

Overcoming Adversaries Capturing Prosperities

ANNUAL REPORT 2022



UNITED COMMERCIAL
BANK PLC



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 of United Commercial Bank PLC for the year ended December 31, 2022**

Dear Sir (s),

We are pleased to present the Annual Report 2022 of United Commercial Bank PLC, together with the Auditors' Report, Directors' Report, and Audited Financial Statements as of December 31, 2022, for your kind information and record.

Sincerely Yours,

ATM Tahmiduzzaman, FCS
DMD & Company Secretary

OVERCOMING ADVERSARIES, CAPTURING PROSPERITIES

The global landscape has undergone significant transformations, presenting obstacles that have tested our resilience, determination, and adaptability. However, in the face of these adversaries, we, UCB, have remained steadfast in our commitment to overcome these hurdles and capture the prosperities that lie beyond.

It reflects the spirit and ethos of our institution—a dedicated partner in your financial journey, supporting you in navigating the complexities of the ever-changing economic landscape. We understand that the path to prosperity is not always smooth, and that is precisely why we are here—to stand by your side and empower you to overcome obstacles that may arise along the way.

At UCB, we believe in the power of resilience, determination, and unwavering commitment to your financial success. We understand that your journey may encounter unexpected detours, but we assure you that we will remain steadfast in our support. Our job is to empower you to overcome adversaries by providing personalized financial strategies, cutting-edge technology, and a comprehensive suite of services designed to capture the prosperities that await you.

We invite you to embark on this journey with us—to embrace the challenges, face the adversaries, and unlock your full potential. Together, we can navigate the ever-changing financial landscape and create a brighter, more prosperous future.





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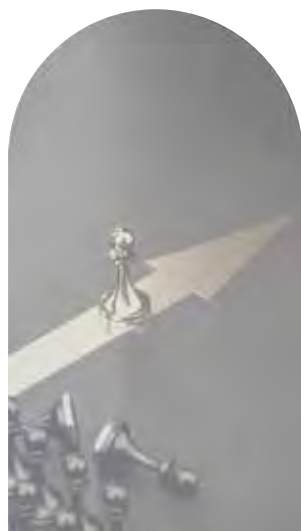


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ORGANIZATIONAL OVERVIEW

FORWARD LOOKING STATEMENT



Forward-looking statements, by their nature, are not guarantees 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.

This announcement constitutes forward-looking statements about the Bank, including financial projections and estimates and their underlying assumptions and statements regarding plans, objectives, and forecasts.

These statements include our intent, belief, or current expectations regarding 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, are not guarantees 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 preceding list of essential factors that may affect future results is not exhaustive. When relying on our future-oriented statement, investors and others should carefully consider the preceding aspects, other uncertainties, and potential events to make any decision with respect to the Bank. We do not undertake to update any future-oriented statement, whether written or oral, that we may make from time to time 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 professional ethics



We maintain quality at all levels



We believe in being a responsible corporate citizen

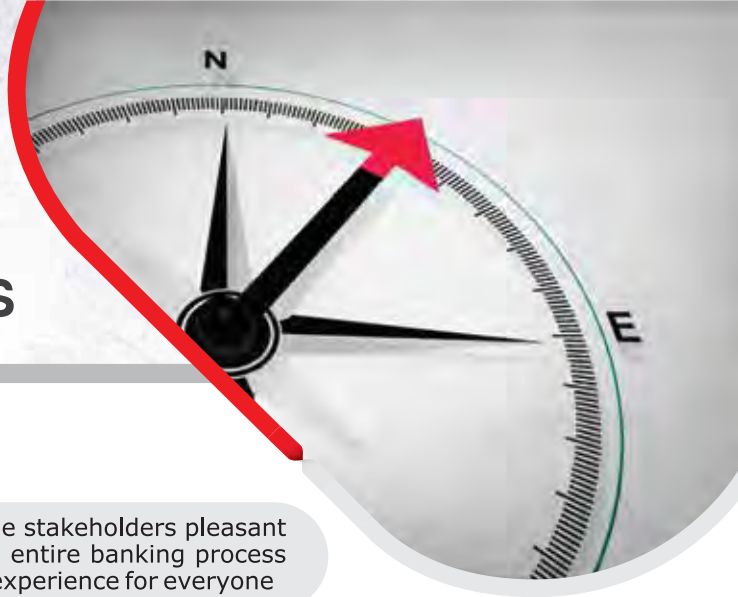


We say what we believe in



We foster participative management

STRATEGIC PRIORITIES/OBJECTIVES



Enjoyable Experience

To make all the stakeholders pleasant 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 the 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 PLC 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 224 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 5,354; 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.



<i>Registered Name</i>	United Commercial Bank PLC
<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>	Bashir Ahmed
<i>Chairman, Executive Committee</i>	Anisuzzaman Chowdhury
<i>Chairman, Audit Committee</i>	Touhid Shipar Rafiquzzaman
<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 14,062.40 Million
<i>Total Manpower</i>	5354 (As on 31.12.2022)
<i>Number of Branches</i>	224 (As on 31.12.2022)
<i>Number of Sub Branches</i>	141 (As on 31.12.2022)
<i>Number of Agent Banking Outlets</i>	314 (As on 31.12.2022)
<i>Number of ATM & CRM Booths</i>	663 (As on 31.12.2022)
<i>Auditors</i>	ACNABIN Chartered Accountants BDBL Bhaban (Level-13 & 15) 12 Kawran Bazar Commercial Area Dhaka-1215, Bangladesh
<i>Tax Consultants</i>	Snehasis Mahmud & Co. Chartered Accountants Plot-10 (3rd Floor), Road-9, Block-J, Baridhara, Dhaka-1212 Md. Mosharrof Hossain Senior Advocate & Tax Consultant 28/A Kakrail (3rd Floor), Room No.-402, Dhaka-1000
<i>Rating Agency</i>	Emerging Credit Rating Limited 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

PRODUCTS & SERVICES

Retail Banking

Accounts

- › Savings Account
- › Current Account
- › Dynamic Benefits Savings
- › UCB NRB Savings
- › UCB Youngsters Savings
- › Savings Deposit Non-Interest
- › UCB Prothom Account
- › UCB Probashi Savings Account (Uclick)
- › UCB Swadhin Account
- › NFCD & RFCD

Fixed Deposit

- › UCB Earning Plus FD
- › UCB Money Maximizer
- › Retail Fixed Deposit (Exclusive)
- › Retail Fixed Deposit (General)
- › Retail Fixed Deposit (Special)

DPS

- › UCB Super Flex DPS
- › UCB Youngsters DPS
- › UCB NRB DPS Plus
- › UCB Multi-Millionaire

Loan

- › Personal Loan
- › Auto Loan
- › Home Loan

Card

- › Credit Card
- › Debit Card
- › Prepaid Card
- › Business Card

Services

- › Locker Services
- › SMS Banking
- › 24x7 Customer Service

NRB Banking

- › UCB NRB SAVINGS
- › UCB Probashi Savings Account (Uclick)
- › UCB NRB DPS PLUS
- › Locker Services
- › Remittance services
- › SMS Banking

SME Banking

SME Loans

- › UCB SME Installment Loan (USIL)
- › UCB Dhrubo
- › UCB Onkur
- › UCB Durjoy
- › UCB Thikana
- › UCB SME Revolving Short Term Loan (RSTL)
- › UCB Small Business Loan (UCB SBL)
- › UCB Women Entrepreneur
- › Cluster Financing
- › Start up Financing

SME Deposits

- › Sonirvor Current Account
- › Sabolombi Easy Account
- › Protoyoi Monthly Deposit
- › Uddomi Fixed Deposit
- › UCB Women Entrepreneur

Other SME Facilities

- › Working Capital Finance
- › Letter of Credit
- › Import Finance
- › House Building Finance
- › Other SME Loans
 - › Hire Purchase
 - › Lease Finance
 - › Transport Loan
 - › Work Order Finance
 - › Purchase of Bills
 - › Guarantee

Corporate Banking

Corporate Banking Loans

- › Export And Import Finance
- › House Building Finance
- › Industrial Loan
- › Letter of Credit
- › Project Finance
- › Syndicated/Structured Finance
- › Working Capital Finance
- › More Corporate Banking Loans

Off-shore Banking

› Structured Finance

- › Hybrid Financing Products
- › Loan Syndication
- › Long Term Debt Instrument
- › Wealth Management
- › More Structured Finance Products /Services

Agent Banking

Savings Accounts

- > Savings Deposit Account (General Deposit)
- > UCB Savings Plus Account (Special Savings Account)
- > UCB Women Savings Accounts (Savings Account for Women)
- > UCB NRB Savings Account (Savings Account for NRB)
- > UCB Farmer's Savings (Farmer & Non farmer)
- > UCB Youngster (Student) Accounts Savings (School Plan-College Plan)
- > UCB RMG Workers Savings Account

Current Accounts

- > Current Account (Personal, Impersonal both)
- > Short Notice Deposit Account

Fixed Deposit

- > FD General (3,4,6,7,12,13, 24,25,36 months' terms)
- > UCB Money Maximizer (Double Money- Fixed Deposit)
- > UCB Earning Plus (Monthly/Quarterly Interest payable - Fixed Deposit)
- > Interest Upfront Fixed Deposit (IUFD)
- > UCB Earning Plus Fixed Deposit (UEPFD)

DPS

- > UCB DPS Plus (General DPS)
- > UCB Women DPS Plus (Special Monthly Savings Scheme)
- > UCB NRB DPS Plus (Monthly Savings Scheme for NRB)

- > UCB RMG DPS Plus (Monthly Savings Scheme)
- > UCB Youngsters DPS (Monthly Savings Account for youngsters)
- > UCB Multi-Millionaire (Monthly Savings Scheme)
- > UCB Super Flex DPS

Loan File Sourcing

- > SME loan
- > Agriculture Loan
- > Consumer loan
- > Cottage & Micro Loan

UCB Taqwa

Deposit

- > UCB TAQWA Al-Wadia Current Account
- > UCB TAQWA Mudaraba Savings Account
- > UCB TAQWA Mudaraba Term Deposit
- > UCB TAQWA Mudaraba Monthly Income Term Deposit

Investment

- > Retail
 - > Personal Finance
 - > UCB TAQWA Personal Finance
 - > Auto
 - > Home
- > SME
- > Corporate

Imperial Deposit

- > Mudaraba Imperial Savings Account
 - > UCB TAQWA Mudaraba Imperial Savings Account

CODE OF CONDUCTS & ETHICS

UCB EMPHASIZED
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 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.

Confidential information about United Commercial Bank PLC'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 PLC 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 PLC'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 PLC 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 PLC 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 YEAR'S FINANCIAL SUMMARY

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

Results of Operation	2022	2021	2020	2019	2018
Interest income	31,684.84	27,323.65	27,306.96	30,948.75	25,266.93
Interest expense	17,010.39	13,927.26	17,796.18	20,150.94	16,024.50
Net interest income	14,674.45	13,396.39	9,510.78	10,797.81	9,242.44
Non-interest income*	13,848.29	11,423.35	10,977.44	9,911.08	9,050.08
Non-interest expenses	17,053.97	14,636.03	13,631.10	12,430.21	10,902.27
Gross Revenue*	45,533.13	38,747.00	38,284.39	40,859.83	34,317.01
Gross Profit*	28,522.74	24,819.74	20,488.21	20,708.89	18,292.52
Operating profit*	11,468.77	10,183.71	6,857.12	8,278.68	7,390.25
Earning before interest, depreciation and tax**	8,459.54	8,425.91	7,764.02	7,501.33	6,685.52
Profit before tax	5,916.07	5,609.91	4,948.01	4,932.09	4,907.76
Total Provision (Excluding Tax Provision)	5,552.70	4,573.81	1,909.10	3,346.60	2,482.49
Net profit after tax*	4,024.01	3,177.17	2,857.20	2,772.04	2,368.95

Balance Sheet	2022	2021	2020	2019	2018
Authorized capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Paid up capital	14,062.37	12,783.97	12,175.21	11,595.44	10,541.31
Shareholders' equity*	40,956.66	37,442.01	35,066.23	32,783.02	29,900.25
Borrowing	103,891.89	85,803.63	59,399.13	40,911.33	44,694.26
Deposits	426,028.44	389,900.72	353,981.62	330,632.23	297,172.82
Loans and advances	468,605.10	402,481.74	351,683.56	322,728.14	294,671.94
Investments	76,434.56	81,387.61	65,323.45	57,800.97	50,830.84
Fixed assets	14,579.41	14,721.19	14,539.96	14,454.64	9,056.11
Off-balance sheet exposure	217,939.76	260,413.16	201,041.69	183,957.88	182,066.61
Total assets*	628,076.83	565,314.21	493,306.95	446,760.12	402,749.10
Total liabilities*	587,120.17	527,872.20	458,240.72	413,977.10	372,848.85
Total Net Assets	40,956.66	37,442.01	35,066.23	32,783.02	29,900.25

Share Information	2022	2021	2020	2019	2018
Market price per share	13.00	15.30	14.10	13.30	17.60
No. of shares outstanding (No. in million)	1,406.24	1,278.40	1,217.52	1,159.54	1,054.13
Earnings per share (basic)	2.86	2.49	2.35	2.39	2.40
Earnings per share (diluted)*	2.86	2.26	2.23	2.28	2.04
Dividend (percent)	10.00	10.00	10.00	10.00	10.00
Cash Dividend (percent)	5.00	0.00	5.00	5.00	-
Stock Dividend (percent)	5.00	10.00	5.00	5.00	10.00
Net asset value per share*	29.13	29.29	28.80	28.27	28.36
Price earning ratio (times)*	4.54	6.14	6.01	5.56	8.61
Dividend cover ratio (times)*	2.86	2.49	2.35	2.39	2.25
Dividend Yield (percent)	7.69	6.54	7.09	7.52	5.68
Market capitalization (BDT in million)	18,281.08	19,559.47	17,167.04	15,421.93	18,552.71

Financial Ratios (%)	2022	2021	2020	2019	2018
Cost-income ratio*	59.79	58.97	66.53	60.02	59.60
Credit-deposit ratio	86.14	83.73	81.18	83.79	79.64
Debt equity ratio (times)*	12.94	12.71	11.79	11.34	11.43
Gross profit ratio*	62.64	64.06	53.52	50.68	53.30
Current Ratio (times)	1.02	1.05	1.15	1.13	1.15
Return on Capital Employed	3.00	2.92	3.40	3.74	3.80
Net interest income as a % of working funds; i.e, Operating Cost-Efficiency Ratio	219.47	100.59	32.80	39.46	32.78
Operating profit as % of working funds*	171.52	76.47	23.65	30.25	26.21
Return on assets*	0.67	0.60	0.61	0.65	0.62
Return on equity*	10.27	8.76	8.42	8.84	8.40
Burden coverage ratio*	81.20	78.05	80.53	79.73	83.01
CASA Deposit as % of Total Deposit	34.00	34.70	32.32	27.96	28.12
Cost of fund	6.38	6.01	7.42	8.57	7.58
Yield on advance	6.99	7.08	7.92	9.78	8.62
Spread/Net interest margin (NIM)	0.61	1.07	0.49	1.21	1.04

Foreign Business	2022	2021	2020	2019	2018
Import	419,147.78	403,177.50	259,241.13	246,212.60	248,969.80
Export	413,098.49	292,673.70	212,485.48	252,920.30	232,314.41
Remittance	73,007.50	64,272.80	45,283.20	48,763.90	32,206.00
No. of Foreign correspondents	613	601	596	581	547

Capital Measures	2022	2021	2020	2019	2018
Total Risk Weighted Assets	403,261.21	386,741.54	336,719.54	314,868.22	332,831.86
Tire I Capital*	36,328.23	34,364.53	28,848.43	27,254.27	25,012.30
Tire II Capital*	16,345.58	18,392.40	21,383.18	18,981.88	17,938.31
Total Capital*	52,673.82	52,756.93	50,231.61	46,236.15	42,950.61
Tire I Ratio (percent)*	9.01	8.89	8.57	8.66	7.51
Tire II Ratio (percent)*	4.05	4.76	6.35	6.03	5.39
Capital to RWA Ratio (percent)*	13.06	13.64	14.92	14.68	12.90
Required Capital	50,407.65	48,342.69	42,089.94	39,358.53	39,523.78
Capital Surplus/(Shortage)*	2,266.17	4,414.23	8,141.67	6,877.62	3,426.83

Liquidity Measures	2022	2021	2020	2019	2018
Cash Reserve Requirement (percent)	4.16	4.29	4.30	5.59	5.67
Statutory Liquidity Ratio (percent)	16.83	20.77	16.53	15.92	15.39
Current Assets	299,997.40	270,583.21	226,648.94	242,112.95	219,304.65
Current liabilities	293,310.96	257,265.96	197,650.27	214,747.29	191,106.98
Net Current Assets	6,686.21	13,317.25	28,998.67	27,365.67	28,197.67
Long term liabilities	293,809	270,606.25	260,590.45	194,446.48	181,969.40
Long term liabilities/Current liabilities (%)	100.17	105.19	131.84	90.55	95.22

Asset Quality	2022	2021	2020	2019	2018
Non Performing Loans	28,077.69	17,737.29	8,983.56	11,711.23	20,021.63
% of NPL to Total Loans and advances	5.99	4.41	2.55	3.63	6.79
Total provision for Classified loans and advances	10,285.82	6,139.49	2,364.79	3,335.20	4,934.38
Total provision for Specific loans and advances	13,206.71	10,122.34	7,239.86	6,430.06	4,934.38
Total provision for Unclassified loans and advances	6,001.53	6,462.04	5,406.04	4,005.39	3,727.76
Total provision for Investment	612.04	-	235.22	673.47	-
Total provision for Other assets	105.00	105.00	105.00	105.00	104.96
Total provision for Off BS Items	1,944.06	2,407.24	1,857.24	1,617.21	1,570.41

Other informations	2022	2021	2020	2019	2018
No. of branches	224	215	204	195	187
No. of ATM	663	628	556	523	398
No. of employees	5,354	5,060	4,900	4,988	4,982
Operating Profit per employee (BDT in million)	2.14	2.01	1.40	1.66	1.54

* Comparative numbers are restated in line with current year

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

UNITED COMMERCIAL BANK PLC
HORIZONTAL ANALYSIS (STAND ALONE)
Statement of Financial Position
(Figures in million Taka except ratios and per share data)

Particulars	2022		2021		2020		2019		2018	
	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%
PROPERTY AND ASSETS										
Cash	30,939.03	22%	25,380.18	2%	24,947.58	-6%	26,403.42	16%	22,790.71	-5%
Balance with other banks & financial institutions	16,872.05	-13%	19,409.25	-5%	20,468.43	69%	12,123.38	-25%	16,256.14	-18%
Money at Call on short notice	-	-100%	3,200.00	244%	930.00	-45%	1,700.00	1033%	150.00	-48%
Investments	76,434.56	-6%	81,387.61	25%	65,323.45	13%	57,800.97	14%	50,830.84	18%
Loans and Advances	468,605.10	16%	402,481.74	14%	351,683.56	9%	322,728.14	10%	294,671.94	13%
Fixed assets including premises, furniture & fixture	14,579.41	-1%	14,721.19	1%	14,539.96	1%	14,454.64	60%	9,056.11	9%
Other assets	20,646.67	10%	18,734.25	22%	15,413.97	33%	11,549.57	28%	8,993.36	27%
Non-banking assets	-	-	-	-	-	-	-	-	-	-
Total property and assets	628,076.83	11%	565,314.21	15%	493,306.95	10%	446,760.12	11%	402,749.10	11%
LIABILITY AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions and agents	20,877.42	45%	14,353.40	408%	2,826.68	-18%	3,444.50	-33%	5,160.68	2%
Borrowings from Bangladesh Bank	67,824.47	17%	58,150.24	44%	40,272.45	83%	22,066.82	-9%	24,133.58	32%
Convertible Subordinate Bonds	11,480.00	-14%	13,300.00	-18%	16,300.00	6%	15,400.00	0%	15,400.00	47%
Money at Call on short notice	3,710.00	100%	-	-	-	-	-	-	-	-
Deposits and other accounts	426,028.44	9%	389,900.72	10%	353,981.62	7%	330,786.67	11%	297,172.82	7%
Other liabilities	57,199.84	10%	52,167.85	16%	44,859.97	6%	42,279.11	36%	30,981.77	25%
Total Liabilities	587,120.17	11%	527,872.20	15%	458,240.72	11%	413,977.10	11%	372,848.85	11%
Capital and Shareholders' Equity										
Total Shareholders' Equity	40,956.66	9%	37,442.01	7%	35,066.23	7%	32,783.02	10%	29,900.25	13%
Total Liabilities and Shareholders Equity	628,076.83	11%	565,314.21	15%	493,306.95	10%	446,760.12	11%	402,749.10	11%

UNITED COMMERCIAL BANK PLC
HORIZONTAL ANALYSIS (STAND ALONE)
Profit & Loss Account
(Figures in million Taka except ratios and per share data)

Particulars	2022			2021			2020			2019			2018		
	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	
Interest Income	31,684.84	15.96%	27,323.65	0.06%	27,306.96	-12%	30,948.75	22%	25,266.93	20%					
Interest paid on deposits and borrowings etc	17,010.39	22%	13,927.26	-22%	17,796.18	-12%	20,150.94	26%	16,024.50	33%					
Net Interest Income	14,674.45	10%	13,396.39	41%	9,510.78	-12%	10,797.81	17%	9,242.44	3%					
Investment income	5,685.11	4%	5,463.61	-11%	6,135.36	26%	4,853.22	10%	4,430.71	8%					
Commission, exchange and brokerage	7,895.47	38%	5,739.17	22%	4,693.98	-5%	4,920.06	10%	4,480.62	10%					
Other operating income	263.70	20%	220.57	49%	148.09	7%	137.80	-1%	138.76	-49%					
Total operating income	28,522.74	15%	24,819.74	21%	20,488.21	-1%	20,708.89	13%	18,292.52	5%					
Salary and allowances	7,658.70	7%	7,166.52	13%	6,354.17	7%	5,912.08	-9%	6,491.61	13%					
Rent, taxes, insurance, electricity etc.	1,623.56	45%	1,122.45	13%	995.87	-0.21%	998.00	-19%	1,226.15	6%					
Legal expenses	94.59	-26%	128.65	37%	94.18	40%	67.21	6%	63.15	-3%					
Postage, stamps, telecommunications etc.	219.09	19%	184.56	6%	174.62	-8%	189.26	33%	141.98	-5%					
Stationery, printing, advertisements etc.	1,694.26	36%	1,249.15	-16%	1,482.82	21%	1,227.39	9%	1,127.86	74%					
Chief Executive's salary and fees	14.10	5%	13.45	-10%	15.02	9%	13.74	39%	9.91	23%					
Directors' fees	3.54	37%	2.59	-4%	2.71	-22%	3.46	-36%	5.40	-0.059%					
Auditors' fees	1.73	50%	1.15	-33%	1.73	50%	1.15	0%	1.15	43%					
Depreciation and repair of banks assets	2,073.61	14%	1,822.19	13%	1,609.94	12%	1,437.61	80%	799.96	5%					
Other expenses	3,670.80	25%	2,945.32	2%	2,900.05	12%	2,580.30	149%	1,035.10	15%					
Total Operating Expenses	17,053.97	17%	14,636.03	7%	13,631.10	10%	12,430.21	14%	10,902.27	16%					
Profit/(Loss) before provision	11,468.77	13%	10,183.71	49%	6,857.12	-17%	8,278.68	12%	7,390.25	-7%					
Loans & advances	5,659.63	30%	4,362.47	97%	2,210.63	-21%	2,795.85	-18%	3,422.29	64%					
Recovery from Write-Off	(236.94)	131%	(102.58)	-1%	(103.35)	-39%	(169.29)	-37%	(267.64)	100%					
Diminution in value of investments	612.04	-360%	(235.22)	-46%	(438.25)	-165%	673.47	-330%	(292.84)	100%					
Off balance sheet items	(482.03)	-188%	549.13	129%	240.06	416%	46.53	-111%	(409.43)	-203%					
Other Provisions	-	-	-	-	-	-100%	0.04	-100%	30.11	100%					
Total provision	5,552.70	21%	4,573.81	140%	1,909.10	-43%	3,346.60	35%	2,482.49	-0.302%					
Total Profit/(Loss) before taxes	5,916.07	5%	5,609.91	13%	4,948.01	0.323%	4,932.09	0.496%	4,907.76	-10%					
Provision for taxation:															
Current tax expense	3,133.38	-18%	3,823.48	45%	2,632.95	-5%	2,783.08	18%	2,360.09	-22%					
Deferred tax expense/(income)	(1,241.32)	-11%	(1,390.74)	157%	(542.13)	-13%	(623.03)	-449%	178.72	100%					
Total provision for taxation	1,892.06	-22%	2,432.73	16%	2,090.82	-3%	2,160.05	-15%	2,538.81	-16%					
Net Profit after taxation	4,024.01	27%	3,177.17	11%	2,857.20	3%	2,772.04	17%	2,368.95	-3%					

UNITED COMMERCIAL BANK PLC
VERTICAL ANALYSIS (STAND ALONE)

Statement of Financial Position

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

Particulars	2022		2021		2020		2019		2018	
	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%
PROPERTY AND ASSETS										
Cash	30,939.03	5%	25,380.18	4%	24,947.58	5%	26,403.42	6%	22,790.71	6%
Balance with other banks & financial institutions	16,872.05	3%	19,409.25	3%	20,468.43	4%	12,123.38	3%	16,256.14	4%
Money at Call on short notice	-	0%	3,200.00	1%	930.00	0%	1,700.00	0%	150.00	0%
Investments	76,434.56	12%	81,387.61	14%	65,323.45	13%	57,800.97	13%	50,830.84	13%
Loans and Advances	468,605.10	75%	402,481.74	71%	351,683.56	71%	322,728.14	72%	294,671.94	73%
Fixed assets including premises, furniture & fixture	14,579.41	2%	14,721.19	3%	14,539.96	3%	14,454.64	3%	9,056.11	2%
Other assets	20,646.67	3%	18,734.25	3%	15,413.97	3%	11,549.57	3%	8,993.36	2%
Non-banking assets	-	-	-	-	-	-	-	-	-	-
Total property and assets	628,076.83	100%	565,314.21	100%	493,306.95	100%	446,760.12	100%	402,749.10	100%
LIABILITY AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions and agents	20,877.42	3%	14,353.40	3%	2,826.68	1%	3,444.50	1%	5,160.68	1%
Borrowings from Bangladesh Bank	67,824.47	11%	58,150.24	10%	40,272.45	8%	22,066.82	5%	24,133.58	6%
Convertible Subordinate Bonds	11,480.00	2%	13,300.00	2%	16,300.00	3%	15,400.00	3%	15,400.00	4%
Money at Call on short notice	3,710.00	1%	-	0%	-	0%	-	0%	-	0%
Deposits and other accounts	426,028.44	68%	389,900.72	69%	353,981.62	72%	330,786.67	74%	297,172.82	74%
Other liabilities	57,199.84	9%	52,167.85	9%	44,859.97	9%	42,279.11	9%	30,981.77	8%
Total Liabilities	587,120.17	93%	527,872.20	93%	458,240.72	93%	413,977.10	93%	372,848.85	93%
Capital and Shareholders' Equity										
Total Shareholders' Equity	40,956.66	7%	37,442.01	7%	35,066.23	7%	32,783.02	7%	29,900.25	7%
Total Liabilities and Shareholders Equity	628,076.83	100%	565,314.21	100%	493,306.95	100%	446,760.12	100%	402,749.10	100%

UNITED COMMERCIAL BANK PLC

VERTICAL ANALYSIS (STAND ALONE)

Profit & Loss Account

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

Particulars	2022		2021		2020		2019		2018	
	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%
Interest Income	31,684.84	70%	27,323.65	71%	27,306.96	71%	30,948.75	76%	25,266.93	74%
Interest paid on deposits and borrowings etc	17,010.39	37%	13,927.26	36%	17,796.18	46%	20,150.94	49%	16,024.50	47%
Net Interest Income	14,674.45	32%	13,396.39	35%	9,510.78	25%	10,797.81	26%	9,242.44	27%
Investment income	5,685.11	12%	5,463.61	14%	6,135.36	14%	4,853.22	12%	4,430.71	13%
Commission, exchange and brokerage	7,899.47	17%	5,739.17	15%	4,693.98	15%	4,920.06	12%	4,480.62	13%
Other operating income	263.70	1%	220.57	1%	148.09	0.387%	137.80	0.337%	138.76	0.404%
Total operating income	28,522.74	63%	24,819.74	64%	20,488.21	54%	20,708.89	51%	18,292.52	53%
Salary and allowances	7,658.70	17%	7,166.52	18%	6,354.17	17%	5,912.08	14%	6,491.61	19%
Rent, taxes, insurance, electricity etc.	1,623.56	4%	1,122.45	3%	995.87	3%	998.00	2%	1,226.15	4%
Legal expenses	94.59	0%	128.65	0.332%	94.18	0.246%	67.21	0.164%	63.15	0.184%
Postage, stamps, telecommunications etc.	219.09	0%	184.56	0.476%	174.62	0.456%	189.26	0.463%	141.98	0.414%
Stationery, printing, advertisements etc.	1,694.26	4%	1,249.15	3%	1,482.82	4%	1,227.39	3%	1,127.86	3%
Chief Executive's salary and fees	14.10	0%	13.45	0.035%	15.02	0.039%	13.74	0.034%	9.91	0.029%
Directors' fees	3.54	0%	2.59	0.007%	2.71	0.007%	3.46	0.008%	5.40	0.016%
Auditors' fees	1.73	0%	1.15	0.003%	1.73	0.005%	1.15	0.003%	1.15	0.003%
Depreciation and repair of banks assets	2,073.61	5%	1,822.19	5%	1,609.94	4%	1,437.61	4%	799.96	2%
Other expenses	3,670.80	8%	2,945.32	8%	2,900.05	8%	2,580.30	6%	1,035.10	3%
Total Operating Expenses	17,053.97	37%	14,636.03	38%	13,631.10	36%	12,430.21	30%	10,902.27	32%
Profit/(Loss) before provision	11,468.77	25%	10,183.71	26%	6,857.12	18%	8,278.68	20%	7,390.25	22%
Loans & advances	5,659.63	12%	4,362.47	11%	2,210.63	6%	2,795.85	7%	3,422.29	10%
Recovery from Write-Off	(236.94)	-1%	(102.58)	-0.265%	(103.35)	-0.270%	(169.29)	-0.414%	(267.64)	-1%
Diminution in value of investments	612.04	1%	(235.22)	-1%	(438.25)	-1%	673.47	2%	(292.84)	-1%
Off balance sheet items	(482.03)	-1%	549.13	1%	240.06	1%	46.53	0.114%	(409.43)	-1%
Other Provisions	-	-	-	0%	-	0%	0.04	0%	30.11	0.09%
Total provision	5,552.70	12%	4,573.81	12%	1,909.10	5%	3,346.60	8%	2,482.49	7%
Total Profit/(Loss) before taxes	5,916.07	13%	5,609.91	14%	4,948.01	13%	4,932.09	12%	4,907.76	14%
Provision for taxation:										
Current tax expense	3,133.38	7%	3,823.48	10%	2,632.95	7%	2,783.08	7%	2,360.09	7%
Deferred tax expense/ (income)	(1,241.32)	-3%	(1,390.74)	-4%	(542.13)	-1%	(623.03)	-2%	178.72	1%
Total provision for taxation	1,892.06	4%	2,432.73	6%	2,090.82	5%	2,160.05	5%	2,538.81	7%
Net Profit after taxation	4,024.01	10%	3,177.17	8%	2,857.20	7%	2,772.04	7%	2,368.95	7%



**BOARD OF
DIRECTORS**

BOARD OF DIRECTORS



Rukhmila Zaman
Chairman



Bashir Ahmed
Vice-Chairman



Anisuzzaman Chowdhury
Chairman, Executive Committee



Touhid Shipar Rafiqzaman
Chairman, Audit Committee



M.A. Sabur
Chairman, Risk Management
Committee



Bazal Ahmed
Chairman
Shariah Supervisory Committee



Nurul Islam Chowdhury
Director



Hajee Yunus Ahmed
Director



Hajee M. A. Kalam
Director



Roxana Zaman
Director



Asifuzzaman Chowdhury
Director



Afroza Zaman
Director



Syed Kamruzzaman, FCMA
Director



Muhammed Shah Alam, FCMA
Director



Masuma Parvin
Director



Kanak Kanti Sen, FCMA
Director



Md. Aksed Ali Sarker
Director



Dr. Aparup Chowdhury
Independent Director



Prof. Dr. Iftekhar Uddin Chowdhury
Independent Director



Arif Quadri
Managing Director & CEO



ATM Tahmiduzzaman, FCS
Company Secretary

PROFILE OF THE DIRECTORS



Rukhmila Zaman
Chairman

Mrs. Rukhmila Zaman, a young woman entrepreneur in the Country, is the Chairman of United Commercial Bank PLC. She is also the Managing Director of Aramit Group, a leading manufacturing Conglomerate in 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 contributes to upbringing the young women in the mainstream of the economy.



