last Appointment	05.08.2021
Entities where they have interest	1. Volkart Trading Limited
6	
Name of the Director	Md. Aksed Ali Sarker
Status in the Board	Director
Date of Birth	31.12.1963
Date of First Appointment	29.12.2021
Date of last Appointment	N/A
Entities where they have interest	Nil

Management Discussion and Analysis

Like 2020, the year 2021 was a challenging one not only for the Banking Industry but also for the whole globe due to the outbreak of pandemic COVID-19 which catastrophically impacted the macroeconomic performance of the country as well as its operations and financial position. There was virtually very less banking business or no business for a number of days in 2021 as the country-wide general holidays were declared by the government from time to time and extended further.

Besides, location-wise lock-downs took place in different cities and localities. Owing to COVID-19 impact, during the year under review, our Company achieved total operating income amounting BDT 24,819.74 million which was 21.14% higher than the previous year's total operating Income of BDT 20,488.21 million.

Operating profit amounting BDT 10,183.71 million in 2021 which was 48.51% higher than the previous year's operating profit of BDT 6,857.11 million. Net profit before tax for the year stood BDT 5,609.90 million which was 13.38% higher than the previous year's net profit before Tax of BDT 4,948.01 million.

Glimpse of UCB performance in 2021

Despite the manifold challenges, in the global as well as domestic economy, caused by the COVID Pandemic, we have been able to maintain positive growth in several business parameters. Glimpses of performances of UCB in 2021:

- It is continued to deliver growth across almost every aspect of the Bank's operations and registered 14.59% growth over the last year in the balance sheet size, which grew to BDT 565,314 million in 2021.
- Funds under management (FUM) of the bank had a moderate growth of 10.15%. Bank's total deposit reached BDT 389,901 million in 2021.

- Total loans and advances increased to BDT 402,482 million in 2021 from BDT 351,684 million in 2020 with 14.44% growth. In 2021 Industrial, Commercial, Export-Import Finance, Retail, Agriculture and Others loan exposure was BDT 234,011, 45,576, 27,594, 15,389, 4,766 and 75,146 million respectively.
- Export - Import business registered a moderate growth of 32.46% and reached to BDT 27,594 million in 2021 as business moved in line with the country's overall performance as the recovery of after COVID period.
- Bank's operating profit significantly increased to BDT 10,184 million from BDT 6,857 million of the previous year.
- Earnings Per Share (EPS) was BDT 2.49 in 2021;
- In 2021, our banking network further expanded through 215 Branches, 628 ATM/CRM Booths, along with 172 agent outlets.

Message from the Chairman in page no. 36, Managing Director & CEO's Round Up in page no. 38, Preparation of Financial Statement in page no. 56, Maintaining of Proper Books and Accounts in page no. 56, Appropriate Accounting Policies in page no. 56, Follow up of IAS & IFRS in Preparation of Financial Statements in page no. 56, World Economy in page no. 41, Bangladesh Economy in page no. 44, Banking Industry Outlook in

page no. 47, Risk and Concerns in Banking Industry in page no. 55, state the Company's affairs and highlight important events that occurred during the year. The Financial Statements on pages 183 to 202 elaborates on the financial results of the Company. These reports are integral parts of the Directors' Report.

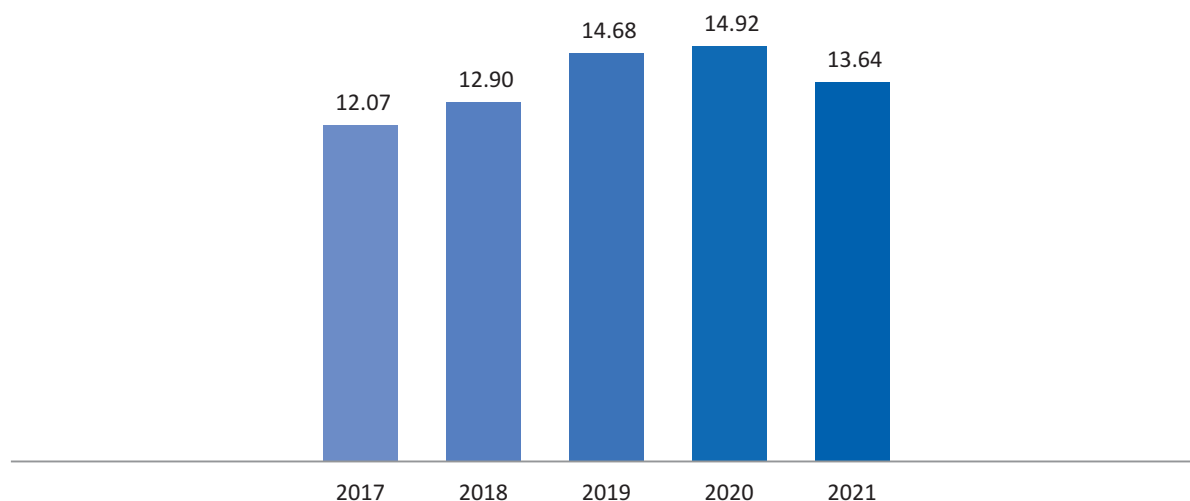
Risk Based Capital Framework

Risk Based Capital Adequacy Framework (Revised Regulatory Capital Framework for banks in line with Basel III) has been implemented in Bangladesh from the beginning of 2015 through BRPD Circular No- 18 dated December 21, 2014. Bank was in Basel II regime in 2014 maintaining its capital level above the minimum requirement, estimating the additional capital requirement to find out level of Adequate Capital against all types of risks under Pillar II and providing adequate disclosure as per pillar III (market discipline) of Basel II guideline.

From very beginning of implementation of Basel III in Bangladesh, UCB has been continuing to calculate minimum capital requirement (MCR) considering credit risk, market risk and operational risk considering the Capital Conservation Buffer @ 1.25 percent. The summary of pillar I (Minimum Capital Requirement) on solo basis of UCB as under:

Particulars	(BDT in Million)	
	2021	2020
Tier I Capital	34,365	28,849
Tier II Capital	18,396	21,383
Total Regulatory Capital	52,761	50,232
Risk Weighted Assets	386,744	336,720
Capital to Risk Weighted Asset Ratio (CRAR) (%)	13.64	14.92

Capital to Risk Weighted Asset Ratio (CRAR) (In Percent)



UCB has strong Common Equity (Tier-1 Capital) base of BDT 34,365 million which was 7.85 percent of risk weighted assets as on December 31, 2021. Bank's Tier-2 Capital was BDT 18,396 million at the end of 2021, which was 4.76 percent of risk weighted assets. Against the minimum requirement of 10 percent, UCB is consistently maintaining above the requirement in last five years. In addition to minimum requirement of 10 percent, Bank needs to maintain buffer requirement of 2.50 percent in 2021. Thus Bank's minimum plus buffer requirement was 12.50 percent in 2021 which was deliberately maintained by the Bank.

Focusing on the Future Requirement

Bangladesh Bank has issued the "Guidelines on Risk Based Capital Adequacy", a Revised Regulatory Capital Framework for banks in line with Basel III, on December 2014. Aiming to maintain capital above the required level as per this new guideline. Though raising fund from external sources is a short term and costlier solution, the bank is emphasizing more on risk assets management and capital generation from internal sources like increasing reserve by generating profit. For risk assets management, the bank is emphasizing on completion of credit rating of all unrated corporate and medium customers by external credit rating agencies and also emphasizing on restructuring of asset portfolio to low risk based assets.

Moreover, the Bank has also built up a platform to transfer from the standardized approach of risk measurement to more advanced version of Internal Risk Based Approach in evaluation of risk exposure of the Bank. In addition, the Bank is making preparation for transitional phase from Basel II to Basel III framework. As a part of this preparation, the Bank has calculated Liquidity Coverage Ratio and Net Stable Funding Ratio concerning about its liquidity risks and submitting the same to Bangladesh Bank.

Future Outlook

United Commercial Bank Limited is making progress on embedding sustainability into business. We still believe that, we have a lot scope to do, a long way to go and will continue to build our program as a team in the year ahead. We are confident that we can make our slogan a success "United we achieve". However, due to the Covid-19 pandemic market conditions for our industry are as challenging and volatile as we have seen in recent times. We have a strong capital position and we have accumulated a good size of quality portfolio and diversity in our revenue and earning streams.

Our presence in the market is growing steadily and we have improved our presence in all areas of operations. We have professionals with profound managerial talents and perhaps most importantly, we have a hard earned reputation as one of the top service providers in our industry. We are convinced of our ability to continue to thrive in all areas of our business backed by around four decade of experience and driven by the ambition to continue reaching new heights in performance. Building on our strength, we are confident that the company will be able to present better results before our shareholders in the years ahead.

Contribution to the National exchequer and the economy

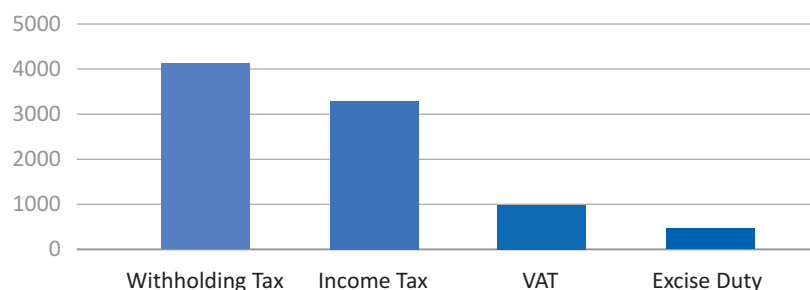
United Commercial Bank Limited always upholds its responsibilities to the development of the society and the country as a whole. We aspire to be known as a bank that builds enduring relationship with and delivers value for our clients, shareholders, employees and the community where we work. At the end of year 2021, the bank has provided (provision for tax expense) an amount of BDT 2,432.73 million as tax expense as against BDT 2,090.82 million of previous year. We also pay VAT @ 15 percent on our fees and commission income. Moreover, we are abiding by the prevailing laws to deduct source tax and source VAT from all payments as per prescribed rate. Besides direct contribution to national economy in the form of payment of taxes UCB contributes to the economy in the following manner:

- Based on the financials as on 31 December 2021 the size of total credit exposure of UCB with 93,727 no. of clients was BDT 402,481.73 million (2020: 89,849 no. of clients, BDT 351,683.56 million). Providing such facility does not only mean to the financial support but also creates huge opportunity of employment in the society.
- Direct economic impact by creating employment and a well-trained workforce. UCB employed as many as 5,060 employees as on 31 December 2021 (2020: 4,900). Significant amount of bank's earnings and expended for salary and employee benefits. During the year 2021, UCB paid total BDT 7,166.52 million for salary and employee benefits (2020: BDT 6,354.17 million). UCB has also has provident fund and gratuity fund as a tool to reward long term service with the bank.
- We firmly believe that sustainable economic growth and a healthy environment are inter-linked. We take supportive role in terms of providing financial services by restricting and discouraging projects detrimental to the environment and health.
- UCB deployed its all-out effort to make the slogan 'Green Banking' a success. Various initiatives have already been taken both in policy and practically at large.
- We always agree in building prosperity by supporting a broad range of socio-economic issues through donation and sponsorship. We believe, in order to reach our potential, we need to earn the respect of our stakeholders. We have learned by last more than three decades that the best way to do that is to foster creativity, innovation and diversity throughout our ventures, of course aligning business practices with highest values. We dream to crafting a way of social business rather than commercial business objective only. During the year 2021 the bank expended around BDT 341.60 million for donation and sponsorship.

During the year 2021 United Commercial Bank Limited deposited BDT 8,854 million to the Government Exchequer out of which BDT 3,286 million as income tax, BDT 4,122 million of withholding tax, BDT 983 million of VAT and BDT 463 million of Excise Duty. According to the law of the country, bank pay tax and collects withholding tax and VAT and deposit the same to the Government Exchequer in due time.

against our responsibilities in the short, medium and long term. A separate report on Corporate Social Responsibility has been attached with the Annual Report at page no. 177.

Contribution to the National Exchequer (Amount in Million)



Business ethics and Compliance

How we work is as important as what we do. We are working to find diverse, responsible stakeholders and conduct our business responsibility to help serve you better.

United Commercial Bank has a reputation for delivering innovation, performance and solutions. The key element to our long-term success is something less tangible and less easily illustrated with figures. These are integrity and honesty in our business dealings, a factor that contributes to our long-term relationships with clients. All of our employees are expected to behave ethically in their work, and our expectations to them are set out in ethical principles. The objective of the policy is to make UCB a good Company to work for; to maintain our reputation for exceptional client service and ethical business dealings, to compete ethically and to ensure that the business is managed to a high standard consistently.

Corporate social responsibility

As one of the leading Bank, we acknowledge our responsibilities towards the society as a whole in which we live. We care for all stakeholders, ethical functioning, respect for employee's rights and welfare, respect for human beings, respect for environment and disseminate information on CSR policy. We are focused on offering a strong, safe and responsible service that contributes to the economic progress of society as a whole. We want to be seen as a company that is making a positive contribution to the society. We are committed to managing and reporting our operational impacts on the society and physical environments in which we operate and we are continually striving to improve and develop our corporate responsibility policies and performance. We realize that sustainable development is an ongoing journey. We are confident that we are well positioned and prepared to deliver

Corporate governance

The Bank focuses on ethics, innovation and transparency. The establishment of well-founded corporate governance within the company will continue to be important in order to ensure a continuous profitable return to shareholders and a solid reputation amongst clients and partners. We strive to maintain full compliance with the laws, rules and regulations that govern our business. The main objective of UCB's corporate governance is to develop a strong, sustainable and competitive company in the best interest of its shareholders, employees, business associates and society at large. Successful value added business is profoundly dependent upon transparency, internal and external confidence and trust. UCB believes that this is achieved by developing a conspicuous reputation based on our financial performance, our business practices and our communication with the market with due care on transparency and ethical standards.

Declaration on compliance of corporate governance

Regulation No. 36 of the Dhaka Stock Exchange (Listing) Regulations, 2015, Notification dated 30 June 2015 requires the directors to declare on compliance of the conditions of Bangladesh Securities & Exchange Commission. The bank duly complied with the conditions of Bangladesh Securities & Exchange Commission (notification no. SEC/CMRCD/2006-158/134/Admin/80 dated 3 June, 2018) on corporate governance. Moreover, as per requirement of Bangladesh Securities & Exchange Commission, a certificate from a professional Chartered Accountants has been obtained and attached with the Annual Report at Page No. 108.

Declaration or Certification by the CEO and CFO

The Declaration or Certification of Managing Director & CEO and CFO has been presented at the end of the Report on Corporate Governance at Page No. 109 of this Annual Report.

Compliance of the conditions of BSEC's notification

In exercise of the power conferred by section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 (XVII of 1969), Bangladesh Securities and Exchange Commission (BSEC) issued notification no. SEC/CMRRCD/2006-158/134/Admin/80 dated June 3, 2018 to comply with certain conditions for corporate governance. The notification was issued for establishing a framework for ensuring good governance practices in the listed companies for the interest of the investors and the capital market. A statement on the compliance with the BSEC's has been presented at the end of Corporate Governance Report at Page No. 90 of this Annual Report.

Certificate on compliance of corporate governance code

The certificate issued by Itrat Husain & Associates, Chartered Secretaries in Practice, has been presented at the end of Corporate Governance Report at Page No. 108 of this Annual Report.

Credit Rating Status

With a view to safeguard the interest of the prospective investors, depositors and creditors and to improve the functioning of the capital market of the country, Bangladesh Bank vide BRPD Circular No.06 dated July 05, 2006 has made it mandatory for the Bank's to have themselves credit rated. Accordingly, Credit Rating of United Commercial Bank Limited was done by Emerging Credit Rating Limited (ECRL) based on audited Financial Statements as on December 31, 2021. The rating report is summarized as under;

Particulars	Long Term	Short Term
Entity Rating	AA	ST-2
Date of Rating	May 07, 2022	
Based on Financial Statement	December 31, 2021	
Validity Date	May 06, 2023	

ECRL has assigned AA (pronounced as Double A) the long term credit rating and ST-2 short term credit rating to the United Commercial Bank Limited based on audited financials from FY2018 to FY2021 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The ratings are consistent with ECRL's methodology for this type of company. ECRL considered financial performance, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating.

An institution rated AA has a very strong capacity to meet its financial commitments, and is generally in a position to withstand adverse developments in the economy, and in business and other external conditions. These institutions typically possess a good track record and have no readily apparent weaknesses.

An institution rated ECRL-2 has a strong capacity to meet its financial commitments in a timely manner; however, it is somewhat susceptible to adverse developments in the economy, and in business and other external conditions.

Top Management

The Bank is led by Mr. Arif Quadri. He is prominent and professional Banker with years of rewarding multidimensional experience in banking and other fields of Management. He is the Managing Director & CEO of United Commercial Bank Limited (UCB). Before that, he was serving the Bank as Additional Managing Director. Prior to joining in UCB, he was the Deputy Managing Director & Chief Operating Officer of Premier Bank Limited.

Mr. Quadri started his banking career with the then Arab Bangladesh Bank Limited as Probationary Officer in July 1984 after completing his graduation and worked there in different leadership roles till February 2003 while he was holding the rank & status of Senior Vice President.

His major professional area comprises of Head of Human Resources Management Division in AB Bank Limited, Al Baraka Bank Limited, ONE Bank Limited and Meghna Bank Limited. During his long banking career with five different banks, Mr. Quadri played supervisory roles as CAMLCO, Chief Risk Officer, Head of Internal Control & Compliance Division, Head of Branch etc. He served as a director on the board of IIDFC (Non-Banking Financial Institution) in Bangladesh. He held the charges of the Office of the Managing Director on several instances in ONE Bank Limited. He was also the

Secretary General of Association of Bankers, Bangladesh Limited (ABB). Along with the role of Managing Director of UCB, Mr. Arif Quadri is also contributing as Chairman of UCB Stock Brokerage Limited. He attended different training programs and seminar at home and abroad.

Mr. Arif Quadri has excellent academic track record. He completed his graduation and post-graduation in Economics from Jahangirnagar University.

Managing Director & CEO	With UCB since dated
Arif Quadri	13 October 2015
Additional Managing Directors	
Syed Faridul Islam	15 May 2019
Nabil Mustafizur Rahman	22 March 2018
Abul Alam Ferdous	27 May 1984
Deputy Managing Directors	
N. Mustafa Tarek	05 January 2012
Md. Abdullah Al Mamoon	01 March 2017
Mohammed Habibur Rahman	15 May 2019
Md. Shah Alam Bhuiyan	12 December 2017
Mohammed Khorshed Alam	05 August 2008
ATM Tahmiduzzaman, FCS	07 March 2010

Appropriation of profit and Dividend Recommendation

Taking into account the profit available for distribution after complying with regulatory requirement, the Board in its 469th meeting held on 30.03.2022 recommended 10 percent stock dividend for the year ended on December 31, 2021 which is subject to approval of shareholders in the next Annual General Meeting scheduled to be held on June 9, 2022.

review of the Bank's financial statements. The Board also reviews the auditors' suggestion which auditor provides through a separate management report and gives the strategic guidelines to the management for improvement.

Proposed appropriations are as follows

Particulars	(In million BDT)	
	2021	2020
Retained earnings at the beginning	5,191.76	4,512.28
Net profit after tax for the year	3,177.17	2,857.20
Transferred to statutory reserve	1,121.98	989.60
Start-Up Fund	31.77	28.57
Proposed stock dividend	608.76	579.77
Proposed cash dividend	608.76	579.77
Deferred Tax Asset	4,351.64	3,003.65
Retained earnings (Distributable)	1,646.02	2,188.11

Disclosure on Recommendation of Stock Dividend

Stock Dividend has been recommended to strengthen the capital base of the Bank to comply the regulatory requirements and to support the business growth. Stock Dividend is declared out of accumulated profit, and Stock Dividend is not declared from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the Company or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

Auditors Report

The Board of Directors reviewed the Auditors Report issued by the Bank's auditor MABS & J Partners, Chartered Accountants based on their audit of financial statements for the year ended 31 December 2021. The auditor didn't mention about any material misstatement or significant disagreement regarding

Appointment of Auditors

The existing auditors, MABS & J Partners Chartered Accountants, have completed their third consecutive year as auditors of the Bank. According to the Guidelines of the Regulatory Authorities, one auditor cannot be appointed for more than three consecutive years. Therefore, we are required to change the existing auditors of the Bank for the financial year 2022 as they are not eligible for re-appointment for the year 2022. Hence we have collected expression of willingness to work as auditors of the Bank for the year 2022 from different audit firms. The appointment of the auditor and their remuneration will be confirmed by the shareholders' at the Annual General Meeting (AGM).

Events occurring after the reporting date

As at the date of this report, the Directors are not aware of any matter or circumstance that has arisen since the end of the year 2021 up to the date of

approval of financial statements by the Board of Directors of the Bank that has significantly affected or may significantly affect the operations of the Bank, the results of its operations or its state of affairs. However, following event should be considered.

At 469th Meeting of the Board of Directors held on 30.03.2022 recommended Stock dividend 10 percent for the year 2021 subject to approval of the shareholders in the ensuing Annual General Meeting of the Bank to be held on June 9, 2022.

Acknowledgement

The Bank closed the year 2021 recording excellent performance in all core areas of operation with relentless and dedicated efforts of the employees of the Bank and due to sincere cooperation of all concerned it was possible to achieve the excellent results during the year. Above all, strong liquidity base, prudent fund & credit management, continued guidance and inspiration to the Management by the members of the Board played a vital role in the overall development.

I take this opportunity to thank my Board Colleagues for their continued support and contributions in moving the Company to the right direction. I, of course, thank all the employees of the Company on whom we depend for our success. On behalf of the Board, I also like to thank Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited and Chittagang Stock Exchange Limited, Central Depository Bangladesh Limited, borrowers, depositors and other stakeholders who were the partners in growth of your bank. We also look forward to their continuous support.

Last but not the least, I wish to thank our shareholders for their continued support and trust placed on us and UCB aspires to do better in future and with this expectation we are pleased to place the annual report, the audited financial statements for the year ended 31 December 2021 together with the auditor's report thereon for approval.

(On behalf of the Board of Directors)



Rukhmila Zaman

Chairman

UNITED COMMERCIAL
BANK LIMITED



CORPORATE GOVERNANCE





REPORT ON CORPORATE GOVERNANCE

1.0 Breaking down the 'Agency Problem'

The agency problem is a conflict of interest inherent in any relationship where one party is expected to act in another's best interests. It refers to the conflict between management and shareholders, i.e. managers (Agent) may not act in the best interest of shareholders (Principal). Corporate Governance is the system by which companies are directed and controlled for the best interest of the stakeholders, therefore highly regarded as a mechanism to resolve the 'Agency Problem'. United Commercial Bank Limited (UCB) believes in good governance that refers a harmony between agent and principal aiming to achieve a win-win situation from the both end.

2.0 Corporate Governance Framework

"The Way of Life, rather a Mere Legal Compulsion"

Fairness, Independence, Accountability, Transparency and Responsibility are the minimum standard of acceptable corporate behavior today. The Bank, through its Board and Committees, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders. In fact, Corporate Governance leads a company to the standard corporate environment and it is an integral part of the sustainable economic development of a country. In UCB, due importance is given to major parameters of corporate governance such as Good Board Practice, Control Environment, Transparent Disclosures, Well-Defined Shareholders' Rights and Board Commitments; all our Banking activities are guided by the key principles of good governance.

3.0 Vision, Mission, and Values of the Bank

Vision, Mission, and Values statements are crucial to communicating with the three Ws (who, what and why) for organization to corporate management, employees and to the users of the services. These are developed by leaders with inspiring words to convey the purpose, direction and driving forces of their organization clearly and concisely. By creating clear, meaningful and reflective statements, organizations powerfully communicate its intentions and this motivate and inspire the employees to ensure proper understanding about the objectives of the organization, to the

consistent everyday decisions and to step towards the new directions. The Board of UCB approved its Vision, Mission, and Values; they believe in to execute the same in every possible business context.

4.0 Board of Directors

As at 31 December 2021, the Board consists of 20 (twenty) Directors including an ex-officio Managing Director & CEO. The Managing Director & CEO is playing the role of ex-officio Director as per the Articles of Association of the Bank. The Board members include persons of high caliber, with sound academic and professional qualification in the field of business and profession. This gives strength for effective discharge of duties and responsibilities by the Board. The existing Board of Directors of the Bank includes three Independent Directors as prescribed by the Banking Companies Act, 1991 (amended up to 2018).

5.0 Appraisal of Board's Performance

The Board of Directors of UCB is guided by the Code of Conduct for the Directors. Though UCB does not have any policy for annual appraisal of Board's performance, the Bank is strictly abiding by the guidelines prescribed by the different regulators of the country including Bangladesh Bank. It is pertinent to mention here that a regular performance of the Bank is appraised by BoD through the implementation status of different projects and proposals approved beforehand for this purpose. Above all, an evaluation of the Board has been taken place through the Annual General Meeting (AGM) with the direct participation of the shareholders of the Bank.

6.0 Director's Appointment/Election/reelection

Directors including the Independent Directors are appointed considering relevant provision/clause of the Companies Act, 1994, Banking Companies Act, 1991 (amended up to 2018), Corporate Governance Code of BSEC, and Guidelines of Bangladesh Bank and Articles of Association of the Bank. With regards to nomination, removal and casual vacancy of the Directors, Bank follows all relevant rules and regulations of the respective regulatory bodies. The Managing Director & CEO is appointed for a minimum period of three years subject to approval from Bangladesh Bank.

7.0 The Chairman of the Board of Directors

The Chairman of the Board of Directors of UCB has been elected through the direct participation of the Board of Directors. The Chairman of the BoD does not personally possess the jurisdiction to apply policy making or executive authority, she does not participate in or interfere into the administrative or operational and routine affairs of the Bank.

The Chairman conducts on-site inspection of Bank-branch and financing activities under the purview of the oversight responsibilities of the Board. She calls for any information relating to Bank's operation and asks for investigation into any such affairs; she submits such information or investigation report to the meeting of the Board or the Executive Committee and if deemed necessary, with the approval of the Board, she takes necessary actions thereon in accordance with the set rules through the Managing Director & CEO. However, any complain against the Managing Director & CEO is to be appraised to Bangladesh Bank through the Board along with the statement of the Managing Director & CEO. Besides this, the Chairman may assume any other responsibility if the Board assigns within the purview of the Rules, Regulations, Acts and Articles of the Bank. The Chairman's responsibility is defined by the Board as directed by BRPD Circular No. 11 dated 27 October, 2013.

8.0 Non-Executive Director

All the Directors of UCB including the Chairman are Non-Executive Directors except the Managing Director & CEO. The Directors attend Board meetings regularly and participate in the deliberation and discussions effectively. They actively involved in the matter of formulation of general strategies of the Bank. But they do not participate in or interfere into the administrative or operational or routine affairs of the Bank. Moreover, they ensure confidentiality of the Bank's agenda papers, discussions at the Board/Committee Meetings, Notes and Minutes.

9.0 Independent Directors and their Independence

In compliance with the Corporate Governance Code issued by BSEC, Banking Companies Act, 1991 (amended up to 2018) and Corporate Governance Guidelines issued by Bangladesh Bank, the Board of Directors of the Bank has appointed 3 (three) number of Independent Directors in its Board and one of whom is the Chairman of the Boards' Audit Committee. The Independent Directors are conversant in the field of financial, regulatory and corporate laws; enjoy full freedom to carry out their assigned responsibilities.

In order to ensure transparency and compliance in the appointment of an Independent Director, the Board ensures that the Director has no substantial relationship with UCB either as a partner, shareholder or officer of an organization that has a relationship with UCB to prevent the nominee from becoming an Independent Director. For the purpose of true independence, Board ensures that its Independent

Directors do not hold any share of the Bank; not associated with the Bank's Promoters or Directors or Shareholders who maintains one percent or more of the total paid up share of the Company; not related with the existing Directors or families; does not have any other relationship, whether monetary or otherwise with the company or its subsidiary/ associate companies; not a member, Director or officer of any Stock exchange and who is not a shareholder, Director or officer of any stock exchange or an intermediary of the capital market. The Independent Director is appointed for a period of three years which may be extended for one term only. A person cannot be appointed as Independent Director who has already been appointed such Director of five other listed companies. The Board ensures that all these guidelines are strictly followed by the Independent Directors appointed by them.

As per the Corporate Governance Code-2018 issued by BSEC, the Audit Committee is formed electing the Chair from the Independent Directors. As an Independent Director, the Chairman of the Audit Committee enjoys full freedom to carry out the Committees' assigned responsibilities.

10.0 Role of the Chairman and the Managing Director & CEO are separate

In compliance with the Corporate Governance Code-2018 issued by BSEC, we report that the functional responsibilities of the Chairman of the Board and the Managing Director & CEO are kept separated and independent from each other.

11.0 Induction & Training of the Directors

New Directors and existing Directors are likely to have some key information in case of first and consecutive appointment. They should have updated knowledge about the latest position of the Bank and all related rules and regulations. These information will help the Directors for better understanding of their roles and responsibilities including introduction with the Board and Senior Management, Bank's current status, related strategic priorities and action plans, good governance practices, etc.

Besides, training of the Directors includes training and information on the latest update related to Banking business such as relevant laws, policy guidelines, circulars, rules and regulations issued by the regulatory authorities of the land; so that they can effectively discharge the responsibilities as a Director of the Bank. Sometimes special discussion sessions are arranged with the experts on highly technical and complex issues. They also participate in the programs and seminars organized by various professional bodies at home and abroad on business, economic, technical, professional and corporate governance issues.

12.0 Code of Conduct of the Chairman

A Chairperson of the Board of Directors of the Bank holds the most power and authority in the Board of

Directors and provides leadership to the Bank. The Chair of the Board ensures that the firm's duties to shareholders are being fulfilled by acting as a link between the Board and Senior management.

Position filled up through

The position of the Chairman needs to be elected by the member of the Board of Directors.

Roles and Responsibilities of the Chairman of the Bank:

- a) Provides leadership and governance of the Board so as to create the conditions for overall Board's and individual Director's effectiveness, and ensures that all key and appropriate issues are discussed by the Board in a timely manner.
- b) Establish standard corporate governance practices and procedures and promotes the highest standards of integrity, probity and corporate governance throughout the Bank and particularly at Board level.
- c) Ensures that there is effective communication with shareholders, and that each Director develops and maintains an understanding of the stakeholders' views.
- d) Promotes effective relationships and open communication, and creates an environment that allows constructive debates regarding proposals aiming to betterment of the Bank.
- e) As the Chairman of the Board of Directors does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the Bank.
- f) The Chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. She may call for any information relating to bank's operation or ask for investigation into any such affairs; she may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, she shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complain against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO.
- g) The Chairman shall establish the environment to nourish the sense of Corporate Governance within the organization.
- h) The Chairman shall guide the Bank to appear as an organization valuing business ethics and social responsibilities.

13.0 Code of Conduct of Chief Executive Officer/Managing Director

Chief Executive Officer/Managing Director is an ex-officio Board member as provided under the Articles of Association of the Bank and the directives of Bangladesh Bank. The issue of good governance is very important in bank management. In order to strengthen the financial base of the bank and obtain confidence of the depositors, appointing honest, efficient, experienced and suitable chief executive is one of the responsibilities of the Board of Directors. In order to ensure good governance, bank follows the guidelines enumerated below while appointing the CEO and in devising the role-responsibilities and authorities of the CEO.

Rules and regulations for appointing CEO

13.1. Qualification

Moral Integrity

In case of appointment to the post of Chief Executive Officer (CEO), satisfaction in respect of the concerned person should be ensured to the effects that, -

- a) He has not been convicted by any Criminal Court of Law;
- b) He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority;
- c) He was not associated with any such company/organization, registration or license of which has been cancelled.

Experience and Suitability

- a) For appointment as Chief Executive, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years' experience in a post immediate below the Chief Executive Officer of a bank.
- b) He must at least have a Master's degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.
- c) In respect of service, the concerned person should have excellent record of performance.
- d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company;
- e) Any director of any bank or financial institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of Chief Executive.

Transparency and Financial Integrity

Before appointment as Chief Executive, satisfaction should be ensured to the effects that:

- a) The concerned person was not involved in any illegal activity while performing duties in his own or banking profession;
- b) He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;
- c) He is not a tax defaulter;
- d) He has never been adjudicated an insolvent.

Age limit: No person crossing the age of 65 years shall hold the post of CEO of a bank.

Tenure: The tenure of the Chief Executive shall be for at least 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that period.

13.2. Guidelines in fixing the salary and allowances

Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposal to Bangladesh Bank: -

- a) In fixing the salary and allowances of the Chief Executive, financial conditions, scope of operations, business-volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration.
- b) Total salary shall be comprised of 'Basic Pay' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, medical, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be monetized and thus determining monthly total salary, it shall have to be mentioned in the proposal to be submitted to Bangladesh Bank. In the proposal, Basic Pay, House Rent, Festival Allowance, other allowances and facilities shall have to be specified in Taka amount.
- c) Without improving the Bank's major economic indicator like- CAMELS annual salary increment will not be payable.
- d) Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the incumbent Chief Executive.
- e) The Chief Executive so appointed shall not get any other direct or indirect facilities (e.g.,

dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above.

- f) The Bank shall not pay any income tax for the Chief Executive, i.e., the Chief Executive so appointed shall have to pay it.

Incentive Bonus: Subject to the payment of incentive bonuses to all staffs/employees, the CEO will be eligible to get such bonus. However, the amount of CEO's incentive bonus will not cross Taka 10.00 (ten) lacs per year.

Honorarium for Board Meeting: As CEO is a salaried official of the bank, he will not get any honorarium for attending the Board meeting or the meeting of any Committee formed by the Board.

Evaluation Report: While reappointing CEO, an evaluation report approved by the Board of Directors should be submitted to Bangladesh Bank by the Chairman of the Board.

13.3. Prior approval from Bangladesh Bank

Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Banking Companies Act, 1991 (Amended up to 2018). For processing such approval, along with the proposal signed by the Chairman of the Board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure-ka & Annexure-kha to Bangladesh Bank.

Decision of Bangladesh Bank regarding appointment of CEO will be treated as final and such appointed CEO cannot be dismissed, released and removed from his office without prior approval from Bangladesh Bank. However

- a) In case the CEO desires to terminate the contract before expiry or resign from his office voluntarily, he shall serve at least one-month notice to the Chairman of the Board stating the actual reason for such resignation, and, at the same time forward a copy of such notice to Bangladesh Bank.
- b) In case the Board of the Bank desires to terminate the contract before expiry or asks the CEO to tender resignation from his post, the Board shall serve at least one-month notice stating the reasons for such action; at the same time forward a copy of such notice to Bangladesh Bank and obtain approval of Bangladesh Bank for such removal.
- c) When the position of the CEO falls vacant due to resignation, expiry of contract, or any other reason, the bank shall immediately appoint a 'CEO In-charge' (for maximum 3 months) among the officials next to the CEO and notify Bangladesh Bank with details of such Officer In-charge.

13.4. Duties and Responsibilities of CEO

The CEO of the Bank, whatever name called, shall discharge the responsibilities and affect the Authorities as follows:

- a) In terms of the financial, business and administrative authorities vested upon him by the board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.
- b) The CEO shall ensure compliance of the Banking Companies Act 1991 and other relevant laws and regulations in discharging routine functions of the bank.
- c) At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Banking Companies Act 1991 and other relevant laws and regulations.
- d) The CEO shall report to Bangladesh Bank any violation of the Banking Companies Act 1991 or of other laws/regulations.
- e) The recruitment and promotion of all staff of the Bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the Board.
- f) The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the Human resources policy as approved by the board, he shall nominate officers for training etc.
- g) The Authority relating the preparation of financial statements along with different reports in line with the requirement of primary and related regulatory bodies. He has the authority to ensure publishing Annual Report maintaining true picture of the company's performance.
- h) The Managing Director is an Executive ex-officio Director who can play a vital role to establish corporate governance within the organization by complying all respective rules and regulations.

14.0 Code of Conduct of the Board of Directors

United Commercial Bank Limited (UCB) has adopted this Director's Code (Code of Conduct) aiming to guide its Board of Directors in fulfilling their duties and responsibilities to the Bank. UCB believes that the Board is cooperatively responsible for promoting the success of the Bank by directing and supervising the

Bank's affairs where Code of Conduct plays very significant role in broader aspect. This Code of Conduct is prepared in compliance with the mentioned guideline of Bangladesh Bank and it is neither conclusive nor final document; in contradiction with any laws, guideline, notification, there will be scope of changing, altering and addition time to time when it deems fit.

Foreword

Board of Directors of UCB should be comprised with competent and professionally skilled persons with a view to formulating policy-guidelines and supervising business activities of UCB efficiently as well as ensuring good governance in the Bank Management. The responsibilities of the Board of Directors of a bank-company are more important than those of other companies; because in case of a bank-company it is essential to earn and maintain confidence of the depositors as its business is mainly run with the depositors' money. The following directives are given for ensuring good governance regarding constitution of Board of Directors, their duties & responsibilities and other related activities.

Formation of Board of Directors

The newly amended Section 15 of the Banking Companies Act, 1991 (Amended up to 2018) includes provisions for prior approval of Bangladesh Bank before the appointment of new directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum 4(four) members from a family as director; etc.

Appointment of New Director

Under section 15(4) of the Banking Companies Act 1991 (amended up to 2018), Bank at the time of taking prior approval from Bangladesh Bank for appointing/reappointing Directors should furnish the following documents along with the application:

- Personal information of the nominated person (Appendix-ka);
- Nominated person's declaration(Appendix-kha);
- 'Declaration for confidentiality' by the nominated person(Appendix-ga);
- In case of Independent Director, the approval letter from Bangladesh Securities and Exchange commission (BSEC);
- In case of Independent Director, a declaration of the Directors concerns as Appendix-gha (he will also submit declaration under Appendix-ka, kha & ga);
- CIB report of the nominated person;
- Updated list of the Directors.

Vacation of office of Director

- The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a

Bank Director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Banking Companies Act 1991; provides false statement at the time of appointment; or fails to fulfil the minimum eligibility criteria, the office of the Director will be vacated.

- If the office of a Director is vacated by a notice under the section 17 of Banking Companies Act, 1991 the person will not be eligible to become a director of the bank for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the Director in that bank. When a director receives a notice under section 17 of Banking Companies, Act 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution.
- Besides, Bangladesh Bank can remove a Director or Chairman of a Bank, for conducting any kind of activities that is detrimental to the interest of the Banks Depositors or against the public interest under Section 46 and can supersede the board of a banking company under Section 47 of Banking Companies Act, 1991.

Removal of Directors from office

The newly amended Section 15 of the Banking Companies Act, 1991 (Amended up to 2018) and Bangladesh Bank's Circular include provisions and instructions for prior approval of Bangladesh Bank before the appointment of new Bank Directors, as well as dismissal, termination or removal of any Director from the post; Director's fit & proper criteria. In this case, the removal will be effective from the date of Bangladesh Bank's approval.

Appointment of Alternate Director

Subject to compliance of section 101 of the Companies Act, 1994, an alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed:

- Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the Original Director. If there is any exception, the Chief Executive Officer should immediately inform it to Bangladesh Bank.
- The copy of the Decision of the Board regarding appointment of alternate Director, with original Director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the Director's arrival date must be intimated to Bangladesh Bank immediately after his return.
- Any loan defaulter or any person who is not eligible to become a director as per any rules & regulation will not be appointed as an Alternate Director.

- As appointment of Alternate Director is a temporary measure; therefore, he/she will not be included in any kind of Committee constituted by the Board.
- While in the office, an Alternate Director or his/her affiliated Organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to Directors according to rules & regulations will also be applicable to the Alternate Director.

Information regarding Directors

Banks are advised to take the following steps regarding Directors information:

- Every bank should keep an updated list of Bank Directors.
- Banks should send a directors' list to other banks or financial institutions immediately after the Appointment or release of Director.
- Banks should display a list of Directors in the website and update it on a regular basis.

Responsibilities of the Board of Directors

To ensure good governance in the Bank Management it is essential to have specific demarcation of responsibilities and Authorities among controlling bodies over bank affairs. In the Banking Companies Act, 1991 (amended up to 2018) the newly included Section 15 (kha) & (ga) give responsibility to the Board of Directors for establishing policies for the Bank Company, for Risk Management, Internal Controls, Internal Audit and Compliance and for ensuring their Implementation.

Responsibilities and Authorities of the Board of Directors

Work-planning and Strategic Management

- i. The Board shall determine the Objectives and Goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the Determined Objectives and Goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor, at quarterly rests, the development of implementation of the Work-Plans.
- ii. The Board shall have its analytical review incorporated in the Annual Report as regards to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the Shareholders of its opinions/ recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO & Officers immediate two tiers below the CEO, and have it evaluated from time to time.

Credit and Risk Management

- i. The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specifically distribute the Power of Sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No Director, however, shall interfere, direct or indirect, into the process of loan approval.
- ii. The Board shall frame policies for Risk Management and get them complied with and shall monitor the compliance at quarterly rests and review the Concerned report of the Risk Management team and shall compile in the Minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management.

Internal Control Management

The Board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The Board will establish such an internal control system so that the Internal Audit Process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.

Human Resources Management and Development

- i. Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the Board. The Chairman or the Directors shall in no way involve themselves or interfere into or influence over any Administrative Affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the Board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the Board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.
- ii. The Board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the Introduction

of effective Management Information System (MIS). The Board shall get these programs incorporated in its annual work plan.

- iii. The Board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.

Financial Management

- i. The Annual Budget and the statutory financial statements shall be finalized with the approval of the Board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures.
- ii. The Board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The Maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the Board.
- iii. The Board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.

Meeting of the Board of Directors

Board of Directors may meet once or more than once in a month if necessary. But Board of Directors shall meet at least once in every three months. Excessive meetings are discouraged.

Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer

- i. The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the Company are filled by different individuals;
- ii. The Managing Director (MD) and/or Chief Executive Officer (CEO) of the Bank dose not hold the same position in another Listed Company;
- iii. The Chairperson of the Board is elected from among the non-executive directors of the Company;
- iv. The Board has clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;
- v. In the absence of the Chairperson of the Board,

the remaining members elect one of themselves from nonexecutive Directors as Chairperson for that particular Board's Meeting; the reason of absence of the regular Chairperson is duly recorded in the minutes.

Confidentiality

Each Director, during his or her tenure as a Director and after leaving the Board, must maintain the confidentiality of information entrusted to him or her by the Bank and its customers, except when disclosure is required by law or regulation, or is otherwise expressly authorized in advance by the Board or the Bank's Legal Department. Confidential information includes all non-public information that might be used by the Bank's competitors, or that, if disclosed, might be harmful or may affect the interests of the Bank and other parties who have business dealings with the Bank, or its customers. It also includes information that customers and vendors have entrusted to the Bank.

Independence of the Directors

There is broad consensus regarding the importance of active engagement of the Directors in guidance and formulation of policies for the Bank. Independence does not lend itself to precise definition. It is in large part dependent on the particular governance function being performed by the Directors. A corporate Director's role includes two principal functions: decision-making function and an oversight function. The decision-making function involves actions taken at a particular point of time, while the oversight function involves ongoing monitoring over a period of time. In the context of the Board's decision-making function, the question of independence necessarily requires a case-by-case evaluation based on the facts and circumstances surrounding the particular subject before the Board. Generally, the analysis focuses on whether the Director is able to base his or her decision on the corporate merits of the subject rather than extraneous considerations or influences.

Conflicts of Interest

Directors are expected to make business decisions on behalf of the Bank free from conflicting outside interests. It is a violation of this Code and of the Bank's policies to foster personal or business interests (or those of others with whom such persons have a personal or business relationship) at the expense of the Bank. Although it is impossible to cover every potential conflict of interest situation, a potential conflict exists whenever a Bank's Director has an outside interest, directly or indirectly, which conflicts with their duty to the Bank or adversely affects their judgment in the discharge of their responsibilities to the Bank. The appearance of a conflict of interest may be just as damaging to the Bank's reputation as a real conflict of interest and maybe difficult to discern. The Bank's Directors are expected to objectively assess their

actions periodically to determine whether a reasonable, disinterested observer, a customer, a supplier, a shareholder, an acquaintance, or a government official would have grounds to believe a conflict of interest exists.

15.0 Independence of the Chairman of All Board Committees

All the Committees are formed with the Directors from the Board of Directors. The Chairman of the Committees be elected by Board of Directors. Each Committee has full freedom to carry out their assigned responsibilities. The Chairman of the Committees, with their own jurisdiction with the support of the Committee members, takes the necessary steps regarding different agenda as deems fit. But they do not participate in or interfere into the administrative or operational or routine affairs of the Bank. They strictly ensure confidentiality of the Bank's agenda papers, discussions at the Board/Committee Meetings, Notes and Minutes.

16. Role of the Managing Director & CEO

The Managing Director & CEO is responsible for overall activities of the business and for formulating and implementing Board strategy and policy. He has the control of the Bank on day to day basis and he is accountable to the Board for its financial and operational performances. It is pertinent to mention here that the Managing Director & CEO of UCB has been appointed and performed maintaining all regulations and guidelines i.e. Companies Act, 1994, Banking Companies Act, 1991 (amended up to 2018), Bangladesh Bank's rules and regulations, circulars, and other regulatory bodies.

17.0 Evaluation of the CEO by the Board

There is one of Strategic Priorities & Action Plans for the evaluation of the CEO and Management on an annual basis and it is revised from time to time by the Board. The CEO is evaluated on an annual basis on given KPI's for the years ahead. The Board has the capability to evaluate the CEO of UCB whenever it wishes so. The CEO is evaluated after his term, and on the basis of his evaluation, reappointment for another term is considered by the Board. At the start of each year, the Board participates in extensive discussions with the Managing Director & CEO and fixes financial and non-financial objectives for the Bank. The annual financial budget is considered and decided by the Board at the beginning of the financial year. The business and financial goals are assessed each quarter by the Board with actual accomplishments. The non-financial successes are also evaluated by the Board in each quarter. Furthermore, a yearly appraisal and assessment of the accomplishments of goals are made at the end of the year along with deviations.

18.0 Directors' Remuneration

The Directors do not receive any type of remuneration and incentive from the Bank. They are only paid meeting attendance fees, travelling and living expenses incurred for attending in the Board meeting and other Board's Committee meetings as per Articles of Association of the Bank and within the guidelines of Bangladesh Bank. Information regarding expenses relating to Directors is separately disclosed in the Annual Report.

19.0 Managing Director & CEO's Remuneration

The remuneration package of the Managing Director & CEO is determined by the Board and is subsequently approved by Bangladesh Bank. The Managing Director & CEO has been appointed on a contractual basis and his remuneration is also disclosed separately in the financial statements of the Bank.

20.0 Delegation of Power

The Board has delegated appropriate finance and business power to the Management. In order to have proper functioning and quick disposal of credit proposal, Board has delegated required authority to the Executive Committee of the Board to approve proposal within certain limit and take various necessary decisions. The delegation supports the operation of the Bank in a positive manner.

21. Director's Shareholding Status

In compliance with BSEC Notifications dated 22 November 2011 and 07 December 2011, all the eligible Directors (other than Independent Directors) of UCB have been holding required percentage of shares individually and jointly.

22. Shareholding of CEO, CFO, CS, Head of ICC and top 5 Salaried Executives

The CEO, CFO, CS, and Head of ICCD do not hold any shares of UCB. In compliance with regulations and guideline of the regulatory bodies the detail shareholding structure and positions are provided in the part of Directors report.

23.0 Chief Financial Officer (CFO), Company Secretary (CS) and Head of ICC

Chief Financial Officer (CFO), Head of Internal Control & Compliance (ICCD) and Company Secretary (CS) are being appointed as per the policy of the Bank and other regulatory laws and regulations. They are well conversant in the field of financial, regulatory and corporate laws to carry out their assigned responsibilities. The Board of Directors of UCB clearly defined and approved the respective roles, responsibilities and duties of Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Control & Compliance Division (ICCD). The CFO and the CS of the Bank attend the meetings of the Board of Directors, provided that the CFO/CS do not attend such part of a meeting which involves consideration of an agenda item relating to their personal matters.

24.0 Management and Its Committeies

Management team of UCB is headed by the Managing Director & CEO. Several Management Committees have been formed to handle the Banking operation and identify and manage the risk associated with the businesses. The following are the Key Management Committees: SMT, ALCO, Credit Committee, Anti Money Laundering Committee, Risk Management Division, Investment Committee, Basel Implementation Committee and so on.

25.0 Board of Director's Meeting

The Board of Directors holds meeting on a regular basis. In each meeting, management provides information, references, and detailed working papers for each agenda to all the Directors for consideration well ahead of the meeting. The Chairman of the Board of Directors allocates sufficient time for the Directors to consider each agenda in a prudent way and allows them to freely discuss, inquire, and express opinions on the agenda. Directors who cannot attend the meeting(s) are granted leave of absence by the Board.

26.0 Executive Committee

The Board has an Executive Committee which conducts their responsibility as per Terms of Reference (TOR) determined by the Board of Directors of the Bank. The Executive Committee reviews the policies and guidelines issued by Bangladesh Bank regarding credit and other operations of the Banking industry. The Committee ensures the implementation of the policies and guidelines through the management. The Executive Committee of the Board approves the credit proposals as per approved policy of the Board. The management ensures due diligence of the credit policy and Risk Management at the time of submitting the credit proposals. The status of the members along with the attendance is separately discussed in the Directors' Report

27.0 Audit Committee of the Board

Audit Committee is one of the sub Committees of the Board which plays a pivotal role in assisting the Board to perform its responsibilities. The Committee is guided by the TOR as set by the Board of Directors of the Bank in line with the direction of Bangladesh Bank and Bangladesh Securities & Exchange Commission. The Audit Committee is chaired by an Independent Director. The Company Secretary acts as the secretary of the Committee.

The role of the Audit Committee of UCB includes the following:

- Oversee the financial reporting process.
- Monitor Internal Control Risk Management process.
- Oversee hiring and performance of external auditors. Meeting with the external auditors to discuss about the audit plan.
- Review along with the management, the annual financial statements before submission to the Board for approval.

- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors. The status of the member along with the attendance is separately discussed in the Directors' Report.

28.0 Report of the Board Audit Committee

A report of the Board Audit Committee is attached with this Annual Report separately.

29.0 Risk Management Committee of the Board

Apart from the Executive Committee and Audit Committee of the Board, a Risk Management Committee has been formed which is responsible for planning and guiding on overall Risk Management of the Bank. Key areas of responsibilities of the Committee are as under:

- Risk identification and control policy;
- Designing the organizational structure to manage risk within the Bank;
- Construction of organizational structure;
- Review, analysis and approval of Risk Management Policy;
- Monitoring the implementation of overall Risk Management policy;
- Enforcing and using adequate recordkeeping and reporting systems;

The status of the member along with the attendance is separately discussed in the Directors' Report.

30.0 Nomination and Remuneration Committee

As per Bangladesh Securities and Exchange Commission's Corporate Governance Code (Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018), all listed companies should have a Committee named Nomination and Remuneration Committee having some specific objectives. On the other hand, the Bank is restricted by Bangladesh Bank to have more than three sub-Committees of the Board. Moreover, the Bangladesh Bank vide letter ref. no. BRPD (R-1)717/2021-5064 dated June 16, 2021 restricted the formation of the Nomination and Remuneration Committee for the Banking Companies.

31.0 Regulatory Compliance/Disclosure

The primary regulator of the Bank is Bangladesh Bank and other major regulator includes, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE), Chittagong Stock

Exchange Limited (CSE), Registrar of Joint Stock Companies and Firms (RJSC&F) etc. At UCB, our prime focus is on being compliant not only by mere legal terms but also by its inner substance with respect to applicable laws and regulations. Bank has been following related guidelines on submission of financial statements and other statutory reports ensuring timeliness, completeness, transparency, accountability and accuracy. Any significant development in the business is forth-with disclosed through the adherence of proper rules/guidelines/directive in the form of price sensitive declarations. Board of Directors of the Bank ensures adequate disclosures for the shareholders through Annual Report or other specific disclosures if required.

32.0 Report on Going Concern

After reviewing the company's present and potential business growth, annual budget, performance, liquidity position, plans and financing arrangement, the Directors are satisfied that the Company has adequate resources to continue to operate in the foreseeable future and confirm that there is no material issue threatening to the going concern of the Bank. For this reason, Directors continue to adopt the going concern basis in preparing these financial statements. There are no significant doubts upon the Bank's ability to continue as a going concern. A separate report highlighting key financial track record, good practices in business and operations indicating to continuity as a going concern has been separately attached with the Annual Report.

33.0 Audit by the Central Bank

Bangladesh Bank conducts comprehensive inspection on the Bank every year. The reports are reviewed by the Board and its Audit Committee. The Bank gives utmost importance to the inspection report and actions are taken regarding the inadequacies or lapses mentioned in the report.

34.0 External Audits

The external auditors are appointed by the shareholders with the recommendation of the Board of Directors. External auditors covered sufficient no. branches and Head Office as part of the annual audit program. Auditors covered 80% of risk weighted assets of the Bank. They have also discussed with the Management and Audit Committee of the Board on various issues including Internal Control and Compliance issues. Suggestions of the auditors (if any) are given due consideration and are implemented by the Management. Before presenting to the shareholders, the report is reviewed by the Audit Committee and the Board. Before recommending to the shareholders for appointment as auditors, the Board considers the level of independence and integrity of the external auditors. Services not provided by External Auditors.

Complying with provision of Corporate Governance Code-2018 issued by BSEC, we declare that MABS AND J PARTNERS, Chartered Accountants, involved in statutory audit and was not engaged in any of following services during 2021:

- Appraisal or valuation services or fairness opinions.
- Financial information system design and implementation.
- Book keeping or other services related to accounting records or financial statements.
- Broker-dealer service.
- Actuarial services.
- Internal audit services.
- Audit/ certification services on compliance of corporate governance guidelines issued by BSEC.

35.0 Review of Internal Control & Compliance System

UCB has a sound system of internal control to safeguard the stakeholders' interest. The Board of Directors retains the ultimate responsibility for its operations, though has delegated to the Audit Committee for the review of the adequacy and effectiveness of the system of internal controls. Bank has a separate Division for Internal Control and Compliance. This division operates independently and has given responsibilities by the Board in line with the Bangladesh Bank guidelines. Under Internal Control & Compliance Division, there are three major units: (1) Audit & Inspection Unit (2) Compliance Unit and (3) Monitoring Unit. A detail review of internal control system has been presented in "Directors' Report" of this Annual Report.

36.0 Risk Management

The Risk Management Division (RMD) of UCB is responsible for management, integration and monitoring of all risks within the risk appetite set by the Risk Management Committee (RMC). The Risk Management Committee (RMC) of the Board reviews and monitors the overall Risk Management system of the Bank and updates to the Board from time to time.

37.0 Decision Making Process for Approving Related-party Transactions

The Bank disclosed the related party transaction in its financial statement. For making decision of related party transaction, the process is same as applicable to the other stakeholders. Same process of selection is applied to related party. The related party doesn't enjoy any preferred facility or concession from the view point of approval process, rate or cost charged, action taken for any non-compliance etc.

38.0 Rules and Procedures Governing Extraordinary Transactions

For making decision for extraordinary transaction, the Management takes the approval from the Board of Directors, if not covered within the Board approved financial delegation. In financial result, the Bank also discloses the impact of extraordinary transaction (if any).

39.0 Process for Holding Annual General Meetings

Process for holding Annual General Meeting (AGM) is guided by the statute and regulatory guidelines of the country. All applicable guidelines are duly followed for holding Annual General Meeting of the Bank. In an AGM, generally some key decisions are approved by the shareholders i.e. financial statements, dividend, appointment of Directors, appointment of statutory auditors, Compliance Auditor and fixation of their remuneration etc.

40.0 A Code of Conduct for Company Employees

For eminence corporate culture, all the employees should believe in same Code of Conduct. UCB has a standard Code of Conduct for its employees (guided by Bangladesh Bank) which are also maintained by the employees. By any means, no employee will play a role detrimental to the interest of the business, society and the country as a whole as set in the Code of Conduct and Ethics. For more on Code of Ethics, a separate report has been enclosed with this Annual Report.

41. Rules and Procedures Governing the Acquisition of Corporate Control in Capital Markets

Investment in Capital Market by the Bank is regulated by the Banking Companies Act, 1991 (amended up to 2018). For acquisition of corporate control in Capital Market, Bank follows internal investment policy within the regulatory framework. Bank also discloses the invested amount in Capital Market in its financial statements.

42.0 Communication to Shareholders and Other Stakeholders

- Policy on Communication with Shareholders and Other Stakeholders: The Company Secretariat of the Bank plays an instrumental role to make effective communication with its shareholders and other stakeholders. Shareholders and other stakeholders of the Bank may contact with this Department during office hour for any sort of information and queries. Furthermore, UCB provides updated information at its website time to time for the shareholders and other stakeholders of the Bank.
- Mechanism to Provide Opinion, Recommendation by the Shareholder: UCB publishes Annual / Half Yearly Reports, quarterly financials and price sensitive information (PSI) in newspapers and online newsportal for its stakeholders in a complete, fair, accurate, timely and understandable manner. Shareholders can also use their query rights or can provide any recommendations or direction to the Board of Directors at the Annual General Meeting and the Board answers all questions of shareholders.

- Policy on Ensuring Participation of Shareholders at AGM: To ensure effective and efficient participation of shareholders in AGM, UCB publishes notice of AGM in daily newspapers with necessary details within reasonable time-frame. The arrangement of AGM normally takes place in a well-known place and at convenient time. Annual Reports are circulated as per the provision of Companies Act 1994, so that shareholders would get sufficient time to go through the report and freely provide their valuable comments and suggestions in the AGM.

43.0 Governance of Group Structure

Currently UCB has four subsidiaries: (1) UCB Stock Brokerage Limited; (2) UCB Investment Limited; (3) UCB Asset Management Limited and (4) UCB Fintech Company Limited. The Board of the parent company is aware of the material risks and issues that might affect both the Bank as a whole and its subsidiaries. It exercises adequate oversight over subsidiaries while respecting the independent legal and governance responsibilities that might apply to subsidiary Boards.

44. Disclosures on Governance under Secretarial Standard by Institute of Chartered Secretaries of Bangladesh (ICSB) for the Year 2018

(BSS-1)		
Particulars		Compliance Status
1.0	Convening of a Meeting	Complied
2.0	Frequency of Meetings	Complied
3.0	Quorum	Complied
4.0	Attendance at Meetings	Complied
5.0	Chairman	Complied
6.0	Passing of Resolution by Circulation	Not Required in the Year of 2021
7.0	Minutes	Complied
8.0	Attendance in Meetings and their Recording in the Minutes	Complied
9.0	Preservation of Minutes and Supporting Papers	Complied
10.0	Disclosure	Complied
11.0	Effective Date	Complied
(BSS-2)		
Particulars		Compliance Status
1.0	Convening a meeting	Complied
2.0	Frequency of Meetings	Complied
3.0	Quorum	Complied
4.0	Presence of Directors and Auditors	Complied
5.0	Chairman	Complied
6.0	Voting	Complied
7.0	Proxies	Complied
8.0	Conduct of Poll	Not required in the Year of 2021
9.0	Withdrawal of Resolutions	Not required in the Year of 2021
10.0	Rescinding of Resolutions	Not required in the Year of 2021
11.0	Modifications to Resolutions	Not required in the Year of 2021

12.0	Reading of Report/Certificate	Complied
13.0	Distribution of Gifts	Complied
14.0	Adjournment of Meetings	Not required in the Year of 2021
15.0	Minutes	Complied
16.0	Recording in the Minutes	Complied
17.0	Preservation of Minutes and other Records	Complied
18.0	Disclosure	Complied
(BSS-3)		
Particulars		Compliance Status
1.0	Maintenance	Complied
2.0	Contents	Complied
3.0	Recording	Complied
4.0	Alteration / Modification	Complied
5.0	Finalization & Signing	Complied
6.0	Inspection	Complied
7.0	Preservation	Complied
(BSS-4)		
Particulars		Compliance Status
1.0	Declaration / Recommendation of Dividend	Complied
2.0	Dividend Out of Profits	Complied
3.0	Dividend Out of Reserves	Not required in the Year of 2021
4.0	Entitlement to Dividend	Complied
5.0	Payment of Dividend	Complied
6.0	Unpaid / Unclaimed Dividend	Complied

45.0 Whistle Blower Policy

Whistle Blowing Policy is to create an environment by promoting a culture in an organization where the honest, dedicated and loyal staff is encouraged and feels confident to reveal and report, without any fear of retaliation, subsequent discrimination and of being disadvantaged in any way, about any fraudulent, immoral, unethical or malicious activity or conduct of employees, which in their opinion may cause financial or reputational loss. The Bank has formulated a Whistle Blower Policy. The policy of the Bank provides assurance to the Whistleblowers about secrecy and protection of their legitimate personal interests. It also provides incentives for the Whistleblowers on reporting of suspicious activities. It is the Bank's policy to support and encourage its honest, dedicated and loyal employees to report and disclose fraudulent, immoral, unethical or malicious activities and conduct investigation on such reports. The Corporate Whistle Blowing Policy assures that all reports under this Policy would remain strictly confidential and that the Bank is

also committed to address reports (if any) that alleges acts of interference, revenge, retaliation, threats, against the Whistleblowers.

46.0 Corporate Social Responsibilities and Green Banking

Corporate social responsibility (CSR), in recent times, has become an integral part of business. The contribution of Banks in this regard is of paramount importance considering their unique position in the economy. UCB believes that CSR practice not only improves the Bank's own standard but also affect the socially responsible behaviors of its businesses. UCB maintains a standard CSR practices aligned with the CSR Guideline issued by the Bangladesh Bank. UCB focuses on education, health, disaster management, socio-economic development, sports etc. in case of CSR implementation. Besides this, UCB is practicing Green Banking. Separate reports on CSR and Green Banking are attached with the Annual Report.

47.0 Dividend Distribution Policy of UCB

Preamble

In compliance with the Directives No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities and Exchange Commission (BSEC) dated January 14, 2021; United Commercial Bank Limited formulated this policy as 'Dividend Distribution Policy of UCB'.

Objective of the Policy

The purpose of the policy is to comply with the Directives of Bangladesh Securities and Exchange Commission (BSEC) and all other related regulatory bodies. The parameters set out in the policy are applicable for distribution of dividend.

United Commercial Bank Limited aimed at maximization of shareholders' value and believes that this can be attained by driving growth. The Policy endeavours to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs. The objective of the Policy is to lay down a consistent approach for the declaration and distribution of dividend.

Effective Date

Dividend Distribution Policy shall be effective from the date of its approval by the Board of Directors.

Dividend Recommendation and Approval process

Dividend will be recommended and approved as per applicable Acts, Articles of Association of the Bank along with the regulatory directives issued from time to time.

Entitlement of Dividend

Shareholders whose names shall appear in the Members Register of the Company or in the Depository Register of CDBL on the 'Record Date' of the respective year's AGM will receive entitled dividend.

Process of Distribution of Cash Dividend

Cash dividend shall be paid directly to the bank account within 30 (thirty) days from the date of approval by the Shareholders in the AGM subject to comply of circulars/directives of Bangladesh Securities and Exchange Commission (BSEC) or Bangladesh Bank or other regulatory authority from time to time.

- a) Through Bangladesh Electronic Funds Transfer Network (BEFTN);
- b) Through bank transfer or any electronic payment system as recognized by the Bangladesh Bank (if not possible through BEFTN);
- c) In case of margin loan and claim by loan provider, through the Consolidated Customer's Bank Account (CCBA);
- d) To the separate bank account of the merchant Banker or portfolio manager through BEFTN;

- e) Through the security custodian following Foreign Exchange Regulation for non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI);
- f) Through issuance of Cash Dividend warrant and send it through post in case of non-availability of information of the shareholder or unit holder.
- g) Amount of declared cash dividend payable for the concerned year/period shall be kept in a separate bank account as per circular of Bangladesh Securities and Exchange Commission (BSEC) or Bangladesh Bank or other regulatory authority from time to time.

Manner and procedure of stock dividend distribution

The stock dividend shall be credited within 30 (thirty) days of approval subject to the clearance of the regulatory requirements if any from Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank and other regulatory bodies:

- a) To the BO account;
- b) To the suspense BO Account for undistributed or unclaimed stock dividend/bonus shares. A new Suspense BO Account has been opened in every year for the respective year's suspense shares;
- c) The bonus dividend shall be transferred to the suspense BO account if BO account is not available or BO account is inactive;
- d) The sale proceeds of fractional bonus dividend shall be paid off as per circular of Bangladesh Securities and Exchange Commission (BSEC) or Bangladesh Bank or other regulatory authority from time to time.

Tax matters

Tax will be deducted at source as per applicable tax laws.

Submission of Dividend Distribution Compliance Report

In-compliance with the Dhaka Stock Exchange (Listing) Regulation-2015 and Chittagong Stock Exchange (Listing) Regulation-2015 and other regulatory requirements a Dividend Distribution Compliance Report will be submitted in specified format to BSEC, DSE and CSE within 7 days from the date of completion of dividend distribution of the concerned year's.

Amendments / Modifications

If any change/amendment is required in this policy in terms of any change in applicable law or regulations, the concern law and regulations will prevail over this policy and the said provisions in this policy will be modified in due course to make it consistent with the laws of this land. Such amended policy shall be placed before the Board for approval.

Disclosure Policy

This Dividend Distribution Policy will available in the Bank's website and will be published in the Bank's Annual Report.

Summary of Unclaimed Dividend

A summary of the total unclaimed dividend will be published in the Annual Report of the Bank each year.

48.0 Statement of Compliance

Bangladesh Securities and Exchange Commission (BSEC) issued a Corporate Governance Guidelines (Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018) for the companies listed with the Stock Exchanges in Bangladesh. Compliance status of the guidelines of Bangladesh Securities and Exchange Commission along with a certificate from a Chartered Secretaries in Practice Firm is attached separately with this Annual Report at page no. 90 & 108.

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
1 Board of Directors					
Size of the Board of Directors	1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
Independent Directors		All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:	✓		
	1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		As per section 15 (9) of the Banking Companies Act, 1991, no. of independent director is limited to three.
	1(2)(b)(i)	For the purpose of this clause "independent director" means a director: Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
1	Board of Directors				
	1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
	1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
	1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
	1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
	1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
	1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
	1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	✓		
	1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
	1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
	1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
1	Board of Directors				
	1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
	1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994. Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	✓		
Qualification of Independent Director	1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		
	1(3)(b)	Independent director shall have following qualifications:			
	1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓		
	1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk.100.00 million or of a listed company; or Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
1	Board of Directors				
		equivalent positions and same level or ranked or salaried officials of the company.			
	1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	✓		
	1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
	1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
	1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
	1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	✓		
Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer	1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
	1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
	1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
	1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
	1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
1	Board of Directors				
The Directors' Report to Shareholders	1(5)	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
	1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
	1(5)(ii)	The segment-wise or product-wise performance;	✓		
	1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
	1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
	1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		No such extra ordinary gain or loss occurred.
	1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
	1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
	1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	✓		
	1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		No variance occurred.
	1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		Notes are available in the Financial Statements.
	1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
	1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
	1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
1	Board of Directors				
	1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
	1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
	1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
	1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		No doubts upon UCBL's ability to continue as a going concern
	1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		No Significant deviation occurred.
	1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
	1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		Not Applicable as dividend has been declared.
	1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend has been or shall be declared as interim dividend;	✓		No interim dividend was declared.
	1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
	1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
	1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
	1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
	1(5)(xxiii)(c)	Executives; and	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
1	Board of Directors				
	1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	✓		No one has Ten percent (10%) or more voting interest.
	1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
	1(5)(xxiv)(a)	A brief resume of the director;	✓		
	1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
	1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board.	✓		
	1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
	1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
	1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
	1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
	1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
	1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
	1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
	1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM.	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
1	Board of Directors				
	1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
	1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
Meetings of the Board of Directors	1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
Code of Conduct for the Chairperson, other Board members and Chief Executive Officer	1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		Bangladesh Bank has restricted the formation of NRC for Banking Companies vide letter BRPD (R-1)717 /2021-5064 dated June 16, 2021. However, the Bank has already adopted its own code of conduct for its Chairman, BoD & Managing Director.
	1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	Governance of Board of Directors of Subsidiary Company				
	2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company.	✓		
	2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
	2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		
	2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
2	Governance of Board of Directors of Subsidiary Company				
	2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)				
Appointment	3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
	3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
	3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
	3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
	3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
Requirement to attend Board of Directors' Meetings	3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	3(3)(a)(i)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
	3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
	3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)				
		and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;			
	3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee				
		For ensuring good governance in the company, the Board shall have at least following sub-committees:			
	4(i)	Audit Committee	✓		
	4(ii)	Nomination and Remuneration Committee			Bangladesh Bank has restricted the formation of NRC for Banking Companies vide letter BRPD (R-1)717 /2021-5064 dated June 16, 2021.
5	Audit Committee				
Responsibility to the Board of Directors	5(1)(a)	The company shall have an Audit Committee as a sub- committee of the Board;	✓		
	5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
	5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
Constitution of the Audit Committee	5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
5	Audit Committee				
	5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
	5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; Explanation: The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	✓		
	5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		No such incident occurred.
	5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
	5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
Chairperson of the Audit Committee	5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
	5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
5	Audit Committee				
		condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			
	5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM). Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
Meeting of the Audit Committee	5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
	5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
Role of Audit Committee	5(5)(a)	The Audit Committee shall oversee the financial reporting process;	✓		
	5(5)(b)	Monitor choice of accounting policies and principles;	✓		
	5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
	5(5)(d)	Oversee hiring and performance of external auditors;	✓		
	5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
	5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
	5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
5	Audit Committee				
	5(5)(h)	Review the adequacy of internal audit function;	✓		
	5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
	5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
	5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
	5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
	5(5)(m)	<p>Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:</p> <p>Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results:</p> <p>Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.</p>	✓		
Reporting of the Audit Committee	5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
Reporting to the Board of Directors	5(6)(a)(ii)(a)	The Audit Committee shall immediately report to the Board on the following findings, if any report on conflicts of interests;	✓		
	5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		
	5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
5	Audit Committee				
	5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	✓		
Reporting to the Authorities	5(6)(b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		
Reporting to the Shareholders and General Investors	5(7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		

6 Nomination and Remuneration Committee (NRC)					
Responsibility to the Board of Directors	6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-		Bangladesh Bank has restricted the formation of NRC for Banking Companies vide letter BRPD (R-1)717 /2021-5064 dated June 16, 2021.
	6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-		
	6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-		
Constitution of the NRC	6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-		
	6(2)(b)	All members of the Committee shall be non-executive directors;	-		
	6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
6	Nomination and Remuneration Committee (NRC)				
Chairperson of the NRC	6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-		Bangladesh Bank has restricted the formation of NRC for Banking Companies vide letter BRPD (R-1)717 /2021-5064 dated June 16, 2021.
	6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		
	6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		
	6(2)(g)	The company secretary shall act as the secretary of the Committee;			
	6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		
	6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-		
Meeting of the NRC	6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-		
	6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-		
	6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	-		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
6	Nomination and Remuneration Committee (NRC)				
Meeting of the NRC	6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-		Bangladesh Bank has restricted the formation of NRC for Banking Companies vide letter BRPD (R-1)717 /2021-5064 dated June 16, 2021.
	6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
	6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-		
	6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		
	6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-		
	6(5)(b)(i)(a)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board: formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-		
	6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-		
	6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-		
	6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-		
	6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
6	Nomination and Remuneration Committee (NRC)				
	6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-		Bangladesh Bank has restricted the formation of NRC for Banking Companies vide letter BRPD (R-1)717 /2021-5064 dated June 16, 2021.
	6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	-		
	6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	-		
	6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-		
7	External or Statutory Auditors				
	7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -	✓		
	7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
	7(1)(ii)	Financial information systems design and implementation;	✓		
	7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
	7(1)(iv)	Broker-dealer services;	✓		
	7(1)(v)	Actuarial services;	✓		
	7(1)(vi)	Internal audit services or special audit services;	✓		
	7(1)(vii)	Any service that the Audit Committee determines;	✓		
	7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
	7(1)(ix)	Any other service that creates conflict of interest	✓		
	7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not Complied	
7	External or Statutory Auditors				
	7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company				
	8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
	8(2)	The company shall keep the website functional from the date of listing.	✓		
	8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance				
	9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. Explanation: "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the (Chartered Secretaries Act, 2010).	✓		
	9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
	9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

CERTIFICATE ON
COMPLIANCE OF
CORPORATE GOVERNANCE



**Report to the shareholders of United Commercial Bank Limited on
compliance of Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by United Commercial Bank Limited for the year ended 31 December 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

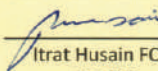
We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as Stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

Dhaka, 13 April 2022



For: Itrat Husain & Associates


Itrat Husain FCMA, FCS
Chief Executive

"THE GLASS HOUSE" (13TH FLOOR), 38 GULSHAN AVENUE, GULSHAN-1, DHAKA-1212, BANGLADESH
CELL: 01713092222; 01819259703 EMAIL: itratshahed@gmail.com

CEO's and CFO's DECLARATION TO THE BOARD OF DIRECTORS

Date: March 30, 2022

The Board of Directors
United Commercial Bank Limited
Bulus Center, Plot - CWS- (A)-1, Road No - 34
Gulshan avenue, Dhaka-1212

Subject: Declaration on Financial Statements for the year ended on 31 December 2021

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of United Commercial Bank Limited for the year ended on 31 December 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2021 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Arif Quadri

Managing Director & CEO



Faruk Ahammad, FCA

Senior Executive Vice President & CFO

UNITED COMMERCIAL BANK LIMITED

Credit Rating Report

United Commercial Bank Limited has been rated as AA (Pronounced as 'Double A') long term credit rating and ST-2 short term credit rating by Emerging Credit Rating Limited (ECRL) based on Audited Financial Statements of 2021 and other available information up to the date of rating declaration. The outlook on the rating is Stable.

Long Term Rating	Short Term Rating	Outlook	Date of Validity
AA	ST-2	Stable	May 06, 2023

ECRL considered financial performance, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating. The affirmed rating reflects the strengths of the Bank which is backed by it's experienced management, divecified portfolio of loans and advances, compliance with CRAR, SLR & CRR and wide network of branches.



Report of the Audit Committee

Audit Committee of United Commercial Bank Limited

In compliance with BRPD Circular No.11, dated 27 October 2013, and Bangladesh Securities and Exchange Commission notification on Corporate Governance Code, dated 3 June 2018, an Audit Committee was constituted by the Board of Directors to assist it to overview the operations of an audit process that would ensure reliable financial reporting, transparency in corporate disclosures, effective internal controls, compliance with all applicable rules,

laws and regulations as well as establish a strong and dependable banking system for the benefit of all stakeholders, especially depositors and shareholders.

Composition of the Committee (as on 31.12.2021) & Qualifications of the Members

The Audit Committee of the Bank comprises of 4 (Four) members with 2 (two) Independent Directors. The composition of Audit Committee is as under:

SL.	Identification & Qualification	Status in the Committee	Status in the Board
1.	Akhter Matin Chaudhury, FCA (E&W), FCA, FCS a) Date of Birth: 02.02.1951 b) Educational & Professional Qualifications: BA, FCA (England & Wales), FCA (Bangladesh), FCS c) Years of Experience: 50 d) Fields of Expertise: Accounting, Finance, Company Secretarial, General Management, Corporate Governance	Chairman	Independent Director
2.	Syed Kamruzzaman, FCMA a) Date of Birth: 21.2.1964 b) Educational & Professional Qualifications: B.Com. (Honours) in Accounting, FCMA c) Years of Experience: 28 d) Fields of Expertise: Finance and Accounting	Member	Director
3.	Muhammed Shah Alam, FCMA a) Date of Birth: 01.03.1962 b) Educational & Professional Qualifications: M.Com. in Accounting, FCMA c) Years of Experience: 33 d) Fields of Expertise: Finance and Accounting	Member	Director

SL.	Identification & Qualification	Status in the Committee	Status in the Board
4.	Dr. Aparup Chowdhury a) Date of Birth: 01.11.1959 b) Educational & Professional Qualification: M.Sc (Zoology), MBA(Human Resources Management), Ph.D (USA) c) Year of Experience: 35 years d) Field of Expertise: Civil Service & Administration	Member	Independent Director

In accordance with regulatory guidelines, the Company Secretary of the Bank, Mr. ATM Tahmiduzzaman FCS, is the Secretary of the Audit Committee.

3. Meetings of the Audit Committee

Bangladesh Bank has suggested that Audit Committees should hold at least four meetings per

year. The Audit Committee of UCB held 6 (six) meetings in 2021. The Committee had detailed discussions and review sessions with the Head of Internal Control & Compliance, Head of Audit and the external Auditors, with regard to Audit findings, observations and remedial actions. Audit Committee meeting dates were as follows:

Details of Audit Committee Meetings held in 2021		
Sl. No.	Meeting No.	Date of Meeting
1	115	03.03.2021
2	116	08.06.2021
3	117	15.07.2021
4	118	24.08.2021
5	119	24.10.2021
6	120	13.12.2021

4. Particulars of Attendance of the Members of the Audit Committee

Name of the Directors	Position	Meetings held in 2021	Meetings held during member's tenure in 2021	Meetings Attended
Akhter Matin Chaudhury FCA (E & W), FCA, FCS	Chairman	6	6	6
Syed Kamruzzaman, FCMA	Member	6	6	6
Muhammed Shah Alam, FCMA	Member	6	6	6
Dr. Aparup Chowdhury	Member	6	6	5

Note: Directors unable to attend meetings were granted leave of absence.

5. Particulars of Attendance of the Members who left the Committee due to reconstitution

Name of the Directors	Position	Meetings held during member's tenure in 2021	Meetings Attended
Syed Mohammed Nuruddin	Member	5	1

6. Roles and Responsibilities of the Audit Committee

Besides any other responsibilities that may be assigned by the Board of Directors from time to time, the roles and responsibilities of the Audit Committee are as follows:

A. Internal Control

1. The Audit Committee shall review major Internal Control issues identified in internal audit reports and refer these to the Board for rectification;
2. The Audit Committee shall assess the adequacy and efficacy of the prevailing Internal Control System and recommend necessary improvements to the Board;
3. The Audit Committee shall monitor progress in the computerization of the operations and records of the Bank and its Management Information Systems (MIS).

B. Reporting of Financial Statements

1. The Audit Committee shall oversee the financial reporting process of the Bank and review the appropriateness of accounting policies and principles, based on which the Financial Reports of the Bank are prepared;
2. The Audit Committee shall, along with the external Auditors and the management of the Bank, review the annual financial statements before the submission of these to the Board of Directors for approval.

C. Internal Audit

1. The Audit Committee shall consider and approve detailed Annual Audit Plans based on an assessment of the risks and exposures that may affect the organization. This should be done at least annually in order to reflect the most current strategies and directions of the organization;
2. The Audit Committee shall review internal audit reports and recommend measures to rectify major deficiencies to the Board;
3. The Audit Committee shall evaluate the adequacy and efficiency of the internal audit function;
4. The Audit Committee shall review the organizational framework and take steps to remove obstacles or limitations in the performance of the internal audit function;
5. The Audit Committee shall monitor whether the internal Audit function is able to work independently from management or not;
6. The Audit Committee shall examine whether the findings and recommendations made by the internal Auditors are duly acted upon by the management or not.

D. External Audit

1. The Audit Committee shall review the audit procedures and the audit reports of the external Auditors;
2. The Audit Committee shall examine whether the findings and recommendations made by the external Auditors are duly acted upon by the management or not;
3. The Audit Committee shall recommend the appointment of external Auditors.

E. Compliance with Laws, Rules and Regulations

The Audit Committee shall report on the status of compliance, as revealed by audits carried out by the internal audit team, with regulatory directives, relevant laws and rules and regulations of the Bank.

F. Reporting to Shareholders

The Audit Committee shall report to shareholders its activities during the year, including any reports made to the Board of Directors. The report shall be signed by the Chairman of the Audit Committee and shall appear in the Annual Report of the Bank.

G. Reporting to the Board of Directors

1. The Audit Committee shall report on its activities to the Board of Directors;
2. The Audit Committee shall immediately report to the Board of Directors any findings of conflicts of interest, fraud or forgeries in the internal control system and any suspected infringement of laws including securities related laws, rules and regulations.

H. Other Responsibilities

1. The Audit Committee shall report to the Board, at least quarterly, on all major issues, including errors, fraud and other irregularities, detected by external and internal Audits and Bangladesh Bank inspections;
2. The Audit Committee shall perform any other supervisory activity entrusted to it by the Board;
3. The Audit Committee shall appraise its own performance and report its conclusions to the Board;
4. The Audit Committee shall review the statement of significant related party transactions submitted by the management;
5. The Audit Committee shall review Management Letters and Letters of Internal Control Weakness issued by the statutory auditors;
6. The Audit Committee shall disclose the uses and applications of funds by major category (e.g. capital expenditure, sales and marketing expenses, working capital) raised through IPO,

RPO or Right Issues, along with quarterly financial results.

I. Special Responsibilities of the Chairman

The Chairman of the Audit Committee shall remain present at all Annual General Meetings (AGMs) of the Bank. Provided that in absence of Chairman of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the Annual General Meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.

7. Major issues reviewed by the Audit Committee during 2021

- a) Risk Based Internal Audit Findings;
- b) Recommendation for the Appointment of Professionals to Provide the Certificate on Compliance as per Corporate Governance Code;
- c) Recommendations and findings of the external Auditors;

- d) Follow up of Recommendations made to the Board of Directors;
- e) Compliance of Surprise Inspection Report of Bangladesh Bank;
- f) Efficiency and adequacy of the Internal Audit Function;
- g) Self-Assessment on Anti-Fraud Internal Controls;
- h) Submission of "Annual Health Report" of the Bank.
- i) External Auditor's Management Letter.

Acknowledgement

The members of the Audit Committee expressed their gratitude to the Board of Directors, the Management of the Bank and the internal and external Auditors, for their cooperation which enabled it to effectively perform its duties and discharge its responsibilities during the year 2021.

(On behalf of the Audit Committee)



Akhter Matin Chaudhury, FCA (E & W), FCA, FCS
Chairman of the Audit Committee of the Board



Report of The Risk Management Committee

Risk Management Committee of the Board

In compliance with the BRPD circular no.11 dated: 27 October 2013 issued by Bangladesh Bank, a committee named as "Risk Management Committee" of the Board has been formed to oversee various risks of the bank like credit risk, foreign exchange risk, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks as to whether these risks have been properly and adequately identified and measured by the bank management.

The terms of reference (ToR) of the Committee defined as per the Guidelines/Circulars of Bangladesh Bank issued and in-force from time to time.

Composition

The Board of Directors of the Bank has constituted the Risk Management Committee in compliance with the BRPD circular no.11 dated: 27 October 2013 issued by Bangladesh Bank with a view to address, manage and mitigate the risk issues of the Bank in a befitting manner. The current structure of the committee:

SL	Name	Status in the Committee
1	M. A. Sabur	Chairman
2	Anisuzzaman Chowdhury	Member
3	Roxana Zaman	Member
4	Afroza Zaman	Member
5	Kanak Kanti Sen, FCMA	Member

As per regulatory guidelines, the Company Secretary of the Bank Mr. ATM Tahmiduzzaman, FCS is the Secretary of the Risk Management Committee.

Members Information

M. A. Sabur

Date of Birth: 02.01.1948
Educational Qualification: MBA(IBA), Dhaka University
Years of Experience: 40+
Field of expertise: Bank, RMG.

Anisuzzaman Chowdhury

Date of Birth: 13.05.1972
Educational Qualification: BBA, Palm Beach Atlantic College of USA
Years of Experience: 20+
Field of expertise: Bank, Chemical, Aluminium.

Roxana Zaman

Date of Birth: 20.02.1969
Educational Qualification: Bachelor Degree
Years of Experience: 20+
Field of expertise: Bank, Insurance.

Afroza Zaman

Date of Birth: 08.08.1976
Educational Qualification: B. Com
Years of Experience: 10+
Field of expertise: Bank, Insurance

Kanak Kanti Sen, FCMA

Date of Birth: 24.06.1965
Educational Qualification: M. Com, FCMA
Years of Experience: 20+
Field of expertise: Bank, Accounting & Management.

Meetings of the Risk Management Committee

As per BRPD Circular No.11 dated 27 October 2013, The Risk Management Committee of UCB held 4 meetings in the year 2021. Meeting dates are as follows:

Details of the Risk management Committee.

SL	Meeting No.	Held On
1	30	04.05.2021
2	31	30.06.2021
3	32	25.10.2021
4	33	23.12.2021

The particular of attendance of the Members of the Risk Management Committee are given below:

Present members Attendance Details

Name of the Directors	Position	Total Number of Meetings held during 2021	Total Attendance	Remarks
M. A. Sabur	Chairman	4	4	-
Anisuzzaman Chowdhury	Member	4	4	-
Roxana Zaman	Member	4	3	-
Afroza Zaman	Member	4	3	-
Kanak Kanti Sen, FCMA	Member	4	4	-

REPORT OF THE RISK MANAGEMENT COMMITTEE

Roles and Responsibilities of the Risk Management Committee

(I) Risk Identification & Control Policy

- To formulate and implement of appropriate strategies for risk assessment and its control.
- To monitor risk management policies & methods and amend it if necessary.
- To review the risk management process to ensure effective prevention and control measures.

(ii) Construction of Organizational Structure

- To ensure an adequate organizational structure for managing risk with the Bank.
- To supervise formation of separate management level Committees
- To monitor the activities related to compliance of instruction of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines.

iii) Analysis and approval of Risk Management Policy

- To review Risk Management policy & guidelines of the Bank annually;
- To recommend Board of Directors regarding any propose amendments if necessary;
- To review limits including lending limit and amend if necessary;

(iv) Storage of data & reporting system

- To approve adequate record keeping & reporting system developed by the Bank management;
- To ensure proper use of the system (i.e. record keeping & reporting system);
- Minutes its proposal, suggestions & summary and inform it to the Board of Directors;

(v) Monitoring the implementation of overall Risk Management Policy

- To monitor proper implementation of overall risk management policies;
- To monitor whether proper steps have been taken to mitigate all risks including lending risk and management risk.

(vi) Other responsibilities

- To submit the decision and suggestions of the committee to the Board of Directors quarterly in short form;
- To comply instructions issued time to time by the controlling bodies;
- To collect evaluation report from the internal & external auditor whenever required;

Major issues reviewed by the Risk Management Committee during 2021

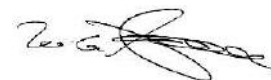
- Risk Appetite and Risk Tolerance of the Bank;
- Effectiveness of Risk Management Functions of the Bank;
- BASEL III Implementation of the Bank;
- Identification of Quality of Assets based on standard;
- Stress Test and financial flexibility to respond to severe but plausible scenarios;

- Monthly Risk Management Report (MRMR), Half-Yearly Comprehensive Risk Management Report (CRMR), Yearly Internal Capital Adequacy Assessment Process (ICAPP), Management Action Triggers, Self-Assessment and Evaluation Reports of Core Risk Capital Management;
- Risk-Weighted Asset Ratio (CRAR) to strengthen long-term capital plans;
- Risk Management & Control Strategies;
- Cash Recovery and Written-off Position.

Acknowledgment

The members of the Risk Management Committee express their gratitude and thanks to the Board of Directors, Management and Risk Management Team of the Bank for their cooperation while performing its duties and responsibilities.

(On behalf of the Risk Management Committee)



M. A. Sabur
Chairman
Risk Management Committee



REPORT ON RISK MANAGEMENT FRAMEWORK & MITIGATION METHODOLOGY



REPORT ON Risk Management Framework

1.1 RISK AND RISK MANAGEMENT

1.1.1 DEFINITION OF RISK

Intuitively, 'Risk' is something regarding a damage or threat that might occur in future and, eventually, that may result in some type of negative financial outcome wherever financial affair is involved.

In a nutshell, Risk, as relevant to a Bank, is the probability of damage or loss of asset, profitability, capital, reputation and other such elements that eventually affect its long-term sustainability. Risk, however, bears both threat and opportunity.

1.1.2 RELEVANCE OF RISK IN BANKING BUSINESS

'Risk' is an inherent element in all walks of life ranging over a multitude of variables like; type and form of impact, degree of severity, probability of occurrence, etc. Besides, all these risk variables may have different implications for different entities based on their risk appetite and resilience capacity.

In the Financial Sector, risk is more prevalent as it basically trades in risk-taking. For this reason and for it being the key driving force of an economy, this sector, particularly the Banking Sector, is subject to high degree of regulation. Thereby, banks cannot afford to take redundant risks at their will and there comes the issue of Risk Management.

In a nutshell, Risk, as relevant to a Bank, is the probability of damage or loss of asset, profitability, capital, reputation and other such elements that eventually affect its long-term sustainability.

However, the modern approach views Risk as both threat and opportunity. As a Bank's business is largely about 'Risk Taking', or in other words, 'Risk Management', identification of available opportunities within these risk ventures and tapping of the same may make a huge difference for a Bank from another.

1.1.3 TYPES OF RISKS IN BANKS

Banks, as the most prominent of the financial institutions, have to deal with a myriad number of risks, which are also defined and grouped from a lot many angles too. Irrespective of the grouping, the commonly defined risks in the business of banking may

include but not necessary limited to the followings:

- i. Earning Risk
- ii. Capital Risk
- iii. Credit Risk
 - a. Portfolio Risk
 - i) Concentration Risk,
 - ii) Interest Rate Risk (For Banking Book)
 - b. Standalone Risk
 - i) Default Risk,
 - ii) Downgrading Risk
 - iii) Country Risk
 - iv) Counterparty Risk
- iv. Market Risk
 - a. Interest Rate Risk (For Trading Book)
 - b. Foreign Exchange Risk
 - c. Equity Market Risk
 - d. Commodity Risk
- v. Liquidity Risk
 - a. Funding Risk
 - b. Time Risk
 - c. Call Risk
- vi. Asset-Liability Management Risk (Balance Sheet Risk)
- vii. Operational Risk:
 - a. Human Resources Risk
 - b. Risk in Business Product and Processes
 - c. Technology Risk (ICT and Others)
 - d. Physical Security Risk
 - e. Compliance risk
 - i) Internal Control & Compliance Risk
 - ii) Regulatory Risk
 - iii) Legal Risk
 - f. External Event Risk
 - g. Money Laundering Risk
 - h. Fraud Risk
 - i. Crime Risk
 - j. Communication Risk
 - k. Documentation Risk
 - l. Transaction Risk
 - m. Competence Risk
 - n. System Risk

- viii. Reputation Risk
- ix. Strategic Risk
- x. Sustainability Risk

1.1.4 RISK MANAGEMENT IN BANKS

Although, Banks, for their own sake, have been managing their risks since time immemorial, the present day's structured Risk Management Regime is a very new approach, started basically with the introduction of Basel Accord (the initial version i.e. Basel I) internationally in 1988 and locally in 1996. Initially, though, it was concentrated in Liquidity and Credit Risks.

Following the implementation of Basel I, from 2003, Bangladesh Bank expanded the discipline of Risk Management further through defining 'Core Risks' in Banking business and introducing respective Guidelines for managing those risks to introduce the internationally accepted risk management practices in the local banking industry explicitly, Bangladesh Bank started off with the issuance of guidelines for 5 core risks, namely; CRM, ALM, ICC, FEX, & AML, in the year 2003.

Later, in 2004, they issued another guideline for ICT risk management after recognizing it as the 6th core risk. Accordingly, UCB adopted the guidelines and prepared its own versions of risk management policies on each of the core risks.

Thereafter, in 2009, a comprehensive approach to manage the entire Banking risks was initiated by Bangladesh Bank. Since then the Risk Management regime has gone through many changes and adjustments to bring about the international standard in the industry.