Bashir Ahmed
Vice-Chairman

Mr. Bashir Ahmed is the Vice-Chairman and current Member of the Executive Committee of UCB. He is the son of Late Mr. M. A. Bari, one of the founders and Sponsor Directors of UCB. This innovative entrepreneur is also the Managing Director of Airmate Goodie Electrical Industries Ltd, Goodie Accessories (Pvt) Ltd, International Distribution Company Bangladesh (Pvt) Ltd, B&B Electronics, B&B Food & Beverage, B&B Electrical & Electronics, Dhaka Electrical & Electronics, Bard International Mettle Emporium, Petal Enterprise, etc. Mr. Ahmed was born in a respectable Muslim family on December 25, 1969. He is allied with numerous social & educational organizations to accelerate the benefit of the community.



Anisuzzaman Chowdhury
Chairman, Executive Committee

Mr. Anisuzzaman Chowdhury, a young and dynamic industrialist of the Country, is a Director and the Chairman of the Executive Committee of United Commercial Bank PLC. He is also a member of the Risk Management Committee of UCB. Mr. Chowdhury 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 glorious & highly respectable Muslim Family of Anwara under the Chattogram District of the Country. With his brilliance and prudence, he has been contributing to UCB to reach its vision by providing the best banking services in the Country.



Touhid Shipar Rafiquzzaman
Chairman
Audit Committee

Mr. Touhid Shipar Rafiquzzaman is one of the Independent Directors of United Commercial Bank PLC. He is also the chairman of the Audit Committee. Mr. Rafiquzzaman is a highly experienced international banker with 38 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 with extensive experience 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 traveled person, sports fan, and keen golfer.



M.A. Sabur
Chairman
Risk Management Committee

Mr. M. A. Sabur, a leading industrial entrepreneur, is the Director of the Board and as well as the Chairman of the Risk Management Committee of UCB. He is also the Chairman of Masco Group and Maxim Group, leading export houses in the Country's textile sector. An MBA, M. A. Sabur is the son of Late Alhaj Raham Ali. He belongs to a respectable Muslim family and hails from Kanchon of Narayanganj District. He is a member of the IBA Alumni Association, Dhaka University Alumni Association & also a golfer, being a lifetime member of Kurmitola Golf Club, Dhaka, and Bhatary Golf Club, Chittagong. M.A. Sabur is actively associated with various educational & socio-cultural organizations in Dhaka & Chittagong. This illustrious personality guides the Bank in exploring new business procurement opportunities 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 the Executive Committee. At the same time, he is 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 respectable 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 in 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 Mvi. Mohammad Hashem was born in a highly regarded 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 the Arakan Historical Society of Bangladesh.



Bazal Ahmed
Chairman
Shariah Supervisory Committee

Mr. Bazal Ahmed is the Director of the Board of Directors and a member of the Executive Committee of United Commercial Bank PLC. He is the son of Late Mr. M. A. Bari, a Sponsor Director of the Bank. This spectacular entrepreneur is also the Managing Director of Taj Accessories (Pvt.) Ltd. and Saikat Textile Ind. Limited is one of Bangladesh's leading enterprises in the garment/textile sector. At the same time, he is the proprietor of Taj Trading. Mr. Ahmed was born in a respectable Muslim family in Sylhet. He is allied with many social & educational organizations to accelerate the benefit of the community.



Roxana Zaman
Director

Mrs. Roxana Zaman, a promising entrepreneur of the Country, is a Director of United Commercial Bank PLC (Representative of Volkart Trading Limited) and daughter of the Bank's Promoter & former Chairman, as well as an esteemed politician of the Country, Mr. Akhtaruzzaman Chowdhury. She is also a Member of the Executive Committee of the Bank. Besides this, she is involved with different business houses and organizations. Mrs. Zaman actively engages in numerous women's development programs and philanthropic activities.



Asifuzzaman Chowdhury
Director

Mr. Asifuzzaman Chowdhury is one of the young & promising Directors of UCB and a Member of the Executive Committee. He comes from a very prestigious Muslim family in Anowara, Chittagong. Mr. Chowdhury is also the Director of Synthetic Rezin Products (Pvt.) Ltd. and Ronny Chemicals Ltd. He attained his BBA from Atlantic University, Florida, USA. With innovative ideas, this young entrepreneur is contributing to the nation.



Nurul Islam Chowdhury
Director

Mr. Nurul Islam Chowdhury is one of the Directors of UCB and a member of the Risk Management Committee. He is the son of Late Alhaj Sirajul Islam Chowdhury, a sponsor of the Bank. This distinguished businessman is the Chairman of Islam Steel Mills Limited and Director of 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 an aristocratic family who is the pioneer in the Jute & Steel Industries of the Country.



Afroza Zaman
Director

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



Syed Kamruzzaman, FCMA
Director

Mr. Syed Kamruzzaman (Representative of Aramit Thai Aluminium Limited) is a Nominee Director and a Member of the Audit Committee of UCB. Mr. Syed Kamruzzaman, FCMA, is an eminent professional Accountant who completed his graduation from the University of Chittagong. He became a qualified Cost and Management Accountant from "The Institute of Cost and Management Accountants of Bangladesh" in 1995. He started his career in a UK-based Audit Firm in the United Arab Emirates. After successfully completing an overseas contract, he served in various MNCs and Local Companies in Bangladesh for the last 29 years in Financial Management, accounts, audit, supply chain management, human resource, and administration. Throughout his career, he has maintained a passion for service management. He has been a key leadership role in many major pragmatic decisions over the last two decades.



Muhammed Shah Alam, FCMA
Director

Mr. Muhammed Shah Alam (Representative of Ardent Assets Limited) is a nominee, Director of UCB, and a Member of the Bank's Audit Committee. Mr. Alam has a comprehensive 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. Before joining this group, he was associated with Birds Bangladesh Agencies Limited Chittagong for nearly 34 years. He obtained his B.com (Hons) and M.com in Accounting from the University of Chittagong.



Masuma Parvin
Director

Mrs. Masuma Parvin, an encouraging woman entrepreneur in the country, is a Director of United Commercial Bank PLC (Representative of Splendid Trading Limited). She is also a Director of Navana Pharmaceuticals Limited and Dhaka Evergreen Retirement Homes Limited. She has more than 13 years of experience in multiple ventures being involved in the management of diversified business operations. She accomplished her post-graduation in Public Administration from the University of Dhaka. She is also involved with different Socio-Economic organizations and philanthropic activities.



Kanak Kanti Sen, FCMA
Director

Mr. Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited), is a Nominee Director and a Audit Committee member. An FCMA, Mr. Sen completed his graduation and post-graduation from the University of Chittagong. He became a qualified Cost and Management Accountant from "The Institute of Cost and Management Accountants of Bangladesh" in 1994. He started his career at Sunman Group of Companies, and after that, he served several joint ventures and local companies, holding different leadership positions. Throughout his career, he maintained an urge for service management and has been involved in a key leadership role in many of the significant hard-headed decision-making for more than the last two decades. He also attended several Internationally and Locally organized Seminars, Workshops, CPD/CPE Programs, etc., on various issues relating to Professional Interest, Economics, International Trade, and National and International Economic Development Issues.



Md. Aksed Ali Sarker
Director

Mr. Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited) is a nominee Director of UCB. Mr. Sarker has a wide experience of over 33 years covering 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. An extensively traveled personality, Mr. Sarker is a member of the Rotary Club and involved with different socio-cultural organizations.



Dr. Aparup Chowdhury
Independent Director

Dr. Aparup Chowdhury is a Former Secretary to the Government of Bangladesh, working consistently for 38 years with progressively increasing responsibilities in Field Administration, Policy Pool of different Ministries and Organizations as well as Corporate Bodies. He holds important and sensitive positions like Deputy Commissioner, Chairman, Bangladesh Parjatan (Tourism) Corporation, Secretary, Ministry of Liberation War Affairs, Independent Director of United Commercial Bank PLC, Member, Audit Committee, He is also an Independent Director of UCB Asset Management Limited, and Apex Weaving and Finishing Mills Ltd. He worked for World Bank as Project Director of a regional cooperation project embracing Bangladesh, Bhutan, India, and Nepal. He works as Executive Director in Bay Group, having its own Private Economic Zone with domestic and several 100% export-oriented foreign industries. His key competencies embrace Strategic Business Management to grow top and bottom line, Leadership and People Development, Establishing Processes and Systems, Supply Chain Management, Sales and Marketing, and Shaping Businesses for Sustainability and Development. He is a team leader who is results-focused, problem solver, analytical, people-oriented, and resilient in strategy development and implementation. He has unquestionable ethics, good communication skills, and high moral and motivational capabilities. He underwent training at Duke University, North Carolina, the USA, in Negotiation; the University of Putra, Malaysia in Policy, Planning and Management; Civil Service College, Singapore in Managing at the Top. He obtained an M.Sc. degree in Fresh Water Biology from Chittagong University, MBA in Human Resource Management from Stamford University, Dhaka, with high distinction, and Ph.D. in Disaster Management. He is a member of the Bangladesh Administrative Service Association, Officers' Club Dhaka, Sandhany Club (Posthumous Eye Donor), Singapore Civil Service College Alumni, Duke University Alumni, North Carolina, USA, Lions Club of Dhaka Unique Green.



Prof. Dr. Iftekhar Uddin Chowdhury
Independent Director

Eminent Professor Dr. Iftekhar Uddin Chowdhury, former Vice-Chancellor, University of Chittagong, is one of the Independent Directors of the Bank. Dr. Chowdhury obtained his graduation and post-graduation from University of Chittagong. He attained his Ph.D. from University of Tsukuba, Japan. He also accomplished his Bachelor of Law (LLB) from University of Chittagong and served as a visiting professor in Faculty of Law, Kobe Gakuin University, Japan, visiting professor of Glasgow University, UK. Apart from these, he served as a foreign faculty of Ryukoku University, Japan along with many other accredited Universities in the abroad including USA & Denmark. Mr. Chowdhury is a Fulbright Senior Fellow in Harvard University, USA and a post-doctoral research fellow in University of California, Berkeley, USA.



Arif Quadri
Managing Director & CEO

Mr. Arif Quadri, a prominent and professional Banker with years of rewarding multi-dimensional experience in banking and other fields of Management, is the Managing Director & CEO of United Commercial Bank PLC. Before that, he was serving the Bank as Additional Managing Director. Before joining 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. He worked there in different leadership roles till February 2003 while holding the rank & status of Senior Vice President. His major professional area comprises 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 the 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 seminars at home and abroad. Mr. Arif Quadri has an excellent academic track record. He completed both his graduation and post-graduation degree in Economics from Jahangirnagar University.



ATM Tahmiduzzaman, FCS
Company Secretary

Mr. ATM Tahmiduzzaman, FCS, a qualified Chartered Secretary, is the Company Secretary of United Commercial Bank PLC. He started his career with the British flagship concern REA Consortium locally known as Deundi Tea & Shaw Wallace Tea. In the process of career progression, he capitalized on the opportunities to work in the launching team of Warid Telecom and played an active role in the process of establishment of AIRTEL Bangladesh. Mr. Tahmid, a faculty member of the Institute of Chartered Secretaries of Bangladesh (ICSB), obtained his Master's Degree from the University of Dhaka. Later on, he obtained MBA under the umbrella of Common Wealth of Learning, the education wing of Common Wealth. In addition, he is a Law Graduate. He has attended many training programs and workshops. He is also involved with different socio-cultural organizations.

COMMITTEES OF THE BOARD OF DIRECTORS



Executive Committee



Anisuzzaman Chowdhury
Chairman



Bashir Ahmed
Member



M.A. Sabur
Member



Bazal Ahmed
Member



Hajee Yunus Ahmed
Member



Roxana Zaman
Member



Asifuzzaman Chowdhury
Member



ATM Tahmiduzzaman, FCS
Secretary

Audit Committee



Touhid Shipar Rafiqzaman
Chairman



Syed Kamruzzaman, FCMA
Member



Muhammed Shah Alam, FCMA
Member



Dr. Aparup Chowdhury
Member



Kanak Kanti Sen, FCMA
Member



ATM Tahmiduzzaman, FCS
Secretary

Risk Management Committee



M.A. Sabur
Chairman



Anisuzzaman Chowdhury
Member



Nurul Islam Chowdhury
Member



Afroza Zaman
Member



Prof. Dr. Iftekhar Uddin Chowdhury
Member



ATM Tahmiduzzaman, FCS
Secretary



SENIOR MANAGEMENT

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 PLC (UCB). Prior to joining 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 PLC (UCB). 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 reorganized small business segments and centralized 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 39 years of Banking experience, covering Branch Banking, 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 30 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. He was with BRAC Bank as Deputy Managing Director and Chief Risk Officer. He also worked with renowned multinational banks; HSBC, Credit Agricole Indosuez and ANZ Grindlays bank. He also worked with AB Bank and IPDC as head of business and CEO of Transbangla Group, a local corporate. 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 PLC. He exclusively oversees RMG portfolio of UCB which is the largest in country. 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 at United Commercial Bank PLC in 1984. He held different Banking positions in the arena of General Banking, Foreign Exchange, Credit etc., during his 23 years of Managerial responsibilities. An esteemed figure in the Banking industry, Mr. Ferdous completed his B.com (Honors) in Accounting and M. Com 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 PLC. Mr. Tarek, having 31 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 PLC 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 PLC. Mr. Mamoon joined UCB on March, 2017 as Senior Executive Vice President with over 31 years of multidisciplinary experience in diversified professional domains with Government and Financial Institutions. Prior to joining 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.



Md. Shah Alam Bhuiyan
Deputy Managing Director

Md. Shah Alam Bhuiyan, a distinguished Banking professional with about 33 years of which over 28 years covering experience in the financial service industry with both foreign and local Banks, is the Deputy Managing Director of United Commercial Bank PLC. 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 PLC 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 PLC. 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.



Alamgir Kabir
Deputy Managing Director

Alamgir Kabir is an experienced banker, working as a Deputy Managing Director of United Commercial Bank PLC. Prior to that, he was serving the Bank as Senior Executive Vice President as head of Corporate Banking Division. He has completed MBA & BBA from the University of Chittagong. He was born in a well reputed Muslim family in Chittagong. Mr. Kabir has been in the banking industry for over 23 years in different roles and capacity at branch and head office. Since his career commenced back in 1999 with First Security Islami Bank Limited. Mr. Kabir has gained extensive experience in a number of functional areas as Business, Operations, Trade Finance, Foreign Exchange, Correspondence Banking, Customer Services, Cash Management and Compliance etc. At Present he is leading and flourishing the Corporate business of The Bank.



Faruk Ahammad, FCA
SEVP & Chief Financial Officer

Faruk Ahammad is a business Graduate with over 24 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 PLC. Mr. Ahammad started his career with IPDC. He then served in different organizations in different Senior Management Strategic roles.



STEWARDSHIP



**MESSAGE
FROM
THE
CHAIRMAN**

Dear Shareholders,

I am pleased to present to you United Commercial Bank PLC's Annual Report for the financial year 2022. Our fundamental optimism is to enrich lives and fulfil the growing economic aspirations of the people of Bangladesh. In financial year 2022, we are pleased to share that UCB PLC continued to work towards its purpose of driving business excellence with risk calibrated profitable growth, ensuring a positive work environment, and creating value for its stakeholders.

We have efficiently managed to maintain a comfortable liquidity and capital position throughout the year. Despite the challenging economic environment, UCB PLC has continued to thrive and deliver exceptional performance, thanks to the unwavering support of our valued customers, shareholders, and employees.

“ We are committed to ensuring sustainable growth whereas concentrating on risk management and corporate governance. Our motto is to come up with innovative financial solutions to meet the evolving needs of our customers and provide them with a seamless banking experience. ”

During the year, our bank achieved strong financial results, with an operating profit of 11,468.77 Million, Paid up capital 14,062.37 Million, Deposit 426,028.44, and Loans & Advances 468,605.10 Million. These achievements are a testament to our commitment to excellence and our focus on providing our customers with best-in-class financial products and services.

Our bank's continued success is also due to the exceptional work of our dedicated employees. Customer centricity, as you are aware, has always been at the core of our business development strategy. It is our constant endeavour to innovate, in order to provide a state-of-the-art financial solution to provide enhanced convenience. We are proud of our team's resilience and agility in adapting to the changing business landscape brought about by the pandemic. Their hard work and unwavering dedication to delivering outstanding customer service have contributed significantly to our bank's success.

We have always been committed to create a positive impact on society and address the challenges to the environment sensitively. We also remain committed to giving back to the communities in which we operate. In 2022, our bank continued to support various social initiatives and community programs, including sponsoring education scholarships and providing financial literacy training to underserved communities. Moreover, Responsible financing has emerged as a key priority for us. We believe that these initiatives are essential in building a more equitable and sustainable future for all.

Looking ahead, our bank remains committed to delivering sustainable growth while maintaining our focus on risk management and corporate governance. We will continue to invest in new technologies and innovative solutions to meet the evolving needs of our customers and provide them with a seamless banking experience.

In conclusion, I would like to express my sincere gratitude to our customers, shareholders, and employees for their unwavering support and dedication to our bank's success. I am also grateful to our regulators, especially the Bangladesh Bank and BSEC for their visionary and prudential guidance. We remain committed to building a stronger and more resilient bank that can weather any storm and continue to deliver value to our stakeholders for years to come.


Rukhmila Zaman
Chairman



MANAGING DIRECTOR & CEO'S ROUND UP

“ Our success should be evaluated not only by business performance, but also by our contribution to society. We always deploy our resources to support consumers, entrepreneurs and industries of the country, acting with empathy and integrity, and also converging innovation and sustainability ”

We expected 2022 would be a challenging year and it was clear understatement. The year was even tougher. When the COVID-19 hit economy was just recovering, it was again slapped by another blow- Ukraine-Russia war. The tensions among the super powers created uncertainty for international trade. The global supply chain of commodities and fuels got disrupted. The reasonably free flow of goods, including sources of energy, around the world can no longer be so easily taken for granted. There was considerable pressure on households and businesses from rising costs. We have left behind the economic comfort zone of low inflation, foreign currency exchange rate and interest rate stability.

2022 was a year almost unprecedented for UCB PLC and for society broadly. As a bank, we continued to demonstrate our resilience, capability and commitment to support customers, and wider stakeholders in ever changing economic conditions. Our performance has been strong but we must always remain prepared for challenging economic and market conditions.

United Commercial Bank PLC (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 seamless and delightful banking experiences for our customers.

We always strive to make UCB a better banking partner for our clients and better work place for our employees. We tried to reach more clients than before by expanding physical presence to the door steps of our clients and enhancing our digital capabilities. We invested in our employees through accessible resources and structured training programs that offer opportunities for development. Currently, we offer functional and technical training to our employees at our Learning and Development Centre in person as well as online.

Here at UCB we want to perform at a consistently very high level, day in and day out. Hence, throughout year 2022, we thrived for Values and Mindset, to set such a standard of consistent excellence. We are pursuing to deliver nothing less than world class service to our clients. We undertake projects and businesses where we can be consistently excellent, and do not dilute our energy or focus with activity where we will not. We strive for simplicity and efficiency in product design and delivery, seeking out opportunities for automation.

We enhanced our operational and business flexibility. As a result, we are now well positioned to tackle both short-term and long-term challenges. Glimpses of performances of UCB in 2022 are as follows:

- We continued to deliver growth across almost every aspect of the Bank's operations and registered **11.10%** growth over the last year in the balance sheet size, which grew to BDT **62,807.68** crore in 2022.
- Funds under Management (FUM) of the bank had a standard growth of **12.90%** with year-end deposit and Loans and advances balance of BDT **42,602.84** and **46,860.51** crores respectively.
- Total loans and advances increased to BDT **46,860.51** crore in 2022 from BDT **40,248.17** crore in 2021 representing **16.43 %** growth.
- In **2022** corporate loan exposure was BDT **32,489.04** crore while SME and Retail loan exposures were BDT **11,771.29** crore and BDT **2,600.18** crore respectively.

- UCB played a pivotal role in local and international trade business. Total import and export business of the bank in the year 2022 were USD **4,057.97** million and USD **3,999.40** Million respectively.
- Bank's operating profit increased to BDT **1,146.88** crore from BDT **1,018.37** crore of the previous year representing a growth of **12.62%**.
- Earnings Per Share (EPS) was BDT **2.86** in **2022**;
- In 2022, our banking network further expanded through **224 Branches**, **141** sub branches and **663** ATM/CRM Booths, **6** domestic and international Airport Lounges, along with **314** agent outlets.

UCB firmly believes in the welfare of the communities it serves, and focuses on helping the underprivileged population of the country. In 2022 UCB contributed an amount of BDT **19.34** crore in CSR activities to promote education, health security, environment protection, disaster management, sports, art and culture etc. We are committed to further expand our CSR initiatives to promote ethical and sustainable business practices.

We have achieved a great deal this year, progressing our objectives and supporting our stakeholders. None of this would be possible without the skill and dedication of our colleagues across UCB. I am grateful to every one of them for their hard work and commitment to our purpose. And I am also grateful to you, Our Shareholders, for having faith in us. We will continue to do everything we can to remain worthy of it. I am also grateful to our regulators, especially the Bangladesh Bank for their visionary and prudential guidance. Looking ahead, I am confident in our short-term planning and long-term strategy to drive UCB towards a new height of excellence that will set a benchmark for the banking industry of the country.



Arif Quadri
Managing Director & CEO

Receiving 22nd ICAB National AWARD





**DIRECTORS'
REPORT**

DIRECTORS' REPORT



The Board of Directors is pleased to welcome all the shareholders to the Annual General Meeting (AGM) of the Bank and present the performance update of the bank's business and operations and other key strategic indicators that together form an integral part of this Integrated Annual Report 2022, along with the audited financial statements of the bank for the year ended 31 December 2022. As a bank committed to information disclosure and transparency, the Directors' Report will enable you to get an insight into the global macroeconomic overview as well as performance and trends of Bangladesh's economy that comprised our broader operating landscape. The Report also articulates the forward outlook and offers a detailed analysis of the bank's financial position as well as performance and competitive context for the year 2022, in compliance with the applicable regulatory framework.



Global Economic outlook

We may only be part-way through 2023, but the phrase that has overwhelmingly dominated conversations – from boardrooms to political chambers and Main Streets – has been the cost-of-living crisis. In recent years, the world has faced waves of challenges, from the pandemic to the conflict with Ukraine, to the unfolding bank liquidity challenges amidst skittish depositors. The impact of such a lengthy period of uncertainty is being felt by everyone and that's reflected in this Economic Outlook. How we get back to sustainable, long term growth is the big question facing boardrooms and political chambers around the world right now. Some of the biggest inflationary fears – widely predicted late last year – have been mitigated by more direct, pro-active political action geared especially towards getting rising energy prices down. There are also signs that other commodities and food prices are finally starting to ease – helping consumers and business owners who've been facing a significant financial squeeze.

The actions taken over the coming months are likely to play a significant role in the pace and nature of the world's economic recovery.

The baseline forecast is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling

at 3.0 percent in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023 with advanced economy growth falling below 1 percent.

Projected global economic growth	2022	3.4 percent
	2023	2.8 percent
	2024	3.0 percent

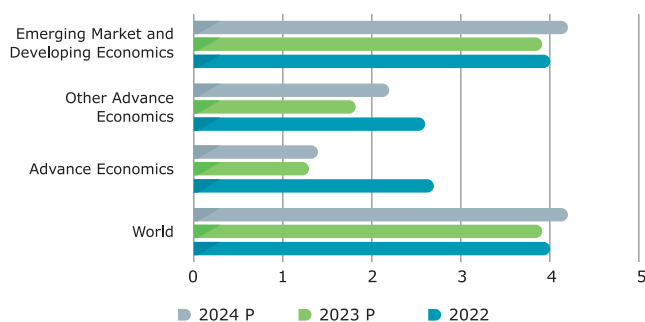
[World Economic Outlook, April 2023: A Rocky Recovery]



Overview of the World Economic Outlook Projections

Particulars	2022	2023 (Projection)	2024 (Projection)
World	3.4	2.8	3.0
Advance Economies	2.7	1.3	1.4
Other Advanced Economies	2.6	1.8	2.2
USA	2.1	1.6	1.1
Euro Area	3.5	0.8	1.4
Emerging Market and Developing Economies	4.0	3.9	4.2
China	3.0	5.2	4.5
India	6.8	5.9	6.3
Emerging and Developing Europe	0.8	1.2	2.5
Russia	-2.1	0.7	1.3

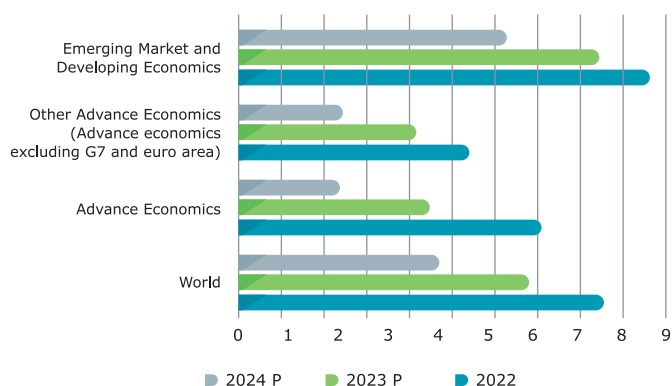
Overview of the World Economic Outlook Projections (Percent change, unless noted otherwise)



Digging deeper into the numbers isn't an exact science, but it can offer a good indication of what may lie ahead and should help to equip business leaders with a greater understanding of what lies behind today's complex marketplaces, enabling them to develop more robust strategies focused on the ultimate goal of a return to sustainable, global growth.

Inflation, Still High but Falling:

Inflation, average consumer prices (Percent change, unless noted otherwise)



A brief overview of Bangladesh Economy

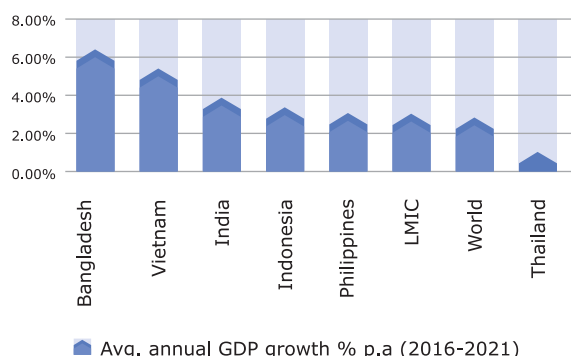
The Bangladesh economy has displayed strong performance over the recent years, and is on course to emerge as a USD 1Tn economy in coming decades. With an average annual GDP growth of 6.4% between 2016-2021, Bangladesh has outpaced major Asian peers such as India, Indonesia, Vietnam, Philippines, and Thailand. A key driver is the domestic consumer market—which is set to become the ninth-largest consumer market in the world through a rapidly expanding middle-and-affluent class which is projected to grow from 19Mn in 2020 to 34Mn by 2025. It is bolstered by a young workforce of 114Mn people, a burgeoning gig economy with 650k freelancers—the second-largest online workforce globally—and a rising digital adoption rate with 177Mn mobile subscribers. Though the economy faces some near-term volatility, we are confident that this highly resilient economy will continue to demonstrate robust growth in the long-term.

Bangladesh's Emerging Champions are innovative companies that have grown rapidly, created structural advantage in the domestic market, and are ready to pursue global ambitions. The listed Champions have delivered average shareholder returns of 16% and demonstrates traits of sustainable future growth. The success of these Champions echoes the path of exemplar enterprises in other countries—doubling down on domain expertise, domestic success, and quality talent. These Champions aim to raise international capital, form global alliances, and penetrate a diverse and shifting global

supply chain to ensure supply security. They are also boosting innovation and productivity and leveraging the growing digital landscape with well-structured strategic programs. We believe these Champions can be powerful contributors to realizing Bangladesh's trillion-dollar ambition.

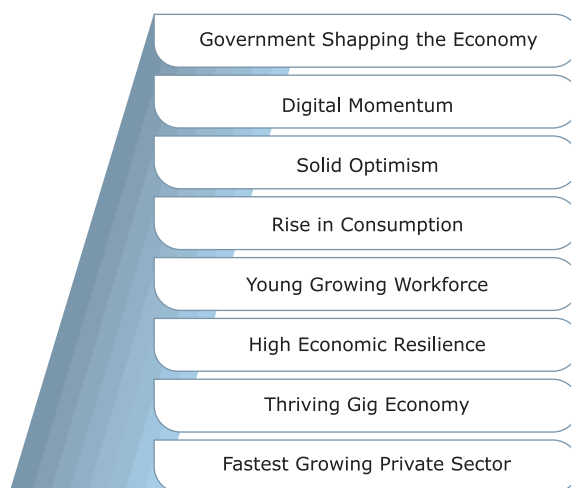
Business in Bangladesh is robust with an energy and optimism that puts this nation at the forefront of global growth and becomes the Asian Tiger. The country's growth rate was two times that of fellow Lower-Middle-Income Countries (LMIC) nations, and significantly higher than the global average of 2.9%. Bangladesh's remarkable growth saw the nation progress from Low-Income to LMIC status in 2015 as classified by the World Bank. Despite graduating five years later to LMIC status versus India, the GDP per capita is already higher than its regional peer, and Bangladesh aims to become an Upper-Middle-Income Country by 2031. This rapid growth puts Bangladesh in touch of a trillion dollars by 2040 at an average growth rate of ~5% and earlier if the growth rate continues at the current rate.

Avg. annual GDP growth % p.a (2016-2021)



Bangladesh is on the move, but to reach its full potential, these Emerging Champions will need to lean in. We need to set bold aspirations, raise capital, form global alliances, invest in digital and talent, and build resilient organizations. Our growth story is underpinned by some fundamental drivers – consumer

optimism, a willingness to innovate into emerging economic sectors, the continued rise in middle and affluent consumers, an ambitious young workforce, and economic resilience.



Developments in the Bangladesh Economy

Although the economy of Bangladesh returned to the recovery phase aided by appropriate policies and ongoing 28 stimulus packages, this recovery has faced new headwinds following the surge in global commodity prices in the context of the war in Ukraine.

- **Growth Performance:** The government has provisionally estimated 7.25 percent real GDP growth rate for FY22, which was 6.94 percent in FY21.



Government has provisionally estimated

7.25%

GDP growth rate for **FY22**

- Agriculture contributed 11.50 percent of GDP in FY22, with slower growth from 3.17 percent in FY21 to 2.20 percent in FY22. The growth of animal farming; and forest and related services sub-sectors increased slightly compared to the previous year.
- The industrial sector contributed 37.07 percent of GDP in FY22 and grew by 10.44 percent, higher than 10.29 percent growth in FY21. This growth was mainly supported by the growths of manufacturing; water supply, sewerage, waste management and remediation activities; and construction sub-sectors.
- Services sector accounts for the largest share of GDP. This sector contributed 51.44 percent of GDP in FY22, slight lower than 51.92 percent in FY21. Services sector grew by 6.31 percent in

FY22, higher than 5.73 percent growth in FY21. The components of services sector- such as, wholesale and retail trade, and repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities; financial and insurance activities; real estate activities; education; arts, entertainment and recreation; and other service activities exhibited higher growths in FY22 than those of the previous year.