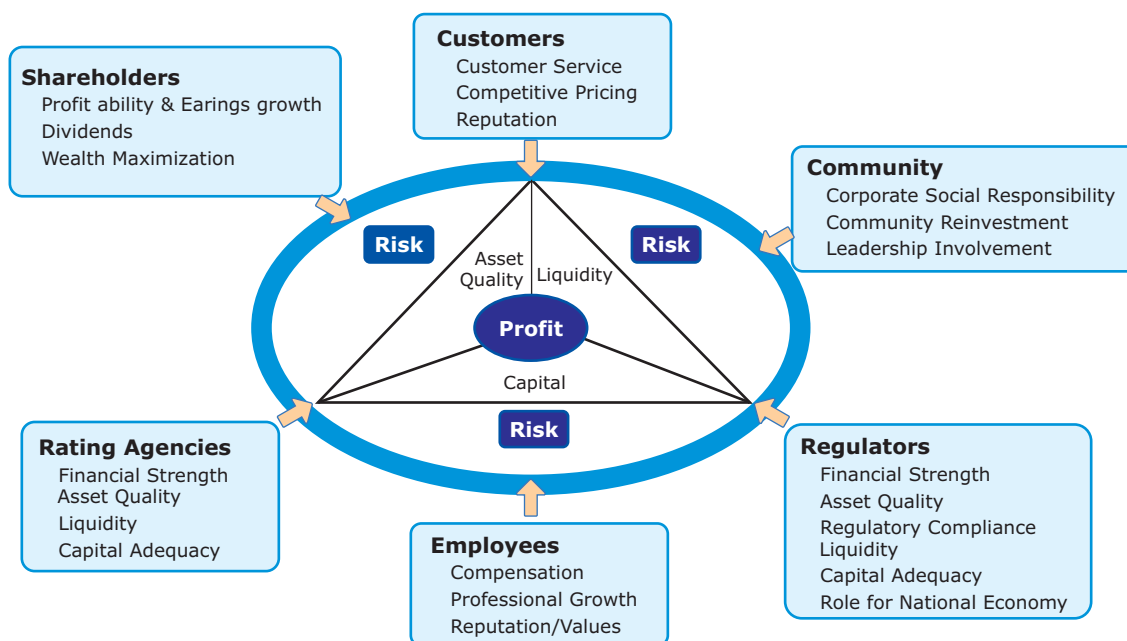
Risk Management (RM) as a discipline is viewed as an integrated, holistic (bank-wide) approach for consolidating all individual risk management functions. It adopts/formulates contemporary risk management methods to identify, measure, monitor, and control risks throughout the banking organization. The objective(s) of Risk Management is/are to ensure that;

- The individuals who take or manage risks clearly understand it
- The organization's risk exposure is within the established limits
- Risk taking decisions are explicit and clear
- Risk taking decisions are in line with the business strategy and objectives
- The expected payoffs compensate for the risks taken; and
- Sufficient capital as a buffer is available to take risk

1.1.5 ALIGNING STAKEHOLDER OBJECTIVES WITH RISK MANAGEMENT OBJECTIVES

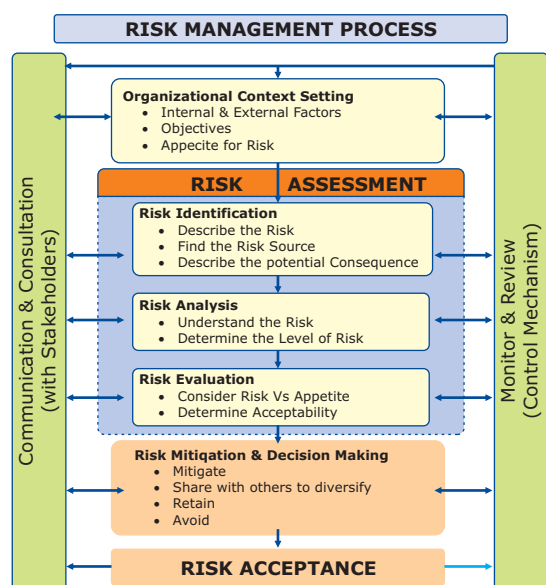
Each stakeholder (Shareholders, Regulators, Customers, Employees, Community, etc.) objective has a different influence on the optimal trade-offs between the risk and profitability, asset quality, liquidity as well as capital.

Thereby, Bank's Risk Management objectives must be convergent with the stakeholder objectives into a metric that can be measured and managed. A depiction of that convergence is given below:



1.1.6 RISK MANAGEMENT PROCESS

The success of banking operation largely depends on choosing the best equation between risk and return. This implies that by nature, the banking operation is subject to various risks, however to ensure the sustainability of the bank, among all other factors, creating value (i.e. return/profit) is a basic requirement. Keeping the uncertainty factor in mind each bank needs to adopt a risk management framework that should be effective enough to manage all material uncertainties to achieve the goal of the organization. The foundation of risk management consists of following processes:



1.1.7 RISK MANAGEMENT METHODS & TOOLS

Banks employ a number of methods & tools for identification, measurement, and mitigation of the risks associated to its businesses. Both the regulators and the Banks themselves develop these methods & tools employing both preventive and curative approaches. These, however, are almost always going through changes to cope up with the ever changing business environment.

Among others, the followings are some key methods & tools usually applied by banks for risk management:

- i. Credit Risk Management:
 - a. Borrower evaluation
 - b. Internal Credit Risk Rating System (ICRRS)
 - c. Credit Information Bureau (CIB) Report
 - d. External Credit Assessment Institution (ECAI) Rating
 - e. Environmental Risk Rating
 - f. Risk-based loan pricing
 - g. Approval authority (Credit Delegation)
 - h. Credit Risk Mitigation
 - i. Credit Administration (Documentation, Limit Setup, Disbursement, Repayment)
 - j. Relationship Management
 - k. Credit Monitoring & Follow-up
 - l. Classification & Provisioning
 - m. Recovery & Write-off
- ii. ALM (Asset-Liability Mgt.) Risk Management:
 - a. Cash Reserve Ratio (CRR)/Statutory Liquidity Ratio (SLR) Maintenance
 - b. Advance-Deposit Ratio
 - c. Liquidity Coverage Ratio (LCR)
 - d. Net Stable Funding Ratio (NSFR)
 - e. Maximum Cumulative Outflow (MCO)
 - f. Leverage Ratio
 - g. Management Action Triggers (MAT)
 - h. Wholesale Borrowing Limit
 - i. Commitment Limit
 - j. Structural Liquidity Profile (SLP)
 - k. Interest Rate Risk Limit
 - l. Swap Funds Limit
 - m. Liquidity Contingency Plan (i.e. Contingent Funding Plan)
 - n. ALCO (Asset-Liability Committee) Process
 - o. Market Risk (Interest Rate, Foreign Exchange, Equity Price Risks) Measurement Process
- iii. Foreign Exchange Risk Management:
 - a. Front, Mid and Back Office segregation
 - b. Strict Dealing Room procedures
 - c. Dealing Limits
 - d. Counterparty Limits
 - e. Management Action Triggers (MAT)
 - f. Stop-Loss Orders
 - g. Nostro Account Reconciliations
- iv. Internal Control & Compliance Risk Management:
 - a. Regulatory Compliance
 - b. Internal Compliance
 - c. Internal Audit (Audit Planning & Risk Based Audit)
 - d. Departmental Control Function
 - e. Operations Report
 - f. Self-Assessment of anti-fraud internal control report
 - g. Health Report
- v. AML/CFT Risk Management:
 - a. CAMLCO (Chief Anti Money Laundering Compliance Officer)/BAMLCO (Branch Anti Money Laundering Compliance Officer)
 - b. KYC (Know Your Customer)
 - c. Customer Type Segregation
 - d. Transaction Monitoring Process (Cash Transaction Reporting/Suspicious Transaction Reporting)
 - e. Suspicious Activity Reporting (SAR) Process
 - f. Sanction Screening Process
- vi. ICT Risk Management:
 - a. Business Continuity Plan (BCP)
 - b. Disaster Recovery (DR Sight) Plan
 - c. Backup and Restore Plan
 - d. Physical Security System
 - e. Information Security Standard
 - f. Network Security Management
 - g. Alternative Channel Management

- vii. Basel Regime Management:
 - a. Risk Based Capital Adequacy
 - b. Internal Capital Adequacy Assessment Process (ICAAP)
 - c. Leverage Ratio
 - d. Liquidity Ratio:
 - i) LCR (Liquidity Coverage Ratio)
 - ii) NSFR (Net Stable Funding Ratio)

- viii. Overall Risk Management:
 - a. CBS (Core Banking Software)
 - b. Centralized Operation
 - c. Policies & Procedures/SoP (Standard Operating Procedure)
 - d. Risk Appetite/Budgeting
 - e. Management Action Trigger (MAT)
 - f. Stress Testing Procedure
 - g. Risk Management Reporting's
 - h. External Auditing
 - i. Bangladesh Bank Inspections

1.2. EVOLUTION OF RISK MANAGEMENT IN UCB

Although the introduction and subsequent evolution of Risk Management structure in the domestic Banking industry were rapid and hectic, and the industry was slow to incorporate such structure. In UCB, we have been, albeit with extra effort, maintaining our focus on it and successfully keeping ourselves in the right track.

Our risk management approach includes minimizing concentrations of exposure, limiting potential losses from stress events and ensuring the continued adequacy of all our financial resources. Management remained closely involved in important risk management initiatives, which focused particularly on managing adequate liquidity and capital through maintaining an acceptable risk portfolio. Risks are measured and controlled at individual exposure, portfolio, as well as aggregate (across all businesses and risk types) levels. Responsibility and accountability for risk management have been instilled at all levels of operation/administration/supervision within the bank including the Board.

1.2.1 ESTABLISHMENT OF A SEPARATE ENTITY FOR RISK MANAGEMENT:

We started with establishing an independent unit at the Corporate Head Office of the Bank as 'Risk Management Unit' in July, 2009. Later, in 2013, on Bangladesh Bank's instruction (ref.# DOS letter No. DOS (RMMS)/1154/1/2013-24 dated 24.01.2013), UCB converted the unit into a full-fledged division and named it 'Risk Management Division (RMD)'.

Meanwhile, an office of the Chief Risk Officer was created as per the 2012 guidelines of Bangladesh Bank on the Risk Management of banks and presently an Additional Managing Director as appointed as the Chief Risk Officer of the Bank.

All this while, we have been practicing Risk Management regime on proactive basis rather than on traditional reactive basis. Of course, we always remained committed to our goal of increasing shareholder's value but we also valued all the stakeholders duly and avoided doing too much of anything. We operate within the threshold (which is presently called Risk Appetite) set by our ever prudent Board of Directors upon consideration of the Bank's own strengths and weaknesses, market opportunities and threats, as well as all the regulatory restrictions.

1.2.2 SUBSEQUENT FORMATION OF DIFFERENT RISK MANAGEMENT COMMITTEES

- **BOARD RISK MANAGEMENT COMMITTEE (BRMC)**
To facilitate risk management activities through highest level monitoring and supervision, Bangladesh Bank through its BRPD Circular No.11 dated 27.10.2013 made formation of a new sub-Committee of the Board in the name of 'Board Risk Management Committee' mandatory. Followings were the features of the Committee:

Name of the Committee	Board Risk Management Committee (BRMC)	
Organization of the Committee	Eligibility of Members	Any competent Director of the Board
	No. of Members	Maximum 05 Nos.
	Tenure of Committee	3 Years
	Secretarial Role	Company Secretary
	Meeting of Committee	Minimum 04 Meetings a year
	Others	The Committee can call the CEO and other officials to the meeting.

In compliance to that directive, the 1st BRMC (erstwhile RMCB) of UCB was formed on January 09, 2014 and presently, the committee is running with the following Directors of the Bank:

Sl.	Name of the Directors	Status in the Committee
01.	M.A. Sabur	Chairman
02.	Anisuzzaman Chowdhury	Member
03.	Roxana Zaman	Member
04.	Afroza Zaman	Member
05.	Kanak Kanti Sen, FCMA	Member

ROLES & RESPONSIBILITIES OF THE BRMC

- i) To formulate and implement strategies/ policies/ guidelines/ processes/ procedures for risk assessment and control.
- ii) To ensure that proper organizational structure and adequate trained manpower for risk management are in place. Also to supervise formation and activities of different Management level committees.
- iii) To review existing strategies/ policies/ guidelines/ processes/ procedure as well as different internal limits and suggest/ make necessary amendments.
- iv) To monitor and oversee; (i) implementation of risk management strategies/ policies/ guidelines/ processes/ procedures, (ii) steps taken to mitigate the weaknesses in different areas identified by Management or external bodies/organizations, (iii) proper record keeping and reporting methods, (iv) maintenance of provision adequacy, (v) maintenance of capital adequacy.
- v) To summon and scrutinize evaluation reports of internal/external auditors, if deemed necessary, and take measures accordingly.
- vi) To report the Committee's decisions and suggestions to Board of Directors.

▪ SRP (SUPERVISORY REVIEW PROCESS) TEAM

UCB formed a Supervisory Review Process (SRP) Team, headed by the Managing Director of the Bank for taking part in the SRP-SREP dialogue and maintaining the ICAAP framework active in accordance with the 'Revised Process Document for SRP-SREP Dialogue on Internal Capital Adequacy Assessment Process (ICAAP)' issued by Bangladesh Bank in 2014.

ROLES & RESPONSIBILITIES OF THE SRP TEAM

- i) SRP Team is responsible for ensuring that there is a functioning framework and an operational unit for assessing the overall capital adequacy of the Bank in relation to its risk profile and there is a Strategic Plan for maintaining its capital at an adequate level.
- ii) Monitoring of Management and Assessment of risks covered under SRP i.e. Residual Risk, Concentration Risk, Interest Rate Risk in the

Banking Book, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk, Appraisal of Core Risk Management practice, Environmental and Climate Change Risk as well as other material risks that are not already covered under Pillar 1 of Basel III regime.

- iii) The SRP Team must meet at least bi-monthly to monitor the implementation of SRP (the Process for assessing overall capital adequacy and strategic planning for capital maintenance).
- iv) Representing the Bank in the SRP-SREP dialogue, an exclusive meeting between the SREP team of Bangladesh Bank and the SRP team of the bank, to determine the adequate level of capital needed for a bank by reviewing the Bank's ICAAP (Internal Capital Adequacy Assessment Process).

▪ EXECUTIVE RISK MANAGEMENT COMMITTEE (ERMC)

Bank formed ERMC comprising of CRO (as the Chairman), Head of ICC, CRM/CAD, Treasury, AML, ICT, ID, Operation, Business, Finance, Recovery and Head of any other department/division related to risk if deemed necessary. Risk Management Division acts as secretariat of the committee. The ERMC, from time to time, may invite CEO, AMD, DMD and other senior most executives to attend the meetings so that they are well aware of risk management process.

ROLES & RESPONSIBILITIES OF THE ERMC

- i) Identifying, measuring and managing bank's existing and potential risks through detailed risk analysis;
- ii) Holding meeting at least once in a month based on the findings of risk reports and taking appropriate decisions to minimize/control risks;
- iii) Ensuring incorporation of all the decisions in the meeting minutes with proper dissemination of responsibilities to concerned divisions/ departments;
- iv) Minimizing/controlling risks through ensuring proper implementation of the decisions;
- v) Reviewing risks involved in new products and activities and ensuring that the risks can be measured, monitored, and controlled adequately;
- vi) Submitting proposals, suggestions & summary of ERMC meetings to CEO, BRMC on regular basis;
- vii) Implementing the decisions of BRMC and board meetings regarding risk issues;

- viii) Assessing requirement of adequate capital in line with the risk exposures and ensuring maintenance of the same through persuading senior management and board;
- ix) Determining risk appetite, limits in line with strategic planning through detailed discussions among the members;
- x) Contributing to formulation of risk policies for business units;
- xi) Handling "critical risks" (risks that require follow-up and further reporting);
- xii) Following up reviews and reports from BB and informing BRMC the issues affecting the bank's operation.
- xiii) Ensuring arrangement of Annual Risk Conference in the bank.

▪ **BASEL IMPLEMENTATION UNIT (BIU)**

Another Committee (Called a 'Unit') was constituted in response to the Letter No. DOS (CAMS) 1157/01 (II)-A-2015-9344 dated June 25, 2015 of DOS, Bangladesh Bank; the 'Basel Implementation Unit (BIU)' of the Bank (along with a working team) was constituted to oversee the overall activities regarding Basel Framework.

ROLES & RESPONSIBILITIES OF BASEL IMPLEMENTATION UNIT (BIU)

- i) Implementation of the action plan of Basel Accords in the Bank
- ii) Communicating issues related to Basel implementations to the Bank Management
- iii) Attending QIS (Quantitative Impact Study) and Accountability for the compliance with Basel Accords
- iv) Arranging customized training programs according to Training Need Assessment

▪ **CREDIT RISK MANAGEMENT COMMITTEE (CRMC) OF THE BANK**

Following the directives of Bangladesh Bank enumerated in the 'Risk Management Guidelines for Banks' published through DOS Circular no. 02 dated February 15, 2012, the 'Credit Risk Management Committee (CRMC)' of the Bank was

reconstituted on February 24, 2016. This Committee reports to the RMCML.

ROLES & RESPONSIBILITIES OF 'CREDIT RISK MANAGEMENT COMMITTEE (CRMC)

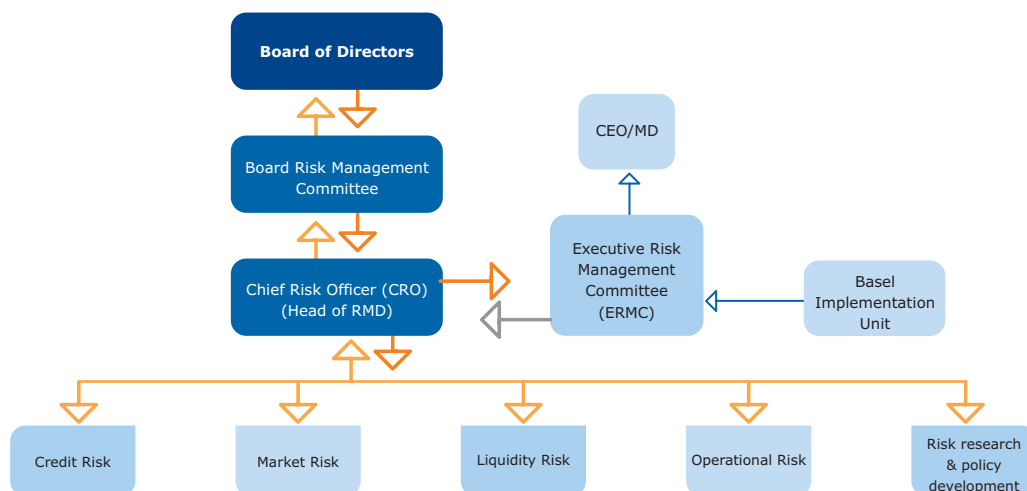
- i) Overseeing of Credit Risk taking activities and overall Credit Risk Management function;
- ii) Implementation of the credit risk policy/strategy approved by the Board;
- iii) Monitoring of credit risk on a bank-wide basis and ensure compliance with limits approved by the Board;
- iv) Making of recommendations to the Board, for its approval, clear policies on standards for presentation of credit proposals, financial covenants, rating standards and benchmarks;
- v) Proposing the delegation of the Credit Approval Authority, prudential limits on large credit exposures, standards for loan collateral, portfolio management, loan review mechanism, risk concentrations, risk monitoring and evaluation, pricing of loans, provisioning, regulatory/legal compliance, etc.;
- vi) Other functions as delegated by the Authority from time to time basis;

▪ **ENTERPRISE RISK ASSOCIATE FORUM (ERAF)**

Enterprise Risk Associate Forum (ERAF) is consists of the mid-level executives from the relevant divisions of the bank. A monthly meeting is held by the Risk Associates from divisions where risk issues are discussed, resolved/escalated as agreed by the forum. Risk assessment and grading of risk issues is done at this level and where required forwarded to ERMC for resolution.

1.2.3 ORGANOGRAM OF RISK MANAGEMENT DIVISION

Following is the latest Organogram of Risk Management Division as directed by Bangladesh Bank and as approved by the Board of Directors of the Bank in its 464th meeting held on October 24, 2021:



1.2.4 RESPONSIBILITIES OF RISK MANAGEMENT DIVISION

As per the Bangladesh Bank Circular Letter No #13 dated 09.09.2015 and Risk Management Guideline issued as per DOS Circular No.-04, dated October 08, 2018 as well as other prior Bangladesh Bank instructions, followings are a summary list of roles & responsibilities of the Risk Management Division of the Bank:

- i) Formulating Bank's overall risk management strategy;
- ii) Development and establishment of Risk Management Policies/ Procedures/ Manuals/ Testing & Measurement Models/ etc. across the banking functions.
- iii) Measurement of Capital Adequacy and evaluation of risks under Risk Based Capital Adequacy Framework;
- iv) Overseeing Capital Management function of the bank in consistency with the outcome and strategies resulting from the Risk Basel Capital Adequacy exercises.
- v) Exercising of the Stress Testing procedure and overseeing implementation of the decisions/ suggestions reached there against;
- vi) Determination of Risk Appetites for all measurable risk areas and independent monitoring of compliance of the same in parallel with the primarily responsible Business/Risk Mgt. units;
- vii) Highlighting risky portfolios and deficiencies of the bank on a timely manner with recommendations and suggestions.
- viii) Collection, preparation and analysis of data/ information for Risk Management Report (Monthly, Quarterly and Half-yearly).
- ix) Overseeing the Risk Management activities of the different Businesses/Risk Management/ Support units.
- x) Monitoring of implementation of required corrective actions related to objections revealed in the inspections conducted by Bangladesh Bank on core Risk Management of the Bank.
- xi) Reporting high-risk items through Executive Risk Management Committee to the BRMC.
- xii) Communication of views of the Board, BRMC, Senior Management and ERMIC regarding risk management throughout the Bank;
- xiii) Acting as a member (to be represented by the Head of Division) in all important committees of the bank related to risks (such as Credit Risk Committee, ALCO, Basel Implementation Unit, etc.).
- xiv) Serving as secretariat of Risk Management Committee at the Management Level



REPORT ON Risk Mitigation Methodology

2.0.0 RISK MITIGATION METHODOLOGY

UCB develops and implements its own guidelines and different types of risk management tools consistent with the complexity, size and nature of business, risk strategy and Bangladesh Bank guidelines for sound risk management and risk mitigation. The bank considers capital adequacy, expected level of profitability, market reputation, experienced personnel, logistic support, macro and microeconomic scenarios, risk management practices, etc. to determine its risk strategy. The bank's reputation and its ability to achieve depends on the ability to identify, assess and mitigate risks at all levels. The risk management strategy is therefore fundamentally based on maintaining adequate capital, liquidity, and operational control at all times in order to safeguard the interests of depositors, borrowers, shareholders and other stakeholders.

2.1.0 Risk Mitigation Approach

The bank has adopted a sound risk mitigation approach to ensure risk exposures within the bank. Risks of the bank are mitigated consistently in line with the Board-approved risk appetite that supports the bank's strategy. The risk mitigation approach sets standardized practices to promote accountability and necessary oversight for the effective management of all these risk types. Taking into consideration the COVID-19 pandemic situation and to alleviate the risks, the bank has taken several fruitful steps in response to the COVID-19 pandemic, including work from home arrangements for staff, strict adherence to safety instructions issued by health authorities to ensure staff health and safety, and strengthening the disaster recovery sites as part of the Business Continuity Plan. Further, the bank continued to provide uninterrupted customer service through ATMs at branches that were closed due to the lock-down and also ensured 24/7 accessibility via the bank's digital channels.

2.2.0 Risks and Uncertainties facing by the bank

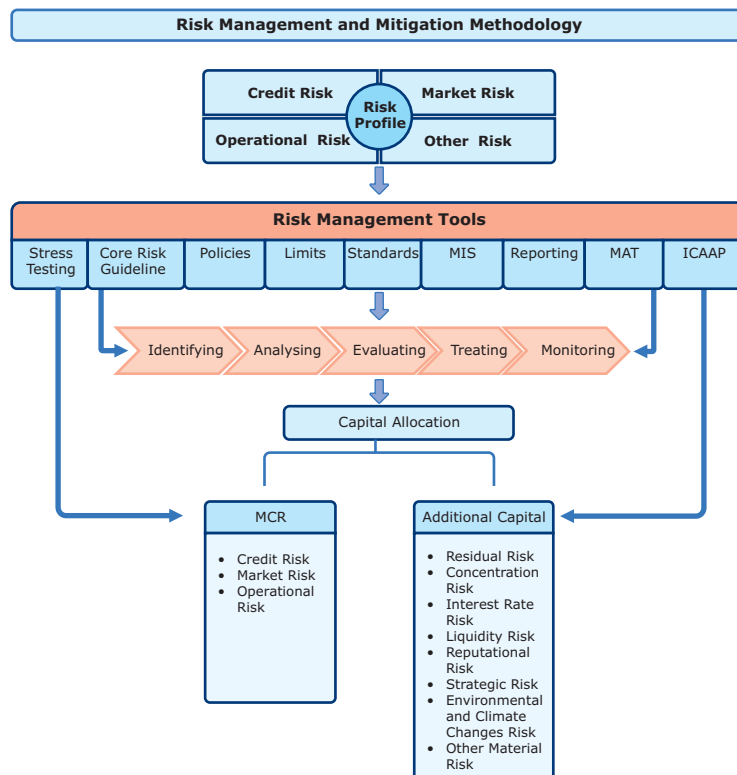
Risk is inherent in the banking business. When a bank runs on the principle of avoiding all risks, it will be stagnant and will not adequately serve the legitimate needs of the customers. On the other hand, a bank that takes excessive risks is likely to run into difficulty. Banking risks can be sourced in many ways through its activities and it is possible to draw up a long list of the types of risks to which banks are exposed. Bangladesh Bank has identified six core risks for banks and issued policy guidelines for sound management of these core risks that are central to the functioning of risk management activities. These core risks are Credit Risk, Asset Liability Management Risk, Foreign Exchange Risk, Internal Control & Compliance Risk, Anti Money Laundering (AML) risk and Information and Communication Technology Risk. On the other hand, as per the Guidelines on Risk-Based Capital Adequacy Framework in line with the Basel-III issued by Bangladesh Bank, risk profile is measured to determine overall risk position of the bank for economic capital allocation. According to the Basel-III guidelines, three major risks that a bank faces are considered under pillar-1 that are Credit risk, Market risk and Operational risk. In addition to the pillar-1, additional ten risks are also considered under Pillar-2 of the RBCA guidelines through ICAAP that are Residual Risk, Concentration Risk, Interest Rate Risk in Banking Book, Liquidity Risk, Reputational Risk, Strategic Risk, Settlement Risk, Environmental and Climate Changes Risk and Other Material Risk. **The details of these principal risks and uncertainties have been described later in this section and also enumerated in the disclosure section of the risk management report.**



2.3.0 Risk Management and Mitigation Strategies

Risk mitigation strategies need to be dynamic to successfully establish sound risk management. However, there are certain types of risks that are more likely to occur and impede business goals. Hence, effective policies or action plans need to be in place to ensure highly effective risk management. In the banking business, risk is inherent. As a result, risk management can have a significant impact on the

financials. As a part of regulatory and global benchmarking, the bank has developed risk mitigation strategies based upon the risk management policies and guidelines of Bangladesh Bank and its own bank, risk appetites, limits, standards, MIS, reporting, MAT and capital allocation as per the Basel framework, including Stress Testing. The acknowledged risks that the bank is currently mitigating are represented in the below diagram:



In view of core risk guidelines, the bank has established different divisions to address specific risks, e.g., the Credit Risk Management Division (CRMD), Credit Administration Division (CAD), Special Asset Management Division (SAMD), Treasury Division, ICT Division, Internal Control and Compliance Division (ICCD), Anti-Money Laundering & ATF Division etc. Further, to manage the overall risks of the bank and Basel-III implementation, the bank has formed a dedicated Basel Implementation Unit and Risk Management Division.

Besides, the bank has different high powered committees to monitor and ensure smooth risk management activities. For example, the Senior Management Team (SMT), Asset Liability Committee (ALCO), Executive Risk Management Committee (ERMC), Supervisory Review Process (SRP) Team, Central Compliance Committee (CCC), Credit Risk Management Committee, etc. Capital is allocated as per the risk profile, i.e., the amount or type of risk the bank is exposed to. The forward risk profile is a forward-looking view of how the risk profile may change both under expected and stressed economic conditions. To determine the overall risk position, the bank generally considers diversification benefits across risk types.

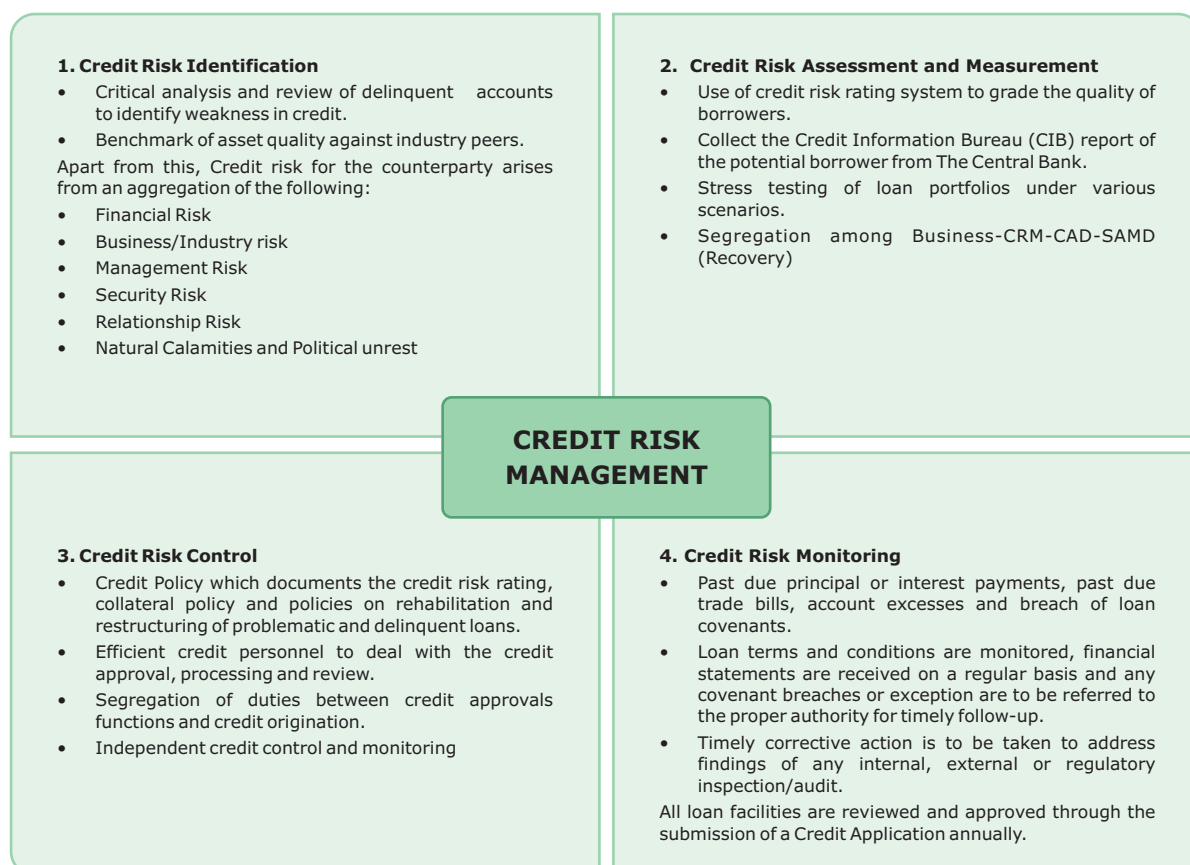
2.4.0 Credit Risk

The world over, credit risk has proved to be the most critical of all risks faced by a banking institution. Credit Risk arises as a result of customers or counter-parties not being able to or willing to fulfill their financial and

contractual obligations as and when they fall due. These obligations arise from lending, trade financing and other activities undertaken by the Bank. So, Credit Risk is the potential loss of profit as a result of the failure of the borrower or the counter parties to meet their obligations in accordance with agreed terms.

It is a real challenge for credit risk managers to correctly identify pockets of risk concentration, quantify extent of risk. The two distinct dimensions of credit risk management can readily be identified as preventive measures and curative measures. Preventive measures include risk assessment, risk measurement and risk pricing, early warning system to pick early signals of future defaults and better credit portfolio diversification. The curative measures, on the other hand, aim at minimizing post-sanction loan losses through such steps as securitization, derivative trading, risk sharing, legal enforcement etc. carried, identify opportunities for diversification and balance the risk-return trade-off in their credit portfolio.

UCB has placed strong emphasis in creating credit risk awareness among all lending employees within the Bank. Credit Risk awareness programs are conducted regularly to create a risk aware culture and empower staff with the capability to identify and manage credit risks more effectively. Selection and training of lending personnel is considered a key process in the management of credit risk. The key methods used to identify, assess, control and monitor the Credit Risk of the Bank are as follows:



2.4.1 Credit Risk Mitigation Measurement

UCB uses a number of tools and reports to control and mitigate its credit risk at the operational level to which it is exposed. The control and mitigation tools of the bank are mentioned below:

Key Risk	Methodology Tools used	Mitigation Process	Measured In	Frequency
Portfolio Risk	Reasons for Growth	ICAAP, MAT, RAS, Limit	MRMR, CRMR	Monthly, Quarterly, Half yearly & Yearly
Credit Concentration	HHI, Gini, SEI, SI	Sectoral Cap. Capital Allocation	MRMR, CRMR, ICAAP	Monthly, Quarterly, Half yearly & Yearly
OBS Exposure	Reason for Growth, CCF	Risk Limit	MRMR, Commitment, Leverage Ratio	Monthly, Quarterly, Half yearly & Yearly
Security/Collateral/ Margin Status	Reason for Growth, Coverage Assessment	RAS	MRMR, CRMR, Stress Testing	Monthly, Quarterly, Half yearly & Yearly
Asset Quality, Categorization & Classification	Transaction Matrix, Reason for Classification	RAS, Management Action Trigger, Special Program	MRMR, CRMR, ICAAP, Stress Testing	Quarterly
Credit Rating Status of borrowers	Reason for deterioration	Continuous follow-up, Capital Allocation	CRMR, MCR	Quarterly
Undrawn Commitment	Reason for Increase	RAS, Management Action Trigger	MRMR, CRMR, MCR	Monthly, Quarterly, Half yearly & Yearly
Regulatory Adherence	Single Borrower Limit, Env. Risk Rating	Risk Limit, Cap	MAT, CRMR, ICAAP,	Monthly, Quarterly, Half yearly & Yearly

2.5.0 Market risk is the risk of losses in On and Off-balance sheet positions arising from movements in market price such as changes in interest rate and price of equity, foreign exchange and commodity. As such, market risk consists of the followings basic risk parameters as under:

- Interest rate risk;
- Foreign exchange risk;
- Equity price risk;
- Commodity risk

The Treasury Division manages the Market risk including the liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. The Committee meets at least once in a month. The Board approves all risk management policies, sets limits and reviews compliance on a regular basis. The overall objective is to provide cost effective funding to finance the asset growth and trade related transactions, optimize the funding cost, increase spread with the lowest possible liquidity, maturity, foreign exchange and interest rate risks.

A description of each market risk category is provided below:



2.5.1 Interest Rate Risk

Interest rate risk is the potential impact on the Bank's earnings and net asset value due to changes in market interest rates. Interest rate risk is the result of mismatches of interest rate re-pricing of financial assets and liabilities.

Interest rate risk calculates both specific risk and general market risk. The capital charge for specific risk is designed to protect against an adverse movement in the price of an individual security owing to factors related to the individual issuer.

The capital requirements for general market risk are designed to capture the risk of loss arising from changes in market interest rates.

Total Risk Weighted Assets for Interest Rate Risk is Tk. 385.25 million and capital requirement is Tk. 38.53 million in year ended 2021.

2.5.1.0 Approach to Managing Market Risk

2.5.1.1 Gap analysis

Under this system, a gap i.e. the difference between the amount of Rate Sensitive assets and the amount of Rate Sensitive liabilities is calculated at a pre-determined time bucket. The interest rate factor (say 1%) is then applied on the Gap of Rate Sensitive assets and Rate Sensitive liabilities for measuring the earning impact due to movement of interest rate.

Based on the position of above financial assets and liabilities GAP as of 31 December 2021, the Bank measured that, with the 1% rise in interest rate for all its Rate Sensitive assets and the amount of Rate Sensitive liabilities, Bank's yearly Net Interest Income will be increased by Taka 602.72 million and in case of interest rate cut by 1%, the position will be vice versa.

For detail calculation, the Net Interest Income impact at each time bucket is shown below:

(Amount in million Taka)

Particulars	Up to 3 months	3 - 6 months	6 - 12 months
Rate Sensitive Assets (RSA)	187,389.16	78,013.72	48,464.90
Rate Sensitive Liabilities (RSL)	106,767.30	51,253.48	95,575.47
Gap (RSA – RSL)	80,621.85	26,760.24	(47,110.57)
Cumulative Gap	80,621.85	107,382.09	60,271.52

Interest Income Impact:	(BDT in Million)		
	1%	2%	3%
Assumed Increase in Interest Rate	1%	2%	3%
Increased in Net Interest Income (NII)	602.72	1,205.43	1,808.15

2.5.1.2 Duration Analysis

Duration is the time-weighted average maturity of the present value of the cash flows from on-balance sheet assets and liabilities. It measures the relative sensitivity of the value of these instruments to changing interest rates, and therefore reflects on the economic value i.e. the present value of shareholders' equity of the Bank.

2.5.2 Foreign Exchange Risk

FX Risk refers to the potential change in earnings resulted from exchange rate fluctuations, adverse exchange positioning or change in the market prices. FX Risk of the Bank is minimal, as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. This risk usually affects import-export business, but it can also affect investors making

international investments. If money is converted to another currency to make an investment, then any changes in the currency exchange rate will cause that investment's value to either decrease or increase when the investment is sold and converted back into the original currency. FX Risk may arise from:

- Exchange Rate fluctuations
- Adverse Foreign Exchange position of the Bank,
- Changes in market price of Foreign Exchange

FX Risk management is one of the important responsibilities of the Treasury Division and Financial Institution and Off-Shore Banking Unit of the Bank. Regular FX operations are done confirming the Central Bank's guidelines. Treasury Division conducts the FX transactions and the Back Office of the Treasury Division is responsible for verification of the deals and

passing of their entries in the books of account. All Nostro accounts are reconciled on a monthly basis and the management for its settlement reviews outstanding entry beyond 30 days. The position maintained by the Bank at the end of day was within the stipulated limit prescribed by the Central Bank. UCB has adopted a policy guideline with a view to reducing the FX Risk.

Foreign exchange position is measured by treasury division. In the year ended 2021, Total Risk Weighted Assets for Foreign Exchange Risk is Tk. 417.23 million and capital requirement is Tk.41.72 million.

2.5.3 Equity Risk

Equity risk is defined as losses due to changes in market price of equity held by the Bank. To measure and identify this risk, mark to market valuations of the equity instruments that are traded in secondary market are made. The minimum capital standard for equities is expressed in terms of two separately calculated charges for the "specific risk" of holding a long or short position in an individual equity and for the "general market risk" of holding a long or short position in the market as a whole.

In the year ended 2021, Total Risk Weighted Assets for Equity Risk was Tk. **101,576.46** million and capital requirement was Tk. **1015.76** million.

2.5.4 Commodity Risk

Commodity risk refers to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities. These commodities may be grains, metals, gas, electricity etc.

As Bangladesh Market has no organized Commodity Market, UCB, like other Banks here do not have any exposure in the Commodity Risk.

2.6.0 Market Risk Mitigation Measurement

UCB deals with the following mitigation tools and programs to control and mitigate its market risk at the operational level to which it is exposed.

2.7.0 Liquidity Risk

Liquidity Risk arises when bank may not meet its financial obligations/commitment as they become due. Liquidity risk also includes the inability of the bank to liquidate any assets at reasonable price in a timely manner. An investment may sometimes need to be sold quickly. An insufficient secondary market may limit the funds that can be generated from the asset. Some assets are highly liquid and have low liquidity risk (stock of a publicly traded company), while other assets are highly illiquid and have high liquidity risk (Building).

United Commercial Bank Limited maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of the liquidity risk management of the bank rests with Treasury Division under the supervision of ALCO Committee, which maintains liquidity based on current liquidity position, anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position, etc.

2.7.1 Methods used to measure Liquidity risk

Liquidity measurement involves assessing all of a bank's cash inflows against its outflows to identify the potential for any net shortfalls including funding requirements for off balance sheet commitments.

An important aspect of measuring liquidity is making assumptions about future funding needs, both in the very short-term and for longer time periods. Another important factor is the critical role a bank's reputation plays in its ability to access funds readily and at reasonable terms. Several key liquidity risk indicators monitored on a regular basis to ensure healthy liquidity position are as follows:

- Cash Reserve Ratio (CRR)
- Statutory Liquidity Requirement (SLR)
- Advance to Deposit Ratio (ADR)
- Liquidity Coverage Ratio (LCR)
- Net Stable Funding Ratio (NSFR)

Key Risk	Methodology Tools used	Mitigation Process	Measured In	Frequency
Market Sensitivity	VaR , Sensitivity, Interest Rate Risk, Duration Gap, Portfolio Analysis	MAT, Management Strategy, Stop Loss Cap, Counterparty Cap, Capital Allocation	MRMR, CRMR, Stress Testing, ICAAP	Monthly, Quarterly, Half yearly, Yearly
Regulatory Compliance	Investment Limit	MAT, Management Strategy, Capital Allocation	MRMR, CRMR, Risk Appetite	Monthly, Quarterly, Half yearly, Yearly
Concentration Risk	HHI,SEI,SI, Gini	Management Strategy	ICAAP	Yearly
Macro-Economic Review	Industry Outlook	Management Strategy	CRMR	Half yearly, Yearly

- Structural Liquidity Profile (SLP)
- Maximum Cumulative Outflow (MCO)
- Volatile Liability Dependency Ratio
- Liquid Asset to Total Deposit Ratio
- Liquid Asset to Short Term Liabilities, etc.

2.7.2 Liquidity risk management system

The intensity and sophistication of liquidity risk management process depend on the nature, size and complexity of a bank's activities. Sound liquidity risk management employed in measuring, monitoring and controlling liquidity risk is critical to the viability of the bank.

The Asset Liability Committee (ALCO), which meets at least once in a month, is responsible for managing and controlling liquidity of the bank. Treasury Front Office

thus net deficit or surplus (GAP) on a day to day basis and different buckets (e.g. call, 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years).

2.8.0 Liquidity Risk Mitigation Measurement

UCB uses the following monitoring tools and programs to mitigate its liquidity risk at operational level:

- Assets-Liability Management Guidelines
- Wholesale Borrowing and Funding Guidelines,
- Liquidity Contingency plan (LCP),
- Management Action Trigger (MAT)

UCB maintained additional capital through the computation of capital charges against regulatory liquidity indicators.

Key Risk	Assessment Tool	Measured In	Frequency	Mitigation Process
Sensitivity	RSA, RSL, LCR, NSFR	Stress Testing, CRMR, ICAAP,ALCO Paper, MRMR	Monthly, Quarterly, Half Yearly, Yearly	Management Action Trigger, Escalation to Senior Management, ALCO, Capital Allocation
Liquidity Ratio	CRR, SLR, MCO, ADR	ALCO Paper, ICAAP,MRMR	Monthly, Quarterly, Half Yearly, Yearly	
Maturity Mismatch	Duration Gap, SLP	ALCO Paper, Stress Testing, ICAAP,MRMR,CRMR	Monthly, Quarterly, Half Yearly, Yearly	

closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities and they are primarily responsible for management of liquidity in the bank. A monthly projection of fund flows is reviewed in ALCO meeting regularly.

2.7.3 Policies and processes for mitigating liquidity risk

In order to develop comprehensive liquidity risk management framework, the bank has Board approved Contingency Funding Plan (CFP), a set of policies and procedures that serves as a blueprint for the bank to meet its funding needs in a timely manner and at a reasonable cost. In this sense, a CFP is an extension of ongoing liquidity management and formalizes the objectives of liquidity management by ensuring:

- Maintenance of a reasonable amount of liquid assets;
- Measurement and projection of funding requirements; and
- Management of access to funding sources.

CFP also provides directions for plausible actions in distress and emergency situations. In case of a sudden liquidity stress, it is important for the bank to be seamed organized and efficient to meet its obligations to the stakeholders.

Maturity ladder of cash inflows and outflows are effective tool to determine the bank's cash position. A maturity ladder estimates a bank's cash inflows and outflows and

2.9.0 Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The responsibility of mitigating the operational risk of the Bank lies with Internal Control & Compliance Division under the guidance of Audit Committee of the Board. The audit committee delivers policies and directions from time to time to keep the operating efficiency of the Bank up to the mark.

It is the process by which an organization's resources are directed, monitored, and measured. It plays an important role in preventing and detecting fraud and protecting the organization's resources. At the organizational level, internal control objectives relate to the reliability of financial reporting, timely feedback on the achievement of operational/strategic goals, and compliance with laws and regulations. At the specific transaction level, internal control refers to the actions taken to achieve a specific objective (e.g., how to ensure the organization's payments to third parties are for valid services rendered.) Internal control can provide reasonable, not absolute, assurance that the objectives of an organization will be met. Effective internal control implies the organization generates reliable financial reporting and substantially complies with the laws and regulations that apply to it.

Effective internal control leads an organization to be more sustainable. Ensuring efficiency and effectiveness in operational activities; reliability, completeness and timelines of financial disclosures and compliance with applicable laws & regulations, there is no alternative to effective internal control system.

Internal controls are typically embedded in bank's day-to-day business and are designed to ensure, to the extent possible, that bank activities are efficient and effective, information is reliable, timely and complete and the bank is compliant with applicable laws and regulation. Sound internal governance forms the foundation of an effective operational risk management framework.

Common international practice for sound operational risk governance often relies on three lines of defense – (i) business line management, (ii) an independent corporate operational risk management function and (iii) an independent review. Depending on the bank's nature, size and complexity, and the risk profile of a bank's activities, the degree of formality of how these three lines of defense are implemented will vary. In all cases, however, the bank's operational risk governance function is integrated into the bank's overall risk management governance structure.

2.9.1 Measurement of Operational Risk

Bank uses Basic Indicator Approach to measure Operational Risk. Under this approach, the capital charge for operational risk is a fixed percentage (denoted by alpha) of average positive annual gross income of the bank over the past three years. Figures for any year in which annual gross income is negative or zero, excluded from both the numerator and denominator when calculating the average.

2.9.2 Requirement of Capital Charges for Operational Risk

(Million Taka)

Basis	Operational Risk	2019	2020	2021	Capital Charge
Solo	Gross Income	22,801.01	23,614.67	26,765.99	3,659.08
Consolidated	Gross Income	23,306.93	24,217.03	28,216.17	3,787.01

2.10.0 Operational Risk Mitigating Measurement

Some significant operational risks have low probabilities but potentiality considerable financial impact. United Commercial Bank Limited uses the following tools and programs to mitigate and control the operational risk at operational level:

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Manpower by age-group, Executive on contract, Manpower movement, Manpower by gender, Training & developments	Human Resources Status	CRMR	Half-yearly	Management Action Trigger, Escalation to Senior Management, Capital Allocation
No. of Complaint received from customers/through Bangladesh Bank, No. of complaint settled % of Complaint settled	Customer Satisfaction Status	CRMR, ICAAP	Half Yearly, Yearly	
Decisions taken by the board risk management committee for sound risk management purpose, Risk issues submitted to the board by board-level risk management committee, Implementation status of the decisions given by the Board	Board Performance Status	CRMR	Half Yearly	
Total amount of cash in hand/vault of branches, ATMs, etc.	Insurance Coverage Status	CRMR	Half Yearly	
Control Lapses in Operational Process	Operational , Risk Control Self-Assessment	ICAAP	Yearly	
Fraud & all other Operational Risks	Incident Reporting, Internal Audit, KRI	Stress Testing, ICAAP	Quarterly, Yearly	

2.11.0 Money Laundering Risk and Terrorist Financing Risk

Money Laundering Risk can be defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering.

The convergence of several remarkable changes in the world markets propelled Money Laundering to become a worldwide problem. UCB considers Money Laundering and Terrorist Financing Risk not only a compliance requirement of the regulatory bodies but also as one of its core business values. The Board of Directors and the Management are firmly committed to combat Money Laundering activities.

2.12.0 Internal Control and Compliance Risk

Over the last decade, the business world has faced unprecedented changes and challenges, resulting in a slew of compliance regulations. Banks of all sizes are now more concerned than ever about compliance risk management. New banking products, increased government scrutiny and intense focus on compliance requirements bring forth greater risks and a larger set of rules and regulations. Banks are forced to take a fresh look at their compliance practices and the technology infrastructure that supports them and to pursue a broad range of compliance and risk initiatives across the organization.

Internal Control is a process, affected by an entity's Board of Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievements of objectives. An essential element of an effective system of internal control is a strong control culture. It is the responsibility of the board of directors and senior management to emphasize the importance of internal control through their actions and words. This includes the ethical values that management displays in their business dealings, both inside and outside the organization. The words, attitudes and actions of the board of directors and senior management affect the integrity, ethics and other aspects of the bank's control culture.

A system of effective controls is a critical component of bank management and a foundation for the safe and sound operation of banking organizations. A system of strong internal controls can help to ensure that the goals and objectives of a banking organization will be met, that the bank will achieve long-term profitability targets, sustainable growth and maintain reliable financial & managerial reporting. Such a system can also help to ensure that the bank will comply with laws and regulations as well as policies, plans, internal rules and procedures, and decrease the risk of unexpected losses or damage to the bank's reputation. An essential element of a strong internal control system is the recognition by all employees of the need to carry out their responsibilities effectively and to communicate to the appropriate level of management any problems in operations, instances of non-compliance with any code of conduct, or other policy violations or illegal actions that are noticed.

In this context Bangladesh Bank issued new 'Guidelines on Internal Control & Compliance in Banks' on March 08, 2016 with an amendment on September 04, 2016. As per the guideline, Audit activities should be independent. It will act independently without internal influence of Management and Head of Audit will directly report to Audit Committee of Board with an administrative reporting line to Head of ICCD. Board of Directors of the bank has already approved the new Organogram of ICCD in light of Bangladesh Bank guidelines and the management also circulated the same for immediate effect. UCB's internal audit is designed as an independent, objective assurance and consulting activity to add value and improve an organization's operations. This aims to accomplish organizational objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

2.12.1 Internal Control and Compliance Risk Mitigation Measurement

To mitigate and control internal control and compliance risk at the operational level, United Commercial Bank Limited created the following tools and programs.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
No. of branches audited, major irregularities found and officers involved. whether it is placed to audit committee, Action taken against the accused, No. of non-compliance	Internal Control and Compliance Status of Internal Audit Report, Risk Control Self-Assessment	CRMR, ICAAP	Half-yearly, Yearly	Presented to Senior Management and Risk Management Committee of the Board of Directors
No. of major irregularities found, compliant issues and non-compliant issues. Action taken for regularizing the non-compliant issues	Internal Control and Compliance Status of all inspection reports of Bangladesh Bank, Risk Control Self-Assessment	CRMR, ICAAP	Half-yearly, Yearly	

2.13.0 Information Technology Risk

In a very short space of time, banks and other financial institutions have become more dependent on internet, computer and other electronic devices as well as connectivity to run their daily operations. Risks surrounding IT, such as network failure, lack of skills, hacking and viruses and poor system integration have the potential to have a negative impact on an organization. Rather, information and communication technology is changing over the time. The Bank has taken initiatives to serve its customers through the modern technology.

Clear policies and procedures have been formulated, training programs have been arranged, roles and responsibilities of all relevant officials have been defined with a view to maintain IT risk effectively. So, the Bank is in a place to manage the IT Risk efficiently taking a good number of initiatives, among many improvements in the Bank's IT infrastructure, the following items are mentioned:

- Core Banking Solutions has been implemented and optimized for all Branches of the Bank
- Real Time Gross Settlement (RTGS) introduced
- Vulnerability Assessment and Penetration Testing (VA/PT) solution introduced
- National Identity Card (NID) Verification System installed
- Anti-Money Laundering (AML) Solution introduced
- Anti-Skimming Solution installed at all ATMs
- Call Centre Solution installed
- Optimization of SWIFT System has been done

Accordingly, these additional risks (e.g. documentation risk, valuation risk) are termed "Residual Risk." Residual risk is a risk that arises mainly from the following situations:

2.14.1 Error in Documentation: The bank collects and preserves documents against credit to have legal protection in case of adverse events like default on loans.

2.14.2 Error in Valuation of Collateral: The bank requires appropriate valuation of collateral (both physical and financial) and guarantees (bank guarantee and personal guarantee) against loans and advances and for mitigation of default probability.

2.14.3 Approach to Managing Residual Risk United Commercial Bank Limited manages residual risk in the following approach:

- Establish a policy or plan for reducing documentation lapses and valuation errors.
- Create a Material Documents Checklist and assign a risk weight to it.
- Regularly monitor and control residual risk performance.
- Review the client-wise related audit reports and credit rating status of clients.

2.14.4 Residual Risk Mitigation Measurement

To mitigate and control residual risk at the operational level, UCB employs the following tools and programs.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Credit Rating of Clients	Reason for Growth	CRM, MCR	Half-yearly, Quarterly	Continuous follow-up, Capital Allocation
Documentation Lapses	Audit Report Review	ICAAP	Yearly	Continuous follow-up, Capital Allocation

- Human Resource Management Information System (HRMIS) Solution introduced
- Two Factor Authentication(2FA) Project (Verified by Visa and MasterCard 3D Secure) introduced
- Fraud Monitoring (FRM) and Incident Management (IDM) introduced
- ICT Policies and Process Manuals have been aligned with the Bangladesh Bank Guidelines and instructions

2.14.0 Residual Risk

The Risk-Based Capital Adequacy (RBCA) framework and other supervisory regulations issued by Bangladesh Bank on credit risk management allow banks to offset credit or counterparty risk with collateral along with the legal and financial documents. While the bank uses different techniques to reduce its credit risk, improper application of these techniques may give rise to additional risks that may render the overall risk management less effective.

2.15.0 Concentration Risk

Concentration risk arises when any bank invests most or all of its assets in single or few individuals, entities, sectors or instruments. That means when any bank fails to diversify its credit and investment portfolios, concentration risk emerges.

In the context of Pillar-2, concentration risk can be of the following two types

Credit Concentration Risk arises when the credit portfolio of the bank is concentrated on a few individuals, entities, or sectors.

Market Concentration Risk arises when the investment portfolio of the bank is concentrated on a few instruments, or any instrument of a few companies or any instrument of a few sectors.

2.15.1 Approach to Managing Concentration Risk

United Commercial Bank Limited has developed an extraordinary approach to managing concentration risk. In this regard, the bank maintains the following major functions:

- Ensure compliance with and integrity of concentration risk policies and procedures.
- Track the sector-wise exposure, division-wise exposure, group-wise exposure, single borrower-wise exposure, and top borrower-wise exposure on a regular basis to assess credit concentration risk.
- Monitor the instrument-wise (financial securities) investment, Sector-wise investment in listed instruments and Currency-wise investment of foreign exchange portfolio on regular basis to measure the market concentration risk.
- Randomly test all aspects of concentration risk management activities.

2.15.2 Concentration Risk Mitigation Measurement

United Commercial Bank Limited uses the following tools and programs to mitigate and control the concentration risk at operational level.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Credit Concentration	HHI, Gini, SEI, SI	CRMR, ICAAP	Half-yearly, Yearly	Sectoral Credit Cap, Capital Allocation
Market Concentration	HHI, Gini, SEI, SI	ICAAP	Yearly	Market Risk Cap, Capital Allocation

2.16.0 Reputation Risk

Reputation Risk may arise from the possibility that negative publicity regarding the bank and its business practices, in the territory or elsewhere through related entities, whether accurate or not, will adversely impact the operations and position of the bank.

Reputational risk arises from the failure to meet stakeholders' reasonable expectations of an organization's performance and behavior. Reputational risk is a subset of operational risk that can adversely affect the capital base if the driving forces behind the risk turn worse.

2.16.1 Approach to Managing Reputational Risk

United Commercial Bank Limited always remains vigilant and conscious about the following events to manage and control the reputational risk:

- Negative media report.
- Non-payment of cheques and accepted bills.
- Penalty
- Technological disruption.
- Violation of laws, regulations.
- Fake notes in the ATM machine.
- Insufficient fund in the ATM machine etc.

2.16.2 Reputational Risk Mitigation Measurement

United Commercial Bank Limited utilizes the following tools and programs to mitigate and control the reputational risk at operational level.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
No. of negative media report published, Types of Report	Electronic and Print Media	CRMR	Half-yearly	Escalation to Senior Management and Risk Management Committee of the Board of Directors, Capital Allocation
No. of penalty imposed by the regulatory body, No. of case of violation of laws, regulations with amount	Letter of Regulatory Body, Review the Statement	CRMR	Half-yearly	Escalation to Senior Management and Risk Management Committee of the Board of Directors, Capital Allocation

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
No. of non-payment cheques and accepted bills with amount	Review the Statement	CRMR, ICAAP	Half-yearly, Yearly	
Credit Rating Position of Bank (If falls below 2 of BB rating grade)	Credit Rating Report Conducted by ECAIs	ICAAP	Yearly	
No. of internal fraud and external fraud with total value in taka	Audit Report, Statement of Fraud and Forgeries	ICAAP	Yearly	
No. of ATM Machine where fund was Insufficient, No. of customer's complaint, Quality of customer service	Customer's Complaint Documents, Customer Service Evaluation Statement	CRMR, ICAAP	Half-yearly, Yearly	

2.17.0 Strategic Risk

Strategic risk is the current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to changes in the business environment, both internal and external.

2.17.1 Approach to Managing Strategic Risk

United Commercial Bank Limited manages strategic risk in the following way:

- Review the performance of senior management against set goals at least annually
- Monitor market changes and advancements in technology to determine new services or products. Establish a strategic policy or plan for management succession.
- Monitor and control the performance of outsourcing arrangements.
- Set compensation guidelines and methods for management and employees.
- Set a training plan and adequately budget for training.

2.17.2 Strategical Risk Mitigation Measurement

United Commercial Bank Limited uses the following tools and programs to mitigate and control the strategic risk at operational level.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
CAMELS Rating Position of Bank (If falls below 2 of BB rating grade)	Letter of Regulatory Body	ICAAP	Yearly	Management Action Trigger, Escalation to Senior Management and Board of Directors, Capital Allocation
Operating expenses, Classified Loans and Advances ratio, Recovery of classified Loans, Written-off Loans, Interest waiver, Rescheduling of Loans and Advances that breach certain limit/times set by Bangladesh Bank	Review the different Statement	ICAAP	Yearly	

2.18.0 Settlement Risk

Settlement Risk arises when an executed transaction is not settled as the standard settlement system suggests or within predetermined method.

2.18.1 Approach to Managing Settlement Risk United Commercial Bank Limited manages settlement risk in the following manner:

- Eliminate the delay between the two legs of a transaction.
- Reduce the number and size of payments requiring settlement.
- Establish a settlement policy or plan for management succession.

2.18.2 Settlement Risk Mitigation Measurement

United Commercial Bank Limited uses the following tools and programs to mitigate and control the strategic risk at operational level.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Non-receiving or delayed receiving of receivable bills (foreign & domestic)	Review the different Statement	ICAAP	Yearly	Management Action Trigger, Escalation to Senior Management and Board of Directors, Capital Allocation

2.19.0 Environmental & Social Risk (ESR)

Environmental and social change risk refers to the uncertainty or probability of losses that originate from any adverse environmental or climate change events (natural or manmade) and/or the non-compliance of the prevailing national environmental regulations.

2.19.1 Approach to Managing Environmental & Social Risk

United Commercial Bank Limited develops an effective approach to managing environmental and social risk. In this regard, the bank manages environmental and social risk in the following manner:

- Adopt a comprehensive environmental and social risk management policy.
- Implement sector-wise Environmental and Social Due Diligence (ESDD) Check List according to Bangladesh Bank directives.
- Make a positive contribution to environmental and social concerns by enacting policies.
- Recognize the balancing of non-financial factors such as environmental and social issues
- Protect the natural systems upon which all life depends while lifting people out of poverty and advancing economic development.
- Train relevant employees to take responsibility for and implementation of these policies.
- Define the term "environment" to include both ecological aspects and related social aspects.
- Assess the environmental and social aspects of all investment applications.
- Prioritize and actively seek to finance projects with direct or indirect environmental benefits.

2.19.2 Environmental & Social Risk Mitigation Measurement

United Commercial Bank Limited uses the following tools and programs to mitigate and control the strategic risk at operational level.

Key Risk	Tools and Programs	Measured In	Frequency	Mitigation Process
Environmental Risk Rating Position of Investment (If consider "High" rating grade)	Assess the Sectors specified as high risky in the related guidelines, ESDD Check List	Activities regarding Green Banking Report, ICAAP	Quarterly, Yearly	Escalation to Senior Management and Board of Directors, Capital Allocation

2.20.0 Other Material Risk

These are risks that are not directly covered by core risk guidelines of Bangladesh Bank, more precisely additional risk under pillar II of Basel III. The Risk Management Division is primarily responsible for assessing and developing controls for mitigating these risks. In order to do so, the RMD of the bank is performing various exercises like

assessment of quality risk-weighted assets of the bank, stress testing to assess the sensitivity of the bank against adverse scenarios, additional capital (on top of MCR under Pillar-II) will be assessed using a model, namely the Internal Capital Adequacy Assessment Process (ICAAP), performing the capital reporting model, etc.

On top of that assessment, the bank's RMD reports these risks to senior management (via BRMC), which ultimately assists the bank in allocating adequate capital in accordance with Basel III requirements while also implementing active strategies to precisely manage all of the bank's potential risks.

3.0.0 RISK REPORTING

Reporting of Risks to the appropriate authorities is an integral process of UCB's Risk Management regime. In UCB, we believe that every stakeholder has the right to know about the size, nature and intensity of risk that the Bank is undertaking to serve his/her/its purposes. To acquaint the stakeholders about some of these key risks that we regularly report to the Central Bank (Bangladesh Bank), Board of Directors, Risk

Management Committee of the Board, as well as the Senior Management, we are enumerating them in this section.

3.1.0 PORTFOLIO CONCENTRATION-Funded Credit:

3.1.1 Economic Sector-wise Concentration:

(BDT in Million)

Loan portfolio	As on 31/12/2021		As on 31/12/2020	
	Total Loans and Advances	% of Total Loans and Advances	Total Loans and Advances	% of Total Loans and Advances
Agriculture, Fishing, and Forestry	4,766.10	1.18%	3,280.00	0.93%
Industry	234,010.60	58.14%	198,342.90	56.40%
Nature of Industry loan				
a) Term loans	82,441.90	20.48%	81,247.90	23.10%
b) Working capital loans	151,568.70	37.66%	117,095.00	33.30%
Scale-wise distribution of industry portfolio (1+2+3)	234,010.70	58.14%	198,342.90	56.40%
1. Large Industries	177,827.00	44.18%	143,889.00	40.91%
2. Small, medium, cottage & micro industries	25,327.20	6.29%	29,703.70	8.45%
3. Service industries	30,856.50	7.67%	24,750.20	7.04%
Trade & Commerce:	73,707.30	18.31%	65,025.50	18.49%
a) Retail Trading	16,691.00	4.15%	16,438.50	4.67%
b) Wholesale Trading	28,884.80	7.18%	27,165.10	7.72%
c) Export Financing	3,358.20	0.83%	3,496.80	0.99%
d) Import Financing	24,235.90	6.02%	17,335.10	4.93%
e) Lease Finance	537.40	0.13%	590.00	0.17%
f) Others	-	0.00%	-	0.00%
Construction (commercial real estate, construction and land development loans):	58,584.90	14.56%	53,486.30	15.21%
a) Residential Real estate	-	0.00%	-	0.00%
b) Commercial Real estate	23,753.40	5.90%	21,696.90	6.17%
c) Infrastructure development	34,831.50	8.65%	31,789.40	9.04%
d) Others	-	0.00%	-	0.00%

Loan portfolio	As on 31/12/2021		As on 31/12/2020	
	Total Loans and Advances	% of Total Loans and Advances	Total Loans and Advances	% of Total Loans and Advances
Transport:	3,715.00	0.92%	3,020.40	0.86%
a) Road Transport	633.80	0.16%	868.30	0.25%
b) Water Transport	3,081.20	0.77%	2,152.10	0.61%
c) Air Transport	-	0.00%	-	0.00%
Consumer financing	15,388.70	3.82%	16,035.50	4.56%
a) Loans for the purchase of flats or other single-family dwellings	3352.40	0.83%	3525.90	1.00%
b) Loans for the purchase of motorized personal transport	608.60	0.15%	596.50	0.17%
c) Loans for the purchase of durable consumption goods	59.00	0.01%	106.00	0.03%
d) Credit card loans	3068.5	0.76%	2693.7	0.77%
e) Other personal loans	8300.2	2.06%	9113.4	2.59%
Loans to financial institutions	5707.10	1.42%	5592.50	1.59%
1) Loans to NBFIs	1376.80	0.34%	1211.90	0.34%
2) Loans to insurance companies	0.00	0.00%	33.90	0.01%
3) Loans to merchant banks and brokerage houses	2151.20	0.53%	2115.20	0.60%
4) Other, including loans to microfinance institutions and NGOs	2179.10	0.54%	2231.50	0.63%
Miscellaneous	6601.94	1.64%	6900.46	1.96%
Total loans & Advances:	402,481.74	100.00%	351,683.56	100.00%

3.1.2 Industry-wise Concentration (Industrial Loans only):

(BDT in Million)

SL	Name of industry	As on 31/12/2021		As on 31/12/2020	
		Total Loans and Advances	% of Total industrial Loans and Advances	% of Total industrial Loans and Advances	Total Loans and Advances
1	RMG	72,774.20	31.10%	49,844.40	25.13%
2	Textile	24,789.60	10.59%	18,327.40	9.24%
3	Food and allied Industries	16,307.80	6.97%	16,340.90	8.24%
4	Pharmaceutical Industries	1,894.90	0.81%	2,373.70	1.20%
5	Chemical, Fertilizer, etc.	6,547.30	2.80%	3,167.70	1.60%
6	Cement and Ceramic Industries	11,155.60	4.77%	11,026.60	5.56%
7	Ship Building Industries	2,320.10	0.99%	3,844.30	1.94%
8	Ship Breaking Industries	7,011.60	3.00%	4,971.40	2.51%
9	Power and Gas	9,960.30	4.26%	9,914.00	5.00%
10	Other Manufacturing or Extractive Industries	50,392.90	21.53%	53,782.20	27.12%
11	Service Industries	30,856.50	13.19%	24,750.30	12.48%
	Total	234,010.80	100.00%	198,342.90	100.00%

3.1.3 Geo-geographical Concentration:

(BDT in Million)

Name of Area	As on 31/12/2021		As on 31/12/2020	
	Outstanding Loans and Advances	% of Total Loans and Advances	Outstanding Loans and Advances	% of Total Loans and Advances
Dhaka	301,918.79	75.01%	253,066.47	71.96%
Chittagong	83,027.75	20.63%	82,502.73	23.46%
Sylhet	1,893.79	0.47%	2,106.68	0.60%
Rajshahi	6,257.14	1.55%	6,064.10	1.72%
Rangpur	794.57	0.20%	837.78	0.24%
Khulna	7,960.41	1.98%	6,703.72	1.91%
Barisal	629.28	0.16%	402.08	0.11%
Total	402,481.74	100.00%	351,683.56	100.00%

3.1.4 Concentration in Large Loans:

(BDT in Million)

SL	Particulars	As on 31/12/2021	As on 31/12/2020
1	No. of Borrowers enjoying large loans	42	37
2	Outstanding amount of Loans and Advances	244,994.50	204,255.70
4	Total Loans and Advances for determining Large Loan Ceiling (Total funded+50% of total non-funded loans)	532,688.30	452,204.40
5	Aggregate ratio of large loan to Total Loans & Advances	45.99%	45.17%

3.2.0 PORTFOLIO CONCENTRATION- Non-Funded Credit:

3.2.1 Item-wise Concentration of Non-Funded Credit Portfolio or Off-Balance Sheet Exposure:

(BDT in Million)

Particulars	As on 31/12/2021	% of Total Non-Funded	As on 31/12/2020	% of Total Non-Funded
a) Contingent liabilities:				
LC	75,222.52	28.89%	58,643.78	29.17%
Acceptance	110,309.15	42.36%	78,153.49	38.87%
Bank Guarantee	57,499.50	22.08%	49,877.30	24.81%
Bills	17,381.99	6.67%	14,125.01	7.03%
a) Total contingent liabilities	260,413.16	100.00%	200,799.58	99.88%
b) Other commitments:	-	-	242.11	0.12%
Total (a+b)	260,413.16	100.00%	201,041.69	100.00%

3.3.0 PORTFOLIO CONCENTRATION- Non-Performing Loans:

3.3.1 Item-wise Concentration of NPL Portfolio:

(BDT in Million)

SL	Items	As on 31/12/2021	As on 31/12/2020
1	SMA	18,663.56	9,323.14
2	% of Total Loans and Advances	4.64%	2.65%
3	SS	283.81	461.95
4	DF	125.12	279.13
5	Bad and Loss	17,328.37	8,242.48
6	Total CL (3+4+5)	17,737.29	8,983.56
7	Total Loans and Advances	402,481.74	351,683.56
8	NPL Ratio (6/7)	4.41%	2.55%

3.4.0 RISK BASED CAPITAL ADEQUACY:

3.4.1 Risk Weighted Asset and Capital Maintenance Status:

(BDT in Million)

Particulars	31/12/2021	As on 31/12/2020
Total Assets (On and off-balance sheet)	565,314.21 OBS: 260,413.16	493,306.95 OBS: 201,041.69
RWA		
Credit risk	339,192.84	294,264.64
Market risk	10,960.12	9,050.01
Operational risk	36,590.84	33,404.88
Total RWA	386,743.80	336,719.54
Required capital	48,342.97	42,089.94
Capital maintained	52,760.95	50,231.61
Tier 1 (after all deductions)	34,364.53	28,848.43
Tier 2 (after all deductions)	18,396.42	21,383.18
Capital surplus/(shortfall)	4,417.97	8,141.67
CRAR	13.64%	14.92%
On Tier 1 capital	8.89%	8.57%
On total capital	13.64%	14.92%

3.4.2 Composition of Risk Weighted Asset of loan portfolio:

Category of Risk weight	BDT in Million	In %
0.00%	3,172.50	0.79%
20%	69,303.20	17.22%
40%	2,033.60	0.51%
50%	189,560.24	47.10%
60%	31,165.00	7.74%
75%	7,701.40	1.91%
80%	5,797.80	1.44%
100%	57,333.70	14.25%
120%	0.00	0.00%
125%	16,772.10	4.17%
150%	19,642.20	4.88%
Total	402,481.74	100.00%

3.5.0 Stress Testing on Capital Adequacy:

3.5.1 Stress on CRAR:

Different Shocks	Extent of Shock			CRAR before Shock (%)	CRAR After Shocks (%)		
	Minor	Moderate	Major		Minor	Moderate	Major
Certain portion of Performing Loans in Sectoral concentration-1 i.e. Other Manufacturing Industry is directly downgraded to B/L	Due to 3% down-gradation of performing loan to B/L	Due to 9% down-gradation of performing loan to B/L	Due to 15% down-gradation of performing loan to B/L	13.64	13.44	13.01	12.58
Certain portion of performing loans in Sectoral concentration-2 i.e. SME Sector is directly downgraded to BL	Due to 3% down-gradation of performing loan to B/L	Due to 9% down-gradation of performing loan to B/L	Due to 15% down-gradation of performing loan to B/L	13.64	13.39	12.88	12.37
Increase in NPLs when certain number of Top Large Borrowers defaults directly to B/L	Top 3 A/Cs defaults directly to B/L	Top 7 A/Cs defaults directly to B/L	Top 10 A/Cs defaults directly to B/L	13.64	11.04	9.69	7.76
Increase in NPLs when certain portion of the performing loans is directly downgraded to B/L	3% of performing loans downgraded to B/L	9% of performing loans downgraded to B/L	15% of performing loans downgraded to B/L	13.64	12.49	9.63	5.07
Negative categorical shift of the existing NPLs (i.e. from SS to DF, DF to B/L & B/L to B/L)	5% of NPL shifting negatively	10% of NPL shifting negatively	15% of NPL shifting negatively	13.64	13.28	12.92	12.18
Decrease in FSV of Collateral against the existing NPLs	10% of FSV is diminished	20% of FSV is diminished	40% of FSV is diminished	13.64	13.29	12.92	12.18

Different Shocks	Extent of Shock			CRAR before Shock (%)	CRAR After Shocks (%)		
	Minor	Moderate	Major		Minor	Moderate	Major
Interest Rate (Impact on cumulative Gap between Rate Sensitive Asset and Rate Sensitive Liability due to decrease in Interest Rate.	Interest rate decreases by 1%	Interest rate decreases by 2%	Interest rate decreases by 3%	13.64	13.29	12.94	12.59
Foreign Exchange Rate (Impact of Currency Appreciation)	Currency value Appreciates by 5%	Currency value Appreciate s by 10%	Currency value Appreciates by 15%	13.64	13.64	13.64	13.63
Equity Shock (Impact of fall in Market Price of the Share Portfolio)	Equity price falls by 10%	Equity price falls by 20%	Equity price falls by 40%	13.64	13.53	13.42	13.19

3.5.2 Stress on Liquidity:

Liquidity Stress: 5 working days	Status	Minor (2%)	Moderate (4%)	Major (6%)
Day :1	Liquid? (1=Yes,0=No)	1	1	1
Day :2	Liquid? (1=Yes,0=No)	1	1	1
Day :3	Liquid? (1=Yes,0=No)	1	1	1
Day :4	Liquid? (1=Yes,0=No)	1	1	1
Day :5	Liquid? (1=Yes,0=No)	1	1	1

3.6.0 LIQUIDITY RATIOS:

3.6.1 Cash Reserve Ratio (CRR):

(BDT in Million)

Particulars	As on 31/12/2021	As on 31/12/2020
Total time and demand liabilities	396,520.20	385,828.30
Required CRR	15,724.40	15,353.40
Maintained CRR	17,160.50	15,943.00
Excess/Shortfall	1,436.1	589.6
Shortfall in any day during the quarter	No	No
Mention if any penalty interest or fine imposed by the regulatory body during the quarter	No	No

3.6.2 Statutory Liquidity Ratio (SLR):

(BDT in Million)

Particulars	31/12/2021	31/12/2020
Total time and demand liabilities	396,520.20	385,828.30
Required SLR	51,547.60	50,157.70
Maintained SLR	81,995.50	63,770.00
Excess/Shortfall	30,447.90	13,612.30
Shortfall in any day during the quarter	No	No
Mention if any penalty interest or fine imposed by the regulatory body during the quarter	No	No

3.6.3 Advance/Credit Deposit Ratio (ADR or CDR):

(BDT in Million)

Particulars	As on 31/12/2021	As on 31/12/2020
Deposit Excluding Interbank	386,381.30	354,134.00
Interbank borrowing	-	-
Interbank Deposit Surplus	3519.50	24.00
Credit excluding Interbank	344,331.50	311,411.10
Advance Deposit Ratio	83.73%	81.18%
Deposit Growth	9.10%	7.72%
Credit Growth	10.57%	3.58%

3.6.4 Deposit Mix:

(BDT in Million)

Category of deposits	31/12/2021	% of total deposit	31/12/2020	% of total deposit
Current Deposit	81,223.06	20.83%	71,004.04	20.06%
Bills Payable	8,845.27	2.27%	8,280.26	2.34%
Savings Deposit	80,659.23	20.69%	70,999.78	20.06%
Fixed Deposit	219,173.16	56.21%	203,697.54	57.54%
Total Deposit	389,900.72	100.0%	353,981.62	100.00%

3.6.5 Net Stable Funding Ratio (NSFR):

(BDT in Million)

Particulars	As on 31/12/2021	As on 31/12/2021	As on 31/12/2020
Available amount of stable funding (ASF)		489,447.30	438,340.00
Required amount of stable funding (RSF)		412,799.70	370,855.20
Net Stable Funding Ratio (NSFR)	Greater than 100	118.57%	118.20%

3.7.0 HUMAN RESOURCES COMPOSITION:

3.7.1 Human Resources by Age-group:

Age Group	Manpower As on 31 December, 2021	
	Number	Mix (%)
Up to 30 years	575	11.36%
Above 30 years to upto 40 years	2,616	51.70%
Above 40 years to upto 50 years	1,294	25.57%
Above 50 years to upto 60 years	568	11.23%
Above 60 years	7	0.14%
Total	5,060	100.00%

3.7.2 Human Resources by Gender:

Particulars	31/12/2021	31/12/2020
Male	4087	3,994
Female	973	906
Total	5,060	4,900

Capital Planning

Capital planning is a dynamic and ongoing process that, in order to be effective, is forward-looking in incorporating changes in a bank's strategic focus, risk tolerance levels, business plans, operating environment, or other factors that materially affect capital adequacy. Capital planning assists the bank's Board of Directors and senior management to:

- a) Identify risks, improve their understanding of the bank's overall risks, set risk tolerance levels, and assess strategic choices in longer-term planning,
- b) Identify vulnerabilities such as concentrations and assess their impact on capital,
- c) Integrate business strategy, risk management, capital and liquidity planning decisions, including due diligence for a merger or acquisition,
- d) Have a forward-looking assessment of the bank's capital needs, including capital needs that may arise from rapid changes in the economic and financial environment.

The most effective capital planning considers both short- and longer-term capital needs and is coordinated with a bank's overall strategy and planning cycles, usually with a forecast horizon of at least five years. Banks need to factor events that occur outside of the normal capital planning cycle into the capital planning process; for example, a natural disaster could have a major impact on future capital needs.

The capital planning process should be tailored to the overall risk, complexity, and corporate structure of the bank. The bank's range of business activities, overall risks and operating environment have a significant impact on the level of detail needed in a bank's capital planning. A more complex institution with higher overall risk is expected to have a more detailed planning process than an institution with less complex operations and lower risks. While the exact content, extent, and depth of the capital planning process may vary, an effective capital planning process includes the following components:

- a) Identifying and evaluating risks

- b) Setting and assessing capital adequacy goals that relate to risk
- c) Maintaining a strategy to ensure capital adequacy and contingency planning
- d) Ensuring integrity in the internal capital planning process and capital adequacy assessments.

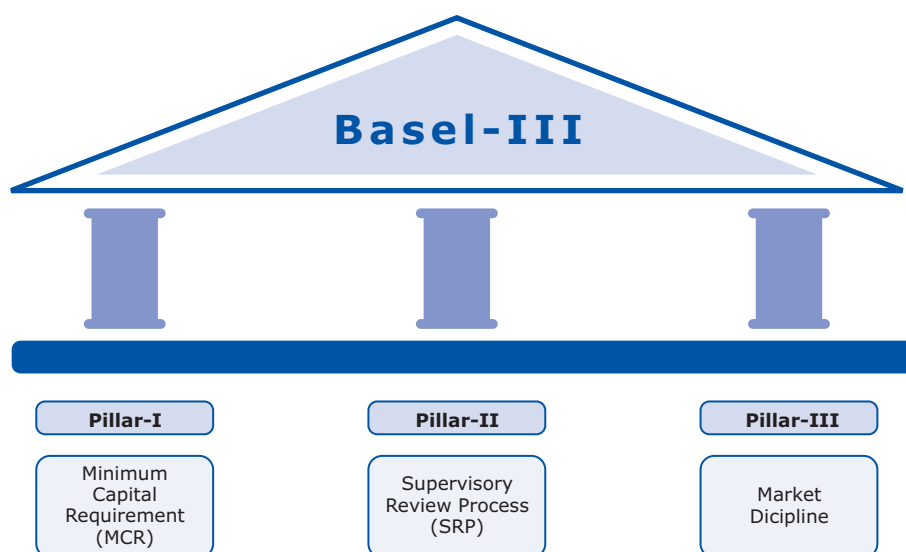
Our approach to capital management is driven by the strategic objectives Bangladesh Bank that ensuring the regulatory requirements, capital targets and risk appetite are met at all times across Bank. Effective capital management is fundamental to the sustainability of UCB. As such, UCB proactively manages its capital position, capital mix and capital allocation to meet the expectations of key stakeholders such as regulators, shareholders, investors, rating agencies and analysts through ensuring the return on capital commensurate with risks undertaken by respective business units. The process involves an on-going review and approval by the Bank's senior management and Board of Directors (Board) in line with the Bank's risk appetite. The role of capital management is to ensure capital levels are adequate and with efficient capital mix to:

- a) Maintain adequate capital adequacy covering the all potential risks of the Banks
- b) Maintain strong capital base for better ratings from the various national and international regulatory agencies/authorities
- c) Deploy capital in such a way that ensure wealth maximization of the Banks

For implementation of the above strategy Banks have a dynamic, ongoing and forward-looking capital planning to incorporate the changes in a bank's strategic focus, risk tolerance levels, business plans, operating environment, or other factors that materially affect capital adequacy. Capital planning considers both short-term and long-term capital needs and is coordinated with a bank's overall strategy and planning cycles, usually with a forecast horizon of five years.



Disclosures on Risk Based Capital (Basel-III)



Preamble

Use of excessive leverage, gradual erosion of level and quality of capital base, insufficient liquidity buffer, pro-cyclicality and excessive interconnectedness among systematically important banks are identified as reasons of bank failures. Bank for International Settlements (BIS) came up, in response, with a new set of capital and liquidity standards in the name of Basel III. In compliance with the 'Revised Guidelines on Risk Based Capital Adequacy (RBCA)' issued by Bangladesh Bank in December 2014, banks in Bangladesh have formally entered into Basel III regime from 1 January 2015 and full implementation is started from 1 January 2020. The new capital and liquidity standards have greater business implications for banks.

This is the official disclosure of the activities that the United Commercial Bank Limited (UCB) had undertaken to manage its Risk Based Capital Adequacy and other requisites throughout the year 2021 under the purview of the Basel III regulation. Although this disclosure conforms to the requirements of the 3rd Pillar of the Basel III regulation meant for 'Market Discipline', this may well be viewed as UCB's earnest effort to uphold its commitment to corporate transparency.

Consistency and Validation

The quantitative disclosures are made on the basis of consolidated audited financial statements of UCB and its subsidiaries as at and for the year ended 31 December 2021. Those are prepared under relevant International Accounting and Financial Reporting Standards and related circulars/instructions issued by Bangladesh Bank from time to time. The assets, liabilities, revenues and expenses of the subsidiaries are combined with those of the parent company (UCB), eliminating intercompany transactions. Assets of the subsidiaries are risk weighted and equities of subsidiaries are crossed out with the investment of UCB while consolidating. So, information presented in the 'Quantitative Disclosures' section can easily be verified and validated with corresponding information presented in the consolidated and separate audited financial statements of UCB. The report is prepared once a year and is available on the website of the bank (www.ucb.com.bd).

It may be befitting if a brief discussion on the prevailing 3rd edition of Basel (Basel III) regulation precedes the intended disclosure for a better grasp of the matter by the stakeholders. The Basel III regime, like the 2nd edition, is also composed of three-mutually reinforcing pillars or fundamentals i.e. **Minimum Capital Requirement, Supervisory Review Process and Market Discipline** but at an enhanced level to cope up

with the ever evolving threats present in the financial market. Moreover, it introduces a non-risk based Leverage Ratio and a global standard Liquidity Ratio. All the attributes of the regulation may be viewed at a glance in the following diagram:

Liquidity Standards: UCB has successfully adopted and is maintaining the standards set for the two key Liquidity Ratios; the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).

Stringent Capital Standards & Requirements	Pillar 1		Pillar 2	Pillar 3	Liquidity
	Wide Risk Coverage	Non-Risk Based Leverage	Robust Risk Mgt. & Supervision	Market Discipline	Liquidity Standards
Quality & level of capital "Gone concern" contingent capital Capital conservation buffer Countercyclical buffer	Securitizations Trading book Counterparty credit risk	Leverage ratio	Supplemental pillar 2 requirements	Pillar 3 disclosure requirements	Liquidity coverage ratio Net stable funding ratio Principles for sound Liquidity & Risk Mgt. Supervision Supervisory monitoring

UCB Approaches to the three Pillars and the Liquidity Standards:

Pillar-1: Credit Risk, Market Risk & Operational Risk are considered under this Pillar for maintenance of the level of capital. Among the three approaches available to measure the Credit Risk, UCB employs 'Standardized Approach'. The same approach has been used for Market Risk measurement. As for Operational Risk, Basic Indicator Approach is followed. UCB is also maintaining the non-risk based Leverage Ratio at a healthy level.

Pillar-2: All other risks as well as the entire Risk Management framework from both the internal and external (Supervisory) perspective are covered under this pillar. UCB has developed a comprehensive ICAAP (Internal Capital Adequacy Assessment Process) manual/module to capture the risks minutely. The regular SRP-SREP interaction ensures compliance to the Pillar-2 regulations.

Pillar-3: This pillar ensures necessary disclosures intended for market participants to assess key information about the Bank's exposure to various risks and to provide a consistent and understandable disclosure framework for easy comparison among the banks operating in the market under the banner of Market Discipline.

1. Scope of Application

The disclosure made in the following sections has addressed UCB as a single entity (Solo Basis) as well as a consolidated entity (Consolidated Basis), the scope of which is as under:

- 'Solo' disclosure refers to only the affairs of the Bank but considering the Off-shore Banking Unit and Islamic Banking as an integral part.
- On the other hand, 'Consolidated' disclosure incorporates the affairs of its subsidiaries with the Bank. The consolidated disclosure of UCB is composed of the affairs of UCB and its four subsidiaries, namely:
 1. United Commercial Bank Limited
 2. UCB Stock Brokerage Limited
 3. UCB Investment Limited
 4. UCB Asset Management Limited
 5. UCB Fintech Company Limited

A brief description of the Bank and its subsidiaries is given below:

➤ United Commercial Bank Limited

United Commercial Bank Limited ('UCBL' or the 'Bank') was incorporated in Bangladesh as a public limited company with limited liability on 26 June 1983 under the Companies Act 1913 to carry on banking business in Bangladesh. It obtained permission from Bangladesh Bank on 13 November 1983 to commence its business. The Bank has 215 (2020: 204) branches and 628 (2020: 556) ATMs and 177 (2020: 161) agent

banking outlets as on 31 December 2021. Out of the above 215 branches, 10 branches provide both Islamic Banking and Commercial Banking facilities complying with the rules of Islamic Shariah and a new branch provides solely Islamic Banking facilities complying with the rules of Islamic Shariah. The Bank offers services for all commercial banking and Islamic banking needs of the customers, which includes deposit/ banking, loans & advances, investment, export import financing, inland and international remittance facility etc. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded Company.

The principal place of business and the registered office of the Bank is located at Plot # CWS (A) 1, Gulshan Avenue, Dhaka – 1212.

➤ **Off-shore Banking Unit (OBU)**

Off-shore Bank is a Bank located outside the country of residence of depositors, typically in the low tax jurisdiction (or tax heaven) that provides financial and legal advantage. Off-shore Banking Unit (the unit) a separate business unit of United Commercial Bank Ltd, governed under the rules and guideline of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD (P-3)744(117)/2010-2577 dated 9th June, 2010. The Bank commenced the operation of its Off-shore Banking Unit from November 10, 2010. Presently, the Bank has 01 (One) unit in Dhaka operating in Dhaka under the Rules and guideline of Bangladesh Bank. At present there is one unit of off-shore banking operating in Dhaka under the Rules and guidelines of Bangladesh Bank. The principal activities of the unit are to provide all kinds of commercial Banking services to its customers in foreign currencies.

Islamic Banking

The Bank obtained permission for Islamic Banking Branch from Bangladesh Bank vide letter no. BRPD (P-3) 745 (17)/2020-1453 dated 6th February 2020. Through the Islamic Banking Branch, the Bank extends all types of Islamic Shariah compliant finance like Hire purchase Shirkatul Melk (HPSM), Bai- Murabaha, Mushraka, Salam and agency, Ijarah Muntahia Bittamleek (Hire Purchase) etc. and different types of deposits like Al-Wadeeah, Murabaha, etc.

Agent Banking

The Bank obtained permission from Bangladesh Bank on 07/01/2016 vide reference no BRPD (P-3) 745 (51)/2016-142 to start the operation of Agent Banking and subsequently started its commercial operation on 06/06/2016. There are 177 agent outlets launched around the country till 31 December 2021. The principal activities of the unit are to provide services that includes - Account Opening (Savings), Cash deposit & withdrawal (Agent Banking A/C), Cash Deposit in Branch A/C, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Transfer of funds, Payment of salaries, Generation and issuance of Bank statements, SME Loan repayment collection, Balance inquiry, Internet Banking & SMS Banking, Corporate Bill/Distributor fee collection, Insurance Premium Collection etc.

➤ **Subsidiaries of United Commercial Bank Limited:**

A subsidiary is an entity in which the bank has control as per shareholding and voting right are concerned. Control exists when the bank has substantial shareholding (more than 50 percent) in the company or the power, directly or indirectly, to govern the financial and operating policies of an enterprise as on the date of the reporting. Separate (solo) Financial Statements and Consolidated Financial Statements are prepared for subsidiary investment as per International Accounting Standard (IAS) - 27; 'Separate Financial Statements' and IFRS-10; Consolidated Financial Statements. Interest of the minority is shown as the minority interest which includes share capital of the minority portion as well as profit earned that goes to the non-controlling interest. However, intergroup transactions, balances and the resulting unrealized profits/(loss) are eliminated on consolidation.

● **UCB Stock Brokerage Limited**

UCB Stock Brokerage Limited is a subsidiary company of United Commercial Bank Limited. The activities of the company include brokerage service, margin loan etc. The company is carrying out its activities under the license from both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

UCBL holds 24,999,999 nos. of shares of UCB Stock Brokerage Limited with face value of Tk. 100 each.

● **UCB Investment Limited**

UCB Investment Limited was incorporated in Bangladesh as a private limited company with limited liability as on August 3, 2011 under Companies Act 1994 also, the Company obtained Merchant Banking license from the Bangladesh Securities and Exchange Commission on October 5, 2020. The principal objective of the company is to carry out full-fledged merchant banking activities in Bangladesh i.e. portfolio management, share transfer agent, fund management to issue in the capital and security market, underwrite, manage and distribute the issue of stock shares, bonds and other securities.

United Commercial Bank Limited holds 99,999,999 nos. of shares of UCB Investment Limited with face value of Tk. 10 each which equivalent to 99.99% of total shares of the company.

● **UCB Asset Management Limited**

UCB Asset Management Limited was incorporated in Bangladesh as a private limited company with limited liability as on February 5, 2019 under Companies Act 1994. The principal objective of the company is to carry out various merchant banking activities in Bangladesh i.e. portfolio management, share transfer agent, fund management to issue in the capital and security market, underwrite, manage and distribute the issue of stock shares, bonds and other securities.

UCBL holds 99,999,999 nos. of shares of UCB Asset Management Limited with face value of Tk. 10 each which equivalent to 99.99% of total shares of the company.

● **UCB Fintech Company Limited**

“UCB Fintech Company Limited (hereinafter referred to as “the Company”, a subsidiary of United Commercial Bank Limited, was incorporated in Bangladesh on July 30, 2020 as a private company limited by shares under the Companies Act, 1994. UCB Fintech Company Limited is a subsidiary of the United Commercial Bank Limited. Upon receiving the license from Bangladesh Bank, under the brand name “উপায়” (“Upay” in English) and offering a broad range of mobile financial services to people from all walks of life.