- On the demand side of GDP, private consumption grew by 13.18 percent due to opening of the economy from restrictions imposed over the last couple of years for containing the spread of the COVID-19 pandemic. Furthermore, public consumption increased by 5.79 percent during the same period. As a result, total consumption spending grew by 12.57 percent, which contributed 9.10 as a percentage of GDP also declined to 21.56 percent from 25.34 percent during the same period. At current market prices, investment increased by 15.06 percent, while gross domestic savings decreased by 4.15 percent, resulting in the increase in domestic savings-investment gap as a percentage of GDP to -10.12 percent in FY22 from -5.68 percent in FY21.
- **Money and Credit Developments:** The monetary policy stance for FY22 was necessarily expansionary and accommodative like that of FY21.
 - The monetary and credit programs for FY22 were intended ensuring necessary liquidity in the local and foreign currency markets, continuing the economic recovery momentum, stabilizing the interest rate and exchange rate movement, and containing inflation in line with achieving the targets of a 7.20 percent real GDP growth and a 5.30 percent general inflation as announced in the national budget for FY22.
 - Some policy measures taken by BB were—allowing low cash reserve and high loan distribution ratio, keeping a low level of various policy interest rates, purchasing government securities from banks’ holdings, continuing different low-cost refinance lines and moratorium facilities, extending the time for realizing the export receipts and import payments, and offering credit guarantee facilities for cottage, micro, small and medium enterprises (CMSMEs).
 - BB’s timely intervention assured a comfortable liquidity position in the money market during FY22, sufficiently meeting the private and public demand. BB mopped up some of banks’ excess reserve by issuing BB bills during August-November of FY22.
 - In addition, BB increased the repo rate twice by 25 basis points to 5.00 percent from 4.75 percent in May 2022 and again by 50 basis points to 5.50 percent in June 2022.
 - BB also injected required cash through repo and liquidity support facilities during February-June

of FY22, considering the market demand for money.

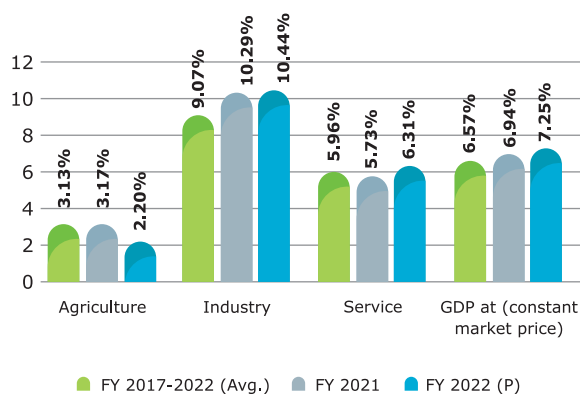
- On the other hand, BB intervened in the local foreign exchange market by selling a substantial amount of foreign currency to support exchange rate stability and maintain the external competitiveness of Bangladesh Taka (BDT) in FY22.
- Domestic credit grew by 16.10 percent, slightly lower than the targeted growth of 17.8 percent for FY22 but much higher than the actual growth of 10.11 percent in FY21, mainly due to the substantial increase of credit flows to both the public and private sectors from the banking system.
- Private sector credit grew by 13.66 percent in FY22, slightly lower than the targeted growth of 14.8 percent for FY22 but much higher than actual growth of 8.35 percent in FY21.
- At the end of FY22, the weighted average interest rate on bank advances decreased to 7.09 percent in June 2022 from 7.33 percent in FY21. The weighted average interest rate on bank deposits decreased to 3.97 percent in June 2022 from 4.13 percent at the end of FY21. As the decrease in interest rate on advances was higher than the decrease in interest rate on deposits, the interest rate spread dropped slightly to 3.12 percent in June 2022 from 3.20 percent in June 2021.



Macroeconomic Trend

GDP Growth

Sectoral GDP growth in Bangladesh
(Percent change, unless noted otherwise)

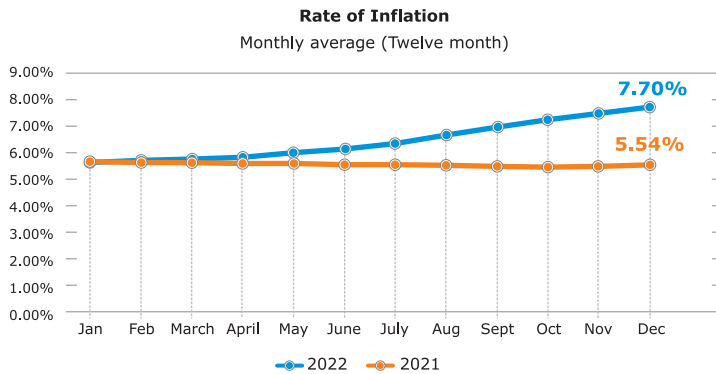


Inflation: The increase in inflation in Bangladesh can be attributed to various factors such as supply chain disruptions due to the COVID-19 pandemic, higher commodity prices, and an increase in demand for goods and services. The government of Bangladesh has taken various measures to mitigate the impact of

inflation, including increasing the supply of essential commodities and introducing targeted subsidy programs.

Import Payments of Goods: The total merchandise Import Payments of Bangladesh (including imports of EPZ) during the years 2021-2022 and 2020-2021 amounted to Taka 6,82,394.4 crore (or US\$ 78,949.7 million) and Taka 4,61,360.2 crore (or US\$ 54402.6 million) respectively, reflecting a 45.12% increase in dollar terms.

Import Payments of Services: The total Import Payments of Services during the years 2021-2022 and 2020-2021 amounted to taka 89,941.0 crore (or \$ 10,387.2 Million) and taka 63,941.8 crore (or \$ 7,539.8 Million) respectively, reflecting a 37.76 % increase in dollar terms.

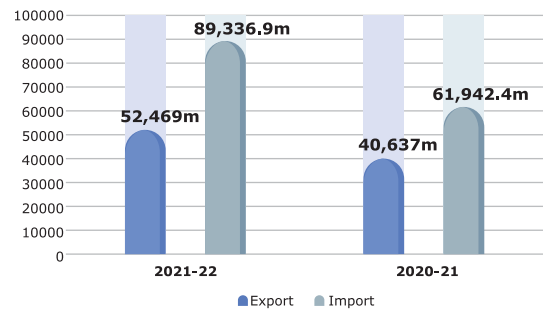


Foreign Exchange Reserve 2022

USD in Million

April	May	Jun	Jul	Aug
44,018	42,202	41,827	39,600	39,066
Sep	Oct	Nov	Dec	
36,476	35,809	33,790	33,748	

The overall position of Export proceeds & Import payments (USD in Million)



Foreign Exchange Reserve

Gross international foreign exchange reserves stood at USD 33,747 million at the end of December 2022. Foreign exchange reserve decreased by USD 12,406 million at the end of 2022 compare the same of 2021.

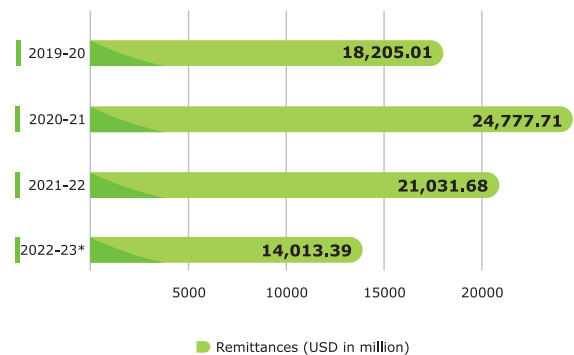
Export & Import

Total export receipts of goods of Bangladesh (including exports of EPZ) during the financial years 2021-2022, 2020-2021 and 2019-2020 amounted to Tk. 37,6976.2 crore, Tk. 2,88,080.1 crore and Tk. 2,54,005.0 crore or \$ 43,603 million, \$ 33,969 million and \$ 29,965 million respectively.

Total export receipts of services of Bangladesh during the financial years 2021-2022, 2020-2021 and 2019-2020 amounted to Tk. 76,672.0 crore, Tk. 56,547.8 crore and Tk. 51,560.2 crore or \$ 8,866 million, \$ 6,668 million and \$ 6081 million respectively.

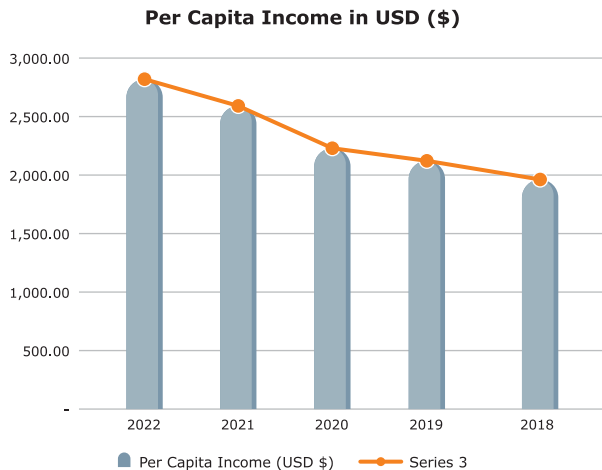
Export Receipts of Goods 2021-2022	Export Receipts of services 2021-2022
\$ 43,603 million	\$ 8,866 million
Import Payments of Goods 2021-2022	Import Payments of services 2021-2022
\$ 78,949.7 million	\$ 10,387.2 million

Remittances (USD in million)



*2022-23 (Provisional data)

Per Capita Income: The per capita income went up to \$2,824 or Tk241,470 in FY2021-22 which was \$2,591 in the last FY 2020-21.



Banking Industry Outlook

The year 2022 also witnessed a complex situation owing to the war in Ukraine, zero-covid policy in China, energy shortage in Europe, protectionism in the United States and skyrocketing debt burden in developing countries. Bangladesh is no exception, facing inflationary, liquidity and exchange rate pressures during the last few months, mainly due to external shocks. The high NPL ratio and the issue of good governance in banks and NBFIs are also matter of concern for the financial stability of the economy.

The banking industry also faced a range of challenges in 2022. The ongoing COVID-19 pandemic and its economic

impact are expected to continue to affect the industry, with continued pressure on bank profitability and asset quality. The pace and extent of global economic recovery, as well as the effectiveness of government stimulus measures and central bank policies, will be important factors that could impact the banking industry's outlook.

The implementation of new regulatory requirements, such as Basel III capital requirements and IFRS 9 accounting standards, could also affect bank operations and profitability. Additionally, banks will continue to face competition from fintech and other non-traditional financial institutions that are disrupting the industry with innovative products and services.

Despite these challenges, there are also opportunities for the banking industry in 2022. The global economic recovery could lead to increased demand for credit and other banking services, and the adoption of new technologies could help banks improve efficiency and reduce costs. Additionally, banks that are able to adapt to changing customer needs and preferences, as well as regulatory and technological changes, are likely to be better positioned for success in the future.

To overcome these challenges, Bangladesh Bank has already taken a series of policy initiatives which include

<p>Policy Initiatives by Central Bank</p> <ul style="list-style-type: none"> ▪ Raising the policy interest rate amid quantitative tightening through the selling of a huge amount of dollars in the market. ▪ Continuing the repo Liquidity support facilities for banks and NBFIs. 	<p>Policy Initiatives by Central Bank</p> <ul style="list-style-type: none"> ▪ Extending the refinancing facilities to neutralize the tight liquidity condition. ▪ Engaging with concerned commercial banks and NBFIs to deal with NPLs and good governance issues. 	<p>Policy Initiatives by Central Bank</p> <ul style="list-style-type: none"> ▪ Discouraging imports of luxury and non-essential commodities ▪ Enhancing the facilities to improve the export receipts and inward remittance.
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In terms of opportunities, Bangladesh has a large and growing population with increasing demand for financial services. The adoption of new technologies, such as mobile banking and digital payments, could help banks in Bangladesh reach new customers and improve efficiency. Additionally, the government has set ambitious targets for economic growth and infrastructure development, which could lead to increased demand for credit and other banking services.

Regulation of Banking Industry

Bangladesh Bank order 1972 and the company act 1991 and subsequent amendment of 2013 mainly guide the

Banks of Bangladesh. Bangladesh Bank (BB), the Central Bank, exerts the supervisory controls over the banking sector. Besides, prudential guidelines for agent banking operation, loan classification and provisioning, amendment of guidelines on credit card operations of banks, foreign direct investment promotion project (FDIPP), promotion of cashless transaction and issuance of agricultural and rural credit policy and program for the FY 2021-22 were the key steps of Central Bank to strengthen sustainable development of the banking industry.

Monetary Aggregates

(y-o-y growth %)

Item	Actual		Program	
	Jun-21	Jun-22	Actual (P) Dec-22	Dec-22
Net Foreign Assets	27.7	-11.9	-22.6	10.0
Net Domestic Assets	9.2	17.2	18.5	16.6
a. Domestic Credit	10.4	16.2	15.1	16.9
b. Credit to the public sector	21.7	29.1	26.6	33.3
c. Credit to the Private Sector	8.3	13.7	12.8	13.6
Broad Money	13.6	9.4	8.4	10.0
Reserve Money	22.4	-0.3	17.4	9.0
Money multiplier	4.49	4.93	4.63	5.06
NCG	42,040	62,540	32,249	1,06,334

Source: Bangladesh Bank, NCG: (Net Credit to the Government from the banking system), P: Provisional, *Calculated using the constant exchange rates of end June 2022, #Target set for FY 2023.

Recent Policy Interventions

The ongoing Russia-Ukraine crisis, along with the adverse impact of the Covid-19 pandemic, is continued to have worldwide spillover effects on commodity and financial market prices, trade flows, and exchange rates. Global supply chain disruptions and most advanced economies' particularly the US Fed's aggressive Hawkish policy stances, create huge global uncertainties. The overrun effects of all these on a country like Bangladesh are huge, creating multidimensional challenges, i.e., mounting inflationary and exchange rate pressures due to high imports prices and subsequent balance of payments adversities. The market situation warrants a significant depreciation of BDT along with continuous sales of forex to the domestic market, putting added pressure on the forex reserve position. Keeping all these in mind, BB has taken multipronged initiatives to navigate the situation by containing growing demand and improving supply conditions with appropriate policy interventions.

To overcome these challenges, BB has taken a series of policy initiatives, including edging up the policy interest rate to mitigate the demand-side pressure; continuing the repo and liquidity support facilities for banks and NBFIs to normalize the extensive liquidity stress; extending the refinance facilities to enhance the domestic production along with import substitute goods; imposing restriction on imports of luxury and non-essential commodities; enhancing the facilities to improve the exports receipts and inward remittances, and signing the memorandum of understanding (MoU) with concerned commercial banks to deal with NPLs and good governance in Banks and NBFIs. In this circumstance, there is a need for calibrated monetary policy measures addressing both the demand-side and supply-side factors to ensure the price (both inflation and exchange rate) and financial sector stability without compromising the desired objectives of economic growth and employment generation.

Climate change remains a major concern in Bangladesh. BB will continue to support sustainable finance to encourage innovations in green manufacturing toward a sustainable green economy

and clean growth in line with its much acclaimed Sustainable Finance Policy. Given that BB has recently introduced a Tk. 5,000 crore refinance fund titled "Green Transformation Fund" focused on facilitating exports and productive industrial sector to ensure a climate-friendly environment, green economy, and sustainable growth in Bangladesh.

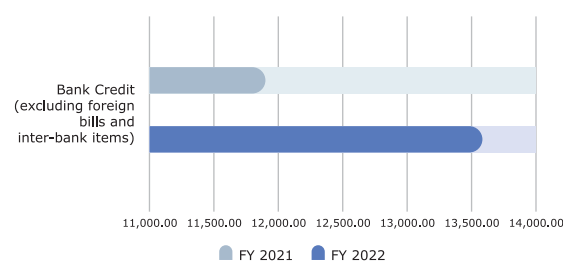
Some of the recent policy measures addressing the key macroeconomic issues are highlighted below.

- Exchange rate Stability
- Inflation Control
- Financial Sector Stability
- Financial Inclusion and Cashless Society
- Strengthening Capital Market

Bank Credit

The bank credit rose because of economic recovery, trade financing stemming from higher import prices and lower lending rate. Advances edged up by BDT 1584.50 billion or 13.58 percent to BDT 13249.42 billion in FY22 against the rise of BDT 888.08 billion or 8.24 percent to BDT 11664.92 billion in FY21.

Bank Credit excluding foreign bills and inter-bank items



*Figures in BDT (Billion)



Bank Deposit

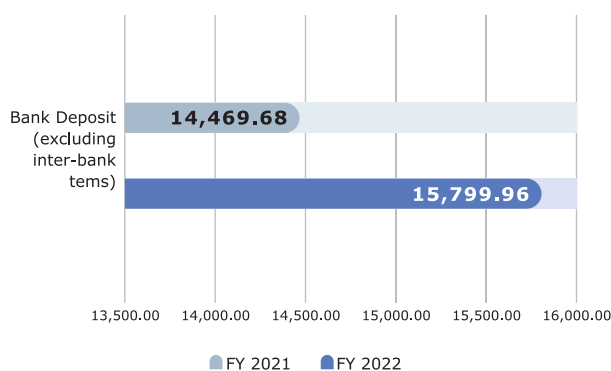
Bank deposits (excluding inter-bank items) increased by BDT 1,330.28 billion or 9.19 percent to BDT 15,799.96 billion during FY22 against the increase of BDT 1,778.69 billion or 14.02 percent to BDT 14,469.68 billion in FY21.

The total bank deposits increased due to rise in per capita income and inflows of remittances. Demand deposits increased by BDT 231.34 billion or 13.96 percent to BDT 1,888.59 billion in FY22 against the increase of BDT 301.97 billion or 22.28 percent to BDT 1,657.25 billion in FY21.

Time deposits increased by BDT 971.51 billion or 8.20 percent to BDT 12,822.18 billion in FY22 against the increase of BDT 1,395.96 billion or 13.35 percent to BDT 11,850.67 billion in FY21.

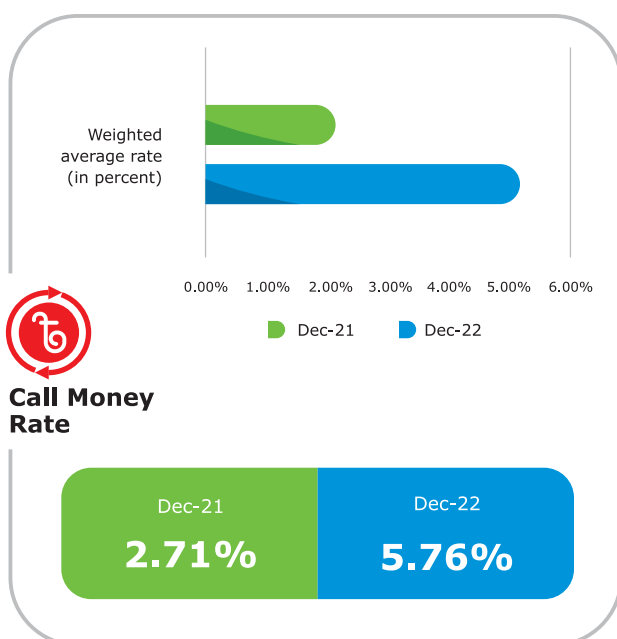
Government deposits increased by BDT 127.42 billion or 13.25 percent to BDT 1,089.19 billion in FY22 against the increase of BDT 80.78 billion or 9.17 percent to BDT 961.77 billion in FY21.

Bank Deposit (excluding inter-bank items)



*Figures in BDT (Billion)

Weighted average call money rate



Call Money Rate

Near term Macroeconomic challenges

The economy of Bangladesh has been facing many challenges both from the global and domestic front since 2020, starting with the devastating Covid-19 pandemic followed by the Russia-Ukraine crisis creating intense inflationary and exchange rate pressures. Despite all these challenges, the economy of Bangladesh performs reasonably well due to time-befitting, appropriate, and supportive monetary and fiscal policies.

The near-term economic outlook seems quite favorable, but it critically depends on three external issues:

- (i) the length and intensity of the Russia-Ukraine war,
- (ii) the spree of interest hikes by the Fed, and
- (iii) (re-emergence of the Covid-19 situation and its severity in China.

Improvements in these challenges will expedite Bangladesh's future economic gains. However, in case of any adverse consequences of the above external issues, the Bangladesh economy has enough resilience to remain insulated in its current condition.



UCB PLC: Celebrating 40 glorious year of contributing to Bangladesh's progress, welfare and development.

Sponsored by some dynamic and reputed entrepreneurs and eminent industrialists of Bangladesh and also participated by Bangladesh Government, UCB started its operation in mid-1983 with an initial paid up capital of BDT 35.50 million with the objective of excellence in customer service with pleasure and happiness and has since been able to establish one of the largest network of 224 branches as on 31 December 2022 among the first generation banks in the private sector. With its firm commitment to the economic development of the country, the Bank has already made a distinct mark in the realm of Private Sector Banking through personalized service, innovative practices, dynamic approach and efficient

Management. The Bank, aiming to play a leading role in the economic activities of the country, is firmly engaged in the development of trade, commerce and industry through a creative credit policy.

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. During the year 2022 the bank set record indeed in terms of advance, deposit and expansion of business through its continuous diversification.

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.



Branch
224



Sub-Branch
141



ATMs/CRMs
663



Agent Outlet
314



Islamic Banking Branch
10



OBU Unit
01

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 & Foreign Trade Activities

UCB PLC facilitates its valued clients in their local & foreign trade activities i.e. import and export business. These import and export is one of the highest revenue-generating segment of UCB PLC.

Remittance Activities

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

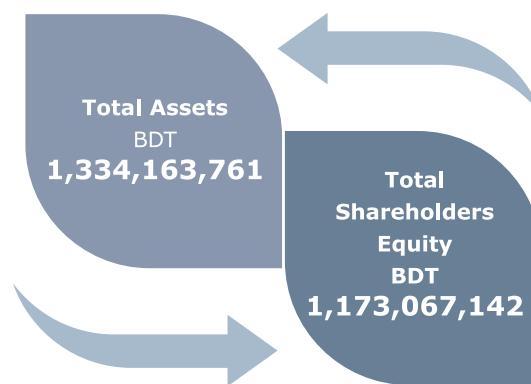
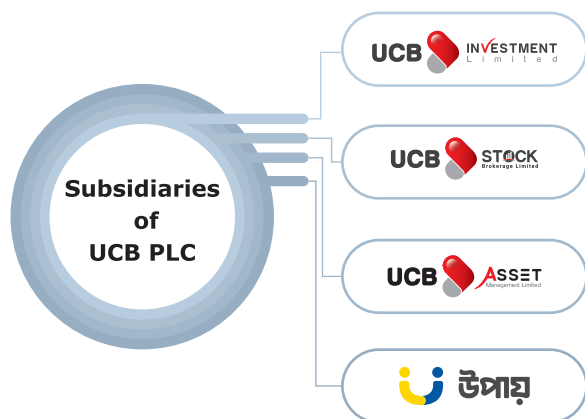
Guarantee Activities

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.



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.



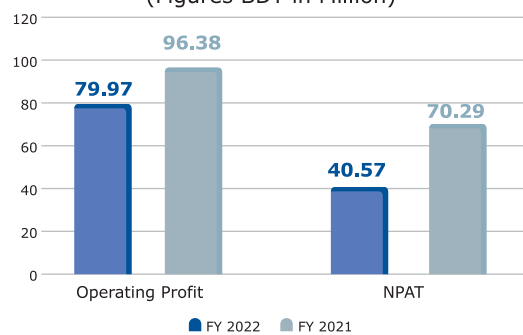
UCB Investment Limited

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: C94654/11 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.

Operating Profit (Figures BDT in Million)

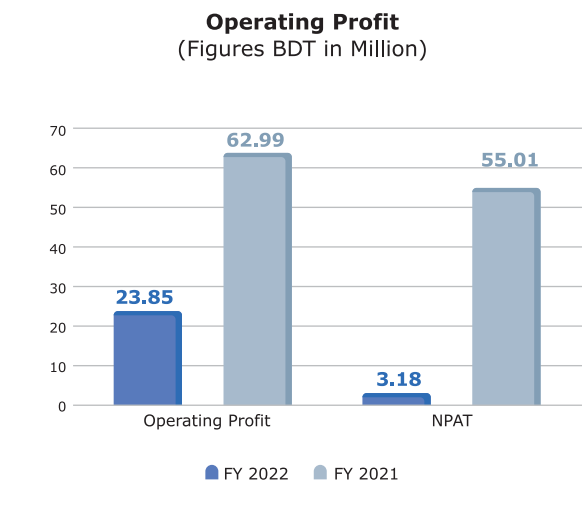
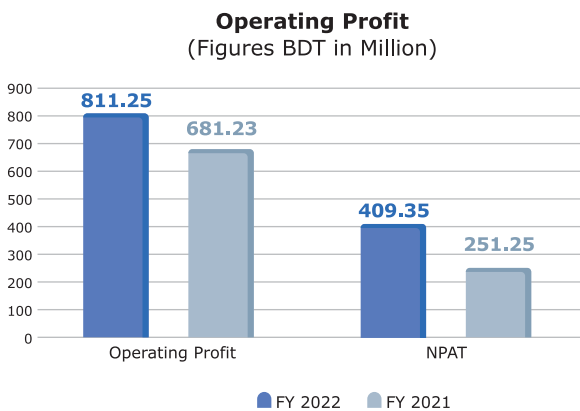
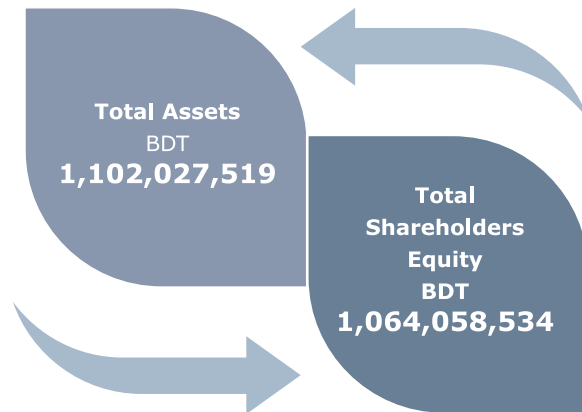
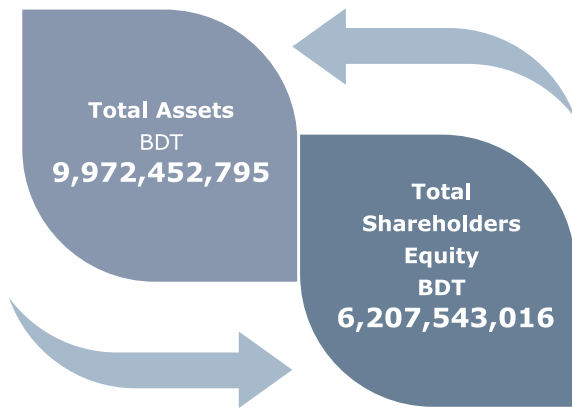


UCB Stock Brokerage Limited

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 Asset Management Limited

Established in February 2019, as a wholly-owned subsidiary of United Commercial Bank PLC, 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.

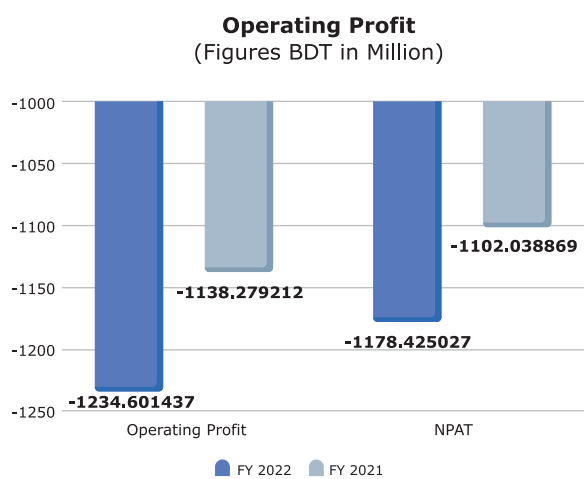
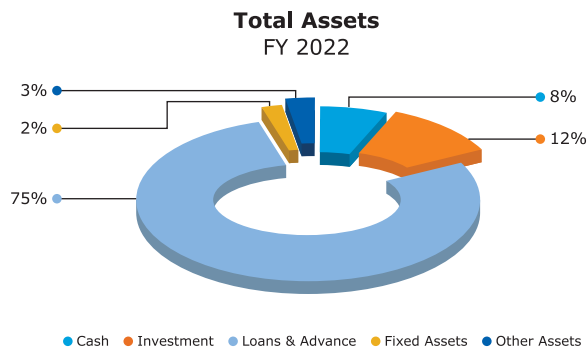
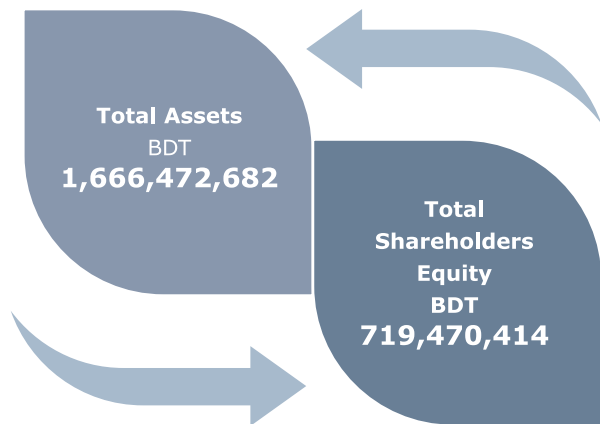
The principal objective of the company is to carry out various merchant banking activities in Bangladesh i.e. portfolio management, share transfer agent, fund management to issue in the capital and security market, underwrite, manage and distribute the issue of stock shares, bonds and other securities.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



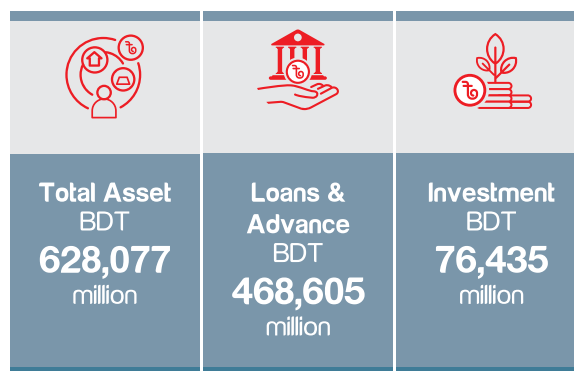
UCB Fintech Company Limited

UCB Fintech Company Limited a fully owned subsidiary of the United Commercial Bank PLC 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.



Performance overview, 2022

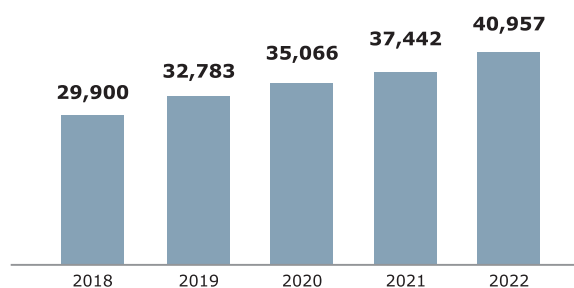


Financial Performance highlights of UCB PLC

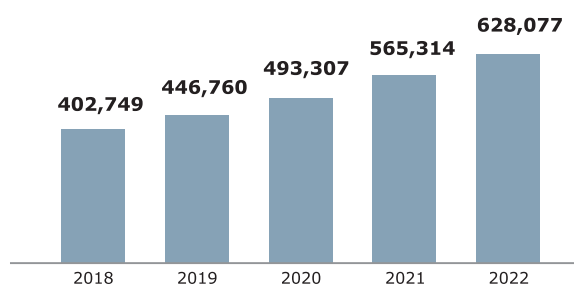
The year 2022 also witnessed a complex situation globally. Bangladesh is no exception, facing inflationary, liquidity and exchange rate pressures during the last few months, mainly due to external shocks. Despite intensified challenges, UCB PLC managed its portfolio efficiently closing the year 2022 with an NPL of 5.99% (4.41% in 2021) which is lower than that of industry average (8.96% as of June 2022).