Product and services of UCB Fintech Company Limited include mobile transactions (cash-in, cash-out, send money etc.), utility bill payment, in-store and e-commerce payment, inward remittance, salary disbursement, G2P and P2G transaction, airtime recharge and other value added financial services. UCB holds 199,999,999 nos. of shares of UCB Fintech Company Limited with face value of BDT 10 each which is equivalent to 99.999999% of total shares of the Company.

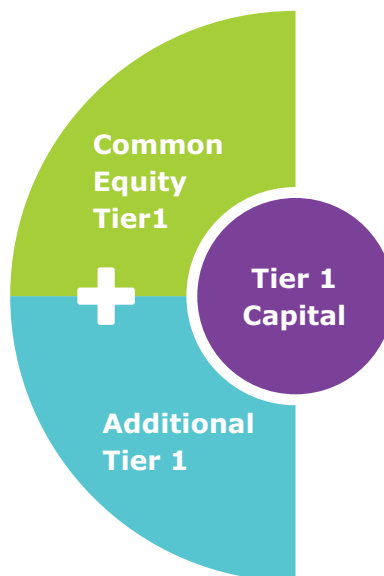
2. Capital Structure

Qualitative Disclosures

Capital serves as a buffer to absorb unexpected losses as well as to fund ongoing activities of the firm. It can be defined as “the buffer storage of cash and safe assets that banks hold and to which they need access in order to protect creditors in case the bank’s assets are liquidated”. The bank’s capital ratio is a measure of its financial health. Capital is the funds – traditionally a mix of equity and debt – that banks have to hold in reserve to support their business.

The capital structure of the Bank is categorized into two tiers – Tier I and Tier II capital; as per the Risk Based Capital Adequacy guidelines (December 2014) of Bangladesh Bank. The components of the total regulatory capital are enumerated as under:

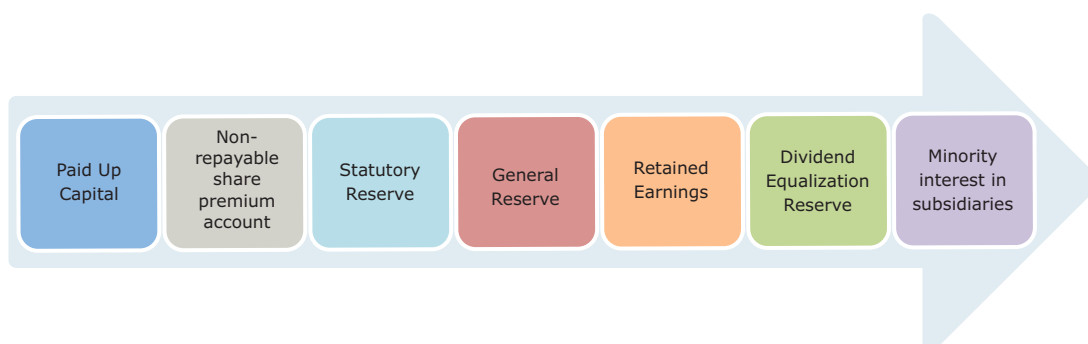
1. Tier 1 Capital (going-concern capital)
 - a) Common Equity Tier 1
 - b) Additional Tier 1
2. Tier 2 Capital (gone-concern capital)



Tier 1 Capital: (Going-Concern Capital)

Going-concern capital is the capital which can absorb losses without triggering bankruptcy of the bank. Thereby, Tier 1 capital is the core measure of a bank's financial strength from a regulator's point of view.

Tier 1 Capital is comprised of Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1). The components of Common Equity Tier 1 (CET1) capital is given below:



Additional Tier 1 (AT1) capital consists of the following items:

- a) Non- cumulative Irredeemable Preference Shares
- b) Instruments issued by the banks that meet the qualifying criteria for AT1 (The instrument is perpetual i.e. there is no maturity date)
- c) Minority Interest, i.e. AT1 issued by consolidated subsidiaries to third parties

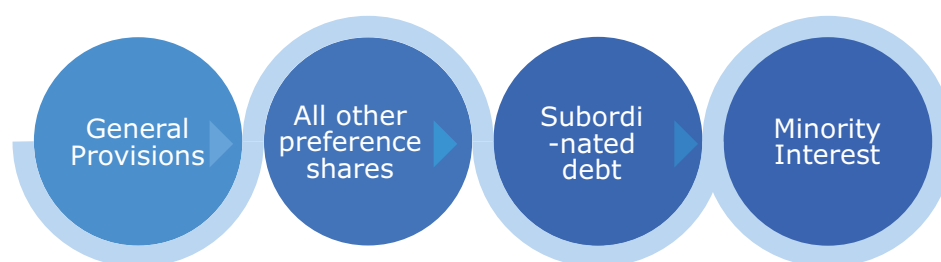
Perpetual Bond

After global economic turmoil in 2010, the global financial regulators are more concerned to enhance risk resilience capacity of the banks and introduced more risk sensitive capital adequacy framework namely Basel III. With a view to strengthening capital base of the bank and subsequently to meet up the capital adequacy ratio as per Bangladesh Bank's instruction in line with BASEL-III Accord, UCB got permission to issue Perpetual Bond, as per Bangladesh Bank Banking Regulation and Policy Department (BRPD) letter no. BRPD(BFIS)/661/14B(P)/2020/9990 dated November 23, 2020 & letter No. BRPD(BFIS)/661/14B(P)/2021/33 dated January 31, 2021 and subsequent Bangladesh Securities and Exchange Commission (BSEC) letter no. BSEC/CI/DS-130/PB/2020/294 dated December 14, 2020 & letter No. BSEC/CI/DS-130/2020/318 dated January 27, 2021. UCB has considered as Additional Tier-1 Capital BDT. 4,000.00 million as Perpetual Bond as on December 31, 2021.

Tier 2 Capital: (Gone-Concern Capital)

Gone-concern capital is the capital which will absorb losses only in a situation of liquidation of the bank. Gone-concern capital also called Tier 2 capital. Gone-concern capital represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank.

Tier 2 capital consists of the following items



As per the guidelines of Bangladesh Bank, Tier-1 Capital of UCB comprises (i) Fully Paid-up Capital, (ii) Non-repayable Share Premium Account, (iii) Statutory Reserve, (iv) General Reserve, (v) Retained Earnings and (vi) Perpetual Bond.

And Tier-2 Capital comprises (i) General Provision, (ii) Subordinated debt/subordinated bond as approved by Bangladesh Bank etc.

Quantitative Disclosures

The amount of Regulatory capital of the Bank as on December 31, 2021 is stated below;

BDT In Million			
Sl.	Particulars	Solo	Consolidated
1.0	Tier-1 (Going-Concern Capital)		
1.1	Common Equity Tier 1 (CET1)		
1.1.1	Paid-up Capital	12,783.97	12,783.97
1.1.2	Non-repayable Share premium account	1,454.98	1,454.98
1.1.3	Statutory Reserve	14,546.97	14,555.97
1.1.4	General Reserve	26.58	26.58
1.1.5	Retained Earnings	5,997.66	5,935.48
1.1.6	Dividend Equalization Reserve	0.00	0.00
1.1.7	Minority Interest in subsidiaries	0.00	0.00
	Sub-Total:	34,810.15	34,756.97
1.1.8	Regulatory Adjustments:	4,445.63	4,487.89

Sl.	Particulars	Solo	Consolidated
1.1.8.1	Goodwill and all other Intangible Assets	340.44	345.32
1.1.8.2	Deferred Tax Assets (DTA) @ 95%	4,017.42	4,017.42
1.1.8.3	Reciprocal crossholdings	87.77	125.15
1.1.8.3	Others	0.00	0.00
	Sub-Total:	30,364.53	30,269.09
1.2	Additional Tier 1 (AT1)		
1.2.1	Non- cumulative Irredeemable Preference Shares	0.00	0.00
1.2.2	Instruments (Perpetual Bond)	4,000.00	4,000.00
1.2.3	Minority Interest; i.e., AT1 issued by consolidated subsidiaries	0.00	0.00
	Sub-Total:	4,000.00	4,000.00
1.3	Total Tier 1 Capital	34,364.53	34,269.09
2.0	Tier-2 (Gone-Concern Capital)		
2.1	General Provision	8,869.28	9,100.56
2.2	Subordinated debt	9,980.00	9,980.00
	Sub-Total:	18,849.28	19,080.56
2.3	Regulatory Adjustments:	452.86	838.56
2.3.1	Reciprocal crossholdings in the T-2 Capital of Banking, Financial and Insurance Entities	80.00	80.00
2.3.2	Others	372.85	758.56
2.4	Total Tier 2 Capital	18,396.42	18,242.00
3.0	Total Regulatory Capital (Sl. 1.3+2.5)	52,760.95	52,511.08

3. Capital Adequacy

Methodology of Capital Adequacy Determination

The Bank has computed the Capital Adequacy Ratio adopting the following approaches;

- Standardized Approach for Credit Risk to compute Capital Adequacy under Basel III, using the following methods recommended by Bangladesh Bank:
 - Accepting the credit rating agencies as external credit assessment institutions (ECAI) for claims on Corporate & eligible SME Customers;
 - Accepting Credit Risk Mitigation (CRM) against the financial securities.
- Standardized (Rule Based) Approach for Market Risk; and
- Basic Indicator Approach for Operational Risk.

Assessment of the Adequacy of Capital: For assessing Capital Adequacy, the Bank has adopted Standardized Approach for Credit Risk measurement, standardized (Rule Based) Approach for Market Risk

measurement and Basic Indicator Approach for Operational Risk measurement.

The Bank focuses on strengthening risk management and control environment rather than increasing capital to cover up weak risk management and control practices. UCB has been generating most of its incremental capital from retention of profit (stock dividend and statutory reserve transfer etc.) and issuance of Perpetual and Subordinated Bond to support incremental growth of Risk Weighted Assets (RWA). Besides meeting regulatory capital requirement, the Bank maintains adequate capital to absorb material risks foreseen. Therefore, the Bank's Capital to Risk Weighted Asset Ratio (CRAR) remains consistently within the comfort zone. During the year 2021, the CRAR stood from **14.42% to 13.47% on consolidated basis and from 14.34% to 13.64% on solo basis** against the regulatory requirement (with Buffer) of 12.50% of RWA. Risk Management Division (RMD) under the guidance of the Board of Directors/Risk Management Committee of the Board of Directors, the SRP Team/Executive Risk Management Committee and Basel implementation Unit of the Bank is taking active measures to identify, quantify, manage and monitor all risks to which the Bank is exposed to.

The Minimum Capital Requirement and Capital to Risk-weighted Asset Ratio (CRAR) of the Bank as on December 31, 2021 are as under:

(BDT in million)

Particulars	Solo	Consolidated
Capital requirement for Credit Risk	33,919.28	33,973.51
Capital requirement for Market Risk	1,096.01	1,226.97
Capital requirement for Operational Risk	3,659.08	3,787.01
Total Capital Requirement under Pillar-I	38,674.38	38,987.49
Capital to Risk-weighted Asset Ratio (CRAR)	13.64%	13.47%
Requirement of Capital to Risk-weighted Asset Ratio (CRAR) with Capital Conservation Buffer	12.50%	12.50%
Common Equity Tier 1 Capital to Risk-weighted Asset Ratio	7.85%	7.76%
Requirement of Common Equity Tier 1 Capital Ratio	4.50%	4.50%
Tier 1 Capital to Risk-weighted Asset Ratio	8.89%	8.79%
Requirement of Tier 1 Capital Ratio with Capital Conservation Buffer	8.50%	8.50%
Tier 2 Capital to Risk-weighted Asset Ratio	4.76%	4.68%
Percentage of Capital Conservation Buffer	2.89%	2.79%
Amount of Capital Requirement for Capital Conservation Buffer	9,668.59	9,746.87
Available Capital under Pillar 2 Requirement	4,417.97	3,776.73

4. Credit Risk

Qualitative Disclosures

General Disclosure:

The possibility of incurring loss due to inability of a borrower or counterparty to honor its obligations or fulfilling their commitment in accordance with the agreed terms and conditions is termed as credit risk. In other words, it is the loss associated with degradation in the credit quality of borrowers or counterparties. In a Bank's portfolio, losses stem from outright default due to the inability or unwillingness of the customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions. Alternatively, losses result from reduction in portfolio value arising from actual or perceived deterioration in credit quality. Credit risk emanates from a bank's on and off-balance sheet dealings with an individual, firm, company, corporate entity, bank, financial institution or a sovereign.

Credit risk management has been independent of origination of business functions to establish better control and to reduce conflicts of interest. The Head of Credit Risk Management (HoCRM) has well defined responsibility for management of credit risk. Final authority and responsibility for all activities that expose the bank to credit risk rests with the Board of Directors. The Board however delegated authority to the Managing Director and CEO or other executives/officers of the credit risk management division.

The Board of Directors (BoD) sets credit policies and delegates authority to the management for setting procedures, which together has structured the credit risk management framework in the bank. The Credit Policy Manual contains the core principles for identifying, measuring, approving, and managing credit risk in the bank and is designed to meet the organizational requirements that exist today as well as to provide flexibility for future. These policies represent the minimum standards for credit extension by the bank, and are not a substitute of experience and good judgment.

Past Due/Impaired Loans

Bank classifies loans and advances (loans and bill discount in the nature of an advance) into performing and non-performing loans (NPL) in accordance with the Bangladesh Bank guidelines in this respect.

To define past due and impairment through classification and provisioning, the bank follows Bangladesh Bank Circulars and Guidelines. General provisions @ 0.25% to 5% under different categories on unclassified loans (standard/SMA) and @ 0.5% to 1% on certain off balance-sheet exposures, and specific provisions @ 5%, 20%, 50% & 100% on classified (substandard/doubtful/bad-loss) and some rescheduled loans are made on the basis of quarter end review by the management and in compliance with BRPD Circular no. 14 dated 23 September 2012, BRPD circular no 8 dated 2 August 2015, BRPD circular no 12 dated 20 August 2017, BRPD circular no 15 dated 27 September 2017, BRPD circular letter no 1 dated 03 January 2018 and BRPD circular no 01 dated 20

February 2018, BRPD circular no 07 dated 21 June 2018, BRPD circular no 13 dated 18 October 2018, BRPD Circular no. 03 dated 21 April 2019, BRPD Circular no. 16 dated 21 July 2020, BRPD Circular Letter no. 52 dated 20 October 2020 and BRPD Circular Letter no. 56 dated 10 December 2020. The summary of some objective criteria for loan classification and provisioning requirement is as below:

Classified loans are categorized under following 03 (three) categories

1. Sub-standard
2. Doubtful
3. Bad & Loss

Loans Classification			
Type of Facility	Sub Standard (Overdue Period)	Doubtful (Overdue Period)	Bad & Loss (Overdue Period)
Continuous Loan & Demand Loan	3 months or more but less than 9 months	9 months or more but less than 12 months	12 months or more
Fixed Term Loan	9 months or more but less than 15 months	15 months or more but less than 18 months	18 months or more
Short Term Agricultural & Micro Credit	12 months or more but less than 36 months	36 months or more but less than 60 months	60 months or more
Short Term Agricultural	12 months or more but less than 36 months	36 months or more but less than 60 months	60 months or more
Cottage, Micro Credit & Small (Continuous Loan & Demand Loan)	6 months or more but less than 18 months	18 months or more but less than 30 months	30 months or more
Cottage, Micro Credit & Small (Fixed Term Loan)	12 months or more but less than 24 months	24 months or more but less than 36 months	36 months or more

Approaches followed for Specific & General Allowances and Statistical Methods

As per the guideline of Bangladesh Bank regarding the provisioning of loans & advances, the Bank has followed the following approaches in calculating the Specific & General Allowances:

Types of Loans & Advances		Rate of Provision Requirement				
		UC	SMA	SS	DF	BL
Consumer	Professionals & Credit card	2%	2%	20%	50%	100%
	House Building	1%	1%	20%	50%	100%
	Other than Housing Finance & Professionals to setup business	2%	2%	20%	50%	100%
Brokerage House, Merchant Banks, Stock Dealers, etc.		2%	2%	20%	50%	100%
Short term Agri. Credit		1%	1%	5%	5%	100%
Small & Medium Enterprise Finance	Cottage, Micro Credit & Small	0.25%	0.25%	5%	20%	100%
	Medium Enterprise Finance	0.25%	0.25%	20%	50%	100%
All Other Credit		1%	1%	20%	50%	100%

Methods used to measure Credit Risk

As per Central Bank's Guidelines, the Bank follows Standardized Approach for measurement of Credit Risk adopting the credit rating agencies as External Credit Assessment Institutions (ECAIs) for claims on Bank & Non-banking Financial Institutions (BNBFIs), Corporate & eligible SME Customers and Credit Risk Mitigation (CRM) against the financial securities & guarantees of loan exposure.

Credit Risk Management

Credit risk arises when the borrowers or counterparty to a financial transaction fails to discharge an obligation as per agreed covenants, resulting in financial loss to the Bank. Credit exposures may arise from both the banking and trading books as well as Off-Balance sheet exposures. Credit risk is managed in the UCBL through a framework that spell out policies and procedures covering the measurement and

management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and approvers in the Risk function. All credit exposure limits are approved within a defined credit approval authority framework. Credit policies and standards are considered and approved by the Board of Directors.

Credit Risk Measurement

Risk measurement plays a central role, along with judgment and experience, in informing risk taking and portfolio management decisions. The standard Internal Credit Risk Rating (ICRR) is used in both Corporate and SME Banking. The grading is used to assess the client along with a range of quantitative and qualitative factors. Our credit grades against Corporate & eligible SME clients are supported by external credit grades, and ratings assigned by external ratings agencies.

Credit Approval

Major credit exposures to individual borrowers, groups of connected counterparties and portfolios of retail exposures are reviewed by and recommended for approval to the competent authority by the risk review units/divisions. All credit approval authorities are delegated by the Board of Directors to executives based on their capability, experience & business acumen. Credit origination and approval roles are segregated in all cases.

Credit Monitoring

We regularly monitor credit exposures, portfolio performance, and external trends through relationship and credit administration team at Branch and Corporate Office. Internal risk management reports containing information on key environmental, political and economic trends across major portfolios; portfolio delinquency and loan impairment performance; as well as credit grade migration are presented to the respective divisions. The divisions meet regularly to assess the impact of external events and trends on the credit risk portfolio and to define and implement our response in terms of appropriate changes to portfolio shape, underwriting standards, risk policy and procedures. Accounts or portfolios are placed on Early Alert (EA) when they display signs of weakness or financial deterioration. Such accounts and portfolios

are subjected to a dedicated process overseen by the Special Asset Management Division. Account plans are re-evaluated and remedial actions are agreed and monitored. In Retail/Consumer Banking, portfolio delinquency trends are monitored continuously at a detailed level. Individual customer behavior is also tracked and informed in lending decisions. Accounts which are past due are subject to a collections process, monitored in collaboration with the Relationship manager by the Risk function. Charged-off accounts of the Bank are managed by specialist recovery teams of Special Asset Management Division.

Concentration Risk

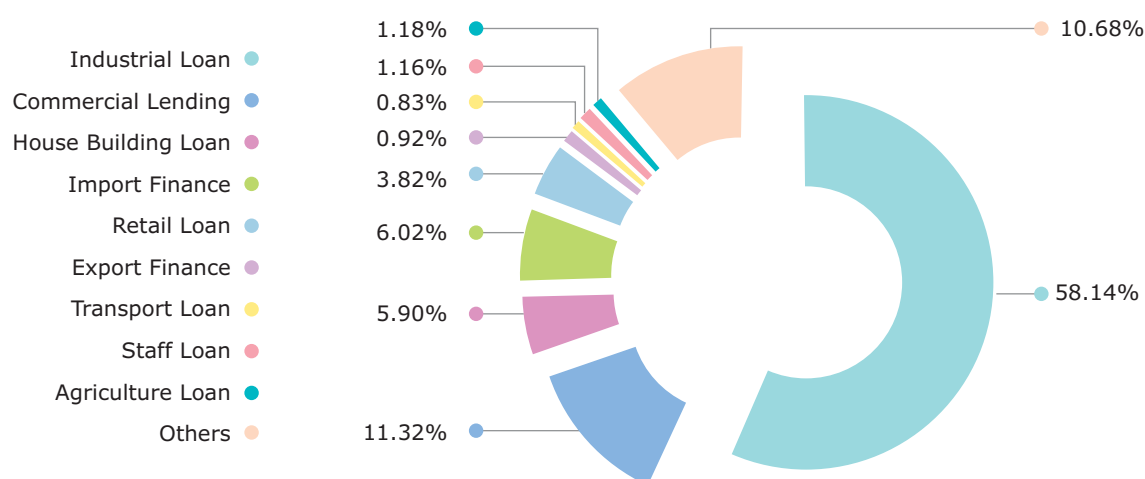
Credit concentration risk is managed within concentration limit/boundary/Risk Appetite set for counterparty or groups of connected counterparty, for industry sector; areas, portfolios and for product. Additional targets are set and monitored for concentrations by credit committee. Credit concentrations are monitored by the Credit Risk Management Committee/ Executive Risk Management Committee /Board Risk Management committee in each of the businesses and concentration limits that are material to the Bank are reviewed and approved at least annually by the Board of Directors.

Credit Risk Mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, insurance, and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types. Collateral types which are eligible for risk mitigation include: cash; residential, commercial and industrial property; fixed assets such as motor vehicles, plant and machinery; marketable securities; commodities; bank guarantees; and letters of credit. Collateral is valued in accordance with our Methodology for Valuation of Security/Collateral Assets, which prescribes the frequency of valuation for different collateral types, based on the level of price volatility of each type of collateral. Collateral held against impaired loans is maintained at fair value.

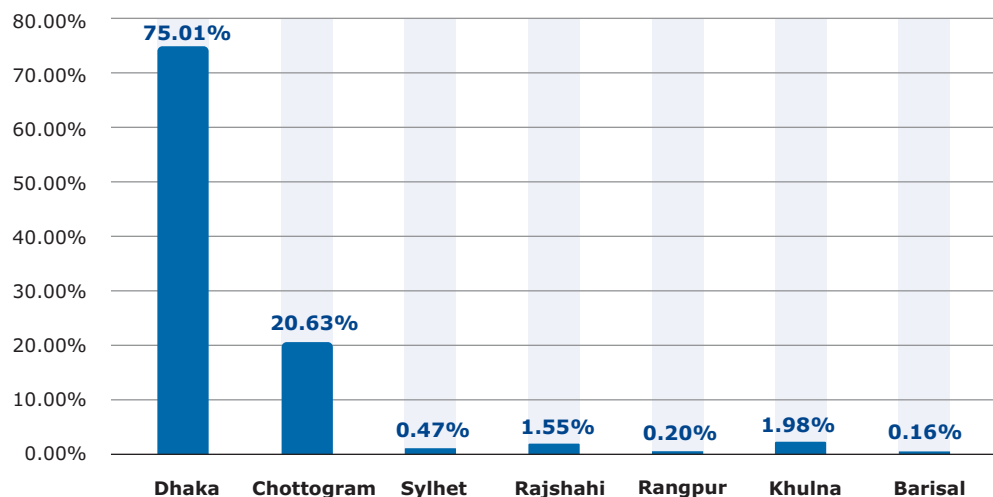
Quantitative Disclosures

Distribution of Credit Exposure by Major Types		
Types of Credit Exposure	BDT in Million	In %
Commercial Lending	45,575.82	11.32%
Import Finance	24,235.86	6.02%
Export Finance	3,358.19	0.83%
House Building Loan	23,753.41	5.90%
Transport Loan	3,715.01	0.92%
Retail Loan	15,388.73	3.82%
Staff Loan	4,672.95	1.16%
Industrial Loan	234,010.66	58.14%
Agricultural Loan	4,766.11	1.18%
Others	43,004.99	10.68%
Total	402,481.74	100.00%



Geographical Location Wise Credit Exposure		
Division	BDT in Million	In %
Dhaka	301,918.79	75.01%
Chittagong	83,027.75	20.63%
Sylhet	1,893.79	0.47%
Rajshahi	6,257.14	1.55%
Rangpur	794.57	0.20%
Khulna	7,960.41	1.98%
Barisal	629.28	0.16%
Total	402,481.74	100.00%

Geographical Distribution of Credit Exposure



Industry Type Distribution of Exposure

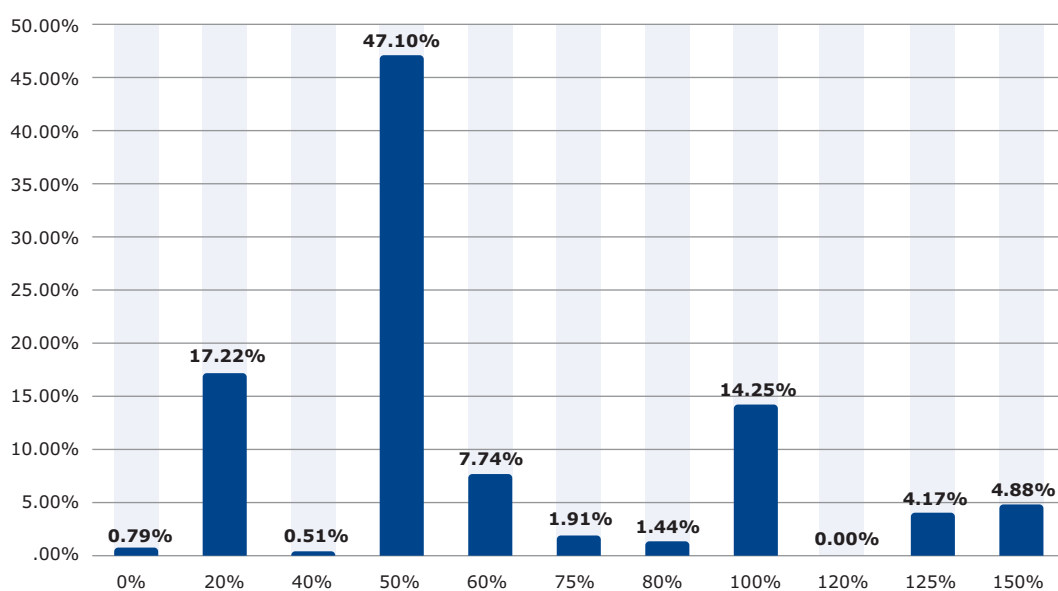
Types of Credit Exposure	BDT in Million	In %
RMG & Accessories	85,745.07	21.30%
Textile Industries	24,789.61	6.16%
Agriculture	4,766.11	1.18%
Food Products & Processing	15,604.96	3.88%
Jute Industries	219.73	0.05%
Leather & Leather Products	1,283.41	0.32%
Paper & Paper Products Industries	7,443.88	1.85%
Wood & Wooden Products	2,822.10	0.70%
Chemical & Chemical Products	6,541.23	1.63%
Cement Industries	10,458.04	2.60%
Brick Field, Auto Bricks, Tiles	1,503.66	0.37%
Engineering, Basic Metal & Products	11,559.97	2.87%
Ship Re-cycling	7,011.57	1.74%
Ship Manufacturing	2,320.06	0.58%
Educational Institute, Hotel, Restaurant	3,169.07	0.79%
Telecommunication	2,441.69	0.61%
Transport & Communication	3,715.01	0.92%
Diagnostic/Medical/Clinic	3,641.81	0.90%
Housing Industry	23,753.41	5.90%
Construction (Other than Housing)	34,831.45	8.65%
Electronics Media	342.14	0.09%
Power & Energy	9,960.28	2.47%
Commercial Trade Financing	73,169.87	18.18%
Glass & Glassware Product Industries	273.08	0.07%
Tea Manufacturing	702.87	0.17%
Others	64,411.66	16.00%
Total	402,481.74	100.00%

Residual Contractual Maturity Wise Distribution of Exposure

Particulars	BDT in Million
On demand	36,153.28
Not more than three months	60,933.57
More than three months but less than one year	110,309.38
More than one year but less than five years	140,170.67
More than five years	54,914.84
Total	402,481.74

Composition of Risk Weighted Asset of loan portfolio

Category of Risk weight	BDT in Million	In %
0.00%	3,172.50	0.79%
20%	69,303.20	17.22%
40%	2,033.60	0.51%
50%	189,560.24	47.10%
60%	31,165.00	7.74%
75%	7,701.40	1.91%
80%	5,797.80	1.44%
100%	57,333.70	14.25%
120%	0.00	0.00%
125%	16,772.10	4.17%
150%	19,642.20	4.88%
Total	402,481.74	100.00%



Loans & Advances and Provision		
		(BDT in million)
Particulars	Loans & Advances	Provision against Loans & Advances
Total Loans and Advances	402,481.74	16,584.38
Performing Loans & Advances	384,744.44	6,462.04
Classified Loans and Advances	17,737.29	10,122.34
Substandard (SS)	283.81	47.92
Doubtful (DF)	125.12	9.74
Bad/Loss (BL)	17,328.37	10,064.68
Off-Balance Sheet Items	260,413.16	2,407.24

Gross Non-Performing Assets (NPAs)	
Particulars	BDT in Million
Gross Non-Performing Assets (NPAs)	17,737.29
Total Loans and Advances	402,481.74
NPAs to outstanding Loans & Advances	4.41%

Movement of Non-Performing Assets (NPAs)	
Particulars	BDT in Million
Opening Balance	8,983.56
Additions	9,974.09
Reductions	1,220.35
Closing Balance	17,737.29

Movement of Specific Provisions for NPLs	
Particulars	BDT in Million
Opening Balance	7,239.86
Adjustment due to Write-off	(426.61)
Provisions made during the period	3,206.52
Recoveries of amounts previously written off	102.58
Write off transfer from interest suspense account	--
Closing Balance	10,122.34

5. Equities: Disclosures for Banking Book Positions

The major portion of the Bank's holding of equity exposure is mainly with the purpose of capital gain.

The quoted shares are valued both at cost price and market price basis. However, the unquoted shares are valued at their cost price.

The general qualitative disclosure requirement with respect to equity risk, including

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

Bank's investment in equity securities are broadly categorized into two categories

Quoted Securities: The instruments are quoted in active markets. These securities include Common shares, Mutual funds listed with Stock Exchanges. These instruments are categorized as trading book assets. Investment in trading book includes securities holding for capital gains, dividend income and securities holding for strategic reasons.

Unquoted Securities: Unquoted Securities have no active market for price quotation. These instruments are categorized as banking book assets. Once unquoted securities get listed in secondary market, are reclassified as quoted and trading book assets.

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book.

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Shares (Quoted)	Cost	Lower of cost or market value (overall portfolio)	Loss (net off gain) to profit and loss account but no unrealized gain booking.
Shares (Unquoted)	Cost	Lower of cost or Net Asset Value (NAV)	Loss to profit and loss account but no unrealized gain booking.
Mutual fund (Closed-end)	Cost	Lower of cost and (higher of market value and 85% of NAV)	Loss (net) to profit and loss account but no unrealized gain booking.

As per Bangladesh Bank circular (ref: BRPD circular number -14 dated June 25, 2003), the quoted shares are valued as per market price in the stock exchange(s). Equity securities holdings in the banking book or unquoted are recognized at cost price.

Provisions for shares are maintained for unrealized loss (gain net off) arising from diminution in value of investments. Provision for shares against unrealized loss (gain net off) has been made according to DOS circular number-04 dated 24 November 2011 and for mutual funds (closed-end) according to DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

(BDT in million)

Particulars	Cost Price	Market Price
Investment in Quoted Share	4,725.70	5,078.82

Particulars	BDT in Million
Realized Gains	1,856.36
Unrealized Gains	651.05
Unrealized Losses	(297.92)
Net Unrealized Gains/(Loss)	353.12
Capital requirement for Equity Risk (Specific & General)	1,015.76
Supervisory Provision against Classified Equity Investment	0.00

Capital Requirement as per Grouping of Equity:

BDT in Million

Sector	Cost Price	Market price	Capital Charge		Total Capital Charge
			Specific Risk	General Market Risk	
Pharmaceuticals & Chemicals	643.25	725.38	72.54	72.54	145.08
Textile	243.02	149.43	14.94	14.94	29.89
Telecommunication	555.67	606.29	60.63	60.63	121.26
Fuel & power	131.74	105.28	10.53	10.53	21.06
Bank	1,092.51	1,257.18	125.72	125.72	251.44
Financial Institutions	44.65	280.09	28.01	28.01	56.02
Miscellaneous	1,934.86	1,926.32	192.63	192.63	385.26
Travel & Leisure	80.00	28.87	2.89	2.89	5.77
Total	4,725.70	5,078.82	507.88	507.88	1,015.76
Deduction from Capital	0.00	0.00	0.00	0.00	0.00
Total	4,725.70	5,078.82	507.88	507.88	1,015.76

6. Interest Rate Risk in the Banking Book

Interest Rate Risk in the Banking Book reflects the shocks to the financial position of the Bank including potential loss that the bank may face in the event of adverse change in market interest rate. This has an impact on earning of the bank through Net Interest Earning as well as on Market Value of Equity or net worth. Thus this risk would have an impact on both earning potential and economic value of the Bank.

The Bank uses following measures for deriving value of capital requirement for interest rate risk.

- i) Modified duration gap
- ii) Simulation on market value of equity
- iii) Impact of average interest rate fluctuation demonstrated in last 12 months from the date of computation. In the event of lack of data for last twelve months the bank considers data of maximum period available.

The Bank ensures that interest rate risk is not included within the market risk. The Bank has calculated the rate sensitive assets and liabilities with maturity up to 12 months' bucket and applied the sensitivity analysis to measure the level of interest rate shock on its capital adequacy.

The general qualitative disclosure requirement including the nature of Interest Rate Risk in Banking Book (IRRBB) and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.

Interest Rate Risk: Interest Rate Risk is the risk which affects the Bank's financial condition due to changes of market interest rates. Changes in interest

rates affect both the current earnings (earnings perspective) and also the net worth of the Bank (economic value perspective). Bank assesses the interest rate risk both in earning and economic value perspective.

Interest Rate Risk Management: Interest Rate Risk Management policy, targets and controls are comprehended in Asset Liability Management Policy of the Bank. Interest rate risk in banking book is measured through the following approaches:

- 1. Interest Rate Sensitivity analysis (Gap Analysis):** Interest Rate Sensitivity (or Interest Rate Gap) Analysis is used to measure and manage interest rate risk exposure specifically, bank's repricing and maturity imbalances. Gap reports is the bank's rate sensitive assets, liabilities, and off-balance-sheet instruments into maturity segments (time bands) based on the instrument's next repricing or maturity date. This analysis is conducted on monthly basis.

The Bank uses the following approach to manage interest rate risks inherent in the Balance sheet

Traditional Gap analysis of on-balance sheet Asset Liability Management (ALM) involves careful allocations of assets and liabilities according to repricing/maturity buckets. This approach quantifies the potential change in net interest income using a specified shift in interest rates, e.g. 1% or 2%, or 3% of interest rates.

Assumptions: For Gap analysis, bank considers the following:

- For fixed-rate contract, remaining maturity is considered.

- For contracts with provision of re-pricing, time remaining for next re-pricing is considered.
- Deposits that are already matured but not withdrawn yet are considered to be fall under overnight bucket.
- Contractual repayment schedule is met.
- Re-pricing of assets and liabilities takes place in the midpoint of time bucket.
- The expectation that loan payment will occur in schedule.
- No early encashment is considered in term and recurring deposit.
- Non maturity deposit withdrawal is considered based on past withdrawal behavior etc.

2. Duration Analysis on Economic Value of Equity: A weighted maturity/re-pricing schedule is used to evaluate the effects of changing interest rates on bank's economic value by applying sensitivity weights to each time band. Such weights are based on estimates of the duration of the assets and liabilities that fall into each time band. The duration analysis is conducted on quarterly basis.

3. Stress Testing: It is used for measuring the Interest rate risk on its Balance Sheet exposure for estimating the impact on the Capital to Risk Weighted Assets Ratio. Stress Testing is conducted on quarterly basis.

(BDT in million)

Particulars	Up to 3 months	3 - 6 months	6 - 12 months
Rate Sensitive Assets (RSA)	187,389.16	78,013.72	48,464.90
Rate Sensitive Liabilities (RSL)	106,767.30	51,253.48	95,575.47
Gap (RSA - RSL)	80,621.85	26,760.24	(47,110.57)
Cumulative Gap	80,621.85	107,382.09	60,271.52

Interest Rate Shock on Capital	
Total Regulatory Capital	52,760.95
Total Risk Weighted Assets (RWA)	386,743.80
Capital to Risk-weighted Asset Ratio (CRAR)	13.64%

	1%	2%	3%
Assumed Increase in Interest Rate	1%	2%	3%
Earnings Impact on Cumulative Gap	602.72	1,205.43	1,808.15
Capital After Shock	53,363.66	53,966.38	54,569.09
CRAR after Shock	13.80%	13.96%	14.11%
Increase in CRAR	0.16%	0.31%	0.47%

7. Market Risk

Market risk is a trading book concept. It may be defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices. The market risk positions subject to the risks pertaining to interest rate related instruments and equities in the trading book and foreign exchange risk and commodities risk throughout the Bank. This signifies the risk of loss due to decrease in market portfolio arising out of market risk factors. It may be mentioned that the Bank considers Interest Rate Risk on Banking Book separately.

The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transaction.

Market Risk: Market Risk is defined as the possibility of loss due to changes in the market variables. It is the risk that the value of on/off-balance sheet positions will be adversely affected by movements in equity price, interest rate and currency exchange rates. The objective of our market risk policies and processes is

to obtain the best balance of risk and return whilst meeting customers' requirements. The primary categories of market risk for the bank are:

Interest rate risk: Arising from changes in yield curves, credit spreads and implied volatilities on interest rate options.

Currency exchange rate risk: Arising from changes in exchange rates and implied volatilities on foreign exchange options.

Equity price risk: Arising from changes in the prices of equities, equity indices, equity baskets and implied volatilities on related options.

Bank has a comprehensive Treasury Trading Policy, Asset-Liability Management Policy, Investment Policy approved by the BoD to assess, monitor and manage all the above market risks. Various internal limits have set to monitor market risk and capital requirement is assessed as per standardized approach of BASEL III Accord.

Methods used to measure Market Risk

Standardized (Rule Based) Approach is used to measure the Market Risk of the Bank whereas for Interest Rate Risk and Equity Risk both general and specific risk factors are applied for calculating capital charge and for Foreign Exchange and Commodities only general risk factor is applied.

Bank applies maturity method in measuring interest rate risk in respect of securities in trading book. The capital charge for entire market risk exposure is computed under the standardized approach using the maturity method and in accordance with the guideline issued by Bangladesh Bank.

Market risk management system

To manage the interest rate risk, ALCO regularly monitors various ratios and parameters. Of the ratios, the key ratios that ALCO regularly monitors are liquidity coverage ratio (LCR), net stable funding ratio (NSFR), and maximum cumulative outflow (MCO), liquid asset to total assets, volatile liability dependency ratio, snap liquidity ratio and short term borrowing to liquid assets ratio. ALCO also regularly monitors the interest rate sensitive gap and duration gap of total portfolio.

To manage foreign exchange risk of the bank, the bank has adopted the limit set by central bank to monitor foreign exchange open positions. Foreign exchange risk is computed on the sum of net short positions or net long positions, whichever is higher.

Capital Charges for Market Risk	
	BDT in Million
Market Risk	
Interest Rate Related instruments	38.52
Equities	1,015.76
Foreign Exchange Position	41.72
Commodities	0.00
Total	1,096.01

8. Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Recognizing the importance of information technology in banking business, the Bank has considered information technology risk as an independent risk.

Operational risk is the risk of loss arising from fraud, unauthorized activities, error, omission, inefficiency, systems failure or external events. It is inherent in every business organization and covers a wide spectrum of issues.

Views of BoD on system to reduce Operational Risk

The responsibility of mitigating the operational risk of the Bank lies with Risk Management Division under the guidance of Board Risk Management Committee. The Board Risk Management Committee delivers policies and directions from time to time to keep the operating efficiency of the Bank up to the mark.

The policy for measuring and managing operational risks is approved by the Board in line with the relevant

guidelines of Bangladesh Bank. Board Risk Management Committee directly oversees the activities of Risk Management Division to protect against all operational risks. As a part of continued surveillance, the Executive Risk Management Committee (ERMC) and Risk Management Division (RMD) regularly review different aspects of operational risks and suggest formulating appropriate policies, tools & techniques for mitigation of operational risk of the bank.

Potential external event

No potential external event is expected to expose the Bank to significant operational risk. The Bank has a separate Operational Risk Management Policy addressing specific issues involving Operational Risk.

The overall environment within which a bank operates creates certain externalities which could affect business performance directly such as:

Fraud risk is the risk of incurring losses as a result of an intentional act or omission by a third party involving dishonesty, for personal and/or business gain, to avoid personal and/or business loss, or to conceal improper or unauthorized activity. This includes facilitation, misrepresentation, money laundering, terrorist financing, theft, forgery and cyber-crime.

Business Continuity risk is the risk of incurring losses resulting from the interruption of normal business activities, i.e. interruptions to our infrastructure as well as to the infrastructure that supports our businesses.

Information Security risk is the risk of an event which could result in the compromise of organizational assets, including, but not limited to, unauthorized use, loss, damage, disclosure or modification of organization's IT assets. It includes the risk of cyber threats on the organization.

Regulatory Compliance risk is the risk of incurring regulatory sanctions (including restrictions on business activities, fines or enhanced reporting requirements), financial and/or reputational damage arising from our failure to comply with applicable laws, rules and regulations.

Vendor risk arises from adverse events and risk concentrations due to failures in vendor selection, insufficient controls and oversight over a vendor and/or services provided by a vendor and other impacts to the vendor itself.

Methods used to measure Operational Risk

Basic Indicator Approach is used to measure Operational Risk where capital charge is 15% on last three years average positive gross income of the Bank.

Capital Charges for Operational Risk					
BDT in Million					
Basis	Operational Risk	2019	2020	2021	Capital Charge
Solo	Gross Income	22,801.01	23,614.67	26,765.99	3,659.08
Consolidated	Gross Income	23,306.93	24,217.03	28,216.17	3,787.01

9. Liquidity Ratio

As per the BRPD Circular no. 18 dated December 21, 2014, Bangladesh Bank has strengthened the liquidity framework by developing two minimum standards for liquidity. These standards have been developed to achieve two separate but complementary objectives.

The first objective is to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for one month. Liquidity Coverage Ratio (LCR) addresses this objective.

The second objective is to promote resilience over a longer time horizon by creating additional incentives for a bank to fund its activities with more stable sources of funding on an ongoing structural basis. The Net Stable Funding Ratio (NSFR) has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities.

Views of BoD on system to reduce liquidity Risk

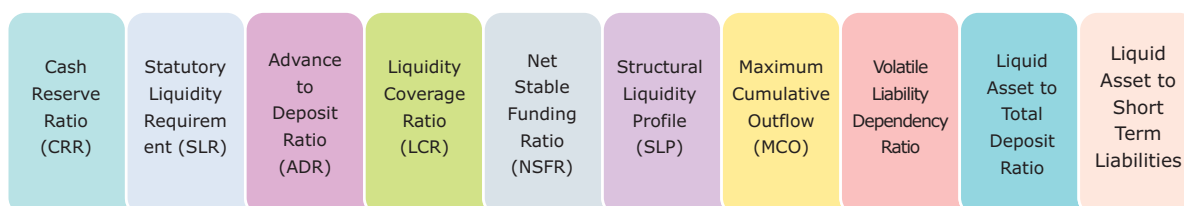
United Commercial Bank Limited maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of the liquidity risk management of the

bank rests with Treasury Division under the supervision of ALCO Committee, which maintains liquidity based on current liquidity position, anticipated future funding requirement, sources of fund, options for reducing funding needs, present and anticipated asset quality, present and future earning capacity, present and planned capital position, etc.

Methods used to measure Liquidity risk

Liquidity measurement involves assessing all of a bank's cash inflows against its outflows to identify the potential for any net shortfalls including funding requirements for off balance sheet commitments.

An important aspect of measuring liquidity is making assumptions about future funding needs, both in the very short-term and for longer term. Another important factor is the critical role a bank's reputation plays in its ability to access funds readily and at reasonable terms. Several key liquidity risk indicators monitored on a regular basis to ensure healthy liquidity position are as follows:



Liquidity risk management system

The intensity and sophistication of liquidity risk management process depend on the nature, size and complexity of a bank's activities. Sound liquidity risk management employed in measuring, monitoring and controlling liquidity risk is critical to the viability of the bank.

The Asset Liability Committee (ALCO), which meets at least once in a month, is responsible for managing and controlling liquidity of the bank. Treasury Front Office closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities and they are primarily responsible for management of liquidity in the bank. A monthly projection of fund flows is reviewed in ALCO meeting regularly.

Policies and processes for mitigating liquidity risk

In order to develop comprehensive liquidity risk management framework, the bank has Board approved Contingency Funding Plan (CFP), a set of policies and procedures that serves as a blueprint for the bank to meet its funding needs in a timely manner and at a reasonable cost. In this sense, a CFP is an extension of ongoing liquidity management and formalizes the objectives of liquidity management by ensuring:

- a) Maintenance of a reasonable amount of liquid assets;
- b) Measurement and projection of funding requirements; and
- c) Management of access to funding sources.

CFP also provides directions for plausible actions in distress and emergency situations. In case of a sudden liquidity stress, it is important for the bank to be seemed organized and efficient to meet its obligations to the stakeholders.

Maturity ladder of cash inflows and outflows are effective tool to determine the bank's cash position. A maturity ladder estimates a bank's cash inflows and outflows and thus net deficit or surplus (GAP) on a day to day basis and different buckets (e.g. call, 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years).

Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) refers to highly liquid assets held by financial institutions in order to meet short-term obligations. The liquidity coverage ratio is designed to ensure that financial institutions have the necessary assets on hand to ride out short-term liquidity disruptions. Banks are required to hold an amount of highly-liquid assets, such as cash, Balance with other Bank and financial institutions or Treasury bonds, equal to or greater than their net cash over a 30-day period (having at least 100% coverage).

$$\text{LCR} = \frac{\text{Stock of High Quality Liquid Assets}}{\text{Total net cash outflows over the next 30 calendar days}}$$

The minimum standard for LCR is greater than or equal to 100. However, the bank's status as on 31 December 2021 in this ratio is as follows:

BDT in Million		
Particulars	Regulatory Standard	As on 31 December, 2021
Total Stock of High Quality Liquid Assets		99,043.12
Total Net cash outflows over the next 30 calendar days		74,067.54
Liquidity Coverage Ratio (LCR)	Greater than or equal to 100	133.72%

Net Stable Funding Ratio (NSFR)

Net Stable Funding Ratio (NSFR) is another new liquidity standard introduced by the Basel Committee. The NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on- and off-balance sheet items.

The NSFR presents the proportion of long term assets funded by stable funding and is calculated as the amount of Available Stable Funding (ASF) divided by the amount of Required Stable Funding (RSF) over a one-year horizon.

The minimum acceptable value of this ratio is 100 percent, indicating that available stable funding (ASF) should be at least equal to required stable funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or "long-term" and therefore requires stable funding. The time horizon of the NSFR is one year. Like the LCR, the NSFR calculations assume a stressed environment.

The status of Net Stable Funding Ratio (NSFR) as on 31 December, 2021 is as under:

BDT in Million		
Particulars	Regulatory Standard	As on 31 December, 2021
Available amount of stable funding (ASF)		489,847.33
Required amount of stable funding (RSF)		411,530.94
Net Stable Funding Ratio (NSFR)	Greater than 100	119.03%

10. Leverage Ratio

Views of BOD on system to reduce excessive leverage

Leverage ratio is the ratio of Tier 1 capital to total on and off balance sheet exposures. It was introduced into the Basel III framework as a non-risk based backstop limit, to supplement risk-based capital requirements. UCBL has embraced this ratio along with Basel III guideline as a credible supplementary measure to risk based capital requirement and assess the ratio periodically.

Policies and processes for managing excessive on and off-balance sheet leverage

Revised guideline of RBCA based on Basel III as provided by BRPD of Bangladesh Bank is followed by UCBL while managing excessive on and off-balance sheet leverage of the bank. As per RBCA leverage ratio shall be Tier I Capital divided by Total Exposure after related deductions.

In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced by the Bangladesh Bank as per BRPD Circular no. 18 dated December 21, 2014.

The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives:

- ❖ constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy
- ❖ reinforce the risk based requirements with an easy to understand and a non-risk based measure
- ❖ UCBL calculates leverage ratio on quarterly basis and submits it to the Department of Off-site Supervision (DOS), Bangladesh Bank along with CRAR (Capital to Risk Weighted Asset Ratio) Report.

The Approaches for calculating exposure

The Bank has calculated the regulatory leverage ratio as per the guideline of Basel III. The numerator, capital measure, is calculated using the new definition of Tier I capital applicable from 1st January 2015. The denominator, exposure measure, is calculated on the basis of the Basel III leverage ratio framework as adopted by Bangladesh Bank.

A minimum Tier-1 leverage ratio of 3% has been prescribed by Bangladesh Bank to maintain by the Banks both at solo and consolidated level. Accordingly, UCBL maintains leverage ratio on quarterly basis. The formula for calculating leverage ratio is as under:

$$\text{Leverage Ratio} = \text{Tier-1 Capital (after related deductions)} / \text{Total Exposure (after related deductions)}$$

The status of Leverage Ratio as on 31 December, 2021 is as under

BDT in Million

Particulars	As on 31 December, 2021	
	Solo Basis	Consolidated Basis
Tier 1 Capital*	34,364.52	34,269.09
On Balance Sheet Exposure*	555,191.87	560,305.26
Off-Balance Sheet Exposure*	147,103.15	147,103.15
Total Deductions	4,445.63	4,487.89
Total Exposure	697,849.39	702,920.52
Leverage Ratio	4.92%	4.88%

* Considering all regulatory adjustment

In addition of the above, UCB has been comfortably remaining in the right course of implementation of Leverage Ratio regulation under Basel III as per (Bangladesh Bank BRPD Circular no. 18 dated August 21 of 2021) the roadmap outlined by Bangladesh Bank. Bank's progression along the roadmap is depicted below:

Particulars	2021	2022	2023	2024	2025	2026
Leverage Ratio	3.00%	3.00%	3.25%	3.50%	3.75%	4.00%
UCB Status:						
Solo Basis	4.92%	--	--	--	--	--
Consolidated Basis	4.88%	--	--	--	--	--

11. Remuneration

Qualitative Disclosures:

a) Information relating to the bodies that oversee remuneration.	
i. Name of the bodies that oversee remuneration	At the management level, primarily the Human Resources Management Division oversees the 'remuneration' in line with its Human Resources Management strategy/policy under direct supervision and guidance of the Senior Management of the Bank.
ii. Composition of the main body overseeing remuneration	The Managing Director and CEO along with other top executives of the Corporate Office.
iii. Mandate of the main body overseeing remuneration	The Senior Management is the main body for overseeing the Bank's remuneration. The Senior Management also review the position of remuneration and associated matters and recommend to the Board for approval of its restructuring, rearrangement and modification commensurate with the industry best practices.
iv. External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	The Bank has no External Consultant regarding remuneration and its process.
v. A description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.	The Bank does not have any differentiated Pay Structure and employee benefits by regions/business line/activity. As of 31 December 2021, the Bank had no foreign subsidiaries and branches outside Bangladesh.
vi. A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	We consider the members of the senior management, branch managers and the employees engaged in different functional divisions at Corporate Office and branches (except the employees involved in internal control & compliance and risk management) as the material risk takers of the Bank.
b) Information relating to the design and structure of remuneration processes.	
i. An overview of the key features and objectives of remuneration policy.	<p>We target a fair human resources management by using a performance based system. Remuneration and other associated matters are guided by the Banks Service Rule as well as instruction, guidance from the Board from time to time in line with the industry practices.</p> <p>The objective of the Bank's remuneration policy is to establish a framework for attracting, retaining and motivating employees, and creating incentives for delivering long-term performance within established risk limits.</p>
ii. Whether the remuneration committee reviewed the bank's remuneration policy during the year of 2021, and if so, an overview of any changes that was made.	The Senior Management under direct supervision and guidance of the Board of Directors reviewed the Bank's remuneration in 2016 by overseeing the Banks remuneration position in the Banking industry.
iii. A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.	The risk and compliance employees are carrying out the activities independently as per job allocated to them. Regarding remuneration of the risk and compliance employees, Human Resources Management Division does not make any difference with other regular employees and sets the remuneration as per the prevailing service rule of the Bank.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes.	
i. An overview of the key risks that the bank takes into account when implementing remuneration measures.	The business risk including credit/default risk, compliance, reputational, financial and liquidity risk are mostly considered when implementing the remuneration measures.
ii. An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure.	Different set of measures are in practice based on the nature & type of business lines/segments etc. These measures are primarily focused on the business target/goals set for each area of operation, branch vis-a-vis the actual results achieved as of the reporting date. The most vital tools & indicators used for measuring the risks are the asset quality (NPL ratio), Net Interest Margin (NIM), provision coverage ratio, credit deposit ratio, cost-income ratio, growth of net profit, as well the non-financial indicators, namely, the compliance status with the regulatory norms, instructions has been brought to all concerned of the Bank from time to time.
iii. A discussion of the ways in which these measures affect remuneration.	While evaluating the performance of each employee, all the financial and non-financial indicators as per pre-determined set criteria are considered; and accordingly the result of the performance varies from one to another and thus affect the remuneration as well.
iv. A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.	No material change has been made during the year 2021 that could the affect the remuneration.
d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	
i. An overview of main performance metrics for bank, top-level business lines and individuals.	The Board sets the Key Performance Indicators (KPIs) while approving the business target/budget for each year for the Bank and business lines/segments. The management sets the appropriate tools, techniques and strategic planning (with due concurrence/approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, yield on loans liquidity position etc.
ii. A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.	Yearly incentive bonus, salary increment, employee house building loan facilities, employee car facilities, leave fair facilities and promotion are directly linked with employee's individual performance.
iii. A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak. This should include the bank's criteria for determining "weak" performance metrics.	Variance performances like yearly incentive bonus, salary increment, employee house building loan facilities, Employee car facilities, leave fair facilities and promotion are determined by the outcome of scorecard in prescribed Key Performance Indicators of the individual.

e) Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance.	
i. A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.	The remuneration policy of the Bank does not allow any discrimination between male and female employees. UCBL has variety of market-competitive benefit schemes designed to motivate the employees. However, employees are eligible for variable remuneration arrangements in the form of Incentive Bonus (non-deferred cash awards), as per their Performance appraisal Report.
ii. A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.	Not Applicable
f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.	
	<p>A summary of Short-term and Long-term compensation packages of the Bank are as follows:</p> <p>Short-Term Incentives / Rewards</p> <ol style="list-style-type: none"> 1. Yearly incentive bonus; 2. Yearly Increment; 3. Special Increment for especial achievement; 4. Car, fuel and car maintenance allowance for executives; 5. Cash Risk allowance for cash cadre; 6. Leave Fair Facilities etc. <p>Long-Term Incentives/Rewards</p> <ol style="list-style-type: none"> 1. Provident fund; 2. Gratuity; 3. Employees welfare Fund 4. Employee house building loan facilities 5. Provident fund loan 6. Periodically salary review (enhancement) 7. Group insurance coverage; 8. Employee Car facilities etc. <p>Others Form:</p> <ol style="list-style-type: none"> 1. Study leave. 2. Foreign training etc.

Quantitative Disclosures

g) Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	The Senior Management of the bank overseeing the remuneration of the Bank.								
h) i. Number of employees having received a variable remuneration award during the financial year.	<p>The variable remuneration award during the financial year as under:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>BDT in Million</th> </tr> </thead> <tbody> <tr> <td>Incentive Bonus</td> <td>393.20</td> </tr> <tr> <td>Ex-gratia</td> <td>41.70</td> </tr> <tr> <td>Total</td> <td>434.90</td> </tr> </tbody> </table>	Particulars	BDT in Million	Incentive Bonus	393.20	Ex-gratia	41.70	Total	434.90
Particulars	BDT in Million								
Incentive Bonus	393.20								
Ex-gratia	41.70								
Total	434.90								

<p>ii. Number and total amount of guaranteed bonuses awarded during the financial year.</p>	<p>Number of total festival bonus: 02 Total amount of festival bonus as under:</p> <table border="1" data-bbox="718 301 1351 432"> <thead> <tr> <th>Particulars</th> <th>BDT in Million</th> </tr> </thead> <tbody> <tr> <td>Festival Bonus</td> <td>486.50</td> </tr> <tr> <td>Ex-gratia</td> <td>37.00</td> </tr> <tr> <td>Total</td> <td>523.50</td> </tr> </tbody> </table>	Particulars	BDT in Million	Festival Bonus	486.50	Ex-gratia	37.00	Total	523.50						
Particulars	BDT in Million														
Festival Bonus	486.50														
Ex-gratia	37.00														
Total	523.50														
<p>iii. Number and total amount of sign-on awards made during the financial year.</p>	<p>-</p>														
<p>iv. Number and total amount of severance payments made during the financial year.</p>	<p>Number of severance payments: 567 Total amount of severance payments: BDT. 1,377.00 Million (Provident fund, gratuity fund, retirement benefit and leave encashment)</p>														
<p>i) i. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.</p>	<p>No deferred remuneration was paid out in the financial year of 2021</p>														
<p>ii. Total amount of deferred remuneration paid out in the financial year.</p>	<p>-</p>														
<p>j) Breakdown of amount of remuneration awards for the financial year to show:</p> <ul style="list-style-type: none"> - fixed and variable. - deferred and non-deferred. - different forms used (cash, shares and share linked instruments, other forms). 	<p>Breakdown of Remuneration for the year-2021 is as under: (BDT in Million)</p> <table border="1" data-bbox="693 963 1326 1192"> <thead> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Basic salary</td> <td>2,924.58</td> </tr> <tr> <td>Allowances</td> <td>1,302.11</td> </tr> <tr> <td>Bonus</td> <td>1,578.68</td> </tr> <tr> <td>Provident fund contribution</td> <td>426.15</td> </tr> <tr> <td>Gratuity</td> <td>935.00</td> </tr> <tr> <td>Total</td> <td>7,166.52</td> </tr> </tbody> </table>	Particulars	Amount	Basic salary	2,924.58	Allowances	1,302.11	Bonus	1,578.68	Provident fund contribution	426.15	Gratuity	935.00	Total	7,166.52
Particulars	Amount														
Basic salary	2,924.58														
Allowances	1,302.11														
Bonus	1,578.68														
Provident fund contribution	426.15														
Gratuity	935.00														
Total	7,166.52														

<p>k) Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration.</p>	
<p>i. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p>	<p>No amount is outstanding of deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p>
<p>ii. Total amount of reductions during the financial year due to ex post explicit adjustments.</p>	<p>There were no reductions during the financial year 2021 due to ex post explicit adjustments</p>
<p>iii. Total amount of reductions during the financial year due to ex post implicit adjustments.</p>	<p>There were no reductions during the financial year 2021 due to ex post implicit adjustments</p>

REPORT ON SUSTAINABILITY FINANCE





Green Banking & Sustainable Finance

Green Banking

Green Banking can be defined as “the internal in-house practices and external financing activities of the Bank’s clients driven towards in such manner that promotes the protection of the environment”. Thus, green banking has two broad aspects: the first one is internal environmental improvement and the latter one is encouraging eco-friendly environmental activities to the Bank’s large pool of clients during financing.

In-house Initiatives on Green Banking practices

United Commercial Bank Limited has decade-long experiences in the practices and initiatives of green banking and environment-friendly financing, with a view to curbing the carbon footprint into the environment as part of its long-term commitment to the preservation of the planet. Few years back, the Board of Directors consented presentation of the internal office memos through digital tablets, thereby slashing the huge amount of paper usage in Board and EC meetings. Requisitions for internal IT-based services can easily be carried out through the Bank’s internal Corporate Intranet Portal. Apart from Leave management system; attendance report, Provident Fund (PF) and fixation reports are also available to all employees through Human Resources Management software saving papers and employee hours as well.

As customers are at the core of the banking business, United Commercial Bank Limited has also developed diversified digital-platform based solutions to serve them instantly. Block-chain technology based UPAY, online banking window Unet, UCB Express etc. have brought the banking services within the tap of the customers’ smartphones. Rolling out the innovation wheel, the Bank has implemented few technology-driven services deriving satisfactory customer experience.

Introduction of e-KYC

e-KYC is a combination of paperless customer on boarding, promptly identifying and verifying customer identity, maintain KYC profile in a digital form and determining customer risk grading through digital means as per guideline of Bangladesh Bank.

Automated Challan System

In association with the Ministry of Finance (MoF) initiative, a centralized and web-based Automated Challan System (ACS) was piloted to capture detailed transaction of government’s receipts. Out of more than 250 types of government’s receipts, Passport fee and Income Tax has been covered under the pilot project, which is expected to launch fully within next year. The

service is open to all users of such government services, irrespective of having any account in UCB.

Launch of Uclick

Uclick is the e-KYC based Digital Customer On-boarding platform of UCB. Through Uclick, Customers can open bank account with UCB from anywhere and at any time from the comfort of their home or work without visiting any of UCB Branches.

Uclick is a combination of paperless customer on boarding, promptly identifying and verifying customer identity, maintaining KYC profile in a digital form and determining customer risk grading through digital means as per guidelines of Bangladesh Bank. Any Bangladeshi individual (18 years and above) having valid NID can open an account with UCB using Uclick.

Introducing Smart Teller Machine (STM)

A Modern & intelligent banking service for the first time in Bangladesh designed to provide seamless migration from ordinary counter transactions to a self-assisted or remote service platform. STM provides instant account opening, instant debit card printing, cheque book requisition and other banking services without customers having to stand in a queue.

Udispatch

Udispatch is an automated dispatch tracking system, which has enabled the Bank to digitally maintain the registers to list and record all of its correspondences within or outside of itself, instead of the manual one.

Document Management System (DMS) live at all Branches

DMS is a system used to receive, track, manage and store documents and reduce paper. This application has helped UCB minimize service time, reduce the risk involved with lost documents and reduce any paper trail.

Sustainable Finance

Sustainable development, which strives to address the needs of the present while preserving resources for the future generations as well, requires substantial amount of financing. As banks and financial institutions are the key players of our economic system, Bangladesh Bank has initiated the concept of Sustainable Financing aligned with the Sustainable Development Goals (SDGs) encouraging the Banks to promote investment targeting sustainability. Sectors that has been prioritized into the Sustainable Finance Policy of Bangladesh Bank encompass agriculture, cottage, micro and SME (CMSME), Socially Responsible Finance (SRF) and green finance products/projects.

The Bank has already signed several refinancing schemes, notably, Green Transformation Fund (GTF), Technological Development / Up-gradation Fund (TDUF) agreement, etc. with Bangladesh Bank to expedite eco-friendly financing. Meanwhile, the pandemic Covid-19 deterred the progress on such financing as businesses are solely concentrated on operations for survival and expansion projects mostly came to a halt. Despite the challenges of Covid and the bleak financial outlook, the Bank has kept rolling its own investment wheel towards green and sustainable sectors to ensure the vibrant activities of the economy.

Out of the total loans and advances (except classified loans and staff loans), the Bank has disbursed BDT 15,434.36 million in Sustainable Finance sectors, such as, sustainable agriculture, sustainable CMSME, Socially Responsible Financing (SRF), etc. in 2021. The Bank also disbursed Green Finance, which a part of Sustainable Finance, amounting BDT 321.21 million in diversified range of projects under green initiative, e.g. Energy & Resource Efficiency, Green Industry, Green Brick Manufacturing, Waste Management, etc. Apart from the stated categories, Textile and Ready Made Garments industries received substantial amount of investment in projects involving improvement of Work Environment and Security of Workers (Structural, Electrical & Fire Safety issues) through installation of firefighting equipment (fire sprinkler, fire detection & alarm, fire hydrant system, fire door, fire proof cable and pipes, etc.). At the end of the year, the Bank's outstanding on Sustainable Finance was BDT 24,832.95 million, while the Green Financing outstanding stood BDT 4,735.93 million.

Incorporation of Environment & Social Risk in CRM

Guidelines on Environmental and Social Risk Management (ESRM), adopted by the Bank's Board of the Directors in 2017, was integrated with the Bank's core credit methodology and part of the Bank's Credit Risk Management (CRM) policy. The guideline works as a key policy document in assessing the clients' overall Environmental and Social (E&S) risk profile, identifying the critical areas causing E&S issues through Environmental and Social Due Diligence (ESDD) checklist and developing Corrective Action Plan (CAP)

on the basis of consultation with the client, and ensuring follow-up of the E&S issues applying monitoring checklist.

In compliance with the ESRM guidelines, the following initiatives are being implemented across the Bank:

- Environmental and Social Due Diligence (ESDD) checklist has to be conducted by the Relationship Managers of the relevant business units.
- CRM Review team members reviews the ESDD, and if required, an E&S officer of the Bank's Sustainable Finance Unit reviews the client's ESDD checklist
- Memo presented to the Senior Management as well as to the BOD/EC are equipped with mandatory Environmental and Social Risk Rating (ESRR) information, which also addresses the mitigation measures required to curb the client's E&S risks at minimum.
- Terms and Conditions on Environmental and Social Risk Management (ESRM) issues have been incorporated into the Sanction Advice for acceptance by and compliance of the client against their E&S performances
- For creating awareness as well as to ensure effective E&S assessment of the customers, employees of the Bank are frequently trained on Environmental and Social Risk Management (ESRM) issues through the Bank's Learning and Development Centre.

Sustainability Rating

The abovementioned initiatives, coupled with the Bank's top-level commitment and whole-hearted effort to sustainability was effectively reflected when Bangladesh Bank acknowledged awarding of United Commercial Bank Limited as one of the "Top 10 Sustainable Banks of Bangladesh" for the year 2020, according to the Sustainability Rating, which was determined based on four criteria: Core Banking, Sustainable Finance, Green Refinancing and CSR Activities.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY



REPORT ON

Corporate Social Responsibility



United Commercial Bank Limited has been operating in harmony with its values indulging responsible business practices. Our moral values imply that we have a responsibility of giving back to the society. Environmental, social and economic concerns are embedded in our values. UCB therefore, has targets to assist with and impart to the development of Bangladesh. It is certain that we are a commercial entity. We carry out different financial activities to provide best suited financial products and services for our clients. Eventually, our activities lead to generate profits to fulfil responsibility to all stakeholders. But, UCB firmly believes that its activities are carried out in the society and it owes to the society for whatever functions it carries out. UCB is duty bound to ensure that its products and services are not detrimental to the interests of the society.

UCB aims for sustainable growth. To do so, UCB has always considered the interests of People, Profit and Planet. Gradually, we have managed to incorporate Corporate Social Responsibility into one of our top concerns. As a result, it has become a part of our core strategy. Our CSR initiatives are aligned with our corporate vision. UCB partakes in CSR through investment in various projects concerning the community.

In the year 2021, our total expenditure in CSR was an amount of BDT 261.39 Million. The detailed of the CSR activities comes as follows:

Education

Education is the backbone of a country. UCB genuinely believes in this statement and therefore, contributes in numerous forms starting from scholarships to donations. We are always wholeheartedly interested in sponsoring brilliant students who do not possess the ability to access education. Besides, UCB provides donation to certain schools and educational institutions as well.

During 2021, we spent a total of BDT 6.05 Million as CSR expense in the education sector. Among the large number of projects, some, worth mentioning are the donation to Geology Department, University of Dhaka; Donation to Alliance Francaise; Donation to Alokito Hridoy Foundation and many more.

Health

The pandemic aside, health issues are rising on a daily basis. These health issues along with the Corona Virus have affected and taken millions of human lives. During the situation like these, aid from organizations would definitely be advantageous to the underprivileged portion of the population. UCB has actively been involved in multiple initiatives to contribute to the health sector. UCB accounted for a total of BDT 76.05 Million as expenditure in the health sector under CSR projects. Some notable projects include Financial Assistance to Prime Minister's Relief Fund for COVID 19; financial assistance to Chattogram

Maa O Shishu Hospital; Donation to Enam Medical Group for Breast cancer awareness campaign; donation to various individual patients and much more.

Disaster Management

UCB acknowledges the fact that unprecedented events such as natural disasters and accidents will always be a possibility. UCB always plays a pivotal role in contribution to disaster management. We try to contribute in a way that the economic and human costs of natural disasters can be reduced. In the year 2021, almost an amount of BDT 171.74 Million has been contributed in Disaster Management Sector. Some of the contributions are donation of blankets to cold affected people among far more other contributions.

Art & Culture

Over the years, UCB has been contributing for the development of art & culture in Bangladesh which includes donating to different cultural institutions, financial assistance to talents, promoting cultural activities etc. In 2021, contribution in the sector of Art & Culture amounted to BDT 6.80 Million. Some notable projects are donation for the construction of Bir Muktijoddha Akhtaruzzaman Chowdhury park, Anowara, Chattogram; donation to Banker's Club, Rajshahi; donation for production of 'Muktijuddha Protidin' and many others.

Sports

Bangladesh has been showing remarkable improvements in various areas of sports recent years. UCB is a huge supporter of, and patronizes Sports. In 2021, our CSR expenditure in Sports sector is BDT 0.65 Million. UCB donated to Corporate Badminton Tournament 2021, Kalam Football Academy etc.

Others

UCB is not limited to only the mainstream categories of CSR. Apart from those, UCB actively contributes in

various other sectors. We have been instrumental in our involvement in socio-economic development. In such social and economic causes, we have successfully spent an amount of BDT 0.1 Million.

Special CSR Activities to fight against CORONA virus crisis

Year 2021 was also a crucial period for Bangladesh on the onset of CORONA pandemic crisis. Bangladesh was experiencing second wave of COVID 19 havoc. A very strict nationwide lockdown was imposed to fight against that situation. But the lockdown also created livelihood crisis for thousands of marginalized people. In such a situation, Bangladesh Bank instructed us to carry out special CSR activities apart from regular CSR to fight against CORONA virus crisis. In light to that, UCB initiated special CSR activities to help the destitute people suffering from COVID 19. The budget for the special CSR activities was an amount of Taka 2.85 Crore. The special CSR activities have been conducted by Bank's own effort and in collaboration with different prominent NGOs as well. The special CSR support was mostly in the form of basic food support, healthcare hygiene product support, cash incentive for livelihood support etc. The special CSR activities intervention was in different districts of the country with special focus on mostly affected Rajshahi & Khulna region. The prominent NGOs that UCB collaborated to perfect accomplishment of the special CSR activities are BRAC, TMSS, Bidyanondo Foundation, JAAGO Foundation, Green Voice, Spreeha Bangladesh Foundation, Dushtha Shasthya Kendra (DSK), BSAFE Foundation and Mastul Foundation.

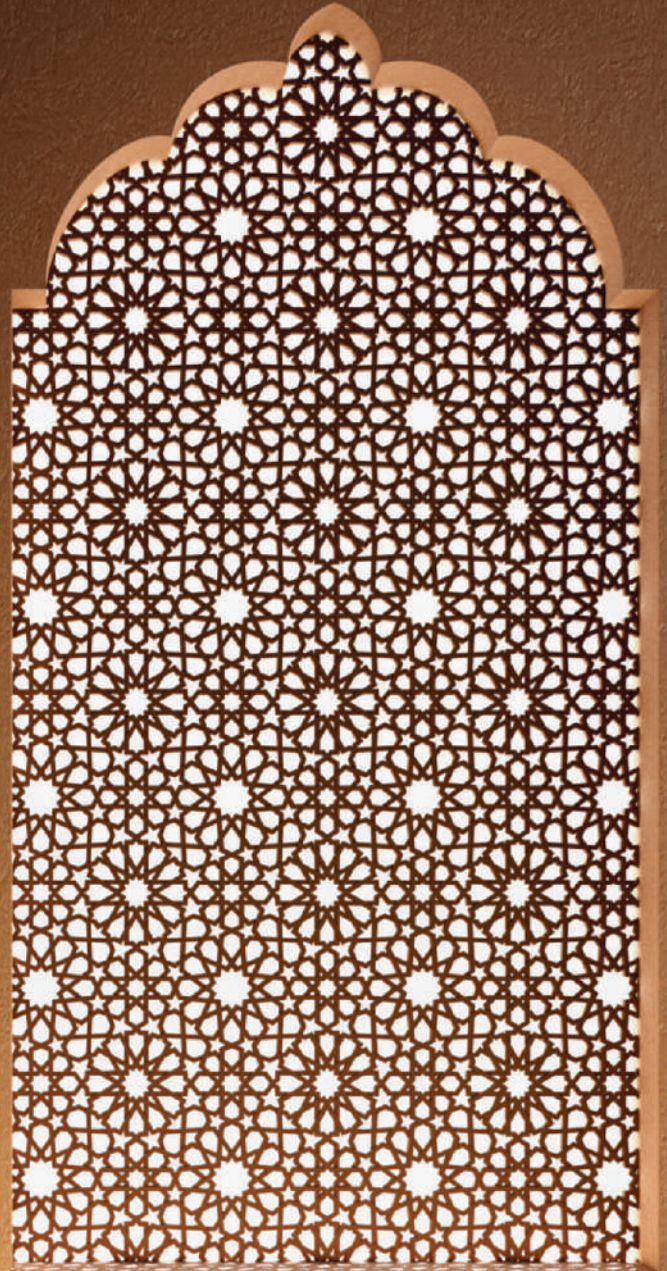
Aligned with the values of sustainable support, harnessing capabilities to achieve the highest levels of social solidarity, and promoting the principles of philanthropy, United Commercial Bank Limited has always been keen to choose the best CSR approaches with inclusiveness and integration to all groups of society. We wish to continue with positive impact of CSR programs and activities on communities and individuals alike.



UNITED COMMERCIAL
BANK LIMITED



REPORT ON ISLAMIC BANKING OF UCB



Bangladesh has been among the fastest growing economies in the world over the past decade, supported by a demographic dividend, strong ready-made garment (RMG) exports, remittances, and stable macroeconomic conditions. To achieve its vision of attaining upper middle-income status by 2031, Bangladesh needs to create jobs and employment opportunities through a competitive business environment, increased human capital and skilled labor force, efficient infrastructure, and a policy environment that attracts private investments. To align with the vision, banking system based on Shariah principles has proved its significance in the banking sector and economy of Bangladesh since its inception in 1983, which is reflected by its increased market share in terms of deposits and asset and financing in key sectors of the economy of Bangladesh.

United Commercial Bank Limited started its journey of Islamic banking with 10 Window branches in the year 2020 with a brand name "UCB Taqwa". This year a dedicated **UCB Taqwa - Islamic Banking Branch** has also been inaugurated at Gulshan with a vision to strengthening the presence of Islamic Banking.

Key Strengths of UCB Islamic Banking

1. Updated Shariah Compliant process

We have introduced an updated profit distribution system for Mudaraba Deposit Products and schemes,

known as Income Sharing Ratio (ISR). We offer income sharing ratio to our valued customers rather than a provisional rate for all kinds of Mudaraba Deposits. Bank calculates rate of deposit every month based on income generated from Investment of the particular month. Updated deposit rate is published in the website of the Bank every month.

2. Robust Operating System

UCB Islamic Banking has a state of art robust Islamic core banking software developed by Oracle Financial Service (Oracle Corporation) capable of handling all the transactions complying Shariah and ensuring smooth service to our customers.

3. Shariah Supervisory Committee

To uphold Shariah value and ensure strict Shariah Compliance we have a strong Shariah Supervisory Committee (SSC) with five (5) eminent Shariah scholars among other members having outstanding strength in the field of the Quran, Hadith & Fiqh al-Muamalat. Shariah Supervisory Committee (SSC) ensures that all the processes and products meet strict Shariah adherence supported by local and international Shariah standard setting organizations like, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Shariah Supervisory Committee



Bazal Ahmed
Chairman



Hajee M. A. Kalam
Member



Arif Quadri
Member



Prof. Dr. A. F. M. Akbar Hossain
Member



Prof. Dr. Mohammad Abdur Rashid
Member



Prof. Dr. K M Saiful Islam Khan
Member



Dr. Mohammed Nasir Uddin (Azhary)
Member



Dr. Mohammad Manjurur Rahman
Member

4. Digital initiative & Transactional convenience

Customers can transact and avail Islamic Banking service from any branches of the Bank with real time online banking platform. UCB Internet Banking (U-net) is connected with UCB Taqwa Accounts through which customers are able to get account information, transfer

fund within and outside UCB, pay utility bill through U-net Mobile App.

5. Meetings and Attendance of the Shariah Supervisory Committee

Two (02) meetings of the Shariah Supervisory Committee were held during the year 2021

Members' Presence in the Shariah Supervisory Committee meetings held during 2021

SL	Name of the Members	Status with the Board	Total Meetings held during the year	Total Meetings held during their period	Attended	Leave of Absence	Remarks
1	Bazal Ahmed	Chairman	2	2	2	0	
2	Hajee M.A. Kalam	Member	2	2	0	2	
3	Arif Quadri	Member	2	1	1	0	1 meeting held during his tenure.
4	Dr. A.F.M. Akbar Hossain	Member	2	2	2	0	
5	Dr. Mohammad Abdur Rashid	Member	2	2	2	0	
6	Dr. K M Saiful Islam Khan	Member	2	2	2	0	
7	Dr. Mohammed Nasir Uddin (Azhary)	Member	2	2	2	0	
8	Dr. Mohammad Manjurur Rahman	Member	2	2	2	0	

Highlights of 2021

Deposit and Investment Products

We have a wide range of deposit and financing scheme based on Shariah approved mode Mudaraba, Musharaka, Murabaha, Bai-Salam, HPSM (Hire-Purchase Shirkatul Melk) and Bai-As-Sorf to cater the need of Retail, SME and Corporate segment customers.

Deposit Products
UCB Taqwa Al-Wadia Current Account (for Retail, SME & Corporate)
UCB Taqwa Al-Wadia FC Account (for Retail, SME & Corporate)
UCB Taqwa Mudaraba Savings
UCB Taqwa Probashi Savings Account
UCB Taqwa Mudaraba Short Notice Deposit
UCB Taqwa Mudaraba Term Deposits (3 months to 3 Years)

Retails Investment Products	SME & Corporate Investment Products
UCB Taqwa Personal Finance	UCB Taqwa Local Purchase (Working Capital)
UCB Taqwa Auto Finance	UCB Taqwa Salam Packing Finance (RMG)
UCB Taqwa Home Finance	UCB Taqwa Salam Working Capital
	UCB Taqwa Musharaka Local Bill Finance
	UCB Taqwa Bai As Sorf Foreign Bill Finance
	UCB Taqwa Term Finance

Islamic Banking Portfolio

In BDT Million

Deposit	Investment	No. of Accounts
2914.98	725.57	2591

New Initiatives in 2021

Further this year we have developed Murabaha investment product to avail **Export Development Fund (EDF)** from Bangladesh Bank against export trade and also developed Musharaka investment product to finance against **Local Documentary Bill of deemed exporters.**

FINANCIAL STATEMENTS





Independent Auditors' Report

To the Shareholders of United Commercial Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated Financial Statements of United Commercial Bank Limited, and its subsidiaries ("the Group") as well as the Separate Financial Statements of United Commercial Bank Limited ("the Bank"), which comprise the Consolidated and the Separate Balance Sheet as at 31 December 2021 and the Consolidated and Separate Profit & Loss Accounts, consolidated and separate Statements of Changes in Equity and Consolidated and Separate Cash Flow Statements for the year then ended, and notes to the Consolidated and Separate Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated Financial Statements of the Group and Separate Financial Statements of the Bank give a true and fair view of the Consolidated Balance Sheet of the Group and the Separate Balance Sheet of the Bank as at 31 December 2021, and of its Consolidated and Separate Profit and Loss Accounts and its Consolidated and Separate Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as explained in note # 02.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated and Separate Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated and Separate Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Measurement of provision for loans and advances;

See notes no 2.10.9, 2.10.22, 7.11, 12.1 and 35 to the Financial Statements.

Key Audit Matter	How the matter was addressed in our audit
<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex. For the individual analysis, these provisions consider:</p> <ul style="list-style-type: none"> ▪ Estimates of future business performance of the borrower; ▪ Market value of collateral provided by borrower for credit transactions; ▪ Ability to reprocess the collateral; ▪ Recovery rate; and <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases extracted from IT system of the Bank, assumptions and calculations for the provision estimates of complex design and implementation and following instructions of Bangladesh Bank (Central Bank of Bangladesh) from time to time.</p> <p>Due to high level judgment involved and using some manual process in estimating provision for loan & advances, we considered this to be a key matter.</p> <p>At year end, the Group and Bank reported total gross loans and advances of BDT 408,309.81 million (2020: BDT 356,065.73 million) and BDT 402,481.73 Million (2020: BDT 351,683.55 million) respectively and provision for loans and advances of BDT 16,584.38 million (2020: BDT 12,645.89 million) and BDT 16,584.38 million (2020: BDT 12,645.89 million) respectively.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general specific and special provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

2. Recognition of interest income from loans and advances;

See notes no 2.1.1(v), 2.10.09, 2.10.22, 2.10.38, and 20 to the financial statements.

Key Audit Matter	How the matter was addressed in our audit
<p>Recognition of interest income has significant and wide influence on Financial Statements;</p> <p>Recognition and measurement of interest income has followed circulars of Bangladesh Bank and also involvement of complex IT environment.</p> <p>We identify recognition of interest income from loan and advances as a key audit matter because this is one of the key performance indicators of the bank and therefore there is an inherent risk of fraud and error in recognition of interest income by managements to meet specific target and expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loan and advances:</p> <ul style="list-style-type: none"> • We performed test of operating effectiveness on automated control in place to measure and recognize interest income; • We have also performed substantive procedure to check whether the interest income is recognized completely and accurately; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

3. Valuation of Treasury bill, Treasury bond and unquoted share;

See notes no 2.10.7 and 6.3 to the Financial Statements

Key Audit Matter	How the matter was addressed in our audit
<p>The classification and measurement of T-Bill, T-Bond and unquoted shares require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of T-Bills, T Bonds and unquoted shares is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Group and the Bank to identify, classify and measurement of treasury bill & treasury bond.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

4. Measurement of deferred tax assets

See notes no 2.10.29 (ii), and 9.4 to the Financial Statements.

Key Audit Matter	How the matter was addressed in our audit
<p>The Group and the Bank reports net deferred tax assets to totaling BDT 4,226.10 million (BDT 2,836.15 million as at 31 December 2020) and BDT 4,228.86 million as at 31 December 2021 (BDT 2,838.11 million as at 31 December 2020) respectively.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Group's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved our own tax specialists to assess tax strategies that the bank expects successful recovery of recognized deferred tax assets.</p> <p>Finally, We have assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>

5. Legal and regulatory matters

See notes no 2.1.1 to the Financial Statements

Key Audit Matter	How the matter was addressed in our audit
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Group's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Group's provisions and contingent liabilities disclosure.</p>

6. IT systems and controls

See notes no 2.10.54.6 to the Financial Statements

Key Audit Matter	How the matter was addressed in our audit
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Group's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Group's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

7. Carrying value of investments in subsidiaries by the Bank

See notes no1.6, 1.6.1, 1.6.2, 1.6.3, 1.6.4, 1.6.5, 2.10.18 and 9 to the Financial Statements

Key Audit Matter	How the matter was addressed in our audit
<p>The Bank has invested in equity shares of its subsidiary namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited and UCB Fintech Company Limited. As at 31 December 2021 the carrying value of this investment is BDT 5,499.99 million.</p> <p>The Bank is required to conduct impairment test of investment in subsidiary when indication exist. The impairment testing is considered to be a key audit matter due to complexity and judgments required in determining assumptions used to estimate recoverable amount which is higher of fair value less cost of sales and value in use.</p> <p>Management has not conducted impairment assessment of its subsidiaries namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited and UCB Fintech Company Limited in accordance with IAS 36 as there is no impairment indication for investment in subsidiaries, as considered by the management.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>

Other matter

The Consolidated Financial Statements of the group and also Separate Financial Statements of the Bank as at and for the year ended 31 December 2020 were audited by us and expressed an unmodified opinion on those statements on 08 June 2021.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate Financial Statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter with those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements of the Group and also Separate Financial Statements of the Bank in accordance with IFRSs as explained in note # 02, and for such internal control as management determines is necessary to enable the preparation of Consolidated and Separate Financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the Consolidated and Separate Financial Statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated and Separate Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated and Separate Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated and Separate Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated and Separate Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated and Separate Financial

Statements, including the disclosures, and whether the Consolidated and Separate Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated and Separate Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 as amended up to date and the rules and regulations issued by Bangladesh Bank, we also report that:

- I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- II. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the Consolidated Financial Statements of the Group and the Separate Financial Statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and internal control:

- a. internal audit, internal control and risk management arrangements of the Group as disclosed in the Financial Statements appeared to be materially adequate;
 - b. nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities;
- III. Financial Statements for the year ended 31 December 2021 of four subsidiaries namely, UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited and UCB Fintech Company Limited have been audited by us and have been properly reflected in the consolidated Financial Statements;
- IV. in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- V. the records and statements submitted by the branches have been properly maintained and consolidated in the Financial Statements;
- VI. the Consolidated Balance Sheet and Consolidated Profit and Loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- VII. the expenditures incurred were for the purpose of the Bank's business for the year;
- VIII. the Consolidated Financial Statements of the Group and the Separate Financial Statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- IX. adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- X. the information and explanations required by us have been received and found satisfactory;
- XI. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 6350 person hours; and
- XII. Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Place: Dhaka, Bangladesh
Dated: 30 March 2022

Signed for & on behalf of

MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC No: 2203300535AS686991

UNITED COMMERCIAL BANK LIMITED

Consolidated Balance Sheet

As at 31 December 2021

	Notes	Amount in BDT	
		31 December 2021	31 December 2020
PROPERTIES & ASSETS			
Cash	3	25,380,748,231	24,947,748,071
Cash in hand (Including foreign currencies)		7,498,609,154	5,701,337,402
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		17,882,139,077	19,246,410,669
Balance with other banks & financial institutions	4	20,633,128,821	23,063,846,826
In Bangladesh		19,568,097,037	19,948,278,566
Outside Bangladesh		1,065,031,784	3,115,568,260
Money at Call on short notice	5	3,200,000,000	930,000,000
Investments	6	83,046,995,094	66,986,981,664
Government		72,746,470,244	57,027,607,862
Others		10,300,524,850	9,959,373,802
Loans and Advances	7	408,309,815,648	356,065,739,658
Loans, Cash Credits, Overdrafts etc		381,754,404,170	340,985,337,566
Bills purchased and discounted		26,555,411,478	15,080,402,092
Fixed assets including premises, furniture & fixture	8	17,018,196,481	14,624,721,331
Other assets	9	12,835,963,574	11,959,691,841
Non-banking assets		-	-
Total Assets		570,424,847,849	498,578,729,391
LIABILITIES AND CAPITAL			
Liabilities:			
Borrowings from other banks, financial institutions and agents	10	89,410,437,395	62,240,924,137
Deposits and other accounts	11	387,023,828,463	352,313,500,149
Current accounts & other accounts		78,346,168,340	69,335,920,773
Bills Payable		8,845,268,369	8,280,264,992
Savings Bank Deposits		80,659,233,376	70,999,776,995
Fixed Deposits		219,173,158,378	203,697,537,389
Bearer Certificates of Deposits		-	-
Other Deposits		-	-
Other Liabilities	12	56,601,754,666	48,285,790,316
Total Liabilities		533,036,020,524	462,840,214,602
Capital / Shareholders' Equity			
Paid up Capital	13	12,783,969,490	12,175,209,040
Share Premium	13.3	1,454,976,750	1,454,976,750
Statutory Reserve	14	14,555,968,681	13,424,987,898
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,631,853,888	2,792,715,898
Retained Earnings	17	5,935,480,290	5,864,047,022
Total Shareholders' Equity		37,388,827,060	35,738,514,569
Non controlling interest		265	220
Total Shareholders' Equity with non-controlling interest		37,388,827,325	35,738,514,789
Total Liabilities and Shareholders Equity		570,424,847,849	498,578,729,391

Off Balance Sheet Items

	Notes	Amount in BDT	
		31 December 2021	31 December 2020
Contingent Liabilities:			
	18	260,413,159,150	200,799,582,943
Acceptances & Endorsements	18.1	110,309,146,988	78,153,489,715
Letters of Guarantee	18.2	57,499,501,948	49,877,297,665
Irrevocable Letters of Credit	18.3	75,222,523,708	58,643,781,573
Bills for Collection	18.4	17,381,986,506	14,125,013,990
Other Contingent Liabilities		-	-
Other Commitments:		-	242,106,790
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	242,106,790
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance sheet items including contingent liabilities		260,413,159,150	201,041,689,733

The annexed notes 01 to 48 form an integral part of these financial statements.



 Managing Director & CEO



 Director



 Director



 Director

As per our report of same date.

Signed for & on Behalf of
MABS & J Partners
 Chartered Accountants



Nasir Uddin Ahmed
 FCA, FCS, CGMA (AICPA), ACMA (UK)
 Deputy Managing Partner
 ICAB Enrollment No: 535
 DVC No: 2203300535AS686991

Dhaka, 30 March 2022

UNITED COMMERCIAL BANK LIMITED

Consolidated Profit and Loss Account
For the year ended 31 December 2021

	Notes	Amount in BDT	
		31 December 2021	31 December 2020
Interest Income	20	27,984,761,834	27,690,575,955
Interest paid on deposits and borrowings etc	21	14,166,778,473	17,891,661,906
Net Interest Income		13,817,983,361	9,798,914,049
Investment income	22	5,646,288,161	6,170,676,976
Commission, exchange and brokerage	23	6,466,823,421	4,970,121,833
Other Operating Income	24	338,829,891	150,859,502
Total Operating Income (A)		26,269,924,834	21,090,572,360
OPERATING EXPENSES			
Salary and allowances	25	7,736,214,129	6,560,470,134
Rent, taxes, insurance, electricity etc.	26	1,147,506,346	1,011,263,663
Legal expenses	27	136,054,009	94,655,019
Postage, stamps, telecommunications etc.	28	191,894,385	178,461,860
Stationery, printing, advertisements etc.	29	2,154,980,062	1,489,656,618
Chief Executive's salary and fees	30	13,450,900	15,018,400
Directors' fees	31	3,339,785	3,534,053
Auditors' fees	32	1,278,500	1,853,500
Depreciation and repair of banks assets	33	1,859,159,180	1,622,227,426
Other expenses	34	3,102,257,442	2,923,458,480
Total Operating Expenses (B)		16,346,134,738	13,900,599,153
Profit/(Loss) before provision (C) = (A-B)		9,923,790,096	7,189,973,207
Provision for Loans & Advances	35	4,391,175,429	2,148,188,564
Provision for diminution in value of investments	36	(244,586,028)	(441,818,090)
Other provisions	37	549,363,208	240,064,820
Total Provision (D)		4,695,952,609	1,946,435,294
Total Profit/(Loss) before Income taxes (C - D)		5,227,837,487	5,243,537,913
Provision for Taxation	38	2,776,130,772	2,294,688,044
Current Tax		4,166,078,526	2,836,872,737
Deferred Tax		(1,389,947,755)	(542,184,693)
Net Profit after Taxation		2,451,706,715	2,948,849,869
Appropriations			
Statutory Reserve		1,130,980,783	989,602,598
Start-Up Fund		31,771,709	28,571,978
Retained Surplus		1,288,954,223	1,930,675,293
Attributable to:			
Equity holders' of the Bank		1,288,954,178	1,930,675,273
Non controlling interest		45	20
		1,288,954,223	1,930,675,293
Earnings Per Share (EPS)	39	1.92	2.31

The annexed notes 01 to 48 form an integral part of these financial statements.


Managing Director & CEO

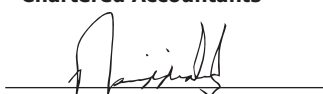

Director


Director


Director

As per our report of same date.

Signed for & on Behalf of
MABS & J Partners
Chartered Accountants


Nasir Uddin Ahmed
FCA, FCS, CGMA (AICPA), ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC No: 2203300535AS686991

Dhaka, 30 March 2022

UNITED COMMERCIAL BANK LIMITED

Consolidated Cash Flow Statement

For the year ended 31 December 2021

	Notes	Amount in BDT	
		31 December 2021	31 December 2020
A. Cash flows from operating activities			
Interest Receipts in cash		33,310,945,884	33,166,876,163
Interest Payments		(14,277,952,671)	(21,449,958,134)
Dividend Receipts		189,847,793	234,353,409
Fees & Commission Receipts in cash		4,871,999,226	3,657,964,571
Recoveries of loans Previously written off		102,577,518	103,345,832
Cash Payments to employees		(7,705,298,800)	(6,569,330,046)
Cash Payments to suppliers		(3,527,410,603)	(3,324,307,996)
Income taxes paid		(3,499,325,527)	(2,557,416,352)
Receipt from other operating activities		765,093,940	562,479,278
Payment for other operating activities		(2,987,399,969)	(2,452,629,149)
Operating profit before changes in operating assets and liabilities.		7,243,076,791	1,371,377,576
Increase/Decrease in operating assets and liabilities:			
Statutory Deposits		(16,679,987,307)	(8,713,147,707)
Purchase/Sales of trading Securities		57,866,937	210,848,481
Loans and advances to Customers		(51,717,458,833)	(30,402,338,440)
Other assets		383,014,186	(3,070,036,516)
Deposit from banks		3,495,509,363	(2,001,251,985)
Deposit from customers		31,061,611,148	25,386,599,234
Other Liabilities		2,461,013,816	5,882,340,682
		(30,938,430,690)	(12,706,986,251)
Net Cash from operating activities (A)		(23,695,353,899)	(11,335,608,675)
B. Cash flows from investing activities			
Proceeds from Sale of Securities		(142,500,930)	97,287,460
Purchase/Sale of property, plant & equipment		(3,495,479,680)	(1,359,868,881)
Net Cash from investing activities (B)		(3,637,980,610)	(1,262,581,421)
C. Cash flows from financing activities			
Receipts from borrowings		29,642,896,100	19,036,963,420
Sub-Ordinated Bond		(3,000,000,000)	900,000,000
Dividends paid		(608,760,452)	(579,771,860)
Cash received from Issuing of Right Shares		-	-
Net cash from financing activities (C)		26,034,135,648	19,357,191,561
D. Net Increase/(Decrease) in cash (A+B+C)		(1,299,198,861)	6,759,001,465
Effects of the changes of exchange rate on cash and cash equivalents*		1,571,481,016	1,312,074,764
E. Cash and Cash equivalents at beginning of the year		48,941,594,897	40,870,518,669
F. Cash and cash equivalents at the end of the year		49,213,877,052	48,941,594,898
Consolidated Cash and cash Equivalents at end of the year			
Cash in hand (including foreign currencies)	3	7,498,609,154	5,701,337,402
Balance with Bangladesh bank and its agent bank	3	17,882,139,077	19,246,410,669
Balance with other banks & financial institution	4	20,633,128,821	23,063,846,826
Money at call on short notice	5	3,200,000,000	930,000,000
		49,213,877,052	48,941,594,897

The annexed notes 01 to 48 form an integral part of these financial statements.

UNITED COMMERCIAL BANK LIMITED

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

Particulars	Amount in BDT									
	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Non-Controlling Interest	Foreign Currency translation gain/(loss)	Retained Earnings	Total
Balance as at 01 January 2021	12,175,209,040	1,454,976,750	13,424,987,898	26,577,961	2,534,101,559	233,489,187	220	25,125,152	5,864,047,022	35,738,514,789
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-
Restated Balance	12,175,209,040	1,454,976,750	13,424,987,898	26,577,961	2,534,101,559	233,489,187	220	25,125,152	5,864,047,022	35,738,514,789
Surplus/deficit on accounts of revaluation of properties	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on accounts of revaluation of investments	-	-	-	-	-	(165,756,668)	-	-	-	(165,756,668)
Currency translation difference (OBU)	-	-	-	-	-	-	-	4,894,659	-	4,894,659
Net Profit for the year	-	-	-	-	-	-	-	-	2,419,935,006	2,419,935,006
Transferred to statutory reserve	-	-	1,130,980,783	-	-	-	-	-	(1,130,980,783)	-
Dividend (Bonus Share Issued)	608,760,450	-	-	-	-	-	-	-	(608,760,450)	-
Dividend (Cash)	-	-	-	-	-	-	-	-	(608,760,459)	(608,760,459)
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-
Non-Controlling Interest	-	-	-	-	-	-	45	-	(45)	-
Balance as at 31 December 2021	12,783,969,490	1,454,976,750	14,555,968,681	26,577,961	2,534,101,559	67,732,519	265	30,019,811	5,935,480,291	37,388,827,327
Balance as at 31 December 2020	12,175,209,040	1,454,976,750	13,424,987,898	26,577,961	2,534,101,559	233,489,187	220	25,125,152	5,864,047,022	35,738,514,789

The annexed notes 01 to 48 form an integral part of these financial statements.

UNITED COMMERCIAL BANK LIMITED

Balance Sheet

As at 31 December 2021

	Notes	Amount in BDT	
		31 December 2021	31 December 2020
PROPERTIES & ASSETS			
Cash	3	25,380,179,538	24,947,578,071
Cash in hand (Including foreign currencies)		7,498,040,461	5,701,167,402
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		17,882,139,077	19,246,410,669
Balance with other banks & financial institutions	4	19,409,249,978	20,468,428,322
In Bangladesh		18,344,218,194	17,352,860,062
Outside Bangladesh		1,065,031,784	3,115,568,260
Money at Call on short notice	5	3,200,000,000	930,000,000
Investments	6	81,387,609,500	65,323,451,207
Government		72,746,470,244	57,027,607,862
Others		8,641,139,256	8,295,843,345
Loans and Advances	7	402,481,735,743	351,683,559,403
Loans, Cash Credits, Overdrafts etc		375,926,324,265	336,603,157,311
Bills purchased and discounted		26,555,411,478	15,080,402,092
Fixed assets including premises, furniture & fixture	8	14,721,191,566	14,539,957,921
Other assets	9	18,734,245,157	15,413,973,496
Non-banking assets		-	-
Total Assets		565,314,211,482	493,306,948,420
LIABILITIES AND CAPITAL			
Liabilities:			
Borrowings from other banks, financial institutions and agents	10	85,803,634,252	59,399,125,988
Deposits and other accounts	11	389,900,723,984	353,981,618,765
Current accounts & other accounts		81,223,063,861	71,004,039,389
Bills Payable		8,845,268,369	8,280,264,992
Savings Bank Deposits		80,659,233,376	70,999,776,995
Fixed Deposits		219,173,158,378	203,697,537,389
Bearer Certificates of Deposits		-	-
Other Deposits		-	-
Other Liabilities	12	52,167,845,818	44,859,972,964
Total Liabilities		527,872,204,054	458,240,717,717
Capital/Shareholders' Equity			
Paid up Capital	13	12,783,969,490	12,175,209,040
Share Premium	13.3	1,454,976,750	1,454,976,750
Statutory Reserve	14	14,546,968,923	13,424,987,898
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,631,853,888	2,792,715,898
Retained Earnings	17	5,997,660,416	5,191,763,156
Total Shareholders' Equity		37,442,007,428	35,066,230,703
Total Liabilities and Shareholders Equity		565,314,211,482	493,306,948,420

Off Balance Sheet Items

	Notes	Amount in BDT	
		31 December 2021	31 December 2020
Contingent Liabilities:			
	18	260,413,159,150	200,799,582,943
Acceptances & Endorsements	18.1	110,309,146,988	78,153,489,715
Letters of Guarantee	18.2	57,499,501,948	49,877,297,665
Irrevocable Letters of Credit	18.3	75,222,523,708	58,643,781,573
Bills for Collection	18.4	17,381,986,506	14,125,013,990
Other Contingent Liabilities		-	-
Other Commitments:			242,106,790
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	242,106,790
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance sheet Items Including Contingent Liabilities		260,413,159,150	201,041,689,733

The annexed notes 01 to 48 form an integral part of these financial statements.



Managing Director & CEO



Director



Director



Director

As per our report of same date.

Signed for & on Behalf of
MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed
FCA, FCS, CGMA (AICPA), ACMA (UK)
Deputy Managing Partner

ICAB Enrollment No: 535
DVC No: 2203300535AS686991

Dhaka, 30 March 2022

UNITED COMMERCIAL BANK LIMITED

Profit and Loss Account

For the year ended 31 December 2021

	Notes	Amount in BDT	
		31 December 2021	31 December 2020
Interest Income	20	27,323,646,852	27,306,956,686
Interest paid on deposits and borrowings etc.	21	13,927,259,014	17,796,178,247
Net Interest Income		13,396,387,838	9,510,778,439
Investment income	22	5,463,607,877	6,135,364,289
Commission, exchange and brokerage	23	5,739,170,575	4,693,984,605
Other Operating Income	24	220,574,859	148,087,150
Total Operating Income (A)		24,819,741,149	20,488,214,483
OPERATING EXPENSES			
Salary and allowances	25	7,166,522,140	6,354,171,912
Rent, taxes, insurance, electricity etc.	26	1,122,448,908	995,871,932
Legal expenses	27	128,654,592	94,175,130
Postage, stamps, telecommunications etc.	28	184,561,969	174,621,217
Stationery, printing, advertisements etc.	29	1,249,146,112	1,482,822,745
Chief Executive's salary and fees	30	13,450,900	15,018,400
Directors' fees	31	2,590,290	2,705,176
Auditors' fees	32	1,150,000	1,725,000
Depreciation and repair of banks assets	33	1,822,185,672	1,609,935,434
Other expenses	34	2,945,319,029	2,900,050,892
Total Operating Expenses (B)		14,636,029,612	13,631,097,838
Profit/(Loss) before provision (C) = (A-B)		10,183,711,537	6,857,116,645
Provision for Loans & Advances	35	4,259,894,629	2,107,288,564
Provision for diminution in value of investments	36	(235,220,899)	(438,249,731)
Other provisions	37	549,132,684	240,064,820
Total Provision (D)		4,573,806,414	1,909,103,653
Total Profit/(Loss) before Income taxes (C - D)		5,609,905,123	4,948,012,992
Provision for Taxation	38	2,432,734,220	2,090,815,148
Current Tax		3,823,478,709	2,632,946,342
Deferred Tax		(1,390,744,489)	(542,131,193)
Net Profit after Taxation		3,177,170,903	2,857,197,844
Appropriations			
Statutory Reserve		1,121,981,025	989,602,598
Start-Up Fund		31,771,709	28,571,978
Retained Surplus		2,023,418,169	1,839,023,267
		3,177,170,903	2,857,197,844
Earnings Per Share (EPS)	39	2.49	2.23

The annexed notes 01 to 48 form an integral part of these financial statements.



 Managing Director & CEO



 Director

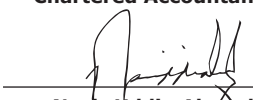


 Director



 Director

Signed for & on Behalf of
MABS & J Partners
 Chartered Accountants



Nasir Uddin Ahmed
 FCA, FCS, CGMA (AICPA), ACMA (UK)
 Deputy Managing Partner

ICAB Enrollment No: 535
 DVC No: 2203300535AS686991

Dhaka, 30 March 2022

UNITED COMMERCIAL BANK LIMITED

Cash Flow Statement

For the year ended 31 December 2021

	Notes	Amount in BDT	
		31 December 2021	31 December 2020
A. Cash flows from operating activities			
Interest receipts		32,410,109,539	32,708,437,544
Interest payments		(14,078,145,160)	(21,279,655,125)
Dividend receipt		149,088,539	206,565,597
Fees & Commission receipt		4,167,689,559	3,381,909,843
Recoveries from previously written off advances		102,577,518	103,345,832
Payments to employees		(7,179,973,040)	(6,369,190,312)
Payments to suppliers		(3,200,235,642)	(3,290,804,221)
Payment for Advance Income Tax		(3,285,957,698)	(2,392,309,601)
Receipt from other operating activities		641,746,940	544,012,599
Payment for other activities		(2,895,277,427)	(2,426,332,347)
Operating profit before changes in operating assets and liabilities		6,831,623,127	1,185,979,809
Increase/Decrease in operating assets and liabilities:			
Statutory Deposit		(16,679,987,307)	(8,713,147,707)
Purchase/Sale of trading securities		(118,378,810)	481,095,979
Loans and advances to customers		(50,798,176,340)	(28,955,417,614)
Other Assets		(2,326,620,975)	(2,949,673,643)
Deposit from Banks		3,495,509,363	(2,001,251,985)
Deposit from customers		32,247,232,604	25,372,566,647
Other liabilities		2,885,991,733	3,728,529,761
		(31,294,429,733)	(13,037,298,564)
Net Cash from operating activities (A)		(24,462,806,606)	(11,851,318,754)
B. Cash flows from investing activities			
Purchase/Sale of Securities		(10,400,000)	100,000,000
Purchase of Property, Plant & Equipments		(1,250,599,100)	(1,349,577,256)
Net Cash from investing activities (B)		(1,260,999,100)	(1,249,577,256)
C. Cash flows from financing activities			
Receipt from borrowing		29,404,508,263	17,587,800,232
Sub-Ordinated Bond		(3,000,000,000)	900,000,000
Cash received from issuing of Right shares		-	-
Cash dividend payment		(608,760,459)	(579,771,860)
Net cash from financing activities (C)		25,795,747,804	17,908,028,373
Net Increase/(Decrease) in cash (A+B+C)		71,942,098	4,807,132,362
Effects of the changes of exchange rate on cash and cash equivalents*		1,571,481,024	1,312,074,764
Cash and Cash equivalents at beginning of the year		46,346,006,394	40,226,799,267
Cash and cash equivalents at the end of the year		47,989,429,516	46,346,006,393
Cash and cash Equivalents at end of the year			
Cash in hand (including foreign currencies)	3.1	7,498,040,461	5,701,167,402
Balance with Bangladesh bank and its agent bank	3.2	17,882,139,077	19,246,410,669
Balance with other banks & financial institution	4	19,409,249,978	20,468,428,322
Money at call on short notice	5	3,200,000,000	930,000,000
		47,989,429,516	46,346,006,393

The annexed notes 01 to 48 form an integral part of these financial statements.

UNITED COMMERCIAL BANK LIMITED

Statement of Changes in Equity

For the year ended 31 December 2021

Particulars	Amount in BDT									
	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Foreign Currency translation gain/(loss)	Retained Surplus	Total	
Balance as at 01 January 2021	12,175,209,040	1,454,976,750	13,424,987,898	26,577,961	2,534,101,559	233,489,187	25,125,152	5,191,763,156	35,066,230,703	
Changes in Accounting policy	-	-	-	-	-	-	-	-	-	
Restated Balance	12,175,209,040	1,454,976,750	13,424,987,898	26,577,961	2,534,101,559	233,489,187	25,125,152	5,191,763,156	35,066,230,703	
Surplus/deficit on accounts of revaluation of properties	-	-	-	-	-	-	-	-	-	
Surplus/deficit on accounts of revaluation of investments	-	-	-	-	-	(165,756,668)	-	-	(165,756,668)	
Currency translation difference (OBU)	-	-	-	-	-	-	4,894,659	-	4,894,659	
Net Profit for the period	-	-	-	-	-	-	-	3,145,399,194	3,145,399,194	
Transferred to statutory reserve	-	-	1,121,981,025	-	-	-	-	(1,121,981,025)	-	
Dividend (Bonus Share Issued for 2020)	608,760,450	-	-	-	-	-	-	(608,760,450)	-	
Dividend (Cash for 2020)	-	-	-	-	-	-	-	(608,760,459)	(608,760,459)	
Issue of share capital	-	-	-	-	-	-	-	-	-	
Balance as at 31 December 2021	12,783,969,490	1,454,976,750	14,546,968,923	26,577,961	2,534,101,559	67,732,519	30,019,811	5,997,660,416	37,442,007,428	
Balance as at 31 December 2020	12,175,209,040	1,454,976,750	13,424,987,898	26,577,961	2,534,101,559	233,489,187	25,125,152	5,191,763,156	35,066,230,703	

The annexed notes 01 to 48 form an integral part of these financial statements.

UNITED COMMERCIAL BANK LIMITED

Liquidity Statement

Asset and Liability Maturity Analysis

As at 31 December 2021

Particulars	Amount in BDT					
	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 Years	Total
Assets						
Cash in hand	8,441,692,123	-	-	-	16,938,487,415	25,380,179,538
Balance with other banks & financial institutions	14,104,449,978	3,200,000,000	1,300,000,000	804,800,000	-	19,409,249,978
Money at call on short notice	3,200,000,000	-	-	-	-	3,200,000,000
Investment	1,927,762,459	16,054,505,434	7,258,238,668	17,238,083,760	38,909,019,178	81,387,609,500
Loans and Advances	34,833,048,988	59,476,957,660	86,530,809,845	140,170,671,641	54,914,836,131	375,926,324,265
Bill Purchased & Discounted	1,320,231,986	1,456,612,954	23,778,566,538	-	-	26,555,411,478
Fixed assets including premises, furniture & fixture	177,500,000	355,000,000	1,597,500,000	8,520,000,000	4,071,191,566	14,721,191,566
Other Assets	671,284,253	2,949,018,124	1,950,027,628	7,619,487,793	5,544,427,360	18,734,245,157
Non banking assets	-	-	-	-	-	-
Total Assets (A)	64,675,969,787	83,492,094,171	122,415,142,679	174,353,043,194	120,377,961,650	565,314,211,482
Liabilities						
"Borrowing from Bangladesh bank, other banks, financial institutions and agents"	4,642,509,586	18,459,983,863	39,932,339,963	15,174,871,981	7,593,928,859	85,803,634,252
Deposits	47,454,949,968	53,853,462,916	79,057,886,972	120,081,483,974	89,452,940,154	389,900,723,984
Provisions and other liabilities	3,648,003,878	287,568,447	9,929,251,062	33,087,805,261	5,215,217,169	52,167,845,818
Total Liabilities (B)	55,745,463,432	72,601,015,226	128,919,477,997	168,344,161,216	102,262,086,182	527,872,204,054
Net Liquidity Gap (A-B)	8,930,506,355	10,891,078,945	(6,504,335,318)	6,008,881,978	18,115,875,468	37,442,007,428

UNITED COMMERCIAL BANK LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2021

1. The Bank & its activities

1.1 Status of the Bank

United Commercial Bank Limited ('UCBL' or the 'Bank') was incorporated in Bangladesh as a public limited company with limited liability on 26 June 1983 under the Companies Act 1913 to carry on banking business in Bangladesh. It obtained permission from Bangladesh Bank on 28 June 1983 1983 to commence its business. The Bank has 215 branches, 628 ATMs/CRMs, 177 agent banking outlets and 135 Sub-Branches as on 31 December 2021. Out of the above 215 branches, 10 branches provided both Islamic Banking and Commercial Banking facilities complying with the rules of Islamic Shariah and a new branch provided solely Islamic Banking facilities complying with the rules of Islamic Shariah. The Bank is listed with Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited as a publicly traded Company.

The principal place of business and the registered office of the bank is located at Plot – CWS- (A)- 1, Gulshan Avenue, Dhaka – 1212.

1.2 Principal Activities and nature of operations of the Bank

The primary objective of the bank is to conduct all kinds of banking businesses in Bangladesh. The Bank offers services for all commercial banking and Islamic banking needs of the customers, which includes deposit/ banking, loans & advances, export import financing, inland and international remittance facility etc.

1.3 Off-shore Banking Unit

Off-shore Banking Unit (the Unit), a separate business unit of United Commercial Bank Limited, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide, letter no. BRPD (P-3) 744 (117)/2010-2577 dated 9th June 2010. The Bank commenced the operation of its Off-shore Banking Unit from November 10, 2010. At present there is one unit of off-shore banking operating in Dhaka under the Rules and guidelines of Bangladesh Bank. The principal

activities of the unit are to provide all kinds of commercial Banking services to its customers in foreign currencies. Financial Statements of Off-shore Banking also presented separately.

1.4 Islamic Banking

The Bank obtained permission for Islamic Banking Branch from Bangladesh Bank vide, letter no. BRPD (P-3) 745 (17)/2020-1453 dated 6 February 2020. Through the Islamic Banking wing and branch, the Bank extends all types of Islamic Shariah compliant finance like hire purchase shirkatul melk (HPSM), bai- Murabaha, Mushraka, Salam and agency, Ijarah Muntahia Bittamleek (Hire Purchase) etc. and different types of deposits like al-wadeeah, Murabaha etc. Financial statements of Islamic Banking also presented separately.

1.5 Agent Banking

The Bank obtained permission from Bangladesh Bank on 07.02.2017 through letter no. BRPD (p-3)745(17)2017-677 to start the operation of Agent Banking and subsequently started its commercial operation on February 1, 2018. There are 177 agent outlets launched around the country till 31 December 2021. The principal activities of the unit are to provide services that includes - Account Opening (Savings), Cash deposit & withdrawal (Agent Banking A/C), Cash Deposit in Branch A/C, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Transfer of funds, Payment of salaries, Generation and issuance of Bank statements, SME Loan repayment collection, Balance inquiry, Internet Banking & SMS Banking, Corporate Bill/Distributor fee collection, Insurance Premium Collection etc.

1.6 Subsidiary Company

A subsidiary is an entity in which the bank has control as per shareholding and voting rights are concerned. Control exists when the bank has substantial shareholding (more than 50 percent) in the company, or the power, directly or indirectly, to govern the financial and operating policies of an enterprise as on the date of the reporting. Separate (solo) Financial Statements and Consolidated Financial Statements are

prepared for subsidiary investment as per International Accounting Standard (IAS) - 27; 'Separate Financial Statements' and IFRS-10; 'Consolidated Financial Statements'. Interest of the minority is shown as the minority interest which includes share capital of the minority portion as well as profit earned that goes to the non-controlling interest. However, intergroup transactions, balances and the resulting unrealized profits/(loss) are eliminated on consolidation.

1.6.1 UCB Stock Brokerage Limited

UCB Stock Brokerage Limited is a subsidiary company of United Commercial Bank Limited. The activities of the company include brokerage service, margin loan etc. The company is carrying out its activities under the license from both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

UCBL holds 24,999,999 nos. of shares of UCB Stock Brokerage Limited with face value of Tk. 100 each which is equivalent to 99.999996% of the total shares of the company.

1.6.2 UCB Investment Limited

UCB Investment Limited was incorporated in Bangladesh as a private limited company with limited liability as on 3 August of 2011 under Companies Act 1994 also, the Company has obtained Merchant Banking license from the Bangladesh Securities and Exchange Commission on 05 October 2020. The principal objective of the company is to carry out full-fledged merchant banking activities in Bangladesh i.e. portfolio management, share transfer agency, fund management to issue in the capital and security market, underwriting, management and distribution of the issue of stock shares, bonds and other securities.

UCBL holds 99,999,999 nos. of shares of UCB Investment Limited with face value of Tk. 10 each which is equivalent to 99.99% of total shares of the company.

1.6.3 UCB Asset Management Limited

UCB Asset Management Limited (the Company) was incorporated in Bangladesh as a Private Limited Company with limited liability as on the 5th Day of February of 2019, under the Companies Act 1994 and registered with RJSC & F. The authorized capital of the company is BDT 100 Crore divided into 10 (Crore) Ordinary Shares of BDT 10 each. The registered office of the company located at Plot #CWS(A)-1, Road #34, Gulshan Avenue, Dhaka-1212.

The company was formed aiming to manage portfolio and fund of both individuals and institutions, underwrite the securities, invest pooled funds from clients into a variety of securities and assets, handle high-net-worth individual accounts, and attract large investment from companies sponsoring mutual funds. UCB holds 99,999,999 nos. of shares of UCB Asset Management Limited with face value of BDT 10 each which is equivalent to 99.999990% of total shares of the Company.

1.6.4 UCB Fintech Company Limited

UCB Fintech Company Limited (hereinafter referred to as "the Company", a subsidiary of United Commercial Bank Limited, was incorporated in Bangladesh on 30 July 2020 as a private company limited by shares under the Companies Act, 1994.

Product and services of UCB Fintech include mobile transactions (cash-in, cash-out, send money etc.), utility bill payment, in-store and e-commerce payment, inward remittance, salary disbursement, G2P and P2G transaction, airtime recharge and other value added financial services. UCB holds 199,999,999 nos. of shares of UCB Fintech Company Limited with face value of BDT 10 each which is equivalent to 99.999996% of total shares of the Company.

1.6.5 Summary of shareholding in subsidiaries and associates

Shareholding position in all of its subsidiaries and associates is summarized below:

Name of subsidiaries	Face value per share	Total no. of ordinary shares		No. of ordinary shares held by UCB		Percentage of shareholding by UCB	
		2021	2020	2021	2020	2021	2020
UCB Stock Brokerage Limited	100	25,000,000	20,000,000	24,999,999	19,999,999	99.99%	99.99%
UCB Investment Limited	10	100,000,000	25,000,000	99,999,999	24,999,999	99.99%	99.99%
UCB Asset Management Limited	10	100,000,000	50,000,000	99,999,999	49,999,999	99.99%	99.99%
UCB Fintech Company Limited	10	200,000,000	100,000,000	199,999,999	99,999,999	99.99%	99.99%

2. Summary of significant accounting policies and basis of preparation of the financial statements

2.1 Basis of preparation

The separate financial statements of the bank as at and for the year ended 31 December 2021 comprise those of Domestic Banking (Main Operations) and Offshore Banking Unit (OBU), and the consolidated financial statements of the group as at and for the year ended 31 December 2021 comprise those of 'the Bank' (parent company) and its subsidiaries.

2.1.1 Statement of Compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks. Consequently, the consolidated and separate financial statements of the Group and the Bank respectively have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by FRC and in addition to this the Bank complied with the requirements of following laws and regulations from various Government bodies:

- The Bank Company Act, 1991 and amendment thereon;
- The Companies Act, 1994 and amendment thereon;
- Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
- Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange ordinance 1969, Bangladesh Securities and Exchange Act 1993, Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;
- The Income Tax ordinance, 1984 and amendment thereon;
- The Value Added Tax and Supplementary Duty Act, 2012 and amendment thereon;
- Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and oFinancial Reporting Act, 2015.

In case of any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank (BB) differing with those of IFRSs, the requirements of the Bank Company Act 1991, and provisions and circulars issued by BB shall prevail. Material departures from the requirements of IFRS are as follows:

i. Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information.

IAS 1 has also stated the entity to disclose assets and liabilities under current and noncurrent classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Company Act 1991 (and amendment thereon) and BRPD Circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii. Investment in shares and securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) along with their contractual cash flow characteristics. Based on these factors it would generally fall either under 'at fair value through profit or loss account' or under 'at fair value through other comprehensive income' where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per Banking Regulation and Policy Department (BRPD) circular no. 14 dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

iii. Revaluation gain/loss on Government securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at the year end, any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

iv. Provision on loans and advances

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime

expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013), BRPD circular No.1 (20 February 2018) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment, BRPD circular No.03 (April 21 2019), BRPD Circular Letter No. 17 (September 28 2020), BRPD Circular Letter No. 56 (December 10 2020), BRPD Circular Letter No. 59 (December 30 2020), and BRPD Circular Letter No. 63 (December 31 2020). Also specific provision for sub-standard loans, doubtful loans and bad losses have to be provided at 5%, 20%, 50%, 100% respectively for loans and advances depending on time past due and additional special general provision-COVID-19 at 1%. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

v. Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently becomes credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular No.03 dated April 21 2019 and BRPD Circular Letter No. 56 (December 10 2020), once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

vi. Other comprehensive income

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vii. Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

viii. Repo and Reverse Repo transactions

IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no.2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

However, as per DMD circular letter no.7 dated 29 July 2012, non-primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) program, whereby such banks may enter collateralised repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognise the asset.

ix. Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per

impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, dated 25 June 2003 financial guarantees such as letter of credit and letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin. As per BRPD Circular No.01 dated 03 January 2018 and BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at 1% against gross off-balance sheet exposures (which includes undrawn loan commitments).

x. Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'Money at Call and on Short Notice', Treasury Bills, Bangladesh Bank Bills and Prize Bond are not shown as cash and cash equivalent. Money at call and on short notice presented on the face of the balance sheet, and Treasury Bills, Prize Bonds are shown in investments.

xi. Non-banking asset

IFRS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, there must exist a face item named Non-banking asset.

xii. Presentation of intangible asset

IFRS: Intangible assets must be identified and recognised, and the disclosure must be given as per IAS 38: Intangible Assets.

Bangladesh Bank: Intangible assets are shown in fixed assets, including premises and furniture and fixtures, as there is no specific regulation for intangible assets in BRPD circular no. 14, dated 25 June 2003.

xiii. Cash flow statement

IFRS: Cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flows is the mixture of direct and indirect method.

xiv. Balance with Bangladesh Bank: (CRR)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for the use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xv. Presentation of intangible asset

IFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD 14 dated 25 June 2003.

xvi. Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement of disclosure of off-balance sheet items.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of balance sheet.

xvii. Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

xviii. Loans and advance net of provision

IFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

xix. Provision on undrawn loan commitments

IFRS: As per IFRS 9 bank shall recognise credit losses on undrawn loan commitments such as Letter of Credit (L/C), Letter of Guarantee (L/G) etc. as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that bank expects to receive.

Bangladesh Bank: As per BRPD Circular no. 07 dated 21 June 2018 and BRPD Circular no.14 dated 23 September 2012, the Bank is required to maintain provision at 1% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

2.1.2 Going Concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation for the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to show a healthy trend for couple of years. The rating outlook of the Bank as reported by all the rating agencies is "Stable". Besides, the management is not aware of any material uncertainties

that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using 'mark to market' concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- Land is recognized at cost at the time of acquisition and subsequently measured at fair value as per IAS-16 Property Plant & Equipment and BSEC notification SEC/CMRRC/2009-193/150/Admin dated 18 August 2013.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of United Commercial Bank Limited and its subsidiaries 'UCB Stock Brokerage Limited', 'UCB Investment Ltd', 'UCB Asset Management Limited' and 'UCB Fintech Company Limited'. The Separate (solo) financial statements and consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) -27: Separate Financial Statements and IFRS-10; Consolidated financial statements. The consolidated financial statements are prepared to a common financial year Ended 31 December 2021. Basis of consolidation are as follows:

- The consolidated financial statements incorporate the financial statements of the bank and the financial statements of the subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the parent (bank) are eliminated against the corresponding share capital of group entities (subsidiaries) in the consolidated financial statements.
- Subsidiaries (investees) are entities controlled by the parent (investor). Control exists when the investor has the power over the investee that gives right to direct relevant activities, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.
- All financial assets and financial liabilities are offset and the net amount reported in the consolidated financial statements only when there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. Items are not offset in the consolidated financial statements unless required

or permitted by accounting standards and regulators.

- Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.
- Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- **Loss of control:** Upon the loss of control of a subsidiary the group derecognizes the assets (including any goodwill) and liabilities of the subsidiary at carrying amount, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit and loss account. If the group retains any interest in the former/previous/ex subsidiary, such interest is measured at fair value at the date that the control is lost.

2.4 Use of estimates and judgments

The preparation of the financial statements requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Key estimates include the following:

- Loan loss provision
- Revaluation of land
- Current tax, Deferred tax assets/liabilities
- Gratuity & Superannuation fund
- Lease liabilities

2.5 Consistency

In accordance with IFRS framework for the presentation of financial statements together with IAS-1 and IAS-8, United Commercial Bank Limited discloses its information consistently from one period to the next. When selecting and applying new accounting policies, changes in accounting policies and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, for changes in the accounting estimates the related amount is recognized prospectively in the current period and in the next period or periods.

2.6 Foreign Currency Transactions and Translations

Functional and presentation currency

The consolidated financial statements of the Group and the financial statements of the Bank are presented in Bangladesh Taka (BDT) which is the functional currency of the Group and the Bank except OBU where functional currency is US Dollar (USD). All financial information presented in Taka has been rounded off to the nearest integer, except when otherwise indicated.

Foreign currency transactions

Transactions/Day End Balances in foreign currencies are converted into respective functional currencies at the rate of exchange ruling at the date of transactions as per IAS 21, 'The Effects of Changes in Foreign Exchange Rates'. Effects of Exchange rate differences (rates at which transactions were initially recorded and

2.7 Cash flow statement

Cash flow statement has been prepared in accordance with International Accounting Standard (IAS) 7 "Statement of Cash Flows" and under the guideline of Bangladesh Bank BRPD Circular no.14 dated 25 June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

2.8 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth. The statement also shows item-wise movement along with the description of changes from the end of last year to the end of current year.

2.9 Statement of liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per following basis:

Particulars	Basis of Use
Cash, Balance with other banks and financial institutions, money at call and short notice etc.	Stated maturity/observed behavioral trend
Investments	Residual maturity term
Loans and advances	Repayment/maturity schedule and behavioral trend (non-maturity products)
Fixed assets	Useful life
Other assets	Realization/amortization basis
Borrowings from other banks and financial institutions	Maturity/repayment term
Deposits and other accounts	Maturity and behavioral trend (non-maturity products)
Other long term liability	Maturity term
Provision and other liability	Settlement/adjustment schedule basis

the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the bank are recorded in the Profit and Loss Account.

Foreign currency translations

Assets and liabilities of OBU have been presented in Taka (which is functional currency of the Bank) using year end standard mid rate of exchange of the Bank and incomes and expenses are translated using monthly average of standard mid rate of exchange. The foreign currency translation difference is a net result of exchange difference of year end standard mid rate and monthly average of standard mid rate arising from translation of functional currency to presentation currency.

2.10 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by the Central Bank as prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

Accounting policies of subsidiaries

The financial statements of subsidiaries have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature. The financial statements of subsidiaries have been prepared using the calendar year ended 31 December which is also same for the Bank.

A. ASSETS AND THE BASIS OF THEIR VALUATION

2.10.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balance held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short-term commitments.

2.10.2 Investments

All investment securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discounts are accreted. Accounting treatment for government treasury securities (HFT and HTM) is made as per Bangladesh Bank Circular Ref. BRPD Circular no. 5 dated 26 May 2008 and subsequent clarification DOS circular letter no. 5 dated 28 January 2009.

2.10.3 Held to Maturity (HTM)

Investments which have "fixed or determinable payments" and are intended to be held to maturity are classified as "Held to Maturity". Initially these investments are recorded at cost. Subsequently at each year end, these investments are measured at amortized cost. Any increase or decrease in the value of such investment is recognized in shareholders' equity and profit and loss account respectively.

2.10.4 Held for Trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition at cost, investments are revalued at Mark to Market (MTM) on weekly basis and any increase on such valuation is

recognized as revaluation gain under the shareholders' equity and any loss is recognized in the profit and loss account.

2.10.5 REPO and Reverse REPO

Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The difference between purchase price and re-sale price is treated as interest received and accrued evenly over the life of Repo agreement.

Since 1 September 2010 transactions of REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank. Securities under repo will be excluded from the investment portfolio and hence will not be eligible for SLR purpose. Securities acquired under reverse repo will be eligible for SLR purpose initially at its clean price (in case of coupon bearing security) or at its market value (in case of non-coupon bearing security).

2.10.6 Investment in listed/quoted securities

These securities are bought and held primarily for the purpose of selling them in the future or holding for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is recognized in the profit and loss account.

2.10.7 Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of Net Assets Value (NAV) over cost in the Profit & Loss Account, but there is no unrealized gain booking.

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills/bonds - Held for Trading (HFT)	Cost	Fair value [Weekly revalued at FMV through MTM valuation process]	Loss to Profit and Loss Account, gain to Revaluation Reserve through Profit & Loss Account.
Govt. T-bills/bonds - Held to Maturity (HTM)	Cost	Amortized cost at each year end.	Increase or decrease in value to equity and Profit & Loss Account respectively.
Debenture/Bond	Face value	N/A	N/A
Shares (Quoted) *	Cost	Lower of Cost or Market Value (overall portfolio)	Loss (gain net off) to Profit and Loss Account but no unrealized gain booking.
Shares (Unquoted)*	Cost	Lower of Cost or Net Asset Value (NAV)	Loss to Profit & Loss Account but no unrealized gain booking.
Prize bond	Cost	Cost	N/A

2.10.8 Investment in subsidiaries

Investment in subsidiaries are accounted for under the cost method of accounting in the Bank's financial statements in accordance with IAS 27 "Separate Financial Statements" and IFRS 3 "Business Combination". Impairment of investment in subsidiaries is made as per the provision of IAS 36 "Impairment of Assets".

2.10.9 Loans, Advances and provisions

a) Loans and advances are stated at gross amount.

b) Loans and advances are broadly classified under the heads of Continuous, Demand, Long Term and Short term Agriculture and Micro Credit. Continuous and Demand Loans are accounted under Capitalized method where interest accrues monthly and applied to loan account quarterly. Term loans are accounted under amortized method where repayments consist of no. of EMIs

c) Interest on unclassified loans & advances and SMA loans are credited to Interest Income. Interest on Sub-standard and Doubtful Loans and advances are not credited to interest income, it is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest accrual is kept stopped for all Bad & Loss Advances.

d) Commission and discounts on bills purchased and discounted are recognized at the time of realization.

e) General provisions on unclassified loans and off balance sheet items, specific provisions for classified loans and interest suspense thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December 2012, BRPD Circular no.16 dated 18 November 2014, BRPD Circular no. 12 dated 20 August 2017, BRPD Circular no. 15 dated 27 September 2017 and BRPD Circular no. 01 dated 20 February 2018, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 13 dated 18 October 2018, BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 17 (September 28, 2020) and BRPD Circular Letter No. 56 (December 10, 2020), BRPD Circular Letter No. 59 (December 30, 2020), BRPD Circular Letter No. 05 (March 24, 2021), BRPD Circular Letter No. 13 (June 27, 2021), BRPD Circular Letter No. 19 (August 26, 2021), BRPD Circular Letter No. 45 (October 04, 2021), BRPD Circular Letter No. 50 (December 14, 2021).

Particulars	Rates
General Provision on	
Unclassified general loans and advances	1%
Unclassified small and medium enterprise	0.25%
Unclassified loans to BHs/MBs/SDs against shares etc.	2%
Unclassified loans consumer financing –Housing finance	1%
Unclassified loans consumer financing –Loans for professionals	2%
Unclassified loans consumer financing –Credit card	2%
Unclassified consumer financing others	2%
Unclassified short-term Agricultural and Micro-Credits	1%
Special Mention Account	0.25%-2%
Off-balance sheet exposures	1%
Special general provision-COVID-19	1.5-2%
Specific Provisions on	
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/Loss loans and advances	100%
Substandard short term agri credit and, cottage, micro credit & small	5%
Doubtful short term agri credit and micro credit	5%
Doubtful cottage, micro credit & small	20%

- f) Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery and (ii) against which legal cases are pending for more than 03 (three) years as per guidelines of Bangladesh Bank (BRPD circular No.01 dated February 06 2019). However, the write off will not reduce the claim against the borrower. Detailed memorandum records for all such write off accounts are maintained carefully and followed up.

As per BRPD circular no. 14 dated 23 September 2012, BRPD Circular No.05 dated 29 May 2013, BRPD circular No.03 dated 21 April 2019 and BRPD Circular Letter No. 56 dated 10 December 2020, for additional special general provision-COVID-19 at 1% also, a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) have to be maintained.

2.10.10 Property, Plant and Equipment and depreciation

Recognition

The cost of an item of fixed assets is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Initial Measurement

Items of property, plant and equipment that qualify for recognition as an asset is measured initially at its cost. The cost of an item of PPE comprises:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- Any costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent Measurement

Subsequently, the Bank has the option to measure an entire class of property, plant and equipment either using cost model or revaluation model.

Fixed assets except land are stated at cost less accumulated depreciation. Land is recognized at cost at the time of acquisition and subsequently measured at revalued amounts which are the fair value at the time of revaluation done by independent professional valuer, and any surplus on revaluation is shown as equity component until the asset is disposed.

Subsequent expenditure

The bank recognizes any subsequent expenditure in the carrying amount of an item of property, plant and equipment as a part of the cost only when it is probable that future economic benefits embodied with the item will flow to the bank due to the subsequent expenditure. However, expenditures incurred after the assets have been put into operation, such as, repairs and maintenance is recognized as revenue expenditure in the period in which it is incurred.

Depreciation

Depreciation is charged at the rates stated below on all fixed assets on the basis of estimated useful lives as

determined in the fixed asset policy of the Bank. In all cases depreciation is calculated using the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases after the month when the assets are disposed. No depreciation has been charged on land. Rate and method of charging depreciation/ amortization of fixed assets are mentioned below:

Name of the assets	Rate of depreciation	Method of charging depreciation/amortization
Land	NIL	Not applicable
Building	2.50%	Straight Line Method
Furniture & Fixtures	10%	Straight Line Method
Office Equipment	20%	Straight Line Method
Computer Equipment's	20%	Straight Line Method
Computer Software	25%	Straight Line Method
Vehicle	20%	Straight Line Method

Changes in useful life and method of depreciation of the property, plant and equipment

Both changes in useful life of the property, plant and equipment and method of depreciation, i.e. consumption pattern of the assets shall be accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Capital work in progress

Property, plant and equipment under construction is recognized and reported under Fixed Assets as per IAS 16 'Property, Plant & Equipment' as Capital work in progress until the construction work is completed and the asset is ready for the intended use. This asset is stated at cost, and depreciation of the asset will be charged from the date of its intended use.

De-recognition of fixed assets

The carrying amount of an item of fixed assets is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de recognition of an item of fixed assets is recorded in profit or loss when the item is de-recognized.

Revaluation of Property, Plant and Equipment

An item of Property, Plant and Equipment is revalued when fair value of the asset differs materially from its carrying amount. Such revaluation is normally carried out by professionally qualified valuers. Last revaluation of Bank's land property and Building were carried as at 27 December 2012 by Padma Techno Consult & Survey Ltd. Accordingly, revaluation surplus is included in fixed assets and assets revaluation reserve is recognized under shareholder's equity as per guidelines of IAS-16; Property, Plant and Equipment. Such revaluation reserve will be disposed off upon retirement/de-recognition of the assets.

2.10.11 Accounting under lease operations:

2.10.11.1 Assets obtained under Lease Agreements

International Financial Reporting Standard (IFRS) 16: Leases come into force on 1 January 2019, as adopted by institute of Chartered Accountants of Bangladesh (ICAB). As per IFRS 16 a lease is a contract (or part of a contract) that conveys the right to use an asset for a period of time in exchange for consideration. A contract contains a lease if fulfilment depends on an identified asset and it conveys the right to control the use of that identified asset throughout the period of use. Each lease component should be identified and accounted for separately.

2.10.11.2 Assets given on operating and finance lease arrangements

The objective of IFRS 16 is to report information that faithfully represents lease transactions and provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. UCBL applied IFRS 16 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments, discounted it using the bank's incremental borrowing rate at the date of initial application, and recognised a right-of-use asset at the date of the initial application on a lease by lease basis.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented under property, plant and equipment.

At the commencement date of the lease, the bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term using incremental borrowing rate at the date of

initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments, and re-measuring the carrying amount to reflect any reassessment or lease modifications.

Bank recognizes interest expense on the lease liability and depreciation of the right-of-use asset. Variable lease payments not included in the lease liability are recognised in the period the obligation is incurred.

A recognition and measurement exemption for short term leases and leases of low value assets is available as a policy choice. However, this exemption is only available to the lessee.

An entity has the right to control the use of an identified asset if it has the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset, i.e. to decide how and for what purpose it is used, otherwise, recorded as operating lease. The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases. The Bank recognises lease payments associated with these leases as an expense.

2.10.12 Intangible asset

An intangible asset is to be recognized only if it is probable that future economic benefits attributable to the assets will flow to the bank and the cost of the asset can be measured reliably. Recognition & measurement of Intangible Assets are guided by International Accounting Standard (IAS)-38; 'Intangible Asset'. Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use. Gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceed and the carrying amount of that intangibly asset is recognised in profit and loss account. Due to following BRPD circular no. 14 dated 25 June 2003, intangible assets are not disclosed in a separate line rather reported under Fixed Assets. However, separate line item along with the rate of amortization is identifiable in the detail schedule of Fixed Asset.

2.10.13 Impairment of assets

The carrying amounts of bank's assets are reviewed when as required to determine whether there is any indication of impairment. Any impairment loss is recognized in the profit and loss account if the carrying amount of an asset exceeds its recoverable amount [IAS 36 Impairment of Assets]. No such impairment loss has arisen and been recognized during the year ended 31 December 2021.

2.10.14 Other Assets

Other assets include mainly advance office rent, payment of advance income tax for which assessment of tax has not yet been finalized, investment in subsidiaries, fees and other unrealized income receivable, advance for operating and capital expenditure, stocks of stationery & stamps etc. As per BRPD Circular No. 14 dated 25 June 2003, Income &

Non-income-generating other assets item(s) have been shown separately in the relevant notes to the financial statements.

2.10.15 Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity or person.

2.10.16 Non-banking assets

Bangladesh Bank vide BRPD circular no. 14 dated 25 June 2003 required that Non-banking assets should be shown separately in the books of accounts. Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgaged property.

Recognition of non-banking assets

Although there is no indication of non-banking assets found in any International Financial Reporting Standards (IFRS), non-banking assets are to be recorded in the books of accounts when all formalities regarding confirmation of ownership have been completed. It means that asset to be recognized during controlling over economic benefits flowing from the asset to the bank is established and its associated cost/value is reliably measured. Therefore, considering practical grounds, non-banking assets are recorded in the books of accounts of UCBL when all of the following conditions have been met:

- Certification of ownership u/s 33(7) of the 'Artharin Adalat Act 2003' obtained
- Registration from the Sub Registry Office completed

- DCR & Mutation form the concerned AC Land office completed
- Land Rent tax and Municipal tax (if any) Paid
- Valuation of the property done
- Physical possession obtained

Measurement of the non-banking assets:

Non-banking Asset is measured at the estimated Forced Sale Value (FSV) as determined by the independent professional valuing firm.

B. LIABILITIES AND PROVISIONS

2.10.17 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest bearing borrowings, bonds etc. which are stated in the financial statements at principal amount of the outstanding balance. Interest payables on such borrowings are reported under other liabilities.

2.10.18 Debt securities

After global economic turmoil in 2010, the global financial regulators are more concerned with enhancing risk resilience capacity of the banks and introduced more risk sensitive capital adequacy framework namely Basel III. With the view to strengthening capital base of the bank and subsequently to meet up the capital adequacy ratio as per Bangladesh Bank's instruction in line with BASEL-III Accord, UCB issued the following Subordinated and Perpetual bonds with key features as listed below:

Subordinated Bond:

Name of the Subordinated Bond	Issued Amount	Outstanding Amount	Issue Date	Tenure	Interest Rate	Range of Interest Rate	Redemption of Principal
	(BDT in Million)	As on 31 Dec 2021 (BDT in Million)					
UCB 2nd Subordinated Bond	5,000.00	1,000.00	29-Jul-15	7 Years	Base Rate plus 2.5%	10.00%-13.50%	20% in each of last 5 years
UCB 3rd Subordinated Bond (1st Tranche)	3,500.00	2,100.00	28-Dec-17	7 Years	Base Rate plus 2.5%	7.00%-10.50%	20% in each of last 5 years
UCB 3rd Subordinated Bond (2nd Tranche)	3,500.00	2,800.00	16-May-18	7 Years	Base Rate plus 2.5%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (1st Tranche)	500.00	400.00	24-Dec-18	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (2nd Tranche)	2,500.00	2,000.00	26-Dec-18	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years

Name of the Subordinated Bond	Issued Amount	Outstanding Amount	Issue Date	Tenure	Interest Rate	Range of Interest Rate	Redemption of Principal
	(BDT in Million)	As on 31 Dec 2021 (BDT in Million)					
UCB 4th Subordinated Bond (3rd Tranche)	100.00	100.00	14-Aug-19	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (4th Tranche)	1,000.00	1,000.00	05-Nov-19	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (5th Tranche)	500.00	500.00	05-Dec-19	7 Years	Base Rate plus 2.0%	7.00%-11.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (6th Tranche)	250.00	250.00	23-Mar-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (7th Tranche)	100.00	100.00	22-Jun-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (8th Tranche)	100.00	100.00	28-Jun-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (9th Tranche)	100.00	100.00	15-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (10th Tranche)	1,000.00	1,000.00	24-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (11th Tranche)	300.00	300.00	27-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (12th Tranche)	550.00	550.00	29-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (13th Tranche)	1,000.00	1,000.00	30-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years

Perpetual Bond:

Name of the Perpetual Bond	Issued Amount (BDT in Million)	Issue Date	Interest Rate	Range of Interest Rate
UCB Perpetual Bond	4,000.00	25-Apr-21	Base Rate plus 2.0%	6.00%-10.00%

2.10.19 Deposits and other accounts

Deposits and other accounts include current deposits redeemable at call, short term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counter parties.

2.10.20 Other liabilities

Other liabilities comprise items such as provision for loans and advances/ investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and International Financial Reporting Standards (IFRS).

2.10.21 Dividend payments

Interim dividend is recognized when it is paid to the shareholders. Final dividend is recognized when it is approved by the shareholders in AGM. The proposed dividend for the year 2021 is , therefore, has not been recognized as a liability in the balance sheet in accordance with IAS 10 'Events after the Reporting Period'. Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the payment is established.

2.10.22 Provision for loans and advances

Provision for classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December 2012, BRPD Circular no.16 dated 18 November 2014, BRPD Circular No. 08 dated 2 August 2015, BRPD Circular no. 12 dated 20 August 2017, BRPD Circular no. 15 dated 27 September 2017, BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 17 (September 28 2020) and BRPD Circular Letter No. 56 (December 10 2020). Details are stated in Note 12.

2.10.23 Provision for investment in capital market

For recognition of loss suffered from investment in capital market, provision is to be provided on unrealized loss (gain net off) according to DOS Circular No. 04 dated 24 November 2011 on portfolio basis.

2.10.24 Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines, contingent liabilities have been disclosed under off-balance sheet items. As per BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, the Bank has been maintaining provision @ 1% against off-balance sheet exposures.

2.10.25 Provision for other assets

Provision for other assets is made as per the guidelines mentioned in the BRPD Circular No. 14 dated 25 June 2001 i.e. 100% provision is required on other assets which are outstanding for one year or more.

2.10.26 Provision for Nostro accounts

Provision for unsettled transactions on nostro accounts is made in accordance with the guideline of Foreign Exchange Policy Department of Bangladesh Bank, FEPD Circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005. On the reporting date, UCBL has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

2.10.27 Provision for liabilities and accrued expenses

In compliance with IAS 37, provisions for other liabilities and accrued expenses are recognized in the financial

statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle

the obligation and a reliable estimate can be made of the amount of the obligation.

2.10.28 Retirement Benefit Schemes

The retirement benefits accrued for the employees of the Bank as on reporting date has been accounted for in accordance with the provision of International Accounting Standard-19, "Employees Benefits". Various types retirement benefit schemes of the bank are as follows:

Provident fund

Provident fund benefits are given to the employees of the Bank in accordance with the registered provident fund rules. The Commissioner of Income Tax, Dhaka (North) has approved the provident fund as a recognized provident fund within the meaning of section 2 (52) read with the provision of part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from November 30, 1988. The Fund is operated by a Board of Trustee consisting 03 (three) members of the Bank. All confirmed employees of the Bank are contributing 10-20% of their basic salary as subscription to the fund. The bank also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members' account on half yearly basis.

Gratuity fund

Gratuity benefits are given to the employees of the bank in accordance with the approved gratuity fund rules. The National Board of Revenue has approved the gratuity fund as a recognized gratuity fund on December 27, 1995. The fund is operated by a Board of Trustee consisting 3 (Three) members of the bank. Employees are entitled to gratuity benefit after completion of minimum 5 (five) years of service in the bank. The Gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service. Gratuity fund is a "Defined Benefit Plan" and contribution to Gratuity Fund is measured through the result of actuarial valuation of the fund.

The Bank's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Net interest expense, current service cost and other expenses related to defined benefit plans are recognised as salaries and allowances in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

Welfare fund

Employees' Welfare fund was established in June 18, 2009. The UCBL policy on Employees' Welfare Fund, 2009, governs the fund and the day-to-day affairs are run by a duly constituted Board of Trustee. The fund is

held and administered by a Board of Trustee and invested according to the rules of the Fund framed as per applicable laws of Bangladesh.

Workers' Profit Participation Fund (WPPF)

Consistent with the industry practice and in accordance with The Bank Company Act, 1991, no provision has been made for WPPF.

2.10.29 Taxation

Income tax represented the sum of the current Tax and deferred tax payable for the year under reporting.

i) Current Tax

Current tax is the amount of income taxes payable (recoverable) in respect to the taxable profit (tax loss) for a period. Provision for current income tax has been made as per the prescribed rate in the Income Tax Ordinance 1984 on the accounting profit made by the bank after considering some of the add-backs to income and disallowances of expenditure as per income tax laws with IAS-12, "Income Taxes". Tax Assets under the group head of other assets are recognized for payment of advance income tax, tax deducted at source and tax paid at the time of IT Return for the year/years for which assessment has not yet been finalized. On the other hand, the tax provision (as estimated as per IAS-12; Income Taxes, provision of latest Finance Act, related SROs/guidelines etc.) are recognized as tax liability under the group head of other liability for the year/years for which assessment has not yet been finalized.

ii) Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect to taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets & liabilities are measured using tax rate & tax laws enacted or at the balance sheet date. Tax impact on the account of changes in deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS-12, "Income taxes".

C. CAPITAL/SHAREHOLDERS' EQUITY

2.10.30 Capital

(a) Authorized capital

Authorized capital is the maximum amount of share capital that the bank is authorized by its Memorandum and Article of Association to issue to shareholders.

(b) Paid-up capital

Paid-up Capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders'

meetings. In the event of a winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.10.31 Statutory reserve

Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Company Act, 1991 (and amendments thereon).

2.10.32 Asset revaluation reserve

When an asset's carrying amount is increased as a result of revaluation, the increased amount is credited directly to equity under the heading of assets revaluation reserve as per IAS 16 'Property, Plant and Equipment. The Bank also follows the assets revaluation guidelines issued by BSEC on 18 August 2013.

2.10.33 Reserve for Amortization/revaluation of securities

When a Financial Asset categorized under HTM or HFT and subsequent value of the asset is increased as a result of amortization of assets or mark to market revaluation, the net increased amount (for HTM increase or decrease of book value and for HFT loss to P&L but gain to revaluation reserve through P&L) is credited directly to equity under the heading of reserve for amortization/ revaluation of securities as per Bangladesh Bank DOS circular no. 06, dated 15 July 2010.

2.10.34 Retained Earnings

The surplus amount after appropriation of yearly profit is kept in Retained Earnings.

2.10.35 Share premium

The Share premium represents the excess amount received by the bank from its shareholders over the nominal/par value of its share. The amount of share premium can be utilized as per the provision of Section 57 of the Companies Act 1994.

2.10.36 Contingent asset and contingent liability

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events and on the other hand a contingent liability is a possible obligation that arises from past events and whose existence will also be confirmed only with the occurrence or non-occurrence of one or more uncertain future events. Contingent asset and liability is not recognized rather disclosed in the financial statements.

Bank also undertakes forward rate agreements and transaction of similar financial instruments and derivatives. Such activities are undertaken in line with Bangladesh Bank guidelines and an appropriate provision has been made against such contingent items.

2.10.37 Accounting of Derivative Financial Instruments

Derivatives

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Derivative is a financial instrument meeting all of the following three features:

1. whose value changes in response to the change in price of an underlying security, commodity, currency, index or other financial instruments;
2. where the initial net investment is zero or is small in relation to the value of underlying security or index;
3. that is settled at a future date.

Derivatives are classified as held for trading (unless they are hedging instruments) and accordingly, measured at fair value. Any changes in fair value is recorded in profit and loss account.

Embedded derivatives

Certain contracts that are not themselves derivatives (and may not be financial instruments) include derivative contracts that are 'embedded' within. An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract. Embedded derivative causes some or all of the cash flows of the host contract to be modified. Besides, embedded derivative cannot be transferred to a third party independently of the instrument. The basic rule for accounting for an embedded derivative is that it should be separated from its host contract and accounted for as a derivative, i.e., measured at fair value and any changes in fair value recognized in profit and loss account. Separation of embedded derivative from the host contract is made only when the following conditions are met:

The economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host contract.

1. The embedded derivative would meet the definition of a derivative if separated from the host contract.
2. The hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in profit and loss.

D. REVENUE RECOGNITION

2.10.38 Interest income

Interest on unclassified (Standard and SMA) loans and advances is accounted for as income on accrual basis, interest on classified loans and advances (SS and DF only) is credited to interest suspense account, with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD 14 dated 23 September 2012, BRPD 19 dated 27 December 2012, BRPD 16 dated 18 November 2014 and BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 56 dated December 10, 2020 and BRPD Circular Letter No. 53 dated December 30, 2021 of Bangladesh Bank.

2.10.39 Fees and commission income

Fees and commission income arises on services provided by the Bank and recognized on accrual basis. Commission charged to customers on letters of credit, letters of guarantee and acceptance are credited to income at the time of effecting the transactions.

2.10.40 Interest income from investments

Interest income from investments in Government and other securities, debentures and bonds are accounted for on accrual basis.

2.10.41 Income from exchange

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of Non-Monetary items.

2.10.42 Dividend income

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established.

2.10.43 Interest paid on borrowings and deposits

- a. Interest expenses are recognized on accrual basis taking into account daily balance outstanding at the rate applicable for respective deposits and interest on savings and SND accounts is credited to depositors account on half yearly basis. No interest is applicable on the balance lying in current deposit account. Interest on FDR accrued but not due to clients A/c was credited to 'Other Liability A/c - Interest Payable'.
- b. Other expenses are also recognized and recorded on accrual basis.

2.10.44 Management and other expenses

Expenses incurred by the Bank are recognized on actual and accrual basis.

E. OTHERS

2.10.45 Materiality and aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature have also been presented separately unless they are immaterial in accordance with IAS 1 'Presentation of Financial Statements'.

2.10.46 Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.10.47 Earnings Per Share (EPS)

The company calculates earnings per share (EPS) in accordance with IAS 33, "Earnings Per Share" which has been shown on the face of the Profit and Loss Account. Earnings per share (EPS) has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the year.

Details are shown in note 39 to the financial statements.

Basic Earnings Per Share

Basic earnings per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighting factor is the number of days the specific

Year	Long Term Rating	Short Term Rating
2020	AA	ST-2
2019	AA	ST-2

shares are outstanding as a proportion of the total number of days in the year. The total number of shares issued in current reporting period has been multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

Diluted Earnings Per Share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. However, diluted earnings per share calculated during the financial year 2021.

2.10.48 Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services, or obligations among related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures', Bangladesh Bank & BSEC guidelines. Details of the related party transactions have been disclosed in notes 47.1 to 47.8.

2.10.49 Reconciliation of books and account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the unreconciled balances within non-material level.

2.10.50 Events after the reporting period

Where necessary, all the material events after the balance sheet date have been considered and appropriate adjustment/disclosures have been made in the financial statements as per IAS 10 'Events after the Reporting Period'.

Only material event after the balance sheet date is: The Board of Directors recommended Stock dividend @ 10% for the year 2021 in its meeting no. 469TH held on March 30, 2022.

2.10.51 Credit rating

ECRL has rated the Bank based on December 31, 2020 with "AA"(pronounced as Double A) in the Long Term and ST-2 for the Short Term. The date of rating was May 07, 2021.

The outlook of the rating is Stable. The rating reflects the strengths of the company which is backed by its strong management, good liquidity position and satisfactory capital base as well as branch coverage throughout the country.

2.10.52 Compliance report on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks. Consequently, the consolidated and separate financial statements of the Group and the Bank respectively have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by FRC. While preparing the financial statements, UCB applied all the applicable IASs and IFRSs as adopted by FRC. Details are given below:

Name of the IAS	IAS no	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the reporting period	10	Applied
Construction Contracts	11	Replaced by IFRS 15
Income Taxes	12	Applied
Property Plant and Equipment	16	Applied
Revenue	18	Replaced by IFRS 15
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A **
Separate Financial Statements	27	Applied
Investments in Associates and Joint Ventures	28	N/A
Financial Instruments: Presentation	32	Applied *
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied ***
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Replaced by IFRS 9
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS no.	Status
First time adoption of Bangladesh Financial Reporting Standards	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contract	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosure	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied *
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in other entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory deferral accounts	14	N/A
Revenue from contractors with customers	15	Applied
Leases	16	Applied

* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to IAS/IFRS, some of the requirements specified in these IAS/IFRSs are not applied. Refer below for such recognition and measurement differences that are most relevant and material to the Bank and the Group.

** This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

*** The objective of IAS 34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, the Bank being a listed entity in Dhaka and Chittagong Stock Exchanges regularly publishes Interim Financial Report complying with IAS 34.

N/A= Not Applicable

New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out in Note 2 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards have been considered. However, these amendments have no material impact on the financial statements of the Bank.

A number of standards and amendments to standards are effective for annual periods beginning after 1

January 2021 and earlier application is permitted. However, the Bank did not apply earlier the following new standard in preparing these financial statements.

IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 and to be applied to annual reporting periods beginning on or after 1 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed the potential impact of IFRS 17 on its financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

2.10.53 Operating segments

Business segments report consists of products and services whose risks and returns are different from those of other business segments. The Bank has Nine reportable segments, as described below, which are the Bank's strategic business units. The strategic business units offer different products and services, and are managed separately based on the Bank's management and internal reporting structure. Each of the strategic business units of the Bank are periodically reviewed by the Management Committee. The following summary describes the operations in each of the Bank's reportable segments:

Segments' Name	Description
Corporate Banking	This unit focuses on large corporate groups including structured/syndicated finance with a variety of advances & deposit products and other transactions.
SME Banking	Includes loans, deposits and other transactions and balances with SME customers.
Consumer Banking	Includes loans, deposits and other transactions and balances with retail customers.
Treasury	Treasury unit undertakes the Bank's funding and maintenance of SLR, Asset-liability management through money market operation, Fx. market dealings, investing in derivatives including forwards, futures and swaps.
Investment Banking	Includes the Bank's trading, investment in equities and other capital market activities.
Offshore Banking	This unit aims to provide all kinds of commercial banking services to its customers in freely convertible currencies. Presently the Bank has one unit in Dhaka.
Card and Alternate Delivery Channel	This includes offering a variety of debit card and credit card to the customers according to their needs.
Mobile Financial Services	Mobile Financial Services came up with the aim to cover a large number of people under banking channel though mobile network facilitating convenient cash in/out, bill payment, POS purchase etc.
Agent Banking	UCB Agent Banking aims to promote full-fledged banking services to geographically dispersed and financially excluded areas. It's looking forward to offer cashless transaction to all class of people in near future.

2.10.54 Risk Management

In banking organization, risk is the possible outcome of an action or event which could bring up an adverse impact. Such outcome could either result in a direct loss of earnings/capital or may result in imposition of constraints on banks' ability to meet their business objectives. Risk is the outcome of losses due to sudden downturn in economy or falling interest rates. Banks have to rely on their capital as a buffer to absorb such losses. The types and degree of risks of an organization may be exposed depending upon a number of factors such as its size, complexity in business activities, volume etc. Initially Bangladesh Bank had issued guidelines on six core risk areas and accordingly scheduled banks operating in Bangladesh has implemented the guidelines for better risk management practice. Implementation of core risk management guidelines by United Commercial Bank Limited and its status are discussed below.

2.10.54.1 Credit Risk Management

Credit risk is most simply defined as the potential risk where a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximize a bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Banks need to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions. Banks should also consider the relationships between credit risk and other risks. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long term success of any banking organization.

Both on-balance sheet and off-balance sheet activities like guarantee has impact on credit risk. It may arise from either an inability or an unwillingness to perform in the pre-committed contracted manner. Credit risk comes from a bank's dealing with households, small or medium-sized enterprises (SMEs), corporate clients, other banks and financial institutions, or a sovereign. The assessment of credit risk involves evaluating both the probability of default by the borrower and the exposure or financial impact on the bank in the event of default.

Our credit risk management function has been kept independent of business origination functions to establish better internal control and to reduce conflict of interest. The Chief Risk Officer and the Head of Credit Risk Management have clear responsibilities for management of credit risk. The final authority and responsibility for all activities that expose the bank to credit risk rests with the Board of Directors.

The Board, however, has delegated authority to the Managing Director and CEO to re-delegate authorities to other officers of the credit risk management division. The Board also sets credit policies and delegates authority to the management for setting procedures, which together has structured the credit risk management framework in the bank.

In reference with the BRPD circular letter no 04 and 35 dated January 04, 2021 and July 06, 2021 respectively, UCBL has complied with the Bangladesh Bank directives for the loan accounts at the time of sanctioning or renewal in the year 2021, where applicable.

2.10.54.2 Foreign Exchange Risk Management

Foreign exchange risk is the risk that changes an investment's value due to changes in currency exchange rates. This risk usually affects businesses that export and/or import but also affect investors making international investments. Financial risk management is the practice of creating economic value in a firm by using financial instruments to manage exposure to risk. The most common cause of foreign exchange (FX) risk arises from making overseas payments for imports that are priced in a foreign currency and receiving foreign currency as payment against exports. Exposure to foreign exchange risk can also arise from foreign currency borrowing and deposits, overseas subsidiaries, assets located overseas.

UCB has developed a Foreign Exchange Risk Management policy in line with the Bangladesh Bank foreign exchange guidelines to minimize different types of risks associated with foreign exchange transactions. In this guideline treasury functions are clearly demarcated between treasury front office, mid office and back office. The front office is involved only in dealing activities and the back office is responsible for all related support and monitoring functions on the other hand, mid Office will be responsible to monitor market risk, liquidity risk and operational risks at treasury. Treasury Front Office' 'Treasury Mid Office and 'Treasury Back Office' have separate and independent reporting lines to ensure segregation of duties and accountabilities.

The Bank has also developed different strategies to handle the foreign exchange risk by setting different types of limits and risk parameters to measure and monitor foreign exchange risk exposure of the Bank. Treasury department is vested with the responsibility to measure and minimize the foreign exchange risk associated with bank. To assess the degree of the risk associates with foreign exchange position bank computes VaR (Value at Risk) on its foreign exchange position on daily basis. To deal smoothly the dealers have various limits with triggers such as counterparty limit, stop loss limit, intraday limit, per deal limit etc.

Dealing room is equipped with Reuter's information and dealing system, a voice recorder for recording deals taking place over the telephone, television with financial news channels. Before entering into any deal with a counter party, a dealer ensures that they have knowledge about the counter party's dealing style, product mix and assess whether the customer is dealing in an appropriate manner.

2.10.54.3 Asset Liability Management Risk

ALM is an integral part of the financial management process of any bank. It is concerned with strategic balance sheet management involving risks caused by

changes in the interest rates, exchange rates and the liquidity position of the bank.

The Asset Liability Management Committee (ALCO) of UCB headed by the Managing Director of the Bank meets at least once in every month to look after the financial market activities, manage liquidity risk, interest rate risk and FX or currency risk. Asset Liability Management (ALM) desk of the Treasury is primarily responsible for management of liquidity risk on a daily basis by appropriate coordination of funding activities.

Asset liability Committee (ALCO) reviews the country's overall economic position, market outlook (local and global) and Bank's liquidity position. A quarterly projection of fund flows is reviewed in ALCO meeting regularly. ALCO also examines key ratios such as Maximum Cumulative Outflow, Advance Deposit Ratio, Capital Adequacy Ratio, Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), Leverage ratio etc. ALCO also monitors concentration of deposits of large institutional depositors which is volatile in nature.

In addition to the above ratios ALCO also analyses following statements to measure and monitor liquidity risk, interest rate risk and FX or currency risk:

2.10.54.4 (i) Internal Control and Compliance Risk

Internal Control is a process, effected by a bank's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations,

reporting and compliance. An organization deploy many layers of defense. In order to ensure, there are enough controls to manage the adverse risk of any major setback. The first layer of defense is the operational management. The second layer of defense is the control function such as internal control, risk management and compliance. The third layer of defense is the internal and external audit function.

A system of strong internal controls can help ensure that the goals and objectives of a banking organization will be met, that the bank will achieve long-term profitability target, and maintain reliable financial and managerial reporting. Such a system is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations,
- Reliability of financial reporting and
- Compliance with applicable laws, regulations, and internal policies.

UCBL develops and maintains a robust internal control framework comprising the following internal control features:

- Management oversight and the control culture
- Risk recognition and assessment

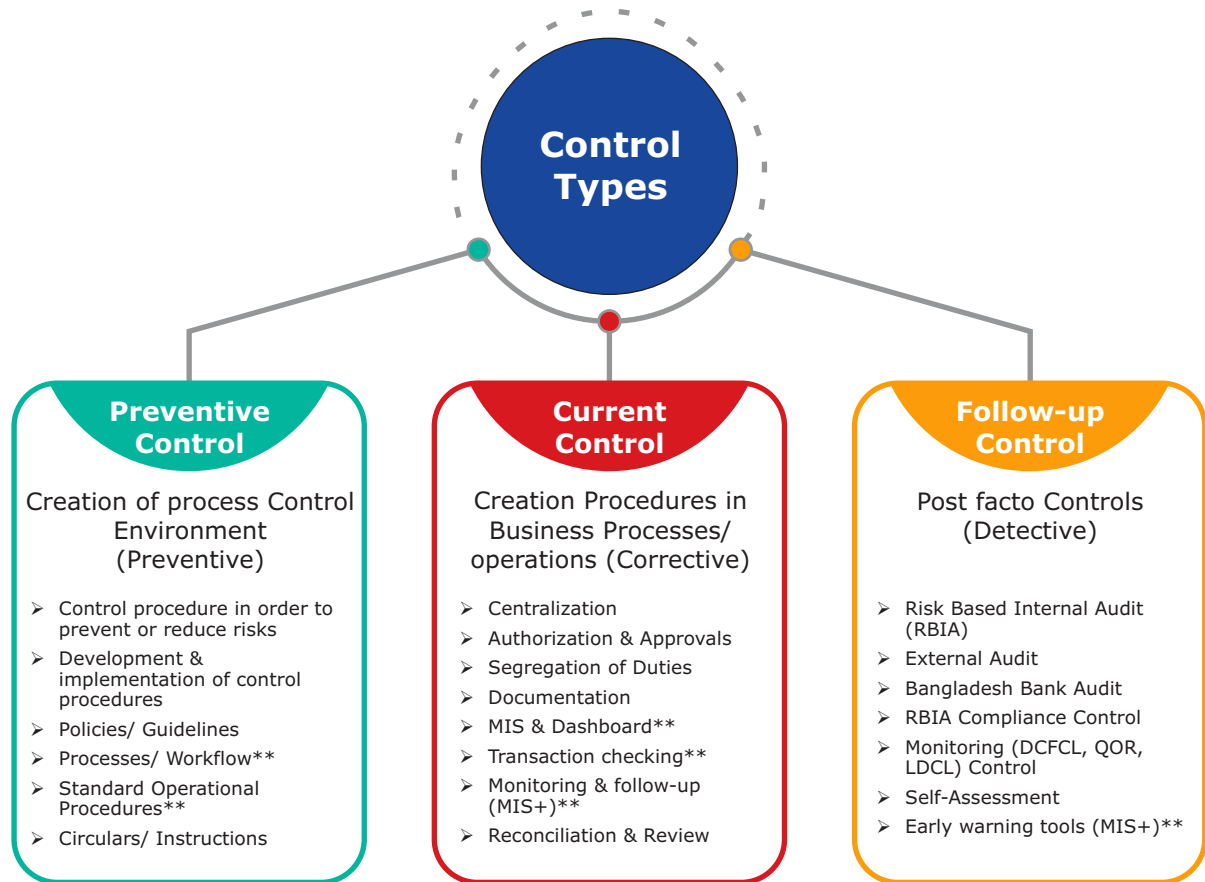
Control activities and segregation of duties

- Information and communication
- Monitoring activities and correcting deficiencies

Typically, Internal Controls may be defined as under:

Risks	Statement
Liquidity Risk	<ul style="list-style-type: none"> • Structural liquidity profile • Dynamic liquidity profile • Key Management Ratios • Cash flow projection
Interest Rate Risk	<ul style="list-style-type: none"> • Traditional Gap Analysis (up to 1 Year) • Traditional Gap Analysis (Total A-L) • Duration Gap Analysis • Balance Sheet VaR • Stress Testing
Currency Risk	<ul style="list-style-type: none"> • Currency wise Exposure • Value at Risk (VaR)

Internal Control- Scope/Areas



Internal Control & Compliance Division (ICCD) under guidance of Board & Senior Management has been working on the issue in light of Bangladesh Bank guidelines. Audit function is now totally independent with reporting line of 'Head of Audit' to Audit Committee of Board along with administrative reporting line to 'Head of ICCD'. Competent authority of the bank has taken various steps to strengthen internal audit as well as compliance activities for ensuring a standard compliance culture within the organization towards mitigating Internal Control & Compliance Risks.

The key issues that have been established for effective internal control of UCBL are as follows:

- ICCD of UCB is working in light of guideline on Internal Control & Compliance Guideline of UCB.
- ICCD arranges awareness Building workshop regarding compliance culture in different zone.
- The internal Audit department of the Bank checks for compliance with policies and procedures and the effectiveness of internal control systems on an ongoing basis.
- Compliance inspection team of ICCD carried out compliance inspection regarding authenticity/ accuracy of RBIA compliance and miss reporting

- In assessing the internal control system UCB continued to review of different control tools i.e. QOR, LDCL, DCFCL, Internal audit checklist and Risk rating.
- ICCD prepare Health Report of UCB on Annual basis.
- Self-Assessment of Anti-Fraud Internal Controls is carried out on semi-annual basis as per DOS circular letter # 10 dated 9 May 2017 of BB.

Effective and efficient internal control of UCBL secure the interest of depositors and stakeholders through establishing the following internal control functions:

- Compliance
- Information Security
- Internal Audit
- Risk Management

It helps to reinforce the 3 (three) types of control i.e. Preventive - creation of process control environment, Corrective - Control Procedures in business processes/operation and Detective - Post facto controls.

2.10.54.4(ii) Fraud and Forgeries Risk

Fraud is deliberate deception to secure unfair or unlawful gain. UCB has been relentlessly striving for effective anti-fraud control mechanism to be in place and are working properly so that attempts to make fraud and forgeries can be identified at the initiation, escalated to the appropriate level of management and necessary corrective measures are undertaken accordingly. Moreover, as a part of practicing compliant culture, the Bank reported all instances of fraud and forgeries detected to the central bank on timely manner.

2.10.54.5 Money Laundering Risk

Financial institutions across the globe are working hard to fight financial crime driven by demands to protect assets and maintain regulatory compliance. The areas of specific focus are those of Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF). Money laundering is the process of providing legitimate appearance to the illegally gained revenue. And terrorist financing process involves collecting the funds intended for use in supporting the terrorist organization from a variety of sources and using the funds as needed to further the terrorist organization's goals. Both Money Laundering and Terrorist Financing have the tradition of eroding the financial institutions and weakening the financial sectors' role in the economic growth.

Regulators expect functions in the Bank to be standardized on a global level and across business lines. The businesses themselves need consistency and efficiency. One of the best ways to satisfy these expectations is to centralize functions. This is an important first step in sharing and harmonizing skills throughout the organization.

UCB has already gone a long way in the path of centralizations of its functions. In 2018, new Anti-Money Laundering and Anti-Terrorist Financing Division has been formed. As instructed by BFIU, Deputy CAMLCO is heading this Division. The Division has been manned with qualified resources to ensure high level of AML and ATF compliance across the Bank.

AML & ATF Division has arranged a number of training programs on prevention of money laundering and terrorist financing for the Executives/Officers of the Bank through-out 2021 to develop their professional skill and ensure better compliance. A total number of 938 employees were covered in these training programs (including e-learning & online quiz).

In line with international initiatives and standards, the Regulator has issued guidelines for preventing Trade Based Money Laundering (TBML). UCB has also prepared its own policy on "Prevention of Trade Based Money Laundering" on September 29, 2020 based on the BFIU guidelines on the same.

Yearly Message of the Managing Director on Bank's measures for Prevention of Money Laundering & Terrorist Financing has been sent to all employees of the Bank on August 09, 2021 for meticulous

compliance by all the concerned.

We have reported 28 (Twenty-Eight) Suspicious Transaction Reports (STRs) and 14 (Fourteen) Suspicious Activity Reports (SARs) to BFIU in 2021.

2.10.54.6 Information Communication Technology Risk

In the recent years, banking industry has been reshaped significantly in terms of its operational processes, service delivery channels, market strategies including targeting, segmenting, positioning / penetrating and with the wide varieties of product & services catered for individual customer needs mostly. Among all other pivotal factors, 'Information and Communication Technology' (ICT) has been regarded as the core to bring such momentous transformation into successful reality. Consequently, the importance of information security for the banks has gained much importance, and it is of the critical essence for us to ensure that the ICT risks are being properly identified and measured, and adequate mitigation strategies are in place.

ICT Risk management is a systematic approach for the identification, assessment and management of information security related risks in Bank. It encompasses not only the negative impacts of operations and service delivery which can bring destruction or reduction of the value of the Bank, but also the risk associated with opportunities losses to explore the technological benefits with adverse business impact.

UCB regarded 'Effective Risk Management Process' as a vital constituent of a thriving IT security program. Therefore, we developed our ICT risk management process in a way to aid the bank in achieving the new-fangled business changes, potential investment in information technology system, mitigating existing and imminent ICT threats.

The ICT Policy of the Bank has recently been revised and restructured to comply with the recent technology, risk management trends and Bangladesh Bank latest ICT guideline. The Business Continuity Plan, Disaster Recovery Plan and Information Security Management Policy have been republished after the revision. Moreover, UCB has developed ICT Risks Management Policy and approved by board, which covered all areas of IT risks according to Bangladesh Bank risks grading guideline.

UCB has the following footprints on reducing ICT risks including fraud prevention which will eventually ensure our sustainable banking operation in the foreseeable future:

- Vulnerability Assessment and Penetration Testing (VA/PT) Solution Introduced.
- Optimization of SWIFT System has been successfully completed.
- Internet Banking Solution with two factor authenticator (2FA) mechanisms and OTP.
- Anti-Money Laundering (AML) Solution Implemented.

- National Identity Card (NID) Verification System Introduced for avoiding duplicated NID use in Customer Account Opening.
- Two Factor Authentication (2FA), SMS, E-mail alerts for Credit card transactions.
- Anti-Skimming devices have installed in all UCB ATM for protecting Card Counterfeit.
- EMV standard solution (Chip Based) have been implemented that can reduce optimum level of card fraudulent activities (Skimming, Duplicate card, etc).
- Dual control mechanism: Bank has introduced maker checker roles in FCUBS & card management software which results internal user cannot process any CBS and credit card related tasks by one person.
- Real Time Automated Fraud Management Solution: IT has the capability to monitor fraudulent transaction based on defined rules. This solution can identify and manage risks properly.
- Call Centre Solution has been implemented as a result: Customers who are calling UCB call center for any emergency help (card activation, deactivation, lost, transactions details etc) will be served accordingly which helps to reduce risk and improve customer services.
- Human Resource Management Information System (HRMIS) Solution has been implemented. So to maintain and control HR related issues faster and accurately (Employee screening, recruitment, promotions, benefits, retirement, etc) which also reduce the employee risks.
- Optimization of CORE Banking Software and Database.
- ICT Risks Management Policy, Process up gradation as per the latest Bangladesh Bank ICT guideline. It can reduce Regularity & Compliance related risks.
- Improvement in ICT Awareness Risk: ITD has continuously conducting ICT awareness related training for employee which are aligned with Learning and Development Center.

2.10.55 Internal Audit

The Bank has established an independent internal audit function for conducting risk based internal audit on various business and operation areas of the Bank on continuous basis.

2.10.56 General

Functional and presentation currency

The financial statements are presented in Bangladeshi Taka, which is the Bank's functional currency. Financial information's has been rounded to the nearest Taka.

Comparative information

Comparative information in respect of the previous year has been presented from the audited financial statements for the year ended 31 December 2020. Figures of previous year have been rearranged whenever necessary to confirm the current year/period presentation.

Reporting period

These financial statements cover the period from 1 January 2021 to 31 December 2021.

Approval of financial statements

The financial statements have been approved by the Board of Directors of the bank in its meeting held on March 30, 2022.

Amount in BDT

	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
3 Cash				
3.1 Cash in hand				
Local currency	5,754,712,719	4,173,878,130	5,754,144,026	4,173,708,130
Cash in ATM	1,694,618,000	1,427,299,100	1,694,618,000	1,427,299,100
Foreign currency	49,278,435	100,160,172	49,278,435	100,160,172
	7,498,609,154	5,701,337,402	7,498,040,461	5,701,167,402
3.2 Balance with Bangladesh Bank and its agent Bank(s)				
Local currency	16,938,530,397	16,371,811,594	16,938,530,397	16,371,811,594
Foreign currency	943,608,680	2,874,599,075	943,608,680	2,874,599,075
	17,882,139,077	19,246,410,669	17,882,139,077	19,246,410,669
Total Cash in hand including balance with Bangladesh Bank & its agent Bank's	25,380,748,231	24,947,748,071	25,380,179,538	24,947,578,071
3.2.1 Balance with Bangladesh Bank				
Local currency	16,938,487,415	16,371,746,975	16,938,487,415	16,371,746,975
Foreign currency	943,608,680	2,874,599,075	943,608,680	2,874,599,075
	17,882,096,096	19,246,346,051	17,882,096,096	19,246,346,051

* The above balance represents amount as per Bank Book. The differences due to reconciling items with Bangladesh Bank are subsequently adjusted.

3.2.2 Balance with Sonali Bank (as agent of Bangladesh Bank)

Local currency	42,982	64,619	42,982	64,619
Foreign currency	-	-	-	-
	42,982	64,619	42,982	64,619

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and amendments thereon and of instructions contained in DOS Circular No. 01 & 26 dated 19 January 2014 & 19 August 2019 respectively, MPD circular No. 03 dated 09 April 2020 respectively and BRPD Circular letter No. 31 dated 18 June 2020 issued by Bangladesh Bank.

The Cash Reserve Requirement (CRR) of the Bank calculated by-weeklybasis @ 4.00% on average demand and time liabilities (ATDTL) and maintained. 3.50% on daily minimum basis with Bangladesh Bank in current account and @ 13.00% Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained in the form of Cash in Hand, balance with Sonali Bank (as agent Bank), Treasury Bills, Treasury Bonds, Bangladesh Bank Bills, Prize Bond & excess of CRR held. In year end position of CRR & SLR maintained by UCB clearly reflects that, both the reserve are excess over the requirement. Details of reserves maintained by the bank as at 31 December 2021 are as follows:

3.3.1 Cash Reserve Requirement (CRR)

A. Conventional and Offshore Banking:

Average total demand and time liabilities

DBU	389,701,927,000	381,842,970,600
OBU	6,818,267,369	3,985,348,067
Total ATDTL of Conventional and Offshore Banking	396,520,194,369	385,828,318,667

i) CRR maintenance on daily minimum basis:

DBU (3.5% of ATDTL)	13,639,567,445	13,364,503,971
OBU (1.5% of ATDTL)	102,274,011	59,780,221
Required reserve	13,741,841,456	13,424,284,192
Actual reserve maintained	17,160,492,479	15,942,995,509
Surplus	3,418,651,023	2,518,711,317

		Amount in BDT			
		Consolidated		United Commercial Bank Limited	
		31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
ii) CRR maintenance on bi-weekly average basis:					
	DBU (4% of ATDTL)			15,588,077,080	15,273,718,824
	OBU (2% of ATDTL)			136,365,347	79,706,961
	Required reserve			15,724,442,427	15,353,425,785
	Actual reserve maintained			17,160,492,479	15,942,995,509
	Surplus			1,436,050,051	589,569,724
B. Islamic Banking:					
Average total demand and time liabilities					
	DBU			1,681,107,000	126,498,000
	OBU			-	-
	Total ATDTL of Islamic Banking			1,681,107,000	126,498,000
i) CRR maintenance on daily minimum basis:					
	DBU (3.5% of ATDTL)			58,838,745	4,427,430
	OBU (1.5% of ATDTL)			-	-
	Required reserve			58,838,745	4,427,430
	Actual reserve maintained			153,614,954	39,865,956
	Surplus			94,776,209	35,438,526
ii) CRR maintenance on bi-weekly average basis:					
	DBU (4% of ATDTL)			67,244,280	5,059,920
	OBU (2% of ATDTL)			-	-
	Required reserve			67,244,280	5,059,920
	Actual reserve maintained			153,614,954	39,865,956
	Surplus			86,370,674	34,806,036
3.3.2 Statutory Liquidity Ratio (SLR)					
A. Conventional and Offshore Banking:					
	DBU (13% of ATDTL)			50,661,250,510	49,639,586,178
	OBU (13% of ATDTL)			886,374,758	518,095,249
	Required reserve			51,547,625,268	50,157,681,427
	Actual reserve maintained			81,995,501,653	63,769,971,261
	Surplus			30,447,876,385	13,612,289,835
B. Islamic Banking:					
	DBU (5.5% of ATDTL)			92,460,885	6,957,390
	OBU (5.5% of ATDTL)			-	-
	Required reserve			92,460,885	6,957,390
	Actual reserve maintained			385,013,921	151,093,830
	Surplus			292,553,036	144,136,440
3.3.3 Held for Statutory Liquidity Ratio					
	Cash in hand			7,498,040,461	5,701,167,402
	Balance with Sonali Bank (agent Bank)			42,982	64,619
	Unencumbered Approved Securities-HTM			55,892,948,410	54,817,721,780
	Unencumbered Approved Securities-HFT			17,658,704,930	2,201,638,880
	Unencumbered Approved Securities-Others			111,334,000	8,247,200
	Excess Reserve of CRR			1,219,444,787	1,192,225,208
				82,579,951,512	63,825,737,323
4 Balance with other banks and financial institutions					
	In Bangladesh (note - 4.1)	19,568,097,037	19,948,278,566	18,344,218,194	17,352,860,062
	Outside Bangladesh (Annexure-A)	1,065,031,784	3,115,568,260	1,065,031,784	3,115,568,260
		20,633,128,821	23,063,846,826	19,409,249,978	20,468,428,322

Amount in BDT

		United Commercial Bank Limited	
		31 Dec. 2021	31 Dec. 2020
4.1 In Bangladesh			
A. Current account and others			
	Janata Bank Limited.	48,214,344	39,583,531
	Agrani Bank Limited.	591,455	9,694,306
	Rupali Bank Limited.	25,716	26,758
	Sonali Bank Limited.	1,612,325,609	1,340,046,649
	Standard Chartered Bank	6,061,070	45,173,618
	NRB Bank Limited (Islamic Banking)	450,000,000	-
		2,117,218,194	1,434,524,862
B. Fixed Deposits			
	Bank		
	NCC Bank Limited	1,500,000,000	1,848,004,000
	Dhaka Bank Limited	1,900,000,000	-
	Meghna Bank Limited	600,000,000	590,000,000
	Modhumati Bank Limited	600,000,000	270,000,000
	Southbangla Agricultural & Commerce Bank Ltd.	-	800,000,000
	Southeast Bank Limited	1,000,000,000	1,000,000,000
	Mercantile Bank Limited	1,600,000,000	1,200,000,000
	Exim Bank Ltd	-	500,000,000
	One Bank Limited	-	1,000,000,000
	Mutual Trust Bank Limited	1,100,000,000	424,002,000
	Shahjalal Islami Bank Limited	343,200,000	1,865,608,800
	Midland Bank Limited	750,000,000	508,802,400
	Premier Bank Limited	1,200,000,000	-
	Pubali Bank Limited	429,000,000	-
	Bank al Falah Limited	300,000,000	-
	Jamuna Bank Limited	1,300,000,000	-
	NRB Commercial Bank Limited	450,000,000	-
	Commercial Bank of Ceylon	-	1,272,006,000
	Prime Bank Limited	-	424,002,000
		13,072,200,000	11,702,425,200
	NBFI		
	International Leasing	400,000,000	402,310,000
	Peoples Leasing & Finance Services	4,800,000	4,800,000
	Reliance Finance Limited	650,000,000	650,000,000
	Phoenix Finance and Investment Limited	500,000,000	500,000,000
	ICB	450,000,000	1,450,000,000
	Bay leasing and Investment Limited	-	80,000,000
	Lanka Bangla Finance Limited	150,000,000	150,000,000
	Uttara Finance & Investment Limited	250,000,000	250,000,000
	National Finance Limited	-	3,800,000
	Meridian Finance & Investment Limited	250,000,000	250,000,000
		2,654,800,000	3,740,910,000
	Islamic Banking:		
	Exim Bank Limited	500,000,000	135,000,000
	Social Islami Bank Limited	-	340,000,000
		500,000,000	475,000,000
		16,227,000,000	15,918,335,200
	Total (A+B)	18,344,218,194	17,352,860,062
4.2 Maturity grouping of balance with other banks & financial institutions			
	On demand	1,667,218,194	2,491,634,862
	Upto three months	15,637,231,784	12,186,225,200
	More than three months but less than six months	650,000,000	5,790,568,260
	More than six months but less than one year	650,000,000	-
	More than one year but less then five years	804,800,000	-
		19,409,249,978	20,468,428,322

	Amount in BDT			
	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
5 Money at call on short notice				
Modhumoti Bank Limited			250,000,000	100,000,000
Industrial Promotion & Development			290,000,000	290,000,000
IDLC Finance Limited			600,000,000	350,000,000
Lanka Bangla Finance Limited			220,000,000	190,000,000
Delta Brac Housing Finance Corporate			500,000,000	-
South Bangla Agriculture & Commerce Bank Ltd			890,000,000	-
ICB Bank Limited			450,000,000	-
			3,200,000,000	930,000,000
6 Investments				
Government Securities	72,746,470,244	57,027,607,862	72,746,470,244	57,027,607,862
Other Investments	10,300,524,850	9,959,373,802	8,641,139,256	8,295,843,345
	83,046,995,094	66,986,981,664	81,387,609,500	65,323,451,207
a) Government Securities				
Treasury Bills				
28 days Treasury bills			-	-
91 days Treasury bills			-	-
182 days Treasury bills			-	-
364 days Treasury bills			16,454,437,834	1,484,740,526
Total Treasury Bills			16,454,437,834	1,484,740,526
Government Bonds				
Prize Bonds			7,794,000	8,247,200
Bangladesh Bank Bills			-	-
Government Bonds			56,284,238,410	55,534,620,136
Total Government Bonds			56,292,032,410	55,542,867,336
Total Government Securities			72,746,470,244	57,027,607,862
b) Other investments				
Shares in listed companies			4,725,700,603	4,607,321,792
Shares in non-listed companies			198,921,553	188,521,553
Sub-ordinated Bond			2,800,000,000	3,500,000,000
Others			916,517,100	-
Total other investments			8,641,139,256	8,295,843,345
Total Investments (a+b)			81,387,609,500	65,323,451,207
6.1 Government Securities are Classified as per Bangladesh Bank Circular				
Treasury Bond - HTM			56,180,698,409	53,464,971,257
Treasury Bond - HFT			-	2,069,648,879
Treasury Bills - HTM			16,454,437,834	1,484,740,526
Bangladesh Bank Bills - HTM			-	-
Bangladesh Bank Bills - HFT			-	-
Other Securities			111,334,001	8,247,200
			72,746,470,244	57,027,607,862
6.2 Maturity grouping of investments				
On demand			103,540,000	4,615,568,992
Up to three months			17,878,727,893	2,446,492,697
More than three months but less than one year			7,258,238,668	5,157,627,988
More than one year but less than five years			17,238,083,760	14,500,645,687
Over five years			38,909,019,178	38,603,115,843
			81,387,609,500	65,323,451,207

Amount in BDT

United Commercial Bank Limited

31 Dec. 2021

31 Dec. 2020

6.3 Other Investments

Name of the Company	Market Price On 31.12.2021	Cost Price On 31.12.2021	Cost Price On 31.12.2020
A) Investment in Listed Securities			
Square Pharmaceuticals Ltd.	439,456,009	394,565,683	410,279,045
Grameenphone Ltd.	606,287,436	555,672,024	472,246,562
ROBI	-	-	2,712,530
Brac Bank Ltd.	841,780,637	662,016,531	246,522,686
BSRM Steels Limited	-	-	57,790,980
Envoy Textiles Limited	-	-	43,058,682
Matin Spinning Mills Ltd.	-	-	158,543,054
Meghna Life Insurance Co. Ltd.	-	-	35,530,251
MARICO	99,762,156	93,583,768	-
National Housing Fin. and Inv. Ltd.	280,090,513	44,648,491	44,648,491
Powergrid Company of Bangladesh Ltd.	-	-	30,852,420
Titas Gas Transmission & dist. Co. Ltd.	19,469,469	38,233,177	65,321,150
Unique Hotel & Resorts Limited	28,865,000	79,999,980	79,999,980
ACI Limited	156,538,761	149,200,926	179,704,175
Bata Shoe Ltd.	-	-	59,685,354
Berger PBL	41,498,650	42,557,144	-
Square Textile Limited	73,533,044	95,713,543	95,713,543
Shasha Denims Limited	75,892,695	147,310,426	147,310,426
The ACME Laboratories Limited	-	-	213,465,780
Eastern Bank Ltd.	96,597,232	87,147,710	106,637,387
Prime Bank Limited	-	-	204,891,934
The City Bank Limited	318,797,579	343,341,231	316,137,039
United Power Generation & Distribution Company Limited	85,813,589	93,508,162	175,623,670
Navana CNG Limited	12,234,476	25,508,613	29,175,282
CRYSTALINS	-	-	109,010
Khulna Power Company Limited	-	-	64,856,932
Singer Bangladesh Limited	64,413,338	66,941,608	97,318,799
Walton Hil	-	-	7,238,176
Paramount Textile Limited	-	-	247,085,784
IFAD Autos Limited	29,743,659	69,778,710	69,778,710
BBS Cables Limited	-	-	16,246,001
BATBC	341,374,404	289,967,315	440,769,926
Reneta	285,920,224	248,681,224	28,938,200
Genex Infosys Limited	1,006,231,740	1,051,524,336	-
IDLC Finance Ltd.	-	-	102,729,564
Runner Automobiles	174,522,600	145,800,000	145,800,000
Sea Pearl	-	-	17,764
DBH First Mutual Fund	-	-	83,937,835
EBL First Mutual Fund	-	-	21,722,996
EBL NRB Mutual Fund	-	-	27,242,375
MBL 1st Mutual Fund	-	-	53,584,476
LR Global Bangladesh Mutual Fund -1	-	-	24,094,823
Sub Total (a)	5,078,823,210	4,725,700,603	4,607,321,792

Amount in BDT

United Commercial Bank Limited

31 Dec. 2021

31 Dec. 2020

6.3 Other Investments

Name of the Company	Market Price On 31.12.2021	Cost Price On 31.12.2021	Cost Price On 31.12.2020
B) Investment in Non-Listed Securities			
Karmasangsthan Bank	10,000,000	10,000,000	10,000,000
Central Depository (BD) Ltd	6,277,770	6,277,770	6,277,770
Prime Finance 1st Unit Fund	15,000,000	15,000,000	15,000,000
Energies Power Corporation	78,400,000	78,400,000	98,000,000
Fiber shine	10,000,000	10,000,000	10,000,000
UCB Asset Management Limited Mutual Fund	33,840,000	30,000,000	-
ICB AMC L2ND NRBUF	30,415,000	40,985,161	-
SWIFT	8,258,622	8,258,622	8,258,622
IAMCL 2nd NRB UF	-	-	40,985,161
Sub total (b)	192,191,392	198,921,553	188,521,553
Total (a + b + C)	5,271,014,602	4,924,622,156	4,795,843,345

6.3 (a) Cost and market value of investment as on 31 December 2021

	Cost Price (Taka)	Market Value/ Amortized Cost	Market Value/ Amortized Cost
Government securities:			
Treasury Bills (Govt. Securities)	16,523,372,823	16,454,437,834	1,484,740,526
Govt. Treasury Bond (HTM)	56,819,276,274	56,180,698,410	2,069,648,879
Others	916,517,100	916,517,100	-
Bangladesh Govt Investment Sukuk	103,540,000	103,540,000	-
Stock of Prize Bond	7,794,000	7,794,000	8,247,200
	74,370,500,196	73,662,987,344	3,562,636,605

Investment in Securities, Bond & Debenture:

	Market Value/ Amortized Cost	Cost Price	Cost Price
Listed Securities	5,078,823,210	4,725,700,603	4,607,321,792
Non-Listed Securities	192,191,392	198,921,553	188,521,553
Total investment in Securities	5,271,014,602	4,924,622,156	4,795,843,345

6.4 (a) Disclosure regarding outstanding Reverse Repo on 31 December 2021.