Shareholders' Equity (BDT in Million)

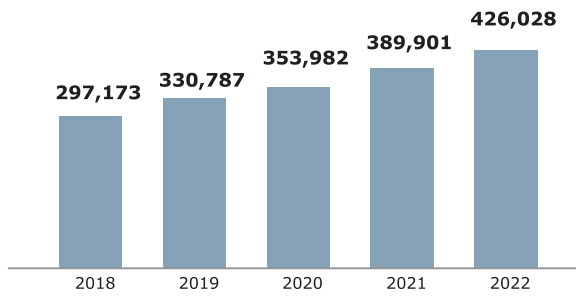


Total Assets (BDT in Million)

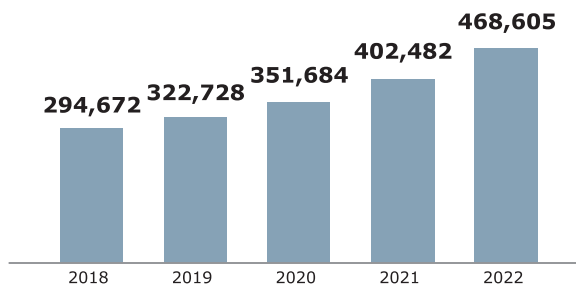




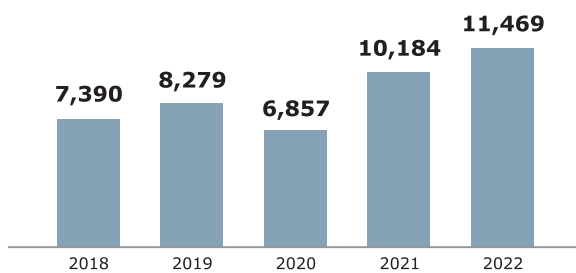
Total Deposits (BDT in Million)



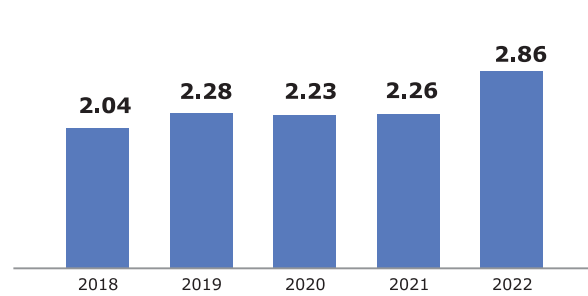
Loans and Advances (BDT in Million)



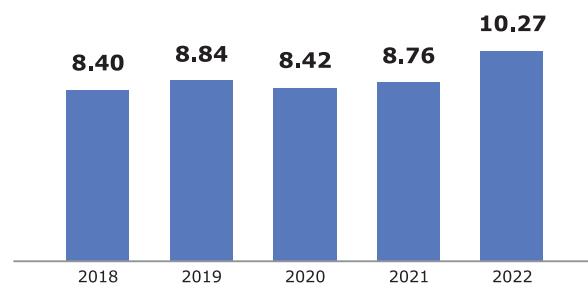
Operating Profit (BDT in Million)



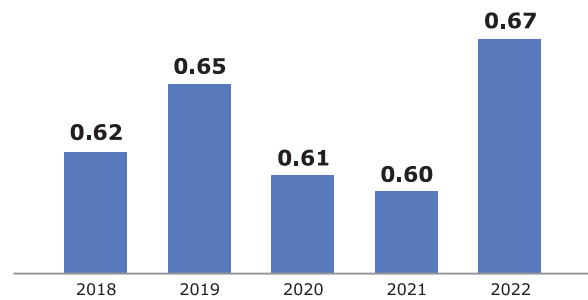
Earnings per share (EPS)



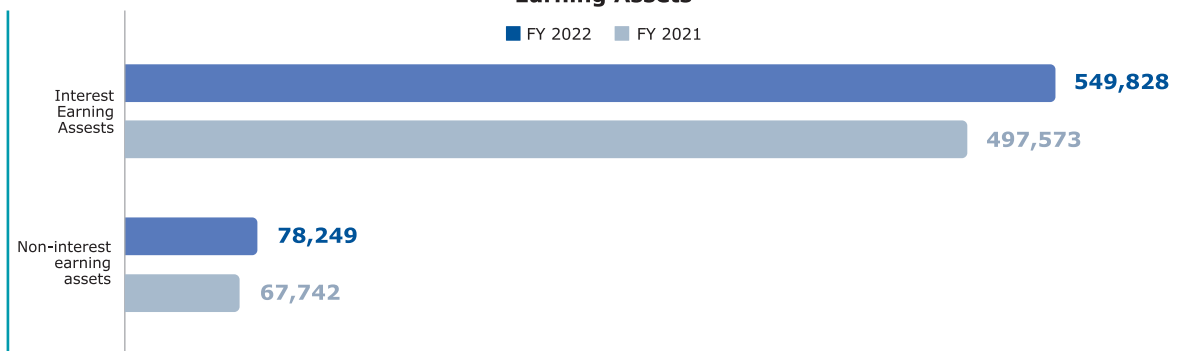
Return on Equity (ROE)



Return on Assets (ROA)



Interest Earning Assets & Non-Interest Earning Assets



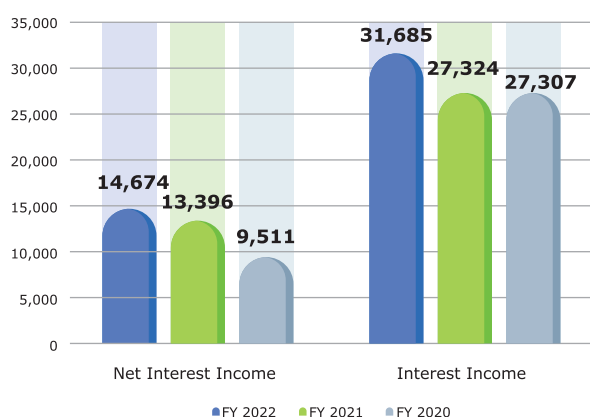
Our primary focus in 2022 was on efficient balance sheet management, upholding service excellence, recovery of classified and written off loans, mobilization of stable deposits and rationalizing costs.

Following table summarizes financial performance of UCB PLC

BDT in million

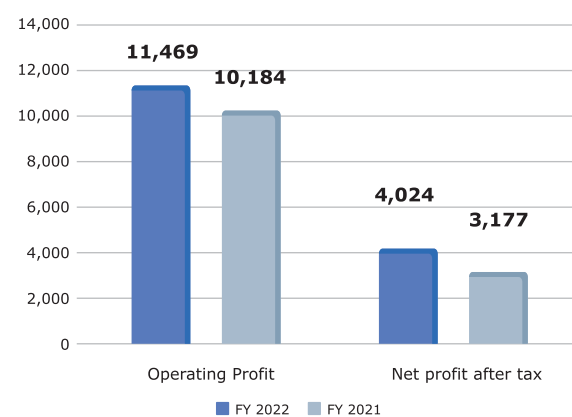
Particulars	UCB PLC (Stand Alone)		
	2022		2021
	BDT'M	Δ%	BDT'M
Interest Income	31,684.84	15.96%	27,323.65
Interest paid on deposits and borrowings etc	17,010.39	22%	13,927.26
Net Interest Income	14,674.45	10%	13,396.39
Investment income	5,685.11	4%	5,463.61
Commission, exchange and brokerage	7,899.47	38%	5,739.17
Other operating income	263.70	20%	220.57
Total operating income	28,522.74	15%	24,819.74
Salary and allowances	7,658.70	7%	7,166.52
Rent, taxes, insurance, electricity etc.	1,623.56	45%	1,122.45
Legal expenses	94.59	-26%	128.65
Postage, stamps, telecommunications etc.	219.09	19%	184.56
Stationery, printing, advertisements etc.	1,694.26	36%	1,249.15
Chief Executive's salary and fees	14.10	5%	13.45
Directors' fees	3.54	37%	2.59
Auditors' fees	1.73	50%	1.15
Depreciation and repair of banks assets	2,073.61	14%	1,822.19
Other expenses	3,670.80	25%	2,945.32
Total Operating Expenses	17,053.97	17%	14,636.03
Profit/ (Loss) before provision	11,468.77	13%	10,183.71
Loans & advances	5,659.63	30%	4,362.47
Recovery from Write-Off	(236.94)	131%	(102.58)
Diminution in value of investments	612.04	-360%	(235.22)
Off balance sheet items	(482.03)	-188%	549.13
Other Provisions	-	-	-
Total provision	5,552.70	21%	4,573.81
Total Profit/(Loss) before taxes	5,916.07	5%	5,609.91
Provision for taxation:			
Current tax expense	3,133.38	-18%	3,823.48
Deferred tax expense/ (income)	(1,241.32)	-11%	(1,390.74)
Total provision for taxation	1,892.06	-22%	2,432.73
Net Profit after taxation	4,024.01	27%	3,177.17

Interest Income & Net Interest Income



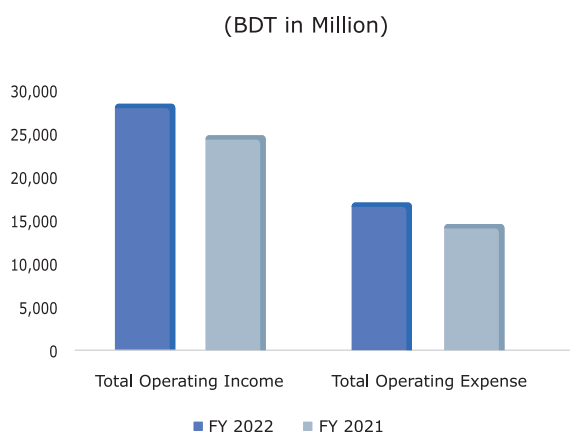
*Figures BDT in Million

Operating profit & Net profit after tax



*Figures BDT in Million

Total Operating Income & Total Operating Expense



*Figures BDT in Million

Utilization of proposed stock dividend:

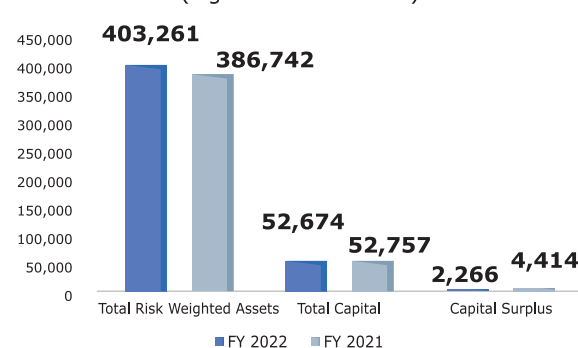
Stock dividend has been recommended to strengthen the capital base of the Bank in order to support projected business growth and also to improve certain regulatory ratios.

Capital adequacy status under Basel III

Bank's Capital to Risk Weighted Assets Ratio (CRAR) remains consistently within the comfort zone against

the requirement of 12.5% (Minimum total capital ratio plus capital conservation buffer) and ended at 13.06% as on 31 December 2022. For details please see Note 13.6 (Capital to Risk Weighted Asset Ratio) section of the Financial Statement.

Capital adequacy status under BASEL III



Status of Asset Quality:

As on 31 December 2022, NPL ratio of the banking industry stood at 8.96% which was 7.93% in December 2021. The NPL ratio of UCB PLC was 5.99% at the end of 2022 which was 4.41% at the end of 2021. The status of unclassified and classified loan of the Bank is as follows:

Particulars	2022	2021	% (Change)
Unclassified	440,527	384,744	14.5%
Standard (SMA)	10,219.51	14,047.42	-27.2%
Standard	428,533.31	366,080.88	17.1%
SMA-Special RSDL (BRPD-5)	1,774.59	4,616.14	-61.6%
Classified	28,078	17,737	58.3%
Sub-Standard	1,605.75	283.80	465.8%
Doubtful	342.20	125.12	173.5%
Bad & Loss	26,129.73	17,328.37	50.8%
Total	468,605.10	402,481.74	16.43%
NPL %	5.99%	4.41%	

Stakeholders Information



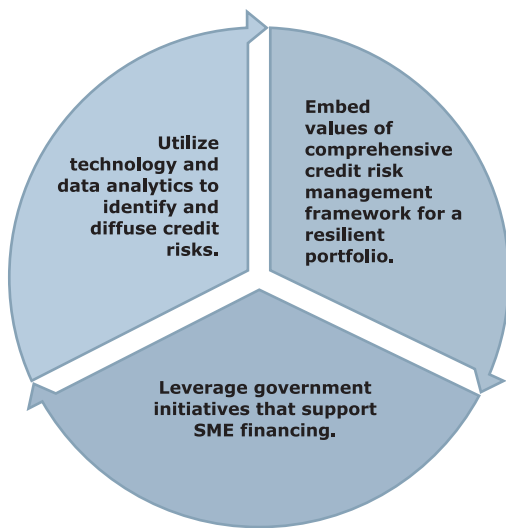
Credit Risk Management Division

UCB PLC is always inclined to implement a standard credit culture and industry best practices. Credit Risk Management Division of the Bank sets out the functions for management of credit risks through Credit Risk Management Policy within Bangladesh Bank defined guidelines and regulations. The Credit Risk Management Policy and its extension documents are approved by the Board of Directors for implementation to this effect.

Since the Credit Risks are dynamic and have diverse forms of manifestation with evolution of time and culture, UCB updates its Credit Risk Management Policy from time to time and ensure its application on the ground.

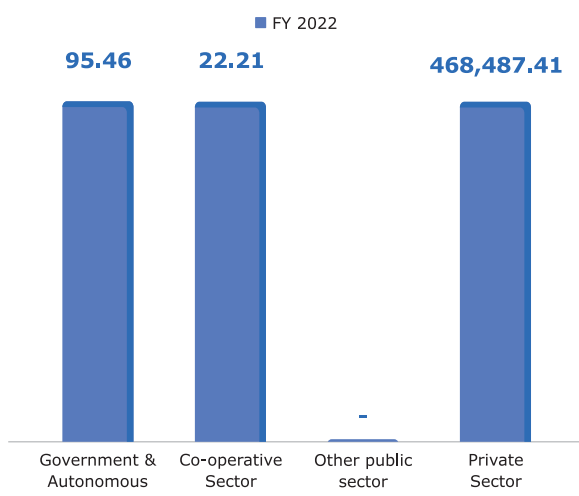
Additionally, Credit Risk Management Division also oversees adherence to regularity guidelines as circulated from time to time. By implementing these initiatives, banks can improve their credit risk management functions, reduce the likelihood of losses from defaulting borrowers, and ultimately contribute to the stability of the financial system.

On risk perception basis, following scopes and areas waiting for us during 2023, to improve through taking some initiatives/ action plan.



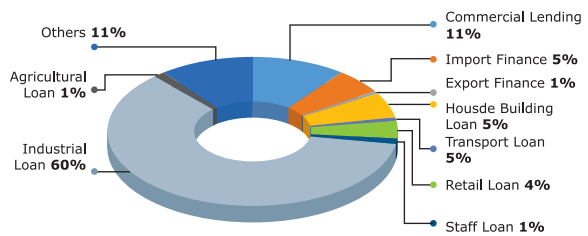
Sector-wise Loans & Advance

(Figures BDT in million)



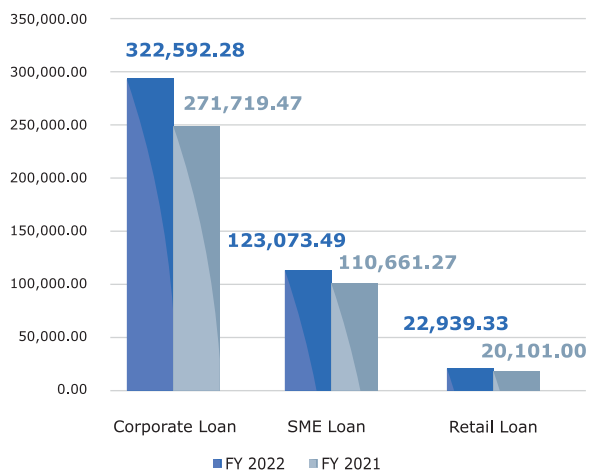
Sector-wise Loans & Advance

FY 2022



Nature-wise Loans & Advances

(Figures BDT in Million)



Major achievements of CRMD (SME) in 2022

- Emphasise more on BB refinance based loan target achievement through disbursement of loan amount CMSME customer and Sector wise target achievement was prioritized in 2022.
- On boarding numerous new customer through quality assessment. New to Bank of 1164 accounts amounting Tk.732.89 Crore as limit customer and 3125 numbers of accounts amounting Tk.405.72 Crore
- Creditworthiness assessment of all SME client with faster processing of proposal.
- Consider Environmental & Social (E&S) Risk factors in a structured way & overall credit approval process.
- Risk quantification comprises determining the probability of default (PD), loss given default (LGD) and risk-adjusted return on capital (RAROC).

Action plan/Opportunities for the year 2023

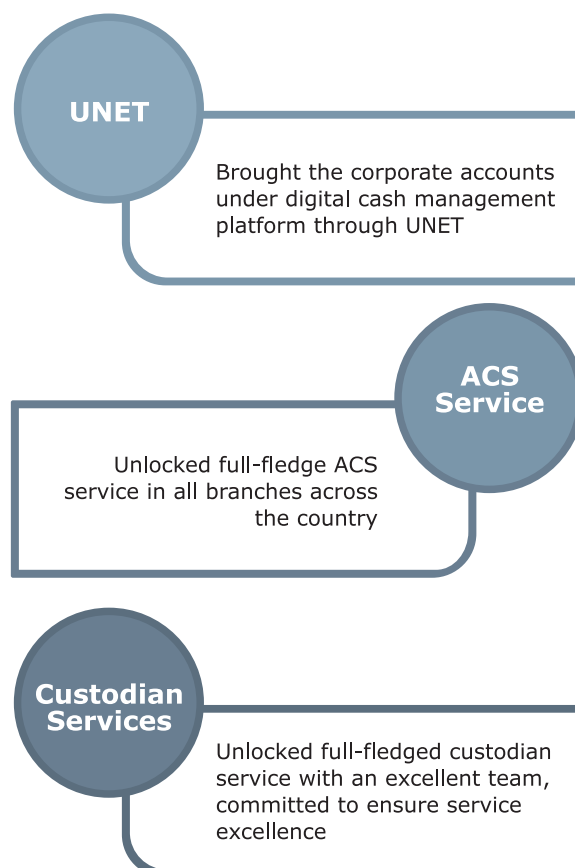
- **Strengthening risk management:** Banks may strengthen their risk management frameworks to mitigate risks associated with SME lending. This can include developing credit scoring models, improving due diligence processes, and enhancing collateral valuation
- **Leveraging government initiatives:** Banks may leverage government initiatives that support SME lending. For example, the government of Bangladesh may offer subsidies or guarantees to banks that lend to SMEs, which can reduce the risk of default and encourage banks to lend to this segment.
- **Enhance credit risk assessment:** Banks should enhance their credit risk assessment by adopting more sophisticated credit scoring models and leveraging new technologies such as artificial intelligence and machine learning. This will enable banks to identify and manage credit risk more effectively.
- **Develop a robust credit risk management framework:** Banks should develop a comprehensive credit risk management framework that covers all aspects of credit risk management, including credit origination, monitoring
- **Enhance staff training and development:** Banks should invest in staff training and development to ensure that their staff has the necessary skills and knowledge to manage credit risk effectively. This will involve providing regular training and development programs on credit risk management.
- **Review and update credit policies and procedures:** Banks should review their credit policies and procedures periodically to ensure that they are in line with regulatory requirements and market trends. Any necessary updates should be made to enhance the bank's ability to manage credit risk.
- **Expanding outreach:** Banks may expand their outreach efforts to reach more SMEs. This can include using digital channels to reach a wider audience, establishing partnerships with industry associations and chambers of commerce, and leveraging existing relationships with existing customers to identify potential SME borrowers

Transaction Banking Division

Major achievements in 2022

Transaction Banking Division is underpinned by advance technology and expert team to provide best

cash management solution to the organizations to generate synergies with greater efficiency and automation. We provide a wide array of products, service and solution which includes relationship units, tailored and comprehensive cash management solution, custodian service, utility & government payment service, Automated Challan Service, digital products & services etc.



Transaction Banking promisingly offers

UCB Transaction Banking offers a wide range of collection products to meet the flexible and customizable requirements such as Nation Wide Collection Services, Payment Transfer Solutions, Booth Banking Services, Cash pick-up and drop services, Internet Banking Service etc. to the corporate clients in order to fulfilling their needs. UCB TB team is able to establish a strong foothold by providing unique solutions to different governmental organizations, autonomous bodies, large local conglomerates, developmental organizations and MNC's.

- Over the counter collection service
- Booth collection service
- Pick up and drop service
- 24/7/365 internet service for organizations
- Automated Challan service across the county
- Flexible diversified product array
- Dedicated Relationship Managers for ensuring best business solution of the client.
- Technological integration as per client needs
- Utility collection service across the country
- Customized and tailored service as per customer needs
- Customized and tailored service as per customer needs
- Custodian service for individuals & organizations
- 24/7/365 internet service for organizations

Agent Banking Division

UCB started Agent Banking Journey from 1st February 2018 with an aim to bring unbanked population in financial inclusion and provide UCB' best class service to the remote location across the country. It has been targeted to expand agent banking network everywhere across the country at the rural, semi urban & urban area as per Bangladesh Bank guideline.

Financial Inclusion

In 2022 UCB covered 54 districts and 174 Upazillas with 314 agent outlets, 155 exclusive outlets and 44 UDC based agent outlets and 115 BIS (Business-in-Shop) under Master Agent.

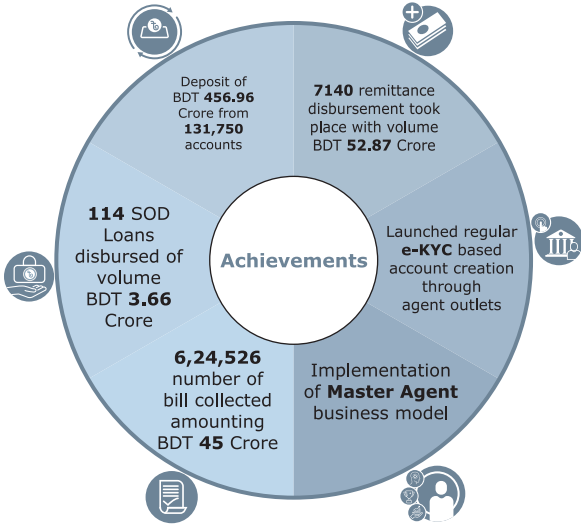
Total number of account in 2022 was 131,750. Master Agent business model was also successfully launched in 2022.



Achievements in 2022

Total deposit of BDT 456.96 Crore came from 131,750 accounts, 114 SOD Loans disbursed of volume BDT 3.66 Crore, 7140 remittance disbursement took place with volume BDT 52.87 Crore, 6,24,526 number of bill collected amounting BDT 45 Crore.

UCB Agent Banking Division introduced some products and services in 2022 such as Taqwa Banking (UCB Islamic Banking), SOD Loan, Credit Card application sourcing, Decentralization of Remittance Disbursement and added 9 potential exchange houses. Successfully launched regular e-KYC based account creation through agent outlets and implementation of Master Agent business model are two remarkable achievements of 2022.



Major challenges in 2022



Competitive Edge and Key Determinant of Success in 2023

In 2023 we will increase agent outlets up to 2000 outlets with an aim to reach out up to union level to serve the unbanked population and meet government SDG's target i.e. financial inclusion of above eighteen by 2025. We will focus on increasing fees income as well as interest income. Utility bill collection, Insurance Premium Collection, Policy Selling, School fee collection, Corporate cash collection will get preference. We will focus on remittance. Few loan products will also be offered for the customers to serve them with full pledged banking service.

Digital Banking & Transformation

The adoption of digital technology has significantly transformed Bangladesh's financial sector in the last one-and-a-half decades, bringing millions under banking services that have even reached the village level. Apart from the modernisation of the traditional banking system, the introduction of Mobile Financial Service (MFS) providers, payment service providers, and fintech has also played a vital role in adopting technology in the country's banking system. Over a decade earlier, availing financial products and access to financial services were unavailable and unaffordable for many individuals and businesses in Bangladesh.

- Over 18 crore account holders now conduct 2 crore transactions through MFS each day.
- Today, MFS operators register Tk 3,000 crore in average daily transactions, employing 11.23 lakh agents.

UCB PLC appeared with its "UNET".

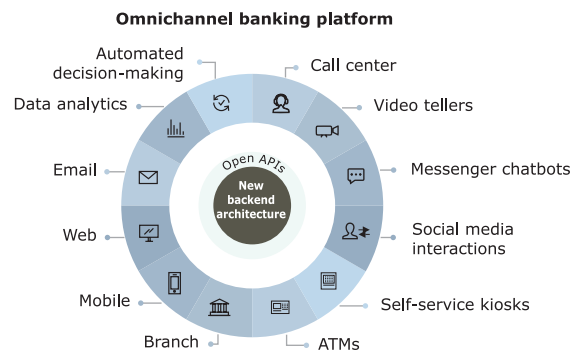
The Digital Banking and Transformation Division of UCB PLC continues to drive innovation across the company and the financial industry at large. Our team has been focused on developing and implementing the latest digital technologies to provide customers with convenient and secure banking solutions, making account management seamless and effortless.

The Bank with a vision to adopt a customer centric approach, developing a comprehensive digital road map, collaborating with fintech and technology partner, embracing agile methodologies and investing in cybersecurity and data privacy. With a focus on providing advanced technological solutions to our customers, we are committed to continuing our growth as one of the most technologically-advanced banks in existence. We have developed digital onboarding that allow customers to quickly open accounts without ever having to visit a physical branch location. Our internet banking services on app and web offer both retail and corporate clients comprehensive financial management tools that can be accessed from anywhere. Additionally, we provide eCommerce payment solutions for online purchases through secure platforms, credit cards with competitive value propositions; call centers staffed by knowledgeable representatives who are available 24/7; we also have one of the largest networks of ATMs, CRMS and STMs nationwide; and state-of-the-art security technology.

Internet Banking Base 1,01,197

Growth: 26% (YoY)

Our advancements signify exciting opportunities ahead as the Bank continue to work in driving innovation forward while still maintaining high standards in terms of customer service excellence. As part of this commitment towards progressiveness yet quality assurance simultaneously, we are developing new products such as artificial intelligence chatbots and RPA (Robotic Process Automation) which will enable us better serve our clients' needs more efficiently than ever before. Furthermore, we look forward expanding into new markets across country in the sphere of digital lending to support financial inclusion and fostering a robust eco system.



Accomplished Projects in 2022

- Binimoy – Project by Bangladesh Bank
- Incorporation of Bangla QR Payment in Unet – A project by Bangladesh Bank, PSD Department
- Own Credit Card Payment problem in Unet Retail (Individual Customer)
- Other Credit Card Bill payment through UNET (Individual Customer)
- Unet security updates
- Credit Card Unbilled Statement issue
- Mini Statements
- Customers can set their transaction global limit for Unet within the prefix limit set by Bank
- Showing of Reward Point of Credit Cards in Unet
- Customer feedback after using Unet
- Inclusion of Logout Greetings
- Unregister from Unet – iOS platform
- EMI Calculator in Unet
- Providing Last login information after every time log in
- Incorporation of NESCO in Unet

Ongoing Projects

- Transfer fund to MFS
- TD/RD Opening & Closing
- Positive Pay in Unet
- Inclusion of new biller (BTCL & DNCC)
- Reward Point redemption in Unet
- Online Merchant Payment
- Taqwa in Unet
- Card Block
- Loan Request Monitor
- OTP Lock/unlock
- Changing the user ID
- Enquiry by customers

Business Operations Divisions (BOD)

Business Operations Division (BOD) of United Commercial Bank PLC (UCB) plays pivotal role in providing centralized business-operations services to all Business Divisions including Branches, Sub-branches, Agent Banking Outlets and all digital/physical Channels across the country. To provide dedicated and focused service supports to clients and customers, BOD operates with 7 (Seven) well segmented departments, a Regional Operations Centre (ROC) at Chattogram Division and number of UCB Trade Service Centres (UTCs) having appropriately equipped skilled resource pool.



Business Operations Division (BOD)

Major Achievements in 2022

- > 290K New Accounts
- > 51K Loan Disbursement
- > 1.5M Clearing Cheque
- > 3.7M EFT Transactions
- > 10M ACS Challan Transactions
- > 153K Debit Cards
- > 15K Credit Cards
- > 15K Prepaid Cards
- > 4K POS Merchants
- > 1K E-com Merchants

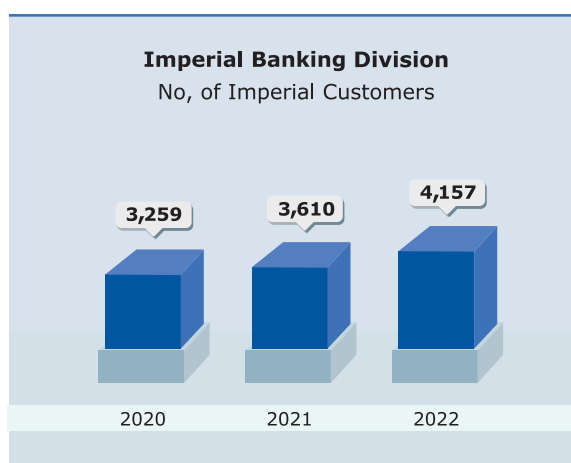
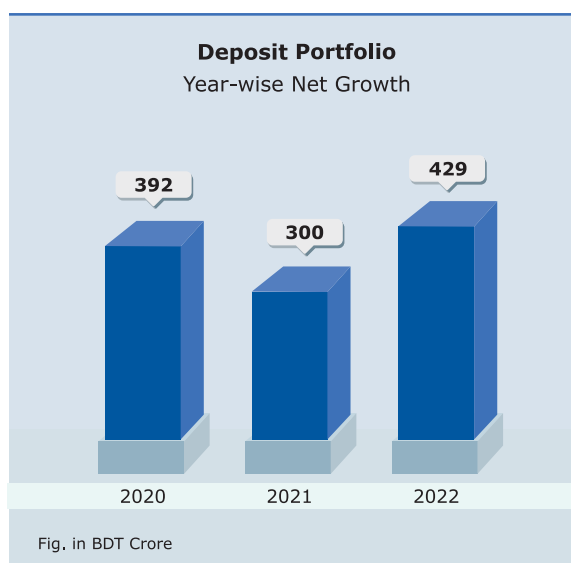
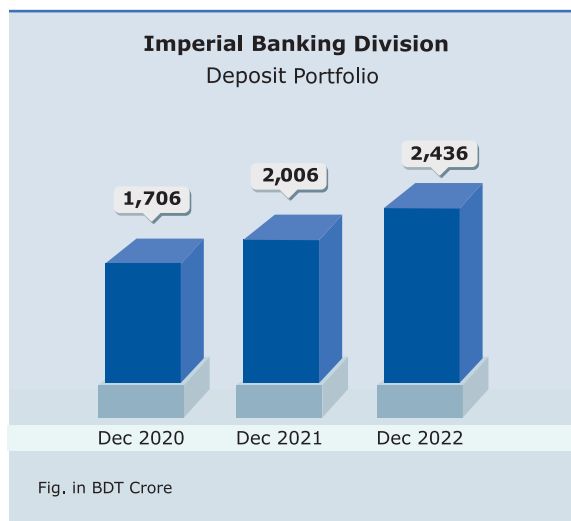
Imperial Banking Division

Imperial Banking Division, as an integral part of UCB Retail Banking, has been playing an important role as a frontline business channel of the Bank. Specially designed to serve the banking needs of the high net worth Retail customer segment, UCB Imperial has earned an impeccable brand reputation which has been achieved through Customer Service Excellence, top-notch relationship management and a well-curated suite of customer value propositions, exclusive benefits & privileges.