Sl.No	Counter party Name	Agreement Date	Reversal Date	Amount	
				(1st leg cash consideration)	
1	BRAC Bank Limited	December 30, 2021	January 4, 2022	296,522,367	-
2	BRAC Bank Limited	December 30, 2021	January 4, 2022	218,220,618	-
3	BRAC Bank Limited	December 30, 2021	January 4, 2022	412,895,700	-
Total				927,638,685	-

6.4 (b) Disclosure regarding overall transaction of Repo and Reverse Repo

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
1) With Bangladesh Bank	-	-	-
2) With Bank & FIS	-	-	-
Securities Purchased under reverse repo:			
1) from Bangladesh Bank	-	-	-
2) from Other Bank & Financial ins.	267,381,310	5,014,887,824	1,446,360,161

Amount in BDT

	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
7 Loans and Advances				
7.1 Maturity grouping of Loans & Advances (including bills purchased and discounted)				
On demand	36,153,280,974	37,085,419,971	36,153,280,974	37,085,419,971
Not more than three months	60,933,570,614	59,335,902,007	60,933,570,614	59,335,902,007
More than three months but less than one year	116,137,456,288	111,521,546,112	110,309,376,383	107,139,365,857
More than one year but less than five years	140,170,671,641	88,472,283,317	140,170,671,641	88,472,283,317
More than five years	54,914,836,132	59,650,588,251	54,914,836,132	59,650,588,251
	408,309,815,648	356,065,739,658	402,481,735,743	351,683,559,403
7.2 Loans & Advances				
i) Loans, Cash credit & overdraft etc				
a) Within Bangladesh				
Loan	297,246,966,037	262,319,074,695	291,418,886,132	257,936,894,440
Cash credits	24,756,450,792	26,112,687,698	24,756,450,792	26,112,687,698
Overdrafts	59,750,987,341	52,553,575,173	59,750,987,341	52,553,575,173
	381,754,404,170	340,985,337,566	375,926,324,265	336,603,157,311
b) Outside Bangladesh	-	-	-	-
	381,754,404,170	340,985,337,566	375,926,324,265	336,603,157,311
ii) Bills Purchased & Discounted (note : 7.13)				
a) Payable Inside Bangladesh				
Inland Bills Purchased	2,595,591,213	2,300,449,768	2,595,591,213	2,300,449,768
b) Payable outside Bangladesh				
Foreign bills purchased & discounted	23,959,820,265	12,779,952,324	23,959,820,265	12,779,952,324
	26,555,411,478	15,080,402,092	26,555,411,478	15,080,402,092
	408,309,815,648	356,065,739,658	402,481,735,743	351,683,559,403
7.3 Net Loans & Advances				
Gross Loans & Advances (note- 7.2)			402,481,735,743	351,683,559,403
Less : Non Performing Loans & Advances (note- 7.10 b)			17,737,293,394	8,983,562,059
Interest suspense (note- 12.4)			13,540,853,401	11,594,608,601
Provision for Loans & Advances (note- 7.11)			16,584,382,139	12,645,899,013
			47,862,528,934	33,224,069,673
			354,619,206,809	318,459,489,730
7.4 Loans & Advances according to significant concentration				
a) Advances to the companies or firms in which the Directors of the Bank are interested			-	-
b) Advances to Chief Executive and other senior executives			-	-
c) Advances to customers group				
Commercial Lending			45,575,816,391	43,603,546,941
Import Finance			24,235,864,805	17,335,079,656
Export Finance			3,358,188,461	3,496,833,470
House Building Loan			23,753,409,182	21,696,876,534
Transport Loan			3,715,012,679	3,020,436,166
Retail Loan			15,388,734,073	16,040,043,801
Staff Loan			4,672,954,406	4,138,694,349
Industrial Loan			234,010,658,474	198,342,932,056
Agricultural Loan			4,766,106,487	3,279,965,990
Others			43,004,990,786	40,729,150,440
Total Loans & Advances			402,481,735,743	351,683,559,403

Amount in BDT

United Commercial Bank Limited

	31 Dec. 2021	31 Dec. 2020
7.5 Industry wise Loans and Advances		
RMG & Accessories	85,745,065,804	62,515,449,692
Textile Industries	24,789,611,096	18,327,435,620
Agriculture	4,766,106,487	3,279,965,989
Food Products & Processing	15,604,962,054	16,340,896,582
Jute Industries	219,726,904	224,193,408
Leather & Leather Products	1,283,409,827	1,152,539,648
Paper & Paper Products Industries	7,443,876,678	7,331,200,429
Wood & Wooden Products	2,822,102,309	2,690,550,710
Chemical & Chemical Products	6,541,225,453	3,167,747,693
Cement Industries	10,458,041,616	10,482,244,648
Brick Field, Auto Bricks, Tiles	1,503,664,468	978,940,459
Engineering, Basic Metal & Products	11,559,966,845	20,703,994,701
Ship Re-cycling	7,011,565,533	4,971,358,112
Ship Manufacturing	2,320,056,667	3,844,326,395
Educational Institute, Hotel, Restaurant	3,169,071,431	1,957,061,686
Telecommunication	2,441,694,716	1,886,155,481
Transport & Communication	3,715,012,679	3,020,436,166
Diagnostic/Medical/Clinic	3,641,814,854	3,614,654,436
Housing Industry	23,753,409,182	21,696,876,534
Construction (Other than Housing)	34,831,450,370	31,789,433,864
Electronics Media	342,143,301	372,992,024
Power & Energy	9,960,279,417	9,914,024,298
Commercial Trade Financing	73,169,869,658	64,435,460,067
Glass & Glassware Product Industries	273,075,916	4,083,208
Tea Manufacturing	702,871,809	533,516,992
Others	64,411,660,672	56,448,020,560
	402,481,735,743	351,683,559,403
7.6 Geographical Location wise Loans & Advances		
Urban branches		
Dhaka	292,940,857,981	244,460,754,039
Chattogram	80,077,067,434	79,794,914,452
Sylhet	1,594,613,324	1,772,395,994
Rajshahi	5,989,399,541	5,823,365,786
Rangpur	735,352,710	781,111,043
Khulna	7,875,736,669	6,679,825,602
Barisal	617,874,890	402,083,034
	389,830,902,548	339,714,449,950
Rural branches		
Dhaka	8,977,936,526	8,605,714,578
Chattogram	2,950,685,129	2,707,815,897
Sylhet	299,176,794	334,287,144
Rajshahi	267,744,920	240,729,714
Rangpur	59,217,920	56,669,661
Khulna	84,670,835	23,892,459
Barisal	11,401,072	-
	12,650,833,195	11,969,109,453
	402,481,735,743	351,683,559,403
7.7 Sector - wise Loans and Advances		
Government & autonomous	86,060,433	98,783,084
Co-operative sector	-	-
Other public sector	-	-
Private sector	402,395,675,311	351,584,776,319
	402,481,735,743	351,683,559,403

Amount in BDT

United Commercial Bank Limited

31 Dec. 2021

31 Dec. 2020

7.8 Details of large Loans and Advances

Number of clients which sanctioned amount of loans exceeding 10% of total capital of the Bank with outstanding and classified amount.

Total Capital of the Bank (Taka in Crore)	5,276	5,023
Outstanding Advances (note : 7.8.1)	24,499	20,426
Number of customers	41	37
Classified amount	-	-
Measures taken for recovery	-	-

7.8.1 Detail of information on Advances more than 10% of Bank's total Capital as on 31 December 2021

(Figure in crore)

Name of the Borrower	Outstanding as on 31 December 2021			31 December 2020
	Funded	Non-Funded	Total	Total Taka
Four H group	653.38	1,318.44	1,971.82	1,692.66
Mondol Group	264.98	1,541.93	1,806.91	1,100.29
Micro Fibre Group	-	1,552.40	1,552.40	891.42
Mostafa-Hakim Group	237.18	941.88	1,179.06	649.86
Bashundara Group	777.49	346.97	1,124.45	946.73
Toma Group	285.82	640.89	926.71	712.37
BSM Group	494.95	418.12	913.07	733.01
GPH Group	228.06	652.79	880.85	644.49
Metro Group	53.17	748.91	802.08	705.33
Abul Khair group	1.97	735.66	737.63	815.49
N.R. Group	194.98	504.82	699.80	690.16
DIRD Group	476.92	143.08	620.00	606.63
Pran Group	185.58	390.43	576.01	515.59
B Trac Group	100.52	467.54	568.07	589.70
City Group	134.95	421.92	556.87	620.79
Habib Group	487.00	67.11	554.11	524.05
Kabir Group	193.62	338.93	532.55	667.71
AWR Group	427.29	99.70	526.99	-
LIZ GROUP	136.61	366.87	503.48	494.84
Confidence Group	78.33	405.28	483.61	466.08
Baraka Patenga Group	159.73	321.88	481.60	781.47
New Asia Group	146.35	330.02	476.37	427.75
Multi Trading Group	135.07	335.69	470.76	425.20
Tahseen Group	77.10	351.90	429.00	-
Wahid Group	263.85	133.60	397.45	458.21
APS Group	62.78	330.93	393.71	-
Max Group	169.21	218.45	387.65	451.75
Mir Akhter Hossain	210.59	175.60	386.19	409.26
Thermax Group	114.01	271.52	385.53	-
M.M Knitwear Group	65.43	318.48	383.91	-
Anwar Group	33.90	343.53	377.43	325.64
BSRM Group	0.04	361.22	361.26	541.51
Orion Group	338.79	5.41	344.20	367.88
Fair Group	-	340.19	340.19	-
Baishakhi Group	137.89	186.08	323.97	141.59
Energypac Group	206.13	77.52	283.66	523.04
Bashundara Oil	235.14	14.07	249.21	-
Ideal Electrical Group	7.75	205.48	213.23	-
Meghna Group	50.65	76.19	126.84	138.11
Spectra Group	69.57	40.51	110.08	355.26

Amount in BDT

United Commercial Bank Limited

31 Dec. 2021

31 Dec. 2020

Name of the Borrower	Outstanding as on 31 December 2021		31 December 2020	
	Funded	Non-Funded	Total	Total Taka
Summit Group	60.75	-	60.75	123.86
Smart Group	-	-	-	270.06
Unique Group	-	-	-	230.52
Max Power Ltd	-	-	-	24.56
Omera Group	-	-	-	362.73
Total	7,957.54	16,541.90	24,499.44	20,425.57

7.9 Disclosure of Particulars of Advances

i) Loans considered good in respect of which the banking company is fully & partly secured.	312,160,979,737	288,450,404,510
ii) Loans considered good against which the banking company holds no security than the debtors personal guarantee.	50,116,384,546	38,762,489,959
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor.	40,204,371,460	24,470,664,934
iv) Loans adversely classified, provision not maintained there against.	-	-
	402,481,735,743	351,683,559,403
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	4,672,954,406	4,138,694,349
vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners, or managing agents or in case of private companies, as members	-	-
vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other person	4,672,954,406	4,138,694,349
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members	-	-
ix) Due from banking companies	-	-
x) Amount of classified loans on which interest has not been charged:	15,991,408,571	8,242,481,055
a) (Decrease)/Increase in provision	3,938,483,126	2,210,450,895
b) Amount realized against loan previously written off	102,577,518	103,345,832
c) Amount of provision kept against loan classified as Bad/Loss on the balance sheet date	6,081,831,019	2,294,659,789
d) Interest credited to the interest suspense account.	4,342,188,321	4,991,464,304
xi) Cumulative amount of the written off loan	13,859,886,709	13,428,471,919
xii) Amount written off during the year	533,992,307	-
xiii) Amount of written off loan for which law suit filed	15,833,652,809	15,299,660,502

7.10 Classification of Loans & Advances

a) Unclassified

Standard (SMA)	14,047,422,407	3,001,851,258
Standard (Small & Medium Ent.)	89,166,643,341	102,455,174,935
Standard (Consumer Finance- Credit Card)	2,549,351,771	2,549,310,181
Standard (Consumer Finance-House Finance)	3,205,283,140	3,293,005,587
Standard (Consumer Finance - Loan Professional)	370,451,309	373,650,641
Standard (Consumer Finance-Others)	5,101,564,779	5,531,943,227
Standard (Agri Loan)	3,950,940,631	1,171,300,438
Standard (Staff Loan)	4,993,472,594	4,138,694,348
Standard (Others.)	256,743,170,182	213,863,778,556
SMA-Special RSDL (BRPD-5)	4,616,142,194	6,321,288,173
	384,744,442,349	342,699,997,344

Amount in BDT

United Commercial Bank Limited

b) Classified

Sub - Standard
Doubtful
Bad & Loss

31 Dec. 2021	31 Dec. 2020
283,806,106	461,948,967
125,119,718	279,132,037
17,328,367,571	8,242,481,055
17,737,293,394	8,983,562,059
402,481,735,743	351,683,559,403

Total

Particulars	Base for Provision	Rate of Provision	Provision required	
General Provision (a)				
Special Mention Account	12,847,626,744	0.25% - 5%	128,058,149	26,513,973
Small & Medium Enterprise	89,166,640,783	0.25%	222,916,699	256,137,937
Consumer Fin.- Credit Card	2,871,781,887	2%	50,987,223	50,986,204
Consumer Fin-House Finance	3,205,283,140	1%	31,830,300	32,930,056
Consumer Fin - Loan Prof.	370,451,309	2%	7,409,032	7,473,013
Consumer Fin-Others	5,101,564,779	5%	103,259,852	110,638,865
Short Term Agri & Micro Credit	3,950,940,631	1%	39,509,401	11,713,004
Loan to BHs/MBs/SDs against share	2,075,639,197	2%	40,974,100	40,774,248
Standard loans & advances	259,338,573,291	1%	4,297,095,244	4,028,873,829
Special General Prov.- COVID-19	-	1%	1,540,000,000	840,000,000
	378,928,501,762		6,462,040,000	5,406,041,128
Specific Provision (b)				
Sub - Standard	158,700,201	20% & 5%	47,923,031	37,865,610
Doubtful	43,112,548	50% & 5%	9,736,950	32,261,460
Bad & Loss	6,086,528,921	100%	6,081,831,019	2,294,659,789
SMA-Special RSDL (BRPD-5)	3,462,367,437		1,411,704,980	1,737,308,526
Bangladesh Bank Derectives	-		2,415,465,663	3,137,762,500
Provision against special accoounts	-		155,680,496	-
	9,750,709,108		10,122,342,139	7,239,857,885
Total provision required for Loans & Advances (A+B)			16,584,382,139	12,645,899,013
Total provision held for Loans & Advances			16,584,382,139	12,645,899,013
Excess/(Short) Provision			-	-

7.12 Suit filed by different branches against defaulted borrowers during the year (Branch wise details)

Agrabad branch	314,868,306	196,056,463
Feni branch	7,379,576	-
Jessore branch	771,279	3,526,534
Naogaon branch	2,150,728	5,122,074
Shanti Nagar Branch	-	29,343,880
Sonargaon Janapath Branch	-	25,600,034
Comilla branch	42,122,885	-
Sylhet branch	-	10,524,378
Brahmanbaria branch	15,664,140	-
Chowdhuryhat Branch	-	692,153
Chowkbazar Branch	-	17,157,988
Gazipur Chowrasta branch	-	131,268,433
Gulshan Branch	-	122,549,040
Gohira Branch	-	71,368,111
Kamrangichar branch	-	1,450,838
Kanaipur branch	45,394,599	-
Mirpur Road branch	-	11,677,078
Narayangonj	13,357,560	-
Rajshahi Branch	65,564,918	-
Chittagong Medical Collage Br	25,394,446	-
Dinajpur Branch	64,662,680	-
Mymensingh branch	4,769,538	-
Station Road branch	67,555,552	-

	Amount in BDT			
	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Jhawtala Branch			23,627,440	7,446,200
O.R Nizam Road branch			540,865,121	-
Jubilee Road branch			-	10,497,027
Principal branch			42,831,306	65,606,067
Mohammadpur branch			692,407	19,686,060
Mohakhali Branch			-	1,141,220
Halishahor Branch			-	4,055,940
Kadamtali branch			664,510,887	-
Nabiganj Branch			-	3,451,908
Pragati Sarani Branch			-	66,349,500
Sherpur (Mymensingh)			6,192,548	-
Subid Bazar Branch			-	11,695,964
Anderkilla branch			37,022,858	-
Chapainababgonj			52,977,624	-
			2,038,376,396	816,266,891

7.13 Bills purchased and discounted

a) Payable in Bangladesh	2,595,591,213	2,300,449,768
b) Payable outside Bangladesh	23,959,820,265	12,779,952,324
	26,555,411,478	15,080,402,092

7.13.1 Maturity grouping of bills purchased and discounted

Payable within one month	1,320,231,986	1,222,200,000
Over one month but less than three months	1,456,612,954	3,751,517,237
Over three months but less than six months	481,775,440	7,644,163,806
Six months or more	23,296,791,098	6,051,881,766
	26,555,411,478	18,669,762,809

8. Fixed assets including premises, furniture & fixture.

Land	6,282,956,179	4,395,054,283	4,395,054,283	4,395,054,283
Building	2,590,073,665	2,590,073,665	2,559,698,620	2,559,698,620
Furniture and fixtures	2,416,633,155	2,146,476,170	2,373,267,236	2,107,660,250
Office equipments	2,627,977,340	2,496,500,042	2,605,760,758	2,483,921,697
Computer & equipments	1,932,157,232	1,468,867,288	1,687,141,874	1,457,701,212
Vehicles	513,876,823	508,460,273	500,450,963	496,004,413
Capital Expenditure Work in Progress	864,787,580	550,723,785	759,111,835	549,975,035
	17,228,461,974	14,156,155,506	14,880,485,569	14,050,015,510
Intangible assets				
Computer software	1,447,385,833	1,218,577,002	1,439,719,788	1,214,706,002
Lease Asset				
Right of Use assets (ROU) as per IFRS 16	5,590,566,138	5,203,580,012	5,590,566,138	5,203,580,012
	24,266,413,945	20,578,312,520	21,910,771,495	20,468,301,524
Less: Accumulated depreciation & amortization	7,248,217,464	5,953,591,189	7,189,579,929	5,928,343,603
Written down value at the end of the year	17,018,196,481	14,624,721,331	14,721,191,566	14,539,957,921

Fixed Assets Schedule: A schedule of Fixed assets is given in Annexure - B

Amount in BDT

	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
9. Other assets				
Investment in share of subsidiary companies.	-	-	5,499,999,980	3,754,092,847
Investment against Right share of subsidiary companies*	-	-	-	-
Receivable from Subsidiary Company	-	-	3,288,579	22,165,841
Stock of Stationery & Stamps	45,574,840	63,508,454	45,574,840	63,508,454
Account with Stock Broker	707,191,708	1,932,141,834	707,191,708	1,932,141,834
Advance Payment	2,860,412,586	2,649,155,712	2,252,650,397	2,325,220,207
Advance Deposit	6,247,730	8,246,730	6,247,730	8,246,730
Suspense Account (note-9.1)	1,581,570,216	1,448,977,905	2,581,570,216	1,448,977,905
Advance Income Tax Paid (note-9.2)	1,118,597,022	1,293,168,267	1,118,597,022	1,293,168,267
Interest Receivable	1,379,555,672	1,536,869,555	1,379,555,672	1,536,869,555
Income Receivable	15,014,126	50,815,674	15,014,126	50,815,674
Head Office General Account (note-9.3)	2,659,186	71,031	2,659,186	71,031
FC Placement as Security Deposit	-	-	-	-
Deferred Tax Asset (note - 9.4)	4,226,106,936	2,836,159,182	4,228,862,137	2,838,117,649
Others (note - 9.5)	893,033,552	140,577,497	893,033,564	140,577,502
	12,835,963,574	11,959,691,841	18,734,245,157	15,413,973,496
9.1 Suspense accounts				
Advance against expenses			1,852,123,400	384,364,633
Advance against others			-	44,096
Advance against Foreign Remittance Settlement			13,036,099	18,293,197
Claims on Sanchaypatra			255,271,070	437,859,314
Interest on sanchaypatra			42,284,507	217,128,477
Excise duty			1,650,900	3,189,660
Protested bill			97,013,874	78,818,894
Sundry receivable ATM			241,741,913	235,626,589
Cash in Transit			-	-
Card suspense			77,855,953	70,931,759
Upay suspense			-	918,786
Cash in Excess/(Short) ATM			592,500	1,802,500
			2,581,570,216	1,448,977,905
9.2 Advance income tax				
Opening balance			1,293,168,266	1,164,968,259
Add: Advance Tax paid during the year			3,285,957,698	2,392,309,601
Less: Advance Tax adjustment with tax Provision			(3,460,528,944)	(2,264,109,594)
Balance at the end of the year			1,118,597,021	1,293,168,266
9.2.1 Advance income tax paid				
A) Assessment year wise break up is as follows:				
Tax refundable Up to the year 2009			-	119,691,400
2011-2012			-	1,317,582,056
2012-2013			2,300,895,593	2,300,895,593
2013-2014			1,801,862,346	1,801,862,346
2015-2016			-	2,645,092,879
2016-2017			-	3,091,606,166
2017-2018			2,524,701,311	2,324,701,311
2018-2019			2,381,403,375	2,380,903,375
2019-2020			-	2,025,122,577
2020-2021			2,077,302,249	2,021,302,249
2021-2022			2,248,133,810	1,026,446,634
2022-2023			1,118,597,023	-
			14,452,895,707	21,055,206,586
Less: Advance Tax Adjusted with tax provision up to the year 2020			(13,334,298,684)	(19,762,038,319)
			1,118,597,023	1,293,168,267

Amount in BDT

United Commercial Bank Limited

31 Dec. 2021	31 Dec. 2020
171,732,467,223	160,741,917,587
(171,729,808,036)	(160,741,846,556)
2,659,186	71,031

9.3 Head Office General Account

This is made up as follows:

Due from branches
Due to branches

9.4 Deferred Tax Asset

Deferred tax assets and liabilities have been recognised and measured in accordance with the provisions of IAS 12: Income Taxes. Deferred tax assets and liabilities for financial statements are attributable to the following:

Particulars	Accounting Base	Tax Base	Deductible/ (Taxable) Temporary Difference	Applicable Rate	Deferred Tax Asset/(Liability)
Balance as at 31 December, 2020					
Deferred Tax Asset (a)					3,070,996,119
Deferred Tax Liability (b)					(232,878,470)
Net Deferred Tax Asset as at 31 December, 2020 (a+b)					2,838,117,649
Balance as at 31 December, 2021					
Deferred Tax Asset (a)					4,375,162,627
Deferred Tax Liability (b)					(146,300,490)
Net Deferred Tax Asset as at 31 December, 2021 (a+b)					4,228,862,137
Provision Opening(Specific)	8,009,730,815	-	8,009,730,815	37.50%	3,003,649,056
Provision During the Year(Specific)	4,021,560,744	426,916,793	3,594,643,951	37.50%	1,347,991,482
Provision Opening (Dilution of Investment)	235,220,899	-	235,220,899	10.00%	23,522,090
Deferred tax asset (a)					4,375,162,627
Property, Plant and Equipment's Provision During the Year (Dilution of Investment)	5,307,593,645 (235,220,899)	4,980,184,579 -	(327,409,067) (235,220,899)	37.50% 10.00%	(122,778,400) (23,522,090)
Deferred tax liabilities (b)					(146,300,490)

9.5 Others

UCB International school project
Receivable from Others
COVID-19 Receivable
Input VAT & Clearing Adjustment Account

949,554	3,042,606
-	-
892,084,010	137,534,896
-	-
893,033,564	140,577,502

9.6 Non-income generating other assets

Stock of Stationery & Stamps
Account with Stock Broker
Advance Payment
Advance Deposit
Advance Income Tax Paid
Suspense Account
Head Office General Account
Deferred Tax Asset
Others

45,574,840	63,508,454
707,191,708	1,932,141,834
2,252,650,397	2,325,220,207
6,247,730	8,246,730
1,118,597,022	1,293,168,267
2,581,570,216	1,448,977,905
2,659,186	71,031
4,228,862,137	2,838,117,649
893,033,564	140,577,502
11,836,386,800	10,050,029,579

	Amount in BDT			
	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
10. Borrowings from other banks, financial institutions & agents:				
In Bangladesh (note-10.1)	79,486,038,324	59,414,244,142	75,879,235,181	56,572,445,993
Out Side Bangladesh (note-10.2)	9,924,399,071	2,826,679,995	9,924,399,071	2,826,679,995
	89,410,437,395	62,240,924,137	85,803,634,252	59,399,125,988
10.1 In Bangladesh				
UCBL Subordinated Bond (note - 10.1.1)			13,300,000,000	16,300,000,000
UCBL Perpetual Bond			4,000,000,000	-
Bangladesh Bank IPFF Fund			4,780,948,537	4,982,987,574
EDF Borrowings from Bangladesh Bank			43,048,570,624	25,019,396,664
Borrowing from Bangladesh Bank Refinancing scheme			10,320,716,020	10,270,061,755
OBU Term Borrowing			429,000,000	-
			75,879,235,181	56,572,445,993
10.1.1 UCBL Subordinated Bond				
UCBL 2nd Subordinated Bond			1,000,000,000	2,000,000,000
UCBL 3rd Subordinated Bond			4,900,000,000	6,300,000,000
UCBL 4th Subordinated Bond			7,400,000,000	8,000,000,000
			13,300,000,000	16,300,000,000
10.2 Out Side Bangladesh				
PROPARCO, Franch			122,571,423	282,667,995
DBS Bank Limited, Singapore			1,716,000,000	2,544,012,000
Standard Chartered Bank, Honkong			429,000,000	-
Standard Chartered Bank, Singapore			429,000,000	-
Abu Dhabi Commercial Bank, UAE			2,574,000,000	-
National Bank of Ras Al-Khaimah, UAE			2,337,227,648	-
Bank Muscat International, Oman			1,544,400,000	-
ICICI Bank Ltd., India			429,000,000	-
Emirates NBD Bank PJSC, UAE			343,200,000	-
			9,924,399,071	2,826,679,995
10.3 Security against borrowings from other banks, financial institutions and agents:				
Secured			-	-
Unsecured			85,803,634,252	59,399,125,988
			85,803,634,252	59,399,125,988
10.4 Maturity Grouping of Borrowings from other banks, financial institutions & agent.				
Payable on demand			-	-
Payable within one month			4,642,509,586	3,927,007,578
Over one month but within six months			49,836,743,129	24,674,570,482
Over six month but within one year			8,555,580,697	8,641,228,551
Over one year but within five years			15,174,871,980	18,335,294,200
Over five years but within ten years			7,593,928,860	3,821,025,178
			85,803,634,252	59,399,125,988
11. Deposits and other accounts				
Inter Bank deposits	3,519,459,448	23,950,085	3,519,459,448	23,950,085
Other deposits	383,504,369,015	352,289,550,064	386,381,264,536	353,957,668,680
	387,023,828,463	352,313,500,149	389,900,723,984	353,981,618,765
a. Current accounts & other accounts				
Current deposits	48,827,732,278	38,548,879,994	51,704,627,799	40,216,998,610
Foreign currency deposits	2,389,666,375	3,224,438,806	2,389,666,375	3,224,438,806
Sundry deposits (note - 11.1)	27,128,769,687	27,562,601,973	27,128,769,687	27,562,601,973
	78,346,168,340	69,335,920,773	81,223,063,861	71,004,039,389

	Amount in BDT			
	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
b. Bills Payable				
Pay order	8,838,542,084	8,272,547,152	8,838,542,084	8,272,547,152
Demand draft payable	6,726,285	7,717,840	6,726,285	7,717,840
Others Payable	-	-	-	-
	8,845,268,369	8,280,264,992	8,845,268,369	8,280,264,992
c. Savings Bank deposits				
Savings Bank deposits	80,659,233,376	70,999,776,995	80,659,233,376	70,999,776,995
	80,659,233,376	70,999,776,995	80,659,233,376	70,999,776,995
d. Fixed deposits				
Fixed deposits	139,395,911,610	124,519,750,307	139,395,911,610	124,519,750,307
Special notice deposits	37,312,802,201	41,538,548,928	37,312,802,201	41,538,548,928
Scheme Deposits	42,464,444,567	37,639,238,154	42,464,444,567	37,639,238,154
	219,173,158,378	203,697,537,389	219,173,158,378	203,697,537,389
Total Deposits and other accounts (a+b+c+d)	387,023,828,463	352,313,500,149	389,900,723,984	353,981,618,765
11.1 Sundry deposits				
Sundry creditors			283,174,918	325,687,512
Security deposits			9,432,100	8,630,350
Debit & Credit card			12,206,642	25,654,210
FC held against deemed export LC			1,752,810,210	2,363,193,796
FC held against BTB LC			16,877,138,845	17,505,288,057
Others			16,935,934	10,511,483
Margin				
Letter of guarantees			2,464,156,924	2,172,736,457
Letter of credit			5,606,773,719	5,025,534,022
SME Time Loan			6,193,459	8,090,170
Export Proceed			99,946,936	117,275,916
			27,128,769,687	27,562,601,973
11.2 Maturity analysis of deposits & other accounts				
Inter- Bank Deposits				
Payable on demand			14,192,579	18,784,235
Payable within one month			5,266,869	-
Over one month but within six months			-	-
Over six month but within one year			3,500,000,000	-
Over one year but within five years			-	5,165,850
Over five years but within ten years			-	-
			3,519,459,448	23,950,085
Other Deposits				
Payable on demand			5,285,531,770	2,974,210,741
Payable within one month			42,149,846,699	46,215,919,707
Over one month but within six months			93,382,406,402	99,613,466,667
Over six month but within one year			36,028,943,486	46,065,033,333
Over one year but within five years			120,081,483,974	155,302,738,232
Over five years but within ten years			89,453,052,205	3,786,300,000
			386,381,264,536	353,957,668,680
			389,900,723,984	353,981,618,765
11.3 Sector-wise deposits				
Government			1,678,480,284	1,435,744,616
Semi-Government			2,476,620,336	5,311,631,416
Public			21,985,285,046	32,100,014,297
Private			361,370,671,943	311,909,789,632
Foreign Currency Deposits			2,389,666,375	3,224,438,804
			389,900,723,984	353,981,618,765

		Amount in BDT			
		Consolidated		United Commercial Bank Limited	
		31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
12	Other Liabilities				
	Provision for loans & advances (note-12.1)	15,044,382,138	11,805,899,013	15,044,382,138	11,805,899,013
	Special General Provision for COVID_19 (note-12.2)	1,540,000,000	840,000,000	1,540,000,000	840,000,000
	Provision for off-balance sheet exposure (note-12.3)	2,407,237,923	1,857,239,989	2,407,237,923	1,857,239,989
	Interest suspense account (note-12.4)	13,540,853,401	11,594,608,601	13,540,853,401	11,594,608,601
	Provision for diminution in value of investment (note-12.5)	-	235,220,899	-	235,220,899
	Provision for classified fixed assets (note-12.6)	3,972,000	3,972,000	3,972,000	3,972,000
	Provision for classified other assets (note-12.7)	105,000,000	105,000,000	105,000,000	105,000,000
	Provision for current tax (note-12.8)	6,570,722,950	5,856,555,781	5,943,618,568	5,580,668,803
	Provision for UCB foundation (note-12.9)	81,500,000	75,000,000	81,500,000	75,000,000
	Unclaimed Dividend	80,075,149	176,363,248	80,075,149	176,363,248
	Interest payable	4,847,407,733	5,019,025,340	4,847,407,733	5,019,025,340
	Lease Liabilities as per IFRS 16	4,660,758,109	4,594,327,830	4,660,758,109	4,594,327,830
	Sundry liabilities	7,659,501,576	6,094,005,637	3,852,697,110	2,944,075,263
	Start-Up Fund (note - 12.10)	60,343,687	28,571,978	60,343,687	28,571,978
		56,601,754,666	48,285,790,316	52,167,845,818	44,859,972,964
12.1	Provision for loans & advances				
	General provision Notes 12.1.1			4,922,039,998	4,566,041,128
	Specific Provision Notes 12.1.2			10,122,342,140	7,239,857,885
				15,044,382,138	11,805,899,013
12.1.1	General provision				
	Opening balance			4,566,041,128	4,005,392,852
	Provision made during the year			353,378,491	560,831,774
	Transferred from surplus of other provision heads			-	-
	Exchange Difference			2,620,379	(183,498)
				4,922,039,998	4,566,041,128
12.1.2	Specific Provision				
	Opening balance			7,239,857,885	6,430,055,264
	Less: Adjustment due to written off			(426,609,401)	-
	Add: Provision made during the year			3,206,516,138	706,456,789
	Add: Recoveries of amounts previously written off			102,577,518	103,345,832
	Less: Recoveries and provisions no longer required			-	-
	Add: Net Charge to Profit & Loss A/C			-	-
				10,122,342,140	7,239,857,885
12.2	Special General Provision for COVID_19				
	Opening balance			840,000,000	-
	Provision made during the year			700,000,000	840,000,000
				1,540,000,000	840,000,000
12.3	Provision for off-balance sheet exposure				
	Opening balance			1,857,239,989	1,617,214,824
	Provision made during the year			549,132,684	240,064,820
	Exchange Difference			865,250	(39,655)
				2,407,237,923	1,857,239,989

Provision against Off-Balance Sheet Exposure made as per BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 07 dated 21 June 2018 and BRPD Circular No. 13 dated 18 October 2018. Required provision against off-balance sheet exposure as at 31 December 2021 is BDT 2,407,237,923 against which available provision is BDT 2,407,237,923

Amount in BDT

		United Commercial Bank Limited	
		31 Dec. 2021	31 Dec. 2020
12.4 Interest suspense account			
	Opening balance	11,594,608,601	8,468,148,993
	Add: Amount transferred to interest suspense account during the year	4,342,188,321	4,991,464,304
	Less: Amount recovered from interest suspense account during the year	(2,080,445,188)	(1,845,778,074)
	Less: Interest waiver/remission allowed	(208,399,685)	(19,226,622)
	Less: Amount written off during the year	(107,098,648)	-
		13,540,853,401	11,594,608,601
12.5 Provision for diminution in value of investment			
	Opening balance	235,220,899	673,470,630
	Provision made/(reversed) during the year	(235,220,899)	(438,249,731)
		-	235,220,899
12.6 Provision for classified fixed assets			
	Opening balance	3,972,000	3,972,000
	Provision made during the year	-	-
		3,972,000	3,972,000
12.7 Provision for classified other assets			
	Opening balance	105,000,000	105,000,000
	Provision made during the year	-	-
		105,000,000	105,000,000
12.8 Provision for current tax			
	Opening balance	5,580,668,803	5,211,832,053
	Add: Addition during the year	3,960,296,853	2,609,395,100
	Add: Adjustment with previous year	(136,818,144)	23,551,242
	Less: Adjustment with advance Tax	(3,460,528,944)	(2,264,109,592)
		5,943,618,568	5,580,668,803
12.8.1 Provision for Current Tax			
	Assessment year wise breakup is as follows:		
	2011-2012	-	1,238,047,578
	2012-2013	2,183,460,319	2,183,460,319
	2013-2014	2,152,935,623	2,152,935,623
	2015-2016	-	3,161,945,018
	2016-2017	-	3,265,000,000
	2017-2018	2,561,251,694	2,561,251,694
	2018-2019	3,027,500,000	3,027,500,000
	2019-2020	-	2,360,094,126
	2020-2021	2,783,077,663	2,783,077,663
	2021-2022	2,609,395,100	2,609,395,100
	2022-2023	3,960,296,854	-
		19,277,917,253	25,342,707,121
	Less: Adjustment of Current Tax Provision with advance Tax up to the year 2020	(13,334,298,684)	(19,762,038,319)
		5,943,618,569	5,580,668,802
12.9 Provision for UCB foundation			
	Opening balance	75,000,000	75,000,000
	Addition during the year	78,000,000	75,000,000
	Less: Fund transfer to UCB Foundation	(71,500,000)	(75,000,000)
		81,500,000	75,000,000
12.10 Start Up Fund			
	Opening balance	28,571,978	-
	Provision made during the year	31,771,709	28,571,978
		60,343,687	28,571,978
13 Share Capital			
	Opening balance	12,175,209,040	11,595,437,190
	Add: Bonus shares issued	608,760,450	579,771,850
		12,783,969,490	12,175,209,040

Amount in BDT

United Commercial Bank Limited

31 Dec. 2021 31 Dec. 2020

13.1 Authorized Capital

1,500,000,000 ordinary shares of Tk. 10.00 each

13.2 Issued subscribed and paid up Capital

1,217,520,904 ordinary shares @ Taka 10.00 each

60,876,045 ordinary shares @ Taka 10.00 each issued as bonus share

15,000,000,000	15,000,000,000
12,175,209,040	11,595,437,190
608,760,450	579,771,850
12,783,969,490	12,175,209,040

Shareholding position:

Particulars	December 2021		December 2020	
	No. of Shares	Amount in BDT	No. of Shares	Amount in BDT
Sponsors/Directors	442,942,654	4,429,426,540	446,583,038	4,465,830,380
Institution(Financial & Others)	273,841,715	2,738,417,150	260,773,429	2,607,734,290
General Public	551,243,772	5,512,437,720	500,289,381	5,002,893,810
Govt. of Peoples Republic of BD	10,368,808	103,688,080	9,875,056	98,750,560
Total	1,278,396,949	12,783,969,490	1,217,520,904	12,175,209,040

13.3 Share Premium

29,09,95,350 ordinary shares of Taka 5 each per share

Rights share 1:1; (1 share for each share held) has been issued in the year 2011 @ Tk. 15 each including share premium of Tk. 5 each.

13.4 Classification of Shareholders by holding as at 31 December 2021

Shareholding Range	Number of Shareholders	Number of Shares	Value of Shares in BDT	Total Holdings %
Upto 500 Shares	20,542	3,265,705	32,657,050	0.26%
501 to 5000 Shares	19,985	36,055,958	360,559,580	2.82%
5001 to 10,000 Shares	2,911	20,952,114	209,521,140	1.64%
10,001 to 20,000 Shares	1,762	24,808,255	248,082,550	1.94%
20,001 to 30,000 Shares	591	14,494,181	144,941,810	1.13%
30,001 to 40,000 Shares	248	8,628,095	86,280,950	0.67%
40,001 to 50,000 Shares	155	7,095,476	70,954,760	0.56%
50,001 to 100,000 Shares	298	21,001,973	210,019,730	1.64%
100,001 to 10,00,000 Shares	336	97,587,936	975,879,360	1.64%
10,00,001 & above	133	1,044,507,256	10,445,072,560	81.70%
Total	46,961	1,278,396,949	12,783,969,490	100.00%

13.5 History of Paid Up Capital

Year	Number of Shares Issued	Amount in BDT	Cumulative Paid up Capital
1983	355,000	35,500,000	35,500,000
1984	85,000	8,500,000	44,000,000
1986	360,000	36,000,000	80,000,000
1988	400,000	40,000,000	120,000,000
1991	171,428	17,142,800	137,142,800
1994	397,963	39,796,300	176,939,100
1995	176,939	17,693,900	194,633,000
1996	291,949	29,194,900	223,827,900
1997	63,296	6,329,600	230,157,500
2007	690,473	69,047,300	299,204,800
2010	26,107,487	2,610,748,700	2,909,953,500
2011	436,493,025	4,364,930,250	7,274,883,750
2012	109,123,256	1,091,232,560	8,366,116,310
2013	-	-	8,366,116,310
2014	-	-	8,366,116,310
2015	167,322,326	1,673,223,260	10,039,339,570

2016	50,196,697	501,966,970	10,541,306,540
2017	-	-	10,541,306,540
2018	-	-	10,541,306,540
2019	105,413,065	1,054,130,650	11,595,437,190
2020	57,977,185	579,771,850	12,175,209,040
2021	60,876,045	608,760,450	12,783,969,490

13.6 Capital to Risk Weighted Asset Ratio (CRAR)

The calculation of CRAR has been done as per Guidelines on Risk Based Capital Adequacy - Revised regulatory Capital Framework for Banks in line with BASEL-III vide BRPD circular no.18 dated December 21, 2014. Required Capital with Capital Conservation Buffer of the bank at the close of business on 31 December 2021 was Taka 48,342,974,542 as against available Tier-1 Capital of Taka 34,364,527,115 and Tier-2 Capital of Taka 18,396,420,766 making a Total Regulatory Capital of Taka 52,760,947,881 thereby an excess of capital of Taka 4,417,973,339 at that date.

Details are shown below:	Amount in BDT	
	31 Dec. 2021	31 Dec. 2020
Tier-I Capital:		
Common Equity Tier-1 capital (CET1):		
Paid-up Capital (note: 13.2)	12,783,969,490	12,175,209,040
Share Premium (note: 13.3)	1,454,976,750	1,454,976,750
Statutory Reserve (note: 14)	14,546,968,923	13,424,987,898
General Reserve (note: 15)	26,577,961	26,577,961
Retained Earnings (note: 17)	5,997,660,416	5,191,763,156
	34,810,153,540	32,273,514,805
Less: Regulatory Adjustments:		
Goodwill and all other Intangible Assets	340,439,879	436,341,502
Deferred Tax Assets (DTA)	4,017,419,030	2,838,117,649
Reciprocal crossholdings and excess investment above limit	87,767,516	101,950,990
Others	-	48,672,172
	4,445,626,425	3,425,082,313
Total Common Equity Tier-1 Capital	30,364,527,115	28,848,432,492
Additional Tier-1 Capital (AT-1)	4,000,000,000	-
Total Tier-1 Capital	34,364,527,115	28,848,432,492
Tier-II Capital:		
General Provision	8,869,277,921	7,263,281,118
Revaluation Reserve (note: a)	-	-
Subordinated Bond	9,980,000,000	14,600,000,000
	18,849,277,921	21,863,281,118
Less: Regulatory Adjustments:		
Revaluation Reserve	-	-
Reciprocal crossholdings in the T-2 Capital of BNBFI's & Insurance Entities	80,000,000	4,365,950
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991 (50% of Investment)-	-	-
Others	372,857,155	475,739,208
Total Admissible Tier-2 Capital	18,396,420,766	21,383,175,960
Total Regulatory Capital	52,760,947,881	50,231,608,452
Risk Weighted Assets (note-13.8)	386,743,796,338	336,719,538,288
Minimum Capital Requirement with Capital Conservation Buffer (12.5% of Risk Weighted Assets)	48,342,974,542	42,089,942,286
Capital Surplus/(Shortfall)	4,417,973,339	8,141,666,166

13.7 Composition of Capital	31 Dec. 2021		31 Dec. 2020	
	Required	Held	Required	Held
Common Equity Tier -I	4.50%	7.85%	4.50%	8.57%
Tier-I Capital	6.00%	8.89%	6.00%	8.57%
Tier-II Capital	4.76%	6.35%		
Tier-I Capital with Buffer	8.50%	8.89%	8.50%	8.57%
Total CRAR	12.50%	13.64%	12.50%	14.92%

	Amount in BDT			
	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
13.8 Computation of Risk weighted assets				
On- Balance Sheet			271,723,837,945	238,110,024,639
Off-Balance sheet			67,469,005,582	56,154,619,930
Credit Risk (A)			339,192,843,527	294,264,644,569
Market Risk (B)			10,960,117,767	9,050,011,345
Operational risk (C)			36,590,835,044	33,404,882,374
Total: Risk Weighted assets (A+B+C)			386,743,796,338	336,719,538,288

14 Statutory Reserve

As per section 24(1) of the Bank company Act, 1991 and amendments thereon, an amount equivalent to 20% of the profit before taxes for the year has been transferred to the statutory reserve fund as under:

Opening Balance	13,424,987,898	12,435,385,300	13,424,987,898	12,435,385,300
Add: Transferred during the year	1,130,980,783	989,602,598	1,121,981,025	989,602,598
	14,555,968,681	13,424,987,898	14,546,968,923	13,424,987,898
15 General Reserve				
Opening Balance	26,577,961	26,577,961	26,577,961	26,577,961
Add: Transferred during for the year	-	-	-	-
	26,577,961	26,577,961	26,577,961	26,577,961
16 Other Reserve				
Asset Revaluation Reserve (notes: 16.1)	2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559
Foreign currency translation gain/(loss)	30,019,810	25,125,152	30,019,810	25,125,152
Revaluation Reserve on HTM Securities (notes: 16.2.1)	49,130,334	93,738,160	49,130,334	93,738,160
Revaluation Reserve on HFT Securities (notes: 16.2.2)	18,602,185	139,751,027	18,602,185	139,751,027
	2,631,853,888	2,792,715,898	2,631,853,888	2,792,715,898

16.1 Asset Revaluation Reserve

In terms of International Accounting Standard (IAS) 16, 'Property, Plant & Equipment' and instruction contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, all the immovable properties of the Bank were revalued as at 27.12.2012 by Padma Techno Consult & Survey Ltd. an independent professionally qualified valuation firm of the country based on market survey. Accordingly, revaluation surplus of Tk. 2,534,101,559/- for land & building has been included as asset revaluation reserve at reporting date as follows:

Opening Balance	2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559
Reserve made for the year	-	-	-	-
	2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559
16.2 Revaluation Reserve				
HTM Securities (notes 16.2.1)			49,130,334	93,738,160
HFT Securities (notes 16.2.2)			18,602,185	139,751,027
			67,732,519	233,489,187

As per the DOS Circular Letter # 05 dated 26 May 2008, HFT securities are revalued on weekly basis and HTM securities are amortized on yearly basis.

16.2.1 Revaluation Reserve on HTM Securities

Opening Balance	93,738,160	198,489,847
Net Revaluation gain/(adjustment) during the year	(44,607,826)	(104,751,687)
	49,130,334	93,738,160

	Amount in BDT			
	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
16.2.2 Revaluation Reserve on HFT Securities				
Opening Balance			139,751,027	84,000
Net Revaluation gain/(adjustment) during the year			(121,148,842)	139,667,027
			18,602,185	139,751,027
17 Retained Earnings				
Opening Balance			5,191,763,156	4,512,283,598
Add: Transferred during for the year			2,023,418,169	1,839,023,267
Add: Adjustment for Deferred Tax Asset			-	-
Less: Issuance of Stock Dividend			(608,760,450)	(579,771,850)
Less: Issuance of Cash Dividend			(608,760,459)	(579,771,860)
			5,997,660,416	5,191,763,156
17(a) Consolidated Retained Earnings				
United Commercial Bank Ltd.	5,997,660,417	5,191,763,156		
UCB Stock Brokerage Ltd.	846,556,056	604,299,553		
UCB Investment Ltd.	132,493,978	62,194,085		
UCB Asset Management Ltd.	60,874,664	5,856,136		
UCB Fintech Company Limited	(1,102,104,559)	(65,690)		
	5,935,480,556	5,864,047,241		
Less: Non controlling Interest	266	219		
Total balance of retained earnings attributable to the ordinary Share holders.	5,935,480,290	5,864,047,022		
Non controlling interest	265	220		
18 Contingent liabilities & commitment				
Acceptances & endorsement (note- 18.1)			110,309,146,988	78,153,489,715
Letters of guarantee (note- 18.2)			57,499,501,948	49,877,297,665
Irrecoverable letters of credit (note- 18.3)			75,222,523,708	58,643,781,573
Bills for collection (note-18.4)			17,381,986,506	14,125,013,990
Other Commitments			-	242,106,790
			260,413,159,150	201,041,689,733
18.1 Acceptances & endorsements				
Bankers liabilities for accepted against usance LC			86,824,956,787	61,518,903,918
Bankers liabilities for accepted against BB usance			23,484,190,201	16,634,585,797
			110,309,146,988	78,153,489,715
18.2 Letters of guarantee				
Bankers liabilities for letters of guarantee (Inland)			40,358,914,710	40,787,503,022
Bankers liabilities for letters of guarantee (Foreign)			17,140,587,238	9,089,794,643
			57,499,501,948	49,877,297,665
18.3 Irrecoverable letters of credit				
Letters of credit (Inland)			699,415,743	406,516,821
Letters of credit (Foreign)			42,851,416,389	34,819,548,138
Back to back L/C			27,002,330,832	20,269,175,401
Letters of credit EDF			4,633,089,470	3,100,266,461
Letters of credit EPZ			36,271,274	48,274,752
			75,222,523,708	58,643,781,573
18.4 Bills for collection				
Bills for collection			10,838,943,348	9,482,409,741
Foreign Bills for collection			6,543,043,158	4,642,604,249
			17,381,986,506	14,125,013,990

	Consolidated		Amount in BDT	
			United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
19 Income Statement				
Income				
Interest, discount and similar income (note - 19.1)			32,216,994,109	32,839,829,930
Dividend income			149,088,539	206,565,597
Fees, commission and brokerage			4,167,689,559	3,381,909,841
Gain less losses arising from dealing in securities			-	-
Gain less losses arising from investment securities			421,132,081	395,875,448
Gain less losses arising from dealing in foreign currencies			1,571,481,016	1,312,074,764
Income from non-banking asset			-	-
Other operating income			220,614,859	148,137,150
			38,747,000,163	38,284,392,730
Expenses				
Interest paid on deposits and borrowings etc			13,927,259,014	17,796,178,247
Administrative expenses (note - 19.2)			10,234,359,002	9,396,902,852
Other operating expenses			2,945,319,029	2,900,050,892
Depreciation on banks assets			1,456,351,581	1,334,144,094
			28,563,288,626	31,427,276,085
			10,183,711,537	6,857,116,645
19.1 Interest, discount and similar income				
Interest Income			27,323,646,852	27,306,956,686
Interest income from investments			4,893,347,257	5,532,873,244
			32,216,994,109	32,839,829,930
19.2 Administrative expenses				
Salary and allowances			7,166,522,140	6,354,171,912
Rent, taxes, insurance, electricity etc.			1,122,448,908	995,871,932
Legal expenses			128,654,592	94,175,130
Postage, stamps, telecommunications etc.			184,561,969	174,621,217
Stationery, printing, advertisements etc.			1,249,146,112	1,482,822,745
Chief Executive's salary and fees			13,450,900	15,018,400
Directors' fees			2,590,290	2,705,176
Auditors' fees			1,150,000	1,725,000
Repair of banks assets			365,834,091	275,791,340
			10,234,359,002	9,396,902,852
20 Interest Income				
Interest on loans and advances	27,465,323,347	26,821,335,390	26,804,208,365	26,437,716,121
Interest on balances with other banks & Fin Ins.	447,909,025	727,325,863	447,909,025	727,325,863
Interest on money at call on short notice	46,399,514	82,829,445	46,399,514	82,829,445
Interest on balance with foreign Bank	25,129,948	59,085,257	25,129,948	59,085,257
	27,984,761,834	27,690,575,955	27,323,646,852	27,306,956,686
21 Interests Paid on deposits and borrowings etc.				
Interest paid on deposits (note-21.1)	11,605,438,993	15,401,031,887	11,605,438,993	15,401,031,887
Interest paid on borrowings (note-21.2)	2,561,339,480	2,490,630,019	2,321,820,021	2,395,146,360
	14,166,778,473	17,891,661,906	13,927,259,014	17,796,178,247

	Amount in BDT			
	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
21.1 Interest paid on deposits				
Savings Deposit			1,618,577,290	1,637,587,194
Special Notice Deposit			1,076,472,790	1,211,523,141
Fixed Term Deposit			5,612,968,047	9,475,116,819
Scheme Term Deposit			3,297,420,866	3,076,804,733
			11,605,438,993	15,401,031,887
21.2 Interest paid on borrowings				
Borrowing from Bangladesh Bank			444,611,325	278,754,799
Borrowing from other Bank & financial institution			103,815,059	52,424,339
Interest Paid on Subordinated Bond			1,131,615,194	1,481,865,383
F.C borrowings			91,440,509	138,047,593
Interest Exp. On Other Bank repo borrowings			214,118,953	199,438
Interest on money at call on short notice			1,398,819	12,281,944
Interest on EDF borrowings from Bangladesh Bank			334,820,162	431,572,864
Re-issued/Buy Bonds			-	-
			2,321,820,021	2,395,146,360
22 Investment income				
Interest income from investments (note - 22.1)	5,076,027,541	5,568,185,931	4,893,347,257	5,532,873,244
Non interest income from investments (note - 22.2)	570,260,620	602,491,045	570,260,620	602,491,045
	5,646,288,161	6,170,676,976	5,463,607,877	6,135,364,289
22.1 Interest income from investments				
Government treasury bill/bond			4,527,908,064	4,541,938,522
Bangladesh Bank Bill			63,473,500	-
Sub-ordinated Bond			222,166,466	316,606,251
Reverse Repo with Other Bank			2,758,304	145,954,276
Income from Investment on Islamic Banking			13,837,792	169,630
Gain/(Loss) on revaluation on govt. securities (note - 22.1.1)			63,203,131	528,204,565
			4,893,347,257	5,532,873,244
22.1.1 Gain/(Loss) on revaluation on govt. securities				
Gain on revaluation on govt. securities			-	609,996,043
Less: Loss on revaluation on govt. securities			63,203,131	(81,791,477)
			63,203,131	528,204,565
22.2 Non interest income from investments				
Dividend Income			149,088,539	206,565,597
Gain/(Loss) on sale of securities (note - 22.2.1)			421,132,081	395,875,448
Prize money on prize bond			40,000	50,000
			570,260,620	602,491,045
22.2.1 Gain/(Loss) on sale of securities				
Gain on sale of securities			569,698,545	496,119,807
Less: Loss on sale of securities			(148,566,464)	(100,244,359)
			421,132,081	395,875,448
23 Commission, Fees, Exchange & Brokerage				
Commission (note - 23.1)	3,173,257,078	2,176,367,006	2,445,604,232	1,900,229,778
Fees (note - 23.2)	1,722,085,327	1,481,680,063	1,722,085,327	1,481,680,063
Exchange earning (note - 23.3)	1,571,481,016	1,312,074,764	1,571,481,016	1,312,074,764
	6,466,823,421	4,970,121,833	5,739,170,575	4,693,984,605
23.1 Commission				
Remittance Inland			5,404,569	1,585,203
Remittance Foreign			9,848,975	9,145,479
Commission on Letters of guarantee			459,806,064	497,426,364
Commission on Letters of credit			480,962,262	332,808,187
Letters of credit (back to back)			454,128,557	277,875,968

	Amount in BDT			
	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Irrevocable Reimbursement Undertaking			-	-
Commission on sale of shares			-	-
Commission on BSP / PSP			24,494,106	(77,850)
Commission on acceptance			760,140,945	540,864,883
Exchange comm. & rebate			231,719,690	185,584,937
Clearance			1,825,153	1,829,576
Commission (Card)			3,971,032	33,931,023
MFS Commission			-	11,458,941
Others			13,302,879	7,797,067
			2,445,604,232	1,900,229,778
23.2 Fees				
Bills for collection fees			39,775,786	35,080,804
Account maintenance fees			116,750,033	110,564,398
Appraisal/processing fees			53,082,460	96,855,097
Online transaction fees			75,146,529	65,693,281
BACH/BEFTN charges			-	60
Cash incentive charges			16,117,005	12,266,480
Standing instruction charges			28,660	44,100
FC Endorsement charges			196,925	164,140
LC,BC,& BG (Others) Fees & Charges			656,512,829	474,631,086
Debit card fees			227,565,292	162,056,728
Credit card fees			378,263,549	344,391,262
Arrangement Fees			-	57,743,721
ABS fees & charges			23,138,953	7,392,358
SMS Banking charges			121,849,600	98,916,600
Misc. fees			13,657,707	15,879,948
			1,722,085,327	1,481,680,063
23.3 Exchange				
Exchange earning (general)			1,644,144,243	1,273,766,854
Revaluation gain/(Loss) on foreign currency			(8,882,983)	(9,749,383)
FX Deal Discount Income			(63,780,244)	48,057,293
			1,571,481,016	1,312,074,764
Less: Exchange loss (general)			-	-
Less: Exchange loss (dealing room)			-	-
			1,571,481,016	1,312,074,764
24 Other Operating Income				
Locker rent	15,261,155	13,960,150	15,261,155	13,960,150
Premises rent	-	415,395	-	415,395
Miscellaneous earning	248,557,677	77,591,976	130,302,645	74,819,625
Swift charges	75,011,059	58,891,980	75,011,059	58,891,980
Recoveries from Operational Loss	-	-	-	-
	338,829,891	150,859,502	220,574,859	148,087,150
25 Salaries and allowances				
Basic salary	3,494,275,247	3,168,082,386	2,924,583,258	2,961,784,164
Allowances	1,302,112,058	1,370,840,756	1,302,112,058	1,370,840,756
Bonus	1,578,679,339	1,248,906,304	1,578,679,339	1,248,906,304
Provident fund and Welfare fund	426,147,485	292,640,688	426,147,485	292,640,688
Gratuity fund	935,000,000	480,000,000	935,000,000	480,000,000
	7,736,214,129	6,560,470,134	7,166,522,140	6,354,171,912
26 Rent, taxes, insurance, electricity etc.				
Rent premises	386,773,887	287,238,723	361,716,449	271,846,992
Rent, rates & taxes	72,453,309	71,129,184	72,453,309	71,129,184
Other rental charges	157,408,534	168,482,878	157,408,534	168,482,878
Insurance charge	286,413,476	261,182,116	286,413,476	261,182,116
Electricity, Water & Gas	244,457,140	223,230,762	244,457,140	223,230,762
	1,147,506,346	1,011,263,663	1,122,448,908	995,871,932

		Amount in BDT			
		Consolidated		United Commercial Bank Limited	
		31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
27	Legal expenses				
	Professional fees	129,454,796	88,393,374	122,055,379	87,913,485
	Other legal charges	6,508,051	5,736,633	6,508,051	5,736,633
	Stamp, power of attorney & notary public	91,162	525,012	91,162	525,012
		136,054,009	94,655,019	128,654,592	94,175,130
28	Postage, stamps, telecommunications etc.				
	Postage	45,033,855	40,507,904	45,033,855	40,507,904
	Telecommunication charges	46,398,716	44,909,117	46,398,716	44,909,117
	Reuter	4,073,690	3,645,416	4,073,690	3,645,416
	Internet	2,580,200	1,929,750	2,580,200	1,929,750
	Online connectivity charge	93,807,923	87,469,674	86,475,507	83,629,031
		191,894,385	178,461,860	184,561,969	174,621,217
29	Stationery, printing & advertisements etc.				
29.1	Stationery and printing:				
	Security Stationery	20,040,172	20,200,737	20,040,172	20,200,737
	Table Stationery	35,280,360	26,047,065	35,280,360	26,047,065
	Office Stationery	120,763,669	166,514,576	120,763,669	166,514,576
		176,084,200	212,762,378	176,084,200	212,762,378
29.2	Advertisement:				
	News paper	43,429,738	36,352,220	43,429,738	36,352,220
	Magazine	2,214,229	2,068,710	2,214,229	2,068,710
	Sponsorship	142,216,249	220,398,400	142,216,249	220,398,400
	Point of sales material	-	18,055	-	18,055
	Business Development	30,644,815	128,350	30,644,815	128,350
	Branding expenses	1,555,099,250	709,114,153	649,265,301	702,280,280
	Promotional Material	120,688,341	109,332,582	120,688,341	109,332,582
	Misc. advertisement	57,650,291	28,197,356	57,650,291	28,197,356
	Bill board & neon sign	-	70,913	-	70,913
	Television	24,945,800	170,061,504	24,945,800	170,061,504
	Radio	2,007,148	1,151,998	2,007,148	1,151,998
		1,978,895,862	1,276,894,240	1,073,061,912	1,270,060,367
		2,154,980,062	1,489,656,618	1,249,146,112	1,482,822,745
30	Chief Executive's salary and fees				
	Basic salary	10,272,900	12,038,400	10,272,900	12,038,400
	Festival Bonus	2,178,000	1,980,000	2,178,000	1,980,000
	Incentive Bonus	1,000,000	1,000,000	1,000,000	1,000,000
	House rent allowance	-	-	-	-
	Provident fund	-	-	-	-
		13,450,900	15,018,400	13,450,900	15,018,400
31	Directors fees				
	Meeting fees	2,923,095	3,103,874	2,173,600	2,274,997
	Other meeting fee (travelling expenses)	416,690	430,179	416,690	430,179
		3,339,785	3,534,053	2,590,290	2,705,176
32	Auditors fees	1,278,500	1,853,500	1,150,000	1,725,000
33	Depreciation and repair of bank's assets	1,859,159,180	1,622,227,426	1,822,185,672	1,609,935,434

Note: Board Meeting attendance fees, traveling and living expenses are being allowed to the Directors as per clause no.100,101& 102 of Articles of Association of the Bank and subsequent Board approval.

	Amount in BDT			
	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
33.1 Depreciation				
Furniture/fixtures	207,260,045	191,787,731	203,148,071	188,030,711
Vehicles	32,396,434	42,004,850	30,149,971	40,164,740
Office equipments	356,402,759	297,003,380	353,308,262	294,603,049
Computer equipments	181,962,149	148,165,629	158,259,195	145,957,922
Computer software	192,711,490	136,100,693	191,941,304	135,961,589
Immovable property	64,751,840	64,751,841	63,992,465	63,992,465
Right of Use assets (ROU) as per IFRS 16	455,552,313	465,433,617	455,552,313	465,433,617
	1,491,037,030	1,345,247,742	1,456,351,581	1,334,144,094
33.2 Repair renovation & maintenance				
Furniture/fixtures	15,589,888	1,912,411	15,589,888	1,912,411
Vehicles	15,657,776	11,041,890	15,657,776	11,041,890
Office equipments	73,835,779	40,732,878	73,835,779	40,732,878
Computer equipments	89,327	168,679	89,327	168,679
Renovation & maintenance	225,494,997	198,076,748	223,206,937	196,888,404
Premises	37,454,383	24,991,627	37,454,383	24,991,627
Repair building	-	55,450	-	55,450
	368,122,150	276,979,684	365,834,091	275,791,340
34 Other expenses				
Entertainment	54,487,851	44,648,888	54,487,851	44,648,888
Petrol, oil & lubricant	137,148,476	120,043,020	137,148,476	120,043,020
Subscription	34,832,328	15,823,144	34,832,328	15,823,144
Donation	199,393,247	281,762,081	199,393,247	281,762,081
Traveling	112,753,012	151,283,253	112,753,012	151,283,253
Cartage and freight	13,201,305	9,578,207	13,201,305	9,578,207
Honorarium general	1,735,253	1,483,008	1,735,253	1,483,008
Fees commission & charges	273,862,725	135,203,115	116,924,311	111,795,527
Meeting Seminar and staff training	14,362,733	10,604,060	14,362,733	10,604,060
Fees Commission and Charges on Cards	160,008,274	125,680,649	160,008,274	125,680,649
Liveries & uniforms	1,486,744	117,136	1,486,744	117,136
Operational Loss	-	827,148	-	827,148
Medical expenses	202,856,713	214,924,806	202,856,713	214,924,806
Car expenses	130,292,757	156,053,838	130,292,757	156,053,838
Loss on sale of assets	5,115,792	8,528,368	5,115,792	8,528,368
Write off of assets	103,852	-	103,852	-
BATCH/BEFTN Charges	666,755	478,768	666,755	478,768
UCB Foundation	78,000,000	75,000,000	78,000,000	75,000,000
Interest expense for leased liability as per IFRS 16	280,010,047	268,343,328	280,010,047	268,343,328
Outsource Staff Expenses	1,373,214,048	1,274,700,027	1,373,214,048	1,274,700,027
Other Expenses	28,725,530	28,375,635	28,725,530	28,375,635
	3,102,257,442	2,923,458,480	2,945,319,029	2,900,050,892
35 Provision for Loans & Advances				
Classified loans & advances	3,440,374,456	850,702,621	3,309,093,656	809,802,621
Unclassified Loans & advances	353,378,491	560,831,774	353,378,491	560,831,774
Special General Provision for COVID_19	700,000,000	840,000,000	700,000,000	840,000,000
Recoveries from previously written off loan	(102,577,518)	(103,345,832)	(102,577,518)	(103,345,832)
	4,391,175,429	2,148,188,564	4,259,894,629	2,107,288,564
36 Provision for diminution in value of investments				
Provision required during the year	(244,586,028)	(441,818,090)	(235,220,899)	(438,249,731)
	(244,586,028)	(441,818,090)	(235,220,899)	(438,249,731)

	Amount in BDT			
	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
37 Other Provision				
Provision for other assets	-	-	-	-
Provision for nostro account	-	-	-	-
Provision for branch adjustment account	-	-	-	-
Provision for other assets	-	-	-	-
Provision for off-balance sheet exposures	549,363,208	240,064,820	549,132,684	240,064,820
	549,363,208	240,064,820	549,132,684	240,064,820

Provision for Off-Balance Sheet Exposure

Provision against Off-Balance Sheet Exposure made as per BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 07 dated 21 June 2018 and BRPD Circular No. 13 dated 18 October 2018.

38 Provision for Taxation

Provision for current tax has been calculated based on the profit before provision considering admissible & inadmissible expenses as per provision of the Income Tax Ordinance 1984.

Current Tax Provision	4,166,078,526	2,836,872,737	3,823,478,709	2,632,946,342
Deferred Tax Provision	(1,389,947,755)	(542,184,693)	(1,390,744,489)	(542,131,193)
	2,776,130,772	2,294,688,044	2,432,734,220	2,090,815,148

39 Earnings per Share (EPS)

Earnings per share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)".

Net Profit after Tax (Numerator)	2,451,706,670	2,948,849,849	3,177,170,903	2,857,197,844
Number of Ordinary shares outstanding (Denominator)	1,278,396,950	1,278,396,950	1,278,396,950	1,278,396,950
Earning Per Share (EPS)	1.92	2.31	2.49	2.23

40 Receipt from other operating activities

Exchange earning & brokerage	1,571,481,016	1,312,074,764	1,571,481,016	1,312,074,764
Other operating income	765,093,940	765,093,940	641,746,940	544,012,599
	2,336,574,956	2,077,168,704	2,213,227,956	1,856,087,363

41 Payment for other operating activities

Legal expenses	128,654,592	94,175,130	128,654,592	94,175,130
Directors fees & other expenses	2,590,290	2,705,176	2,590,290	2,705,176
Auditors fees	1,150,000	1,724,996	1,150,000	1,724,996
Repair to fixed assets	365,834,091	275,791,340	365,834,091	275,791,340
Other expenditure	2,423,884,993	2,078,772,240	2,397,048,458	2,051,935,705
	2,922,113,966	2,453,168,882	2,895,277,431	2,426,332,347

42 Increase/Decrease of other assets

Closing other assets		11,875,783,556	9,549,162,581
Advance income tax		174,571,244	(2,392,309,601)
Opening other assets		(9,549,162,581)	(6,599,488,938)
Increase/Decrease for the year		2,501,192,219	557,364,042

43 Increase/Decrease of other liabilities

Closing other liabilities		43,691,190,177	37,170,763,714
Provision for classified loans & advances		(10,122,342,140)	(7,239,857,885)
Provision for classified investment		-	(235,220,899)
Provision for classified fixed assets		(3,972,000)	(3,972,000)
Provision for classified other assets		(105,000,000)	(105,000,000)
Provision for unclassified loans & advances		(4,922,039,998)	(4,566,041,128)
Provision for off-balance sheet exposures		(3,852,697,110)	(1,857,239,989)
Provision for current tax		(5,943,618,568)	(5,580,668,803)
Provision for deferred tax		-	-
Adjustment of provision of OBU		-	-
Opening other liabilities		(5,818,291,161)	(13,634,562,625)
Increase/Decrease for the year		12,923,229,200	3,948,200,385

	Amount in BDT			
	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
44 Net Operating Cash Flows Per Share (NOCFPS)				
Net Cash from operating activities	(23,695,353,899)	(11,335,608,675)	(24,462,806,606)	(11,851,318,754)
Number of Ordinary shares outstanding (Denominator)	1,278,396,949	1,278,396,949	1,278,396,949	1,278,396,949
Net Operating Cash Flows Per Share (NOCFPS)	(18.54)	(8.87)	(19.14)	(9.27)
45 Net Asset Value Per Share (NAVPS)				
Net Asset Value	37,388,827,060	35,738,514,569	37,442,007,428	35,066,230,703
Number of Ordinary shares outstanding (Denominator)	1,278,396,949	1,278,396,949	1,278,396,949	1,278,396,949
Net Asset Value Per Share (NAVPS)	29.25	27.96	29.29	27.43

46 Audit Committee

The 1st Audit Committee of the Board was constituted by the Board of Directors of the Bank in its emergent meeting held on 03 April 2004. Subsequently the Committee was reconstituted in its Board meeting from time to time. The Audit Committee of the Board of Director consisted of the following 04 (four) members of the Board as on 31 December 2021.

Name of the Members	Status with the Bank	Status in the Committee	Educational & Professional Qualification
Akhter Matin Chaudhury	Independent Director	Chairman	FCA (E&W), FCA, FCS
Syed Kamruzzaman	Director	Member	B.Com (Honours) in Accounting, FCMA
Muhammed Shah Alam	Director	Member	M.Com.in Accounting, FCMA
Dr. Aparup Chowdhury	Independent Director	Member	MSC, MBA, PHD

During the period from 01 January 2021 to 31 December 2021 the Audit Committee has conducted 06 (Six) meetings. Details of the meeting are shown below by datewise.

Details of the Audit Committee Meeting in the year 2021

Sl. No	Meeting No	Held On
1	115	03.03.2021
2	116	08.06.2021
3	117	15.07.2021
4	118	24.08.2021
5	119	24.10.2021
6	120	13.12.2021

The Audit Committee discussed the following issues during the year 2021

- a) Internal Audit Plan - 2022.
- b) Audited Financial Statements of the Bank for the year ended 31, December 2020, and the Auditors report thereon.
- c) Unaudited Financial Statements for the 1st, 2nd and 3rd quarters of the Bank for the year 2021, before submission for approval to the Board of Directors.
- d) Annual Health Report as on 31 December 2020.
- e) Risk Based Internal Audit Findings;
- f) Recommendations and findings of the external Auditors;
- g) Efficiency and adequacy of the Internal Audit Function;
- h) External Auditor's Management Letter.

47 Related Party Disclosures

47.1 (a): Name of the Directors and their shareholding in the Bank.

Name of the Directors	Status in the Board	Opening Share holding position as on 01 Jan. 2021	Closing Share holding position as on 31 Dec. 2021
Rukhmila Zaman	Chairman	24,351,826	25,569,417
Bazal Ahmed	Vice-Chairman	24,399,911	25,619,905
Anisuzzaman Chowdhury	Chairman-Executive Committee	34,074,261	35,777,974
Akhter Matin Chaudhury, FCA (E&W), FCA, FCS	Chairman-Audit Committee (Independent Director)	0	0
M. A. Sabur	Chairman-Risk Committee	26,442,086	27,764,187
Hajee Yunus Ahmed	Director	26,296,609	27,611,439
Hajee M. A. Kalam	Director	24,352,958	25,570,605
Nurul Islam Chowdhury	Director	24,355,337	25,573,103
Asifuzzaman Chowdhury	Director	34,344,196	36,061,405
Roxana Zaman (Representative of Volkart Trading Limited)	Director	24,370,500	25,589,025
Bashir Ahmed	Director	24,488,617	25,713,046
Afroza Zaman (Representative of Legendary Asset Management Limited)	Director	24,370,500	25,589,025
Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminum)	Director	24,960,705	26,208,739
Kanak Kanti Sen, FCMA (Representative of Nahar Metal Limited)	Director	24,350,865	25,568,408
Muhammed Shah Alam, FCMA (Representative of Ardent Asset Management Limited)	Director	24,370,500	25,589,025
Prof. Dr. Md. Jonaid Shafiq (Representative of Splendid Trading Limited)	Director	24,370,500	25,589,025
Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited)	Director	24,360,000	25,578,000
Dr. Aparup Chowdhury	Independent Director	0	0
Touhid Shipar Rafiquzzaman	Independent Director	0	0
Arif Quadri	Managing Director & CEO	0	0

47.1 (b): Name of the Directors and the entities in which they had interest as at 31 December 2021

Name of Directors	Status	Entities where they have interest.
Rukhmila Zaman	Chairman	<ol style="list-style-type: none"> 1. Aramit Limited. 2. Aramit Cement Limited. 3. Aramit Thai Aluminum Limited. 4. Aramit Power Limited. 5. Aramit Alu Composite Panels Limited. 6. Aramit Steel Pipes Limited. 7. Aramit Footwear Limited 8. North West Securities Limited

Name of Directors	Status	Entities where they have interest.
Bazal Ahmed	Vice-Chairman	1. Taj Accessories (Pvt.) Ltd. 2. Saikat Textile Ind. Ltd. 3. DEEN Fashions Limited.
Anisuzzaman Chowdhury	Chairman Executive Committee	1. Ronny Chemical Industries Limited 2. Navana Pharmaceuticals
Akhter Matin Chaudhury FCA (E&W), FCA, FCS	Chairman-Audit Committee	None
M. A. Sabur	Chairman Risk Management Committee	1. Masco Industries Limited 2. Masco Cottons Limited 3. Mascotex Limited 4. Mascotex Printing & Embroidery Limited 5. Masco Picasso Limited 6. Tasniah Fabrics Limited 7. Shanta Expressions Limited 8. Masco Properties Limited 9. Concept Knitting Limited 10. Masco Shares & Securities Limited 11. Masminu Energy Limited 12. Masminu Footspree Limited 13. Masco Poultry Limited 14. Masco Services Limited 15. Masco Energy Limited 16. Masco Superknits Limited 17. Masco Bazar Limited 18. Masco Shakib Cricket Academy Limited 19. Masco Trims Limited 20. Masco Cotspin Limited 21. Maxim Limited 22. Masco Dairy Enterprise
Hajee Yunus Ahmed	Director	1. Yunusco T&A (BD) Limited 2. Yunusco K. Textiles Limited 3. Adapt ID Bangladesh Limited 4. Yunusco Stone & Engineering Limited 5. Yunusco Properties Limited 6. Yunusco Limited 7. Yunusco (BD) Limited. 8. Yunusco Global Sourcing Limited 9. YK Limited. 10. Best Eat (Pvt) Limited 11. Nine 2 Nine Intimates Limited 12. Wonder Gas Limited 13. Consolidated Agencies 14. SSI Yunusco (BD) Ltd. 15. Centra Transportation Services Limited 16. Contrade Shipping Lines Limited 17. Bangladesh Media Services Limited
Hajee M. A. Kalam	Director	1. M/s. M. A. Kalam Limited 2. M/s. United Overseas (BD) Limited 3. Arab Plantation Limited 4. Modern Bricks Limited
Nurul Islam Chowdhury	Director	1. Islam Steel Mills Ltd. 2. Eastern Engineers (CTG.) Ltd. 3. NAMS Trading Corporation 4. NAMS Shipping Lines
Asifuzzaman Chowdhury	Director	1. Sharaf LPG Limited 2. Ronny Chemical Industries Limited

Name of Directors	Status	Entities where they have interest.
Roxana Zaman	Director	1. Volkart Trading Limited
Bashir Ahmed	Director	1. Airmate Goodie Electrical Industries Limited 2. Goodie Accessories (Pvt) Limited 3. International Distribution Company Bangladesh (Pvt) Limited 4. B & B Electronics. 5. B & B Food & Beverage. 6. B & B Electrical & Electronics. 7. Dhaka Electrical & Electronics. 8. Bard International . 9. Petal Enterprise. 10. Airmate Lighting & Electrical Solutaional Pvt. Ltd. 11. Pioneer Electronics 12. Mettle Emporium
Afroza Zaman	Director	1. Volkart Trading Limited
Syed Kamruzzaman, FCMA	Director	None
Kanak Kanti Sen, FCMA	Director	None
Muhammed Shah Alam, FCMA	Director	None
Prof. Dr. Md. Jonaid Shafiq	Director	1. Navana Pharmaceuticals Ltd 2. Japan Bangladesh Friendship Hospital Pvt. Ltd 3. Japan Bangladesh Friendship Medical Services Ltd. 4. Japan Bangladesh Medical Associates Ltd. 5. Dhaka Specialized Pain Management & Research Center Ltd. 6. Visteon Electronics Ltd 7. AMDA Agro Farms Ltd 8. Dhaka Evergreen Retirement Homes Pvt. Ltd.
Md. Aksed Ali Sarker	Director	None
Dr. Aparup Chowdhury	Independent Director	None
Touhid Shipar Rafiquzzaman	Independent Director	None
Arif Quadri	Managing Director & CEO	None

47.2 Significant Contracts where Bank is a party and wherein Directors have interest:

Sl. No	Name of the Contract	Branch Name	Name of the Directors and related by	Remarks
-	-	-	-	-

47.3 Shares issued to Directors & Executives without consideration or exercisable at a discount: Nil

47.4 Related Party Transactions: Nil

47.5 Lending policies to related parties: Lending to related parties is affected as per requirement of section 27 (1) of the Bank company Act 1991. Nil

47.6 Loans and advances to concern related to directors: Nil

47.7 Business other than banking business with any related concern of the Directors as per section 18(2) of the Bank company Act 1991: Nil

47.8 Investment in securities of Directors and their related concern: Nil

48 Events after Balance Sheet date:

The Board of Directors recommended Stock dividend @ 10% for the year 2021 in its meeting no. 469th held on March 30, 2022.

General:

- 48.1** Banks share capital has not been utilized for acquiring any other direct or indirect business.
- 48.2** No amount was spent by the bank for compensating any members of the board for special services rendered during the period.
- 48.3** During the period under report, United Commercial Bank Limited did not place any of its assets under pledge as security to obtain any liabilities.



Managing Director & CEO



Director



Director



Director

UNITED COMMERCIAL BANK LIMITED

Balance with Nostro Accounts

As on 31 December 2021

Annexure-A

Nostro Bank	Name of the Country	Currency	2021		2020	
			Amount in FC	Rate	Amount in FC	Rate
AB Bank Ltd	India	ACU	623,264	85.80	855,140.83	84.80
Bank AL Bilad	Saudi Arabia	SAR	555,534	22.86	-	-
Bank of Bhutan	Bhutan	ACU	92,204	85.80	65,573.08	84.80
Commerz Bank AG	Germany	USD	198	85.80	632,531.69	84.80
Commerz Bank AG	Germany	EUR	(274,598)	97.27	730,081.46	104.17
Habib American Bank	USA	USD	2,049,072	85.80	13,456,596.57	84.80
Habib Metropolitan Bank Limited	Pakistan	ACU	112,041	85.80	455,502.71	84.80
HDFC Bank Limited	India	ACU	675,316	85.80	899,224.26	84.80
ICICI Bank Limited, Hong Kong (USD)	Hong Kong	USD	139,648	85.80	171,309.35	84.80
ICICI Bank Ltd	India	ACU	1,233,510	85.80	(76,956.96)	84.80
JP Morgan NY	USA	USD	(10,808,168)	85.80	1,142,154.52	84.80
Mashreq Bank Psc	India	ACU	570,402	85.80	466,236.49	84.80
Mashreq Bank Psc	USA	USD	(1,626,366)	85.80	4,593,145.10	84.80
Nepal Bangladesh Bank	Nepal	ACU	355	85.80	169,379.80	84.80
Peoples Bank Colombo	Sri Lanka	ACU	452,183	85.80	333,888.46	84.80
Sonal Bank Ltd	India	ACU	109,842	85.80	46,597.06	84.80
Standard Chartered Bank Ltd	India	ACU	933,423	85.80	562,031.99	84.80
Standard Chartered Bank Ltd	USA	USD	2,693,028	85.80	5,600,246.76	84.80
State Bank of India	India	ACU	2,456	85.80	2,456.17	84.80
Meezan Bank Ltd	Pakistan	ACU	216,091	85.80	-	-
Bank of Tokyo Mitsubishi	Japan	JPY	2,559,257	0.75	7,087,587.00	0.82
Wells Fargo Bank N.A	USA	USD	661,528	85.80	2,018,315.65	84.80
Mashreq Bank PSC	UAE	AED	385,704	23.36	751,928.25	23.09
Saudi Hollandi Bank	Saudi Arabia	SAR	-	-	-	-
Bank Al-Jazira, Jeddah	Saudi Arabia	SAR	-	-	564,483.54	22.60
KOOKMIN BANK	Korea	USD	15,423	85.80	8,967.23	84.80
Mashreq Bank PSC	UK	GBP	-	-	-	-
Mashreq Bank PSC	UK	EUR	-	-	-	-
UBL Switzerland AG	Switzerland	CHF	-	-	64,064.69	96.09
Axis Bank Limited	India	ACU	1,353,819	85.80	388,188.36	84.80
Yes Bank Limited	India	ACU	29	85.80	28.79	84.80
Citi Bank N.A. New York, USA	USA	USD	(233,467)	85.80	2,298,666.11	84.80
Mashreq Bank NY (OBU)	USA	USD	483,620	85.80	614,870.65	84.80
Habib American Bank, NY, (OBU)	USA	USD	9,433,207	85.80	-	-
ICICI Bank Limited	USA	USD	1,231,390	85.80	-	-
United Bank of India, Kolkata, India	India	ACU	-	-	32,898.31	84.80
SCB Germany (EUR)	Germany	EUR	1,619,139	97.27	27,429.77	104.17
Punjab National Bank Ltd	Pakistan	ACU	143,352	85.80	-	-
Standard Chartered Bank, United Kingdom (GBP)	United Kingdom	GBP	41,487	115.73	425,545.10	114.81
Total					1,065,031,784	3,115,568,260

UNITED COMMERCIAL BANK LIMITED

Schedule of Fixed Assets

As on 31 December 2021

Annexure-B

	COST			Rate	DEPRECIATION				Written down value as on 31 Dec. 2021
	Opening Balance at Cost as on 01 Jan. 2021	Addition during the year	Adjustment during the year		Total Cost as on 31 Dec. 2021	Charged up to 1 Jan. 2021	Adjustment during the year	Charged during the year	
Land	4,395,054,283	-	-	4,395,054,283	-	-	-	-	4,395,054,283
Building	2,559,698,620	-	-	2,559,698,620	2.5%	437,608,755	63,992,465	501,601,221	2,058,097,400
Furniture & Fixtures	2,107,660,250	320,329,246	54,722,260	2,373,267,236	10.0%	1,132,691,046	200,514,815	1,294,317,579	1,078,949,657
Office Equipment	2,483,921,697	253,490,953	131,651,892	2,605,760,758	20.0%	1,328,752,693	129,984,336	355,268,062	1,051,724,339
Computer Equipment	1,457,701,213	252,411,407	22,970,745	1,687,141,874	20.0%	961,129,446	20,552,490	158,702,954	1,099,279,909
Vehicles	496,004,413	9,907,000	5,460,450	500,450,963	20.0%	414,215,142	5,460,449	30,149,971	438,904,664
Computer Software	1,214,706,002	225,013,787	-	1,439,719,789	25.0%	778,364,499	-	191,941,304	970,305,804
Right of use assets (ROU)	5,203,580,012	386,986,126	-	5,590,566,138	-	875,582,021	-	455,552,314	4,259,431,804
Capital Expenditure Work In Progress	549,975,033	1,265,221,302	1,056,084,500	759,111,835	-	-	-	-	759,111,835
Total as on 31 Dec. 2021	20,468,301,524	2,713,359,820	1,270,889,847	21,910,771,497		5,928,343,603	194,885,557	7,456,121,884	14,721,191,567
Total as on 31 Dec. 2020	19,139,847,495	2,779,819,637	1,451,365,608	20,468,301,524		4,685,201,541	91,002,033	5,928,144,094	14,539,957,921

UNITED COMMERCIAL BANK LIMITED

Highlights on Overall Activities

Particulars	Amount in BDT	
	31 December 2021	31 December 2020
Paid-up Capital	12,783,969,490	12,175,209,040
Total Capital	52,760,947,881	50,231,608,452
Capital Surplus/(Deficit)	4,417,973,339	8,141,666,166
Total Assets	565,314,211,482	493,306,948,420
Total Deposits	389,900,723,984	353,981,618,765
Total Loans & Advances	402,481,735,743	351,683,559,403
Total Contingent Liabilities & Commitments	260,413,159,150	201,041,689,733
Credit Deposit Ratio (%)	83.73	81.18
Percentage of Classified Loans against Total Loans and Advances	4.11	2.55
Operating Profit	10,183,711,537	6,857,116,645
Profit after Tax & Provision	3,177,170,903	2,857,197,844
Amount of Classified Loans during the year	9,974,087,030	-
Classified Advance at the end of the year	16,556,410,311	8,983,562,059
Provision kept against Classified Loans	10,122,342,139	7,239,857,885
Provision Surplus/(Deficit)	-	-
Cost of Fund (%)	6.01	7.42
Interest Earning Assets	497,572,569,551.43	431,066,422,600
Non-interest earning Assets	67,741,641,930.57	62,240,525,820
Return on Investment (ROI) (%)	7.45	9.97
Return on Assets (ROA) (%)	0.60	0.61
Net Asset value per share	29.29	27.43
Income from Investments	5,463,607,877	6,135,364,289
Earning per share (Taka)	2.49	2.23
Net Income per share (Taka)	2.49	2.23
Price earning ratio (Times)	6.16	6.31

UNITED COMMERCIAL BANK LIMITED

Islamic Banking Unit

Balance Sheet

As at 31 December 2021

	Notes	Amount in BDT	
		31 December 2021	31 December 2020
PROPERTY AND ASSETS			
Cash	3	164,508,201	24,163,750
In hand (including foreign currencies)		5,614,134	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-
		158,894,067	24,163,750
Balance with other Banks and Financial Institutions	4	950,000,000	475,000,000
In Bangladesh		950,000,000	475,000,000
Outside Bangladesh		-	-
Placement with other banks and financial institutions		-	-
Investments in shares and securities	5	287,750,000	131,990,000
Government		287,750,000	131,990,000
Others		-	-
Investments	6	725,575,546	-
General Investments etc.		725,575,546	-
Bills purchased and discounted		-	-
Fixed assets including premises	7	50,308,859	50,151,810
Other assets	8	943,321,400	2,932,130
Non - banking assets		-	-
Total assets		3,121,464,006	684,237,690
LIABILITIES AND CAPITAL			
Liabilities			
Placement from other banks & financial institutions	9	160,489,035	-
Deposits and other accounts	10	2,914,986,315	581,063,745
Mudaraba Savings Deposits		654,739,709	212,537,188
Mudaraba term Deposits		1,693,360,672	356,562,420
Other Mudaraba Deposits		-	-
Al-Wadeeah Current and Other Deposits Accounts		566,867,082	11,964,136
Bills Payable		18,852	-
Other liabilities	11	45,988,655	103,173,945
Total liabilities		3,121,464,006	684,237,690
Capital/Shareholders' equity			
Paid up capital		-	-
Statutory reserve		-	-
Other reserve		-	-
Retained Earnings	12	-	-
Total Shareholders' equity		-	-
Total liabilities and Shareholders' equity		3,121,464,006	684,237,690

UNITED COMMERCIAL BANK LIMITED

Islamic Banking Unit

Off Balance Sheet Items

As at 31 December 2021

	Amount in BDT	
	31 December 2021	31 December 2020
Off Balance Sheet Items	-	-
Contingent liabilities	1,004,262,512	-
Acceptances and endorsements	440,779,140	-
Letters of guarantee	16,136,900	-
Irrevocable letters of credit (Including Back to Back Bills)	547,346,472	-
Bills for collection	-	-
Other contingent liabilities	-	-
Other commitments	-	-
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total Off-Balance Sheet exposures including contingent liabilities	1,004,262,512	-

UNITED COMMERCIAL BANK LIMITED

Islamic Banking Unit

Profit and Loss Account

for the year ended 31 December 2021

	Notes	Amount in BDT	
		31 December 2021	31 December 2020
Investment income	13	28,590,824	169,630
Profit paid on deposits, borrowings, etc	14	19,073,693	1,153,263
Net investment income		9,517,131	(983,633)
Income from investments in Shares/Securities		13,837,792	-
Commission, exchange & brokerage	15	9,320,837	223,981
Other operating income	16	275,450	2,931,250
Total operating income (A)		32,951,209	2,171,598
Salaries and allowances	17	18,694,332	8,950,029
Rent, taxes, insurance, electricity, etc.		1,084,421	-
Legal expenses		1,616,037	-
Postage, stamp and telecommunication, etc.		65,175	-
Stationery, printing and advertisements, etc.		8,417,003	15,721,319
Depreciation and repair of Bank's assets	18	23,869,709	4,531,087
Other expenditure	19	6,193,660	2,237,400
Total operating expenses (B)		59,940,337	31,439,835
Profit/(loss) before provision (C=A-B)		(26,989,127)	(29,268,238)
Provision for investments	20	5,138,509	-
Provision for deminution in value of investments in shares	21	-	-
Other provision	22	10,042,625	-
Total provision (D)		15,181,134	-
Total profit/(loss) before taxes (C-D)		(42,170,261)	(29,268,238)

UNITED COMMERCIAL BANK LIMITED

Islamic Banking Unit

Notes to the Financial Statements

for the year ended 31 December 2021

1.1 Status of the Islamic Banking units

Islamic Banking refers to a system of Banking or Banking activity that is consistent with the principles of the Sharia's (Islamic rulings) and its practical application through the development of Islamic economics. Sharia's prohibits the payment or acceptance of interest or excess (Riba) for the Lending and Borrowing of money. It carries out trade and other real economic activities to generate income rather than earning through trade of money (Interest). It also avoids Gharar (ambiguity) in any dealings or contracts and also avoids Maisir (gambling) in all activities. The principle also emphasises moral and ethical values in all dealings.

The operation of our Islamic Banking is totally different from the Bank's conventional operation as the former operates their business on the basis of Islamic Shariah. Accounting system is vital for ensuring Shariah compliance in such banking operation. Our Islamic Banking operation is committed to follow the accounting principles that refrain from interest. In a nutshell, we follow under noted principles for accounting under its Islamic Banking umbrella, run through a separate Islamic Banking software namely i-FLEXCUBE.

1.1.1 Principal Activities and Nature of Business

The Islamic Banking units of UCB offers all kinds of Islamic Shari'ah based commercial Banking services to its customers through its windows following the provisions of the Bank Companies Act 1991 and amendments thereon, Bangladesh Bank's Directives and directives of other regulatory authorities and the principles of the Islamic Shari'ah.

1.2 Deposits Principles

1.2.1 Shariah principles for receiving deposits

Islamic banks receive deposits under two principles:

- i) Al-Wadeeah principle.
- ii) Mudaraba principle.

1.2.1.1 Al-Wadeeah:

Fund which is deposited with Banks by the depositors with clear permission to utilize /invest the same is called Al-Wadeeah. Islamic banks receive deposits in Current Accounts on the basis of this Al-Wadeeah Principle. Islamic banks obtain permission from the AlWadeeah depositors to utilise the Funds at its own responsibility and the depositors would not share any profit or loss earned/incurred out of using of this funds by the bank. The banks have to pay back the deposits received on the principle of Al-Wadeeah on demand of the holders. The depositors have to pay government taxes and other charges, if any.

1.2.1.2 Mudaraba

Mudaraba is a partnership of labour and capital, where one partner provides full capital and the other one manages the business. The capital provider is called Sahib-Al-Maal and the user of the capital is called Mudarib. As per Shariah principles, the Mudarib will conduct the business independently following Shariah principles. The Sahib-Al-Maal may provide advices, if he deems fit but he can not impose any decision over the Mudarib. Profit, if any, is divisible between the Sahib-Al-Maal and the Mudarib at a predetermined ratio, while loss, if any, is borne by the Sahib-Al-Maal. The deposits, received by Islamic banks under this principle are called Mudaraba Deposits. Here, the depositors invest as Sahib-Al-Maal and the bank manages the business as Mudarib.

The Mudaraba deposits include

- i) Mudaraba Savings Deposits (MSD)
- ii) Mudaraba Short Notice Deposits (MSND)
- iii) Mudaraba Term Deposits (MTD).

1.2.1.3 Income Sharing Ratio (ISR)

UCB Taqwa - Islamic banking declares Income Sharing Ratio (ISR) between Bank and Customer, which is applicable on its Bangladeshi Taka UCB Taqwa Mudaraba Savings Account, UCB Taqwa Mudaraba SND Account, UCB Taqwa Mudaraba Term Deposit Account, UCB Taqwa Monthly Income Term Deposit, UCB Taqwa Monthly Deposit Scheme.

UCB Taqwa profit bearing accounts are operated under Shariah Mode "Mudaraba" where, it is a partnership business contract between Bank & Customer. Customer provides capital (Shaheb Al Maal) and bank manages the business (Mudarib). Income generated is distributed between partners as per agreed Income Sharing Ratio (ISR).

- UCB Taqwa does not offer any provisional rate for any types of Mudaraba Accounts.
- Profit rate will be determined every month according to the Income Sharing Ratio (ISR) between Bank and Customer and Income from investment.

1.3 Investment Principles & Investment Products

Islamic banks do not directly deal in money. They run business with money. The funds of Islamic banking are mainly invested in the following modes:

1. Musharaka;
2. Bai-Murabaha (Murabaha to the purchase orders);
3. Salam and agency;
4. Ijarah Muntahia Bittamleek (Hire Purchase);
5. Hire Purchase Shirkat al Melk (HPSM);

1.4 Significant Accounting Policies

1.4.1 Basis of preparation of the Financial Statements

Islamic Banking unit of the Bank is being operated in strict compliance with the rules of Islamic Shari'ah. The financial statements of the unit have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs) and as per provisions of the "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09 November 2009 with reference to the provisions of the Bank Companies Act, 1991 and amendments thereon and other circulars/ instructions of Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as a member of that organization.

In case any requirement of the Bank Companies Act 1991 and amendments thereon and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs as adopted, the requirements of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail.

1.5 Income/Revenue Recognition Principle

The bank earns income from various sources such as charges, fees, commission and investment income. To recognize all sorts of income, Islamic Banking units of UCB follows Shariah principle strictly. Usually charges, fees & commission etc. are recognized on actual basis. Recognition of income from investment follows principles as under:

1. Musharaka;
2. Bai-Murabaha (Murabaha to the purchase orders);
3. Salam and agency;
4. Hire Purchase Shirkat al Melk (HPSM);
5. Bai As Sorf (Currency exchange);

1.6 Cost Recognition Principle

Cost in respect of profit paid on deposit is recognized on accrual basis. Monthly accruals in this respect are calculated on the basis of Income Sharing Ratio. Other costs are also recognized on the accrual basis following the matching concept of Accounting.

1.7 Reporting period

These financial statements cover from January 01 to December 31, 2021.

2 General

- a) These financial statements are presented in Taka, which is the Bank's functional currency and figures appearing in these financial statements have been rounded off to the nearest Taka.

	Amount in BDT	
	31 December 2021	31 December 2020
3 Cash	164,508,201	24,163,750
Cash in hand		
Local currency	5,614,134	-
Cash in ATM	-	-
Foreign currency	-	-
	5,614,134	-
Balance with Bangladesh Bank and its agent Bank(s)		
Local currency	158,894,067	24,163,750
Foreign currency	-	-
	158,894,067	24,163,750
4 Balance with other banks and financial institutions		
In Bangladesh	950,000,000	475,000,000
Outside Bangladesh	-	-
	950,000,000	475,000,000
5 Placement with other banks and financial institutions		
Islamic Bond	287,750,000	131,990,000
	287,750,000	131,990,000
6 Investments		
i) General Investments		
General Investment	725,575,546	-
	725,575,546	-
ii) Bills purchased and discounted		
Payable Inside Bangladesh		
Inland bills purchased	-	-
Payable Outside Bangladesh		
Foreign bills purchased and discounted	-	-
	-	-
	725,575,546	-
7 Fixed assets		
Cost		
Office equipments	1,077,650	17,650
Computer and equipments	905,000	850,000
Computer software	67,944,879	53,815,247
	69,927,529	54,682,897
Less: Accumulated Depreciation		
Office equipments	22,189	31,167
Computer and equipments	186,229	15,316
Computer software	19,410,252	4,484,604
	19,618,670	4,531,087
Written down value (WDV)	50,308,859	50,151,810
8 Other assets		
Advance deposits and advance rent	-	-
Advance Income Tax Paid	-	18,750
Income Receivable	3,892,541	2,913,380
Stock of Stationery & Stamps_B	4,620	-
Head Office General Account-Islamic Banking	939,424,239	-
	943,321,400	2,932,130

Notes	Amount in BDT	
	31 December 2021	31 December 2020
9 Placement from other banks, financial institutions and agents		
Borrowings from Head office	-	-
Bangladesh Bank Refinancing Scheme	160,489,035	-
Emirates Islamic Bank	-	-
First Gulf Bank	-	-
Habib Bank UK	-	-
Commercial Bank of Qatar	-	-
National Bank of Ras Al-Khaimah, UAE	-	-
	160,489,035	-
10 Deposits and other accounts		
Inter Bank Deposits	0	0
Customer Deposits	2,914,986,315	581,063,745
	2,914,986,315	581,063,745
a. Al-Wadeeah Current and Other Deposits		
Current deposits	147,858,817	11,964,136
Foreign currency deposits	23,378,616	-
Sundry deposits	395,629,649	-
	566,867,082	11,964,136
b. Bills Payable		
Pay order	18,852	-
Demand draft payable	-	-
Others payable	-	-
	18,852	-
c. Mudaraba Savings Deposits		
Savings Bank deposits	654,739,709	212,537,188
	654,739,709	212,537,188
d. Mudaraba Term Deposits		
Term deposits	1,146,040,516	316,596,286
Special notice deposits	547,320,156	39,966,134
Scheme Deposits	-	-
	1,693,360,672	356,562,420
11 Other liabilities		
Provision for Investments (Notes-11.1)	5,138,509	-
Provision for off-balance sheet exposure	10,042,625	-
Profit payable	27,340,378	984,636
Payable Tax, VAT and Excise Duty	3,467,144	319,629
Head Office General Account-Islamic Banking	-	101,869,680
	45,988,655	103,173,945
11.1 Provision for Investments		
General provision	5,138,509	-
Specific Provision	-	-
	5,138,510	-
12 Retained earnings		
Opening Balance	-	-
Add: Transferred during for the year	-	-
Retained earnings transferred to central operation	-	-
Effect of changes in exchange rate	-	-
	-	-
13 Investment income		
Term Investment	19,096,343	-
Bills purchased & Discount	-	-
Others	1,202,499	-
Income on Investment	20,298,842	-
Income on balance with other banks and financial institutions	8,291,982	-
Islamic Bond	-	118,611
Income received from foreign banks	-	51,019
Total investment income	28,590,824	169,630

Notes	Amount in BDT	
	31 December 2021	31 December 2020
14 Profit paid on deposits, borrowings, etc.		
Profit paid on deposits	15,603,491	1,153,263
Profit paid on local bank accounts	-	-
Profit paid on Borrowings	3,470,202	-
	19,073,693	1,153,263
15 Commission, exchange and brokerage		
Exchange Gain/(Loss)	(325,204)	6
Account Maintenance Fee	3,561,048	29,850
Debit Card	-	161,950
Fees and Charges	5,904,293	1,100
Revaluation Gain/(Loss) on foreign currency	-	-
Cheque Book Issuance	180,700	31,075
	9,320,837	223,981
16 Other operating income		
Income from Others	275,450	2,931,250
	275,450	2,931,250
17 Salaries and allowances		
Basic pay	11,425,974	4,695,361
Allowances	3,884,184	2,386,120
Bonus	2,050,712	1,323,609
Contribution to provident fund	1,333,462	544,939
	18,694,332	8,950,029
18 Depreciation and repair of Bank's assets		
Depreciation		
Computer Equipment	170,912	15,316
Computer Software	14,925,648	4,484,604
Office Equipment	21,195	31,167
	15,117,756	4,531,087
Repair and Renovation		
Premises	504,550	-
Repair and Renovation Expense Supply Items	29,515	-
Repair-Office Equipment	30,000	-
Software Maintenance Charge	8,187,888	-
	8,751,953	-
	23,869,709	4,531,087
19 Other expenditure		
Fees, Commission and Charges	435,000	15,000
Revaluation loss on foreign currency	-	-
Other expense	5,758,660	2,222,400
	6,193,660	2,237,400
20 Provision for Investments		
Provision for Classified Investments	-	-
Provision for Unclassified Investments	5,138,509	-
	5,138,509	-
21 Provision for diminution in value of investments		
Provision for diminution in value of investments	-	-
	-	-
22 Other Provision		
Provision for off-balance sheet exposures	10,042,625	-
	10,042,625	-

FINANCIAL STATEMENTS OF OFF-SHORE BANKING UNIT



UNITED COMMERCIAL BANK LIMITED

Off-shore Banking Unit

Balance Sheet

As at 31 December 2021

Notes	31 December 2021		31 December 2020
	USD	BDT	BDT
PROPERTY AND ASSETS			
Cash			
	-	-	-
In hand (including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	-	-	-
Balance with other banks and financial institutions 3	11,148,217	956,517,040	2,749,403,636
In Bangladesh	-	-	-
Outside Bangladesh	11,148,217	956,517,040	2,749,403,636
Loans and advances 4	293,927,183	25,218,952,310	14,647,160,041
Loans, cash credits, overdrafts, etc.	22,508,222	1,931,205,450	2,461,097,506
Bills purchased and discounted	271,418,961	23,287,746,860	12,186,062,535
Fixed assets including premises, furniture and fixtures 5	1,800	140,307	279,228
Other assets 6	-	-	3,031,615
Non - banking assets	-	-	-
Total assets	305,077,200	26,175,609,656	17,399,874,520
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents 7	292,158,058	25,067,161,337	16,458,525,964
Deposits and other accounts	-	-	-
Other liabilities 8	6,182,460	530,455,065	278,241,233
Total liabilities	298,340,518	25,597,616,402	16,736,767,197
Capital/Shareholders' equity			
Paid up capital	-	-	-
Statutory reserve	-	-	-
Foreign currency gain	-	-	-
Other reserve	-	4,863,330	(594,609)
Deficit in profit and loss account/Retained earnings	6,736,683	573,129,925	663,701,931
Total Shareholders' equity	6,736,683	577,993,254	663,107,323
Total liabilities and Shareholders' equity	305,077,200	26,175,609,656	17,399,874,520

UNITED COMMERCIAL BANK LIMITED

Off-shore Banking Unit
Off Balance sheet Item
as at 31 December 2021

Notes	31 December 2021		31 December 2020
	USD	BDT	BDT
Off Balance Sheet Items	-	-	-
Contingent liabilities	35,466,298	2,975,622,399	2,975,622,399
Acceptances and endorsements	-	-	-
Letters of guarantee	35,466,298	2,975,622,399	2,975,622,399
Irrevocable letters of credit	-	-	-
Bills for collection	-	-	-
Other contingent liabilities	-	-	-
Other commitments			
Documentary credits and short term trade-related transactions	-	-	-
Forward assets purchased and forward deposits placed	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-
Liabilities against forward purchase and sale	-	-	-
Other commitments	-	-	-
	-	-	-
Total Off-Balance Sheet exposures including contingent liabilities	35,466,298	2,975,622,399	2,975,622,399

UNITED COMMERCIAL BANK LIMITED

Off-shore Banking Unit

Profit and Loss Account

for the Year ended 31 December 2021

	Notes	31 December 2021		31 December 2020
		USD	BDT	BDT
Interest income	10	10,046,925	854,733,095	920,150,104
Interest paid on deposits, borrowings, etc.	11	(2,620,057)	(222,898,999)	(329,149,047)
Net interest income		7,426,868	631,834,096	591,001,057
Investment Income		-	-	-
Commission, exchange, brokerage, etc.	12	1,146,251	97,516,256	51,698,270
Other operating income	13	-	-	-
Total operating income (A)		8,573,119	729,350,352	642,699,328
Salaries and allowances	14	12,821	1,090,699	1,123,033
Rent, taxes, insurance, electricity, etc.		-	-	-
Legal expenses		-	-	-
Postage, stamp, telecommunication, etc.		-	-	-
Stationery, printing, advertisements, etc.		-	-	-
Auditors' fees		-	-	-
Depreciation and repair of Bank's assets		1,782	138,921	140,843
Other expenditure	15	1,888	160,629	162,136
Total operating expenses (B)		16,491	1,390,250	1,426,012
Profit/(loss) before provision (C=A-B)		8,556,628	727,960,102	641,273,316
Provision for loans and advances/investments				
Specific provision		-	-	-
General provision		1,200,000	102,088,920	(27,583,303)
Provision for Off Balance Sheet Exposure		619,945	52,741,258	5,154,687
Total provision (D)		1,819,945	154,830,178	(22,428,616)
Total profit/(loss) before taxes (C-D)		6,736,683	573,129,925	663,701,931
Provision for taxation				
Current tax		-	-	-
Deferred tax		-	-	-
		-	-	-
Net profit/(loss) after taxation		6,736,683	573,129,925	663,701,931
Retained earnings brought forward from previous years		-	-	-
		6,736,683	573,129,925	663,701,931

UNITED COMMERCIAL BANK LIMITED

Off-shore Banking Unit

Cash Flow Statement

for the year ended 31 December 2021

Notes	31 December 2021		31 December 2020
	USD	BDT	BDT
A) Cash flows from operating activities			
Interest receipts in cash	10,046,925	854,733,095	920,150,104
Interest payments	(2,620,057)	(222,898,999)	(329,149,047)
Fees and commission receipts in cash	1,146,251	97,516,256	51,698,270
Cash payments to employees	(12,821)	(1,090,699)	(1,123,033)
Cash payments to suppliers	-	-	-
Receipts from other operating activities	-	-	-
Payments for other operating activities	(1,888)	(160,629)	(162,136)
Cash generated from operating activities before changes in operating assets and liabilities	8,558,410	728,099,024	641,414,159
Increase/(decrease) in operating assets and liabilities			
Loans and advances to other banks	-	-	-
Loans and advances to customers	(90,399,477)	(7,674,915,577)	2,615,138,804
Other assets	95,305	8,091,436	5,056,260
Deposits from other banks/borrowings	76,121,960	6,462,754,375	(1,863,607,832)
Deposits from customers	-	-	-
Other liabilities	763,484	64,819,802	(26,989,690)
	(13,418,727)	(1,139,249,964)	729,597,542
Net cash from operating activities	(4,860,318)	(411,150,940)	1,371,011,700
B) Cash flows from investing activities			
Purchase/sale of property, plant and equipment	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-
Net cash used in investing activities	-	-	-
C) Cash flows from financing activities			
Retained earnings sent to Central Operation	(6,736,683)	(573,129,925)	(566,582,771)
Net Cash from financing activities	(6,736,683)	(573,129,925)	(566,582,771)
D) Net increase/(decrease) in cash and cash equivalents (A+ B + C)	(11,597,001)	(984,280,864)	707,309,769
E) Effects of exchange rate changes on cash and cash equivalents	-	25,461,507	25,461,507
F) Cash and cash equivalents at beginning of the year	16,095,756	1,341,158,945	1,341,158,945
G) Cash and cash equivalents at end of the year (D+E+F)	4,498,755	382,339,587	2,073,930,220
Cash and cash equivalents at end of the year			
Cash in hand (including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	-	-	-
Balance with other banks and financial institutions	11,148,217	956,517,040	2,749,403,636
	11,148,217	956,517,040	2,749,403,636

UNITED COMMERCIAL BANK LIMITED

Off-shore Banking Units

Notes to the Financial Statements

for the year ended 31 December 2021

1.1 Status of the units

Off-shore Banking Units of United Commercial Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained permission for 2 (two) units of Off-shore Banking Unit (OBU) vide letter no. BRPD (P-3) 744 (117)/2010-2577 dated 9th June 2010. The Bank commenced the operation of its Off-shore Banking Unit from November 10, 2010. Presently the Bank has 1 (one) unit in Dhaka.

1.1.1 Principal activities

The principal activities of the unit is to provide all kinds of commercial banking services to its customers through its off-shore Banking Units in Bangladesh.

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

The Off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Company Act 1991, Bangladesh Accounting Standards and other applicable directives issued by Bangladesh Bank.

1.2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

1.2.3 Foreign currency transaction

a) Foreign currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

b) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

c) Translation gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account,

1.2.4 Cash flow statement

Cash flow statement has been prepared in accordance with the International Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

1.2.5 Reporting period

These financial statements cover from January 01 to December 31, 2021.

2 General

- a) These financial statements are presented in Taka, which is the Bank's functional currency and figures appearing in these financial statements have been rounded off to the nearest Taka.
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 84.8004 (closing rate as at 31st December 2021) and Tk. 84.8717 (average rate which represents the year end).

Notes	31 December 2021		31 December 2020
	USD	BDT	BDT
3 Balance with other banks and financial institutions			
In Bangladesh	-	-	-
Outside Bangladesh	11,148,217	956,517,040	2,749,403,636
	11,148,217	956,517,040	2,749,403,636
4 Loans and advances			
i) Loans, cash credits, overdrafts, etc.			
Loan (General)	-	-	-
Hire purchase	-	-	-
Lease finance	-	-	-
Term Loan	22,508,222	1,931,205,450	2,461,097,506
	22,508,222	1,931,205,450	2,461,097,506
ii) Bills purchased and discounted (note-5)			
Payable Inside Bangladesh			
Inland bills purchased	-	-	-
Payable Outside Bangladesh			
Foreign bills purchased and discounted	271,418,961	23,287,746,860	12,186,062,535
	271,418,961	23,287,746,860	12,186,062,535
	293,927,183	25,218,952,310	14,647,160,041
5 Fixed assets			
Cost			
Furniture & Fixtures	18,986	1,479,935	1,479,935
Computer and equipments	809	63,027	63,027
	19,794	1,542,962	1,542,962
Less: Accumulated Depreciation			
Furniture & Fixtures	17,187	1,339,706	1,200,785
Computer and equipments	808	62,949	62,949
	17,994	1,402,655	1,263,734
Written down value (WDV)	1,800	140,307	279,228
6 Other assets			
Advance deposits and advance rent	-	-	-
Interest Receivable	-	-	-
Foreign currency translation reserve	-	-	3,031,615
	-	-	3,031,615
7 Borrowings from other banks, financial institutions and agents			
Borrowings from Head office	171,489,071	14,713,762,266	13,631,845,969
International Finance Corporation	-	-	-
PROPARCO	5,000,000	429,000,000	282,667,995
Emirates NBD Bank PJSc-UAE	-	-	-
First Gulf Bank	-	-	-
National Bank of Ras Al-Khaimah, UAE	-	-	-
DBS Bank Ltd	115,668,987	9,924,399,071	2,544,012,000
	292,158,058	25,067,161,337	16,458,525,964
8 Other liabilities			
Interest payable	2,197,117	188,512,639	94,614,614
Provision for Loans & Advances	2,950,000	253,110,000	148,400,700
Provision for Off Balance Sheet Exposure	1,035,343	88,832,427	35,225,919
	6,182,460	530,455,065	278,241,233

Notes	31 December 2021		31 December 2020
	USD	BDT	BDT
9 Retained earnings			
Balance 1 January 2019	-	-	-
	-	-	-
Current year profit	6,736,683	573,129,925	663,701,931
Retained earnings transferred to central operation	(6,736,683)	(578,007,385)	(663,131,864)
Effect of changes in exchange rate	-	4,863,330	(570,067)
	-	(14,131)	-
10 Interest income			
Term Loan	1,008,189	85,770,744	126,495,459
Bills purchased & Discount	8,756,649	744,964,067	789,325,687
Others	-	-	-
Interest on loans and advances	9,764,838	830,734,811	915,821,147
Interest on balance with other banks and financial institutions	281,633	23,959,702	3,850,260
Interest received from foreign banks	454	38,582	478,698
Total Interest income	10,046,925	854,733,095	920,150,104
11 Interest on deposits, borrowings, etc.			
Interest paid on deposits	-	-	-
Interest paid on local bank accounts	-	-	-
Interest paid on Borrowings	2,620,057	222,898,999	329,149,047
	2,620,057	222,898,999	329,149,047
12 Commission, exchange and brokerage			
LC,BC & BG (Others) Fees and Charges	742,965	63,207,114	45,716,820
Exchange Gain/(Loss)	403,285	34,309,142	5,981,450
Revaluation Gain/(Loss) on foreign currency	-	-	-
	1,146,251	97,516,256	51,698,270
13 Other operating income			
Reimbursement Charge	-	-	-
Miscellaneous earnings	-	-	-
	-	-	-
14 Salaries and allowances			
Basic pay	6,587	560,418	538,737
Allowances	3,692	314,120	317,066
Bonus	1,882	160,120	213,352
Unit's contribution to provident fund	659	56,042	53,877
	12,821	1,090,699	1,123,033
15 Other expenditure			
Foreign bank correspondence charges	1,888	160,629	162,136
Revaluation loss on foreign currency	-	-	-
	1,888	160,629	162,136

UNITED COMMERCIAL
BANK LIMITED



SUBSIDIARY COMPANIES OF UCB



UCB STOCK BROKERAGE LIMITED





COMPANY PROFILE

UCB Stock Brokerage Limited is one of the largest stock brokers in Bangladesh. It is a wholly-owned subsidiary of United Commercial Bank Limited, a market-leading first-generation bank in Bangladesh. UCB Stock Brokerage Limited started its journey in June 2013.

The company achieved exceptional growth over the years. In its first year of operation, UCB Stock Brokerage Limited ranked #102 among 250 stock brokers in Dhaka Stock Exchange (DSE). After only eight and a half years of operation, as on December 2021, the company ranked #1 among all the brokers in DSE. The company's success can be attributed to the following three factors -

- From the early stage of its operation the company had a vision to be one of the top brokers in the country. Accordingly, the company set short term and long term strategies and changed the strategies in line with the evolving business scenario.
- UCB Stock Brokerage Limited put right people at the right place which helped the company execute the strategic plans and reach the organizational goals. Moreover, the company, having effective leadership, managed to keep its human resources motivated to work towards the common vision.
- In this growth journey, UCB Stock Brokerage Limited remained compliant to regulations.

Over the years, the company has earned a reputation as one of the most trusted service providers by exceeding investors' expectations.

UCB Stock Brokerage Limited has a five-member Research team including three CFA charter holders. The team serves US-based investors under a chaperone agreement with one of the largest stock brokers in the USA. The team is also serving Europe-based investors as per MIFID II.

The company has a forward looking approach in information technology arena. The company is in the process of implementing Order Management System (OMS) and complete operational automation through ERP. The company is also implementing cloud-based data management system.

The company is working relentlessly to acquire and develop skilled human resources to overcome the skilled human resource shortage in the capital market. The company launched a successful MTO program in 2021. The company also launched the capital market's first-ever flagship internship program 'U-Succeed'. The company also spends a considerable portion of its profit on employee training, coaching, and mentoring.

With its strong compliance and top-notch research, corporate access and execution services, UCB Stock Brokerage Limited is playing a key role in bringing large foreign portfolio investment in Bangladesh from the United States, Europe, and Asia.

UCB Stock Brokerage Limited is cataloged as TREC Holder with both the stock exchanges in Bangladesh- Dhaka Stock Exchange Limited (TREC No.: 181) and Chittagong Stock Exchange Limited (TREC No.: 015). It is also a Depository Participant of Central Depository of Bangladesh Limited and provides allied services under the Rules & Regulations of Bangladesh Securities and Exchange Commission. The registered office of the company is located at Bulus Center, Level-17, Plot CWS (A) 1, Road-34 Gulshan, Dhaka-1212. The company was incorporated in Bangladesh as a private limited company under the Companies Act 1994. As of December, UCB Stock Brokerage Limited has 02 branches and 08 extension offices. The company has 04 digital booths in across the country which is the highest among all the stock brokers.

VISION

To be the preferred Brand for Stock Broking in Bangladesh Capital Market.

MISSION

• Exceed investors' expectations • High Quality Equity Research • Operate state of the art technologies for efficient operations and superior customer service • Be the most ethical and compliant Capital Market player • Develop human capital for organized growth and constructive customer relationship • Promote gender diversity, environmental consciousness and care for the community.

CORE VALUES

• Trust: We build trust through our every action • Accountability: Ensuring responsibility and conformity • Respect: Treat everyone with respect and courtesy • Integrity: We are honest, open, ethical and fair • Quality: Whatever we do, we ensure quality

OUR SERVICES

- DSE and CSE trade
- One stop customer service
- Digital booth facility
- Online trading system
- Online IPO application
- Online BO Account
- Trouble-free margin loan
- VIP Trading Booth
- Market updates
- Trading facilities for NRBs and foreign investors

OUR STRENGTHS

Fully Owned Subsidiary of 2nd largest Commercial Bank of the country

- Visionary Leadership Team
- Skilled and Experienced Sales Force
- Resourceful Research Team
- State-of-Art IT Infrastructure
- Unmatched capability to source blocks
- Ability to handle large clientele
- Strong Internal Control & Compliance to ensure privacy and confidentiality.

OUR CLIENTELE

We serve the following segments of capital market investors:

- Retail Investors
- Local and Foreign Institutional Investors
 - Foreign Individual Investors
 - Mutual Funds & Eligible Investors
 - High net worth Investors
 - Merchant Banks
 - Non Resident Bangladeshi (NRB) Investors

BOARD OF DIRECTORS



Arif Quadri
 Chairman



Akhter Matin Chaudhury, FCA (E&W), FCA, FCS
 Independent Director



Syed Faridul Islam
 Director



ATM Tahmiduzzaman, FCS
 Director



Faruk Ahammad, FCA
 Director



Mohammed Rahmat Pasha
 Managing Director & CEO

Dear Shareholders,

The Directors of UCB Stock Brokerage Limited take the pleasure in presenting the annual report together with the audited financial Statements for the year ended December 31, 2021.

A Stellar Year for UCB Stock Brokerage Limited

UCB Stock Brokerage Limited passed an impressive year despite pandemic induced challenges bagging some noteworthy achievements that fuelled profitability of the company as well as created further diversified growth opportunities to enter into higher growth trajectory.

The company has taken several initiatives throughout the year to retain and increase its customer base. Different departments focusing on specific customer segments (e.g. retail, high net worth individuals, local and foreign institutions) to ensure specialized services.

Core focus on service quality and strategy to diversify customer segments yielded stellar result increasing the client base. New customer account increased by 83.7% during 2021 compared to last year. Apart from increasing the customer base, the company has increased the retention rate of customers and per customer trade volume.

Such customer centric strategy helped the company expand its market share to 6.0% by end of 2021 from 4.87% previous year, securing 1st spot among all the brokerage firms in terms of trade value, a major accomplishment for the company. Daily average turnover for UCB Stock Brokerage increased by 121% in 2021 compared to previous year.

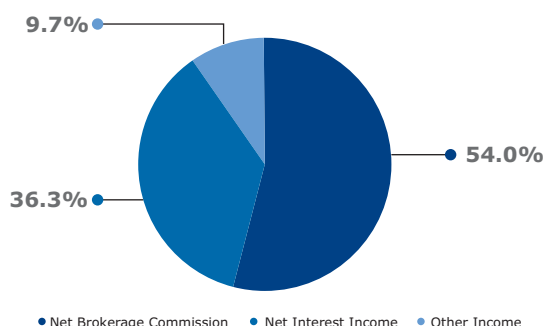
Meanwhile, the company has made substantial progress in venturing into foreign client segment with the objective to diversify its customer portfolio. To get foothold in the foreign client segment, UCB Stock Brokerage conducted roadshow in London for the second largest telco company in Bangladesh. UCB

Stock Brokerage Limited also participated in foreign investor's summit in USA, UK, and UAE organized by BSEC. Moreover, the company organized more than 20 virtual corporate access events and one reverse roadshow (first-ever by any Bangladeshi stock broker since the outbreak of the pandemic) in which foreign investors met the management from blue chip companies.

Apart from business growth, the company puts strong emphasis on compliance. A dedicated compliance team deploys risk management tools to ensure strong financial health and sustainable growth for the company.

UCB Stock Brokerage Limited is committed to maximize long-term value for shareholders through successful execution of strategic priorities and action plan. Against various odds, the company succeeded to deliver good financial results. UCB Stock Brokerage Limited registered a net profit of BDT 251.26 million in 2021 compared to a net profit of BDT 89.99 million in 2020. Operating Profit stood at BDT 681.24 million in 2021 compared to BDT 330.34 million in 2020. Net profit margin was 21.6%, significantly improved from 15.4% in 2020. Return on equity more than doubled and stood at 7.5% in 2021, compared to 3.5% in 2020.

Revenue Breakdown



Key Financials

Particulars	2017	2018	2019	2020	2021
Shareholders' Equity	2,269,520,658	2,447,842,000	2,514,301,973	2,604,299,552	3,355,555,814
Total Assets	3,970,040,665	4,086,670,754	5,043,651,437	9,355,783,150	10,381,991,032
Total Liabilities	1,700,520,007	1,638,828,754	2,529,349,463	6,751,483,598	7,026,435,217
Net Revenue from Brokerage	148,722,797	137,986,067	189,821,875	275,731,395	644,240,676
Net Interest Income	152,471,268	234,198,149	269,963,261	285,776,209	408,878,704
Net Profit After Tax	221,966,083	178,321,342	66,472,767	89,997,578	251,256,262
Return on Assets	6.94%	4.43%	1.46%	1.25%	2.42%
Return on Equity	10.28%	7.56%	2.68%	3.52%	7.49%
No. of Shares	5,135,000	5,135,000	5,135,000	20,000,000	25,000,000
Adjusted EPS* (BDT)	8.88	7.14	2.66	3.60	10.05

*During 2021, number of shares increased to 25,000,000 from 20,000,000 and adjusted EPS is calculated based on current number of shares

Transaction Status with Related party (United Commercial Bank Limited (Parent Co.) as of 31 December, 2021

Nature	Amount (BDT)
Overdraft Loan- General	1,868,917,269
Overdraft Loan- BB Scheme	175,939,976
Cash at Bank	958,771,446

Shareholding Structure of UCB Stock Brokerage Limited

Name of the Owner	Amount (BDT)
United Commercial Bank Limited	2,499,999,900
ATM Tahmiduzzaman, FCS	100

World Economy

In 2021, Emerging Markets and Developing Economies (EMDE) along with advanced economies started to slowly recover from the economic depression brought on by COVID-19. Most countries adopted expansionary monetary policy and fiscal stimulus to recover from such significant dip in the economy.

After rebounding to an estimated 5.5% in 2021, global growth is expected to decelerate markedly to 4.1% in 2022, reflecting continued COVID-19 flare-ups, geopolitical tensions, diminished fiscal support, and lingering supply bottlenecks. Growth in most EMDE regions in 2022-23 is projected to revert to the average

rates during the decade prior to the pandemic. This pace of growth will not be enough to recoup output setbacks during the pandemic, however.

Commodity prices soared in 2021 following the broad-based decline in early 2020, with prices of several commodities reaching all-time highs. Looking ahead, global macroeconomic developments, geopolitical tensions and commodity supply factors will likely continue to cause recurring commodity price swings.

EMDE policy makers also face the challenges of heightened inflationary pressures, spill overs from prospective advanced-economy monetary tightening, and constrained fiscal space.

Country	2017	2018	2019	2020	2021E	2022F	2023F
World	3.2%	3.0%	2.6%	-3.4%	5.5%	4.1%	3.2%
Advanced Economies	2.4%	2.2%	1.7%	-4.6%	5.0%	3.8%	2.3%
EMDE	4.5%	4.3%	3.8%	-1.7%	6.3%	4.6%	4.4%

Bangladesh Economy

Economy has returned to a higher growth trajectory in 2021. COVID-19 infection has declined to non-threatening level, and mass vaccination has been running at a good pace. Import and export growth has rebounded strongly. One of the key drivers for this year

would be the sharp rise in export which is partly driven by pent up demand and partly due to shift in order from China to Bangladesh which will provide more long term tailwinds. Private and public sector credit growth is also expected to increase due to increased volume of operational endeavours taken by the businesses.

Foreign exchange reserves stood at USD 46.1bn in Dec'21, sufficient to cover seven months' import payment. Sound export growth, strong remittance inflow and normalized import will lead BoP deficit to remain at manageable level, relieving pressure on currency and money supply.

Inflation has remained stable in the last one year but an inflationary pressure is becoming apparent. There might be an upward pressure on inflation coming from supply side especially because of the rising commodity price in the international market. Depending on the extent of inflationary pressure, we may see some changes in the monetary policy stance from BB.

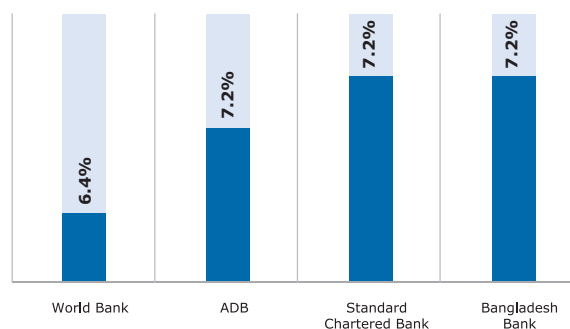
Due to rise in credit growth, BoP deficit and inflationary pressure we are likely to see interest rate to pick up further. However, considering current strong supply side of the credit market, we view that interest rate will remain in favourable range.

A number of mega projects are currently under construction namely, The Padma Multipurpose Bridge, Payra Deep Sea Port, Rooppur Nuclear Power Plant, Padma Bridge Rail Link, Dhaka Metro Rail, Matabari 1200MW Power Plant, Payra 1320MW Thermal Power Plant, Special Economic Zones and IT Parks etc. Timely implementation of ongoing mega projects would boost the GDP of Bangladesh rapidly.

Key Economic Challenges

Inflationary Pressure: There might be an upward pressure on inflation coming from supply side. Inflation

FY22 GDP Growth Forecast of Bangladesh



Source: Different Sources of Related Organization

remains a tricky part that may lead the central bank to undertake policy measures to contain inflationary pressure which may tighten the money flow in market. Meanwhile, a part of the equation also depends on global supply chain issues which also pose risk to inflation.

Liquidity Pressure: We are already observing that excess liquidity is reversing its path downward because of mainly pressure in external balance. If credit growth starts rebounding substantially, liquidity may squeeze further. On top of that, if external balance faces heightened pressure interest rate might increase substantially.

RISKS AND CONCERNS

Category	Risk Title	Risk Statement
Margin Loan Risk	Default Risk	Borrower's failure to repay margin loan. The risk arises from cash crunch, over exposure, borrower's willful non-payment etc.
	Recovery Risk	Failure to recover outstanding amount after a client becomes defaulter. The risk arises from decline in collateral value, not making timely margin calls, and owner's poor net worth.
	Concentration Risk	Concentration risk results from concentration in a particular client/ group or sector if any such heavily concentrated client or group becomes defaulter or if such a heavily concentrated sector is affected negatively due to macroeconomic event/geopolitical reason or regulatory guidelines.
Market Risk	Interest Rate Risk	Impact of changes in interest rate on the company's net interest income from margin loan. The risk arises from erroneous spread calculation.
	Equity Price Risk	Adverse changes in the value of investment due to price volatility. The risk arises from macroeconomic instability, market volatility, political unrest and under performance of investee company, among other factors.
Liquidity Risk	Funding Liquidity Risk	Inability to carry out necessary funding transactions due to asset liability mismatch. Arises from delays in settlement of trades.
	Market Liquidity Risk	Limited access to funds due to changes in external factors. The risk can arise from concentrated investments, investment in highly illiquid assets, etc.

Category	Risk Title	Risk Statement
Operational Risk	People Risk	The risk of loss intentionally or unintentionally caused by employees. The risk arises from employee error, employee defection, internal fraud, etc.
	Process Risk	Related to the execution and maintenance of transactions and the various aspects of running a business. The risk arises from incomplete / inadequate legal documentation, collateral management failures, data entry failures, etc.
	System Risk	The risk of loss caused by piracy, theft, failure, breakdown or disruption in technology, data or information. The risk arises from hardware and software failures, telecommunication problems and utility outages.
	External Risk	The risk of loss on account of damage to physical property or assets from natural or unnatural causes. Sources of the risk are natural disasters, political unrest, regulatory change and external fraud.
Strategic Risk	Strategic Positioning Risk	Risk of losing business volumes and margins due to improper positioning. The risk may arise from changing demographics, economic factors, organizational structure, competition and changes in regulation.
	Strategy Implementation Risk	Risk of losing business volumes and margins due to improper implementation of the strategies considered. The risk can arise from work processes, procedures and lack of proper / adequate human resources and IT infrastructure.
Technology Risks	System Failure Risk	Unavailability of business critical systems. The sources are: Infrastructure, Platform, Software, Malicious Intrusion, Human Error and Cyber Attack.
	Information Security Risk	Leak / disclosure of business critical sensitive Information. The sources are: People, Process, Third Party Vendor, Malicious Intrusion, Human Error, and Cyber Attack.
	Business Continuity Risk	Interruption/unavailability of business critical systems which can occur from Natural disasters, Hazards (e.g. Fire), Vendor, Technology Obsolesces, Malicious Intrusion, Cyber Attack.
Legal Risk	Compliance Risk	Risk of legal sanction and material financial loss suffered. The risk arises from violations or non-compliance, lack of or inadequate compliance with contractual obligations and other legal documentation and pending litigations.
Other Risks	Environmental and Social Risk	The probability that operational activities of a particular client/ industry would negatively affect the environment and the community of the operational zone as well as neighboring area. We might face loss if client has to stop operation due to regulatory intervention.
	Reputation Risk	The risk of potential or actual damage to the company's image which may impair profitability and/ or sustainability of its business. Arises from actions and word-of-mouth of internal and external stakeholders, various media platforms operational hindrances and technological disruptions

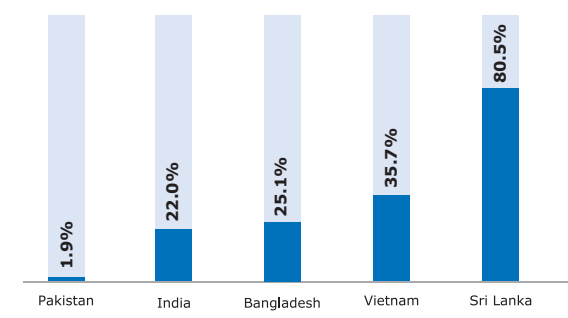
Capital Market

Capital market of Bangladesh underwent an impressive year. DSEX, the broad index, advanced by 25.08% in 2021. Average daily turnover for the period stood up at BDT 14.75bn, up by 127% from the last year. Market experienced a strong inflow of capital due to relatively lower interest rates.

The trend of capital market growth was quite evident in nearly all of the countries in this region. Capital markets of India, Vietnam and Sri Lanka experienced strong growth during the year 2021. Increased money supply and lower interest rate increased overall participation in the capital market.

As mentioned earlier, due to rise in credit growth, BoP deficit and inflationary pressure we are likely to see

Capital Market Performance 2021



Source: Investing.com

interest rate to pick up further. However, considering current strong supply side of the credit market, we view that interest rate will remain in favourable range which will not put any major threat to the equity market. Moreover, corporates are expected to post higher growth in 2022 than they did in 2021 and 2020, given faster consumption growth in 2022. It is also

expected that foreign investor's sale pressure would subside, as frontier markets become more attractive after a long period of slowdown. Investors may reallocate their portfolio in favor of frontier markets if developed markets' continued bull run slows down since historically frontier markets have maintained a low correlation with developed markets.

Capital Market Statistics

Date	Turnover (BDT bn)*	Market Cap (BDT bn)	DSEX	Change YoY	DSES	Change YoY	DS30	Change YoY
31-Dec-21	3,540	5,422	6,757	25.08%	1,431	15.22%	2,533	28.95%
31-Dec-20	1,350	4,482	5,402	21.31%	1,242	24.23%	1,964	29.78%
31-Dec-19	1,138	3,396	4,453	-17.32%	1,000	-18.90%	1,513	-19.54%
31-Dec-18	1,334	3,873	5,386	-13.75%	1,233	-11.35%	1,881	-17.63%

*Total annual turnover

Source: Dhaka Stock Exchange Limited

State of the Company's Affair

UCB Stock Brokerage Limited is currently the fastest growing brokerage house in Bangladesh. The company started its commercial operation in 2013 with a highly experienced and proficient management team with the aim of offering top quality brokerage service to the institutional and individual investors (including NRBs) in Bangladesh as well as foreign institutions and individuals of home and abroad. Despite a late start, UCB Stock Brokerage Limited has established a sizeable customer base and a solid reputation within the industry. Currently, the company is the largest brokerage company in terms of trade volume. The company is a TREC holder with both the stock exchanges in Bangladesh; Dhaka Stock Exchange Limited (TREC No.: 181) and Chittagong Stock Exchange Limited (TREC No.:015).

The company is also a Depository Participant of Central Depository of Bangladesh Limited and provides allied

services under the Rules & Regulations of Bangladesh Securities and Exchange Commission. Moreover, the company provides top quality equity research and margin facilities for clients. UCB Stock Brokerage Limited has a branch network covering Dhaka and Chattogram, the two largest cities in Bangladesh.

Business Operation

The key operation of UCB Stock Brokerage Limited is to provide brokerage service to its clients both under Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

Role and Responsibility of the Board

The Board is devoted to the Company and enthusiastic for achieving sustainable long-term prosperity by meeting stakeholders' expectations. The Board is determined to ensure the best practices in accordance with statutory requirements.

Board of Directors	Status in Board	Status in Parent Company
Arif Quadri	Chairman	Managing Director & CEO
Akhter Matin Chaudhury, FCA (E&W), FCA, FCS	Independent Director	Independent Director
Syed Faridul Islam	Director	Additional Managing Director
ATM Tahmiduzzaman, FCS	Director	DMD & Company Secretary
Faruk Ahammad, FCA	Director	Chief Financial Officer
Mohammed Rahmat Pasha	Managing Director & CEO	-

Credit Rating

With a view to safeguarding the interest of the prospective investors, depositors and creditors and improving the functioning of the capital market of the country, we assigned ARGUS Credit Rating Limited for conducting the credit rating on UCB Stock Brokerage Limited.

Credit Rating was conducted based on audited Financial Statements current as on November 22, 2020 and previous November 25, 2019. The rating report is summarized as under;

Credit Rating	Current	Previous
Long-Term	A	A
Short-Term	ST-3	ST-3
Publishing date	02 March 2021	25 Nov 2019

Operating Performance

Particulars	2017	2018	2019	2020	2021
Income	416,474,444	413,490,314	469,500,494	585,541,580	1,161,936,989
Expenditure	115,378,025	110,481,620	186,747,949	255,199,017	480,700,966
Operating Profit	301,096,419	303,008,693	282,752,544	330,342,564	681,236,023

Observance of IAS, IFRS & Applicable Laws

The Company keeps accounting records which disclose with reasonable accuracy of the financial position of the Company and it is the responsibility of the directors to ensure that the financial statements comply with the Companies Act 1994 and the Securities and Exchange Rules 1987. The Directors also confirm that the financial statements have been prepared in accordance with the Bangladesh Accounting Standards, International Financial Reporting Standards and other applicable rules and regulations.

Accounting Policies and Maintenance of Books of Accounts

As required by the regulators the company prepared financial statements, used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and that all International Accounting Standards as adopted by the institute of Chartered Accounts of Bangladesh (ICAB) have been followed. In preparing financial statements, information has been obtained from the books of accounts which have been maintained properly as required by the applicable rules and regulations.

Auditors Appointment

Pursuant to Section 210 of the Companies Act, 1994, the Company's statutory auditors 'MABS & J Partners' was appointed as the independent auditor of the Company for the year 2021 in its Annual General Meeting.

Acknowledgement

On behalf of the Board of Directors, I take the opportunity to express our heart-felt appreciation and gratitude to our customers, business partners and shareholders for their continuous support and confidence in UCB Stock Brokerage Limited. A special note of appreciation goes to the Management team and all the employees for their devotion, integrity, hard work and professionalism. My sincere thanks also go to Securities and Exchange Commission, Bangladesh Bank, Dhaka and Chittagong Stock Exchanges, retail & institutional investors, and all other regulatory bodies who were involved in the growth of this Company for their invaluable assistance, support, guidance and counsel.

(On behalf of the Board of Directors)



Arif Qudri
Chairman

UCB Stock Brokerage Limited

MANAGEMENT DISCUSSION & ANALYSIS

Dear stakeholders,

I am delighted to announce that 2021 was a year of exceeding ourselves and delivering superlative performance. We achieved the highest profit growth in the past 5 years. This year, UCB Stock Brokerage Limited's operating income growth was 98.4% and Net Profit After Tax (NPAT) growth was 179.2%. Moreover, share of commission income in total operating income increased from 47% to 55% while the share of interest income declined from 49% to 35% during 2021, indicating that our vision towards a less risky business model is gradually coming to fruition.

A Year of Superlative Performance

We have taken several initiatives throughout the year to retain and increase our customer base. Different departments focusing on specific customer segments (e.g. retail, high net worth individuals, local and foreign institutions) ensured specialized services. We opened 9 digital booths across the country, the highest among all the stock brokers. We achieved record-high single day turnover of BDT 3.5 billion and turnover share of 16.7% in Dhaka Stock Exchange (DSE). We on boarded an equity of BDT 5.0 billion in a single portfolio in a single day. We achieved three-fold growth for account opening in 2021, totalling around 6,600 new BO accounts opened. Total number of customer accounts reached 14,383 with a whopping 83.7% growth in 2021 compared to 2020.

Meanwhile, we have made substantial progress in venturing into foreign client segment with the objective to diversify our customer portfolio. We participated in foreign investor's summit in USA, UK, and UAE organized by Bangladesh Securities and Exchange Commission in collaboration with other government agencies. We also sponsored two of these foreign investors summit, in UAE and UK, creating a new benchmark in the capital market. We arranged foreign roadshow in London and pitched a blue chip telco company to foreign investors. Also, we hosted the first trip of a foreign investors in Bangladesh since the outbreak of the pandemic. Moreover, the company organized more than 20 virtual corporate access events in which foreign investors met the management from blue chip companies. Eventually, we achieved a 3-digit growth in foreign trade business in 2021.

Core focus on service quality and strategy to diversify customer segments yielded stellar result increasing

the client base. Apart from increasing the customer base, the company has increased the retention rate of customers and per customer trade volume. Such customer centric strategy helped the company expand its market share to 6.0% by end of 2021 from 4.9% previous year, securing 1st position among all the brokerage firms in terms of trade value, a major accomplishment for the company.

UCB Stock Brokerage Limited added 62 members to its team in 2021, taking the total number of team members at 166 by 2021 end. Also, we are working relentlessly to acquire and develop skilled human resources to overcome the skilled human resource shortage in the capital market. We launched a successful MTO program in 2021. We have also launched the capital market's first-ever flagship internship program 'U-Succeed'. In 2021, we have spent a considerable portion of profit on employee training, coaching, and mentoring.

Over the years, we have remained compliant to regulations and took only calculated risks. To manage risks more effectively, we initiated an Enterprise Risk Management (ERM) department with set policies focusing on managing risks. We are the first capital market intermediary in Bangladesh to open any such department.

We have a forward looking approach in information technology arena. We are on the process of implementing Order Management System (OMS) and complete operational automation through Enterprise Resource Planning (ERP). We are also implementing cloud-based data management system.

Besides traditional marketing, we are increasing our focus on digital marketing. In 2021, our social media engagement more than doubled in both Facebook and LinkedIn.

We have also increased engagements with different communities and also contributed to their development. We were the highest fund contributor for the development of Capital Market Journalist Forum. We also sponsored the national edition of Excel-based competition 'Excelsior 2021' by North South University. Some members of our team volunteered in different nation-wide student development programs such as 'Optimty' by North South University and 'CFA Institute Research Challenge' by CFA Society Bangladesh.

Key Stats of UCB Stock Brokerage Ltd.

Particulars									
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
Ranking in DSE	102	42	63	45	13	7	4	2	1
Market share in DSE turnover	0.4%	0.5%	0.6%	0.7%	1.3%	2.4%	3.8%	4.7%	6.0%
Number of clients	362	768	988	1,521	2,740	3,890	5,599	7,829	14,383
Growth		112.2%	28.6%	53.9%	80.1%	42.0%	43.9%	39.8%	83.7%
Avg. Daily turnover by UCB STOCK (BDT Crore)	2.8	4.7	4.7	6.6	25.4	25.1	37.7	60.7	134.04
Growth		67.9%	0.0%	40.4%	284.8%	-1.2%	50.2%	61.0%	120.8%
Profit Before Tax (BDT Crore)	0.6	4.1	4	4.7	30.1	30.3	28.3	28.9	55.0
Growth		583.3%	-2.4%	17.5%	540.4%	0.7%	-6.6%	2.1%	90.3%

Outlook for 2022

We have a positive outlook regarding the capital market for 2022 based on the following assumptions –

- Strong earnings growth driven by accelerated consumption in the economy,
- Robust export growth driven by increased demand from top export destinations resulting into a manageable level of deficit in BoP, and
- Subsiding sale pressures from foreign portfolio investors.

However, analysing the possible impacts of the instabilities, particularly higher oil and other commodity prices, resulting from Russia-Ukraine conflict, we also remain cautious about market movement and in setting our strategies for 2022.

We have strongly cemented our position as a top broker in Bangladesh in terms of total turnover in a short span of time. We aspire to become not only the largest broker but also the best broker in terms of compliance, risk management, service quality, and profitability.

In light of this vision and our 2022 outlook, the following are our strategies:

- Continues our endeavour to lower the risk in our business through limiting margin loan exposure of our company
- Providing more comfort to clients by the best services through adoption of new technologies to make clients availing operations smoother.

- Continue our efforts to maximize company profitability by gaining more efficiency through automation.
- Increasing our footprint all over the country through opening digital booths.

Acknowledgements and Appreciation

It goes without saying that the year 2021 was challenging, yet UCB Stock Brokerage Limited had achieved superb growth. I extend my heartfelt gratitude and appreciation to each and every one of our employees for their commitment, ownership and most importantly for partnering in our transformational growth journey. I would also like to thank our Chairman and the Board for their guidance which has been invaluable in shaping our success and continued growth. My appreciation extends to all relevant regulatory bodies for enabling an ecosystem in which we have been able to carry out our responsibilities in a sustainable and confident manner. Last but not least, we are grateful to the thousands of clients who have been with us through the years and continue their loyalty to our services.

The future is sure to raise new challenges and new opportunities. I firmly believe, if we approach each new step forward with a passion for winning in the marketplace, a commitment to building new capabilities and a mind-set that prizes innovation I am confident we will succeed.

Best wishes,



Mohammed Rahmat Pasha
Managing Director & CEO

Independent Auditors' Report

To the shareholders
of UCB
Stock Brokerage Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of UCB Stock Brokerage Limited, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that is relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c. the Statement of Financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated: 29.03.2022
Place: Dhaka, Bangladesh

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC No.: 2203290535AS390439

UCB STOCK BROKERAGE LIMITED

Statement of Financial Position

As at 31 December 2021

Particulars	Note	Amount in BDT	
		31-Dec-2021	31-Dec-2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	2.00	1,083,685,734	78,858,574
Intangible asset	3.00	2,548,891	2,599,938
Investments	4.00	477,881,506	477,981,506
		8,744,088,416	8,796,343,132
Current Assets			
Advances, deposits and prepayments	5.00	263,054,832	120,617,887
Loan to customers	6.00	5,828,079,905	4,908,797,412
Investment in marketable securities	7.00	334,981,601	852,869,721
Accounts receivable	8.00	134,960,311	161,455,330
Cash and Cash equivalents	9.00	2,183,011,768	2,752,602,782
		10,308,204,546	9,355,783,150
EQUITY AND LIABILITIES			
Capital and Reserves			
Share Capital	10.00	2,500,000,000	2,000,000,000
Capital Reserve		8,999,758	-
Retained earnings		846,556,056	604,299,552
Shareholders equity		3,355,555,814	2,604,299,552
Non Current Liabilities			
		-	-
Current Liabilities			
Short term loan	11.00	3,606,803,143	3,368,415,306
Accounts payable	12.00	2,588,932,880	2,982,348,859
Provisions	13.00	278,560,800	147,280,000
Provision for Taxation	14.00	478,351,909	253,439,433
		6,952,648,732	6,751,483,598
Total Equity and Liabilities		10,308,204,546	9,355,783,150

The annexed notes 01 to 20 form an integral part of these financial statements.



Chairman



Director



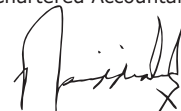
Director



Managing Director & CEO

As per our report of same date.

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No.: 535
DVC No.: 2203290535AS390439

UCB STOCK BROKERAGE LIMITED

Statement of Profit or Loss and Other Comprehensive Income
For the period ended 31 December, 2021

Particulars	Notes	Amount in BDT	
		31- Dec-2021	31-Dec-2020
Operating Income:			
Brokerage Commission	15.00	644,240,676	275,731,395
Interest Income	16.00	408,878,704	285,776,209
Net Investment Income	17.00	106,227,679	21,261,624
Other Operating Income	18.00	2,589,930	2,772,352
Total operating income		1,161,936,989	585,541,580
Operating Expenses:			
Operating expenses	19.00	424,852,807	235,526,580
Other expenses	20.00	55,848,159	19,672,437
Total operating expenses		480,700,966	255,199,017
Profit/(Loss) before provision		681,236,023	330,342,564
Provision for negative equity on margin loans and investment		131,280,800	40,900,000
Total provision		131,280,800 -	40,900,000
Operating profit before taxation		549,955,223	289,442,563
Provision for Taxation		298,698,961	199,444,986
Current Tax		298,035,000	199,753,393
Deferred Tax		663,961	(308,407)
Net profit after tax		251,256,262	89,997,578
Appropriations			
Capital Reserve		8,999,758	-
Retained Surplus		242,256,504	89,997,578
		251,256,262	89,997,578
Earnings per share (EPS)		10.05	3.60

The annexed notes 01 to 20 form an integral part of these financial statements.


Chairman


Director


Director


Managing Director & CEO

As per our report of same date.

Dated: 29.03.2022
Place: Dhaka, Bangladesh

Signed for & on behalf of
MABS & J Partners
Chartered Accountants


Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No.: 535
DVC No.: 2203290535AS390439

UCB STOCK BROKERAGE LIMITED

Statement of Changes in Equity

For the period ended 31 December, 2021

Particulars	Share capital	Share Money Deposit	Capital Reserve	Retained earnings/ (Accumulated losses)	Total
Balance as at January 1, 2021	2,000,000,000	-	-	604,299,552	2,604,299,552
Profit/(Loss) during the period				242,256,504	242,256,504
Transferred to Capital Reserve			8,999,758	-	8,999,758
Issuance of share	500,000,000				500,000,000
Balance as at December 21, 2021	2,500,000,000	-	8,999,758	846,556,056	3,355,555,814
Balance as at January 01, 2020	513,500,000	1,486,500,000	-	514,301,975	2,514,301,975
Profit/(Loss) during the year 2020	1,486,500,000	(1,486,500,000)	-	89,997,578	89,997,578
Balance as at December 31, 2020	2,000,000,000	-	-	604,299,552	2,604,299,552



Chairman



Director



Director



Managing Director & CEO

Dated: 29.03.2022
Place: Dhaka, Bangladesh

UCB STOCK BROKERAGE LIMITED

Statement of Cash Flows

For the period ended 31 December, 2021

Particulars	Notes	Amount in BDT	
		31-Dec-2021	31-Dec-2020
A. Cash Flow from Operating Activities			
Net Profit/(Loss) before taxation, and extra ordinary item.		681,236,023	330,342,564
Adjustment for:			
Depreciation & amortization		13,683,184	10,760,620
Income Tax Expenses		(208,833,156)	(147,907,693)
Increase/(Decrease) of other assets		536,992,865	(381,919,689)
Increase/(Decrease) of other liability		(393,415,978)	2,156,058,759
Net Cash flow/(used) in operating activities		629,662,938	1,967,334,561
B. Cash Flow from Investing Activities			
Acquisition of Fixed Assets		(1,017,787,646)	(5,830,644)
Acquisition of Intangible Assets		(671,650)	(813,055)
Sale of Fixed Assets		-	-
Investment in equity		100,000	-
Net cash flows/(used) in Investing activities		(1,018,359,296) -	(6,643,699)
C. Cash Flow from Financing Activities			
Margin Loan to customer		(919,282,493)	(1,973,537,982)
Adjustment of Retain earnings		-	-
Received/(Payment) of Long Term Loan		-	-
Share Money Deposit		-	(1,486,500,000)
Increased/ decreased of Paid up capital		500,000,000	1,486,500,000
Borrowing/(Paid) bank Loan		238,387,837	1,975,826,344
Net cash flows from Financing activities		(180,894,656)	2,288,362
D. Net increase in cash and cash equivalent (A+B+C)		(569,591,014)	1,962,979,224
E. Opening cash and bank balances		2,752,602,782	789,623,558
F. Closing cash and bank balances (D+E)		2,183,011,768	2,752,602,782
Closing cash and bank balances			
Cash and Cash equivalent		2,183,011,768	2,752,602,782
		2,183,011,768	2,752,602,782



Chairman



Director



Director



Managing Director & CEO

Dated: 29.03.2022
Place: Dhaka, Bangladesh

UCB Stock Brokerage Limited

Notes to the Financial Statements

For the period ended 31 December 2021

1.1 Status of the Company

UCB STOCK BROKERAGE LIMITED (the "Company"), was reformed dated November 22, 2020 by the former UCB CAPITAL MANAGEMENT LIMITED (DSE TRECNo-181, CSE TREC No-015) was incorporated in Bangladesh and registered with the Register of Joint Stock Companies vide its registration number C-69039(1551)/07 on November 20, 2007 as a Private Limited Company. The Company has commenced business in the name of UCB capital Management Limited on 19th June 2013. The registered office of the Company is located at Bulus Center, Level 17, Plot - CWS- (A)-1, Road No - 34, Gulshan Avenue, Dhaka-1212. The company has two branch out of Dhaka located at Muntasir Center (5th Floor), 253 Wasa Circle, Dampara, Khulshi, Chattogram and at "Khairun Bhaban" 2nd Floor, Mirboxtula, Sylhet.

1.2 Nature of Business

The principal objectives of the Company are to act as a TREC Holder of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. to carry on the business of stock brokers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the Company.

The Company is also registered with the Bangladesh Securities and Exchange Commission (BSEC) to act as Stock Dealer for carrying its own investments in the capital market. It also extends margin loan to its clients against investments in the listed securities.

UCB Stock Brokerage Limited encompasses a wide range of services having registered with the Securities and Exchange Commission to act as "Depository participant" of Central Depository of Bangladesh Limited (CDBL).

1.3 Basis of preparation of financial statements and significant accounting policies

1.3.1 Statement of Compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for statement of cash flows in accordance with International Accounting standards

(IASs) and International Financial Reporting Standard (IFRSs), the Securities and Exchange Commission Rules 1987, Companies Act 1994, and other laws & rules applicable in Bangladesh.

1.3.2 Basis of Measurement

These financial statements have been prepared on a going concern basis under historical cost convention in accordance with International Financial Reporting Standards (IFRS).

1.3.3 Components of Financial Statements

According to International Accounting Standard (IAS-1) "Presentation of Financial statements" the complete set of Financial statements includes the following components:

- a) Statement of Financial Position;
- b) Statement of Profit or Loss and Other Comprehensive Income;
- c) Statement of Changes in Equity;
- d) Statement of Cash Flows and
- e) Notes to the Financial Statements.

1.3.4 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (BDT), which is the functional currency of the Company. The amounts in these financial statements have been rounded off to the nearest integer.

1.3.5 Use of estimates and judgments

Preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed through ongoing concern basis.

1.3.6 Branch Accounting

The company has been operating 2 (two) branch, 8 (Eight) extension office and 4 (Four) digital Booth.

Accordingly, the accounting consolidation is being maintain through Head Office.

1.3.7 Statement of Cash flows

Statement of cash flows has prepared in accordance with the International Accounting Standard-7 "Statement of Cash Flows" classifying the activities by operating activities, investing and financing activities and the cash flows from operating activities have been prepared and presented under indirect method.

1.3.8 Reporting period

These Financial Statements have prepared from 01 January 2021 to 31 December 2021.

1.4 Assets and basis of their valuation

1.4.1 Cash and Cash equivalents

Cash and cash equivalents include notes and coins on

to its approved clients for securities transactions against the respective investor account as per margin rules 1999. Margin loan to customers are stated in the balance sheet on gross outstanding basis.

1.4.4 Property, Plant and equipment

All Property, Plant and equipment are stated at cost, together with any incidental expenses of acquisition less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

Depreciation on fixed assets acquired during the current year to be charged from the month of acquisition (Full month depreciation will be charged irrespective of the date of purchase during the month). The rates and bases used are as follows:

Category of assets	Rate (%)	Basis
Building	2.5%	Straight Line Method
Furniture Fixtures	10%	Straight Line Method
Office Equipment	20%	Straight Line Method
Computer Equipment	20%	Straight Line Method
Vehicles	20%	Straight Line Method
Software	25%	Straight Line Method

hand, unrestricted balances held with Banks which are subject to insignificant risk of changes in their fair value, and are used by the Company management for its day to day business purpose and to meet its short-term commitments.

1.4.2 Investments

Investment in DSE, CSE Shares

In accordance with section 8(Gha) of the Exchanges Demutualization Act, 2013, both the stock exchange membership has been converted into shares through the issuance of "Trading Right Entitlement Certificate (TREC)" by the DSE & CSE. Currently fair value of Trading Right Entitlement Certificate is not ascertainable with reasonableness due to stock exchanges not issuing any TREC other than existing members. Accordingly, investment is measured at cost which is considered as fair value.

Investment in securities

Investment in quoted shares and unquoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been revalued at cost at reporting date. However, adequate provision has made if market value considers as down trend of the reported cost but no unrealized gain is recognized in the profit and loss account.

1.4.3 Loan to customers

UCB Stock Brokerage Limited extends credit facilities

1.4.5 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-to-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

UCB Stock Brokerage Limited has applied the exemption for short-term leases and booked its rental payments as expenses in profit or loss given that the enforceable period of all its current contracts are cancellable in the short-term and has no purchase option.

1.4.6 Advance, Deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to statement of comprehensive income or other account heads.

- Security deposits are measured at payment value.

1.4.7 Advance Income tax

The amount of advance income tax is mainly Tax deduction at sources by DSE and CSE on daily turnover of brokerage operation and Tax deduction at sources on dividend and interest income.

1.4.8 Intangible assets and amortization of intangible assets

Software

Costs incurred to procure software as intangible assets. Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits in the specifications to which it relates. All other expenditure is treated as expense as incurred. Software is amortized @ 25% (Twenty-Five percent) per annum in a straight line method.

1.5 Bank Guarantee

United Commercial Bank Limited has sanctioned the following Bank Guarantee to UCB Stock Brokerage Limited for maintaining additional member's margin as specified in sub-regulation (3) of regulation (4) of DHAKA STOCK EXCHANGE (TREC HOLDER'S MARGIN) REGULATIONS, 2013:

Guarantee No.	Guarantee issue date	Guarantee Amount (BDT)	Validity
36/2017	21.09.2017	75.00 crore	20.09.2024
01/2021	03.01.2021	25.00 crore	02.01.2023
02/2021	04.01.2021	25.00 crore	03.01.2023
05/2021	20.01.2021	50.00 crore	19.01.2023

1.6 Provision for Taxation

Current Tax

Provision for taxation consists of provision for current tax and provision for deferred tax. Provision for taxation has been made as per the Income Tax Ordinance 1984, latest finance act, relevant SROs etc. While computing taxable operating income, total operating expenses has been claimed as allowable expenses. Due consideration also has been given for admissible and inadmissible expenditures as per the Income Tax Ordinance 1984. Provision for current tax has been adjusted with the advance tax by the lower amount of Tax Provision and Gross tax payable as per return.

Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets & liabilities are measured using tax rate & tax laws enacted or at the balance sheet date. Tax impact on the account of changes in deferred tax assets and liabilities has also been recognized in the Statement of Comprehensive Income as per IAS-12 "Income taxes".

1.7 Accrued Expenses and Other Liabilities:

Liabilities are recognized for the expenses incurred, whether the bill paid or not. Payables are not interest bearing and are stated at their nominal values.

1.8 Provisions:

Provision is recognized in the Statement of Financial Position when the company has a legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are liable estimate thereof can be made.

1.9 Share capital

(a) Authorized capital

Authorized capital is the maximum amount of share capital that the company is authorized by its

Memorandum and Article of Association to issue to shareholders.

(b) Paid-up capital

Paid-up Capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Ordinary shares holders are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the company, ordinary shareholders rank after all other shareholders and creditors are fully entitled to any residual proceeds of liquidation.

1.10 Revenue Reorganization

1.10.1 Brokerage commission

Brokerage commission is recognized as income at the same time of selling or buying order executed.

1.10.2 Interest income on margin loan

Interest income on margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective customers. Income is recognized on monthly but realized quarterly. No interest charged on negative equity balances this year.

1.10.3 Other Operating Income

Dividend income is recognized when right to receive or payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

Other operating income arises on services provided by the Company are recognized on accrual basis.

1.11 Interest paid and other expenses

Interest expenses are generally recognized on accrual basis taking into account of daily balance outstanding at the applicable rate. The interest expense is related to the interest charged into the overdraft account with related banks. Other expenses are also recognized and recorded on accrual basis.

1.12 Related party transaction

Parties are considered to be related if there is any relationship by means of shareholding, common ownership or by any other means who can or may influence the financial and operational decisions. Here the related party transactions are the loan from United Commercial Bank Limited (if any) and the brokerage transactions carried out by the Company for its own investment as its client, within the financial period.

1.13 Disclosure of departure

The departures from IFRS in the financial statements for 31 December 2021 are stated below:

SI No.	Nature of Departure	Title of the IFRS	Treatment of the IFRS	Treatment adopted as per regulator	Financial or presentation effect of departure
1	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	IFRS 9 requires all equity investments to be measured at fair value. At initial recognition an entity can make an irrevocable election to present in other comprehensive income subsequent changes in fair value of an investment in an equity instrument that is held for trading. In all other cases, investments in equity instruments measured at fair value are recognized through profit or loss. In limited circumstances, cost can be an appropriate estimate of fair value for investments in unquoted shares.	As per Bangladesh Bank FID circular No. 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively to align with parent company's adopted policy. Provision should be made for any loss arising from diminution in value of investment; however, in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only. As per circular of Bangladesh Securities and Exchange Commission circular # SEC/CMRRCD/	During the year no provision has required for investment in dealer account (own portfolio and strategic investment a/c, details in Annexure-B). Moreover, as per DOS circular no. 1 dated 10 Feb 2020, the company has made investment under special fund and no provision has maintained for the investment thought market value was lower of Tk. 15,634,010. However, an amount of Tk. 47,280,000 has been maintained as provision for overall investment.

SI No.	Nature of Departure	Title of the IFRS	Treatment of the IFRS	Treatment adopted as per regulator	Financial or presentation effect of departure
				2009-193/203) and dated 28 December 2017, and subsequent BSEC 732th Press Release dated 16 July 2020, the required provisions may be maintained within the year 2023 starting from 2020.	
2	Provision for Margin Loan (Loans and receivables)	IFRS 9 "Financial Instruments"	<p>An entity shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.</p> <p>The objective of the impairment requirements is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition - whether assessed on an individual or collective basis - considering all</p>	As per circular of Bangladesh Securities and Exchange Commission circular # SEC/CMRRCD/2009-193/203) and dated 28 December 2017, and subsequent BSEC 732th Press Release dated 16 July 2020, the required provisions may be maintained within the year 2023 on principal portion of margin loan starting from 2020. As such the required provision for the year is at 50% .	During the year 2021 the company has made 100% provision of negative equity. In addition 1% general provision has been made on total margin loan as per requirement of BSEC (Risk Based Capital Adequacy) Rules, 2019 that was implemented by exchange (DSE & CSE) from 2021.

SI No.	Nature of Departure	Title of the IFRS	Treatment of the IFRS	Treatment adopted as per regulator	Financial or presentation effect of departure
			<p>reasonable and supportable information, including that which is forward-looking.</p> <p>If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.</p> <p>Expected credit losses are a probability-weighted estimate of credit losses (ie present value of all cash shortfalls) over the expected life of the financial instrument. For a financial asset, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.</p>		

Amount in BDT

2.00 Property, Plant and Equipment

This is composed as follows:

Cost(A):

	31-Dec-2021	31-Dec-2020
Land and Land Development	943,950,828	-
Building & Construction	30,375,045	30,375,045
Furniture and Fixture	43,186,444	38,815,920
Computer Equipment	25,587,190	10,518,150
Office Equipment	18,661,687	12,578,345
Vehicles	13,425,860	9,455,860
Assets working progress	44,343,912	-
	1,119,530,966	101,743,320

Accumulated Depreciation(B):

Building & Construction	2,088,283	1,328,908
Furniture and Fixture	11,390,541	7,299,404
Computer Equipment	8,074,732	5,240,251
Office Equipment	7,157,812	4,128,780
Vehicles	7,133,866	4,887,403
	35,845,232	22,884,745

Written down value (A-B)

1,083,685,734 **78,858,574**

A schedule of property, plant and equipment is given in Annexure-A

3.00 Intangible Assets

This is composed as follows:

Software	5,191,400	3,871,000
Intangible Assets working progress	100,000	748,750
	5,291,400	4,619,750

Cost of Intangible (A)

Software	2,742,509	2,019,812
	2,742,509	2,019,812

Written down value (A-B)

2,548,891 **2,599,938**

A schedule of Intangible Assets is given in Annexure-A

4.00 Investment

This is composed as follows:

Investment in DSE Shares*	353,270,683	353,270,683
Investment in CSE Shares*	124,610,823	124,610,823
Investment in shares of UCB Investment Ltd.	-	100,000
	477,881,506	477,981,506

In accordance with the Exchange Demutualization Act 2013 (the 'Scheme') and as per the Scheme of Demutualization of both DSE and CSE, the Company being the initial shareholders of the exchange (DSE and CSE) is entitled to receive the following numbers of shares as well as "Trading Right Entitlement Certificate (TREC)" against membership.

Stock Exchange	No of Shares	
	31- Dec-2021	31-Dec-2020
Dhaka Stock Exchange Limited	5,411,329	5,411,329
Chittagong Stock Exchange Limited	4,287,330	4,287,330
Total number and value of shares	9,698,659	9698659
Book value of shares	477,881,506	477,881,506

Amount in BDT

5.00 Advances, Deposits and Prepayments:**This is composed of following:**

Security deposit	1,225,000	225,000
Advance against Expenses	573,239	344,470
Advance Office Rent	7,802,084	478,800
ECF Loan	10,828,285	11,990,063
Advance Income Tax (Note 5.01)	242,626,223	107,579,554
	263,054,832	120,617,887

5.01 Advance Income Tax

Opening balance	107,579,554	109,767,815
Add: Advance Tax paid during the year	208,833,156	111,475,125
Less: Advance Tax Adjustment with tax provision 2020	(73,786,486)	(113,663,386)
Balance at the end of the year	242,626,223	107,579,554

6.00 Loan to Customer:

Opening Balance	4,908,797,412	2,935,259,429
Add: disbursed/ (Realised) during the year	919,282,493	1,973,537,983
Closing Balance	5,828,079,905	4,908,797,412

7.00 Investment in marketable securities

Investment in quoted share*	327,982,517	847,870,041
Investment in Open end mutual fund	6,999,084	4,999,680
	334,981,601	852,869,721

*Details of Investment in quoted shares has been shown in Annexure-'B'

8.00 Accounts Receivable:

This is composed as follows:

Receivable from DSE (Stock Broker)	99,298,060	95,090,246
Receivable from DSE (Buy Limit)	-	50,000,000
Investment in pre-IPO	33,037,500	11,003,000
Receivable from DSE (Stock Dealer)	639,859	3,853,538
Other Assets	1,984,892	309,494
Receivable from CSE (Stock Broker)	-	1,199,052
	134,960,311	161,455,330

9.00 Cash and cash Equivalents

Bank Name	Account No.	Type	31- Dec-2021	31-Dec-2020
United Commercial Bank Limited	0011301000001346	CCA	878,458,418	105,592,764
One Bank Limited	203000000289	CCA	402,398,942	917,237,461
Standard Chartered Bank, Bd	02130772101	CCA	101,176,588	326,542,296
Mutual Trust Bank Ltd	460320001427	CCA	651,607,796	429,969,567
One Bank Limited	203000000291	DCCA	68,367,606	3,035,288
United Commercial Bank Limited	11101000011642	DCCA	6,516,990	5,219,877
United Commercial Bank Limited	0011301000001335	IPO	-	16,046,724
United Commercial Bank Limited	1221301000000230	Strategic	41,084,170	16,465,357
IFIC Bank Limited	0180038218021	GA	215,237	608,655,829
Midland Bank Ltd.	0001-1090000705	GA	425	309,549,914
The City Bank Limited	1101434764001	GA	19,188	404,745
United Commercial Bank Limited	11301000001379	GA	10,786,930	11,998,314
United Commercial Bank Limited	11101000008535	GA	-	38,265
United Commercial Bank Limited	0721301000000653	GA	184,754	-
United Commercial Bank Ltd	0721301000000620	BB scheme	21,740,184	1,676,381
Cash in hand			454,540	170,000
			2,183,011,768	2,752,602,782

Amount in BDT

10.00 Share Capital

Authorized Capital
30000000 Ordinary Shares of Tk. 100 each

	31-Dec-2021	31-Dec-2020
	3,000,000,000	3,000,000,000
	3,000,000,000	3,000,000,000
	2,500,000,000	2,000,000,000
	2,500,000,000	2,000,000,000

Subscribed and Paid-up Capital

25,000,000 Ordinary Shares of Tk. 100 each

10.01 Share Holding Status

Shareholders	% of Share	No. of Shares
United Commercial Bank Limited	99.999996%	24,999,999
ATM Tahmiduzzaman, FCS	0.000004%	1
Total	100%	25,000,000

10.02 Board of Directors

Name	Position	Occupation
Arif Quadri	Chairman	Banker
Akhter Matin Chaudhury, FCA (E&W), FCA, FCS	Independent Director	Business
ATM Tahmiduzzaman, FCS	Director	Banker
Syed Faridul Islam	Director	Banker
Faruk Ahammad, FCA	Director	Banker
Mohammed Rahmat Pasha	Managing Director & CEO	Private Service

11.00 Short Term Loan:**This is composed as follows:**

Bank Overdraft-UCB	1,868,917,269	1,665,251,540
Bank Overdraft-MTB	597,077,174	583,414,283
Bank Overdraft-SCB	401,030,334	392,028,875
Bank Overdraft-UCB-BB scheme	175,939,976	336,370,500
Bank Overdraft-Midland	166,377,809	201,103,451
Bank Overdraft-ONE	397,460,582	190,246,656
	3,606,803,143	3,368,415,306

12.00 Accounts Payable**This is composed as follows:**

Payable to Clients	1,861,640,195	2,586,186,721
Payable to DSE (Stock Broker)	2,302,106	76,352,258
Payable to DSE (Stock Dealer)	-	3,268
Payable to CSE	583,250	-
Payable to CDBL	7,198,856	10,143,549
Payable to Employees Welfare Fund	-	-
Other Liabilities (Note 12.01)	717,208,474	309,663,063
	2,588,932,880	2,982,348,859

12.01 Other Liabilities

Interest suspense	450,108,896	214,690,537
Interest payable on borrowings	-	-
VAT payable	4,314,512	4,031,601
TDS payable	3,322,966	1,323,772
Prov. for expenses	326,370	57,500
Prov. For Employee Benefit	146,943,737	63,721,440
Accounts payable*	112,191,993	25,838,213
	717,208,474	309,663,063

Amount in BDT

31-Dec-2021

31-Dec-2020

* This amount represents customer IPO subscription money for Union Bank Ltd., Union Insurance Ltd., BD Thai Food Ltd. and payable to suppliers against branch setup.

13.00 Provisions:**This is composed as follows:**

Opening balance	147,280,000	106,379,999
Less: Adjustment	-	-
Add: Provision for the year (Note 13.01 &13.02)	131,280,800	40,900,000
Closing balance	278,560,800	147,280,000

As per BSEC 732th Press Release dated July 16, 2020 the company has the option to make 100% provision within december 2023 . The company has made 100% provision on unrealized loss negative equity and dealer account. In addition 1% general provision has been made on total margin loan as per requirement of BSEC (Risk Based Capital Adequacy) Rules, 2019 that was implemented by exchange (DSE & CSE) from 2021.

13.01 Provision for Loan to customers

Opening balance	100,000,000	59,100,000
Add: Provision for the year	131,280,800	40,900,000
Less: Adjustment	-	-
Closing balance	231,280,800	100,000,000

13.02 Provision for diminution in value of investment

Opening balance	47,280,000	47,280,000
Provision for the year	-	-
Closing balance	47,280,000	47,280,000

14.00 Provision for Taxation

Opening Balance	253,439,434	204,090,403
Add: Provision made for the current year (Note-14.01 & 14.02)	298,698,961	161,091,593
Less: Adjustment with advance Tax up to the year 2020.	(73,786,486)	(111,742,562)
	478,351,909	253,439,434

14.01 Provision for Current Tax

Provision for Corporate Income Tax has made on various sources of income as applicable tax rates on those Income as per Tax laws complied as under.