Since its inauguration in June 2012, it has been a glorious journey for Imperial Banking with numerous success stories. Inspired by its past success, Imperial Banking is now looking ahead to an even brighter future. With Management support, further strengthening the RM Team along with continued enhancement in Products & Value Propositions, Imperial Banking Division has the vision to become one of the most preferred names in Priority Banking of the country.

Presently, Imperial has 13 state-of-the-art Lounges spread across prime locations in Dhaka, Chattogram and Sylhet, where the Imperial Customers are able to enjoy high-class priority banking services in comfort & style in a queue-less Banking environment. In terms of deposit business, Imperial Banking Division has delivered impressive growth year-on-year in line with budgetary targets.

Below are the 3 year's growth results:



International Division

International Trade

International Trade is one of the challenging areas of banking operations yielding higher income for a bank. Globalization has made it very dynamic and risky to operate. With the growing number of customers and changes in the pattern of International Trade, the Bank provides one of the best quality services among the private commercial banks. Bank has a stretched and expanded global network reaching every corner of the world for extending every kind of foreign exchange services to the customers.

Foreign Trade

Foreign Trade in 2022, Import business of the Bank was USD 4,057.97 million having remarkable decline of 14%. Total export business of the Bank in 2022 was USD 3999.4 million with significant growth of 17%.

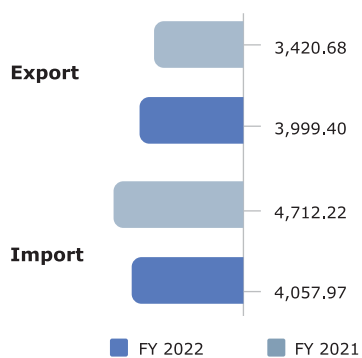
Bank has a stretched and expanded global network reaching every corner of the world for extending every kind of foreign exchange services to the customers.

Foreign Correspondents:

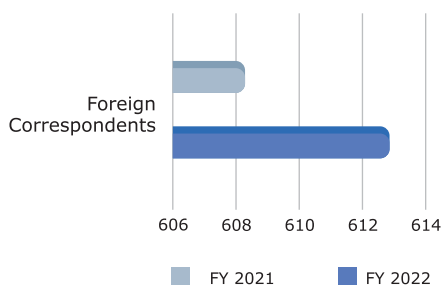
In 2022, UCB PLC's correspondent relationship (RMA) stood at 613 across the globe.

Our excellent reputation in meeting our commitment and strong financials enabled us in securing Credit lines

Import & Export (Figures USD in Millin)



Foreign Correspondents

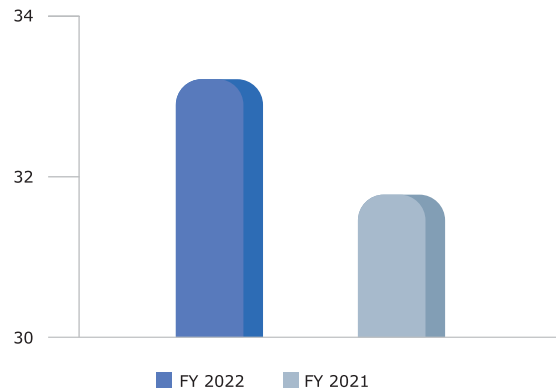


(both funded and non-funded) from Asian Development Bank, International Finance Corporation (private sector arm of World Bank Group) and other world renowned Banks.

Nostro Accounts

The Bank currently maintains 33 Nostro accounts in major international currencies: US Dollar, Pound Sterling, Swiss Franc, Australian Dollar, Japanese Yen and Euro & Dollar accounts under Asian Clearing.

Nostro Accounts



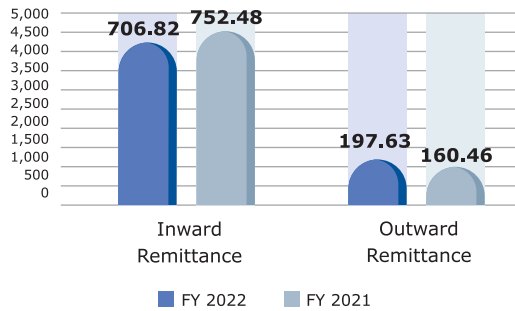
Remittance

In Bangladesh, remittance is one of the most important economic variables in recent times as it impacts economic growth, helps balance of payments, increases foreign exchange reserves, enhances national savings, and increases the velocity of money. Remittance has contributed around 35% of export earnings for about two decades. Moreover, it is more significant than foreign aid and thus helps in lessening dependence on foreign aid remittance gets momentum in recent times in Bangladesh and is the second largest sector of foreign currency earnings after the garment sector.

Remittance affects almost all the macroeconomic indicators of a country positively. But the hundi/informal channel heavily damages the country's foreign reserve revenue and the overall economy. In Bangladesh, at least \$20 billion annually comes through the hundi channel. Though, the government of Bangladesh is providing several types of incentives to reduce remittance inflow from the hundi. But, still, the hundi business is popular in Bangladesh. Historically, hundi transactions happened hand in hand, and now, it is being completed through digital channel like mobile banking and MFS.

UCB PLC particularly motivated on digital payment system. Low-income households, individual & corporate freelancers across urban and rural area of the country are benefited greatly from digital payment solution such as Unet and mobile apps based real time payment solution, mobile money, fintech services, and online banking.

Inward & Outward remittance (Figures USD in Million)



Besides, there are many freelancers in Bangladesh who work with their foreign clients on a regular basis, and most of them collect their payments via hundi instead of legal channels because of the high exchange rate. Again there are no easy options to purchase the subscription to international services directly, so these service users have to rely on hundi, which also affects the country's economy.

The economy of Bangladesh is still relatively small and growing compared to its neighboring countries. But the economy of Bangladesh is constantly suffering due to hundi activities for a long time. If remittances from abroad had come through official channels and money laundering could have been prevented, there would have been significant growth in the country's GDP growth, industrialization, and the country's economy. It should be noted that it will not be possible to completely eliminate this hundi that has been going on for the past few hundred years. However, the country's huge remittance income and money laundering abroad can be prevented if at least 20 to 50 percent of hundi trade can be reduced by adopting various policies, making strict laws, or bringing hundi traders under the law and punishing them seriously.

Initiatives of UCB and Key Accomplishment in 2022

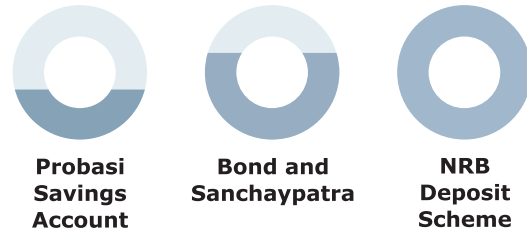
To increase the volume of remittance, UCB has established few new arrangements with global money transfer company. Though the country remittance in 2021-2022 was 15% DE growth, but UCB received USD 466.09 million of wage remittance from NRBs through its partner exchange companies 2022.

To focus on NRB remittances, the board of UCB has opened to established four subsidiaries in Singapore, Malaysia, UAE and Qatar for remittance company in 2022. UCB has got approval from Bangladesh Bank to set up these company. All are under process.

Foreign Remittance Department (FI&OBU) of United Commercial Bank is working for our beloved NRBs (Non- Resident Bangladeshi) not only by disbursing remittance but also offering 'One Stop Banking Solution' by creating a favourable environment and opportunity for long-term financial contributions in the socio-economic progress of the nation. To facilitate the NRBs (Non- Resident Bangladeshi) a bunch of NRB

products and services are designed to secure expatriate Bangladeshi(s) future saving(s) and investment(s) need for future.

NRB products



Remittance Services

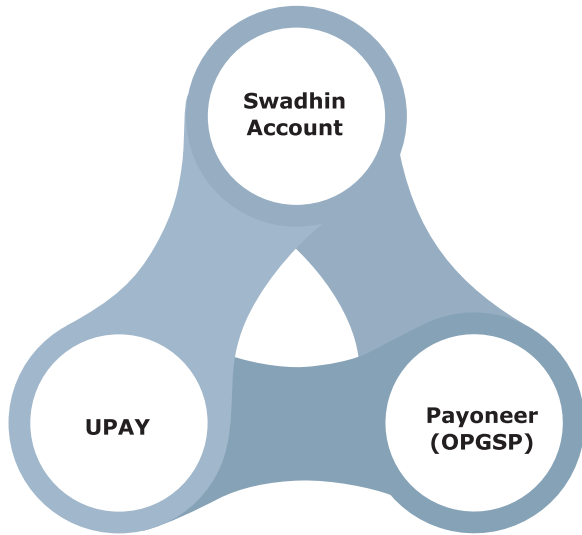
UCB has dedicated remittance platform that integrated with its exchange companies' remittance platform for realtime (24/7) disbursement of remittance	Enhance its network for disbursing remittance in remote area of Bangladesh through all of its agent banking outlets. Before selecting locations for opening any branch and outlet, UCB always consider the remittance concentrated area.	Integrate UCB remittance platform with its Upay wallet for real-time 24/7 remittance disbursement.
UCB has dedicated remittance platform that integrated with its exchange companies' remittance platform for realtime (24/7) disbursement of remittance	In Dec 2022, UCB has launched program named "Gorbito Probasi" from Dec 2022 to 28 Feb 2023 by offering attractive gifts for beneficiary for each spot cash remittance	UCB Fintech has created separate pocket in it Upay wallet for remittance to provide special facility like free for withdrawal remittance from any ATM/CRM of UCB, lowest service charges for cash withdrawal from Upay agent outlets for remittance
Many branches have conducted remittance awareness program with both remitter and beneficiaries in different location and it is continuous program		

Initiatives Taken for Addressing Freelancer in 2022

Freelancing is one of the emerging source of remittance in Bangladesh. UCB is concerned about it and focusing to launch different products to grab this remittance.

In 2022 UCB tied up with one of the renowned global OPGSP (On Line Payment Gateway Service Provider) company named "Payoneer" who handle freelancer remittance for receiving and integrated with UCB fintech company (UPAY). Now any freelancer can receive their earning through Payoneer to Upay wallet on real time in 24/7.

UCB has also launched a special product for freelancer named "Swadhin Account" in 2022.

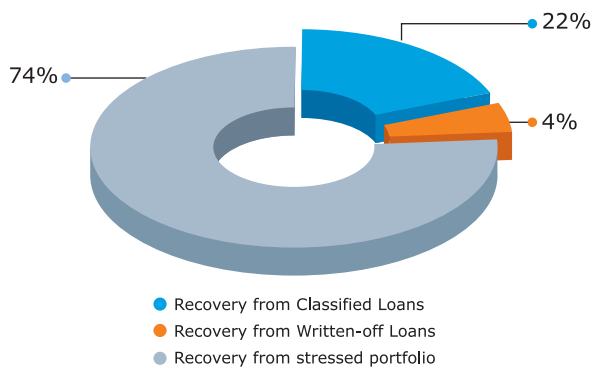


Special Asset Management Division

Special Asset Management Division (SAMD) has been entrusted with the effective and efficient management of Non-Performing Loans (NPLs) of the bank. SAMD is also tasked with recovering money from written-off portfolio of the bank. Bank's profitability is positively correlated with the success of these two components of SAMD's responsibilities.

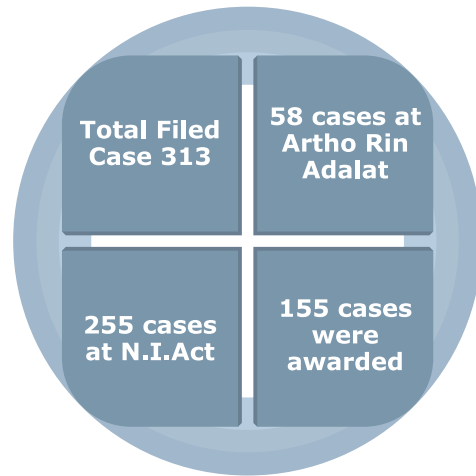
Due to the pandemic scenario in 2022, it was a tremendous challenge for SAMD to keep the NPL at a manageable level while also achieving the cash recovery target for the year. Despite all the obstacles, SAMD has performed remarkably well with total cash recovery of Tk. 534 crore in 2022. Out of which recovery of Tk. 115.62 crore from CL, Tk. 23.70 crore from write-off and Tk. 394.61 crore from stressed portfolio. This recovery has contributed positively to the bank's profitability. SAMD in UCB PLC is constituted by four core wings, namely Recovery wing, Settlement wing, MIS wing and Legal wing.

Recovery in FY 2022
(Figures BDT in Crore)



LEGAL

Despite the adverse impact of the Covid-19 pandemic and war, we have successfully recovered a total of Tk.534.00 cr from rescheduled, classified, and written-off accounts. This represents an impressive recovery rate of more than.79% of previous year. Moreover, out of the total written-off account, Tk.24.00 cr has been recovered.



We have centralized legal activities of Chattogram region, which has made our legal operations more efficient. The legal centralization of Dhaka division is also underway, which will further streamline our legal processes. In the last year, we have filed around 313 cases, out of which .58 are Artho Rin Adalat cases and the remaining 255 are N.I Act cases. In 2021 we have filed around 140 cases, out of which 31 are Artho Rin Adalat cases and remaining 109 are N.I Act cases.

We are pleased to inform you that we have settled/judgment awarded a total of 155 cases, which includes 65 Artho Rin Adalat cases and 90 N.I Act cases in 2022 which recovery amount is Tk 35.00 cr. In 2021 we have settled/judgment awarded a total of 50 cases, which includes 20 Artho Rin Adalat cases and 30 N.I Act cases, which recovery amount is Tk 12.20 cr.

To enhance our operational efficiency and achieve our business goals, we have formed a special team in our head office. This team is under the top supervision of our senior management and is working tirelessly to improve our overall performance.

In conclusion, we are proud of our achievements in the face of challenging times. Our commitment to excellence and resilience has enabled us to navigate through these difficult times successfully. We remain focused on delivering exceptional services to our valued customers while keeping their best interests at heart.

In the true spirit of the bank i.e. '**United We Achieve**', the legal team is working as a cohesive & dynamic team working in close collaboration with other internal and external stakeholder to deliver the expected results while maintaining full compliance with the laws and regulations.

Key Accomplishment in 2022

As a responsible financial institution, UCB always strives to maintain the highest standards of ethics, transparency, and compliance in our operations. We believe that our success is closely tied to the well-being of our customers, and we take great care to ensure that our lending practices are fair, sustainable, and supportive of our customers' financial goals. However, despite our best efforts, some borrowers may fall behind on their loan repayments, leading to problematic, classified, or written-off accounts. In such cases, UCB has implemented several robust recovery strategies to mitigate the risks and protect the interests of all stakeholders.

To address the needs of our delinquent borrowers, UCB has formed a dedicated team of recovery specialists who are experts in loan recovery, debt restructuring, and negotiation. This team is responsible for developing customized recovery plans for each default borrower and ensuring that all necessary actions are taken to recover the outstanding loan amount.

To streamline our recovery efforts, we have established region-wise recovery targets for each classified and written-off account. This enables us to allocate our resources effectively and focus our efforts on the most critical cases. We understand that some borrowers may be difficult to locate or communicate with, particularly if they have moved or changed their contact details. To overcome this challenge, we have established a country-wide network of recovery agents and field officers who are responsible for reaching out to every defaulter and ensuring that they are aware of their outstanding loan amount and the consequences of non-repayment.

UCB prepares account-wise planning for each default borrower, considering their financial situation, repayment history, and other relevant factors. To ensure that our recovery team and branch officials are effective in their duties, we provide them with rigorous training and supervision. We also monitor their performance closely and provide regular feedback to ensure that they are following best practices and adhering to our ethical and legal standards.

In some cases, it may be necessary to physically visit default borrowers, their guarantors, or their relatives to recover the outstanding loan amount. Our recovery team and field officers are trained to conduct such visits with tact and professionalism, ensuring that all necessary documentation is prepared and recorded for management record.

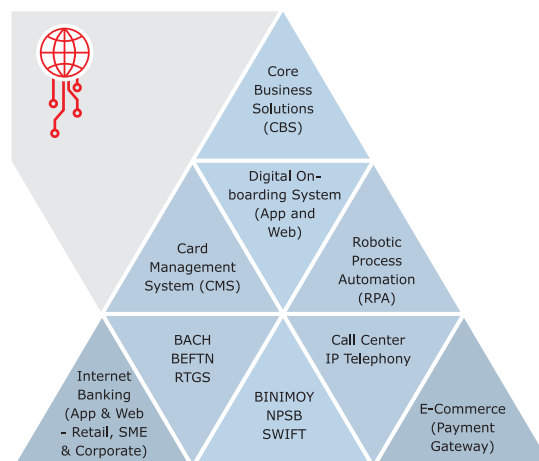
In extreme cases, we may need to take legal action against default borrowers, including executing warrants of arrest and judgment. However, we only take such actions as a last resort, and we always strive to resolve outstanding loan amounts amicably and fairly. In addition to executing warrants of arrest and judgment, we may also initiate legal actions against default borrowers to recover outstanding loan amounts. Our legal team is highly experienced in debt recovery and works closely with our recovery team to

ensure that all legal actions are taken in accordance with the relevant laws and regulations.

Overall, UCB is committed to recovering outstanding loan amounts from problematic, classified, and written-off borrowers in a fair, ethical, and sustainable manner. We believe that our recovery strategies are robust and effective, and we are constantly monitoring and improving our processes to ensure that we meet the highest standards of customer service and compliance.

Information Technology Division

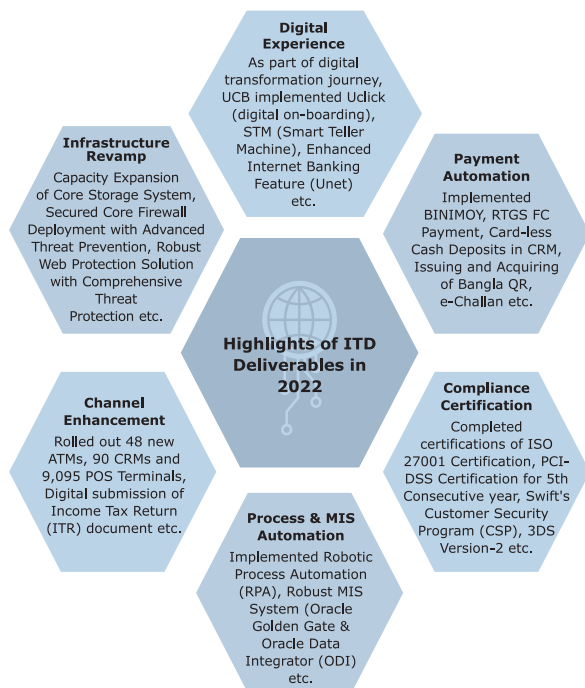
Information Technology Division (ITD) of United Commercial Bank PLC (UCB) is the fulcrum of all business-technology systems including one of the most robust and secured technology infrastructures in the Banking Industry of Bangladesh. With a fleet of state-of-the-art core business applications that include Oracle FlexCube Universal Banking as the Core Banking Solution (CBS) along with many other world reputed business systems, ITD ensures round the clock banking services through the operations of physical and digital channels locally and globally.



In alignment to the 'Digital Banking Transformation Strategy' of the Bank, ITD has been working with business and support functions very closely for in-house automations and outsourced best in class systems that are contemporary to address the needs of customers. Simultaneously, a good number of initiatives have been undertaken in 2022 to ensure business and customer friendly safe and secured IT infrastructure including server virtualizations and exploration of Cloud Technology.

Information Technology Division has been rendering its services with the vision of becoming a business and customer centric Value Centre rather than merely managing the Bank's technology assets. A highly skilled resource pool in all areas of technology domains

is committed to leverage the benefits from the digital technologies of the 4th Industrial Revolution (4IR) for the sustainable digital transformation of the Bank.



Internal Control & Compliance Division

Evaluation of Effectiveness of Internal Control

Internal control evaluation is an overall assessment of an organization's internal control system across each area to determine if it is functioning as intended and whether it is able to manage the risks that the bank may face in its day-to-day operations. A deficiency in internal control exists when a control does not allow management to prevent, or detect and correct, any errors or misstatements on a timely basis.

Effective internal controls are a bank's first line of defense to protect its assets, prevent and detect errors, and mitigate risks. The three Units of ICCD (Audit, Compliance & Monitoring) are continuously contributing in the evaluation process of effectiveness of Internal Control of the bank. To evaluate the effectiveness of internal controls, ICCD performs the thorough 'test of controls' (i.e. Risk based Internal Audit – RBIA) on yearly basis in all branches and divisions. The aim of 'tests of controls' is to determine whether these internal controls are sufficient to detect or prevent risks of material misstatements. And if there are any internal control deficiencies found, provides recommendations to improve or strengthen the internal controls.

Besides Senior Management Team (SMT) of the Bank had a threadbare discussion on yearly basis on the effectiveness of internal control system of the bank and whether any improvement requires for practices, procedures & policies of Internal Control System of different divisions and the Bank's activities as a whole.

The existing practice & system of the Bank, though need to be improved considering the growth and increased complexity of the Banking Business, may however be considered as effective, adequate in the present context.

Activities of Monitoring Unit in 2022

Monitoring is a periodic assessment of activities to determine whether they are proceeding as it is planned. It is a systematic process of collecting, analyzing and using information toward reaching its objectives and to help management decisions.

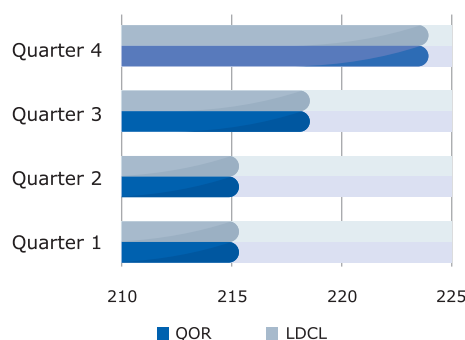
Monitoring Unit under ICCD is engaged in monitoring, reviewing the activities of different branches / divisions and identifying risk areas through various Control Tools & MIS. Major tools of monitoring are Quarterly Operations Report (QOR), Loan Documentation Checklist (LDCL), Self-assessment Anti-Fraud Internal Control Checklist, Department Control Function Checklist (DCFCL), Health Report etc. On the other hand, using MIS, monitoring unit monitors different operational issues in bank's day to day activities.

Structure

- Audit & Inspection Department
- Monitoring Department
- Compliance Department

Other Major activities in 2022 also include review of DCFCL in order to simplify the format for enhancing effectiveness, review of QOR format, customization and inclusion of some reports in MIS for ICCD monitoring purpose to help different related stakeholders in minimizing risk as much as possible.

QOR & LDCL



Annual Health Report of 2021: In the year 2022, Monitoring Unit complied the overall Health Report of the Bank for the year ended on 31st December 2021. The same was placed before the Audit Committee of Board and finally sent to Bangladesh Bank for their information and record.

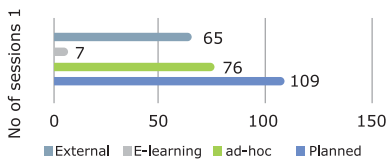
Self-assessment Anti-Fraud Internal Control Checklist: Self-assessment Anti-Fraud Internal Control Checklist were prepared on half yearly basis in the year 2022 and placed before the Audit Committee of Board (ACB) for approval. The checklists finally sent to Bangladesh Bank for their information and record.

Learning & Development Centre (LDC)

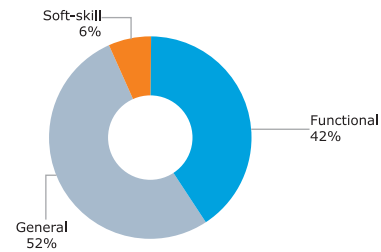
United Commercial Bank PLC always focuses great emphasis on training and development of its employees. That's why UCB has its own training institute called 'Learning and Development Center of UCB' with a handful of dedicated HR people who are arranging training programs for employees of UCB. United Commercial Bank PLC believes that employees must provide better service if they are trained well. The HR department wants to ensure a dedicated team of well-trained employees who can serve the customers as well as the bank by their expertise. Different types of trainings are offered to the employees according to the bank rule. Most of them are regarding banking activities and the trainings are well structured.

Learning & Development Center

January – December 2022

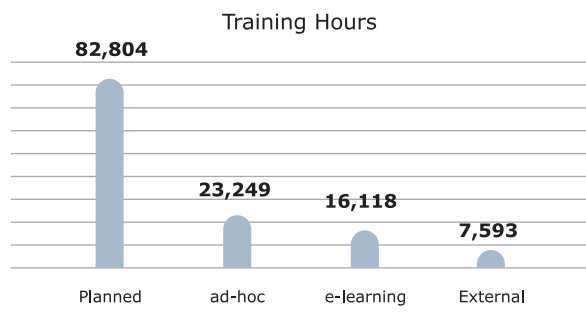


GB Manual Exam	
Registration	1,905
Participation	1,733
Coverage (%)	91%



Major Learning Initiatives

- Exclusive Development initiative for Head of Branch
- Leadership Intervention for Divisional Heads
- ICON: Communication Excellence Program for Head Office
- Sales and Negotiation Masterclass for RMs
- Employee Development Program for Capacity Enhancement
- Digital Upskilling Initiatives at large scale (Branch and HO)
- Exclusive Learning Path for Probationary Officers
- e - Learning Programs on UCB Products and Compliance



Management discussion and analysis

Management discussion and analysis has been incorporated along with this director's report. Under this, a comparative analysis of financial performance (2018-2023) of the bank has been presented with analytics. A brief highlight of UCB PLC business units namely Corporate banking, Retail & SME Banking and Treasury, FI & Offshore Banking has been presented along with strategic outlook. In pursuance of an inorganic growth route and to open up diversified earnings stream, UCB PLC established or acquired four subsidiaries.

Internal Control System

Robust internal control system helps UCB PLC to ensure achieving goals and aspirations sustainably. This control system also ensures that the Bank complies with local laws and regulations as well as policies, plans, internal and external rules, guidelines and procedures, and subsequently decrease the risk of unexpected loss or damage to the Bank. The Board has delegated the responsibility of overall supervision of internal control system to Audit Committee of the Board. The key functionalities that have been established in reviewing adequacy and integrity of the system of internal control are as follows:

- Various committees have been formed consisting of relative stakeholders with expertise on the subject matter to assist the Board in guiding the Bank's operation in line with corporate mission, vision and strategies.
- The Audit Committee of the Board reviews the internal control findings identified by the Internal Audit of the Bank, Inspection Team of Bangladesh Bank, External Auditors and Management, and evaluates the adequacy and effectiveness of the risk management and internal control systems.
- The internal audit department of the Bank checks for compliance with policies and procedures and the effectiveness of the internal control system on regular basis and highlights significant findings in respect of any non-compliance.
- The internal audit department has direct access to the Audit Committee as and when required to ensure submission of internal audit findings to the Audit Committee without any management intervention.
- The Board of Directors holds meetings at suitable intervals with senior management, internal auditors, external auditors and the Audit Committee for evaluating the effectiveness of internal control system and provides necessary guidance.
- Self-Assessment of Anti-Fraud Internal Controls is carried out on half-yearly basis and is sent to Bangladesh Bank as per requirement of DOS Circular Letter No. 10 dated 09 May 2017 issued by BB after receiving compliance confirmation from respective stakeholder.

Financial Reporting

- Appropriate accounting policies have been consistently applied in preparation of the financial statements.
- Proper books of account as required by law have been maintained by UCB PLC.
- Accounting estimates and underlying assumptions are made on reasonable ground applying prudent judgment, and are reviewed on an ongoing basis.
- The Financial Statements (FS) of the Bank are prepared in accordance with applicable International Financial Reporting Standards (IFRSs) and relevant circulars/instructions issued by Bangladesh Bank (BB) and any departure from IFRS due to BB regulation has been adequately disclosed in the notes to the FS.
- Being responsible for preparation and fair presentation of the FS, the management of the Bank asserts that the FS prepared by the management as at and for the year ended 31 December 2022 present fairly, in all material respects, its state of affairs, the results of its operations, cash flows and changes in equity.
- There is no significant doubt upon the Bank's ability to continue as a going concern. UCB has neither intention nor the need to liquidate or curtail materially the scale of its operations. Hence, the financial statements of the Bank have been prepared on going concern basis and the Bank will continue to operate for the foreseeable future.

Risk Management

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. Risk management functions are subject to continuous scrutiny of Internal Control & Compliance Division (ICCD) and supervision of Risk Management Division (RMD) to ensure appropriateness and integrity of the risk management mechanism.

Discussion on continuity of any extra ordinary gain or loss

In last five years, UCB has not experienced any extraordinary gain or loss. UCB's Five Years Financial Summary presented in the Annual Report will provide detailed information to support this.

Related Party Transactions

UCB had no credit directly to its Directors at the end of 2022. 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**

Statement of Directors Responsibility to establish appropriate system of internal control

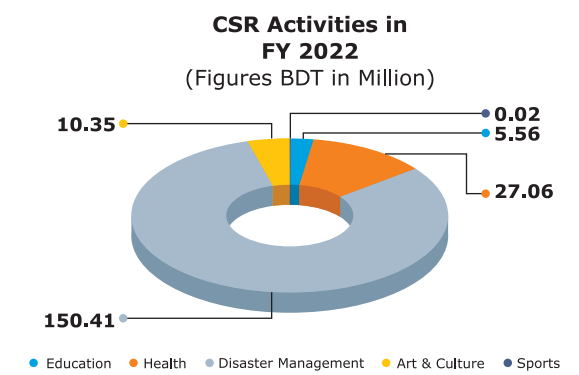
The Directors acknowledge their overall responsibility for the Bank's systems of internal control for establishing efficiency, effectiveness, reliability, timeliness, completeness and compliance with the applicable laws and regulations. This process ensures that a system of internal control in accordance 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 2022. 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.

Compliance with corporate governance guidelines

As a responsible corporate citizen, UCB PLC duly complied with the provisions of corporate governance guidelines issued by Bangladesh Securities and Exchange Commission (BSEC). The compliance status of UCB PLC on the said guidelines has been presented in the section 'Governance Reports'. Also, Itrat Husain & Associates, Chartered Secretary in Practice, has certified the compliance status of UCB PLC on the BSEC's Corporate Governance Guidelines during 2022 which has been mentioned at the end of 'Governance Reports'.

CSR Activities

Being a socially responsible corporate citizen, UCB PLC engaged in a number of CSR activities throughout the year, including a number of donations towards charitable causes.

In the year 2022, our total expenditure in CSR was an amount of BDT 193.40 Million. The detailed of the CSR activities comes as follows:

Education

UCB PLC has long been practising CSR in Education sector through different initiatives. UCB believes to contribute in numerous forms of educational assistance 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 fees to certain schools and educational institutions as well.

During 2022, we spent a total of BDT 5.56 Million as CSR expense in the education sector. Among the large number of projects, some, worth mentioning are donation to Anukur Society Girls High School, Upalabdhi working for education & safe shelter for poor girls, Prime Minister Shikkha Shohayota Trust, Dalal Bazar Balika Uchcha Bidyaloy and many more.

Health

UCB has been contributing by donating different health care institutions and assistance to health related issues. 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 27.06 Million during 2022

as expenditure in the health sector under CSR projects. Some notable projects include Financial Assistance to Chattogram Maa O Shishu Hospital, National Institute of traumatology and orthopaedic rehabilitation [NITOR], National Institute of Cardiovascular Diseases (NICVD) for treatment of helpless & poor paediatric heart patients and assistance to many poor individual patients as well.

Disaster Management

Disaster management has become one of the most discussed issue in contemporary world due to alarming scenario of global warming and climate change. 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 2022, almost an amount of BDT 150.41 Million has been contributed in Disaster Management Sector. Some of the contributions are donation to Prime Minister Relief Fund for flood affected people, donation of blankets to cold affected people etc.

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 2022, contribution in the sector of Art & Culture amounted to BDT 10.35 Million. Some notable projects are donation for the construction of Bir Muktijodha Akhtaruzzaman Chowdhury Chattar, Chattogram; donation to Joy Bangla Utsab organized by Bangladesh Association of Banks, Financial Assistance to Art Bangla Foundation for 4th International Art Festival 2022 Mymensingh and many others.

Sports

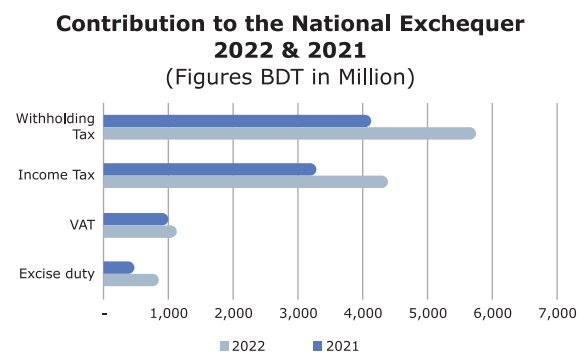
Bangladesh has been showing remarkable improvements in various areas of sports recent years. UCB is a huge supporter of, and patronizes Sports. In 2022, our CSR expenditure in Sports sector is BDT 0.02 Million for Mayor Cup.

In conclusion, United Commercial Bank PLC is committed to CSR and has implemented several initiatives to support this. The bank recognizes that CSR is not just a corporate responsibility, but also a way to create a positive impact on the communities it serves, the environment, and the economy. UCB PLC will continue to implement CSR initiatives and promote ethical and sustainable business practices.

Contribution to the National Exchequer

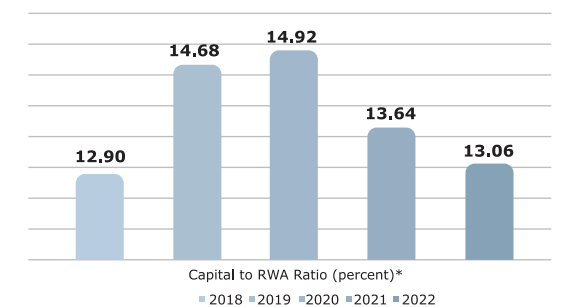
During the year 2022 United Commercial Bank PLC deposited BDT 12,114 million to the Government Exchequer out of which BDT 4,392 million as income

tax, BDT 5,762 million of withholding tax, BDT 1,122 million of VAT and BDT 838 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.



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.



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.

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 Governance Reports.

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 Governance Reports.

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 PLC was done by Emerging Credit Rating Limited (ECRL) based on audited Financial Statements as on December 31, 2022. The rating report is summarized as under

Particulars	Long Term	Short Term
Entity Rating	AA	ST-2
Date of rating		
Based on the Financial Statements as on		31 December 2022
Validity Date		May 06, 2024

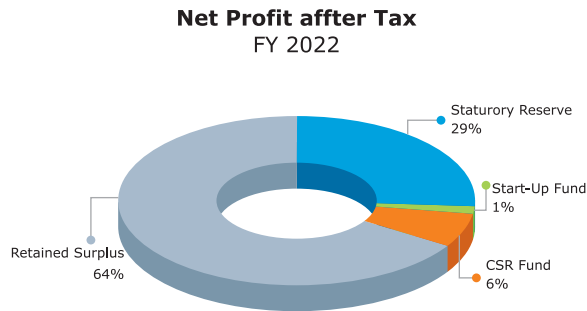
ECRL has assigned AA (pronounced as Double A) the long term credit rating and ST-2 short term credit rating to the United Commercial Bank PLC based on audited financials from FY2019 to FY2022 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The 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.

Top Management

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
Md. Shah Alam Bhuiyan	12 December 2017
Mohammed Khorshed Alam	05 August 2008
ATM Tahmiduzzaman, FCS	07 March 2010
Alamgir Kabir	28 March 2011

The information regarding a) Rotation of the Directors b) the Shareholding of the Directors c) the Shareholding of the SMT d) the Meeting Detail of the Board and Committees e) the meeting of the Board and its committees f) entities where the Directors' have interest g) declaration of CFO and MD & CEO h) Certification on Corporate Governance Code; are enumerated in Governance Report.

Appropriation of profit:



Declaration of dividend

The Bank has declared 5% stock dividend and 5% cash dividend for the year 2022.

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 ACNABIN, Chartered Accountants based on their audit of financial statements for the year ended 31 December 2022. The auditor didn't mention about any material misstatement or significant disagreement regarding 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.

Appointment of Auditors

The existing auditors, ACNABIN Chartered Accountants, have completed their first year as auditors of the Bank. According to the Guidelines of the Regulatory Authorities, one auditor can be appointed for three consecutive years. Therefore, the existing auditors of the Bank can continue for the statutory audit of the financial year 2023 as they are eligible for re-appointment for the year 2023. 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 2022 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 481st Meeting of the Board of Directors held on 27.04.2023 recommended Stock dividend 5 percent and cash dividend 5 percent for the year 2022 subject to approval of the shareholders in the ensuring Annual General Meeting of the Bank to be held on June 26, 2023

Acknowledgement

The Bank closed the year 2022 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 2022 together with the auditor's report thereon for approval.

(On behalf of the Board of Directors)

Rukhmila Zaman
Chairman

এগিয়ে যাওয়াই
আমার স্বাধীনতা

UNITED COMMERCIAL
BANK PLC



ইউনাইটেড কমার্শিয়াল
ব্যাংক লিমিটেড
নিয়ে এলো



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যারা স্বাবলম্বী হয়ে
মাথা উঁচু করে দাঁড়াতে চান
তাদের জন্যই ইউসিবি "আয়মা"।
এর আওতায় নারীরা পাবেন সব
ধরনের আধুনিক ব্যাংকিং সুবিধা।

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**GOVERNANCE
REPORTS**

CORPORATE GOVERNANCE



Corporate Governance

The corporate governance of a company is critical to its success and sustainability. It encompasses the practices, systems, and processes by which a company is directed and controlled, and it establishes the framework for achieving the company's objectives and managing its risks. United Commercial Bank PLC, a financial institution with a strong presence in Bangladesh, recognizes the importance of good corporate governance in maintaining its reputation and ensuring the trust of its stakeholders. This report will highlight UCB's corporate governance practices and evaluate the effectiveness of its governance framework in achieving its strategic objectives, managing its risks, and meeting its obligations to its stakeholders. The report will provide an overview of UCB's governance structure, its policies and procedures, and the mechanisms in place for monitoring and reporting on its performance.

Syncing Governance with Bank's Vision, Mission, and Values

Corporate vision, mission, and values are important components of governance, as they provide a framework for decision-making and guide the behaviour of the organization. The vision is a statement of the Bank that articulates the long-term aspirations of the organization, while the Bank's mission outlines its purpose and the actions it takes to achieve its vision. UCB has values that are the guiding principles which underpin the Bank's culture and inform its decision-making.

Together, the vision, mission, and values of the Bank form the foundation of its overall governance, providing a clear sense of direction and purpose. They are helping to align the Bank around a common set of goals and principles and provide a framework for decision-making that is consistent with the Bank's broader objectives. UCB believes that effective governance, including a well-defined vision, mission, and set of values, is crucial to the long-term success of an organization and UCB nurtures it in a good manner. The vision, mission, and values of UCB are presented at the beginning of the Annual Report for stakeholders' convenience.

Breaking Down the Agency Problem Towards Sustainable Bank

The agency problem in the context refers to the potential conflict of interest between the Bank's Management, who are the agents, and its shareholders, who are the principals. The Management may act in their self-interest rather than in the best interests of the shareholders, which can lead to value destruction for the shareholders. UCB is very caring regarding breaking down the agency problem if arises. The Board of Directors are overseeing the Management and ensures that they act in the best interests of the shareholders. The Board is independent and diverse, and it has the necessary skills and experience to provide effective oversight. UCB appointed independent Directors and ensured that the Board is not dominated by the Management.

UCB implemented strong risk Management policies and procedures to mitigate the risks that may arise from the agency problem. UCB implemented a robust internal control system, an effective audit committee, and a system of checks and balances to prevent fraud and other unethical behaviour throughout the Bank environment.

UCB is continuously working and ensuring the best practice to improve transparency by providing clear and comprehensive information to the shareholders, the Board, and the public. This can include regular financial reporting, regulatory compliance, and clear communication of the Bank's strategy to the stakeholders. By implementing good governance practices, UCB believes that it will lead to long-term value creation for the shareholders and a stronger, more sustainable Bank.

Good Governance Practiced by the Board of Directors of UCB

Governance and the Board of Directors are closely related as the Board is the primary governing body responsible for overseeing the Management of an organization and ensuring that the organization is run in the best interests of its stakeholders. The Board of Directors is responsible for overseeing the Management of the organization and ensuring that it is run by good governance practices. The Board's

responsibilities include setting the organization's strategy and goals, monitoring performance against those goals, appointing and compensating senior Management, and ensuring compliance with legal and regulatory requirements. Effective governance by the Board can help to ensure that the organization is managed in a responsible and sustainable manner, creating long-term value for its stakeholders. This includes ensuring that the organization operates ethically and transparently, managing risks effectively, and promoting diversity and inclusion.

UCB, a Bank with a firm commitment to inclusive and sustainable growth, has ingrained in its core values the principles of good governance. As a locally incorporated Bank, two key regulators-Bangladesh Bank (Central Bank of Bangladesh) and Bangladesh Securities and Exchange Commissions regulate to ensure good governance practices. BSEC has a significant impact on the Bank's governance structure and practices through Corporate Governance Code.

The corporate governance concept of the UCB, however, also includes a number of internal rules, policies, protocols, and best practices of regional and international institutions in addition to statutory and legal requirements. In order to foster trust among stakeholders, the Bank is dedicated to following good governance principles founded on honesty, transparency, justice, expertise, and responsibility. The Corporate Governance philosophy of UCB consists of –

- a) Generating value for all parties involved without sacrificing moral values.
- b) Ensuring the reasonable and equal handling of all parties involved, including stockholders and workers.
- c) Adherence to the letter and intent of all relevant laws, rules, and regulations.
- d) Upholding a complete disclosure strategy with the adage "when in question, disclose" and ensuring accountability.
- e) Adopting a trusteeship paradigm in which Management, rather than being the proprietor, is the trustee of the capital of the shareholders.
- f) Setting up a reliable system of internal controls and Risk Management with sufficient protections and early notification systems.

Governance Structure of United Commercial Bank PLC

UCB follows a very simplistic and effective governance structure model aligned with every stakeholder.

UCB entrusts with the theme- "The Way of Life, rather a Mere Legal Compulsion". The shareholders of the Bank elect/approve the appointment/reappointment of the Board of Directors. They also appoint statutory auditors for the Bank. The Board forms different Committees- a) Executive Committee b) Audit Committee c) Risk Management Committee; maintaining regulatory compliance. The Board appoints the Management and directs to manage the business with the support of different resources to ensure quality services to the stakeholders in an efficient and effective manner. The Bank, through its

Board and Committees, endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders. The Auditors through the audit Committee placed the audit report to the Board. In UCB, due importance is given to major parameters of corporate governance to ensure Fairness, Transparency, Accountability, and Responsibility.

Formation of the Board of Directors of UCB and its Structure

UCB utters to believe that its Board of Directors should be made up of competent and highly skilled individuals in order to effectively formulate policy guidelines, supervise business operations of the Bank, and ensure good governance in Bank administration. The Board currently comprises 16 (Sixteen) numbers of Non-Executive Directors including the Chairman, 3 (three) Non-executive Independent Directors, and One Managing Director (Ex-officio). Among the 20 (Twenty) members of the Board of Directors, 4 (Four) positions are held by women including the Chairman.

The BoD is made up of well-known company owners and executives with expertise in a wide variety of industries and operations. Together, they have increased the Board's knowledge and experience in a variety of fields, including Banking and finance, accounting, economics, marketing, Management, law, and the arts. The Board now has a unique perspective for managing and overseeing the Bank to accomplish its goals through its rich and varied experiences.

Directors' Election/ Re-election/ Appointment

The Board of Directors of the Bank has been appointed in accordance with the Companies Act 1994, Bank Companies Act 1991, Articles of Associations of the Bank, and other regulatory requirements. The Bank also followed the regulatory requirements for appointing Independent Directors for the Board of Directors. With regards to nomination, removal, and casual vacancy of the Directors, Bank follows all relevant rules and regulations of the respective regulatory bodies.

Non-Executive Directors of the Bank

Except for the Managing Director and CEO, all of UCB's Directors, including the chairman, are non-executive Directors. Regularly attending Board meetings, the Directors actively engage in the deliberations and conversations. They took a proactive role in the Bank's overall strategy development. However, they do not take part in or meddle with the Bank's managerial, operational, or daily activities. Additionally, they protect the privacy of the Bank's plan materials, Board and committee meeting talks, notes, and minutes.

Independence of the Non-Executive Directors

There is broad consensus regarding the importance of the active engagement of the Directors in the guidance and formulation of policies for the Bank. Independence does not lend itself to a 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: a 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. The Directors of UCB are meaningfully independent to ensure the best governance practice within the Bank considering the stakeholders' interest.

Independent Directors and their Independence

In compliance with the Corporate Governance Guidelines issued by BSEC, Bank Company 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 Board 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 a Director is eligible as an Independent Director, the Board establishes 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 that would prevent that nominee from becoming an Independent Director. For the purpose of true independence, Board decided that its Independent Directors do not hold any share of the Bank; not associated with the Bank's Promoters or Directors or Shareholders who maintain 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 by one term only. A person cannot be appointed 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 Bangladesh Bank's regulations, 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 Committee's assigned responsibilities.

Induction & Training of the Directors

New Directors and existing Directors are likely to require some key information in case of first and consecutive appointment to have updated knowledge about the latest position of the Bank and all related rules and regulations. Providing key information will help the Directors to have a better understanding of their roles and responsibilities. Provided key information including an 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 of the Bank includes sharing information on the latest update related to the Banking business such as relevant laws, policy guidelines, circulars, rules, and regulations issued by the regulatory authorities; so that they could effectively discharge the responsibilities as a Director of the Bank. Sometimes special discussion sessions are arranged with 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.

Code of Conduct of the Board of Directors of UCB

United Commercial Bank PLC 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 the code of conduct plays a very significant role in some broader aspects. This Code of Conduct is prepared in compliance with the mentioned guideline of Bangladesh Bank and it is neither a conclusive nor final document; in contradiction with any laws, guidelines, or notifications, there will be scope for changing, altering, and adding time to time when it deems fit.

a) Foreword

The Board of Directors of UCB should be comprised of competent and professionally skilled persons to formulate policy guidelines and supervise the business activities of UCB efficiently as well as ensure 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 the confidence of the depositors as its business is mainly run with the depositors' money. The following directives are given to ensure good governance regarding the constitution of the Board of Directors, their duties & responsibilities, and other related activities:

b) Formation of Board of Directors

The newly amended Section 15 of the Bank Company 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; the maximum number of Directors; appointment of independent Directors; appointment of maximum 4(four) members from a single family as Director; etc.

c) Appointment of a New Director

Under section 15(4) of the Bank Company 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 the case of the Independent Director, the approval letter from Bangladesh Securities and Exchange Commission (BSEC);
- In the case of an Independent Director, a declaration of the Director concerns as Appendix-gha (he will also submit a declaration under Appendix-ka, kha & ga);
- CIB report of the nominated person;
- The updated list of Directors.

d) Vacation of office of Director

The office of the Director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a Bank Director becomes a defaulter and does not repay the loan within two months after getting a notice under section 17 of the Bank Company Act, 1991; provides a 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 section 17 of the Bank Companies Act, 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 BCA, 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 Bank's depositors or against the public interest under Section 46 and can supersede the Board of a Banking company under Section 47 of BCA, 1991.

e) Removal of Directors from office

The newly amended Section 15 of the Bank Company 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.

f) Appointment of Alternate Director

- Subject to compliance with 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 evidence relating to the departure and arrival of the original Director. If there is any exception, the chief executive officer should immediately inform Bangladesh Bank.
- A copy of the decision of the Board regarding the appointment of an alternate Director, with the original Director's probable return 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 & regulations will not be appointed as an alternate Director.
- As the appointment of an 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 the case of a previous loan, enhancement of limit or extension of 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 apply to the alternate Director.

g) Roles and Responsibilities of the Board of Directors

Setting the Bank's vision, purpose, and policies as well as deciding on goals, objectives, and strategies to ensure the effective use of the Bank's resources are some of the Board's major roles and responsibilities. In accordance with Bangladesh Bank BRPD Circular No. 11 dated October 27, 2013, and other pertinent statutes and rules, the Board of Directors' duties are listed below (not limited to).

<p><i>Work planning and strategic Management</i></p>	<p><i>i. The Board shall determine the objectives and goals and to this end shall chalk out strategies and work plans on an annual basis. It shall especially 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 the implementation of the work plans.</i></p> <p><i>ii. The Board shall have its analytical review incorporated in the Annual Report as regards 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 (KPI) for the CEO & officers immediately two tiers below the CEO and have it evaluated from time to time.</i></p>
<p><i>Credit and risk Management</i></p>	<p><i>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, in the process of loan approval.</i></p> <p><i>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.</i></p>
<p><i>Internal Control Management</i></p>	<p><i>The board shall be vigilant on the internal control system of the Bank in order to attain and maintain the satisfactory qualitative standards 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 the compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.</i></p>
<p><i>Human resources Management and development</i></p>	<p><i>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 of the Directors shall in no way involve themselves or interfere in or influence 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 immediately 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.</i></p> <p><i>ii. The board shall focus its special attention to the development of skills of the Bank's staff in different fields of its business activities including a 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 into its annual work plan.</i></p> <p><i>iii. The board will compose a Code of Ethics for every tier and they will follow it properly. The board will promote a healthy code of conduct for developing a compliance culture.</i></p>
<p><i>Financial Management</i></p>	<p><i>i. The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitors the positions in respect of the 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.</i></p> <p><i>ii. The board shall frame the policies and procedures for the Bank's purchase and procurement activities and shall accordingly approve the distribution of power for</i></p>

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, buildings, vehicles, etc. for the purpose of the 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 working according to Bangladesh Bank guidelines.

h) Information regarding Directors

- The Board should keep an updated list of Bank Directors,
- The concern should send a Directors' list to other Banks or financial institutions immediately after the appointment or release of the Director.
- List of Directors should be uploaded on the website and updated regularly.

i) Confidentiality of the Board of Directors

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.

j) 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 may be 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.

k) Duality of Chairperson of the Board of Directors and Managing Director & Chief Executive Officer

- The positions of the Chairperson of the Board and the Managing Director (MD) & Chief Executive Officer (CEO) of the Bank shall be filled by different individuals;
- The Managing Director (MD) & Chief Executive Officer (CEO) of the Bank shall not hold the same position in another listed company;
- The Chairperson of the Board shall be elected from among the non-executive Directors of the Bank;
- The Board shall clearly define the respective roles and responsibilities of the Chairperson and the Managing Director & Chief Executive Officer;
- In the absence of the Chairperson of the Board, the remaining members may elect one of their non-executive Directors as Chairperson for that particular Board's meeting; the reason for the absence of the regular Chairperson shall be duly recorded in the minutes.

l) Meeting of the Board of Directors

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

Performance Evaluation of the Board of Directors

The UCB Board of Directors is governed by the Directors' Code of Conduct. Even though UCB does not have a policy for annual evaluation of the Board's performance, the Bank rigorously adheres to the guidelines prescribed by the country's various regulators, including Bangladesh Bank. It is pertinent to note that the Board of Directors evaluates the consistent performance of the Bank based on the implementation status of approved projects and proposals. First and foremost, the Board has been evaluated through the Annual General Meeting (AGM) with the direct participation of the Bank's shareholders.

Chairman of the Board of Directors of UCB

A chair of the board (COB) holds the most power and authority on the board of Directors and provides leadership to the firm's officers and executives. 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 upper Management.

Mrs. Rukhmila Zaman, a young woman entrepreneur in the Country, is the Chairman of United Commercial Bank PLC. The Chairman aspires to significantly contribute to the economic development of the country and the society in which the Bank operates. Her priority is to generate positive and lasting effects for clients and employees. The Chairman is ardently working to uphold corporate culture and values to establish a connection of trust with the community she serves.

a) Election of the Chairman

Mrs. Rukhmila Zaman is a non-executive Director of the Board of United Commercial Bank PLC. She was re-elected as the Chairman of the Board of Directors by the direct participation of the other members of the Board. She does not personally possess the jurisdiction to apply policy-making or executive authority, she does not participate in or interfere in the administrative or operational, and routine affairs of the Bank.

b) Role and Responsibility of the Chairman

The Chairman's roles and responsibilities are as follows:

- Provides leadership and governance of the Board to create the conditions for the overall Board's and individual Director's effectiveness, and ensures that the Board discusses all key and pertinent issues on time.
- Establish standard corporate governance practices and procedures, and promote the highest standards of integrity, probity, and corporate governance throughout the Bank, especially at the Board level.
- Ensures that shareholders are effectively communicated with and that each Director develops and maintains an understanding of stakeholder perspectives.
- Promotes effective relationships and open communication, and fosters an environment conducive to constructive debates on Bank-improving proposals.
- Since the chairman of the board of Directors lacks the authority to make policy or exercise executive authority, she shall not participate in or interfere with the administrative or operational and routine affairs of the Bank.
- The chairman is permitted to conduct on-site inspections of any Bank branch or financing activities within the scope of the board's supervision responsibilities. She may request any information on the Bank's operations or request an investigation into any such matters; she may submit such information or investigation report to the meeting of the board or the executive committee, and if deemed necessary, with the board's approval, she shall take the appropriate action in accordance with the established rules through the CEO. However, any complaint against the CEO must be communicated to Bangladesh Bank via the board along with the CEO's statement.

- The Chairman is responsible for fostering a culture of Corporate Governance within the organization.
- The Chairman is responsible for ensuring that the Bank is perceived as an organization that values business ethics and social responsibilities.

c) Code of Conduct of the Chairman

The Bank is committed to being a responsible and ethical member of the business communities in which it operates. The Bank strives to maintain the utmost levels of honesty, integrity, and morality at all times. This Code is intended to serve as a source of governing principles for the Chairman, despite the fact that no code or policy can anticipate all possible situations. This Code does not contain exclusive or exhaustive standards. The Chairman of the Board of Directors must comply with all applicable laws, rules, and regulations, regardless of whether they are specifically addressed in this Code. It is pertinent to mention here that the code of conduct of the Chairman was supposed to be recommended by the Nomination and Remuneration Committee (NRC), but due to restrictions of Bangladesh Bank the Committee is not in operation. The following code of conduct was generally adopted by the Board for the Chairman.

Compliance with Laws, Regulations, And Policies

The Chairman of the Board shall serve as the Bank's ambassador. The Chairman endeavours to ensure that all Bank activity is conducted in accordance with applicable laws and regulations. When interacting with customers, suppliers, competitors, or other third parties, the Chairman shall not make any commitments or enter into any agreements that are illegal, discriminatory, or anti-competitive. In addition to complying with laws and regulations, the Chairman is expected to conduct business with consumers, suppliers, governmental bodies, and partners with integrity and professionalism.

Fair and Honest Transactions

The Chairman of the Board shall manage and lead the Bank's Board of Directors with integrity and fairness. The Chairman is expected to uphold a culture that emphasizes honesty, integrity, fairness, trust, competence, professionalism, discipline, and collaboration, as well as truthfulness and high moral standards in day-to-day interactions and behavior within and outside the Bank.

Divergences of Interest

The Chairman must uphold the utmost levels of integrity and morality. These include, but are not limited to, sensitivity to the existence or appearance of a conflict of interest or the prospect of one. Conflicts of interest can arise in many forms and the Chairman must always be sensitive to those situations in which they are most likely to be present. The Chairman must always act in the greatest interest of the Bank.

- **Compliance with Insider Trading Regulations**

Insider information is defined as knowledge of data, projects, transactions, or processes, the disclosure of which could affect the stock market price of securities, particularly resulting in substantial price movements of the Bank's stock or other financial instruments. The Chairman must comply with applicable insider trading laws when trading with insider information.

- **Non-Public Information**

Confidential information encompasses all non-public information that, if disclosed, could be useful to competitors or detrimental to the Bank. The Chairman shall take all reasonable precautions to protect such sensitive information.

- **The Accuracy and Authenticity of Financial Documents**

The preparation and maintenance of accurate books, records, and accounts are mandated by law and necessary for meeting financial, legal, and reporting obligations. The Chairman shall instruct the concerned people to ensure that all financial data are recorded completely and accurately.

- **Environment and Safety & Health**

The Chairman is committed to adhering to and encouraging adherence to all applicable environmental and Health & Safety laws, regulations, and standards. The Chairman shall encourage employees to adhere to all applicable Health & Safety rules, regulations, and work instructions.

- Assumes financial, business, and administrative responsibilities when delegated by the board, and is responsible for achieving financial and other business objectives via business plan, efficient implementation, and prudent administrative and Financial Management.
- Ensures compliance with the Bank Company Act, 1991 (amended up to 2018) and other relevant laws and regulations when performing routine Bank functions; responsible for reporting any violations to Bangladesh Bank.
- Whenever the Management presents a memorandum at a Board Meeting or Board Committee Meeting, the CEO highlights any deviations from the Bank Company Act, 1991 (amended through 2018) and other applicable laws and regulations.
- The CEO is responsible for the hiring and promotion of all Bank employees except those in the two levels below him. In such situations, he acts in accordance with the Bank's approved service norms.
- He has the authority to transfer and implement disciplinary measures against staff, excluding those two levels below the CEO, in accordance with the approved service rules. The authority relates 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 the Annual Report maintains a true picture of the company's performance.
- The Managing Director is an executive ex-officio Director who can play a vital role to establish corporate governance within the organization by complying with all respective rules and regulations.

The Managing Director & Chief Executive Officer of the Bank.

Mr. Arif Quadri, a prominent and professional Banker with years of rewarding multi-dimensional experience in Banking and other fields of Management is the Managing Director & CEO of United Commercial Bank PLC. He was appointed by the Board of Directors ensuring all the related rules and regulations of Bangladesh Bank including the Company Act of 1994, and the Bank Companies Act of 1991.

a) Role and Responsibilities of the Managing Director & Chief Executive Officer of the Bank

- The Managing Director & CEO of the Bank is dedicatedly responsible to maintain the responsibilities which are assigned in the Bank's Articles of Association and instructions given by the Bangladesh Bank. Besides, the following are maintained by the Managing Director & Chief Executive Officer of the Bank.
- He is responsible for implementing Board policies and managing the Bank as a whole. The Board has delegated him financial, commercial, and administrative authority to carry out his responsibilities.

b) Performance Evaluation of the Managing Director & CEO of the Bank

Annually, the Board revises the Strategic Priorities & Action Plans document used to evaluate the CEO and Management. The CEO is evaluated annually based on predetermined KPIs for the upcoming years. The Board has the ability to evaluate UCB's chief executive officer whenever it chooses. The CEO is evaluated at the conclusion of his tenure, and the Board considers reappointing him for another term based on this evaluation. At the beginning of each year, the Board engages in exhaustive discussions with the Managing Director & CEO to determine the Bank's financial and non-financial goals. The Board reviews and approves the annual financial budget at the beginning of the fiscal year. Quarterly, the Board evaluates the business and financial objectives based on actual accomplishments. Each quarter, the Board also evaluates the non-financial successes. In addition, an annual evaluation and assessment of objective accomplishments and deviations are conducted at the end of each year.

Benefits availed by the Chairman, Directors, and The Managing Director & CEO

According to Bangladesh Bank's Circulars, Guidelines may only offer the following facilities to Directors:

- **Chairman:** According to the BRPD circular of Bangladesh Bank, the Chairman of the Board of Directors is entitled to receive an office chamber, a private secretary, an office assistant, a telephone in the office, a full-time automobile, and a mobile phone for use within the country; the Bank is following so.
- **Directors:** Directors are entitled to fees and other benefits for attending Board/sub-committee (EC/AC/RMC) meetings. Financial Statements described the benefits provided to Directors.

- **Managing Director & Chief Executive Officer:** The Managing Director receives a salary, allowances, and other benefits in accordance with his service contract, which has been approved by the Board and Bangladesh Bank.

Rotation of the Directors

According to clauses 108 and 109 of the Articles of Association of UCB, at the Ordinary General Meeting in every subsequent year one-third (1/3rd) of the Directors shall retire from the office of Director. The Directors to retire by rotation every year shall be those who have been longest in office since their last election. Besides, according to clause 110, A Director retiring by rotation shall be eligible for re-election.

a) List of Directors who were retired and re-elected in the last AGM:

In the 39th AGM, the following 6 Directors retired from the office of Director.

SL	Name	Mode of Change
01	Bazal Ahmed	Retired & Re-elected
02	Anisuzzaman Chowdhury	Retired & Re-elected
03	Hajee M. A. Kalam	Retired & Re-elected
04	Asifuzzaman Chowdhury	Retired & Re-elected
05	Prof. Dr. Md. Jonaid Shafiq	Retired & Re-elected
06	Md. Aksed Ali Sarker	Retired & Re-elected

As they were eligible for re-election, their appointment was placed before the Shareholders and the shareholders re-elected them.

b) Brief Resume of the Directors who were re-elected

01	Personal Information		Corporate Information	
	Name	Bazal Ahmed	First Appointment	21.01.1989
Date of Birth	12.04.1969	Last Appointment	09.06.2022	
Nationality	Bangladeshi	Status in Bank	Director	
Entities where he has an interest				
1. M/S Taj Accessories (Pvt) Limited		2. M/S Saikat Textile Industries Limited		
3. M/S Deen Fashions Limited				

02	Personal Information		Corporate Information	
	Name	Anisuzzaman Chowdhury	First Appointment	14/02/2012
Date of Birth	13/05/1972	Last Appointment	09/06/2022	
Nationality	Bangladeshi	Status in Bank	Director	
Entities where he has an interest				
1. Asif Steels Limited		2. Asif Synthetic Fibres Limited		
3. Javed Steel Mills Limited		4. Holy Crescent Hospital Limited		
5. Vanguard Steel Limited		6. Ronny Chemical Industries Limited		
7. Afroza Oil Limited		8. Navana Pharmaceuticals Limited		

03	Personal Information		Corporate Information	
	Name	Hajee M. A. Kalam	First Appointment	29/06/1983
	Date of Birth	02/01/1946	Last Appointment	09/06/2022
	Nationality	Bangladeshi	Status in Bank	Director
Entities where he has an interest				
1. M/s. M. A. Kalam Limited		2. Arab Plantation Limited		
3. M/s. United Overseas (BD) Limited		4. Modern Bricks Limited		

04	Personal Information		Corporate Information	
	Name	Asifuzzaman Chowdhury	First Appointment	11/11/2012
	Date of Birth	07/07/1978	Last Appointment	09/06/2022
	Nationality	Bangladeshi	Status in Bank	Director
Entities where he has an interest				
1. Asif Steels Limited		2. Bangladesh Fertilizer Limited		
3. Javed Steel Mills Limited		4. Asif Cotton Mills Limited		
5. Vanguard Steel Limited		6. Asif Synthetic Fibres Limited		
7. Afroza Oil Limited		8. JASA Corporation Limited		
9. Bhatiary Fruits & Vegetable Products (Pvt) Limited		10. Ronny Chemical Industries Limited		

05	Personal Information		Corporate Information	
	Name	Prof. Dr. Md. Jonaid Shafiq	First Appointment	08.05.2019
	Date of Birth	13.12.1960	Last Appointment	09.06.2022
	Nationality	Bangladeshi	Status in Bank	Director
Entities where he has an interest				
1. Navana Pharmaceuticals Limited		2. Dhaka Specialized Pain Management & Research Center Limited		
3. Japan Bangladesh Friendship Hospital Pvt. Limited		4. Visteon Electronics Limited		
5. Japan Bangladesh Friendship Medical Services Limited		6. Dhaka Evergreen Retirement Homes Pvt. Limited		
7. Japan Bangladesh Medical Associates Limited		8. AMDA Agro Farms Limited		

06	Personal Information		Corporate Information	
	Name	Md. Aksed Ali Sarker	First Appointment	29/12/2021
	Date of Birth	31/12/1963	Last Appointment	09/06/2022
	Nationality	Bangladeshi	Status in Bank	Director
Entities where he has an interest				
NIL				

c) Rotation of the Directors in the upcoming AGM

According to the Articles of Associations of the Bank, 5 Directors will retire in the 40th Annual General Meeting of the Bank and all of them are eligible for re-election.