Opening Balance	251,735,874	202,078,436
Add: Provision made for the current year	298,035,000	161,400,000
Less: Adjustment with advance Tax up to the year 2020	(73,786,486)	(111,742,562)
	475,984,388	251,735,874

14.02 Provision for deferred Tax

Opening Balance	1,703,560	2,011,967
Add: provision made for the current year	663,961	(308,407)
	2,367,521	1,703,560

15.00 Brokerage Commission

Brokerage commission income	860,687,546	368,695,861
Less: Brokerage commission expense (Note-15.01)	216,446,871	92,964,466
	644,240,676	275,731,395

15.01 Brokerage Commission expense**This is composed as follows:**

Laga Charge	77,222,673	29,549,076
CDBL Expense	55,548,395	15,094,315
Contract Charge-CSE	8,600	15,560
Commission Charge-CSE	674,279	849,120
Sales Associate Commission	82,992,923	47,456,396
	216,446,871	92,964,466

16.00 Interest Income**This is composed as follows:**

Income from Margin Loan	572,959,952	386,847,835
Income from SND, FDR, Other accounts	35,726,262	69,231,383
	608,686,215	456,079,218
Less: Interest Expense	199,807,511	170,303,009
	408,878,704	285,776,209

	Amount in BDT	
	31-Dec-2021	31-Dec-2020
17.00 Net Investment Income		
This is composed as follows:		
Capital Gain/(loss) from Investment in Shares	74,841,744	1,763,292
Dividend Income (Note 17.01)	31,385,935	19,498,333
	106,227,679	21,261,624
17.01 Dividend Income		
Cash dividend received from DSE & CSE	4,689,175	4,849,330
Cash dividend received from quoted shares	26,696,760	14,649,003
	31,385,935	19,498,333
18.00 Other Operating Income		
This is composed as follows:		
BO Annual Fees	753,050	1,964,700
BO opening and CDBL Fee	1,107,205	468,366
Margin Loan Processing Fee	102,999	116,500
Other Income	626,676	222,786
	2,589,930	2,772,352
19.00 Operating Expenses		
This is composed as follows:		
Salary and allowances	267,524,953	199,273,035
Rent, taxes, insurance, electricity etc. (Note-19.01)	21,254,510	15,391,731
Legal expenses	1,514,207	479,889
Postage, stamps, telecommunications, networking Exps etc.	3,634,692	2,784,230
Stationery, printing, advertisements etc. (Note-19.02)	114,333,207	4,762,354
Training, Seminar & Meeting	562,495	828,877
Auditors fees	57,500	57,500
Depreciation and repair of assets (Note-19.03)	15,971,244	11,948,964
	424,852,807	235,526,580
19.01 Rent, taxes, insurance, electricity etc.		
Office Rent	13,527,289	5,456,700
Electricity and room Rent	54,115	607,941
Electricity, water & Gas	5,572,113	3,613,571
Car Parking Expense	21,000	27,000
Rent Rate Taxes	758,760	4,829,859
Insurance	1,321,233	856,660
	21,254,510	15,391,731
19.02 Stationery, printing, advertisements etc.		
Advertising and business Promotion exs.	109,644,189	3,477,317
Printing & Stationery	4,689,017	1,285,037
	114,333,207	4,762,354
19.03 Depreciation and repair of assets		
Depreciation Building & Construction	759,375	759,376
Depreciation On furniture	4,091,137	3,757,020
Depreciation On Computer Equipment	2,834,481	1,864,680
Depreciation On Office Equipment	3,029,032	2,400,331
Depreciation On Vehicles	2,246,463	1,840,110
Amortization on goodwill	-	-
Amortization on Software	722,697	139,104
	13,683,184	10,760,620
Repair & Maintenance (Note 19.03.1)	2,288,060	1,188,344
	15,971,244	11,948,964
19.03.1 Repair & Maintenance		
Software Maintenance	601,590	417,124
Repairs & Maintenance-General	1,686,470	771,220
	2,288,060	1,188,344

Amount in BDT

20.00 Other Expenses

This is composed as follows:

	31-Dec-2021	31-Dec-2020
Car Expenses	4,747,688	3,973,333
Bank Guarantee Commission	9,315,000	4,140,000
Entertainment	4,196,765	1,165,485
Petrol,oil & lubricant	3,323,301	2,094,347
Registration and Renewal	15,099,226	2,791,892
Bank Charge and others	783,542	1,394,016
Medical Expenses	547,276	361,732
Traveling & Conveyance	12,380,068	298,452
Office Maintenance	1,430,457	256,860
Loss on disposal of assets	-	56,945
Write off Negative Balance	18,141	113,524
Regulating Expenses	3,220,926	2,700,835
Investor Protection Fund	100,711	70,345
Subscription,CSR & Misc. Expenses	685,058	254,669
	55,848,159	19,672,437

UCB STOCK BROKERAGE LIMITED

Fixed assets Schedule

For the year ended on 31 December 2021

Annexure-A

Sl No.	Cost				Depreciation				Net Book Value at 31.12.2021	
	Opening Balance as on 01.01.2021	Addition/Trans. during the period	Disposal during the period	Total Before Dep. Charge	Dep. Rate	Opening Balance	Depreciation during the period	Disposal/Adjustment during the period		Accumulated Depreciation
1	-	943,950,828	-	943,950,828	0.0%	-	-	-	-	943,950,828
2	30,375,045	-	-	30,375,045	2.5%	1,328,908	759,375	-	2,088,283	28,286,762
3	38,815,920	4,370,524	-	43,186,444	10%	7,299,404	4,091,137	-	11,390,541	31,795,903
4	10,518,150	15,069,040	-	25,587,190	20%	5,240,251	2,834,481	-	8,074,732	17,512,459
5	12,578,345	6,083,342	-	18,661,687	20%	4,128,780	3,029,032	-	7,157,812	11,503,875
6	9,455,860	3,970,000	-	13,425,860	20%	4,887,403	2,246,463	-	7,133,866	6,291,994
7	-	44,343,912	-	44,343,912	0%	-	-	-	-	44,343,912
Total	101,743,320	1,017,787,646	-	1,119,530,966		22,884,745	12,960,487	-	35,845,232	1,083,685,734

Intangible Assets Schedule

For the year ended on 31 December 2021

Sl No.	Cost				Amortization				Net Book Value at 31.12.2021	
	Opening Balance as on 01.01.2021	Addition/Trans. during the period	Disposal during the period	Total Before amortization Charge	Amortization Rate	Opening Balance	Amortization during the period	Disposal/Adjustment during the period		Accumulated Amortization
5	3,871,000	1,320,400	-	5,191,400	25%	2,019,812	722,697	-	2,742,509	2,448,891
5	748,750	(648,750)	-	100,000	-	-	-	-	-	100,000
Total	4,619,750	671,650	-	5,291,400		2,019,812	722,697	-	2,742,509	2,548,891

UCB STOCK BROKERAGE LIMITED

Schedule of Investment quoted shares

For the year ended on 31 December 2021

Annexure-B

Particulars	Holding No. of Share	Avg. Rate	Purchase price	Closing Price/Nav	Market Value as on 31 Dec. 20	Unrealize Gain/(Loss)
		Taka	Taka	Taka	Taka	
Own Portfolio:						
AAMLUF	125,000	10.00	1,250,000	17.72	2,215,000	965,000
ACMEPL	13,000	10.00	130,000	26.80	348,400	218,400
AIBLPBOND	11	4,867.12	53,538	4,807.50	52,883	(656)
BCBICLGF	500,000	10.00	5,000,000	12.28	6,140,000	1,140,000
CAPITEC	500,000	10.00	5,000,000	10.95	5,475,000	475,000
CAPITECPLUF	500,000	10.00	5,000,000	11.99	5,995,000	995,000
CWTEBDFGFUF	500,000	10.00	5,000,000	15.56	7,780,000	2,780,000
CWTOPPTUN	300,000	10.00	3,000,000	10.49	3,147,000	147,000
CWTSBGF	500,000	10.00	5,000,000	14.05	7,025,000	2,025,000
EDGEAMCGF	663,450	10.00	6,634,500	14.39	9,547,046	2,912,546
EDGEBMF	500,000	10.00	5,000,000	14.36	7,180,000	2,180,000
EKUSHFUF	500,000	10.00	5,000,000	14.73	7,365,000	2,365,000
ESQUIREICLAF	500,000	10.00	5,000,000	14.12	7,060,000	2,060,000
LOVELLO	120,000	36.00	4,319,880	33.60	4,032,000	(287,880)
MASTERAGRO	25,164	9.47	238,263	9.60	241,574	3,312
MOSTFAMETL	20,000	10.00	200,000	10.70	214,000	14,000
ORYZAAGRO	15,100	9.74	147,002	10.40	157,040	10,038
SFIUF	87,873	11.38	999,995	15.14	1,330,397	330,402
SHANTASFUF	50,000	10.23	511,500	12.96	648,000	136,500
SKICL	6,000	10.00	60,000	77.30	463,800	403,800
UCBAMLFMF	3,000,000	10.00	30,000,000	11.32	33,960,000	3,960,000
VANGAMLGf	1,000,000	10.00	10,000,000	14.47	14,470,000	4,470,000
WALTONHIL	200	352.00	70,400	1,148.80	229,760	159,360
GP	64,435	395.39	25,477,032	349.50	22,520,033	(2,956,999)
UNIONINS	4,643	10	46,528	10	46,528	-
Total Investment in own Portfolio (a)			123,138,637		147,643,460	24,504,823
Strategic Investment A/c:						
LOVELLO	78,330	35.77	2,801,801	33.60	2,631,888	(169,913)
BRACBANK	4,300	53.36	229,457	55.30	237,790	8,333
GENEXIL	500	53.47	26,734	165.40	82,700	55,966
GP	300	301.55	90,465	349.50	104,850	14,385
SQURPHARMA	100	197.35	19,735	214.30	21,430	1,695
UPGDCL	1,450	248.53	360,374	244.20	354,090	(6,284)
Total Investment in Strategic Inv. (b)			3,528,567		3,432,748	(95,819)
Investment under special scheme:						
BATBC	2,610	643.06	1,678,385	635.60	1,658,916	(19,469)
BRACBANK	1,165,675	55.66	64,884,035	55.30	64,461,828	(422,207)
CITYBANK	900	26.58	23,925	27.30	24,570	645
GP	323,047	396.73	128,161,499	349.50	112,904,927	(15,256,573)
MARICO	145	2,089.34	302,954	2,301.00	333,645	30,691
PTL	50,000	92.98	4,648,880	94.10	4,705,000	56,120
SINGERBD	10	171.40	1,714	169.90	1,699	(15)
UPGDCL	6,514	247.76	1,613,921	244.20	1,590,719	(23,202)
			201,315,313		185,681,303	(15,634,010)
Total Investment in quoted shares (a+b+c)			327,982,517		336,757,510	8,774,994

Uniform Components of Financial Reporting and Disclosures

Schedule - B

[As per rule 3 of Risk Based Capital Adequacy) Rules, 2019

Name of the Intermediary : UCB STOCK BROKERAGE LTD		As on	31/Dec/21	31/Dec/20
Area of Operation : Stock Broker & Stock Dealer				
SI	Items	Note Ref.	Amount as in Balance Sheet	Amount as in Balance Sheet
	Assets:			
1	Cash and Bank Balances		2,183,011,768	2,752,602,782
	Cash in Hand	9.00	454,540	170,000
	Cash at Bank in Company's account	9.00	74,030,888	948,788,805
	Cash at Bank in trading accounts (Stock Dealer A/C)	9.00	74,884,596	8,255,165
	Cash at Bank accounts for clients (consolidated customer account)	9.00	2,033,641,744	1,779,342,088
	Cash at Bank at IPO Account	9.00	-	16,046,724
	Investment in FDR	-		
2	Amounts Receivable from Exchange, Depository and CCP		-	50,000,000
	Cash deposits with Exchanges (as margin)(mandatory/excess):	8.00	-	50,000,000
	Mandatory	8.00	-	50,000,000
	Excess over mandatory	8.00	-	-
	Cash deposits with Clearing House (as margin) (mandatory/excess):			
	Mandatory			
	Excess over mandatory			
	Cash deposit with depository (as per rule) (mandatory/excess):		-	-
	Mandatory			
	Excess over mandatory			
3	Amounts Receivable from Securities Trading	10.00	100,246,328	102,678,174
	Receivable from DSE (categorize as A,B,G,N,Z and DVP)		99,937,919	98,943,784
	Receivable against A,B,G and N category	8.00	99,085,999	98,943,784
	Receivable against Z category	8.00	851,919	-
	Receivable against DVP category			
	Receivable from CSE (categorize as A,B,G,N,Z and DVP)		-	1,199,052
	Receivable against A,B,G and N category	8.00	-	1,199,052
	Receivable against Z category	8.00	-	-
	Receivable against DVP category			
	Receivable from Stock Broker/Stock Dealer		-	
	Receivable from Merchant Banker	6.00	307,485	333,660
	Receivable from selling agents			
	Receivable from others (Mutual Fund)	6.00	925	2,201,677

Name of the Intermediary : UCB STOCK BROKERAGE LTD		As on	31/Dec/21	31/Dec/20
Area of Operation : Stock Broker & Stock Dealer				
SI	Items	Note Ref.	Amount as in Balance Sheet	Amount as in Balance Sheet
4	Amounts receivable from margin clients-		5,827,416,637	4,906,131,942
	Receivable to Clients having no margin or full erosion of equity(e.g.no equity against debit balance)	6.00	888,009,473	823,427,945
	Receivable to Clients fall under force sale condition(e.g. equity is>DB but < 125% of DB)	6.00	0	319,256,644
	Receivable to Clients fall under force sale condition(e.g. equity is>125% of DB but <150% of DB)	6.00	48,416,670	76,316,374
	Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)	6.00	4,890,990,494	3,687,130,979
5	Amounts Receivable from other Clients-		354,859	130,132
	Receivable after securities trading		-	-
	Receivable arises from fee, commission & charges	6.00	354,859	130,132
6	Amounts receivable from securities dealer (if subsidiary)		Nil	-
7	Amounts Receivable arises from short sale		Nil	-
8	Proprietary positions in securities and specified investments		368,019,101	863,972,721
	Proprietary positions in Equity securities	Anx-B	231,897,889	748,361,845
	Value of "A" category instruments	Anx-B	266,862,745	748,361,845
	Value of "B/C/N/..." category instruments	Anx-B	5,035,144	-
	Value of "Z" category instruments	Anx-B	-	-
	Value of "OTC" category instruments	Anx-B	-	-
	Value of Non- Listed Instruments	Anx-B	-	-
	Proprietary positions in MFs & CISs including AFs	Anx-B	92,455,995	75,645,995
	Value of listed funds	Anx-B	-	-
	Value of non- listed funds	Anx-B	92,455,995	75,645,995
	Value of AIFs	Anx-B	-	-
	Proprietary positions in Debt Instruments & ABSs	Anx-B	53,538	-
	Value of listed debt instruments	Anx-B	53,538	-
	Value of no- listed debt instruments	Anx-B	-	-
	Value of ABSs	Anx-B	-	-
	Proprietary positions in strategic investments	Anx-B	3,528,567	23,862,201
	Value of listed strategic investments	Anx-B	3,528,567	23,862,201
	Value of no- listed strategic investments	Anx-B	-	-

Name of the Intermediary : UCB STOCK BROKERAGE LTD		As on	31/Dec/21	31/Dec/20
Area of Operation : Stock Broker & Stock Dealer				
SI	Items	Note Ref.	Amount as in Balance Sheet	Amount as in Balance Sheet
	Proprietary Positions in money market Instruments	Anx-B	-	-
		Anx-B	-	-
	Value of Govt. & BB instruments	Anx-B	-	-
	Value of commercial paper	Anx-B	-	-
	Own subscription in IPOs but not yet allotted	8.00	33,084,028	11,003,000
	Other assets		6,999,084	5,099,680
9	Proprietary positions in Derivatives			-
10	Other assets arising from:		265,039,724	120,927,381
	Receivable against Advisory Fees, Commission, etc.			-
	Prepaid expenses	5.00	19,203,608	12,813,333
	Security deposits	5.00	1,225,000	225,000
	Any others (need to Specified)			-
	Advance Income Tax	5.01	242,626,223	107,579,554
	Other receivables	8.00	1,984,892	309,494
11	Advance /Investment in Associated undertakings (long term):		-	-
	Advance to Subsidiaries		-	-
	Advance to Associated Companies		-	-
	Advance to Directors & Staffs		-	-
12	Fixed assets (net off Depreciation & amortization):		1,083,685,733	78,858,574
	Land & Land Development	Anx-A	943,950,828	-
	Building & Other structures	Anx-A	28,286,762	29,046,137
	Other tangible assets	Anx-A	111,448,143	49,812,437
13	Intangible Assets:	Anx-A	2,548,891	2,599,938
	Software	Anx-A	2,448,891	1,851,188
	Goodwill, Patents and other Intangible Assets	Anx-A	100,000	748,750
14	Value of investment in Exchange (against Membership Value)	4.00	477,881,506	477,881,506
15	Other Long Term Assets:		-	-
	Long Term Investments		-	-
	Long Term Prepayments & Deposits		-	-
	Deferred Tax Assets		-	-
	Others (clearly specified in notes)		-	-
16	Total assets (aggregate of amount in items 1 to 15)		10,308,204,546	9,355,783,150
	Liabilities:			
17	Short positions in securities held for own account		-	-
18	Payable to Clients	12.00	1,861,640,195	2,586,186,721
19	Short Term Business Liabilities:		3,606,803,143	3,368,415,306
	Payable to Banks, if not for trading & investment (current portion of long term liabilities)		-	-

Name of the Intermediary : UCB STOCK BROKERAGE LTD		As on	31/Dec/21	31/Dec/20
Area of Operation : Stock Broker & Stock Dealer				
SI	Items	Note Ref.	Amount as in Balance Sheet	Amount as in Balance Sheet
	Payable to FIs, if not for trading & Investment (current portion of long term liabilities)		-	-
	Payable to Banks & FIs for Loan against Margin Financing & Investment (full amount)	11.00	3,606,803,143	3,368,415,306
	Payable obligation against sub-debt, preference shares(current portion)		-	-
	Payable to associate companies or persons		-	-
20	Amounts payable to clearing houses/Exchanges/Depository, etc.		10,084,212	86,499,075
	Payable to Exchanges	12.00	2,885,356	76,355,526
	Payable to Clearing House		-	-
	Payable to Depository	12.00	7,198,856	10,143,549
	Payable to Brokers		-	-
21	Other Liabilities and Provisions:		1,474,121,182	710,382,497
	Accruals & Accounts payable	12.01	112,191,993	25,838,213
	Provision for taxation, Deferred tax and other deferred liabilities	14.00	478,351,909	253,439,434
	Provision for Margin Loan	13.01	231,280,800	100,000,000
	Provision for Gratuity, PF & others Provision for Tax & VAT	12.01	154,581,215	69,076,813
	Interest Suspense against Margin Loan	12.01	450,108,896	214,690,537
	Liabilities for Expenses	12.01	326,370	57,500
	Interest Payable		-	-
	Provision for contingent liabilities and floating losses (Provision for diminution in value of investment)	13.02	47,280,000	47,280,000
	Others (clearly specified in notes)		-	-
22	Any others (need to Specified)		-	-
23	Non- current Loan Liabilities		-	-
	Long term loan liabilities (other than current portion amount)		-	-
	Approved subordinated debt (other than current portion amount)		-	-
	Approved Redeemable Preference shares (other than current portion amount)		-	-
	Long term Lease Liabilities		-	-
24	Shareholders Equity:		3,355,555,814	2,604,299,552
	Share Capital	10.00	2,500,000,000	2,000,000,000
	Share Premium		-	-
	General Reserve		-	-
	Capital Reserve		8,999,758	-
	Dividend Equalization Reserve		-	-
	Revaluation Reserve		-	-
	Adjustment for diminution in value of portfolio holdings		-	-
	Others Reserves		-	-
	Retained Earnings	Pnl	846,556,056	604,299,552
25	Total Liabilities & Shareholders Equity	(aggregate of amounts in item 17 to 24)	10,308,204,546	9,355,783,150

আপনার স্বপ্নযাত্রার সঙ্গী



WE RANKED 1ST
IN DSE MONTHLY TURNOVER
December, February & March

Head Office:

BULUS CENTER (17th Floor, West Side), Plot - CWS (A), Road No - 34 Gulshan Avenue, Dhaka - 1212, Bangladesh

+880 13242 43200 +880 2 5881 0909 +880 2 5881 0910 www.ucbstock.com ucbstock@ucb.com.bd

/ucbstock /ucbstock /company/ucb-stock-brokerage-ltd /ucb stock brokerage limited



UCB ASSET MANAGEMENT LIMITED





COMPANY PROFILE

UCB Asset Management Limited, the second capital market subsidiary of United Commercial Bank was established in February 2020 to provide wide range of unique & tailored investments solutions for both retail and corporates. UCB AML First Mutual Fund, the first open-end fund of the Company, was launched back in April 2021 with an initial size of BDT 20 Crore. The Fund's objective is to generate superior risk adjusted return for the valued investors. Alongside, UCB Asset focuses on providing Separately Managed Account (SMA) investment solutions to corporates as the SMA service has a relatively untapped potential in this country.

Based on the past success, we initiated the process of launching our first Shariah compliant open-end fund (with an initial size of BDT 35 Crore), considering the

investment appetite of investors who are particularly seeking for Shariah compliant capital market investment opportunities.

We strive for a collection of portfolio holdings that can provide consistent results even under adverse market conditions and help our clients to achieve their financial goals. Our process aims to be continuous with the equal effort put into company selection and ongoing evaluation of the business performance of that company. We have designed our investment process in such a way that encourages our team to dig deep into finding the true story behind the numbers. Although the market premises are often unpredictable, we believe it is possible to withstand the shocks through strategic asset allocation.

BOARD OF DIRECTORS



Abul Alam Ferdous
Chairman



Nabil Mustafizur Rahman
Director



Dr. Aparup Chowdhury
Independent Director



Mohammed Khorshed Alam
Director



Shekh Mohammad Rashedul Hasan
Managing Director & CEO

Directors' Report to the Shareholders

Dear Shareholders,

The Directors of UCB Asset Management Limited take the pleasure in presenting the Directors' Report together with the audited financial statements for the year ended 31 December 2021.

Capital Market Outlook

As of December 2021, the Bangladesh Capital Market sustained an 18-month long rally since Bangladesh Bank announced its expansionary monetary policy in June 2020. The broad market index, DSEX, increased by 87.5% since 2020's bottom. In 2021, DSEX returned 25.1% with a daily average turnover of BDT 1,475 crore.

The positive momentum of the broad market continued in January 2022 as the benchmark index rallied by 2.5% with a daily average turnover of BDT 1,421 crore. This upward momentum, however, shifted in February 2022 as the broad index was down by 2.7% and the daily average turnover dropped by 21% month-over-month to BDT 1,163 crore. The market has attempted to bounce back in March. In the first twelve trading days of March, the daily average turnover was BDT 995.8 crore while the benchmark was relatively flat, registering a gain of only 0.4%.

In terms of available liquidity, the call money rate shot up to 4.63% in the last week of February 2022, and that was 229 bps higher than that of the previous month. The increase in call money rate in February does indicate a more tightened liquidity scenario. Given the current account deficit hit USD 10.1 billion during July 2021 - January 2022 and remittance inflow dropped by 19.5% in the first eight months of this fiscal year, the liquidity crunch is unlikely to be alleviated by the external sectors. Furthermore, the reopening of the country's overall business activities has helped push up credit growth. The private sector credit growth rose to 11.1% in January 2022 on a year-on-year basis, from 10.7% a month before.

The rise in global commodity prices has also pushed inflation in Bangladesh. Inflation crept to 6.1% and

5.9% in December 2021 and January 2022 respectively, the highest since June 2016. As of February - March 2022, global oil prices are at their highest in the last seven years. An increase in energy and other raw material prices is likely to cause low corporate earnings for manufacturing companies. Additionally, the tightened liquidity scenario means pressure on the net interest margin for financial institutions. Therefore, in the next few quarters total corporate earnings are expected to be subdued.

2021: A Tale of Resilience and Success

The year 2021 exhibits resilience and positivity for Bangladesh despite multiple hits by the COVID-19 pandemic. The country led a quicker economic recovery than its regional peers by maintaining a GDP growth of 5.5% and managing the pandemic situation. This optimism has also been observed in the equity market as the broad index, DSEX, gained 20% in 2021.

Bangladesh's per capita income increased to USD 2,591 in 2021, signaling that Bangladesh is advancing towards being a middle-income country. Bangladesh bank's monetary policy stance for FY 2021-22 is to continue the expansionary mode, aiding the recovery of the economy by ensuring adequate actions to maintain overall price and financial stability. The private sector credit growth reached double-digit growth of 11% in January 2022, the highest in the past two years, due to the strong recovery in economic activities following pandemic-related stress. Imports of yarn, capital machinery, and intermediate products contributed significantly to the bills, indicating that production lines are still operational and that domestic consumer demand is high. However, the growth is still yet to reach the monetary target of 14%.

In 2022, Bangladesh is expected to face challenges that are not new but tough to manage. Higher oil prices, lower remittances, and the ongoing tension in the Eurozone pose a significant risk for the low and middle-income class due to soaring inflation. Despite the setbacks, opportunities in the pharmaceutical, telecom, and FMCG sector continue to grow. Implementation of large infrastructure projects, the

opening of new economic zones, and subsequent demand in domestic consumption will bring a considerable boost to the economy.

Since its inception in 2020, UCB Asset Management has also witnessed remarkable growth. The UCB AML First Mutual fund was launched in April 2021 and earned a return of 13.2% in just first nine months. In 2021, the company explored business development opportunities and had an active business year. UCB Asset Management attended BSEC's roadshows in multiple worldwide destinations: Dubai, London, Manchester, New York, Washington D.C., Los Angeles, and Santa Clara. UCB Asset actively participated in these roadshows to exhibit its product, highlight the business opportunities and build a relationship with foreign investors. It had the opportunity to showcase its first research magazine '2030 is Here', depicting the outlook of three major sectors (pharmaceutical, telecom, and consumer durables) in the new decade, in the UK event, attended by the Honorable Prime Minister.

UCB Asset Management believes in teamwork, and so we make sure that the employees are valued, appreciated, and acknowledged for their hard work. To ensure the right combination of experience and youth, a few more resources have been added to the current team. Two investor awareness workshops were organized at UCB's headquarters in June and October 2021 to increase awareness of open-end funds among general investors.

Service Description

UCB Asset Management was founded with a vision to facilitate investment management solutions to both corporate and retail investors through a well-defined investment process that facilitates long-term value appreciation and aspires to generate a lucrative risk-adjusted return. Currently, the company manages one open-end mutual fund namely UCB AML First Mutual Fund which gives investors the flexibility to enter and exit the fund depending on their liquidity requirements. Such open-end mutual funds pool money from multiple investors and invest the collected corpus in a combination of securities. The company is set to launch its first-ever Shariah-compliant product, UCB Taqwa Growth Fund by April 2022. Besides, UCB Asset Management separately manages investment accounts for institutions and high net-worth individuals who require customized investment solutions.

Pattern of Shareholding

Name of the Shareholders	No. of Shares	% of Share Holdings
United Commercial Bank Limited	99,999,999	99.999999%
Arif Quadri	1	0.000001%
Total	100,000,000	100%

Risks & Concern

- a) **Inflationary Risk:** The rise in global commodity prices has also pushed inflation in Bangladesh. Inflation crept to 6.1% in December 2021, the highest since June 2016. Global oil prices are increasing after a long period of subdued commodity prices. An increase in energy and other raw material prices is likely to cause low corporate earnings for manufacturing companies as they will struggle to pass the cost to consumers during a high inflation environment.
- b) **Pressure on External Sectors:** The global economy is reopening after the COVID-19 pandemic, the imports in the country are growing at a rate much faster than the exports. The current account deficit hit USD 8.2 billion during July – December 2022 and remittance inflow dropped by 21.0% in the first six-month of the FY 2021-22. The country is likely to face pressure in the external sectors during the next few quarters.
- c) **Liquidity Risk:** The last eighteen-month had a favorable liquidity condition for capital market operations as evident by the expansionary monetary policy from the central bank and also low-interest rates in the banking system. However, the reopening of the country's overall business activities has helped push up credit growth. Call money rates and government securities' yields are also ticking up – indicating a more tightened liquidity scene.

Extraordinary Gains or Loss

Extraordinary gains or losses refer to the infrequent and unusual gains or loss and which is not part of the company's ordinary, day-to-day operations. In 2021, there was no such extraordinary gain or loss reported.

Significant variance between quarterly financial performance and annual financial statements

There is no such variance between quarterly financial performance and annual financial statements of the company.

Statement of Remuneration Paid to the Directors including independent directors

At the end of 2021, UCB Asset Management Limited had 5 (five) members in the Board of Directors including the Managing Director & CEO and 1 (one) Independent Directors. None of the members of the Board received any remuneration or honorarium for attending the Board Meetings of the company.

Going Concern

After reviewing the company's present and potential business growth, annual budget, performance, liquidity position, plans and financing arrangement, the Directors are satisfied that the company has adequate resources to continue to operate in the foreseeable future and confirm that there is no material issue threatening to the going concern of UCB Asset Management. For this reason, Directors continue to adopt the going concern basis in preparing the financial statements.

Events After the Reporting Date

UCB Asset Management is pleased to notify that the second open-end mutual fund to be managed by UCB Asset Management namely UCB Taqwa Growth Fund has been fully subscribed with an initial size of BDT 35.0 crore. The company has also obtained the investment permission of the fund on 03 April 2022 from the Trustee of the fund, Sandhani Life Insurance Company Limited.

Role and Responsibility of the Board

The Board is devoted to the Company and enthusiastic for achieving sustainable long-term prosperity by meeting stakeholders' expectations. The Board is determined to ensure the best practices in accordance

Board of Directors

Name	Status in the Board
Abul Alam Ferdous	Chairman
Dr. Aparup Chowdhury	Independent Director
Nabil Mustafizur Rahman	Director, representing UCB
Mohammed Khorshed Alam	Director, representing UCB
Shekh Mohammad Rashedul Hasan	Manging Director & CEO

with statutory requirements.

Financial Performance of UCB Asset Management Limited

UCB Asset Management Limited is committed to increase long-term value for its shareholders through successful execution of strategic priorities and action plans. Against many odds, the company succeeded to deliver satisfactory financial results in 2021 by posting an operating profit of BDT 6.3 crore against an operating profit of BDT 89 lac in 2020.

Key Financial Indicators	BDT
Total Income	101,056,689
Profit from Operations	62,999,624
Net Profit after Tax	55,018,527

Follow up of IAS & IFRS in Preparation of Financial Statements

The Company keeps accounting records which disclose with reasonable accuracy of the financial position of the Company and it is the responsibility of the directors to ensure that the financial statements comply with the Companies Act 1994 and the Securities and Exchange Rules 1987. The Directors also confirm that the financial statements have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and other applicable rules and regulations.

Accounting Policies and Maintenance of Books of Accounts

As required by the regulators the company prepared financial statements, used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and that all International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) have been followed. In preparing financial statements, information has been obtained from the books of accounts which have been maintained properly as required by the applicable rules and regulations.

Retained Earnings

The retained earnings of the Company as of 31 December 2021 stood at BDT 6.09 crore, details of which are given in the Statement of Changes in Equity of the financial statement.

Dividend Declaration

UCB Asset Management declared 'no dividend' for its shareholders for the year ended 31 December 2021.

Auditors Appointment

Pursuant to Section 210 of the Companies Act, 1994, gives the authority to the Shareholders regarding the appointment of the external auditors and fixing up their remuneration. However, such appointment is subject to the approval of the Shareholders in the Annual General Meeting (AGM). 'MABS & J Partners, Chartered Accountants' was the independent auditor of the Company for the year 2021.

Acknowledgement

On behalf of the Board of Directors, I take the opportunity to express our heart-felt appreciation and gratitude to our business partners and shareholders for their continuous support and confidence in UCB Asset Management Limited. A special note of appreciation goes to the Management team and all the employees for their devotion, integrity, hard work and

professionalism to mold this young brand as a shining star in the capital market of Bangladesh. My sincere gratitude also goes to Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, and all other regulatory bodies who were involved in the growth of this Company for their invaluable assistance, support, guidance and counsel.

(On behalf of the Board of Directors)



Abul Alam Ferdous
Chairman
UCB Asset Management Limited

Report on the Audit of the Financial Statements

Independent Auditor's Report to the shareholders of UCB Asset Management Limited

Opinion

We have audited the Financial Statements of UCB Asset Management Limited, which comprise the statement of financial position as of 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the company as of 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that

includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c. The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC No.: 2203300535AS919476

Dated: 29 March 2022
Place: Dhaka, Bangladesh

UCB Asset Management Limited

Statement of Financial Position

As on 31 December 2021

Particulars	Notes	Amount in BDT	
		31-Dec-2021	31-Dec-2020
Assets			
Non-Current Assets			
Property, Plant and Equipment	3.00	474,312,635	3,061,950
Total Non-Current Assets		474,312,635	3,061,950
Current Assets			
Advances, Prepayments and Receivables	4.00	46,466,341	2,288,491
Investments	5.00	493,204,494	138,799,770
Cash and Cash Equivalents	6.00	69,578,232	365,655,082
Total Current Assets		609,249,067	506,743,343
Total Assets		1,083,561,702	509,805,293
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share Capital	7.00	1,000,000,000	500,000,000
Retained Earnings/ (Accumulated Loss)	8.00	60,874,664	5,856,136
Total Shareholders' Equity		1,060,874,664	505,856,136
Other Liabilities			
Other Liability	9.00	22,687,038	3,949,157
Total Liabilities & Shareholders' Equity		1,083,561,702	509,805,293

The annexed notes 01 to 15 form an integral part of these financial statements.



Chairman



Director



Managing Director & CEO

As per our report of same date

Dated: 29 March 2022
Place: Dhaka, Bangladesh

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No.: 535
DVC No.: 2203300535AS919476

UCB Asset Management Limited

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December, 2021

Particulars	Notes	Amount in BDT	
		31- Dec-2021	31-Dec-2020
Income			
Investment Income	10.00	57,588,270	15,798,021
Fee Income	11.00	8,904,561	405,833
Interest Income	12.00	34,563,858	2,359,401
Total Income		101,056,689	18,563,255
Expenses			
Administrative Expenses	13.00	37,808,705	9,457,888
Other Expenses	14.00	248,360	207,000
Total Expenses		38,057,065	9,664,888
Net Profit/ (Loss) before Income Tax		62,999,624	8,898,367
Provision for Income Tax	15.00	7,935,298	2,751,087
Provision for Deferred Tax	9.01	45,799	254,907
Net Profit/(Loss) after Income Tax		55,018,527	5,892,373

The annexed notes 01 to 15 form an integral part of these financial statements.



Chairman



Director



Managing Director & CEO

As per our report of same date

Dated: 29 March 2022
Place: Dhaka, Bangladesh

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No.: 535
DVC No.: 2203300535AS919476

UCB Asset Management Limited

Statement of Changes in Equity

For the year ended 31 December, 2021

Particulars	Share Capital	Retained Earnings/ (Accumulated loss)	Amount in Taka
Balance as on 01 January 2021	500,000,000	5,856,136	505,856,136
Addition Issued Capital (Rights Share)	500,000,000	-	500,000,000
Net Profit (Loss) during the Year	-	55,018,527	55,018,527
Balance as on 31 December 2021	1,000,000,000	60,874,664	1,060,874,664

For the year ended 31 December, 2020

Particulars	Share Capital	Retained Earnings/ (Accumulated loss)	Amount in Taka
Balance as on 01 January 2020	50,000,000	(36,236)	49,963,764
Addition Issued Capital (Rights Share)	450,000,000	-	450,000,000
Net Profit (Loss) during the Year	-	5,892,373	5,892,373
Balance as on 31 December 2020	500,000,000	5,856,136	505,856,136



Chairman



Director



Managing Director & CEO

Dated: 29 March 2022
Place: Dhaka, Bangladesh

UCB Asset Management Limited

Statement of Cash Flows

For the year ended 31 December, 2021

Particulars	Notes	Amount in BDT	
		31-Dec-2021	31-Dec-2020
Cash Flows from Operating Activities			
Interest Receipts in Cash		40,871,206	2,359,401
Dividend Receipts		4,066,827	1,179,900
Fees & Commission Receipts in Cash		3,498,145	323,333
Income taxes paid		-	-
Receipt from Operating Activities		45,915,328	13,931,038
Payment for Operating Activities		(35,697,142)	(5,658,989)
Operating Profit before Changes in Operating Assets and Liabilities		58,654,365	12,134,683
		-	-
Increase/Decrease in Operating Assets and Liabilities:			
Increase in Investment		(354,404,724)	(138,799,770)
Other Assets		(26,146,930)	(1,518,908)
Other Liabilities		-	(2,751,087)
		(380,551,654)	(143,069,765)
Net Cash from Operating Activities (A)		(321,897,288)	(130,935,082)
Cash Flows from Investing Activities			
Acquisition of Fixed Assets		(474,179,562)	(3,396,600)
Net Cash from Investing Activities (B)		(474,179,562)	(3,396,600)
Cash Flows from Financing Activities			
Issuance of Share Capital		500,000,000	450,000,000
Net Cash from Financing Activities (C)		500,000,000	450,000,000
Net Increase/(Decrease) in Cash (A+B+C)		(296,076,850)	315,668,318
Cash and Cash Equivalents at the Beginning of the Year		365,655,082	49,986,764
Cash and Cash Equivalents at the End of the Year		69,578,232	365,655,082



Chairman



Director



Managing Director & CEO

Dated: 29 March 2022
Place: Dhaka, Bangladesh

UCB Asset Management Limited

Notes to the Financial Statements

For the year ended 31 December 2021

1.00 Significant Accounting Policies and Other Material Information

1.01 Legal Status of the Company

UCB Asset Management Limited (the "Company") was incorporated in Bangladesh as a private limited company with limited liability on February 05, 2019 under the Companies Act 1994. The company is a wholly owned subsidiary of United Commercial Bank Limited (UCBL) and has obtained its' licence (**BSEC/Asset Manager/2020/46**) as an Asset Management Company from Bangladesh Securities & Exchange Commission on February 03, 2020.

1.02 Address of Registered Office and Principal Place of Business

The principal place of business and the registered office is located at Plot# CWS(A)-1, Road# 34, Gulshan Avenue, Dhaka -1212.

1.03 Nature of the Business Activities

1. Mutual Fund Management
2. Institutional Fund Management
3. Alternative Investment Management

Category of assets	Rate (%)	Basis
Land	Nil	Not Applicable
Vehicle	20%	Straight Line
Computer Equipment	20%	Straight Line
Office Equipment	20%	Straight Line
Furniture & Fixture	10%	Straight Line
Software	25%	Straight Line

1.04 Authorized Capital

The Authorized Share Capital of the company is taka 1000,000,000 (One Hundred Crore) divided into 100,000,000 (Ten Crore) Ordinary Shares of taka 10 (Ten) each with power to increase or reduce the capital and to divide the shares into different classes and to attach there to any special right or privileges or conditions as regards dividends, repayment of capital, voting or otherwise or to consolidate or sub-divide the shares.

2.00 Significant Accounting Policies

2.01 Basis of Preparation of Financial Statements

The Financial Statements have been prepared on a going concern basis under historical cost convention in accordance with International Accounting Standard (IAS) and International Financial reporting Standard (IFRS), the Companies Act 1994, Securities and Exchange Rules, 1987 and other laws & rules applicable in Bangladesh.

2.02 Property, Plant & Equipment

All Property, Plant and Equipment are stated at cost, together with any incidental expenses of acquisition less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". Expenditure incurred after the assets have been put into operation, such as repairs and maintenance are normally charged off as Revenue Expenditure in the period in which it is incurred. Depreciation on fixed assets acquired during the current year to be charged from the month of acquisition (full month depreciation is charged irrespective of the date of purchase during the month). The rates and bases used are as follows:

2.03 Components of Financial Statements

According to International Accounting Standard (IAS-1) "Presentation of Financial Statements" the complete set of Financial Statement includes the following components:

- (I) Statement of Financial Position
- (ii) Statement of Comprehensive Income
- (iii) Statement of Cash Flows
- (iv) Statement of Changes in Equity and
- (v) Related Notes for Each of the above items.

2.04 Reporting Currency

The figure in the Financial Statements represents Bangladesh Currency (Taka) which has been rounded off to the nearest Taka.

2.05 Going Concern

The accompanying financial statements have been prepared on a going concern assumption that the Company will continue in operation for the foreseeable future. The Company has neither any intention or any

legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters of the Company continued to show a healthy trend for couple of years. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

2.06 Reporting Period

The financial statements cover the period from 01 January 2021 to 31 December 2021.

Amount in BDT

	31-Dec-2021	31-Dec-2020
3.00 Property, Plant and Equipment		
Cost(A):		
Land	471,975,780	-
Vehicles	-	3,000,000
Computer Equipment	1,182,882	396,600
Software	1,417,500	-
	474,576,162	3,396,600
Accumulated Depreciation(B):		
Vehicles	-	300,000
Computer Equipment	233,996	34,650
Software	29,531	-
	263,527	334,650
Written Down Value (A-B)	474,312,635	3,061,950
A schedule of property, plant and equipment is given in Annexure-A		
4.00 Advances, Prepayments and Receivables		
Advance to UCB AML 1STMF	-	475,000
Advance to UCB Taqwa Growth Fund	800,000	-
Advance to Progress Motors Limited	3,738,000	-
ECF Car Loan	3,894,444	-
Deposit against IPO Application	22,083,930	-
Advisory Fee Receivable	1,240,413	82,500
Management Fee Receivable	4,248,504	-
Dividend Receivable	344,490	-
Interest Income on Zero Coupon Bond	544,679	-
Interest Income from FDRs	1,096,681	687,083
Advance Income Tax [Note:4.01]	8,475,201	1,043,908
	-	-
	46,466,341	2,288,491
4.01 Advance Income Tax		
AIT on Dividend Income	1,046,947	235,980
AIT on Interest	1,061,419	430,685
Advance Income Tax	6,194,438	353,910
AIT on Advisory Services Income	172,396	23,333
	8,475,201	1,043,908
5.00 Investments		
Investment in Listed Equity at Cost Price [Annexure-B]	158,029,660	70,299,770
Investment in UCB AML 1ST Mutual Fund	26,000,000	20,000,000
Investment in UCB Taqwa Growth Fund	50,000,000	-
Investment In Bond	98,275,692	-
Investment in FDR	160,899,142	48,500,000
	493,204,494	138,799,770
6.00 Cash & Cash Equivalents		
UCBL- Corporate Branch (Current A/C- 0951101000011371)	2,875	689
UCBL- Corporate Branch (SND A/C- 0951308000000025)	69,566,886	365,630,990
Cash in BO Account	-	541
Cash in Hand	8,471	22,862
	69,578,232	365,655,082
7.00 Share Capital		
Authorized Capital		
100,000,000 Ordinary Shares of Tk. 10 each	1,000,000,000	500,000,000
	1,000,000,000	500,000,000
Subscribed and Paid-up Capital		
50,000,000 Ordinary Shares of Tk. 10 Each	500,000,000	50,000,000
50,000,000 Rights Shares of Tk. 10 Each	500,000,000	450,000,000
	1,000,000,000	500,000,000

Amount in BDT

31-Dec-2021	31-Dec-2020
-------------	-------------

7.01 Share Holding Position

Name of the Shareholders	No. of Shares	No. of Shares
United Commercial Bank Limited	99,999,999	49,999,999
Arif Quadri	1	1
Total	100,000,000	50,000,000

Board of Directors

Name	Occupation
Abul Alam Ferdous	Banker
Dr. Aparup Chowdhury	Retired Govt. Officer
Nabil Mustafizur Rahman	Banker
Mohammed Khorshed Alam	Banker
Shekh Mohammad Rashedul Hasan	Private Service

8.00 Retained Earnings

Opening Balance	5,856,136	(36,236)
Add: Profit/(Loss) for The Year	55,018,527	5,892,373
	60,874,664	5,856,136

9.00 Other Liability

Audit Fee Payable	23,000	23,000
Payable to Vendors	346,207	40,338
VAT Payable	21,221	3,016
TDS Payable	54,354	172,816
Inter-Company Payable -UCBL	15,405	-
Provision for Tax	10,686,385	2,751,087
Payable to Others	11,239,760	703,992
Deffered Tax Liability [Note 9.01]	300,706	254,907
	22,687,038	3,949,157

9.01 Deffered Tax Liability

Deffered Tax on Asset:		
Fixed Asset at Accounting Base	474,312,635	3,061,950
Fixed Asset at Tax Base	473,310,281	2,277,620
Temporary Difference	1,002,353	784,330
Tax Rate @30% on Temporary Difference	300,706	254,907

10.00 Investment Income

Dividend Income	4,411,317	1,179,900
Gain/(Loss) on Sale of Share	45,915,328	3,831,821
Income from Treasury Investments	-	10,099,217
Interest Income on Zero Coupon Bond	544,679	-
Income on FDRs	6,716,945	687,083
	57,588,270	15,798,021

11.00 Fee Income

Mutual Fund Management Fee	6,248,504	-
Income from Advisory Service	2,656,058	405,833
	8,904,561	405,833

12.00 Interest Income

UCBL- Corporate Branch (SND A/C- 0951308000000025)	34,563,858	2,359,401
	34,563,858	2,359,401

Amount in BDT

	31-Dec-2021	31-Dec-2020
13.00 Administrative Expenses		
Salary and Allowances	27,969,949	6,035,996
Conveyance	113,695	22,698
Mobile bill	83,410	38,600
Bank Charge	44,590	1,313
BO Charge	450	950
Excise duty	30,000	80,000
VAT Expenses	-	26,201
Office Entertainment	577,161	66,410
Office General Expense	171,970	35,760
Accommodation Expenses	283,461	-
Business Development Expenses	349,887	2,030,829
IT Expenses	999,308	-
Air Fare	1,029,734	-
Web Page Development	85,050	-
Creative Media Expenses	995,140	-
Security Expenses	315,892	-
Perdiem Expenses	582,153	-
Nationwide Financial Literacy Program	630,975	-
Legal Expenses	688,258	-
Medical Allowance	83,834	-
Electricity Bill	300,089	-
Water Bill	13,487	-
Gas Bill	12,675	-
Fuel Expenses	262,765	-
Car Maintenance	34,530	-
Car Insurance Premium	203,901	-
Registration & Renewal-Car	111,739	-
Driver Salary & Allowance	346,600	-
Books & Periodicals Expenses	19,575	-
Printing Expenses	533,994	-
Miscellaneous	-	349,112
Vehicles Operation	705,556	435,370
Depreciation Expenses [Annexure-A]	228,877	334,650
	37,808,705	9,457,888
14.00 Other Expenses		
BSEC Registrantion & Annual Fee	160,000	70,000
EI Registration Fee	-	25,000
IPO Appliaction Bidding Fee	38,000	24,000
Payment to BD Angels Network	-	50,000
Remuneration to Intern	27,360	15,000
Audit Fee	23,000	23,000
	248,360	207,000
15.00 Income Tax Expense		
Income Tax Provision	7,935,298	2,751,087
	7,935,298	2,751,087

UCB Asset Management Limited

Fixed assets Schedule

For the year ended on 31 December 2021

Annexure-A

Sl No.	SI Particulars	Cost				Depreciation				Net Book Value at 31.12.2021	
		Opening Balance as on 01.01.2021	Addition during the period	Disposal during the period	Total Before Dep. Charge	Dep. Rate	Opening Balance	Depreciation during the period	Disposal/ Adjustment during the period		Accumulated Depreciation
1	Land	-	471,975,780	-	471,975,780	0%	-	-	-	-	471,975,780
2	Computer Equipment	396,600	786,282	-	1,182,882	20%	34,650	199,346	-	233,996	948,886
3	Software	-	1,417,500	-	1,417,500	25%	-	29,531	-	29,531	1,387,969
	Total	396,600	474,179,562	-	474,576,162		34,650	228,877		263,527	474,312,635

UCB Asset Management Limited

Investment in Capital Market

As on 31 December 2021

Instrument	Quantity	Average Cost (BDT)	Total Cost (BDT)	Market Price (BDT)	Total Market Value (BDT)	Unrealized Gain/Loss (BDT)
BATBC	80,000	629.55	50,363,872	635.60	50,848,000	484,128
GP	45,000	356.05	16,022,421	349.50	15,727,500	(294,921)
BRACBANK	1,385,000	47.01	65,107,216	55.30	76,590,500	11,483,284
SQURPHARMA	120,415	220.37	26,536,151	214.30	25,804,935	(731,216)
Total			158,029,660		168,970,935	10,941,274

প্রতি
মাসে
এক
শুক্রবার
ঘরে
থাকা
মানে

৪৬*
লাখ টাকা

উদ্যোগে, উৎসাহে



*উল্লিখিত SIP বিলিয়ারের সল্ল্যাক সর্বমোট উবিল্যৎ মূল্য ৳৪৫,৯৯,২৪৭
(২০ বছর ধরে প্রতি মাসে ৳৫,০০০, সল্ল্যাক ব্যৎসরিক রিটার্ন ৯২% হারে গণনা কৃত)
পূজিবাজারে বিলিয়ারে ঝুঁকিপূর্ণ। জেবে ও বুখে বিলিয়ারে ককরুন।

☎ ০১৭৩০-৭৪৫৪১৫

Bulus Center, Level-17, Plot-CWS-(A)-1, Road-34, Gulshan Avenue, Dhaka-1212

**UCB
INVESTMENT
LIMITED**



COMPANY PROFILE

The One-Stop Destination for All Financial Solutions

At UCB Investment Limited, our best-in-class investment bankers listen to clients' all financing and investment needs and provide bespoke solutions with utmost integrity. Our services include but are not limited to arrangement of local and foreign financing through different Fixed Income Securities, Syndication and Club Financing, Issue Management, Merger and Acquisition, Business Valuation, Portfolio Management Services, Corporate Advisory. We aim to be the long-term partner of our clients with a shared purpose of progressing sustainable economic growth and financial opportunity.

About our Journey

UCB Investment Limited (UCBIL) is a fully owned subsidiary of one of the leading private commercial banks in Bangladesh, United Commercial Bank Limited. From the initiation- we are committed to doing business in a socially responsible way. UCB Investment was formed in 2011 and received its license to start operation as a fully-fledged merchant bank on 5th October 2020 under the firm guidance of the founding Managing Director and CEO, Mr. Tanzim Alamgir.

Inaugurated on 29th November 2020, UCBIL started its journey as a fully-fledged merchant bank in the year 2020- which was truly an extraordinary year in the history of mankind. The unprecedented COVID 19 crisis changed the whole economic dynamics of the world but brought the best out of us as we steadily progressed and earned the trust of leading Banks, FIs, and Corporate houses of the country. This has been reflected by achieving a mandate to raise over BDT 5,000 Crore just in one year. We can say with confidence that we have successfully completed all the deals with our dynamic group of professionals having proven track records and scholastic backgrounds.

The key strength of UCB Investment Limited comes from its people, who are highly talented investment managers with vast and versatile experience in both local and international investment landscapes. Using this knowledge and expertise, UCB Investment Limited contributes toward the development of the capital market of Bangladesh by initiating new products and solutions and looks forward to contributing to the favorable economic growth of the country by becoming a significant force in the capital market. Keeping innovation and sustainable growth at the core of its operations, UCB Investment intends to give SDG (Sustainable Development Goals) a leading role in its corporate structure moving forward.

“We Invest in Society”

When we say - “We Invest in Society” – we mean it. It does not only mean passive investment by providing financial solutions to the clients for socio-economic development. Our aim is to implement strategies and policies that encourage investment towards the underprivileged community of Bangladesh to bring in positive impacts on society as a whole. To ensure sustainable socio-economic welfare we contribute to social causes that improve many lives and underdeveloped areas of the country. It drives us to lead with purpose, to build a better business and a sustainable future for all.

Our Primary Focus Areas:

- 1. Children Health, Education and Well-being.**
- 2. Retirement Homes and Medical Supports for Underprivileged Senior Citizen.**
- 3. Women Empowerment.**

VISION STATEMENT

- Aspires to be the best investment bank in the country that drives wealth towards a sustainable tomorrow.

MISSION

- Developing the overall financial structure of the economy through providing top-class, innovative and customized investment solutions for our clients.
- Helping clients finance projects that build a lasting socio-economic value for the country.
- Ensuring sustainable growth by driving operational excellence, being the no. 1 employer of choice for investment bankers.
- Sharing our success with our communities through implementing CSR activities.
- Aiming to integrate SDGs in the core business culture to accelerate the achievement of relevant goals.

CORE VALUES

- We do business for the sustainable growth of our partners
- We fulfill our commitment
- We pursue excellence
- We act with integrity
- We ensure equal participation of people in the workplace irrespective of gender, race, and religion
- We give back to our society

BOARD OF DIRECTORS



INVESTMENT
L i m i t e d

Mohammed Habibur Rahman
Chairman



INVESTMENT
L i m i t e d

Touhid Shipar Rafiquzzaman
Independent Director



INVESTMENT
L i m i t e d

Md. Shah Alam Bhuiyan
Director



INVESTMENT
L i m i t e d

Md. Abdullah Al Mamoon
Director



INVESTMENT
L i m i t e d

Nurul Mustafa Tarek
Director



INVESTMENT
L i m i t e d

Tanzim Alamgir
Managing Director & CEO

Directors' Report

Dear Shareholders,

The Directors of UCB Investment Limited take the pleasure of presenting the annual report together with the Audited Financial Statements for the year ended December 31, 2021.

1. Corporate Information

UCB Investment Limited (UCBIL) is a fully owned subsidiary of United Commercial Bank Limited – one of the leading private commercial banks in Bangladesh. It was incorporated in Bangladesh with the Registrar of Joint Stock Companies & Firms (RJSCF), vide registration number: C-94654/11 dated 3rd August 2011 as a private limited company under the Companies Act (Act XVIII) of 1994. It obtained full-fledged Merchant Banker & Portfolio Management license (Reg No: MB-97/2020) from Bangladesh Securities and Exchange Commission (BSEC) on 5th October 2020.

The company has been inaugurated on 29th November 2020, and Mr. Tanzim Alamgir is appointed as the founding Managing Director and Chief Executive Officer of the company. The company aims to play a vital role in bridging the gap in professional financial management services in the country and the gap between investors and investment opportunities. The registered address of the company is Bulus Center, Road: 34, Plot: CWS- (A)-1, Gulshan Avenue, Dhaka-1212.

With its group of versatile financial consultants, UCBIL covers all investment banking services including Corporate Advisory, Fixed Income Securities, Syndicate Loans, IPO Management, Portfolio Management, and many more. The entity aims at delivering top-class, customized investment solutions to its clients to cater to their specific needs and be their long-term growth partner.

The key strength of UCBIL comes from its people, who are highly talented investment managers with vast and versatile experience in the investment landscape, both locally and globally. Utilizing this knowledge and expertise, UCBIL intends to provide and promote unique financial solutions for the nation's most successful institutions and corporations. Keeping innovation and sustainable growth at the core of its operations, UCBIL intends to lead its clients and the country to a brighter and wealthier future.

2. World Economy

In the year 2021, Emerging Markets and Developing Economies (EMDE) along with advanced economies found ways to slowly recover from the Covid-19 economic depression. With the lockdown measures partially eased, economies began to recover worldwide. Most countries adopted expansionary monetary policy and fiscal stimulus to recover from such a significant dip in their economies.

World Bank projects that in the coming years, most economies will experience reasonable growth. However, growth will slightly slow down after the strong recovery of 2021.

A growing number of EMDEs have tightened monetary policies countering the last year's widely adopted expansionary approach in order to respond to inflationary pressures and currency depreciation. The removal of pandemic-related fiscal support may not be sufficient to stabilize debt levels in light of persistently weak revenues, and softer-than, projected growth or an abrupt tightening of financing conditions could trigger a deterioration in fiscal sustainability gaps. To bolster sustainable development over the longer term, it will be essential to implement policies that enhance crisis prevention, preparedness, and response. However, it is expected that overall growth in the world economy would go back to the pre-pandemic level.

Country	2017	2018	2019	2020	2021E	2022F	2023F
World	3.20%	3.00%	2.60%	-3.40%	5.50%	4.10%	3.20%
Advanced Economies	2.40%	2.20%	1.70%	-4.60%	5.00%	3.80%	2.30%
EMDE	4.50%	4.30%	3.80%	-1.70%	6.30%	4.60%	4.40%

Source: World Bank

3. Bangladesh Economy

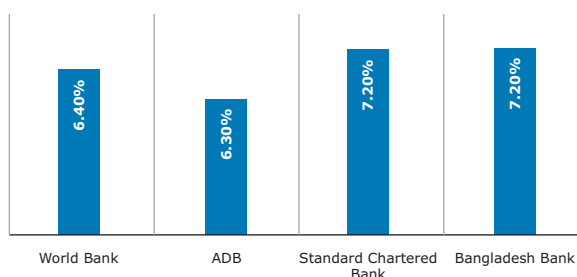
In 2021, the economy has returned to a higher growth trajectory. Import and export growth has rebounded in a strong manner as Covid-19 infection has reduced to a non-threatening level along with mass vaccination running at a good pace. One of the key drivers for this year would be the sharp rise in export which is partly driven by pent-up demand and partly due to shift in order from China to Bangladesh which will provide more long-term tailwinds. Private and Public sector credit growth is also expected to increase due to increased volume of operational endeavours taken by the businesses.

Foreign exchange reserves stood at USD 46.1bn in Dec'21 which is sufficient to cover 10.0 months' import payment. Sound export growth, strong remittance inflow, and normalized import will lead the BoP deficit to remain at a manageable level, relieving pressure on currency and money supply.

In last one year, inflation has remained stable but inflationary pressure seems to be apparent. There might be an upward pressure on inflation coming from supply-side especially due to the rising commodity price in the international market. Depending on the

extent of inflationary pressure, we may see some changes in the monetary policy stance from BB.

Fy22 GDP Growth Forecast Bangladesh



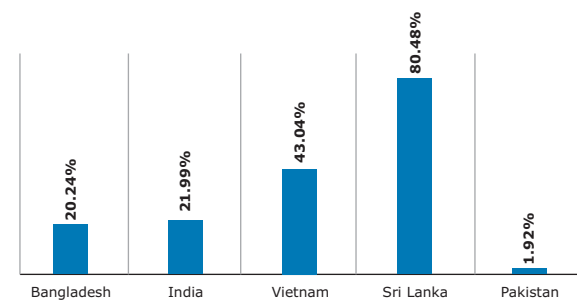
Currently, some mega projects are under construction namely, The Padma Multipurpose Bridge, Payra Deep Sea Port, Rooppur Nuclear Power Plant, Padma Bridge Rail Link, Dhaka Metro Rail, Matabari 1200MW Power Plant, Payra 1320MW Thermal Power Plant, Special Economic Zones and IT Parks, etc. Timely implementation of ongoing mega projects would boost the GDP of Bangladesh rapidly.

4. Capital Market Outlook

The Capital market of Bangladesh experienced an impressive year as DSEX, the broad index, advanced

by 20.24% in 2021. Average daily turnover for the period stood up at BDT 13.75bn which is 127 percent up from the last year. The market went through a strong inflow of capital due to relatively lower interest rates. Consequently, valuation of the overall market expanded. During the year, Bank, NBFIs and other issuer company raised fund through the issuance of bonds of around BDT 15,500 million. The total amount of capital raised through the issuance of IPO stood around BDT 7,893.60 million.

Capital Market Performance 2021



Source: Investing.com

The growth trend of capital market of almost all the countries in this region was quite evident. Capital markets of India, Vietnam and Sri Lanka experienced strong growth during the year 2021. Increased money supply and lower interest rate increased overall participation in the capital market.

In the coming year, the interest rate is expected to have a rise but hopefully, it would stay inside a favourable range. Moreover, corporates are expected to post higher growth in 2022 compared to 2021 and 2020, given faster consumption growth in 2022. It is also expected that foreign sale pressure would subside, as many large cap firms still offer attractive valuation to the investors. Due to existing pressure of foreign sales, these names have not achieved their deserved pricings yet. In addition, investors may reallocate their portfolio in favour of frontier markets if developed markets' continued, bull run slows down since historically frontier markets have maintained a low correlation with developed markets.

Capital Market Statistics

Date	Turnover (BDT bn)*	Market Cap (BDT bn)	DSEX	Change YoY	DSES	Change YoY	DS30	Change YoY
31-Dec-21	3,539	5,421	6,757	20.24%	1,431	10.13%	2,533	21.82%
31-Dec-20	1,350	4,482	5,402	21.30%	1,242	24.20%	1,964	29.80%
31-Dec-19	1,138	3,396	4,452	-17.30%	999	-19.00%	1,513	-19.60%
31-Dec-18	1,334	3,873	5,386	-13.80%	1,233	-11.40%	1,881	-17.60%

*Total annual turnover

Source: Dhaka Stock Exchange

5. Investment Banking Services

Fixed Income Securities

Bangladesh has invested billions of dollars in mega infrastructure projects that are expected to start operation within a few years. But, rolling these hard infrastructures on a consistent basis is only possible when the country simultaneously pursues the development of soft infrastructures like developing the capital market. Our dedicated expert team is working continuously to introduce new and innovative Fixed Income Securities structures for Financial Institutions and Corporate Houses to ensure a vibrant bond market exists for the benefit of all the market participants and potentially open doors for substantial fund flow through bonds from savers to investors. We have a strong footprint in arranging and listing different types of Bonds; which include- Perpetual Bonds and Sub-Ordinated Bonds for financial institutions, Convertible/Non-Convertible Zero-Coupon Bonds, etc.

When we act as Arranger and Issue Manager, we provide full-fledged support to our clients -starting from analysing the requirement and structuring the product accordingly, preparing prospectus as per the latest rules and regulations, negotiating terms with the investors, assisting to get all necessary regulatory approvals, fund raising, completing documentation and listing of the bonds as and when required.

Local and Foreign Loan Syndication

Bangladesh, one of the fastest-growing economies in the world, has undertaken massive development initiatives to enrich the lives of its people. As a part of this development, the number of new projects, project expansions, business entities, and financial institutes are increasing at the same pace. To support Greenfield Projects or Expansion Projects, Syndication Financing or Club Financing is a popular means for Corporates and Financial Institutes.

However, At UCB Investment Limited (UCBIL), we cater to the need of clients whose needs are complex and unconventional. Our Structured Finance team helps them in every step of their transaction. From preparing necessary documents to funding, raising, and collaborating with suitable local and foreign financial institutes, we serve on our best effort basis. Our highly experienced team with a global network is capable of executing simple Local Syndication and Club Financing deals to more complex transactions like DFI

Funding, Special Fund arrangement from Central Bank like IPFF, GTF, ECA Financing, Foreign DFI Fund arrangements, Arrangement of International Guarantee and so on.

Issue Management and Underwriting

With a team of professionally skilled and competent Investment Bankers, UCB Investment Limited provides high quality Issue Management services to their clients. Our Issue Management services include- Initial Public Offering (IPO), Rights Offering, Repeat Public Offering (RPO), Qualified Investors Offer (QIO), etc.

Our services include but are not limited to - valuation of the Issuer Company, preparation of Prospectus with the conformity of most updated law and regulations, carry out of the due diligence, review of material agreements with the assistance of legal counsel, appointments and coordination with the professional & regulatory bodies, representation of the company's strength to the right investors, coordination with Bangladesh Securities & Exchange Commission (BSEC) for the approval, coordination with the Financial Institutions and the underwriters, etc. UCBIL also participates in underwriting and helps in reducing risks in different public offerings. Overall, we pride ourselves on guiding issuers through the most challenging market conditions at every step of the proceedings.

Portfolio Management

UCB Investment Limited's vision is to lead the Portfolio Management sector through premium services. Our team of experienced portfolio managers has knowledge and expertise in managing huge funds curtailing the hurdles of the investors and providing them with the best investment advisory. Our Portfolio Management services include Discretionary Portfolio Management and Non-Discretionary Portfolio Management.

In Discretionary Portfolio Management, our dedicated investment managers will look after the client's portfolio with their best judgment and outlook on the market. The clients can delegate the hassles of the investment decisions to our team attuned to the market vagaries and get the optimum investment solutions.

We also provide Non- Discretionary Portfolio Management services where experts do all the market-related research and recommendations for the esteemed clients but the clients have absolute discretionary power to make the final decision. We also facilitate clients with margin loans according to best-suited profiles.

Corporate Advisory

At UCB Investment, our client comes first. We listen to our clients so that we can understand their financial requirements better. In order to assist the clients to reach their desired long-term and/or short-term financial goals, we provide diversified Corporate Advisory services. Often the Corporate Advisory services are tagged with our other services like Structured Finance and Issue Management services. Our Corporate Advisory services include a review of capital structure and providing necessary advisory services for appropriate financial restructuring, structuring of the transaction, assisting in a formal capital planning exercise for clients, thorough due diligence for preparation of the offering, resolving legal and regulatory issues, advising on the timing of the placement and offering of the securities, etc.

Merger and Acquisition

The professional advisers of UCB Investment provide 360-degree due diligence of transferor and transferee companies for developing Amalgamation Schemes. At UCBIL, our experts assess the intrinsic value of a business. As a reliable M&A adviser, we structure the transaction, conduct valuation, conduct due diligence, assess all material agreements, negotiate the best price for our client and ensure the closing of the deal.

Business Valuation

Valuation of Business is the process of revealing the economic value of a company. Business Valuation is required for numerous reasons- be it a regulatory requirement for investment or repatriation of funds to a foreign country, taxation reporting, determining the sales/purchase price of a company, or any other ad-hoc requirement of clients; UCB Investment caters to all segments of valuation. Our valuation service includes analysis of the company's management, its capital structure, its future earnings prospects, and evaluation of the market value of its assets.

Agency and Trustee

To support its continuous growth, Bangladesh needs more and more advancement in its economy and industries which require additional financing locally and globally. Different financial instruments have been continuously used to meet this financial need. As a result, the importance of the presence of Trustee and Agency in the transaction has emerged to ensure investors' or lenders' rights and compliance requirements.

At UCB Investment Limited (UCBIL), our experienced team provides the service of a Trustee, Facility and Security Agent, and Issuing and Paying Agent to ease financial transactions by ensuring different compliance requirements.

As a Trustee or Agency, we conduct due diligence on the financial and transactional documents as and when required as per relevant law of the country, act in the best interest of the Investors and Lenders as per relevant trust deeds and Agency Agreements, monitor and administrate the trust, act as a point of contact between Issuer/Borrower and Investors/Lenders group, ensure timely and seamless transactional supports, coordinate legal procedures on behalf of the Investors and Lenders within the scope of relevant law and agreements.

Placement and Transfer Agent Services

The dynamic team of UCB Investment is equipped to provide out-of-the-box services to you such as acting as placement agent and Transfer Agent Services. This service of UCBIL is unique because we are ready to be by your side –even when you appoint another Arranger to raise funds and they struggle to do so! As a placement agent we would find investors/lenders for you and help you to close the deal – be it a debt instrument or syndication/club financing transaction; with the help of our strong network and partnership with local and foreign investor/lender groups. As a transfer agent, we can also help our clients to find a buyer/seller to offload certain investments in absence of active secondary market.

6. Business Operation

The key operation of UCB Investment Limited is to provide advisory services to its clients and customers. UCBIL with its highly skilled team aims to provide all kinds of advisory services both debt and equity to its clients and customers. The entity also aims at delivering top-class, customized investment solutions to its clients to cater to their specific needs and be their long-term growth partner.

7. Business Ethics & Compliance

Sincerity, honesty, and integrity contribute to our long-term relationships with the clients. Our expectations for all of our employees are set out in ethical principles. The objective of the policy is to maintain our reputation for exceptional client service and ethical business dealings.

8. Role & Responsibility of the Board

The Board is devoted to the Company and enthusiastic about achieving sustainable long-term prosperity by meeting stakeholders' expectations. The Board is determined to ensure the best practices in accordance with statutory requirements.

Board of Directors	Status in Board
Mohammed Habibur Rahman	Chairman
Touhid Shipar Rafiquzzaman	Independent Director
Md. Shah Alam Bhuiyan	Director, representative of UCB
Nurul Mustafa Tarek	Director, representative of UCB
Md. Abdullah Al Mamoon	Director, representative of UCB
Tanzim Alamgir	Managing Director & CEO

9. Financial Highlights:

UCB investment Limited. is formed back in 2011 and has received the license to operate as a fully-fledged merchant bank in 2020. The company has started with a vision to be in the leading position within the next three years. The key financial highlights of the company are given below:

Financial Position	Amount in BDT	
	2021	2020
Total Assets	1,225,376,903	370,404,705
Total Liabilities	92,882,925	58,210,620
Operating Revenue	136,962,759	(1,746,958)
Operating Expense	(40,351,062)	(4,571,721)
Net Profit Before Tax	105,746,301	(2,750,320)
Net Profit After Tax	70,299,893	(4,172,236)
Paid-up Capital	1,000,000,000	250,000,000
Shareholders' Equity	1,132,493,978	312,194,085
Return on Assets	5.74%	-1.13%
Return on Equity	6.21%	-1.34%

10. Shareholding Position

Shareholders	% of Share Holdings	No. of Shares
United Commercial Bank Limited	99.999999%	99,999,999
Mohammed Habibur Rahman	0.000001%	1
	100%	100,000,000

11. Observance of IAS, IFRS & Applicable Laws

The Company keeps accounting records that disclose with reasonable accuracy of the financial position of the Company and it is the responsibility of the directors to ensure that the financial statements comply with the Companies Act 1994 and the Securities and Exchange Rules 1987. The Directors also confirm that the financial statements have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards, and other applicable rules and regulations.

12. Accounting Policies & Maintenance of Books of Accounts

As required by the regulators the company prepared financial statements, using appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and all International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) have been followed. In preparing financial statements, information has been obtained from the books of accounts which have been maintained properly as required by the applicable rules and regulations.

13. Report on Going Concern

The Directors are satisfied with the present and potential business growth, annual budget, performance, liquidity position, plans, and financing arrangement of the company. The Company has adequate resources to continue to operate in the foreseeable future and confirms that there is no material issue threatening the going concern of the company. For this reason, Directors continue to adopt the going concern basis in preparing these financial statements.

14. Dividend Declaration

UCB Investment Limited declared 'no dividend' for its shareholders for the year ended 31 December 2021.

15. Auditors Report

The Board of Directors reviewed the Auditors Report issued by the auditors of the company, MABS & J Partners Chartered Accountants based on their audit of financial statements for the year ended 31 December 2021. The auditor didn't mention any material misstatement or significant disagreement regarding the review of the financial statements of the company. The Board also reviews the auditors' suggestions

provided through a separate management report and strategic guidelines to the management for improvement.

16. Auditors Appointment

Pursuant to Section 210 of the Companies Act, 1994, the Company's external auditors 'MABS & J Partners' was re-appointed as the independent auditor of the Company for the year 2021 in its Annual General Meeting.

17. Acknowledgement

On behalf of the Board of Directors, I take the opportunity to express our heartfelt appreciation and gratitude to our business partners and shareholders for their continuous support and confidence in UCB Investment Limited. A special note of appreciation goes to the Management team and all the employees for their devotion, integrity, hard work, and professionalism to meld this young brand as a shining star in the capital market of Bangladesh. My sincere gratitude also goes to Bangladesh Securities and Exchange Commission, Dhaka and Chittagong Stock Exchanges, and all other regulatory bodies who were involved in the growth of this Company for their invaluable assistance, support, guidance and counsel.

(On behalf of the Board of Directors)



Mohammed Habibur Rahman
Chairman
UCB Investment Limited

Independent Auditors' Report

To the shareholders of UCB Investment Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of UCB Investment Limited, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c. the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated: 29 March 2022
Place: Dhaka, Bangladesh

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No.: 535
DVC No.: 2203300535AS239151

UCB INVESTMENT LIMITED

Statement of Financial Position

As on 31 December 2021

Particulars	Notes	Amount in BDT	
		31-Dec-2021	31-Dec-2020
Assets			
Non-Current Assets			
Property, plant and equipment	3.00	473,304,794	242,948
Total Non-Current Assets		473,304,794	242,948
Current Assets			
Cash and cash equivalents	4.00	459,118,073	145,489,946
Investments in equity instruments	5.00	181,855,813	193,879,459
Investment in FDR	5.01	51,361,250	-
Advances, deposits and prepayments	6.00	3,547,183	-
Other assets	6.01	56,189,790	30,792,352
Total Current Assets		752,072,109	370,161,757
Total Assets		1,225,376,903	370,404,705
Liabilities and Capital			
Shareholders Equity			
Paid up capital	7.00	1,000,000,000	250,000,000
Retained earnings		132,493,978	62,194,085
Total Shareholders' Equity		1,132,493,978	312,194,085
Non-Current Liabilities			
Provision for diminution in value of investment	8.1	-	9,365,129
Total Non-Current Liabilities		-	9,365,129
Current Liabilities			
Accrued expenses	8.2	69,000	92,000
Payable to UCBL		-	17,005,516
Tax Provision		63,009,516	27,650,083
Other Liabilities	8.2.1	29,804,409	4,097,892
Total Current Liabilities		92,882,925	48,845,491
Total Liabilities	8.00	92,882,925	58,210,620
Total Liabilities & Shareholders' Equity		1,225,376,903	370,404,705

The annexed notes from 01 to 12 are the integral part of these financial statements.



Chairman



Director



Managing Director & CEO

As per our report of same date

Dated: 29 March 2022
Place: Dhaka, Bangladesh

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No.: 535
DVC No.: 2203300535AS239151

UCB INVESTMENT LIMITED

Statement of Profit or Loss and Other Comprehensive Income
For the year ended as at 31 December 2021

Particulars	Notes	Amount in BDT	
Income			
Investment income	9.00	18,864,335	(1,746,958)
Fee Based Income	9.01	74,507,609	-
Income from Portfolio Operations	9.02	2,123,574	-
Interest income	9.03	41,467,241	-
Total Income		136,962,759	(1,746,958)
Expenses			
Administrative Expenses	10	(40,351,062)	(4,571,721)
Total Expenses		(40,351,062)	(4,571,721)
Profit/ (Loss) before Provision		96,611,696	(6,318,679)
Provision for diminution in value of investment	11.01	9,365,129	3,568,359
Provision for Others	11.02	(230,525)	-
Net Profit/ (Loss) after provision		105,746,301	(2,750,320)
Provision for income tax	12.01	(35,359,434)	(1,421,916)
Provision for Deferred Tax Expense	12.02	(86,974)	-
		(35,446,408)	(1,421,916)
Net Profit/(Loss) after Income Tax		70,299,893	(4,172,236)

The annexed notes from 01 to 12 are the integral part of these financial statements.


Chairman


Director


Managing Director & CEO

As per our report of same date

Dated: 29 March 2022
Place: Dhaka, Bangladesh

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No.: 535
DVC No.: 2203300535AS239151

UCB INVESTMENT LIMITED

Statement of Changes in Equity

For the year ended as at 31 December, 2021

Particulars	Amount in BDT		
	Paid up capital	Retained Earnings/ (Accumulated loss)	Total
Opening Balance as on 01 January 2021	250,000,000	62,194,085	312,194,085
Issuance of Share Capital during the year	750,000,000		750,000,000
Net Profit (Loss) for the period	-	70,299,893	70,299,893
Balance as at 31 December 2021	1,000,000,000	132,493,978	1,132,493,978

For the year ended as at 31 December 2020

Particulars	Amount in BDT		
	Paid up capital	Retained Earnings/ (Accumulated loss)	Total
Opening Balance as on 01 January 2020	250,000,000	66,366,321	316,366,321
Net Profit (Loss) for the period	-	(4,172,236)	(4,172,236)
Balance as at 31 December 2020	250,000,000	62,194,085	312,194,085


Chairman


Director


Managing Director & CEO

Dated: 29 March 2022
Place: Dhaka, Bangladesh

UCB INVESTMENT LIMITED

Statement of Cash Flows

For the year ended on 31 December 2021

Particulars	Amount in BDT	
	31-Dec-2021	31-Dec-2020
A. Cash flows from operating activities		
Interest Receipts	39,464,313	-
Dividend Receipts	5,306,491	7,109,580
Fees & Commission Receipts	56,570,847	-
Income taxes paid	-	(17,199,058)
(Payment)/Receipt from other operating activities	(15,087,606)	(8,856,538)
Payments to employees	(9,318,795)	(866,699)
Payment for other operating activities	-	(79,000)
Operating profit before changes in operating assets and liabilities.	76,935,250	(19,891,716)
Increase/Decrease in operating assets and liabilities:		
Purchase/Sales of trading Securities	12,762,350	109,582,470
Client Deposit	202,271,728	-
Client Withdrawal	(179,022,617)	-
Client Dividend/IPO	(50,910)	-
Settlement with UCB Stock Brokerage Ltd	(11,702,762)	-
Other assets	(33,322,653)	21,945,527
Other Liabilities	(18,863,678)	503,249
	(27,928,543)	132,031,246
Net Cash flow from operating activities (A)	49,006,707	112,139,530
B. Cash flows from investing activities		
Purchase/Sale of Securities	37,900,000	(2,712,540)
Proceeds from sale of fixed Assets	-	-
Acquisition of Fixed Assets	(473,278,580)	(251,326)
Investment in FDR	(50,000,000)	-
Net Cash flow from investing activities (B)	(485,378,580)	(2,963,866)
C. Cash flows from financing activities		
Issuance of Share capital	750,000,000	-
Receipts/(Paid) from borrowings	-	16,238,495
Dividends Paid	-	-
Net cash flow from financing activities (C)	750,000,000	16,238,495
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	313,628,127	125,414,159
Cash and Cash equivalents at beginning of the year	145,489,946	20,075,787
Cash and cash equivalents at the end of the year	459,118,073	145,489,946
Cash in hand	46,661	-
Balance with other banks & financial institutions	459,071,412	145,489,946
	459,118,073	145,489,946



Chairman



Director



Managing Director & CEO

As per our report of same date

Dated: 29 March 2022
Place: Dhaka, Bangladesh

UCB INVESTMENT LIMITED

Notes to the Financial Statements For the period ended 31 December 2021

1.00 Significant accounting policies and other material information

1.01 Legal status of the Company

UCB Investment Limited (hereinafter referred to as "UCBIL" or "the Company") was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-94654/11 dated 03 August 2011 as a private limited company under the Companies Act, 1994. The Company has obtained Merchant Banking license (registration certificate no. MB-97/2020) from the Bangladesh Securities and Exchange Commission on 05 October 2020. The registered and corporate office of the Company is BULU'S Centre, Plot- CWS-(A)-1, Road No- 34, Gulshan Avenue, Dhaka-1212. This Company is a fully owned subsidiary of United Commercial Bank Limited.

Currently the company has following licenses, Membership and legal approvals:

- Fund Management to Issue in the Capital and Security Market
- Underwrite, Manage and Distribute the Issue of Stock Shares, Bonds and Other Securities

2.00 Significant Accounting Policies

2.01 Basis of preparation of Financial Statements

The Financial Statements have been prepared on a going concern basis under historical cost convention in accordance with International Accounting Standard (IAS) and International Financial Reporting Standard (IFRS), the Companies Act 1994, Securities and Exchange Rules, 1987 and other laws & rules applicable in Bangladesh.

2.02 Components of Financial Statements

According to International Accounting Standard (IAS-1) "Presentation of Financial Statements" the complete

SI No.	License/ Membership	Registration/ Membership No.	Date of Issue	Issuing Authority	Renewed up to
1	Registration Number	C-94654/11	03 August 2011	Registrar of Joint Stock Companies and Firms (RJSC)	N/A
2	Trade License	170697	04 March 2020	Dhaka North City Corporation (DNCC)	FY 2021-2022
3	Merchant Banking License	MB-97/2020	05 October 2020	Bangladesh Securities and Exchange Commission (BSEC)	N/A
4	Tax Identification Number (e-TIN)	652925295368	25 March 2014	National Board of Revenue (NBR)	N/A
5	Business Identification Number (BIN)	003643141-0101	11 March 2021	Customs, Excise and VAT Commissionerate, Dhaka (North), Gulshan Division	N/A

1.02 Address of Registered office and principal place of business

The principal place of business and the registered office is located at Plot# CWS(A)-1, Road# 34, Gulshan Avenue, Dhaka -1212.

1.03 Nature of the Business Activities

- Portfolio Management
- Share Transfer Agent

set of Financial Statement includes the following components:

- (I) Statement of Financial Position
- (ii) Statement of Profit or Loss and other Comprehensive Income
- (iii) Statement of Cash Flows
- (iv) Statement of Changes in Equity and
- (v) Notes to the Financial Statements

2.03 Investment in Shares and Securities

As per requirements of IFRS 9 (Financial Instruments) investments in equity instruments (except those accounted for under the equity method of accounting or those related to a consolidated investee) to be measured at fair value, with changes in fair value

method. Charging depreciation commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. No depreciation has been charged on land. Rate and method of charging depreciation/ amortization of fixed assets are mentioned below:

Category of assets	Rate (%)	Basis
Land	NILL	Not applicable
Building	2.50%	Straight Line Method
Furniture & Fixtures	10.00%	Straight Line Method
Office Equipment	20.00%	Straight Line Method
Computer Equipment's	20.00%	Straight Line Method
Computer Software	25.00%	Straight Line Method
Vehicle	20.00%	Straight Line Method

recognized in profit or loss, except for a qualifying investment (1) that is not held for trading and (2) that the holder elects at initial recognition to account for at fair value through other comprehensive income (FVTOCI). An investment in an equity instrument that has been designed as FVTOCI cannot be reclassified to fair value gains and losses recognized in other comprehensive income (OCI) for such investments cannot be subsequently transferred to profit or loss.

2.04 Property, Plant and Equipment and Depreciation

All Property, Plant and equipment are stated at cost, together with any incidental expenses of acquisition less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

Depreciation

Depreciation is charged at the rates stated below on all fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Company. In all cases depreciation is calculated on the straight line

Changes in useful life and method of depreciation of the property, plant and equipment

Both changes in useful life of the property, plant and equipment and method of depreciation, i.e. consumption pattern of the assets shall be accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Capita Work in Progress

Property, plant and equipment under construction is recognized and reported under Fixed Assets as per IAS 16 'Property, Plant & Equipment' as Capital work in progress until the construction work is completed and the asset is ready for the intended use. This asset is stated at cost and depreciation of the asset will be charged from the date of its intended use.

2.05 Reporting Currency

The figure in the Financial Statements represents Bangladesh Currency (Taka) which has been rounded off to the nearest Taka.

Amount in BDT

3.00 Property, Plant and Equipment**Cost(A):**

	31-Dec-2021	31-Dec-2020
Office Equipment	310,603	-
Computer Equipment	1,244,015	251,326
Land	471,975,288	-
	473,529,906	251,326
	-	-
	-	-
	473,529,906	251,326

Intangible assets

Computer software

Accumulated Depreciation(B):

Building & Construction	-	-
Furniture and Fixture	-	-
Office Equipment	26,570	-
Computer Equipment	198,542	8,378
	225,112	8,378
	473,304,794	242,948

Written down value (A-B)**4.00 Balance with Banks & Financial institutions**

The Company maintained Bank Account in the Corporate Branch of United Commercial bank Ltd in the name of UCB Investment Limited.

UCBL- Corporate Branch (A/C- 0951101000005517)	1,124,912	145,489,946
UCBL- Corporate Branch (A/C- 0951308000000036)	350,578,790	-
UCBL- Corporate Branch (A/C- 0951308000000158)	107,367,359	-
UCBL- Corporate Branch (A/C- 0951308000000160)	351	-
Cash in Hand	46,661	-
	459,118,073	145,489,946

5.00 Investments

Investment in listed shares	129,818,313	191,166,919
Other Investment in IPO	22,037,500	2,712,540
Investment in UCBAML MF	30,000,000	-
	181,855,813	193,879,459

5.01 Investment in FDR

FDR in IPDC Finance Limited	51,361,250	-
	51,361,250	-

6.00 Advances, Deposits and Prepayments

Security Deposit	200,000	-
ECF Loan to Employee	3,347,183	-
	3,547,183	-

6.01 Other Assets

Advance Income Tax	38,582,917	26,279,513
Advance against expenses	65,625	-
Advance for Capital Expenditure	2,463,000	-
Margin loan to Clients	2,451,025	-
Balance with UCB Stock Brokerage Ltd	172,100	1,976,073
Dividend Receivable-POD Client	522,814	-
Dividend Receivable-Own Portfolio	341,881	2,536,766
FDR Interest Receivable	490,428	-
Issue Management/Arrangement fee receivable	11,100,000	-
	56,189,790	30,792,352

Amount in BDT

7.00 Share Capital

Authorized Capital
100,000,000 Ordinary Shares of Tk. 10 each

Subscribed and Paid-up Capital

100,000,000 Ordinary Shares of Tk. 10 each

	31-Dec-2021	31-Dec-2020
	1,000,000,000	1,000,000,000
	1,000,000,000	1,000,000,000
	1,000,000,000	250,000,000
	1,000,000,000	250,000,000

7.01 Share Holding Position

Shareholders	% of Share Holdings	No. of Shares
United Commercial Bank Limited	99.999999%	99,999,999
Mohammed Habibur Rahman	0.000001%	1
	100%	100,000,000

Board of Directors

Name	Position	Occupation
Mohammed Habibur Rahman	Chairman	Banker
Touhid Shipar Rafiquzzaman	Independent Director	Retired Banker
Md. Shah Alam Bhuiyan	Director	Banker
Nurul Mustafa Tarek	Director	Banker
Md. Abdullah Al Mamoon	Director	Banker
Tanzim Alamgir	Managing Director & CEO	Private Service

8.00 Liability**8.1 Non-Current Liabilities (A)**

Provision for diminution in value of investment

-	9,365,129
-	9,365,129

8.2 Current Liabilities (B)

Accrued expenses

Payable to UCBL

Tax provisions

Other Liabilities(8.2.1)

69,000	92,000
-	17,005,516
63,009,517	27,650,083
29,804,409	4,097,892
92,882,925	48,845,491

8.2.1 Other Liabilities

TDS Payable Salary & Supplier

VAT Payable Supplier & Others

Payable for PF, GF, EWF & ESS

Payable for expenses

Provision for Expenses

Provision for EHLB Loan

Deferred Tax Liability

Deposit Suspense Account

CDBL Expense Payable

Payable to UCB Stock Broker (POD)

Customer Deposit-NDA (Portfolio Operation)

Customer Deposit-DA (Portfolio Operation)

68,310	57,008
81,920	-
612,512	65,485
15,993,806	-
356,280	3,975,399
230,525	-
86,974	-
800,000	-
-	-
211,093	-
10,636,882	-
726,107	-
29,804,409	4,097,892

Total Liability

92,882,925	58,210,620
-------------------	-------------------

9.00 Investment Income

Dividend Income

Gain/(Loss) on sale of Share

4,427,900	7,109,580
14,436,435	(8,856,538)
18,864,335	(1,746,958)

	Amount in BDT	
	31-Dec-2021	31-Dec-2020
9.01 Fee Based Income		
Issue Management/Arrangement Fee, Structured Finance	53,807,609	-
Issue Management/Arrangement Fee, Syndication	20,350,000	-
Issue Management/Arrangement Fee, IPO	350,000	-
	74,507,609	-
9.02 Income from Portfolio Operations		
Documentation Charge, NDA	10,000	-
Documentation charges - BDA	2,000	-
Settlement Fee, POD	838,951	-
Fraction Gain on dividend collection	168	-
Gain on CDBL Annual fees payment	3,000	-
Commission on IPO Application	110	-
Interest on Margin Loan NDA	1,264,983	-
Portfolio Management Fees - BDA	4,362	-
	2,123,574	-
9.03 Other Income		
SND Interest Income	39,464,313	-
FDR Interest Income	2,002,928	-
	41,467,241	-
10.00 Administrative Expenses		
Salary and Allowances	25,865,075	989,192
Car Insurance Premium General	111,367	-
Electricity Expenses, Head Office	438,467	-
Water Expenses, Head Office	25,633	-
Other Utility Expenses, Head Office	20,215	-
Depreciation, Head Office	216,735	8,378
Regulatory Fees, General	115,000	-
Legal and Professional Fees Others	1,188,928	-
Courier Expenses General	330	-
Stamp Charges General	45,080	-
Mobile Expenses General	136,213	-
Stationary Expenses General	75,562	-
Printing Expenses General	115,706	-
Advertisement General	98,296	-
Business Development Expenses	1,195,741	3,472,151
Conveyance General	296,584	-
Traveling Expenses, General	729,242	-
Airfare, General	1,133,686	-
Accommodation, General	328,882	-
Per Diem General	444,098	-
ECF Car Expenses	700,659	-
EHBL Expenses	146,761	-
Client Entertainment Expenses	879,667	-
Corporate Conference Expenses	779,218	-
Training and Development Expenses	9,233	-
Client Promotion Expenses	874,200	-
Audit Fees	23,000	23,000
Bank Charges, Head Office	128,750	40,000
Medical Expenses, General	43,650	-
Other Expenses-IPO	38,000	14,000
Other expenses/income - Own Portfolio	862	-
Office Maintenance General	1,692,386	-
Security Expenses, Head Office	331,503	-
Car Expenses, General	796,663	-
CDBL Settlement Transfer Fee	60,456	-
CDBL CDS Connection Fee	3,000	-
Other IT and telecommunication Expenses	163,232	-
Digital Content Development Expenses	498,982	-
Membership and renewal fees, General	500,000	25,000
Social Welfare Activities	100,000	-
	40,351,063	4,571,721

Amount in BDT

	31-Dec-2021	31-Dec-2020
11.00 Provision		
11.01 Provision for diminution in value of investment	(9,365,129)	(3,568,359)
	(9,365,129)	(3,568,359)
11.02 Other Provision		
Provision for EHLB Loan	230,525	-
	230,525	-
12. Tax Provision		
12.01 Tax Provision		
Current Period Tax Provision	35,359,434	1,421,916
	35,359,434	1,421,916
12.02 Deferred Tax Liability		
Fixed Asset at Accounting Base	473,304,794	-
Fixed Asset at Tax Base	473,072,863	-
Temporary Difference	231,931	-
Tax Rate @37.50% on Temporary Difference	86,974	-
Allocation of Deferred Tax Liability/(Asset) During the Period		
Opening Balance of Deferred Tax Liability	-	-
Closing Balance of Deferred Tax Liability	86,974	-
Charge to Profit or Loss	86,974	-

UCB INVESTMENT LIMITED

Fixed assets Schedule

For the year ended as at 31 December 2021

Annexure-A

Sl No.	SI Particulars	Cost				Depreciation				Written down value as on 31.12.2021	
		Opening Balance as on 01.01.2021	Addition during the year	Disposal during the year	Total Before Dep. Charge	Dep. Rate	Opening Balance	Disposal/ Adjustment during the period	Charged during the year		Accumulated Depreciation
1	Computer Equipment	251,326	992,689	-	1,244,015	20%	8,378	-	190,164	198,542	1,045,473
2	Office Equipment's	-	310,603	-	310,603	20%	-	-	26,570	26,570	284,033
3	Land	-	471,975,288	-	471,975,288	0%	-	-	-	-	471,975,288
	Total	251,326	473,278,580	-	473,529,906	0	8,378	-	216,735	225,112	473,304,794

ABOUT UCB INVESTMENT LIMITED

UCB Investment Limited (UCBIL) is a fully owned subsidiary of United Commercial Bank Limited – one of the leading private commercial banks in Bangladesh.

Incorporated in Bangladesh dated 3rd August, 2011 as a Private Limited Company.

Obtained full-fledged Merchant Banker & Portfolio Management License on 5th October, 2020.

Inaugurated on 29th November 2020, UCBIL offers 360-degree financial solutions

Founding & Current Managing Director and CEO
Mr. Tanzim Alamgir

CONTACT US

Bulus Center (17th Floor), Road: 34,
Plot: CWS - (A)-1, Gulshan Avenue, Dhaka
1212.

www.ucb-investment.com



WE
INVEST
IN
SOCIETY

OUR FOOTPRINTS

EQUITY ARRANGEMENT

- Issue Management Services
Public Offering and Right Issues Service to Investors
- Underwriting Services
Commitment in Fund raising for Public Offering
- Private Equity Arrangement

PORTFOLIO MANAGEMENT SERVICES

- Non Discretionary Portfolio Management
Portfolios are managed under the Client's Discretion
 - Margin Account
 - Non Margin Account
- Discretionary Portfolio Management
Portfolios are managed under the discretion of Portfolio Managers

STRUCTURED FINANCE PRODUCTS

- Local and Foreign Currency Loan Syndication
- Fixed Income Securities
- Corporate Advisory
- Merger and Acquisition
- Business Valuation
- Agency and Trustee
- Placement and Transfer Agent Services

OUR VALUED CLIENTS



UNITED COMMERCIAL
BANK LIMITED



UCB FINTECH COMPANY LIMITED



উপায়



একটি UCB প্রতিষ্ঠান

Corporate Profile

One of the biggest strengths of the Bangladeshis is resilience in the face of challenges, persistently figuring out solutions to any problem we confront. Inspired by this optimistic spirit, উপায় (upay) was founded to become a companion that makes customer journey simple, secure, and convenient, while availing financial services.

উপায় (upay) is the digital financial service brand of UCB Fintech Company Limited, a subsidiary of the United Commercial Bank. Upon receiving the license from Bangladesh Bank, উপায় (upay) started its journey in early 2021, offering a broad range of mobile financial services to people from all walks of life.

উপায় (upay) products and services include mobile transactions, utility bill payment, in-store, and e-commerce payment, inward remittance, salary disbursement, airtime recharge, and other value-added financial services. Customers can avail of the services from our nationwide agent and merchant network at an affordable charge.

Driven by the 'Digital Bangladesh' vision, উপায় (upay) aims to actively contribute to transforming the financial landscape of the country. উপায় (upay) offers easy access to the seamless digital financial solution, touching the lives of millions of people, and thus driving financial inclusion in the country.

Embracing empathy as a core pillar of our value system, উপায় (upay) aims to usher in a new era in the digital financial service industry by keeping the customer's needs at the front and center of everything we do. No matter what challenges our customers face, as a companion, we promise to be their reliable problem solver, offering a delightful customer experience, complete security, and meaningful innovations.

উপায়

Leadership

The Trailblazing Dreamers and Leaders



Anisuzzaman Chowdhury
Chairman



Asifuzzaman Chowdhury
Director



Bashir Ahmed
Director



Akhter Matin Chaudhury
FCA (E&W), FCA, FCS
Independent Director



Arif Quadri
Director

উপায়



ATM Tahmiduzzaman, FCS
Director



Ashraf Bin Taj
Independent Director



Syed Faridul Islam
Director

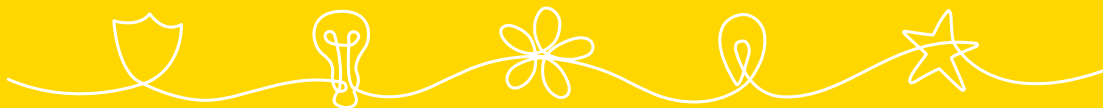


Md. Abdullah Al Mamoon
Director



Rezaul Hossain
Managing Director & CEO

উপায়



Directors' Report

Dear Shareholders,

The Board of Directors of UCB Fintech Company Limited is pleased to present before you the Directors' Report along with the Auditors' Report and the Audited Financial Statements as at and for the year ended 31 December 2021 for your kind consideration and approval.

The Directors' Report is prepared in accordance with the guidance of the Companies Act 1994 and the requirements of other regulatory pronouncements. The Directors believe that the report will give captivating insights of the company's performance during the year under review.

UCB Fintech Company Limited was incorporated as a 100%-owned-subsiary of United Commercial Bank on July 30, 2020 and upon receiving the license from Bangladesh Bank, উপায় (upay) started its journey in early 2021 with the aim to disrupt the Mobile Financial Services (MFS) industry in Bangladesh so that people from all walks of life can get easy access to innovative and secured financial services and thereby to contribute towards materialization of the vision of Digital Bangladesh. 2021 was the promising first year for UCB Fintech Company Limited and 2022 is going to be a year with momentum.

Entering and operating in an industry characterized by a large and aggressive market leader, an aggressive challenger, price sensitive customers and low-margin products, come with lots of challenges. UCB Fintech Company Limited, despite all these challenges, has

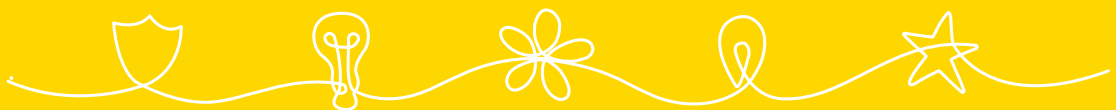
started planting its foot on solid ground by acquiring 3.9 million customers in 2021 and has created a distribution network of 195 distribution houses and around 106 thousand agents. During the year, 13.2 million transactions were recorded on our platform generating total transaction amount of BDT 30.7 billion. Revenue was BDT 174.2 million and net loss after tax was BDT 1102 million. Net loss after tax is explained by investments in brand building, customer acquisition and technology (in the form of depreciation and amortization and annual maintenance cost) necessary to create a footprint in this very competitive industry. With continued investment in brand, customer, technology and product innovation, UCB Fintech Company Limited is expected to bring necessary momentum in 2022.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as applicable in Bangladesh. Based on the financial performance of the company, the Board is not recommending any dividend for the year 2021.

The Board would like to thank all employees and management team of the company for their tireless efforts and dedication to move the company forward. The Board is also thankful to all the customers, partners and shareholders whose continued confidence in the company is very important to fulfill the purpose for which the company is established. And, finally, we express our thanks and gratitude to all regulators and government agencies for their continuous support.

For and on behalf of the Board of Directors of UCB Fintech Company Limited.

Anisuzzaman Chowdhury
Chairman



Independent Auditors' Report

To the shareholders of
UCB Fintech
Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of UCB Fintech Company Limited, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c. the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated: 29 March 2022
Place: Dhaka, Bangladesh

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No.: 535
DVC No.: 2203290535AS499230

UCB Fintech Company Limited

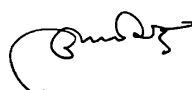
Statement of Financial Position

As at 31 December 2021

Particulars	Notes	Amount in BDT	
		31-Dec-2021	31-Dec-2020
Assets			
Non-Current Assets			
Property, Plant & Equipment	3.00	213,166,223	-
Intangible Assets	4.00	46,235,765	-
Pre-operating Expenses	5.00	3,750,874	4,688,593
Total Non-Current Assets		263,152,862	4,688,593
Current Assets			
Investment in Securities	6.00	120,100,930	-
Advance, Deposit & Pre-payments	7.00	12,410,774	-
Inventories	8.00	17,159,590	-
Other Receivable		186,882	-
Cash and Cash Equivalents	9.00	1,389,634,985	999,959,310
Total Current Assets		1,539,493,160	999,959,310
Total Assets		1,802,646,023	1,004,647,903
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share Capital	10.00	2,000,000,000	1,000,000,000
Retained Earnings	11.00	(1,102,104,559)	(65,690)
Total Shareholders' Equity		897,895,441	999,934,310
Non-Current Liabilities			
		-	-
Current Liabilities			
Operational Payable	12.00	105,056,336	4,688,593
Others Payable	13.00	38,358,752	-
Provision for Expenses		210,782,521	25,000
Provision for Income Tax		1,270,087	-
Customer and Other Deposits		549,282,886	-
Total Current Liabilities		904,750,582	4,713,593
Total Liabilities & Shareholders' Equity		1,802,646,023	1,004,647,903

The annexed notes 01 to 19 from an integral part of these financial statements.