Meeting of the Board of Directors

A Board Meeting is a formal meeting of the board of Directors of an organization and any guests, held at regular intervals and as needed to approve the business agenda, review performance, discuss policy issues, address major problems, and conduct the board's legal business. The Board meetings of the Board of Directors of United Commercial Bank PLC. were held maintaining the due diligence and the

secretarial standard issued by the Institute of Chartered Secretaries of Bangladesh (ICSB). The Board of Directors holds regular meetings, typically One per month, but emergency meetings are called as needed. Management provides all Directors with information, references, and detailed working papers for each agenda item well in advance of the scheduled BoD meeting. In the meeting, the Chairman of the Board of Directors allows sufficient time for the Directors to consider each item on the agenda and allows them to freely discuss, inquire, and express their opinions on the items of interest so that they can perform their responsibilities to the best of their abilities. During the year 2022, a total of 12 Board Meetings were held.

a) Meeting Calendar

SL	Board Meeting No.	Date of the Board Meeting
01	467	24.01.2022
02	468	20.02.2022
03	469	30.03.2022
04	470	19.04.2022
05	471	12.05.2022
06	472	06.07.2022
07	473 (Special)	28.07.2022
08	474	28.07.2022
09	475	24.08.2022
10	476	08.09.2022
11	477	23.10.2022
12	478	28.12.2022

b) Attendance of the Board Meeting of the Board of Directors

SL	Name	Status with the Board	Total Meetings held during the year	Total Meetings held during their period	Attended	Absent	Remarks
1	Rukhmila Zaman	Chairman	12	12	9	3	
2	Bashir Ahmed	Vice Chairman	12	12	10	2	
3	Anisuzzaman Chowdhury	Chairman - Executive Committee	12	12	10	2	
4	Touhid Shipar Rafiquzzaman	Independent Director & Chairman, Audit Committee	12	12	12	0	
5	M. A. Sabur	Chairman - Risk Management Committee	12	12	10	2	
6	Bazal Ahmed	Chairman, Shariah Supervisory Committee	12	12	10	2	
7	Nurul Islam Chowdhury	Director	12	12	11	1	

SL	Name	Status with the Board	Total Meetings held during the year	Total Meetings held during their period	Attended	Absent	Remarks
8	Hajee Yunus Ahmed	Director	12	12	8	4	
9	Hajee M. A. Kalam	Director	12	12	5	7	
10	Roxana Zaman	Director	12	12	10	2	
11	Asifuzzaman Chowdhury	Director	12	12	6	6	
12	Afroza Zaman	Director	12	12	10	2	
13	Syed Kamruzzaman, FCMA	Director	12	12	12	0	
14	Muhammed Shah Alam, FCMA	Director	12	12	12	0	
15	Kanak Kanti Sen, FCMA	Director	12	12	12	0	
16	Md. Aksed Ali Sarker	Director	12	12	12	0	
17	Masuma Parvin	Director	12	1	1	0	1 meeting was held during her tenure
18	Dr. Aparup Chowdhury	Independent Director	12	9	9	0	9 meetings were held during his tenure
19	Prof. Dr. Iftekhar Uddin Chowdhury	Independent Director	12	1	1	0	1 meeting was held during his tenure
20	Arif Quadri	Managing Director & CEO	12	12	12	0	

c) Attendance of the Past Member of the Board

SL	Name	Total Meeting	Total Meetings held during their period	Total Attended	Total Absent	Remarks
1	Akhter Matin Chaudhury FCA (E&W), FCA, FCS	12	8	5	3	8 meetings were held during his tenure
2	Prof. Dr. Md. Jonaid Shafiq	12	10	9	1	10 meetings were held during his tenure

ICT Governance by the Board of Directors

UCB is committed to preserving the confidentiality, integrity, and availability of all information and information assets critical to its Banking services in Bangladesh, and shall strive to ensure robust Information Security with a strong emphasis on an effective risk Management approach and continuous improvement. UCB established, implemented, maintained, and continuously improved a holistic and robust Information Security Management System in accordance with the applicable requirements, putting in place adequate and appropriate resources, which would enable it to effectively protect the "confidentiality", maintain the "integrity", and ensure the "availability" of its information assets, and to respond and recover from information security incidents. UCB also maintained a level of emergency preparedness for its Business Continuity and Disaster Recovery, ensuring that the company's operations continue under all circumstances.

UCB has identified supporting policies, and all employees and relevant stakeholders are expected to integrate them into the operational activities and culture, making it the responsibility of each and every employee and relevant stakeholder to maintain and make available to authorized personnel a robust information security structure. This policy has been communicated to all stakeholders pertinent to UCB's Information Security and is endorsed by the highest level of Management.

Chief Financial Officer, Head of Internal Audit & Compliance, and Company Secretary

a) Appointment of CFO, Head of ICC, and Company Secretary

The Bank appointed a Chief Financial Officer, a Head of Internal Control & Compliance and a Company Secretary 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 positions of the Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) are filled by different individuals. They are not holding the same position in any other listed companies.

b) Roles and Responsibilities of CFO, Head of ICC, and Company Secretary

The Board shall clearly define their respective roles, and responsibilities. To set out the following responsibilities of the CEO, BRPD Circular Letter No. 18 dated 27 October 2013 issued by Bangladesh Bank and Corporate Governance Code issued by BSEC on 03 June 2018 has been taken into consideration.

▪ Roles and Responsibilities of Chief Financial Officer

Faruk Ahammad is serving as the Bank's chief financial officer. The CFO oversees all of the organization's financial operations,

including accounting, financial reporting, taxes, and business control. CFOs oversee all aspects of financial decision-making and Management. The Chief Financial Officer is primarily responsible for directing the company's financial goals, objectives, and budgets. In addition, he advises the Board of Directors on the actions to be taken to maintain the high standards of financial supervision and reporting.

▪ Roles and Responsibilities of Company Secretary

The Company Secretary of the Bank, who is appointed by the Board, provides advice and support to the Board and is accountable to the Board, via the Chairman, for all matters pertaining to the effective operation of the Board and its Committees. The Company Secretary is accountable for advising the Board on governance issues and ensuring adherence to Board and Board Committee Charters and Procedures. ATM Tahmiduzzaman, FCS, Deputy Managing Director, is serving as the Bank's Company Secretary.

▪ Roles and Responsibilities of Head of Internal Audit & Compliance

Mohammed Khorshed Alam, Deputy Managing Director, is acting as the head of Internal Audit. The Head of Internal Audit and Compliance (HIAC) is accountable for the Bank's risk-based strategic internal audit plan and the Management of the internal audit function in accordance with the Bank's internal audit charter. Among the responsibilities is providing reasonable assurance on the organization's Risk Management and Internal Controls. This position evaluates the compliance of the entire organization with the Bank's internal policies and procedures, laws and regulations, and contractual provisions. Directly reporting to the Audit Committee of the Bank's Board of Directors is the Head of Internal Audit reports.

c) Attendance of the CFO, Head of ICC, and CS in Board Meeting

Chief Financial Officer (CFO), Head of Internal Control & Compliance (ICC), and the Company Secretary (CS) of the Bank attend the meetings of the Board of Directors, provided that the CFO, Head of ICC and/or the CS do not attend such part of a meeting which involves consideration of an agenda item relating to their matters.

Governance of Group Structure

United Commercial Bank PLC. has four subsidiary companies under its umbrella. The subsidiary companies were formed under the Companies Act 1994 and regulated by the existing regulatory bodies in the land. The Bank owns approximately 99.99% of the shares of each subsidiary company. The companies

follow good governance practices as the UCB does. Let's have a quick look at the subsidiary companies:

a) UCB Stock Brokerage Limited:

UCB Stock Brokerage Limited is one of the largest stock brokers in Bangladesh. It is a wholly-owned subsidiary of United Commercial Bank PLC, 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 the 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 the right people in the right place which helped the company execute its strategic plans and reach its 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 with regulations and took only calculated risks.

Over the years, the company has earned a reputation as one of the most trusted service providers by exceeding investors' expectations.

b) UCB Asset Management Limited

UCB Asset Management is backed by United Commercial Bank PLC. As a wholly-owned subsidiary of United Commercial Bank PLC, it has the unique advantage to offer a wide range of investment solutions that are difficult for others to replicate. UCB Asset Management has a strong team of investment professionals who have a long track record of managing mutual funds in Bangladesh. The team is consisting of top graduates from leading business schools, and has the right mix of youth and experience, enabling us to have a balanced approach while solving any problem. The Company believes that our well-defined investment process facilitates long-term value appreciation. The Investment team strictly follows a conscientious investment process to generate a lucrative risk-adjusted return.

c) UCB Investment Limited

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. From the initiation- the company is committed to doing business in a socially responsible way. UCB Investment Limited already has a proven track record in contributing towards the development of the capital market in the country 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. The key strength of UCB Investment Limited comes from its people, who are highly talented investment professionals with vast and versatile experience in both local and international investment landscapes. Utilizing this knowledge and expertise, UCB Investment Limited covers all investment Banking services including Corporate Advisory, Fixed Income Securities, Local and Foreign Financing Arrangements, Issue Management Services, and Portfolio Management.

UCB Investment Ltd won first prize under Merchant Banking Category in “স্বাধীনতা সূবর্ণজয়ন্তী পুরস্কার ২০২১” by Bangladesh Securities and Exchange Commission (BSEC). Such recognition is proof of UCBIL's outstanding business excellence through initiating new products and solutions and contributing toward favorable economic growth as well as in the capital market of Bangladesh.

d) UCB Fintech Company Limited

One of the biggest strengths of the People of Bangladesh 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 the 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 PLC. 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 seamless digital financial solutions, touching the lives of millions of people, and thus driving financial inclusion in the country.

Governance of Boards of Directors Regarding the Subsidiary Companies of UCB

UCB has complied in full with the following provisions of the BSEC Corporate Governance Code pertaining to the governance of Boards of Directors of Subsidiary Companies:

- At least one Independent Director of UCB serves on the Board of the subsidiary Company.
- The minutes of the subsidiary companies' Board meetings will be reviewed at the next Board meeting of UCB.
- The Audit Committee of UCB reviews the Financial Statements, in particular the investments made by the subsidiary companies.
- The Board of Directors of UCB reviews the subsidiary companies' affairs, as documented in the meeting minutes.

Whistle-blower Policy and UCB

The purpose of the Whistle Blowing Policy is to create an environment by fostering a culture at UCB in which the honest, devoted, and loyal staff is encouraged and feels confident to reveal and report, without fear of retaliation, subsequent discrimination, or being disadvantaged in any way, any fraudulent, immoral, unethical, or malicious activity or conduct of employees that, in their opinion, may result in a financial or reputational loss to the Bank. The Bank has established a Whistle-blower Policy. The Bank's policy assures whistle-blowers of confidentiality and protection of their legitimate personal interests. It also provides whistle-blowers with incentives for exposing dubious activities. The policy of the Bank is to support and encourage its honest, devoted, and loyal employees to report and disclose fraudulent, immoral, unethical, or malevolent activities, and to investigate such reports. The Corporate Whistle-blowing Policy guarantees that all reports submitted under this Policy will be kept strictly confidential and that the Bank will investigate any reports alleging interference, retaliation, or threats against whistle-blowers.

Learning Architecture for the Employee

UCB as a first-generation Bank has been going through many changes to establish the best practices in the organization under the leadership of the Senior Management Team. To fulfill this objective, it is imperative that the employees of the organization are well-equipped with an adequately advanced knowledge base. The Development & Training Need Assessment (DTNA) for 2022 was formulated accordingly in a globally standardized method covering the 9 Key Learning areas (which are also the focus of BIBM and BBTA) that are Identified to ensure learning goals and mitigate maximum competency-based risks, which are:

- I) Business/General Banking
- ii) Sustainable Finance
- iii) Trade
- iv) Risk Management
- v) Bank Management, Regulation, and Supervision

- vi) Treasury, Investment, and Merchant Banking
- vii) Information and Communication Technology
- viii) Product Knowledge
- ix) Soft-skill Development.

Through this comprehensive survey which consisted of a variety of training options in different categories, the collected training needs from all the divisions and branches were included in the training calendar. It is to be mentioned that judgments were used in some cases depending on need, business focus, and regulatory requirements.

Communication with Shareholders and Other Stakeholders

- **Communication with Shareholders:** *The designated station within the Company Secretariat plays a vital role in facilitating effective communication with the company's shareholders and other stakeholders. During office hours, shareholders and other constituents of the Bank may contact this department for any information or questions. Common services include, but are not limited to, the acceptance or rejection of the transfer or transmission of shares, the issuance of duplicate certificates, the allocation of shares issued from time to time, the opening and Management of Bank accounts for dividend payment, the redemption of paper shares, and the listing of securities on stock exchanges, etc. Moreover, UCB updates its website periodically with information for the Bank's shareholders and other stakeholders.*
- **Mechanism to Provide Opinion, Recommendation by the Shareholder:** UCB publishes Annual / Half Yearly Reports, quarterly financials, and price-sensitive information (PSI) in newspapers 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.
- **Ensuring Participation of Shareholders at AGM:** To ensure effective and efficient participation of shareholders in the AGM, UCB published notice of the AGM in daily newspapers with necessary details within a reasonable time frame. The arrangement of an AGM normally takes place in a well-known place and at a convenient time. Annual Reports are circulated as per the provision of the Companies Act 994; so that shareholders would get sufficient time to go through the report and freely provide their valuable comments and suggestions in the AGM.

Review of Internal Control & Compliance System

UCB has a sound system of internal control to safeguard the stakeholders' interests. 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 been given responsibilities by the Board in line with the Bangladesh Bank guidelines. Under Internal Control & Compliance Division, there are four major units: (1) Audit & Inspection Unit (2) Compliance Unit (3) Monitoring Unit, and (4) IT System Audit Unit.

Rules and Procedures Governing Extraordinary Transactions

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

Statutory Auditors' Appointment and Their Responsibilities

The external auditors are appointed by the shareholders with the recommendation of the Board of Directors. External auditors covered sufficient number of branches and Head Office as part of the annual audit program. Auditors covered 80% of the 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, Board considers the level of independence and integrity of the external auditors. Services not provided by External Auditors:

ACNABIN, Chartered Accountants, was appointed in the 39th Annual General Meeting as statutory auditors of the Bank until the next AGM. Complying with the provision of BSEC & Bangladesh Bank's guidelines, it was declared that ACNABIN, Chartered Accountants, was involved in a statutory audit and was not engaged in any of the following services during 2022:

- Appraisal or valuation services or fairness opinions.
- Financial information system design and implementation.
- Bookkeeping or other services related to accounting records or financial statements.
- Broker-dealer service.
- Actuarial services.
- Internal audit services.

Human Capital: The Most Unique and Expensive Asset

UCB considers any expenditure on its employees to be a long-term investment in their education, development, health, and welfare. As a value-driven business, UCB

recognizes the importance of its employees. They are the engine that powers the business toward its mission, vision, and goals.

a) Management of People Resources

Human Resource Strategy at UCB defines in depth the idea of People Management and Growth. It contains the underlying ideas that form the basis for UCB's mission and vision. The Human Resource Policy addresses issues such as hiring, training, managing performance and consequences, maintaining an ethical work environment, and firing employees. In addition, a Discipline Policy is implemented to guarantee that disciplinary matters are dealt with in a fair, consistent, and legally compliant manner.

b) Leadership in Managing Potential

UCB cares about its workers and wants to see them succeed in their chosen fields, so it supports their efforts to further their schooling and professional development through a variety of programs. This may entail going to in-house workshops, touring appropriate places, or even seeking additional training elsewhere.

c) Strategy for the Future: Succession Planning

It is crucial to assess UCB's Talent Pool and discreetly secure the resumes of potential candidates from a variety of internal and external sources to guarantee a steady group of talent from which to select whenever UCB needs to recruit employees. Because the business values internal promotions, it provides its employees with the training and opportunities they need to advance in the organization.

d) Assessment of Performance

UCB conducts regular performance evaluations to ensure that its workforce is well-equipped to meet the ever-changing needs of the financial services sector. There are a number of essential metrics in place to evaluate workers' efficiency, such as the success with which they achieve financial targets, the growth of their clientele, the consistency with which they meet deadlines, etc.

e) Human Resource Accounting

UCB believes that Human resources are considered to be the most crucial and important asset of an organization since it controls all other resources. Human resource accounting encompasses the entire process of identifying and measuring data about human resources and communicating this information to interested parties. The Board gives the highest priority on its human assets and instructed the concerned to bring out the quantitative scenario in the financial statements. The Board believes that spending on human resources is a long-term investment with predictable returns. All the end of the 2022 UCB proudly owns 5354 no. of employees and operating profit per employee was BDT 2.14 million compared to BDT 2.01 in 2021.

REPORT OF THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS



Formation of the Committee

In Compliance with Section 15 Kha (2) of Bank Company Act 1991 and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of UCB has reconstituted the Executive Committee (EC) of the

Board in 2022 with seven members (maximum limit is seven members). The Company Secretary acts as the secretary of the committee. The EC is comprised of 7 (Seven) Non-Executive Directors and the Managing Director & CEO of the Bank. The composition of the Committee is as follows:

SL	Name	Designation in the Committee	Designation in the Board
1	Anisuzzaman Chowdhury	Chairman	Chairman, EC
2	Bashir Ahmed	Member	Vice Chairman
3	M. A. Sabur	Member	Chairman, RMC
4	Bazal Ahmed	Member	Chairman, Shariah Supervisory Committee
5	Hajee Yunus Ahmed	Member	Director
6	Roxana Zaman	Member	Director
7	Asifuzzaman Chowdhury	Member	Director
8	ATM Tahmiduzzaman, FCS	Member Secretary	Secretary

Chairman and the Members of the Executive Committee

Mr. Anisuzzaman Chowdhury is the Chairman of the Executive Committee. He is a non-executive Director of the Board of Directors. The rest of the Members are also Non-Executive Directors. None of them are members of the Audit Committee of the Board. All members are nominated by the Board of Directors according to the BRPD Circular No. 11 dated 27 October 2013.

EC's Terms of Reference (ToR)

The Terms of Reference of the Executive Committee have been prepared in accordance with the provisions of BRPD Circular No. 11 dated October 27, 2013, and the articles of associations of the Bank.

The Roles and Responsibilities of the Committee

The roles and responsibilities of the Committee have been fixed in accordance with the provisions of BRPD Circular No. 11 dated October 27, 2013, and the articles of associations of the Bank, and it was well notified in the terms of reference. The Bank has structured the delegation and sub-delegation of credit approval authority in order to ensure sound governance and a more effective credit approval system. The Board of Directors and its Executive Committee have the ultimate authority for credit approval in accordance with the recommendation of the credit committee, which is comprised of the organization's senior management. All decisions taken in the executive committee should be ratified in the next board meeting.

Meeting & Attendance of the Executive Committee

Meeting Detail of the Executive Committee

Meeting No.	Date of the Meeting
449 th	27.01.2022
450 th	23.03.2022
451 st	27.04.2022
452 nd	31.07.2022
453 rd	24.08.2022
454 th	25.09.2022
455 th	23.10.2022
456 th	28.12.2022

SL	Name	Position	Total Meeting held	Meetings held during his/ her period	Attended	Absent	Remarks
1	Anisuzzaman Chowdhury	Chairman	8	8	8	0	
2	Bashir Ahmed	Member	8	8	8	0	
3	M. A. Sabur	Member	8	8	6	2	
4	Bazal Ahmed	Member	8	8	7	1	
5	Hajee Yunus Ahmed	Member	8	8	5	3	
6	Roxana Zaman	Member	8	5	3	2	5 meetings were held during her tenure
7	Asifuzzaman Chowdhury	Member	8	8	5	3	

Past Members Attendance Details

SL	Name	Total Meeting held	Total Meetings held during their period	Total Attended	Total Absent	Remarks
1	Nurul Islam Chowdhury	8	3	3	0	3 meetings were held during his tenure

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

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS



Corporate Governance & Audit Committee

The audit committee plays a crucial role in corporate governance because it holds the board and the organization accountable in nearly every area, including Financial, Internal and External Audits, and Risk Management. The audit committee and Management must maintain the internal controls and governance that ensure the accuracy and effectiveness of the financial reporting process.

Before beginning their duties, members of the audit committee must comprehend how Management develops and reports internal financial information. Audit committee members will be aware of the potential impact of financial statements and how they interact with Compliance and Risk Management if they have a solid grasp of audit reports.

Auditing is an interactive process involving the audit committee, auditors, and Management. Audit committees examine audit results with senior Management and external auditors, including matters that Management is required to share with the audit committee in accordance with generally accepted auditing standards. One of the audit committee's primary responsibilities is to evaluate significant accounting and reporting issues and recommend solutions to ensure regulatory compliance.

Audit teams are the first line of defence in financial reporting, so corporate governance relies on audit committees. Through internal and external audits, they can both identify risks and recommend adjustments that are consistent with the Bank's governance and with broader industry regulations.

Audit Committee (AC) of United Commercial Bank PLC

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 in an overview of 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 of 31.12.2022) & Qualifications of the Members

The Audit Committee of the Bank comprises 5 (Five) members with 2 (two) Independent Directors. The composition of the Audit Committee is as under:

SL	Name and Qualification	Status in the Committee	Status in the Board
1.	Touhid Shipar Rafiquzzaman a) Date of Birth: 23.07.1959 b) Educational & Professional Qualifications: MA c) Years of Experience: 38 d) Fields of Expertise: Risk Management, Customer Relationship Management	Chairman	Independent Director
2.	Syed Kamruzzaman, FCMA a) Date of Birth: 21.02.1964 b) Educational & Professional Qualifications: B.Com. (Honors) in Accounting, FCMA c) Years of Experience: 29 d) Fields of Expertise: Finance and Accounting	Member	Director

SL	Name and Qualification	Status in the Committee	Status in the Board
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: 34 d) Fields of Expertise: Finance and Accounting	Member	Director
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: 38 years d) Field of Expertise: Civil Service & Administration	Member	Independent Director
5.	Kanak Kanti Sen, FCMA a) Date of Birth: 24.06.1965 b) Educational & Professional Qualifications: M.Com in Management, FCMA c) Year of Experience: 29 years d) Field of Expertise: Finance and Accounting, Company Secretariat	Member	Director

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

Chairman and the Members of the Audit Committee

Touhid Shipar Rafiquzzaman is the Chairman of the Audit Committee. He is an Independent Director who performs his duties with full freedom. All members of the AC are Non-executive Directors. No Executive of the Bank is eligible to become a member of the AC. Also, no member of the Executive Committee is nominated as a member of the AC.

AC's Terms of Reference (ToR)

The Terms of Reference for the Audit Committee have been drafted in accordance with the provisions of BRPD Circular No. 11 dated October 27, 2013, the Corporate

Governance Code issued by BESC on June 3, 2018, and other best-practice corporate governance regulations and standards.

Meetings of the Audit Committee

Bangladesh Bank has suggested that Audit Committees hold at least 4 (four) meetings annually. The Audit Committee of UCB held 7 (seven) meetings in 2022. The Committee had detailed discussions and review sessions with the Head of Internal Control & Compliance, the 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 2022

Sl. No.	Meeting No.	Date of Meeting
1	121	17.02.2022
2	122	30.03.2022
3	123	12.05.2022
4	124	26.07.2022
5	125	28.07.2022
6	126	23.10.2022
7	127	21.12.2022

Particulars of Attendance of the Members of Audit Committee

Name of the Directors	Position	Meetings held in 2022	Meetings held during member's tenure in 2022	Meetings Attended	Remarks
Touhid Shipar Rafiquzzaman	Chairman	7	5	5	5 meetings were held during his tenure
Syed Kamruzzaman, FCMA	Member	7	7	5	
Muhammed Shah Alam, FCMA	Member	7	7	6	
Dr. Aparup Chowdhury	Member	7	6	5	6 meetings were held during his tenure
Kanak Kanti Sen, FCMA	Member	7	0	0	No meetings were held during his tenure

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 2022	Meetings Attended	Remarks
Akhter Matin Chaudhury FCA (E & W), FCA, FCS	Member	5	5	5 meetings were held during his tenure

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

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 appear in the Bank's Annual Report.

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 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 the absence of the

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 the absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.

Major issues reviewed by the Audit Committee during 2022

- a) Audited and Un-Audited Financial Statements and Auditors' Report of the Bank;
- b) Internal Audit Strategic Plan-2022;
- c) Un-rectified Compliance status of RBIA & Off-site audit report;
- d) Recommendation for the Appointment of Professionals to Provide the Certificate on Compliance as per the Corporate Governance Code;
- e) Appointment of Auditors and Fixation of Remuneration;
- f) Status of Loan Recovery Cases;
- g) Status of the Legal Issues pending before the Court;
- h) Recommendations and findings of the External Auditors;
- i) Follow up on recommendations made to the Board of Directors;
- j) Compliance with the Surprise Inspection Report of Bangladesh Bank;
- k) Efficiency and adequacy of the Internal Audit Function;
- l) Self-Assessment on Anti-Fraud Internal Controls;
- m) Submission of "Annual Health Report" of the Bank;
- n) External Auditor's Management Letter;
- o) Strategic Plan for Internal Audit (RBIA) and IT Audit.

Acknowledgment

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 2022. The Committee is also grateful to both Bangladesh Bank and the Bangladesh Securities and Exchange Commission for the direction and guidance, which facilitated the due discharge of its duties and responsibilities.

(On behalf of the Audit Committee)



Touhid Shipar Rafiquzzaman
Chairman
Audit Committee
United Commercial Bank PLC.

REPORT OF THE RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS



Corporate Governance and Risk Management Committee

Risk Management is a discipline at the core of every enterprise and encompasses all activities that affect its risk profile. However, this function needs not to be uniform across all Banks. The definition of a sound or adequate Risk Management system is ever-changing, as new technology accommodates innovation and better information and as market efficiency grows. UCB adopts a comprehensive Risk Management Program tailored to its needs and the circumstances under which it operates. In this context, UCB updates its risk approach and policies with the Bangladesh Bank's risk guidelines to adapt with the changing Banking environment as well as to deal with various risk issues prudently.

There is no alternative but to ensure sound Risk Management practices for surviving in the competitive environment. Therefore, UCB gives greater emphasis on continuous improvement in Risk Management, and sets its performance goals in line with strategic planning/objectives. While the extent of Risk Management function performed and structure kept in place depend on the size and complexity of the Bank, Risk Management is most effective when basic principles and elements of risk Management are applied consistently throughout the institution UCB believes.

Risk Management Committee of the Board

In compliance with the BRPD Circular No. 11 dated 27 October 2013, the Board of Directors (BoD) formed the Risk Management Committee (RMC) of the Bank to oversee various risks 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 objective of the Committee is to ensure risk governance, oversee, direct, and set policies, and reduce probable risks arising while implementing policies, procedures, and strategies.

Composition of the Committee

Members of the RMC were nominated by the Board of Directors of the Bank and are all non-executive Directors.

The Committee comprises 5 (Five) members. According to the BRPD Circular No. 11, dated 27 October 2013, the Company Secretary of the Bank was the Member Secretary of the Committee.

SL	Name	Status in the Committee	Status in the Board	Qualification	Year of Experience	Field of Experience
1	M. A. Sabur	Chairman	Director	MBA	42+	Bank, RMG, Agro, others
2	Anisuzzaman Chowdhury	Member	Director	BBA	25+	Bank, Chemical, Aluminium, Pharma, Others
3	Nurul Islam Chowdhury	Member	Director	B. Com	34+	Bank, Steel & Shipping Business
4	Afroza Zaman	Member	Director	B. Com	29+	Bank, Insurance
5	Prof. Dr. Iftekhar Uddin Chowdhury	Member	Independent Director	LLB & MA	37+	Teaching
6	ATM Tahmiduzzaman, FCS	Member Secretary	Company Secretary	MBA & CS	21+	Bank, Telco Others

Role and Responsibilities of the Committee

The roles and responsibilities of RMC have been framed in line with the BRPD Circular No. 11, dated 27 October 2013, and the industry's best practices. Some important roles and responsibilities are emphasized below:

1) Risk Identification & Control Policy

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

2) Construction of Organizational Structure

- To ensure an adequate organizational structure for managing risk within the Bank;
- To supervise the 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.

3) Analysis and approval of Risk Management Policy:

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

4) 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 to the Board of Directors;
- Monitoring the implementation of the overall Risk Management Policy
- To observe the proper execution of comprehensive Risk Management policies;
- To monitor whether appropriate steps have been taken to mitigate all risks, including lending and Management risks.

5) Other responsibilities:

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

Meetings of the Risk Management Committee

Bangladesh Bank advised RMC to hold at least four meetings in a year. In line with the same, RMC held 4 (Four) meetings during 2022 and had detailed discussions and review sessions with the Management regarding their findings, observations, and recommendations on various issues of interest and concern. The meeting detail is as follows:

Meeting Detail

Sl. No.	Meeting No.	Date of Meeting
1	34	23.03.2022
2	35	31.07.2022
3	36	11.12.2022
4	37	27.12.2022

Attendance Detail

Name of the Directors	Status	Total Meeting Held During 2022	Meeting Held During his tenure	Meetings Attended	Remarks
M. A. Sabur	Chairman	4	4	4	
Anisuzzaman Chowdhury	Member	4	4	4	
Nurul Islam Chowdhury	Member	4	3	3	3 meetings were held during his tenure
Afroza Zaman	Member	4	4	3	
Prof. Dr. Iftekhar Uddin Chowdhury	Member	4	0	0	No meeting held during his tenure

Attendance Detail of the Past Member

Name of the Member	Status	Meeting Held During Their Tenure	Total Attendance	Remarks
Kanak Kanti Sen, FCMA	Member	4	4	
Roxana Zaman	Member	1	1	1 meeting was held during her tenure

Major Issues Reviewed by The Risk Management Committee During 2022

Significant issues and areas of interest dealt with by RMC during 2022 are noted below:

- a) Risk Appetite statement of the Bank;
- b) Country Risk Management Policy;
- c) Stress Test Report of the Bank;
- d) Comprehensive Risk Management Rating;
- e) Stress Test and financial flexibility to respond to severe but plausible scenarios;
- f) Monthly Risk Management Report (MRMR),
- g) Half-Yearly Comprehensive Risk Management
- h) Foreign Exchange Position
- i) Revised Management Action Trigger (MAT) Document,
- j) Network outage for a certain period;
- k) Revised Operational Risk Management Policy;
- l) Revised Risk Management Policy;
- m) Overdue Export/Import Bills and Loan;
- n) Recovery Plan of the Bank;
- o) Revised Policy of the Customer Services and Complaints Management;
- p) Sustainable finance Status;
- q) The Compliance Status of time-bound action plan set by BFIU;
- r) Revised Business Continuity Plan (BCP) of the Corporate Office and the Branches;

- s) Bank's Self-Assessment & Independent Testing Procedure (ITP) report to BFIU;
- t) Approval of an updated version of Bank's ICT Risk Appetite and Tolerance Document.

The Minutes of RMC Meetings containing various suggestions and recommendations to the Management were subsequently placed to the Board of Directors for ratification.

Acknowledgment

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

On behalf of the Risk Management Committee,



M.A. Sabur
Chairman
Risk Management Committee



**DISCLOSURES OF
GOOD GOVERNANCE**

DIRECTORS' RESPONSIBILITY STATEMENT



Board of Directors (BoD) governance responsibilities include ensuring that the Financial Statements of the Bank and its subsidiaries are prepared in accordance with applicable accounting standards, International Financial Reporting Standards (including International Accounting Standards), relevant provisions of the Companies Act 1994, the Bank Company Act 1991, rules and regulations of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), listing rules of relevant stock exchanges, and other applicable laws, regulations, and rules.