Chairman


Director


Managing Director & CEO

As per our report of same date

Dated: 29 March 2022
Place: Dhaka, Bangladesh

Signed for & on behalf of
MABS & J Partners
Chartered Accountants


Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No.: 535
DVC No.: 2203290535AS499230

UCB Fintech Company Limited

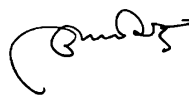
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2021

Particulars	Notes	Amount in BDT	
		31- Dec-2021	31-Dec-2020
Revenue	14.00	174,170,661	-
Cost of services	15.00	(161,453,841)	-
Gross profit/(loss)		12,716,820	-
Operating Expenses			
General and Administrative Expenses	16.00	(366,030,254)	(65,690)
Selling and Marketing Expenses	17.00	(784,965,778)	-
Total Operating Expenses		(1,150,996,032)	(65,690)
Profit/(loss) from Operations		(1,138,279,212)	(65,690)
Non Operating Income	18.00	37,510,430	-
Net profit/(loss) Before income tax		(1,100,768,782)	(65,690)
Income Tax Expenses	19	(1,270,087)	-
Net profit/(loss) after income tax		(1,102,038,869)	(65,690)

The annexed notes 01 to 19 from an integral part of these financial statements.



Chairman



Director



Managing Director & CEO

As per our report of same date

Dated: 29 March 2022
Place: Dhaka, Bangladesh

Signed for & on behalf of
MABS & J Partners
Chartered Accountants



Nasir Uddin Ahmed, FCA, FCS, CGMA, ACMA (UK)
Deputy Managing Partner
ICAB Enrollment No.: 535
DVC No.: 2203290535AS499230

UCB Fintech Company Limited

Statement of Changes in Equity

For the year ended 31 December, 2021

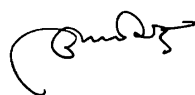
Particulars	Share Capital	Retained Earnings	Total
Balance as on 01 January 2021	1,000,000,000	(65,690)	999,934,310
Share issued during the year	1,000,000,000	-	1,000,000,000
Net profit/(loss) during the Year	-	(1,102,038,869)	(1,102,038,869)
Balance as on 31 December 2021	2,000,000,000	(1,102,104,559)	897,895,441

For the year ended as at 31 December 2020

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01 January 2020	-	-	-
Share issued during the year	1,000,000,000	-	1,000,000,000
Net profit/(loss) during the Year	-	(65,690)	(65,690)
Balance as on 31 December 2020	1,000,000,000	(65,690)	999,934,310



Chairman



Director



Managing Director & CEO

As per our report of same date

Dated: 29 March 2022
Place: Dhaka, Bangladesh

UCB Fintech Company Limited

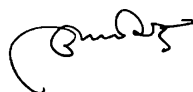
Statement of Cash Flows

For the year ended on 31 December 2021

Particulars	Amount in BDT	
	31-Dec-2021	31-Dec-2020
Cash flow from operating activities		
Profit/(loss) before tax	(1,100,768,782)	(65,690)
Adjustment of non cash items:		
Depreciation and amortization	20,754,274	-
Amortization of pre-operating expense	937,719	-
	(1,079,076,789)	(65,690)
Other adjustments:		
(Increase)/decrease in interest receivables	-	-
(Increase)/decrease in other receivables	(186,882)	-
(Increase)/decrease in Operational Payable	103,498,417	4,688,593
(Increase)/decrease in Others Payable	35,228,078	-
(Increase)/decrease in provision for expenses	210,757,521	25,000
(Increase)/decrease in Customer and other deposits	549,282,886	-
(Increase)/decrease in inventories	(17,159,590)	-
(Increase)/decrease in advance, deposits & prepayments	(12,410,774)	-
Net cash from operating activities	(210,067,133)	4,647,903
Cash flow from investment activities		
Acquisition of property, plant and equipment	(233,902,540)	-
Acquisition of intangible assets	(46,253,722)	-
(Increase)/decrease in Pre-operating expenses	-	(4,688,593)
(Increase)/decrease in investment in securities	(120,100,930)	-
Net cash from/(used in) investment activities	(400,257,192)	(4,688,593)
Proceeds from issue of shares (Paid-up Capital)	1,000,000,000	1,000,000,000
Cash flow from financing activities	1,000,000,000	1,000,000,000
Net cash increase/(decrease)	389,675,675	999,959,310
Opening cash & cash equivalents	999,959,310	-
Closing cash & cash equivalents	1,389,634,985	999,959,310
Cash at bank	781,423,218	999,959,310
Trust cum settlement account balances	608,152,746	-
Petty Cash	59,021	-
Total	1,389,634,985	999,959,310



Chairman



Director



Managing Director & CEO

As per our report of same date

Dated: 29 March 2022
Place: Dhaka, Bangladesh

UCB Fintech Company Limited

Notes to the Financial Statements

For the year ended 31 December 2021

1 Corporate Information

1.1 Legal status of the Company

"UCB Fintech Company Limited (hereinafter referred to as "the Company" or "Upay") a subsidiary of United Commercial Bank Limited, was incorporated in Bangladesh on 30 July 2020 vide registration no. C-162182 as a private company limited by shares under the Companies Act, 1994 having its registered office in Plot -CWS- (A)-1, Road - 34, Gulshan Avenue, Dhaka - 1212.

The Company has obtained permission from Bangladesh Bank to commence its' commercial activity via letter reference no# PSD(MFS)/33/2020-1886 dated 28 December 2020 under "Bangladesh Mobile Financial Services (MFS) Regulations, 2018."

1.2 Nature of the Business Activities

"UCB Fintech Company Limited is a subsidiary of the United Commercial Bank Limited. Upon receiving the license from Bangladesh Bank, UCB Fintech Company Limited started its journey in March 2021, under the brand name "উপায়" ("upay" in English) and offering a broad range of mobile financial services to people from all walks of life.

Product and services of UCB Fintech include mobile transactions (cash-in, cash-out, send money etc.), utility bill payment, in-store and e-commerce payment, inward remittance, salary disbursement, G2P and P2G transaction, airtime recharge and other value added financial services.

Going forward, UCB Fintech aims to offer different types of innovative products and services to fulfill need of different customer segments.

1.3 Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) which also cover International Accounting Standards (IASs), the Companies Act 1994 and other applicable laws and regulations.

The titles and format of these Financial Statements follow the requirements of IFRSs which are to some extent different from the requirements of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS titles and format gives a better presentation to its intended users.

1.4 Basis of measurement

The Financial Statements are prepared on historical cost basis.

1.5 Date of authorisation

The Financial Statements for the year ended 31 December 2021 were authorized by the Board of Directors on 29 March 2022.

1.6 Components of Financial Statements

Followings are the components of these Financial Statements:

- (i) Statement of Financial Position as at 31 December 2021;
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended on 31 December 2021;
- (iii) Statement of Changes in Equity for the year ended on 31 December 2021;
- (iv) Statement of Cash Flows for the year ended on 31 December 2021;
- (v) Explanatory notes to the above Financial Statements which also describe the accounting policies adopted and followed by the company.

1.7 Functional and presentational currency

The Financial Statements are presented in Bangladeshi Taka (BDT), which is the functional and presentational currency of the company and rounded off to the nearest integer.

1.8 Use of estimates and judgements

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

2 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Set out below is an index of the significant accounting policies:

- A Revenue
- B Employee benefits
- C Interest income
- D Income tax
- E Property, plant and equipment
- F Intangible assets
- G Provisions
- H Statement of cash flows
- I Events after the reporting period
- J Materiality and aggregation

A. Revenue recognition

Revenue has been recognized based on the consideration specified in a contract with a customer in compliance with IFRS 15. The Company recognises revenue when it transfers control over a good or service to a customer. The Company's principal business is Mobile Financial Services (MFS).

To determine the transaction price, the Company considers the terms of the contract and its regular business practice. The transaction price excludes the amount collected on behalf of third parties.

Nature of goods and services

The following is a description of the principal activities from which the Company generates its revenue.

- (a) Cash out and others: Revenue from cash out and others include service charge received from cash out/e-money settlement, Person to Person (P2P) balance transfer, bill payment by customer, salary disbursement etc.

The Company charges its customers a fixed rate of cash out/settlement fee at the time the customer redeems cash at agent point, ATM booth or through transfer to bank by surrendering e-money from his/her wallet.

- (b) Airtime top-up: Upfront commission is received from Mobile Network Operators (MNOs) at the time of purchase of airtime. Airtime top-up revenue is recognised when a customer purchases mobile airtime using UPAY wallet. Upfront commission received against unsold airtime top-up is recognised as unearned revenue.

B. Employee benefits

Defined contribution plans - provident fund

Under a defined contribution plan, the entity pays fixed contributions into a fund but has no legal or constructive obligation to make further payments if the fund does not have sufficient assets to pay all of the employees' entitlements to post-employment benefits. The entity's obligation is therefore effectively limited to the amount it agrees to contribute to the fund.

Defined benefit - gratuity fund

These are post-employment benefit plans other than a defined contribution plans. These plans create an obligation on the entity to provide agreed benefits to current and past employees and effectively places actuarial and investment risk on the entity.

C. Interest income

Interest income includes mainly interest from balance of trust cum settlement account and SND account (Operational). Finance income is recognised on accrual basis.

D. Income tax

Income tax expense is recognised in the statement of profit or loss and other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted at the reporting date, and any adjustment to tax payable in respect of previous year. Current tax has been calculated on the basis of Finance Act, 2021 and Income Tax Ordinance, 1984.

E. Property, plant and equipment

Property, plant and equipment comprise office equipment, IT equipment, furniture & fixtures and capital work in progress. Items of property, plant and equipment are shown as cost less accumulated depreciation except capital work in progress. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All repairs and maintenance expenses are charged to the Statement of Profit or Loss and other Comprehensive Income during the year when these are incurred.

Depreciation

Depreciation is calculated using the straight line method to write down the cost of each asset to its residual value over its estimated useful life as follows:

Name of Assets	Rate of Depreciation / Amortization
Office equipment	20%
IT Equipment	Core Network - 20% Computers - 25%
Furniture & fixtures	10%
Capital work in progress-Tangible assets	-
Software	25%
Capital work in progress-Intangible assets	-

F. Intangible assets

Recognition & measurement

Intangible assets comprise software and capital work in progress. As per IAS 38 Intangible Assets are to initially recognised at cost including any directly attributable cost. Intangible assets are measured at cost less accumulated amortisation except capital work in progress. Subsequently expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The Company capitalises IT staff costs directly attributable to implement of the DFS software that meets the recognition criteria of IAS 38.

G. Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in compliance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

H. Statement of cash flows

Statement of cash flows have been prepared in accordance with the IAS 7 Statement of Cash Flows under indirect method.

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

Investing activities relate to the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

I. Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

J. Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.1 Reporting Period

The Financial Statements of the Company cover a period of one (01) year ending on 31st December.

2.2 Pre-operating Expenses

Pre-operating expenses include incorporation expenses of the Company. The pre-operating expense will be amortized in 5 equal installments and over a period of 5 years commencing from the year in which the company commences its operations. As the operation of the company commences this year, therefore amortization expense for this year has been charged to the Statement of Profit or Loss and Other Comprehensive Income.

2.3 Going Concern

The accompanying Financial Statements have been prepared on a going concern assumption that the Company will continue in operation for the foreseeable future. The Company has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations.

Amount in BDT

	31-Dec-2021	31-Dec-2020
3.00 Property, Plant & Equipment		
Cost (A):		
Cost at the beginning of the year	-	-
Add: Addition during the year	233,902,540	-
Less: Adjustment/disposal during the year	(197,621)	-
	233,704,919	-
Accumulated depreciation (B):		
Accumulated depreciation at the beginning of the year	-	-
Add: Depreciation during the year	20,538,696	-
Less: Adjustment/disposal during the year	-	-
	20,538,696	-
Written Down Value (A-B)	213,166,223	-
4.00 Intangible Assets		
Cost (A):		
Cost at the beginning of the year	-	-
Add: Addition during the year	46,253,722	-
Less: Adjustment/disposal during the year	-	-
	46,253,722	-
Accumulated amortization (B):		
Accumulated amortization at the beginning of the year	-	-
Add: Amortization during the year	17,957	-
Less: Adjustment/disposal during the year	-	-
	17,957	-
Written Down Value (A-B)	46,235,765	-
5.00 Pre-operating expense		
Opening Balance	4,688,593	4,688,593
Less: Amortization during the year	(937,719)	-
	3,750,874	4,688,593
6.00 Investment in securities		
Government Securities	120,100,930	-
	120,100,930	-
7.00 Advance, Deposit & pre-payments		
Advance to supplier	1,515,063	-
Rebatable VAT	6,211,037	-
Advances to Employee	150,000	-
Advance Income Tax	4,534,673	-
	12,410,774	-
8.00 Inventories		
Inventory-POS and other materials	7,884,753	-
Airtime Balances	9,274,837	-
	17,159,590	-
9.00 Cash & Cash Equivalents		
UCBL- Corporate Branch	781,423,218	999,959,310
Cash In Hand	59,021	-
Trust cum settlement account balances	608,152,746	-
	1,389,634,985	999,959,310

Note-9.01

Amount in BDT

		31-Dec-2021	31-Dec-2020
9.01 Trust cum settlement account balances			
	Sonali Bank Limited	50,310	-
	United Commercial Bank Limited	608,102,436	-
		608,152,746	-
10.00 Share Capital			
	Authorized Capital		
	500,000,000 Ordinary Shares of Tk. 10 each	5,000,000,000	5,000,000,000
		5,000,000,000	5,000,000,000
	Paid-up Capital		
	200,000,000 Ordinary Shares of Tk. 10 each	2,000,000,000	1,000,000,000
	10.01	2,000,000,000	1,000,000,000

10.01 Share Holding Position

Shareholders	No. of Shares	% of shares	31-Dec-21	31-Dec-20
United Commercial Bank Limited	199,999,999	99.9999995%	1,999,999,990	999,999,990
UCB Stock Brokerage Limited	1	0.0000005%	10	10
Total	200,000,000	100.00%	2,000,000,000	1,000,000,000

11.00 Retained Earnings

Opening balance	(65,690)	-
Profit/(loss) for the year	(1,102,038,869)	(65,690)
Closing balance	(1,102,104,559)	(65,690)

12.00 Operational Payable

Vendors Payable	91,587,368	-
Commission and charges payable	13,290,512	-
Unearned Revenue	133,521	-
Payable to Provident Fund	44,935	-
	105,056,336	-

13.00 Others Payable

Inter-company payable	3,130,674	4,688,593
Value added tax payable	6,095,843	-
Withholding tax payable	26,173,231	-
Withholding VAT payable	2,959,004	-
	38,358,752	4,688,593

14.00 Revenue

Cash out and others	171,559,098	-
Airtime top-up	2,611,563	-
	174,170,661	-

15.00 Cost of services

Agent, distributor and other partners commission	159,429,356	-
Mobile network operators service charge	2,024,485	-
	161,453,841	-

Amount in BDT

		31-Dec-2021	31-Dec-2020
16.00 General and Administrative Expenses			
Salary & allowances		248,332,012	-
Training & workshop		405,919	-
Director's fee		187,000	-
Bank charges		754,549	40,690
Utility charges		2,556,006	-
Call centre expenses		17,035,931	-
MNO USSD charge (Non-revenue generating)		6,003,896	-
Audit fee		25,000	25,000
Postage, stamps, telecommunication etc.		3,516,101	-
Software maintenance charge		23,405,662	-
Vehicle repair and maintenance		21,599,993	-
Office maintenance		3,035,275	-
Professional and legal fees		3,893,024	-
Printing and stationery		1,654,434	-
Staff welfare expenses		2,924,014	-
Local conveyance		9,207,065	-
Pre-operating expense	Note- 11	937,719	-
Depreciation	Annexure- A	20,538,696	-
Amortization	Annexure- B	17,957	-
		366,030,254	65,690
17.00 Selling & Marketing Expense			
Subscriber acquisition charges		236,255,719	-
Consumer engagement		3,865,684	-
Trade marketing expenses		43,748,111	-
Corporate branding		1,268,974	-
Advertisement expenses		336,901,692	-
Distribution channel expenses		162,925,598	-
		784,965,778	-
18.00 Non-operating Income			
Interest income	18.01	37,489,510	-
Income from Scrap Sales		20,920	-
		37,510,430	-
18.01 Interest Income			
Interest on balance of trust cum settlement account		15,193,453	-
Interest on SND account (Operational)		22,296,057	-
		37,489,510	-
19 Income tax expense			
Current tax provision		1,270,087	-
Adjustments		-	-
		1,270,087	-

UCB Fintech Company Limited

Property, plant and equipment

As of 31 December 2021

Annexure-A

Classification	Cost				Depreciation				Carrying Value as of 31 December 2021	Carrying Value as of 31 December 2020
	Opening Balance as of 01 Jan 2021	Addition during the year	Adjustments/Disposal during the year	Closing Balance as of 31 December 2021	Opening Balance as of 01 Jan 2021	Charge during the year	Adjustments /Disposal during the year	Closing Balance as of 31 December 2021		
Tangible Assets										
Office equipment	-	3,244,292	-	3,244,292	-	38,895	-	38,895	3,205,397	-
IT Equipment	-	217,198,891	197,621	217,001,270	-	20,478,963	-	20,478,963	196,522,307	-
Furniture & fixtures	-	179,475	-	179,475	-	20,838	-	20,838	158,637	-
Capital work in progress	-	13,279,882	-	13,279,882	-	-	-	-	13,279,882	-
Total Tangible Assets	-	233,902,540	197,621	233,704,919	-	20,538,696	-	20,538,696	213,166,223	-

UCB Fintech Company Limited

Intangible Assets

As of 31 December 2021

Annexure-B

Classification	Cost				Depreciation				Carrying Value as of 31 December 2021	Carrying Value as of 31 December 2020
	Opening Balance as of 01 Jan 2021	Addition during the year	Adjustments/Disposal during the year	Closing Balance as of 31 December 2021	Opening Balance as of 01 Jan 2021	Charge during the year	Adjustments /Disposal during the year	Closing Balance as of 31 December 2021		
Software	-	1,057,145	-	1,057,145	-	17,957	-	17,957	1,039,188	-
Capital work in progress	-	45,196,577	-	45,196,577	-	-	-	-	45,196,577	-
Total Intangible Assets	-	46,253,722	-	46,253,722	-	17,957	-	17,957	46,235,765	-



ক্যাশ আউট চার্জ

১৪৪

টাকা প্রতি হাজারে

কোন শর্ত প্রযোজ্য নয়

ডায়াল *২৬৮# অথবা ডাউনলোড



*বাটিন ফোন (USSD)-তে সর্বনিম্ন

16268 | www.upaybd.com

একটি UCB প্রতিষ্ঠান

BRANCH NETWORK





Branch Network of UCB

Bashundhara Branch

Branch Code: 099
Plot No- 06, Block-A Bashundhara Main Road Bashundhara R/A, DHAKA
E-Mail: bbd@ucb.com.bd
Routing No: 245260555
Swift Code:
Phone Number: +88-2-8401735
01730-001211 01811-481287

Principal Branch

Branch Code: 001
58, MOTIJHEEL COMMERCIAL AREA, Block :A, DHAKA-1000
E-Mail: prb@ucb.com.bd
Routing No: 245275353
Swift Code: UCBLBDDHPRB
Phone Number: +88-02-223380833, 223381054,
223383578, 223353019

Moulvibazar Branch

Branch Code: 003
4/1, and 5, Moulvibazar Road. Gulbadan House
Dhaka-1100, DHAKA
E-Mail: mbd@ucb.com.bd
Routing No: 245274420
Swift Code: UCBLBDDHMBD
Phone Number: +88-02-7311407, 7311939, 7311807
01711881047

Zinzira Branch

Branch Code: 005
Tinpatty (1st Floor), Zinjira Bazar, Zinjira, Dhaka-1310
E-Mail: znz@ucb.com.bd
Routing No: 245277098
Swift Code:
Phone Number: +88-02-7772208, 7770757, 01711-883757

Islampur Branch

Branch Code: 008
Lion Tower (2nd Floor),108, Islampur Road,
PS- Kotwali, Dhaka
E-Mail: isp@ucb.com.bd
Routing No: 245272985
Swift Code:
Phone Number: +88-02-7392308, 7392661, 01711-809732

Hasnabad Branch

Branch Code: 009
P.O: Hasnabad, Thana: Nawabgonj, Dhaka-1321
E-Mail: hsb@ucb.com.bd
Routing No: 245272569
Swift Code:
Phone Number: +88-038946-84013
01711-881050

Narsingdi Branch

Branch Code: 011
Narsingdi Bazar, Narsingdi-1600
E-Mail: nsd@ucb.com.bd
Routing No: 245680856
Swift Code:
Phone Number: +88-0621-63272, 62673
01711-809730

Elephant Road Branch

Branch Code: 017
25, Elephant Road Block A DHAKA
E-Mail: epr@ucb.com.bd
Routing No: 245261338
Swift Code: UCBLBDDHEPR
Phone Number: +88-02-9667370, 8621283, 9664622,
8615947, 01199-803374

Shantinagar Branch

Branch Code: 024
Madina Hights, (Ground & 1st Floor) 32, New Circular Road,
Siddeswari, Ramna Dhaka
E-Mail: snb@ucb.com.bd
Routing No: 245273942
Swift Code:
Phone Number: +88-02-8312887, 8352054
01711-883764

Bangshal Branch

Branch Code: 025
32/3, Malitola Road North South Road Dhaka -1000
E-Mail: bng@ucb.com.bd
Routing No: 245270882
Swift Code: UCBLBDDHBNG
Phone Number: +88-02-9562520, 9558112, 9564177
01713-017589

Nawabpur Branch

Branch Code: 028
Hazi Electric Market,132,Nawabpur Road Ward No: 38,
Thana: Warry, DCC (S) Dhaka 1100, Bangladesh.
E-Mail: nwp@ucb.com.bd
Routing No: 245274725
Swift Code: UCBLBDDHNWP
Phone Number: +88-02-9566746, 7121083, 7166489
01711-809723

Narayangonj Branch

Branch Code: 033
10,S.M Maleh Road Tanbazar, Narayangonj-1400 DHAKA
E-Mail: ngj@ucb.com.bd
Routing No: 245671186
Swift Code: UCBLBDDHNGJ
Phone Number: +88-02-7646628; 7641262; 7635014;
7641925

Tangail Branch

Branch Code: 039
1722-1729 Masjid Road (1st Floor) Tangail
E-Mail: tgl@ucb.com.bd
Routing No: 245932296
Swift Code:
Phone Number: +88-0921-64307, 64327 01711-881051

Kawranbazar Branch

Branch Code: 044
11, Kawran Bazar, Titas Gas Bhaban Kawran Bazar, Dhaka
E-Mail: kbz@ucb.com.bd
Routing No: 245262537
Swift Code: UCBLBDDHKBZ
Phone Number: 02-9141572, 02-58153406, 01711883738

Mohammadpur Branch

Branch Code: 050
14/21, Block -A, Asad Avenue Mohammedpur, Dhaka
E-Mail: mdp@ucb.com.bd
Routing No: 245263286
Swift Code:
Phone Number: +88-02-58152146, +88-02-48112744,
01953-711393

Nayabazar Branch

Branch Code: 053
9, Bashabari Lane(1st Floor) Nayabazar Dhaka
E-Mail: nbz@ucb.com.bd
Routing No: 245274817
Swift Code: UCBLBDDHNBZ
Phone Number: +88-02-7393379, 7396082, 7393123
01711-888359

Gulshan Branch

Branch Code: 054
CONCORD I.K. Tower (1st Floor), Plot No. CEN (A)-2 North
Avenue, Gulshan-2, Dhaka-1212
E-Mail: gsn.utc@ucb.com.bd
Routing No: 245261725
Swift Code: UCBLBDDHGSN
Phone Number: +88-02-8824198, 8824564, 9895500
01711-888358

Paglabazar Branch

Branch Code: 055
D.N. Road, Paglabazar PS-Fatullah, Narayangonj
E-Mail: pgl@ucb.com.bd
Routing No: 245671331
Swift Code:
Phone Number: +88-2-7682234 +88-2-7681266
01711-881045

Mirpur Branch

Branch Code: 056
House No 1 Road No 6 Block A, Section 6, Mirpur Dhaka
E-Mail: mrp@ucb.com.bd
Routing No: 245262982
Swift Code: UCBLBDDHMRP
Phone Number: +88 48034661, 01915-479331

Madhabdee Branch

Branch Code: 067
Union-Madhabdee, P.O-Madhabdee PS & Dist. Narsingdi
E-Mail: mdh@ucb.com.bd
Routing No: 245680672
Swift Code:
Phone Number: +88-06257-56405, 01711-809731

Faridpur Branch

Branch Code: 069
85, Mujib Sarak, Faridpur
E-Mail: frd@ucb.com.bd
Routing No: 245290525
Swift Code:
Phone Number: +88-0631-64927, 63355, 01711-883740

Tongi Branch

Branch Code: 070
8, Charagali Market Shajahan Mansion, Tongi Gazipur
E-Mail: tng@ucb.com.bd
Routing No: 245331639
Swift Code: UCBLBDDHTNG
Phone Number: +88-02-9802332, 9815799, 01711-881046

Foreign Exchange Branch

Branch Code: 072
20, Dilkusha Commercial Area Motijheel Dhaka-1000
E-Mail: fex@ucb.com.bd
Routing No: 245272327
Swift Code: UCBLBDDHFEX
Phone Number: +88-02-9563965,9563966, 9564030
01713-034312

North Brook Hall Road Branch

Branch Code: 075
54, North Brook Hall Road Bangla Bazar(1st floor) Dhaka
E-Mail: nbh@ucb.com.bd
Routing No: 245275058
Swift Code: UCBLBDDHNBH
Phone Number: +88-02-47117030, 47115170, 47119272
01711-883739

Mohakhali Branch

Branch Code: 078
Medona Tower 28, Mohakhali C/A, Dhaka-1212
E-Mail: mhk@ucb.com.bd
Routing No: 245263194
Swift Code: UCBLBDDHMKH
Phone Number: +88-02-8813027, 9884883, 9884885

Bhulta Branch

Branch Code: 080
Gausia Market (1st Floor), Bhulta Rugganj, Narayanganj.
DHAKA
E-Mail: bul@ucb.com.bd
Routing No: 245670224
Swift Code:
Phone Number: +88-02-06725, 87046
0189-249830, 01711-809720

Uttara Branch

Branch Code: 083
Uttara Sector-13 - Plot# 10, Gausal Azam Avenue Uttara
Dhaka-1230
E-Mail: nkj.utc@ucb.com.bd
Routing No: 245264630
Swift Code: UCBLBDDHUTR
Phone Number: +88-02-8956979
01713-068098, 0167-8013204

Dhanmondi Branch

Branch Code: 084
43 (New) Road # 27 (Old), 16 (New) Dhanmondi R/A,
Dhaka 1209
E-Mail: dhn@ucb.com.bd
Routing No: 245261183
Swift Code:
Phone Number: +88-2-9123343
01833-102700, 01678-013205, 01713-068100

Gazipur Chowrasta Branch

Branch Code: 086
Unisay Tower (1st floor) Mymensingh Road Union: Bason,
P.O: Chandana Dist:Gazipur.
E-Mail: gcb@ucb.com.bd
Routing No: 245330551
Swift Code:
Phone Number: +88-02-9263951, +88-02-9263953-54
01817-032564 (HOB)

Donia Branch

Branch Code: 087
1067, Nayapara (1st & 2nd floor) Union- Shampur, P.S-
Shampur, DHAKA
E-Mail: dnb@ucb.com.bd
Routing No: 245271423
Swift Code:
Phone Number: +88-2-7550151, +88-2-7550152
01817-032572

Banani Branch

Branch Code: 090
Sharif Plaza (1st & 2nd Floor) 39, Kamal Ataturk Avenue,
Banani Dhaka
E-Mail: bnb@ucb.com.bd
Routing No: 245260434
Swift Code: UCBLBDDHBNB
Phone Number: +88-02-9891674, 9893166, 9890437
01819-814146

Savar Branch

Branch Code: 091
Sugandha Super Market Savar Bus Stand Ward No- 3, Savar
Pourashava Upazilla- Savar District- Dhaka
E-Mail: sbd@ucb.com.bd
Routing No: 245264098
Swift Code:
Phone Number: +88-02-7744858
01730-318845, 01811-414282

Nabinagar Branch

Branch Code: 092
Hazi Nizam Plaza(1st Floor) Vill- Dendabar PO- Savar
Cantonment P.S- Ashulia Upazilla- Savar, District- Dhaka
E-Mail: nbs@ucb.com.bd
Routing No: 245263415
Swift Code:
Phone Number: +88-02-7792365, 7792366-
01730-329716, 01811-418836

Chashara Branch

Branch Code: 093
Badhan Community Centre (1st Floor) 231/5, B. B. Road
Chashara, Narayanganj.
E-Mail: cbn@ucb.com.bd
Routing No: 245670237
Swift Code:
Phone Number: +88-2-7643991-2
01730-076140, 01817-032567

New Eskaton Branch

Branch Code: 094
Waqf Bhaban (1st Floor) 4, New Eskaton Road Dhaka-1000
E-Mail: neb@ucb.com.bd
Routing No: 245261396
Swift Code:
Phone Number: 01730-318847

Corporate Branch

Branch Code: 095
BULLUS CENTER, PLOT-CWS-(A)-1, ROAD-34 GULSHAN
AVENUE DHAKA-1212
E-Mail: cob@ucb.com.bd
Routing No: 245261738
Swift Code: UCBLBDDHGAB
Phone Number: +88-02-8852500 Ex. 1001-1015
01730-318848

Kanchan Branch

Branch Code: 100
Maula Super Market (1st floor) Kanchan Bazar, Ruggonj
Narayanganj
E-Mail: kbn@ucb.com.bd
Routing No: 245670790
Swift Code:
Phone Number: 01811-456752, 01811-456757

Satoire Bazar SME/Krishi Brn.

Branch Code: 102
Satoire Bazar, Word No- 09 P.S- Boalmaari Dist- Faridpur
E-Mail: sbb@ucb.com.bd
Routing No: 245290554
Swift Code:
Phone Number: 01730-705199, 01811-449178

Tejgaon Branch

Branch Code: 104
Rahmans Regnum Centre 191/B, Tejgaon Gulshan Link
Road, Tejgaon Dhaka
E-Mail: tjb@ucb.com.bd
Routing No: 245264485
Swift Code:
Phone Number: 01730-705198

Sonargaon Janapath Branch

Branch Code: 105
House No- 10, Sonargaon Janapath Sector- 11, Ward No-
01, Uttara Model Town Dhaka
E-Mail: sng@ucb.com.bd
Routing No: 245276581
Swift Code:
Phone Number: +88-02-8991584, 01714-167428

Mawna Branch

Branch Code: 106
Abdus Shahid Super View, Mawna Chowrasta Shreepur
Road, Union- Telihati, Upazilla- Shreepur Dist- Gazipur
E-Mail: mwn@ucb.com.bd
Routing No: 245331118
Swift Code:
Phone Number: 06825-52905, 06825-52904
01714-167406, 01811-449179

Bijaynagar Branch

Branch Code: 107
Al Razi Complex (1st Floor) 166/167, Shahid Sayed Nazrul
Islam Sharani, Paltan Dhaka
E-Mail: bjn@ucb.com.bd
Routing No: 245271094
Swift Code: UCBLDDHBJN
Phone Number: +88-02-47119385, 47115885
01714-167429, 01811-449170

Gopalgonj Branch

Branch Code: 108
127, College Road, Chowronggi Ward No-4, Gopalgonj
Paurasava Dist- Gopalgonj
E-Mail: gpg@ucb.com.bd
Routing No: 245350373
Swift Code:
Phone Number: +88-2-6682250, 01714-167441

Rajbari Branch

Branch Code: 109
267, Marwari Potty Ward No- 3 Paurasava- Rajbari Thana-
Rajbari Sadar District- Rajbari
E-Mail: rjb@ucb.com.bd
Routing No: 245820737
Swift Code:
Phone Number: +88-0641-66203, 66415, 01714-167435

Tongi Station Road Branch

Branch Code: 110
Amin Super Market, 5, Pubail Road, BSCIC rail gate Tongi
Gazipur-1710
E-Mail: tsr@ucb.com.bd
Routing No: 245331671
Swift Code:
Phone Number: +88-2-9817650-1, 0167-8013206

Uttarkhan Branch

Branch Code: 112
1483, Shah Kabir Majar Road Vill, PO & PS- Uttarkhan,
Ward No- 1 Dist- Dhaka
E-Mail: ukb@ucb.com.bd
Routing No: 245264601
Swift Code:
Phone Number: +88-02-8921581, 8921592
01714-167438, 01811-487860

Pragati Sarani Branch

Branch Code: 113
Cha- 89/1, North Badda Progati Sawrani Ward No.- 19
Thana- Badda Dhaka City Corporation Dist- Dhaka.
E-Mail: psb@ucb.com.bd
Routing No: 245263707
Swift Code:
Phone Number: +88-02-9894192, 01811-487857

Keranigonj Branch

Branch Code: 114
S.R. Shopping Mall, Word No.- 4 Union- Aganagar Thana-
Dakkhin Keranigonj Dhaka
E-Mail: kgb@ucb.com.bd
Routing No: 245273647
Swift Code:
Phone Number: +88-02-7764085, 01811-487856

Konabari Branch

Branch Code: 115
Plot- A/139, BSCIC Industrial Estate Konabari Ward No.- 1
Thana- Gazipur Sadar Dist- Gazipur.
E-Mail: kbb@ucb.com.bd
Routing No: 245330948
Swift Code:
Phone Number: +88-2-9297132
01730-076149, 01833-102702

Kanaipur Branch

Branch Code: 116
Kanaipur General & Eye Hospital (Pvt.) Ltd Kanaipur
Bazar, Kanaipur Faridpur
E-Mail: knp@ucb.com.bd
Routing No: 245290912
Swift Code:
Phone Number: 811601, 811602
BM: 01714-167371, OM: 01833-102704

Munshigonj Branch

Branch Code: 119
Abdus Sattar Super Market Holding No- 582 Ward- 1 Sadar
Road, (Jamidar Para) Munshigonj
E-Mail: mng@ucb.com.bd
Routing No: 245591037
Swift Code:
Phone Number: +88-02-7620597, 01714-167411

Mirpur Road Branch

Branch Code: 120
House# 12, Road# 5, Ward No# 49 Mirpur Road,
Dhanmondi R/A Dhaka
E-Mail: mrb@ucb.com.bd
Routing No: 245263073
Swift Code: UCBLDDHMRB
Phone Number: +88-02-9671037, 9671083, 01811-486284

Satmasjid Road Branch

Branch Code: 122
Holding No.84 Road 7/A Satmasjid Road Ward No.15 P.S.
Hazaribag Dhaka South City Corporation Dhaka
E-Mail: dkb@ucb.com.bd
Routing No: 245271902
Swift Code:
Phone Number: +88-2-7115700 +88-02-7123546, 7123547
01966-602216

Shatarkul Branch

Branch Code: 123
138, Abdullah Bag, Badda Satarkul Road North Badda
Badda, Dist. DHAKA
E-Mail: skb@ucb.com.bd
Routing No: 245264027
Swift Code:
Phone Number: +880255056994, 01811486283

Shibchar Branch

Branch Code: 124
Aminuddin Gomosta Super Market,Guatala Main Road
Shibchar Bazar,Pourashova & PS- Shibchar Dist- Madaripur
E-Mail: sib@ucb.com.bd
Routing No: 245540709
Swift Code:
Phone Number: 02478811809, 02478811690,
01714167392, 01811-486289

Banasree Branch

Branch Code: 126
Block-K, Plot-320, Road No-16 Main Road,South Banasree
Dhaka
E-Mail: bns@ucb.com.bd
Routing No: 245260726
Swift Code:
Phone Number: 0088-02-7811442, 7811443
01714-167431 (HOB), 01966-602206 (OM)

Kamrangichar Branch

Branch Code: 128
Elham Square (1st Floor), Rony Market Rasulpur Union-
Sultangonj DHAKA
E-Mail: krc@ucb.com.bd
Routing No: 245273584
Swift Code:
Phone Number: 01714-167426, 01966-602205

Khilkhet Branch

Branch Code: 129
Talna Bhaban_ (1st Floor) House- Kha-49/A Battala
Ward No- 17 DHAKA
E-Mail: klk@ucb.com.bd
Routing No: 245260742
Swift Code:
Phone Number: +88-02-7911485 7911524
01730-034868, 01966-602202

Sarulia Bazar Branch

Branch Code: 130
Awal Khan Shopping Complex Vill- Tengra, Union- Sarulia,
Ward No- 05 P.S.- Demra, Dist- Dhaka.
E-Mail: srl@ucb.com.bd
Routing No: 245270082
Swift Code:
Phone Number: 01966602211 (HOB), 01712-253579 (MO)

Chinispur Branch

Branch Code: 132
G.M.Bhuiyan Tower Velanagar Bus Stand Vill- Chinispur Ward
No- 03Union-Chinispur PS- Narsingdi Sadar Dist- Narsingdi
E-Mail: cns@ucb.com.bd
Routing No: 245680085
Swift Code:
Phone Number: 01847-052274
01966-602243, 01839-398872

Kapasias Branch

Branch Code: 133
Kapasias Bazar, Upazilla Road Union- Kapasia, Ward No-08
P.S- Kapasia, Dist- Gazipur.
E-Mail: kps@ucb.com.bd
Routing No: 245330885
Swift Code:
Phone Number: 01833-147913, 01966-602242

Kaligonj Branch

Branch Code: 134
Madina Bhaban Kaligonj Bazar, Ward No-04 P.S- Kaligonj,
Paurashava- Kaligonj Dist- Gazipur
E-Mail: klg@ucb.com.bd
Routing No: 245330827
Swift Code:
Phone Number: 01833-147914 01966-602241
01716-993844

Darus Salam Road Branch

Branch Code: 138
09, Dakhin Bishil, Word No-12 Darus Salam Road, Mirpur-
01 P.S-Darus Salam Dhaka North City Corporation
E-Mail: drs@ucb.com.bd
Routing No: 245260942
Swift Code:
Phone Number: + 88 02-48038312 , + 88 02-48038313
+ 88 02-48038314,

Dakshin Khan Branch

Branch Code: 140
Irish Plaza 848/1 Prem Bagan, Thana:Dakshin Khan, Dhaka
E-Mail: dkn@ucb.com.bd
Routing No: 245260913
Swift Code:
Phone Number: 8802-8999704

Gausul Azam Avenue Branch

Branch Code: 146
22,Sonargaon Janapath Sarak Sector09,Dhaka North City
Corporation,PS:Uttara DHAKA
E-Mail: sal@ucb.com.bd
Routing No: 245260450
Swift Code:
Phone Number: 01787-670978

Gopaldi Branch

Branch Code: 147
Co-Operative Complex Gopladi Bazer School Sarak PS
Araihazer Narayangonj
E-Mail: gpl@ucb.com.bd
Routing No: 245670608
Swift Code:
Phone Number: 01787-675592

Nikunja Branch

Branch Code: 151
Finance Square(1st floor),79/A,Commercial Block
Nikunja,Khilkhet Dhaka
E-Mail: nik@ucb.com.bd
Routing No: 245260184
Swift Code:
Phone Number: 880-2-55098320, 880-2-55098321
+8801955515477 (OM), +8801709635950 (HOB)

Meghna Ghat Branch

Branch Code: 152
Islam Shopping Complex,Meghna Ghat Branch Sonargaon,
Narayanganj
E-Mail: mgm@ucb.com.bd
Routing No: 245671007
Swift Code:
Phone Number: 01709-635956 (HOB), 01955-515476 (OM)

Kanchpur Branch

Branch Code: 153
Hazi Motaleb Khan Super Market-1,Sonpur
Kanchpur,Sonargaon Narayanganj
E-Mail: kcp@ucb.com.bd
Routing No: 245670129
Swift Code:
Phone Number: 01713-206837 (HOB), 01915-479312 (OM)

Bhawal Mirzapur Branch

Branch Code: 154
Halima Plaza,Bhawal Mirzapur Bazar Mirzapur, Gazipur
E-Mail: bmb@ucb.com.bd
Routing No: 245330243
Swift Code:
Phone Number: 01709-635957 (HOB), 01955-515472 (OM)

Sherpur Branch

Branch Code: 155
Sampad Plaza Limited,Holding No-46,Ragunath Bazar
Naraynpur,Sherpur
E-Mail: spb@ucb.com.bd
Routing No: 245890554
Swift Code:
Phone Number: 01709-635951(HOB), 01955-515470(OM)

Barakandi Branch

Branch Code: 156
Joynal Plaza,Kazirhat, vill-Dubaisalbar,Union-Barakandi,
Thana-Jazira,Shariatpur
E-Mail: brk@ucb.com.bd
Routing No: 245860089
Swift Code:
Phone Number: 01818-310344 (HOB), 01812-809909 (OM)

Ghatail Branch

Branch Code: 157
Mohona Shopping Center, Holding No:541-542,Main
Road,Ward No-07 Ghatail,Tangail
E-Mail: ght@ucb.com.bd
Routing No: 245930919
Swift Code:
Phone Number: 01787-663662 (HOB), 01727-899349 (OM)

Khilgaon Branch

Branch Code: 160
Ashirbad Bhaban,Holding No-569/C&915 Ward No-01,Dhaka
North City Corporation Thana-Khilgaon,Dist-Dhaka
E-Mail: khi@ucb.com.bd
Routing No: 245273676
Swift Code:
Phone Number: 02-47253612 (HOB), 02-47217613 (Branch)
01951146467

Hemayetpur Branch

Branch Code: 164
Diamond Tower,Union-Tatulijura, P.S-Savar,Dist-Dhaka
E-Mail: hem@ucb.com.bd
Routing No: 245260500
Swift Code:
Phone Number: 01708-451986, 0195-146462

Joydebpur Branch

Branch Code: 165
Tasnim Tower,Holding No-J-5/4,BIDC Road, Ward No-
26,Gazipur City Corporation, P.S-Joydebpur,Dist-Gazipur
E-Mail: joy@ucb.com.bd
Routing No: 245330735
Swift Code:
Phone Number: 01708-451987, 01951-145463

Kamarpara Branch

Branch Code: 166
Haji Abul Hashem Market,Union-Harirampur, P.S-Turag,Dist-
Dhaka
E-Mail: kma@ucb.com.bd
Routing No: 245261512
Swift Code:
Phone Number: 01708-451988, 01951-146461

Matuail Branch

Branch Code: 169
Haji Abdul Aziz Tower(1st floor) Ward No.07, Union-Matuail,
P.S-Demra Dist.-Dhaka
E-Mail: mat@ucb.com.bd
Routing No: 245274004
Swift Code:
Phone Number: 01844075683 (HOB), 01844075684 (OM)

Danga Bazar Branch

Branch Code: 170
Badsha Plaza Ward No.05 P.O. Danga Bazar Union - Danga
P.S. Palash Dist. Narsingdi
E-Mail: dan@ucb.com.bd
Routing No: 245680201
Swift Code:
Phone Number: 01847275241 (HOB), 01847275242 (OM)

Balasar Branch

Branch Code: 171
Firoz Khan Shopping Center Balasar Chowrasta P.O.
Bhagyakul Union – Bhagyakul P.S. Srinagor Dist. Munshigonj
E-Mail: bal@ucb.com.bd
Routing No: 245590083
Swift Code:
Phone Number: 01847275243 (HOB), 01847275244 (OM)

Katiadi Branch

Branch Code: 172
Kuwait Plaza, Holding No.3619 Hospital Road, Ward No.03 P.S.
Katiadi, Dist. Kishoregonj
E-Mail: kti@ucb.com.bd
Routing No: 245480580
Swift Code:
Phone Number: 01847-454071 (HOB), 01847-454072 (OM)

Manikgonj Branch

Branch Code: 173
Ahmed Plaza, Holding No-61 Shahid Rafiq Road, Ward No-06
P.S. Manikgonj, Dist. Manikgonj
E-Mail: man@ucb.com.bd
Routing No: 245560613
Swift Code:
Phone Number: 01847-454061(HOB), 01847-454062(OM)

Ati Bazar Branch

Branch Code: 178
Haji Nasir Uddin Market P.O. Ati Bazar, Union: Shakta P.S.
Karanigonj, Dist. Dhaka
E-Mail: ati@ucb.com.bd
Routing No: 245270345
Swift Code:
Phone Number: 01847-454073(HOB), 01847-454074(OM)

Shyamoli Ring Road Branch

Branch Code: 180
Century Jannatul Ferdous 8/1, Shyamoli Ring Road P.S.
Adabor Dist. Dhaka.
E-Mail: srb@ucb.com.bd
Routing No: 245261059
Swift Code:
Phone Number: 02-58157430, 02-58157431
01711-250558 (HOB), 018447-350509 (OM)

Ekuria Branch

Branch Code: 190
Haji Shahidullah Super Market(Ground&1st Floor) Dhaka-
Mawa Road, Union-Shuvadda, Ward No-08, PS-South
Keranigonj, District-Dhaka
E-Mail: irb@ucb.com.bd
Routing No: 245270532
Swift Code:
Phone Number: 01713108771 (HOB), 01844546446 (OM)

North Gulshan Branch

Branch Code: 195
House No:166, Holding No:NE(k)-2, Gulshan Avenue-02 Ward
No:19, PS:Gulshan, Dhaka North City Corporation Dhaka
E-Mail: ngb@ucb.com.bd
Routing No: 245261312
Swift Code:
Phone Number: 01844546433 (HOB), 01713108769 (OM)

Banani Road No-11 Branch

Branch Code: 200
AWR NIB Tower, House No : 99, Road No:11 Bir Uttam
Khadimul Bashar Sarak, Word No:19 Dhaka North City
Corporation, PS:Banani, Dhaka
E-Mail: beb@ucb.com.bd
Routing No: 245260968
Swift Code:
Phone Number: +88 02 41081957, +88 02 41081958
BM:- 01321124380

Signboard Branch

Branch Code: 201
TPL Complex, Signboard, Union-Kutubpur Union-Kutubpur
Fatullah, Narayanganj
E-Mail: sgb@ucb.com.bd
Routing No: 245670329
Swift Code:
Phone Number: 820101, 820102
BM: 01321-124378, OM: 01841-741236

Shibu Market Branch

Branch Code: 202
Motiur Rahman Mansion, Holding No- 114, Shibu Market
Fatullah, Narayanganj
E-Mail: smb@ucb.com.bd
Routing No: 245671557
Swift Code:
Phone Number: 820201, 820202
BM: 01321-124379, OM: 01841-741235

Bhanga Branch

Branch Code: 210
Hawladar Mansion Holding-108, Ward -08 PS: Bhanga
District : Faridpur
E-Mail: bab@ucb.com.bd
Routing No: 245290288
Swift Code:
Phone Number: 821001, 821002
BM: 01322-890079, OM: 01894-924636

Kafrul Branch

Branch Code: 212
Rashid Complex Holding No: 88 Ibrahimpur (Pool Par) Road
PS: Kafrul, District : Dhaka
E-Mail: krb@ucb.com.bd
Routing No: 245262382
Swift Code:
Phone Number: 821201, 821202
BM: 01322-890077, OM: 01894-924634

Ucb Taqwa Islamic Banking Branch

Branch Code: 786
South Breeze, Plot: 03, Block: SE (H) Gulshan Avenue
DHAKA-1212
E-Mail: ibg@ucb.com.bd
Routing No: 245261475
Swift Code:
Phone Number:

Khatungonj Branch

Branch Code: 002
601, Ramjoy Mohajan lane, Khantungon,
Chittagong-4000
E-Mail: ktg@ucb.com.bd
Routing No: 245154274
Swift Code: UCBLBDDHKTG
Phone Number: +88-031-613777, 610786, 613774,
637029, 637027, 01711-804132

Agrabad Branch

Branch Code: 004
Kashfia Plaza (1st Floor), 923/A, Sheikh Mujib Road
Agrabad C/A, Chittagong-4000
E-Mail: agb@ucb.com.bd
Routing No: 245150131
Swift Code: UCBLBDDHAGB
Phone Number: +88-031-710706, 716020, 711054, 725997
01711-804129,

Cox's Bazar Branch

Branch Code: 018
Al-Hafez Complex, Plot No- 347, Main Road, Ward No- 03,
Pourasava- Cox_s Bazar
E-Mail: cbz@ucb.com.bd
Routing No: 245220258
Swift Code:
Phone Number: +88-0341-64398, 64092
01711-888356 (HOB),

Chowmuhani Branch

Branch Code: 019
50-266, Kalitola Road Haji Seraj Market, Chowmuhani
Noakhali
E-Mail: cmh@ucb.com.bd
Routing No: 245750678
Swift Code:
Phone Number: +88-0321-52206, 52111, 01711-883741

Madunaghat Branch

Branch Code: 020
Madnughat, P.O Nur Ali Bari P.S- Hathazari Chittagong-4337
E-Mail: mdg@ucb.com.bd
Routing No: 245154753
Swift Code:
Phone Number: +88-31-670375, 01711-883744

Noapara (Ctg) Branch

Branch Code: 021
Patherhat, Vill-Noapara P.S-Rawzan Chittagong-4346
E-Mail: npc@ucb.com.bd
Routing No: 245155710
Swift Code:
Phone Number: +88-031-2571215, 01711-883743

Jubilee Road Branch

Branch Code: 023
Rifle Club Shooting Complex Nandankanan, Jubilee Rd.
Chittagong-4000
E-Mail: jbr@ucb.com.bd
Routing No: 245153646
Swift Code: UCBLBDDHJBR
Phone Number: +88-031-638179, 636024, 624104
01711-804130, 01711-761053

Comilla Branch

Branch Code: 029
125/117, Raigonj (1stFlr.) Chatipatty Comilla-3500
E-Mail: cml@ucb.com.bd
Routing No: 245191158
Swift Code:
Phone Number: +88-081-65776, 76447
01711-809726

Kadamtali Branch

Branch Code: 030
Baitush Sharaf Market (1st Floor) Kadamtali
Chittagong-4000
E-Mail: kdm@ucb.com.bd
Routing No: 245153738
Swift Code: UCBLBDDHKDM
Phone Number: +88-031-721978, 725939, 727270, 726240

Chawkbazar Branch

Branch Code: 031
371, Kapashgola Road, Chowkbazar, Chittagong-4000
E-Mail: cwk@ucb.com.bd
Routing No: 245151930
Swift Code:
Phone Number: +88-31-653074, 01711-881054

Chandpur Branch

Branch Code: 036
37/37, Comilla Road Paul Bazar Chandpur
E-Mail: cdp@ucb.com.bd
Routing No: 245130319
Swift Code:
Phone Number: +88-0841-63483, 67348, 01711-888361

Lohagara Branch

Branch Code: 040
Liakat Hossain Market (1st Floor) PS- Lohagara Chittagong
E-Mail: lhg@ucb.com.bd
Routing No: 245154661
Swift Code:
Phone Number: +88-3034-56011, 01199-703298

Nazirhat Branch

Branch Code: 041
Nazirhat (Hossain Market) P.O- Nazirhat P.S _Fatickchari
Chittagong
E-Mail: nzh@ucb.com.bd
Routing No: 245155594
Swift Code:
Phone Number: +88-31-637003, 635033-115
01711-883745

Lakshimpur Branch

Branch Code: 043
63, Bancha Nagar Masjid Road Lakshimpur
E-Mail: lkp@ucb.com.bd
Routing No: 245510739
Swift Code:
Phone Number: 0381-61443, 61036, 01711-883747 (HOB)

Brahmanbaria Branch

Branch Code: 046
1090/128 Court Road ,Brahmanbaria
E-Mail: bbr@ucb.com.bd
Routing No: 245120437
Swift Code:
Phone Number: +880 8523-56030, 01787-675594

Port Branch

Branch Code: 049
Chittagong Port, 200, Strand Rd Samad Supar Mkt., No. 3,
Jetty Gate Dabolmuring, Chittagong
E-Mail: prt@ucb.com.bd
Routing No: 245156227
Swift Code:
Phone Number: +88-031-711051, 711052, 01711-809729

Anderkill Branch

Branch Code: 052
504, Anderkill (Imam Mansion) Chittagong
E-Mail: ank@ucb.com.bd
Routing No: 245150465
Swift Code:
Phone Number: +88-031-614639, 612162, 01711-881053

Maizdee Court Branch

Branch Code: 057
1175-1176, Maizdee Court Main Rd Noakhali
E-Mail: mdc@ucb.com.bd
Routing No: 245751572
Swift Code:
Phone Number: +88-0321-61176, 61236, 01711-883748

O.R Nizam Road Branch

Branch Code: 058
562/A. O.R.Nizam Road Central Shopping Center, Chittagong
Chittagong
E-Mail: orn@ucb.com.bd
Routing No: 245155802
Swift Code:
Phone Number: +88-031-636195, 625890, 01811-486290

Fatickchari Branch

Branch Code: 068
M.K. Shopping Complex, College Road Bibirhat, Union,
Durang, UpaZilla Fatikchari Dist- Chittagong
E-Mail: ftk@ucb.com.bd
Routing No: 245152742
Swift Code:
Phone Number: +88-031-630389/120, 63700
01711-883746

Feni Branch

Branch Code: 073
21, Stn. Road, Shaheed Hossain Uddin Bipani Bitan(1st
Floor), Feni
E-Mail: fni@ucb.com.bd
Routing No: 245300523
Swift Code:
Phone Number: +88-0331-74296, 61567, 01711-881065

Dhohazari Branch

Branch Code: 074
Al Haj Shamsuddin Super Market. (1stflr) stn. Rd. Dohazari
Chandanaish Chittagong
E-Mail: dhz@ucb.com.bd
Routing No: 245152568
Swift Code:
Phone Number: 01711888357 (HOB), 01915477762 (OM)

Muradpur Branch

Branch Code: 076
Chittagong Shopping Complex 112-129 Nasirabad Mohalla
(1st Flr.) Muradpur, Chittagong
E-Mail: mrd@ucb.com.bd
Routing No: 245155323
Swift Code:
Phone Number: +88-031-651375, 651376 01711-881055

Station Road Branch

Branch Code: 077
Hajee Abul Hossain market (1st Floor) 113, Station Road,
Katwali Chittagong
E-Mail: str@ucb.com.bd
Routing No: 245157518
Swift Code:
Phone Number: +88-031-624145, 634152 01711-881057

Bahaddarhat Branch

Branch Code: 079
Rahmania Shopping Complex (1st Flr) 63/A, Chandgaon
Chittagong
E-Mail: bdh@ucb.com.bd
Routing No: 245150799
Swift Code:
Phone Number: +88-031-652370, 2551185 01711-883742

Gohira Branch

Branch Code: 081
P.O.: Gohira Pourashava: Raozan Upazilla: Raozan, Dist:
Chittagong Chittagong
E-Mail: ghr@ucb.com.bd
Routing No: 245153017
Swift Code:
Phone Number: +88-03026-56189, 03026-56190 01713-
068097

Chokoria Branch

Branch Code: 082
Samabaya Market (1st floor) P.O: Chiringa Chokoria
Pourashava UpaZilla: Chokoria Dist: Cox's Bazar
E-Mail: ckr@ucb.com.bd
Routing No: 245220166
Swift Code:
Phone Number: 03422-56274, 0443-4493932 01713-
068099

Hathazari Branch

Branch Code: 088
SA Shopping Complex (1st floor), Vill- Fatika Union-
Hathazari Sadar, P.S- Hathazari Chittagong
E-Mail: hhb@ucb.com.bd
Routing No: 245153220
Swift Code:
Phone Number: 01730-329715

Rangunia Branch

Branch Code: 089
Hajee Faiz Market (1st floor), Chaumuhani Vill- Syed
Bari, P.O- Morium Nagar P.S- Rangunia, Chittagong
E-Mail: rgb@ucb.com.bd
Routing No: 245156401
Swift Code:
Phone Number: 01819-814109, 01730-329718

Eidgaon Branch

Branch Code: 096
Eidgaon Main Road (Near Bus Stand) Union- Eidgaon,
Upazilla District- Cox_s Bazar
E-Mail: ebc@ucb.com.bd
Routing No: 245220403
Swift Code:
Phone Number: 01730-318849, 01811-418837

Pahartali Branch

Branch Code: 097
3830/B, Shourav Bitan D.T. Road, Pahartali Chittagong.
E-Mail: ptb@ucb.com.bd
Routing No: 245155923
Swift Code:
Phone Number: 01730-318846, 01811-415703

Dampara Branch

Branch Code: 101
Holding No. 115/134 M. M Ali Road, WASA More,
Dampara Chittagong.
E-Mail: dmp@ucb.com.bd
Routing No: 245150128
Swift Code:
Phone Number: +88-031-2867052, +88-031-2867053
01811456760

Raozan SME Branch

Branch Code: 103
G.T. Shopping Complex Maushighata, Ward No- 08 ,
Paurashava & Upazilla- Raozan Chittagong
E-Mail: rzb@ucb.com.bd
Routing No: 245156498
Swift Code:
Phone Number: 01714-167409

Chaturi Branch

Branch Code: 111
Talukder Bhaban (1st & 2nd floor) Chaturi Chowmuhani,
Union- Chaturi, P.S.- Anowara Chittagong
E-Mail: anb@ucb.com.bd
Routing No: 245150528
Swift Code:
Phone Number: +88-03029-56046
01714-135877, 01833-312430

Halishahar Branch

Branch Code: 117
House No- 7, Road No- 2, Lane- 2, Block- G Halishahar
Housing Estate, Chittagong City Corporation, Chittagong
E-Mail: hls@ucb.com.bd
Routing No: 245153167
Swift Code:
Phone Number: +88-031-716650, 01714-167388

Sitakunda Branch

Branch Code: 121
Didar Market (1st Floor). Holding No-01, D.T. Road Ward No-
06, Pourashova- Sitakunda Police Station- Sitakunda,
District- Chattogram
E-Mail: bhb@ucb.com.bd
Routing No: 245151219
Swift Code:
Phone Number: +88-031-2781245, 01818-744059

Battali Branch

Branch Code: 125
Idris Tower(1st floor), Battali Rustamhat P.O. Burumchara,
Union-Juidandi, Ward No- 06 P.S. Anowara Dist. Chittagong
E-Mail: btb@ucb.com.bd
Routing No: 245151172
Swift Code:
Phone Number: 01819-185325, 01818-622340

Enayet Bazar Branch

Branch Code: 127
59, Jubilee Road P.S.- Kotwali Dist- Chittagong Chittagong
E-Mail: enb@ucb.com.bd
Routing No: 245150052
Swift Code:
Phone Number: 01714-167421 (HOB), 01966-602204 (OM)

Azadi Bazar Branch

Branch Code: 131
Muntasir D.M. City Center(1st Floor) Vill- Darmapur,Ward
No- 5 Union- Darmapur P.S- Fatikchari Dist- Chittagong
E-Mail: azb@ucb.com.bd
Routing No: 245150731
Swift Code:
Phone Number: 01847052265(HOB), 01966602227(OM)

Sadarghat Branch

Branch Code: 135
Habib City Tower 49, Sadarghat Chittagong
E-Mail: sdr@ucb.com.bd
Routing No: 245156735
Swift Code:
Phone Number: 01847-052273

Jhawtala Branch

Branch Code: 136
693/1, Shahid Khaja Nizam Uddin Road, Comilla City
Corporation P.S. Kotwali, Dist. Comilla.
E-Mail: jwt@ucb.com.bd
Routing No: 245190159
Swift Code:
Phone Number: 01847-052270, 01926-666859
01554-335101

Kazirhat Branch

Branch Code: 137
Vill-Alaiyarpur, Ward No-09, Union -12, Kutubpur P.S.
Begumgonj,Dist. Noakhali
E-Mail: kzh@ucb.com.bd
Routing No: 245750115
Swift Code:
Phone Number: 01818-310344 (HOB), 01812-809909 (OM)

Baroiarhat Branch

Branch Code: 139
Mir Complex, Dhaka-Chittagong Highway Ward No-02,
Pourasava- Baroiarhat,P.O-Bisumeer P.S-Jorargonj(Ex-
Mirsarai) Dist: Chittagong
E-Mail: brh@ucb.com.bd
Routing No: 245151093
Swift Code:
Phone Number: 01713-436186 (HOB), 01847-092000 (OM)

Chittagong Medical College Branch

Branch Code: 142
19, Fazlur Kader Road Ward No 16, PS : Panchlaish
Chittagong
E-Mail: cmc@ucb.com.bd
Routing No: 245152021
Swift Code:
Phone Number: 024 1355 757, 024 1355 758
01787-676089

Karnaphuli Branch

Branch Code: 143
Maimuna Shafi Tower, Aktaruzzaman Chatter Union :
Charpathergata, PS: Karnaphuli Chittagong
E-Mail: kfb@ucb.com.bd
Routing No: 245150331
Swift Code:
Phone Number: 031-633315, 031-633316, 01787-676087

Sonaimuri Branch

Branch Code: 144
Motaleb Plaza, Eshak Miah Sarak Ward No-02, Sonaimuri
Pourasava, PS-Sonaimuri Noakhali
E-Mail: smr@ucb.com.bd
Routing No: 245752234
Swift Code:
Phone Number: 03227-51202
01787-675591(HOB), 01915-479064(OM)

Bancharampur Branch

Branch Code: 145
S S R Super market, College Road Bancharampur
Pourasava, PS-Bancharampur Brahmanbaria
E-Mail: bnc@ucb.com.bd
Routing No: 245120253
Swift Code:
Phone Number: +880 8523-56030, 01787-675594

Chowdhury Hat Branch

Branch Code: 149
Salma Plaza(1st floor), Chowdhury Hat Hathazari Chittagong
E-Mail: chc@ucb.com.bd
Routing No: 245152171
Swift Code:
Phone Number:

Katghar branch

Branch Code: 158
Noor Shopping Center H-988/1694, Aziz Road, Ward-04
Patenga, Chittagong
E-Mail: kat@ucb.com.bd
Routing No: 245154090
Swift Code:
Phone Number: 01715-376317 (HOB), 01816-620730 (OM)

Oxygen Branch

Branch Code: 162
Gazi Mention, Holding No: 3711-B Oxygen-Quaish Link Road
Ward No.03, Chittagong City Corporation, P.S. Bayazid
Dist.: Chittagong
E-Mail: oxy@ucb.com.bd
Routing No: 245150531
Swift Code:
Phone Number: 01708-451985, 01951-146460

Bandarban Branch

Branch Code: 163
N.S.Mension Holding No.0499 & 0499-001 VIP Road Ward
No. 04 Bandarban Pourashava P.S. Bandarban Sadar Dist.:
Bandarban
E-Mail: ban@ucb.com.bd
Routing No: 245030130
Swift Code:
Phone Number: 036163551, 01708451984, 01951146468

Kasba Branch

Branch Code: 168
Simanta Complex, Holding No.561, Kuti Kasba Road, Ward
No.05, Kasba Pourasava, P.S. Kasba Dist. Brahmanbaria
E-Mail: kas@ucb.com.bd
Routing No: 245121036
Swift Code:
Phone Number: 01708-126236, 01951-146466

Chandanaish Branch

Branch Code: 174
Siddique Bachura Shopping Complex Ho.No.851, Cox's Bazar
Main Road, Ward No.09 P.S.Chandanish Dist.Chittagong
E-Mail: cha@ucb.com.bd
Routing No: 245151819
Swift Code:
Phone Number: 01847-454067 (HOB), 01847-454068 (OM)

Jamal Khan Branch

Branch Code: 175
CPDL Minez, Holding No.42 Jamal Khan Road, Ward No.21
P.S. Kotwali, Dist. Chittagong
E-Mail: jam@ucb.com.bd
Routing No: 245150810
Swift Code:
Phone Number: 01847-454063(HOB), 01847-454064(OM)

Anowara Sadar Branch

Branch Code: 176
APL Hossain, New Market Union Anowara, P.S. Anowara Dist.
Chittagong
E-Mail: anw@ucb.com.bd
Routing No: 245150694
Swift Code:
Phone Number: 01847-454069 (HOB), 01847-454070 (OM)

Patiya Branch

Branch Code: 177
Islam Tower Ward No.07, P.S. Patiya Dist. Chittagong
E-Mail: pot@ucb.com.bd
Routing No: 245150715
Swift Code:
Phone Number: 01847-454065(HOB), 01847-454066(OM)

Keranihat Branch

Branch Code: 179
Hoque View Shopping Centre North Demsha, Union: Demsha
P.S. Satkania, Dist. Chattogram
E-Mail: khb@ucb.com.bd
Routing No: 245154182
Swift Code:
Phone Number: 01711-250554 (HOB), 01951-123230 (OM)

Kala Meah Bazar Branch

Branch Code: 184
Saber Tower (1st Floor) Shah Amanat Connecting Road,
Chattogram
E-Mail: kmb@ucb.com.bd
Routing No: 245150902
Swift Code:
Phone Number: 818401,818402
01713108759 (HOB), 01844491071(OM)

Sharaf Bhata Branch

Branch Code: 186
Asma Bhaban (1st Floor) Union - Sharaf Bhata, PS -
Rangunia Chattogram
E-Mail: sbh@ucb.com.bd
Routing No: 245150894
Swift Code:
Phone Number: 01713108758 (HOB), 01844491070 (OM)

Shantirhat Branch

Branch Code: 191
Kamal Centre(1st Floor), Chattogram-Cox's Bazar
Highway,Shantirhat Bazar, Union-Kushumpura,PS-
Patiya,District-Chattogram
E-Mail: stb@ucb.com.bd
Routing No: 245157242
Swift Code:
Phone Number:

Boalkhali Branch

Branch Code: 192
Well Foyz Centre(1st Floor) Gomdandi Fultol Kanungo Para
Road,Ward No:07, PS-Boalkhali,District-Chattogram
E-Mail: bkb@ucb.com.bd
Routing No: 245151301
Swift Code:
Phone Number:

Khulshi Branch

Branch Code: 194
Arcadia Shopping Centre,Holding No:10/A/1/77 Road
No:4,Zakir Hossain Road,Ward No:13,PS:Khulshi
Chattogram City Corporation,Dist-Chittagong
E-Mail: ksb@ucb.com.bd
Routing No: 245154366
Swift Code:
Phone Number:

Sandwip Branch

Branch Code: 196
Haji Lokman Plaza, Holding No#002700 Guptochoa Road,
Ward No-08, PS-Sandwip Dist-Chattogram, Bangladesh
E-Mail: sdb@ucb.com.bd
Routing No: 245156919
Swift Code:
Phone Number: 819601, 819602
01321124373 (HOB), 01841741225 (OM)

Rangamati Branch

Branch Code: 205
Azia Market (1st Floor) New Cort Road, Happy More
Banarupa, Rangamati
E-Mail: rmb@ucb.com.bd
Routing No: 245840520
Swift Code:
Phone Number: 820501, 820502
BM: 01322-890072, OM: 01894-924629

Khagrachhari Branch

Branch Code: 206
Hawker's Market Complex (1st Floor) Pan Bazar, Pankhya
Para Road, Khagrachhari Sadar, Khagrachhari
E-Mail: kcb@ucb.com.bd
Routing No: 245460076
Swift Code:
Phone Number:

Sylhet Branch

Branch Code: 006
Laldighirpar, Sylhet-3100
E-Mail: syl@ucb.com.bd
Routing No: 245913552
Swift Code: UCBLBDDHSYL
Phone Number: +88-0821-715070, 713541, 713519
01711-809727, 01811481294

Moulvibazar Branch (S)

Branch Code: 013
Central Road, Chowmohona, Moulvibazar-3200, Sylhet
E-Mail: mbs@ucb.com.bd
Routing No: 245581184
Swift Code:
Phone Number: +88-861-52766, 01711-881059

Biswanath Branch

Branch Code: 014
Al-Burak Shopping Center, Biswanath Bazar, Vill, P.O & P.S:
Biswanath, Dist. Sylhet
E-Mail: bis@ucb.com.bd
Routing No: 245910434
Swift Code:
Phone Number: +88-038911-82063, 82059, 01711-883749

Beanibazar Branch

Branch Code: 015
Shahab Mension Main Road, Beanibazar, Sylhet-3170
E-Mail: bbz@ucb.com.bd
Routing No: 245910313
Swift Code:
Phone Number: +88-08223-88338, 01711-883750

Amborkhana Branch

Branch Code: 034
Airport Road, Amborkhana, Sylhet
E-Mail: amb@ucb.com.bd
Routing No: 245910047
Swift Code:
Phone Number: +88-0821-718181, 712631, 01711-883751

Goalabazar Branch

Branch Code: 047
P.O Goalabazar P.S Balagonj, Sylhet
E-Mail: gob@ucb.com.bd
Routing No: 245911541
Swift Code:
Phone Number: +88-3799-187015, 01711-883752

Sherpur Branch (Sylhet)

Branch Code: 048
Union-Sadipur, P.O: Aurangapur, P.S- Osmani Nagar (New)
Dist.- Sylhet.
E-Mail: srp@ucb.com.bd
Routing No: 245913310
Swift Code:
Phone Number: +88-08222-89515, 01711-922479

Shibgonj Branch

Branch Code: 051
Union-TuItikar Sadar Thana Sylhet Dist- Sylhet
E-Mail: shb@ucb.com.bd
Routing No: 245913402
Swift Code:
Phone Number: +88-0821-760300, 01711-883753

Zindabazar Branch

Branch Code: 063
1683/A, Zindabazar Sylhet
E-Mail: znb@ucb.com.bd
Routing No: 245914151
Swift Code:
Phone Number: +88-0821-714527, 723567, 01711-881062

Nabigonj Branch

Branch Code: 064
P.O & P.S- Nabigonij Dist-Hobigonj
E-Mail: nbj@ucb.com.bd
Routing No: 245361096
Swift Code:
Phone Number: +88-38927-88105, 01711-883754

Kamal Bazar Branch

Branch Code: 065
Kabir Tower (1st Floor) Kamal Bazar Kalurghat Road U.L
Mohora,
E-Mail: rjk@ucb.com.bd
Routing No: 245153970
Swift Code:
Phone Number: +88-031- 2571196, 2571271
01711-809725

Barolekha Branch

Branch Code: 071
Mouvibazar, P.O& P.S: Barolekha Dist. Moulvibazar
E-Mail: brl@ucb.com.bd
Routing No: 245580101
Swift Code:
Phone Number: +88-08622-56140, 03797800032
01711-883759

Shahjalal Upashahar Branch

Branch Code: 085
Rose View Complex(2nd Floor),Mouza- Sadipur Plot #
597,598,Block- D, Shahjalal Upashahar Thana- Kotually,
Sylhet City Corporation
E-Mail: ups@ucb.com.bd
Routing No: 245913257
Swift Code:
Phone Number: +88-0821-2833298-99, 01819-412620

Lamabazar Branch

Branch Code: 098
Ali Complex, 14 Chayatoru, Lama Bazar, Sylhet
E-Mail: lbb@ucb.com.bd
Routing No: 245912511
Swift Code:
Phone Number: +88-0821-710760
01713-436187 (HOB), 01811-415698 (OM)

Subid Bazar Branch

Branch Code: 118
Silver Star Tower_ Doyal-1 Sylhet- Sunamgonj Sarak Subid
Bazar, Sylhet City Corporation
E-Mail: sbs@ucb.com.bd
Routing No: 245913499
Swift Code:
Phone Number: +88-0821-721450
01714-167432, 01833-102706

Kulaura Branch

Branch Code: 167
Asaddor Palace, Holding No.239, Ward No. 05,
Kulaura,Pourasava, P.S-Kulaura, Dist.-Moulvibazar
E-Mail: kul@ucb.com.bd
Routing No: 245580943
Swift Code:
Phone Number: 01708-126235, 01951-146465

Madhabpur Branch

Branch Code: 193
Amir Complex(1st Floor),Dhaka-Sylhet Highway Road Ward
No:07,Madhabpur Bus Stand Madhabpur,Habiganj
E-Mail: mpb@ucb.com.bd
Routing No: 245360884
Swift Code:
Phone Number:

Derai Branch

Branch Code: 215
2nd Floor of Sen Market Thana Road, Derai Sunamganj
E-Mail: drb@ucb.com.bd
Routing No: 245900257
Swift Code:
Phone Number:

Khulna Branch

Branch Code: 016
Hotel Park Building, 48 K.D Ghosh Road, Khulna-9000
E-Mail: kln@ucb.com.bd
Routing No: 245471544
Swift Code: UCBLBDDHKLN
Phone Number: +8802477-727363, 02477-720502
02477-720522, 02477-728513 , 01711-881063

Jessore Branch

Branch Code: 037
JESSORE BRANCH 36, M.K Road Jessore
E-Mail: jsr@ucb.com.bd
Routing No: 245410947
Swift Code:
Phone Number: +88-0421-66606, 66061
73542 01711-883758

Kushtia Branch

Branch Code: 038
4, Bar Waritala Road Kushtia
E-Mail: kst@ucb.com.bd
Routing No: 245500949
Swift Code:
Phone Number: +88-071-61991
01711-881058 (HOB), 01966-602223 (OM)

Jhenaidah Branch

Branch Code: 045
129, Shere Bangla Road Jhenaidah
E-Mail: jhn@ucb.com.bd
Routing No: 245440641
Swift Code:
Phone Number: +88-451-62725, 01711-883760

Noapara (Jessore) Branch

Branch Code: 059
Noapara Bazar P.S Avoy nagor Jessore
E-Mail: npj@ucb.com.bd
Routing No: 245411667
Swift Code:
Phone Number: +88-04222-7189, 01711-883761

Khan Jahan Ali Road Branch

Branch Code: 061
Haji Hanif Complex (1st Floor) Holding No- 12&13 Khan
Jahan Ali Road Khulna
E-Mail: khj@ucb.com.bd
Routing No: 245471481
Swift Code:
Phone Number: +88-041-732224, 01711-883762

Chuadanga Branch

Branch Code: 066
147, Barobazar Chuadanga
E-Mail: cdg@ucb.com.bd
Routing No: 245180198
Swift Code:
Phone Number: +88-761-62515, 01711-883763

Satkhira Branch

Branch Code: 181
Arif Super Market Holding no 0699-00, Abul Kashem Sarak
Ward no -8, Paurashava - Satkhira, Dist - Satkhira
E-Mail: stk@ucb.com.bd
Routing No: 245871094
Swift Code:
Phone Number: 01847-350508 (HOB), 01708-803376 (OM)

Fakirhat Branch

Branch Code: 185
Talukder Market (1st Floor) Union, Fakirhat, PS- Fakirhat
Bagerhat
E-Mail: fhb@ucb.com.bd
Routing No: 245010468
Swift Code:
Phone Number: 01713108760(HOB), 01844491072(OM)

Bheramara Branch

Branch Code: 203
Holding No-0190-00,0190-01,0191-00 High Road, Ward No-
05, Pourashava- Bheramara Bheramara, Kushtia
E-Mail: bmk@ucb.com.bd
Routing No: 245500286
Swift Code:
Phone Number: 820301, 820302
BM: 01321-124381, OM: 01841-741231

Gangni Branch

Branch Code: 208
Mondal Super Complex Holding No: 196 Gangni Bus Stand
para Ward No: 04 PS : Gangni District - Meherpur
E-Mail: gnb@ucb.com.bd
Routing No: 245570229
Swift Code:
Phone Number: 820801, 820802
BM: 01322-890074 , OM: 01894-924631

Arpara Branch

Branch Code: 211
Arpara Bazar Union: 03 no. Arpara PS: Shalikhha, District-
Magura
E-Mail: apb@ucb.com.bd
Routing No: 245550131
Swift Code:
Phone Number: 821101, 821102
BM: 01322-890078, OM: 01894-924635

Bogra Branch

Branch Code: 007
221, Jhawtola, Pashari Mansion Bogra- 5800
E-Mail: bgr@ucb.com.bd
Routing No: 245100378
Swift Code: UCBLBDDHBGR
Phone Number: +88-051-65467, 63630, 69527
01711-881066

Rajshahi Branch

Branch Code: 026
70/71, Miah Para (1st Flr.) Shaheb Bazar Natore Maha Sarak
Rajshahi _6100
E-Mail: rjh@ucb.com.bd
Routing No: 245811933
Swift Code: UCBLBDDHRJH
Phone Number: +88-0721-771386, 773367, 812357
01711-883755

Naogaon Branch

Branch Code: 027
379, Tula Patty (1st flr) Naogaon-6500
E-Mail: ngn@ucb.com.bd
Routing No: 245641187
Swift Code:
Phone Number: +88-0741-62988, 62861, 01711-809728

Pabna Branch

Branch Code: 035
Al-Monsur Super Market (1st Floor), 407, Abdul Hamid Road,
Pabna
E-Mail: pbn@ucb.com.bd
Routing No: 245761788
Swift Code:
Phone Number: +88-0731-65417, 66331, 01711-883756

Serajgonj Branch

Branch Code: 042
720, S.S.Road P.O Serajgonj, Dist-Serajgonj
E-Mail: srj@ucb.com.bd
Routing No: 245881871
Swift Code:
Phone Number: +88-0751-62393, 64169, 01711-888362

Natore Branch

Branch Code: 060
Union- Harishapur Patuapara Natore
E-Mail: ntr@ucb.com.bd
Routing No: 245691090
Swift Code:
Phone Number: +88-0771-66771, 66913, 01711-809721

Chapainawabgonj Branch

Branch Code: 062
4-5, Gudagari Road Chapainawabgonj
E-Mail: cpn@ucb.com.bd
Routing No: 245700257
Swift Code:
Phone Number: +88-781-52283, 01711-436595

Ullapara Branch

Branch Code: 141
Mizan Mansion 807, Joydev Sarak , ward No 03 Serajganj
E-Mail: ulp@ucb.com.bd
Routing No: 245882238
Swift Code:
Phone Number: 01787-670979(HOB), 01915-479134(OM)

Baneshwar Branch

Branch Code: 148
Haowa Plaza Baneshwar PS Puthia Rajshahi
E-Mail: bnr@ucb.com.bd
Routing No: 245810226
Swift Code:
Phone Number: 01787-675590, 01915-479097

Joypurhat Branch

Branch Code: 150
Sowdagar Bazar.Amtoli Joypurhat
E-Mail: jyp@ucb.com.bd
Routing No: 245380406
Swift Code:
Phone Number: 01718-281858

Enayetpur Branch

Branch Code: 161
Dishari Plaza, Vill:-Enayetpur, Union: 1 No. Sadia Chandpur,
P.S. Enayetpur,Dist: Sirajgonj.
E-Mail: ena@ucb.com.bd
Routing No: 245880827
Swift Code:
Phone Number:

Kashinathpur Branch

Branch Code: 187
Khan Plaza (1st Floor) Union - Kashinathpur, PS - Santhia
Pabna
E-Mail: knb@ucb.com.bd
Routing No: 245761333
Swift Code:
Phone Number: 01713-108758 (HOB), 01844-491070 (OM)

Barisal Branch

Branch Code: 032
87-88 Hamayet Uddin Road Barisal
E-Mail: bsl@ucb.com.bd
Routing No: 245060289
Swift Code:
Phone Number: +88-0431-57650, 57688, 63144 01847-
454079 (HOB)

Bhola Branch

Branch Code: 159
Mukhles Complex, Holding No-888,887 887/1, Sadar Road,
Ward No-06, Paurashava-Bhola,P.S- Bhola, Dist.-Bhola
E-Mail: bho@ucb.com.bd
Routing No: 245090109
Swift Code:
Phone Number: 01708-451983, 01971-160084

Charfasson Branch

Branch Code: 188
Mozibol Hoq Super Market(1st & 2nd floor) Janata Road,
Ward no-04,PS+Pouroshova- Charfasson District-Bhola
E-Mail: cfb@ucb.com.bd
Routing No: 245090220
Swift Code:
Phone Number: 818801, 818802
01844-546430(HOB), 01713-108796 (OM)

Barguna Branch

Branch Code: 197
Rafiq Tower, Holding No#107 Sadar Road, Ward No#07
Barguna, Bangladesh
E-Mail: bgb@ucb.com.bd
Routing No: 245040133
Swift Code:
Phone Number: 819701, 819702
01321-124374 (HOB) , 01844-546439 (OM)

Subidkhali Branch

Branch Code: 198
Sikder Market, College Road Subidkhali, Mirzaganj
Patuakhali, Bangladesh
E-Mail: sbk@ucb.com.bd
Routing No: 245781276
Swift Code:
Phone Number: 819801, 819802
01321-124375 (HOB) , 01844-546434 (OM)

Jhalokathi Branch

Branch Code: 204
Ma Hazera Commercial Complex, Holding No # 18 Kapuria
Patri, Ward No-04, PS - Jhalakathi Sadar Jhalakathi
E-Mail: jkb@ucb.com.bd
Routing No: 245420061
Swift Code:
Phone Number:

Indurhat Branch

Branch Code: 214
Hazi Ashmat Ali Tower Sohagdol, Nesarabad Pirojpur
E-Mail: ihb@ucb.com.bd
Routing No: 245790067
Swift Code:
Phone Number:

Dinajpur Branch

Branch Code: 012
Maldahpalty, Dinajpur-5200
E-Mail: dnj@ucb.com.bd
Routing No: 245280672
Swift Code:
Phone Number: +88-0531-63327, 64042, 01711-436596

Rangpur Branch

Branch Code: 022
Shahid Shopping Complex, Jahaj Company More Municipal
holding No. 11013 Rangpur
E-Mail: rng@ucb.com.bd
Routing No: 245851456
Swift Code: UCBLBDDHRNG
Phone Number: +88-0521-62851, 63730, 01711-881061

Nilphamari Branch

Branch Code: 182
Toyez Uddin Plaza Holdin no - 4895, Hazi Mohsin Sarak
Paurashava - Nilphamari, Dist - Nilphamari
E-Mail: npb@ucb.com.bd
Routing No: 245730735
Swift Code:
Phone Number: 01711-250559 (HOB), 01847-350505 (OM)

Boda Branch

Branch Code: 183
Khodeza Super Market Holding no - 275/O Ward no -7,
Upazila - Boda, Dist - Panchagar
E-Mail: bdb@ucb.com.bd
Routing No: 245770137
Swift Code:
Phone Number: 01711-250560 (HOB), 01847-350506 (OM)

Thakurgaon Branch

Branch Code: 199
Abdullah Centre, Shahid Mohammad Ali Sarak Ward No:
08, Pouroshova: Thakurgaon P.S: Thakurgaon,
District: Thakurgaon
E-Mail: tgb@ucb.com.bd
Routing No: 245940970
Swift Code:
Phone Number: 819901, 819902
BM:- 01321124376, OM:- 01844-546432

Gaibandha Branch

Branch Code: 207
P.C. Saha Plaza Circular Road, Das Bakery More Gaibandha
Sadar, Gaibandha
E-Mail: gbb@ucb.com.bd
Routing No: 245320529
Swift Code:
Phone Number:

Hatibandha Branch

Branch Code: 209
Alhaj Khatib Uddin Shopping Complex Vill: Purbo Sindurna,
Union: 05 no. Sindurna PS: Hatibandha District-
Lalmonirhat
E-Mail: hbb@ucb.com.bd
Routing No: 245520095
Swift Code:
Phone Number: 820901, 820902
BM: 01322890075 , OM: 01894924632

Mymensingh Branch

Branch Code: 010
17, Chota Bazar, Mymensingh -2200
E-Mail: mns@ucb.com.bd
Routing No: 245611759
Swift Code:
Phone Number: +88-091-64345, 64346, 01711-881064

Kendua Branch

Branch Code: 189
"Khonikaloy" (1st Floor), Shantibag Road, Union-Kandiura,
Ward No-08, PS-Kandua, Dist-Netrokona
E-Mail: kdb@ucb.com.bd
Routing No: 245720466
Swift Code:
Phone Number:



REDRESSAL OF INVESTORS' COMPLAINT

UCB always upholds a good relation with investors who play a vital role in erection a sustainable brand image among all the stakeholders. We really overhaul our investors so that they may carry out the flag of UCB in front line which would help us to accomplish our vision. In this assessment, we have proper arrangement to hear the voice of investors. Investors have free access to communicate and can collect all product and service related published information. Company Secretariat is always prepared to meet the statutory requirement of investors. Any query received from investors is treated efficiently and impartially. Queries from investors are dealt with courtesy and in a timely manner.

How Do UCB Redress Investors' Complaints

➤ Corporate website of UCB (www.ucb.com.bd) contains a complaint cell where respective officials contact numbers are given to attend to the investors' query and complaints.

- UCB has a designated email address (bsd@ucb.com.bd) where investors can send email regarding their complaint which is recorded on daily basis and the investors replies are made to in due time to the investors.
- Investors can also make a written complaint through letter which are taken care with sincerely and after sufficient investigation, proper actions are taken based on the merit of the complains.
- Based on the complaint received from the investors, responsible officials are being asked to explain regarding the complaint and the appropriate decisions and actions are taken so that such type of complaint can be addressed correctly.
- Serious complaints are referred to the Company Secretary and even to the Managing Director & CEO of the Bank if so warrants.



Notice & Proxy Form

of the 39th Annual General Meeting of the Bank



NOTICE OF THE 39TH ANNUAL GENERAL MEETING

Notice is hereby given to the Members that the 39th Annual General Meeting (AGM) of United Commercial Bank Limited (UCB) will be held on Thursday, June 09, 2022, at 3.00 P.M. virtually by using Digital Platform in accordance with the BSEC's Order No.SEC/SRMIC/94-231/91 dated March 31, 2021, to transact the following businesses:

AGENDA

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, Auditors' Report, and Audited Financial Statements of the Bank for the year ended 31 December 2021.
2. To declare Dividend for the year ended 31 December 2021 as recommended by the Board of Directors.
3. To elect/re-elect Directors of the Bank.
4. To appoint Statutory Auditors for the year 2022 and fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors for the year 2022 and fix their remuneration.

SPECIAL BUSINESS:

1. To approve the issuance of UCB 2nd Perpetual Bond of BDT 500.00 crores.

"Resolved that the proposal for issuance of unsecured, contingent-convertible, non-cumulative, 'UCB 2nd Perpetual Bond' of BDT 500.00 crores to be included in the Additional Tier I Capital be and is hereby approved subject to permission of the regulatory authorities."

By order of the Board of Directors,

ATM Tahmiduzzaman, FCS
Company Secretary

Dated: May 17, 2022

NOTES

- a) The 'Record Date' in lieu of Book Closure was fixed on Monday, 25 April 2022.
- b) Members whose names appeared in the Register of Members of the Bank or in the Central Depository Bangladesh Limited (CDBL) on the Record Date i.e. 25 April 2022 will be eligible to attend the meeting and qualified for Stock Dividend for the year 2021.
- c) A member, eligible to attend the AGM, may appoint a proxy to attend and vote on his/her behalf. The instrument appointing Proxy to be duly signed and affixed by the members with a revenue stamp of Tk. 20 must be submitted to the registered office of the Bank at least 72 hours before AGM. Members may download Proxy Form from the Bank's website (**www.ucb.com.bd**).
- d) Link for joining AGM through Digital Platform is **<https://ucbl.agm.watch>**. Members can join the Virtual Annual General Meeting using their laptop, PC, Mobile, or Tab providing their respective Name, 16-Digit BO ID, and No. of Shares. Full login/participation process of AGM through Digital Platform will be available on the Bank's website **www.ucb.com.bd**.
- e) Members can download the Annual Report by scanning the QR Code given above herein. The link for downloading Annual Report 2021 is **<https://www.ucb.com.bd/reports/shareholder-reports/annual-report/Annual-report.pdf>**
- f) In Compliance with BSEC Notification No. BSEC/CMRRC/2006-158/208/Admin/81 dated 20 June 2018:
 - i. Annual Report, Attendance Slip, and Proxy Form along with the Notice are being sent in soft Form to the Members' registered e-mail address linked with their respective BO ID as on record date.
 - ii. The members, who don't have an e-mail address linked with their BO ID, are requested to send their respective e-mail address to bsd@ucb.com.bd to enable us to send the e-Annual Report 2021 or can download the same by scanning the QR Code given.
 - iii. Members who want to collect the printed copy of the Annual Report from the Company Secretariat of the Bank are requested to inform us in writing.
 - iv. The Annual Report is also available on the Bank's website linked with the websites of both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.
- g) The concerned Brokerage Houses were requested to provide us with a statement with the details (Shareholders' name, BO ID number client-wise shareholding position) of their margin account holders (if any) who hold UCB shares, as on the 'Record Date' along with the name of the contact person in this connection, to the Company Secretariat of the Bank on or before 09 May 2022. We would further request the Brokerage houses to provide us with their Bank name & Account number, Routing number, etc. within the stipulated time to enable us to disburse the sales proceed of a fractional stock dividend to their respective accounts.



To Join the AGM 2022



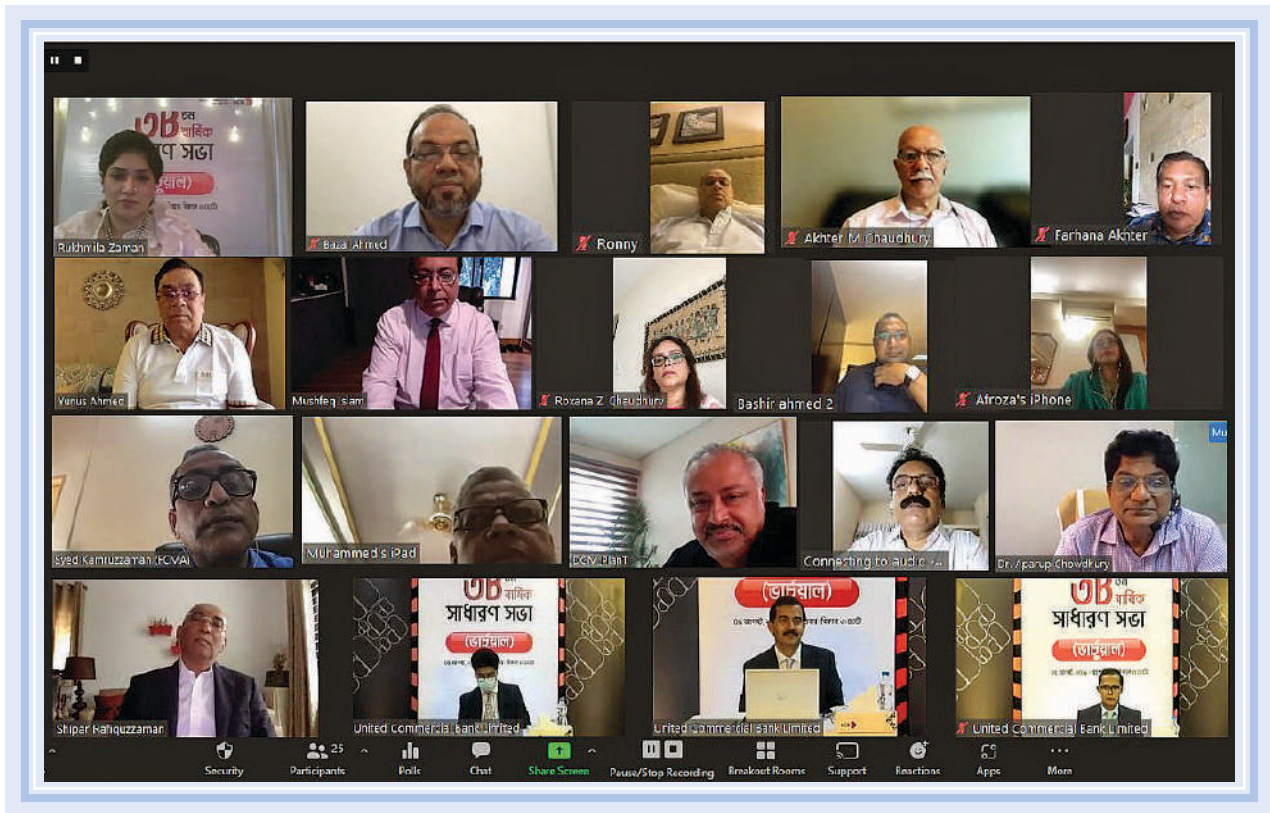
To Download Annual Report 2021



GLIMPSE
OF LAST



Glimpse of UCB 38th Annual General Meeting





16419 

UNITED COMMERCIAL
BANK LIMITED



Plot-CWS (A)-1, Road No-34, Gulshan Avenue, Dhaka-1212

Phone: +880-2-55668070, Call center: 16419