In accordance with section 184 of the Companies Act 1994, the Annual Report presented at the Annual General Meeting (AGM) includes a section titled "Directors' Report" that reviews, among other topics, the following:

- Current state of the Bank: In the Directors' Report 2022 and Management Discussion and Analysis (MD&A) section, pertinent analytics have been provided for a review of financial performance and position.
- The Board has recommended a 5% cash dividend and a 5% stock dividend for the fiscal year ending December 31, 2022.
- Any event after the date of the balance sheet that could effect the company's financial condition: None.
- Any modification to the Bank's or its subsidiaries activities, etc.: In 2022, the Bank and its subsidiaries did not undergo any significant shifts in strategy or action.

In accordance with the BSEC Corporate Governance Code dated June 3, 2018, the Bank's Board of Directors highlights the following issues, among others, in their report:

- The Directors' Report 2022 provides a concise overview of the industry's outlook and potential future developments.

- Performance by segment or product: The business performance has been demonstrated in the UCB's performance and Management Discussion & Analysis Section.
- Associated Risk and Concern: In the "Risk Management Report" section of this annual report, a comprehensive discussion of risks and their management is provided.
- Discussion of operational effectiveness: The Financial Performance of the Bank highlighted a brief description in this regard.
- Discussion on the continuation of any unusual gain or loss: Over the past couple of years, UCB has not experienced any unusual gains or losses. In the "Stakeholders' Information" section, the UCB Five Year Progression will provide detailed information to support this.
- Basis for related party transactions and a statement of all related party transactions: The basis for related party transactions are described in the "Corporate Governance Report" and a statement of related party transactions is included in the Financial Statements 2022.
- Explanation of variances between quarterly and annual financial performance: No significant variances between quarterly and annual performance were observed.
- Remuneration of directors, including independent directors: The remuneration of directors is detailed in the Corporate Governance Report and Notes to the Financial Statements.
- The management's financial statements accurately reflect the company's condition, results of operations, cash flows, and changes in equity: The financial statements prepared by management as of and for the year ending 31 December 2022 present fairly, in all material respects, the company's financial position,

results of operations, cash flows, and changes in equity. The external auditors, ACNABIN, Chartered Accountants, also supplied their opinion on the matter by issuing an audit report with no reservations.

- Consistent application of appropriate accounting policies and estimates in the preparation of financial statements: The Bank has consistently applied appropriate accounting policies in the preparation of its financial statements, and its accounting estimates are based on reasonable and prudent judgment. Estimates and underpinning assumptions are reviewed continuously, and any revisions are accounted for in both the period in which the estimate is revised and any future periods that are impacted.
- Effective means of recourse for stockholders with a minority stake, as well as protection of minority shareholders' interests: In order to serve the best interests of all of the Bank's stockholders, it is imperative that the business be run in compliance with the Articles of Association as well as any and all national laws and regulations that may be relevant. Building confidence among stakeholders is a priority for the Bank, and to that end, it is dedicated to implementing effective governance practices that are founded on integrity, transparency, fairness, professionalism, and responsibility. Nevertheless, any objection received from a shareholder at the AGM or at any other point throughout the year is addressed lawfully and in a timely manner.
- Serious concerns about the Bank's capacity to operate as a continuing concern in the foreseeable future: None.
- Explanations of significant departures from the operating results of the previous year: Significant departures of operating results in 2022 have been sufficiently discussed in the Directors' Report 2022 and the MD&A portion of the report.
- Declaration of a temporary dividend in the form of a bonus share or equity dividend: In 2022, there was no declaration of an interim distribution for bonus shares or equity dividends.

- The number of board meetings held in 2022 and the number of directors who attended those meetings can be found in the portion of the Corporate Governance Report.
- Shareholding Structure: The detail shareholding structure of the Board of Directors, Shareholders, and top-level employees of the Bank is detailed in the Corporate Governance Report.
- Discussion and analysis of management certified by the Managing Director & CEO: For more information, please refer to the sections of this yearly report titled "Managing Director & CEO's Review" and "Management Discussion and Analysis."
- Certification by the Chief Executive Officer and Chief Financial Officer: The certification of the Managing Director & Chief Executive Officer and Chief Financial Officer has been attached to the Corporate Governance Reports.
- A certificate stating that the company complies with the corporate governance code has been presented in the Corporate Governance Report. This certificate was provided by Itrat Hossain & Associates. The Bank has been complying with the corporate governance code that was issued by BSEC (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018) in order to adhere to good corporate governance practices.

The Directors hereby confirm that, to the best of their knowledge and information, the Annual Report 2022, together with the Directors' Report and the Financial Statements, have been prepared in compliance with applicable governing acts, rules, regulations, guidelines, and laws of various regulatory bodies including Bangladesh Bank and BSEC.

With the approval of the Board of Directors



Rukhmila Zaman
Chairman
Board of Directors

**STATUS OF COMPLIANCE ON
CORPORATE GOVERNANCE CODE 2018 ISSUED BY
BANGLADESH SECURITIES AND EXCHANGE COMMISSION**

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	1(2) (a)	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: 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 Bank Company Act, 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;	✓		
	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;	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	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);	✓		
	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	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
		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	✓		
		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 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	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
		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.	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		No such extraordinary 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;	✓		
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;	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	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;	✓		
	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 was 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	✓		
	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	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	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	✓		
	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.	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
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	✓		Not Applicable as formation of NRC for Bank is restricted by Bangladesh Bank vide letter ref.no.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;	✓		In practice
	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;	✓		
	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;	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	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 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					
	4(i)	For ensuring good governance in the company, the Board shall have at least following sub-committees Audit Committee	✓		
	4(ii)	Nomination and Remuneration Committee	✓		
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	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
		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;	✓		
	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.	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
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. 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;	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	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;	✓		
	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)	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: 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: 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	✓		
Reporting of the Audit Committee Reporting to the Board of Directors	5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
	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;	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	✓		No such incident occurred
	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.	✓		No such matters to report
	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(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	No such event occurred yet		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.	-		
Chairperson 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;	No such event occurred yet		
	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.	-		
Meeting of the NRC	6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-		
	6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	No such event occurred yet		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	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);	-		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)(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			
Role of the NRC	6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-		Not Applicable as formation of NRC for Bank is restricted by Bangladesh Bank vide letter ref.no.BRPD (R-1)717 /2021-5064 dated June 16, 2021
	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;	-		
	6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-		
	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	-		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	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.	✓ ✓		
	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.	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	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)	<p>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.</p> <p>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).</p>	✓		
	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



ITRAT HUSAIN & ASSOCIATES
CHARTERED SECRETARIES IN PRACTICE

**Report to the Shareholders of United Commercial Bank PLC on
Compliance of Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by United Commercial Bank PLC for the year ended 31 December 2022. 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 highly satisfactory.

Dhaka, 8 May 2023

For : Itrat Husain & Associates


Itrat Husain FCMA, FCS
Chief Executive

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

UNITED COMMERCIAL BANK PLC
Certificate of BAPLC



Declaration of Chief Financial Officer & Chief Executive Officer

To

The Board of Directors
United Commercial Bank PLC
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 2022**

Dear Sir(s),

Pursuant to 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 PLC for the year ended on 31 December 2022 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 2022 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 a 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 is fraudulent, illegal, or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-

Cheif Financial Officer

Sd/-

Managing Director & CEO

UNITED COMMERCIAL BANK PLC

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, 2024

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 its experienced management, diversified portfolio of loans and advances, compliance with CRAR, SLR & CRR and wide network of branches.

DISCLOSURE OF COMPLIANCE ON BRPD CIRCULAR NO. 11, DATED 27 OCTOBER, 2013 OF BANGLADESH BANK.

The Board of Directors of a Bank should be constituted of competent and professionally trained individuals in order to formulate policy guidelines and efficiently supervise the bank's business activities, as well as to ensure good governance in the bank's management. The responsibilities of the board of directors of a bank company are greater than those of other companies because it is essential for a bank company to gain and maintain the confidence of its depositors, given that its business is primarily funded by deposits. Bangladesh Bank provided directives to ensure effective governance with regard to the composition of the board of directors, their duties and responsibilities, and other activities. United Commercial Bank PLC is committed to complying with the regulatory obligation aiming to ensure good corporate governance practices within the organization. Here is a checklist of Disclosure of Compliance On BRPD Circular No. 11, Dated 27 October, 2013 Of Bangladesh Bank.

SL	Particulars	Status
1	The newly amended Section 15 of the Bank Company Act, 1991 (Amended upto 2018) includes provisions 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; the maximum number of directors; appointment of independent directors; appointment of maximum 4(four) members from a family as director; etc.	Complied
1.1	<p>Appointment of New directors: Under section 15(4) of the Bank Company Act, 1991 (amended upto 2013), every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish the following documents along with the application:</p> <ul style="list-style-type: none"> a) Personal information of the nominated person (Appendix-ka); b) Nominated person's declaration(Appendix-kha); c) 'Declaration for confidentiality' by the nominated person(Appendix-ga); d) In case of Independent director, the approval letter from Security and Exchange commission; e) In case of Independent director, a declaration of the directors concern as Appendix-gha (he will also submit f) declaration under Appendix-ka, kha & ga); g) CIB report of the nominated person; h) Updated list of the directors. 	Complied
1.2	<p>Vacation of office of Director:</p> <ul style="list-style-type: none"> a) 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 Bank Company 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. b) If the office of a director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a director of the bank or any other bank or any financial institution 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 BCA, 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. c) Besides, Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, 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 BCA, 1991. 	Complied

SL	Particulars	Status
1.3	<p>Removal of Directors from office:</p> <p>According to section 108(2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.</p>	Complied
1.4	<p>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:</p> <ol style="list-style-type: none"> 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. 	Not Applicable
2	<p>Depositor Director:</p> <p>As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended up to 2013) bank can consider the tenure of existing depositor director or may appoint them as independent director.</p>	Not Applicable
3	<p>Information regarding Directors:</p> <p>Banks are advised to take the following steps regarding director information:</p> <ol style="list-style-type: none"> 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. c) Banks should display a list of directors in the website and update it on a regular basis. 	Complied
4	<p>Responsibilities of the Board of Directors:</p> <p>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 Bank Company Act, 1991 (amended upto 2013) 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.</p>	Complied
4.1	<p>Responsibilities and Authorities of the Board of Directors:</p> <ol style="list-style-type: none"> Work-planning and strategic management: <ol style="list-style-type: none"> 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. 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. 	Complied

SL	Particulars	Status
	<p>b) Credit and risk management:</p> <ul style="list-style-type: none"> 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. <p>c) 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.</p> <p>d) Human resources management and development:</p> <ul style="list-style-type: none"> 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 programmes 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. <p>e) Financial management:</p> <ul style="list-style-type: none"> 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. <p>f) Appointment of Chief Executive Officer (CEO): In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank.</p> <p>g) Other responsibilities of the Board: The board should follow and comply with the responsibilities assigned by Bangladesh Bank.</p>	

SL	Particulars	Status
4.2	Meeting of Board: 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.	Complied
4.3	Responsibilities of the Chairman of the Board of Directors: a) As the chairman of the board of directors or chairman of any committee formed by the board or any director 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. b) The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he 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, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO. c) The chairman may be offered an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business-interest of the bank subject to the approval of the board.	Complied
5	Formation of committees from the Board of Directors: Each bank company can form 1(one) executive committee, 1(one) audit committee and 1(one) risk management committee with the directors. Board can't form any other permanent, temporary or sub- committee except the above mentioned three committees.	Complied
5.1	Executive committee: Executive committee should be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors. a) Organizational structure: i. Members of the committee will be nominated by the board of directors from themselves; ii. The executive committee will comprise of maximum 07 (seven) members; iii. Members may be appointed for a 03 (three)-year term of office; iv. Chairman of the Board of Directors can be the chairman of executive committee; v. Company secretary of the bank will be the secretary of the executive committee. b) Qualifications of the Members: i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee; iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. c) Roles and Responsibilities of the Executive Committee: i. The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations. ii. The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors. iii. All decisions taken in the executive committee should be ratified in the next board meeting. d) Meetings i. The executive committee can sit any time as it may deem fit. ii. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	Complied

SL	Particulars	Status
	<ul style="list-style-type: none"> iii. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; iv. All decisions/observations of the committee should be noted in minutes 	
5.2	<p>Audit Committee: The board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.</p> <p>a) Organizational structure:</p> <ul style="list-style-type: none"> i. Members of the committee will be nominated by the board of directors from the directors; ii. The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent director; iii. Audit committee will comprise with directors who are not executive committee members; iv. Members may be appointed for a 03 (three) year term of office; v. Company secretary of the bank will be the secretary of the audit committee. <p>b) Qualifications of the Member:</p> <ul style="list-style-type: none"> i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee; iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. iv. Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee. <p>c) Roles and Responsibilities of the Audit Committee</p> <p>(i) Internal Control:</p> <ul style="list-style-type: none"> 1. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities; 2. Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS); 3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management; 4. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management. <p>(ii) Financial Reporting:</p> <ul style="list-style-type: none"> 1. Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank; 2. Discuss with management and the external auditors to review the financial statements before its finalization. <p>(iii) Internal Audit:</p> <ul style="list-style-type: none"> 1. Audit committee will monitor whether internal audit working independently from the management. 2. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process; 3. Examine the efficiency and effectiveness of internal audit function; 4. Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not. <p>(iv) External Audit</p> <ul style="list-style-type: none"> 1. Review the performance of the external auditors and their audit reports; 	Complied

SL	Particulars	Status
	<ol style="list-style-type: none"> 2. Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not. 3. Make recommendations to the board regarding the appointment of the external auditors. <p>(v) Compliance with existing laws and Regulations: Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.</p> <p>(vi) Other Responsibilities:</p> <ol style="list-style-type: none"> 1. Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities; 2. External and internal auditors will submit their related assessment report, if the committee solicit; 3. Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis. <p>d) Meetings:</p> <ol style="list-style-type: none"> 1. The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; 2. The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary; 3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; 4. All decisions/observations of the committee should be noted in minutes. 	
5.3	<p>Risk Management Committee: To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.</p> <p>a) Organizational Structure:</p> <ol style="list-style-type: none"> 1. Members of the committee will be nominated by the board of directors from themselves; 2. The Risk Management Committee will comprise of maximum 05 (five) members; 3. Members may be appointed for a 03 (three) year term of office; 4. Company secretary of the bank will be the secretary of the Risk Management Committee. <p>b) Qualifications of the Member:</p> <ol style="list-style-type: none"> 1. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; 2. Each member should be capable of making valuable and effective contributions in the functioning of the committee; 3. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. <p>c) Roles and Responsibilities of the Risk Management Committee:</p> <ol style="list-style-type: none"> i) Risk identification & control policy: Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures. ii) Construction of organizational structure: The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance 	Complied











SL	Particulars	Status
	<p>risk, money laundering risk, information & communication risk including other risk related guidelines.</p> <p>iii) Analysis and approval of Risk Management policy: Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.</p> <p>iv) Storage of data & Reporting system: Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.</p> <p>v) Monitoring the implementation of overall Risk Management Policy: Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.</p> <p>vi) Other responsibilities:</p> <ol style="list-style-type: none"> 1. Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form; 2. Comply instructions issued time to time by the controlling body; 3. Internal & external auditor will submit respective evaluation report whenever required by the committee <p>d) Meetings:</p> <ol style="list-style-type: none"> 1. The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; 2. The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary; 3. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; 4. All decisions/observations of the committee should be noted in minutes. 	
6	<p>Training for the Directors: The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.</p>	Complied

Disclosure on Governance under Secretarial Standard
issued by the Institute of Chartered Secretaries
of Bangladesh (ICSB)

(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 2022
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 2022
9.0	Withdrawal of Resolutions	Not required in the Year of 2022
10.0	Rescinding of Resolutions	Not required in the Year of 2022
11.0	Modifications to Resolutions	Not required in the Year of 2022
12.0	Reading of Report/Certificate	Complied
13.0	Distribution of Gifts	Complied
14.0	Adjournment of Meetings	Not required in the Year of 2022
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 2022
4.0	Entitlement to Dividend	Complied
5.0	Payment of Dividend	Complied
6.0	Unpaid / Unclaimed Dividend	Complied

DISCLOSURE OF INFORMATION SENSITIVE TO THE PRICE OF THE MARKET SHARE OF THE BANK

Date of PSI	Price Sensitive Information
01 20 February 2022	 UCB 2nd Perpetual Bond and Formation of a Subsidiary Company in Singapore
02 30 March 2022	 Formation of Subsidiary Company in Malaysia
03 30 March 2022	 Formation of Subsidiary Company in Hong Kong
04 30 March 2022	 Audited Financial Statements for the Year Ended on December 31, 2021
05 20 April 2022	 Formation of a fully owned subsidiary company of the Bank in Qatar
06 20 April 2022	 Formation of a fully owned subsidiary company of the Bank in Sharjah, UAE
07 12 May 2022	 PSI on un-audited financial statements for the First Quarter period ended on March 31, 2022
08 28 July 2022	 PSI on un-audited financial statements for the Second Quarter period ended on June 30, 2022
09 23 October 2022	 PSI on un-audited financial statements for the Third Quarter (Q3) Period Ended on September 30, 2022
10 29 December 2022	 UCBL 5 th Subordinated Bond of BDT 1000 Crore

GOVERNANCE DISCLOSURE TOWARDS THE PROCESS FOR HOLDING THE LAST ANNUAL GENERAL MEETING

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

PARTICULARS FOR HOLDING LAST AGM		COMPLIANCE STATUS
Compliance for Pre-Annual General Meeting	Conducted Board Meeting for Holding AGM	Complied
	Finalized and Confirmed the Financial Statements	Complied
	Fixed up the Record Date	Complied
	Declared the Dividends	Complied
	Collected NOC from exchanges regarding Stock Dividend	Complied
	Disseminated PSI	Complied
	Prepared Annual Report	Complied
	Served Notice of AGM to the Shareholders through email	Complied
	Served Annual Report to the Shareholders through email	Complied
	Communicated to the Shareholders along with other stakeholders through print media	Complied
	Appointed the Scrutinizer for AGM	Complied
	Opening the voting line for the Shareholders to vote against the Agenda of the AGM	Complied
Compliance on the date of the Annual General Meeting	Starting AGM in due time and process	Complied
	Closing Voting Line	Complied
	Declaration of Voting Results on each agenda	Complied
	Questions and Answers to the Shareholders	Complied
	Speech from the Meeting Chairman, Managing Director & CEO, and Chief Financial Officer	Complied
	Ending with and from Vote of Thanks	Complied
Compliances after the Annual General Meeting	Collected the scrutinizer's Report and communicate it to the Commission	Complied
	Serving Audio Visual to the Exchanges and Commission	Complied
	Served minutes and attendance to the exchange and commission in due time	Complied
	Appointment of Auditors	Complied
	Submission of Annual Return, Form XV to the RJSC& F	Complied
	Dividend Calculation & disbursement the same to the shareholders	Complied
	Dissemination of the Dividends Compliance Report to the exchanges and commission	Complied
	Circulation of Dividend Notice	Complied

DIVIDEND DISTRIBUTION POLICY

- **Preamble:** In compliance with Directives No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities and Exchange Commission (BSEC) dated January 14, 2021; United Commercial Bank PLC formulated this policy as the 'Dividend Distribution Policy of UCB'.
- **Objective of the Policy:** The purpose of the policy is to comply with the Directives of the Bangladesh Securities and Exchange Commission (BSEC) and all other related regulatory bodies. The parameters set out in the policy are applicable to the distribution of dividends. United Commercial Bank PLC aimed to maximization of shareholders' value and believes that this can be attained by driving growth. The Policy endeavors to strike an optimum balance between rewarding shareholders through dividends and ensuring that sufficient profits are retained for the 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 dividends. Effective Date Dividend Distribution Policy shall be effective from the date of its approval by the Board of Directors.
- **Dividend Recommendation and Approval process:** Dividends will be recommended and approved as per applicable Acts, and Articles of the 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 the 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 with 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 sponsors, directors, shareholders, unit holders, or foreign portfolio investors (FPI);
- f) Through the issuance of a Cash Dividend warrant and sending it through the 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 every year for the respective year's suspense shares; c) The bonus dividend shall be transferred to the suspense BO account if the BO account is not available or the 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 the 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 concerned 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 an amended policy shall be placed before the Board for approval.
- **Disclosure Policy:** This Dividend Distribution Policy will available on 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.

DISCLOSURE OF THE SHAREHOLDING STRUCTURE OF UNITED COMMERCIAL BANK PLC

A. PATTERN OF SHAREHOLDING OF UNITED COMMERCIAL BANK PLC

Name of the Shareholder	No. of Shares	Amount in Taka	% of Shares
Sponsors/Directors	487236904	4872369040	34.64
Institution (Financial & Others)	311594040	3115940400	22.17
General Public	596000011	5960000110	42.38
Govt. of Peoples Republic of BD	11405688	114056880	0.81
Total	1406236643	14062366430	100

B. SHARE HELD BY SUBSIDIARY/ASSOCIATED COMPANIES

Name of the subsidiary	Status	Shareholding
UCB Stock Brokerage Limited	Private Limited Company	Nil
UCB Investment Limited	Private Limited Company	Nil
UCB Asset Management Limited	Private Limited Company	Nil
UCB Fintech Company Limited	Private Limited Company	Nil

C. i. SHAREHOLDING OF THE BOARD OF DIRECTORS, ii. MANAGING DIRECTOR & CEO, iii. COMPANY SECRETARY, iv. CHIEF FINANCIAL OFFICER AND v. HEAD OF INTERNAL AUDIT AND THEIR SPOUSES

Sl	Name of Directors	Shares Held
01	Rukhmila Zaman	28,128,328
02	Bashir Ahmed	28,284,349
03	Anisuzzaman Chowdhury	39,355,771
04	Touhid Shipar Rafiquzzaman	Nil
05	M.A. Sabur	30,899,569
06	Bazal Ahmed	28,181,894
07	Nurul Islam Chowdhury	28,130,412
08	Hajee Yunus Ahmed	35,341,955
09	Hajee M.A. Kalam	32,329,843
10	Roxana Zaman (Representative of Volkart Trading Limited)	28,147,927
11	Asifuzzaman Chowdhury	39,667,545
12	Afroza Zaman (Representative of Legendary Assets Management Limited)	28,147,927
13	Syed Kamruzzaman (Representative of Aramit Thai Aluminium Limited)	28,829,612
14	Muhammed Shah Alam (Representative of Ardent Assets Management Limited)	28,147,927
15	Kanak Kanti Sen (Representative of Nahar Metals Limited)	28,125,248
16	Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited)	28,135,800
17	Masuma Parvin (Representative of Splendid Trading Limited)	28,147,927

18	Dr. Aparup Chowdhury	Nil
19	Professor Dr. Iftekhar Uddin Chowdhury	Nil
ii.	Arif Quadri	Nil
iii.	A T M Tahmiduzzaman, FCS (DMD & Company Secretary) and Spouse	Nil
iv.	Faruk Ahammad (SEVP and Chief Financial Officer) and Spouse	Nil
v.	Mohammed Khorshed Alam (DMD and Head of Internal Audit) and Spouse	Nil

In compliance with BSEC Notification dated 21 May 2019, all the eligible directors (other than Independent Directors) of UCB have been holding the required percentage of shares individually (minimum 2%) as well as jointly (minimum 30%).

D. SHAREHOLDING OF THE EXECUTIVES (TOP SALARIED EMPLOYEES OF THE COMPANY, OTHER THAN THE DIRECTORS, CHIEF EXECUTIVE OFFICER, COMPANY SECRETARY, CHIEF FINANCIAL OFFICER, AND HEAD OF INTERNAL AUDIT) AND THEIR SPOUSES

SL	Name of Directors	Shares Held
01	Syed Faridul Islam (Additional Managing Director) and Spouse	Nil
02	Nabil Mustafizur Rahman (Additional Managing Director) and Spouse	Nil
03	Abul Alam Ferdous (Additional Managing Director) and Spouse	Nil
04	N. Mustafa Tarek (Deputy Managing Director) and Spouse	Nil
05	Md. Abdullah Al Mamoon (Deputy Managing Director) and Spouse	Nil
06	Md. Shah Alam Bhuiyan (Deputy Managing Director) and Spouse	Nil
07	Alamgir Kabir (Deputy Managing Director) and Spouse	Nil

E. SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST IN THE COMPANY

SL	Name of Directors	Shares Held
1	No shareholder holds 10% or more voting interest in the company	Nil

F. RANGE-WISE SHAREHOLDING OF THE SUBSCRIBED SHAREHOLDERS

Range	Shareholders	Shares	Value	Percentage
From 1 to 500	19,016	3,126,344.00	31,263,440.00	0.22%
From 501 to 5000	18,857	34,894,848.00	348,948,480.00	2.48%
From 5001 to 10000	2,820	19,897,251.00	198,972,510.00	1.41%
From 10001 to 20000	1,754	24,421,747.00	244,217,470.00	1.74%
From 20001 to 30000	603	14,739,818.00	147,398,180.00	1.05%
From 30001 to 40000	244	8,398,782.00	83,987,820.00	0.60%
From 40001 to 50000	152	6,789,617.00	67,896,170.00	0.48%
From 50001 to 100000	297	20,165,878.00	201,658,780.00	1.43%
From 100001 to 1000000	332	89,274,385.00	892,743,850.00	6.35%
Above 1000000	154	1,184,527,973.00	11,845,279,730.00	84.23%

DISCLOSURE OF RELATED PARTY TRANSACTION

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.

UCB had no credit directly to its Directors at the end of 2022. However, there were some related party contacts and transactions in which the Directors had an interest. The Bank got Bangladesh Bank's approval to make related-party contact. There is a status relating to the related party as follows

1.	Significant related party Contracts/transactions where Bank is a party and wherein Directors have interest	Nil
2.	Shares issued to the Directors & the Executives without consideration or at discount	Nil
3.	Related Party Transactions	Nil
4.	Investment in securities of Directors and their related concern	Nil
5.	Business other than banking business with any related concern of the Directors as per section 18(2) of the Bank company Act 1991:	Nil
6.	Loans and advances to concern related to directors:	Nil
7.	Significant Lending to the related parties which may affect as per the requirement of section 27 (1) of the Bank Company Act 1991.	Nil

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

etc. The Bank disclosed the related party transaction in its financial statement. For making decisions on related party transaction, the process is the same as applicable to the other stakeholders. :

DISCLOSURE OF ENTITIES WHERE DIRECTORS HAVE AN INTEREST AS ON 31.12.2022

Name	Designation in Bank	Name of the Entities
Rukhmila Zaman	Chairman	Aramit Limited.
		Aramit Cement Limited.
		Aramit Thai Aluminum Limited.
		Aramit Power Limited.
		Aramit Alu Composite Panels Limited.
		Aramit Steel Pipes Limited.
		Aramit Footwear Limited
		North West Securities Limited

DISCLOSURE OF ENTITIES WHERE DIRECTORS HAVE AN INTEREST AS ON 31.12.2022

Name	Designation in Bank	Name of the Entities
Bashir Ahmed	Vice-Chairman	Airmate Goodie Electrical Industries Limited
		Goodie Accessories (Pvt.) Limited
		International Distribution Company Bangladesh (Pvt.) Limited
		B & B Electronics.
		B & B Food & Beverage.
		B & B Electrical & Electronics.
		Dhaka Electrical & Electronics.
		Bard International.
		Petal Enterprise.
		Airmate Lighting & Electrical Solutaional Pvt. Limited
		Pioneer Electronics
		Mettle Emporium
Anisuzzaman Chowdhury	Chairman, Executive Committee	Asif Steels Limited
		Javed Steel Mills Limited
		Vanguard Steel Limited
		Afroza Oil Limited
		Asif Synthetic Fibres Limited
		Holy Crescent Hospital Limited
		Ronny Chemical Industries Limited
		Navana Pharmaceuticals Limited
Touhid Shipar Rafiquzzaman	Independent Director, Chairman, Audit Committee	None
M. A. Sabur	Chairman, Risk Management Committee	Masco Industries Limited
		Masco Cottons Limited
		Mascotex Limited
		Shanta Expressions Limited
		Tasniah Fabrics Limited
		Masco Printing & Embroidery Limited
		Masco Picasso Limited
		Masminu Energy Limited
		Masminu Footspree Limited
		Masco Energy Limited
		Masco Superknits Limited
		Masco Shakib Cricket Academy Limited
		Masco Trims Limited
		Masco Bazar Limited
		Concept Knitting Limited
		Masco Properties Limited
Masco Shares & Securities Limited		

DISCLOSURE OF ENTITIES WHERE DIRECTORS HAVE AN INTEREST AS ON 31.12.2022

Name	Designation in Bank	Name of the Entities
		Masco Poultry Limited
		Masco Srevice Limited
		Masco Cotspin Limited
		Maxim Limited
		Masco Dairy Enterprise
Bazal Ahmed	Chairman, Shariah Supervisory Committee	M/S Taj Accessories (Pvt) Limited.
		M/S Saikat Textile Industries Limited
		M/S Deen Fashions Limited
Nurul Islam Chowdhury	Director	Islam Steel Mills Limited
		Eastern Engineers (Ctg.) Limited
		Nams Trading Corporation
		Nams Shipping Lines
Hajee Yunus Ahmed	Director	Yunusco T&A (BD) Limited
		Yunusco K. Textiles Limited
		Adapt ID Bangladesh Limited
		Yunusco Stone & Engineering Limited
		Yunusco Properties Limited
		Yunusco Limited
		Ynunosco (BD) Limited.
		Yunusco Global Sourcing Limited
		YK Limited.
		Best Eat (Pvt.) Limited
		Nine 2 Nine Intimates Limited
		Wonder Gas Limited
		Consolidated Agencies
		SSI Yunusco (BD) Limited
		Centra Transportation Services Limited
		Contrade Shipping Lines Limited
		Bangladesh Media Services Limited
Hajee M. A. Kalam	Director	M/S. M. A. Kalam Limited
		M/S. United Overseas (BD) Limited
		Arab Plantation Limited
		Modern Bricks Limited
Roxana Zaman (Representative of Volkart Trading Limited)	Director	Asif Steels Limited
		Javed Steels Limited
		Vangaurd Steets Limited
		Afroza Oil Limited
		Asif Cotton Mills Limited
		Asif Synthetic Fibers Limited
		Volkart Trading Limited

DISCLOSURE OF ENTITIES WHERE DIRECTORS HAVE AN INTEREST AS ON 31.12.2022

Name	Designation in Bank	Name of the Entities
Asifuzzaman Chowdhury	Director	1. Asif Steels Limited
		2. Javed Steel Mills Limited
		3. Vanguard Steel Limited
		4. Afroza Oil Limited
		5. Bhatiary Fruits & Vegetable Products (Pvt.) Limited
		6. Bangladesh Fertilizer Limited
		7. Asif Cotton Mills Limited
		8. Asif Synthetic Fibres Limited
		9. Jasa Corporation Limited
		10. Ronny Chemical Industries Limited
Afroza Zaman (Representative of Legendary Assets Management Limited)	Director	1. Asif Steels Limited
		2. Javed Steel Mills Limited
		3. Vanguard Steel Limited
		4. Afroza Oil Limited
		5. Bangladesh Fertilizer Limited
		6. Asif Cotton Mills Limited
		7. Asif Synthetic Fibres Limited
		8. Ronny Chemical Industries Limited
		9. Volkart Trading Limited
Masuma Parvin (Representative of Splendid Trading Limited)	Director	1. Navana Pharmaceuticals Limited
		2. Japan Bangladesh Friendship Hospital Pvt. Limited
		3. Dhaka Evergreen Retirement Homes Pvt. Limited
Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited)	Director	North West Securities Limited
Muhammed Shah Alam, FCMA (Representative of Ardent Assets Management Limited)	Director	None
Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited)	Director	None
Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited)	Director	None
Dr. Aparup Chowdhury	Independent Director	None
Prof. Dr. Iftekhar Uddin Chowdhury	Independent Director	None



**RISK
MANAGEMENT
OF THE BANK**



FROM THE DESK OF THE CHIEF RISK OFFICER

The global economy has been adversely affected by the Russia-Ukraine war, causing a major supply chain disruption in business and economic activities. Banking sector is not an isolated landscape and got affected both locally and globally. High energy prices, rising interest rates, continuous inflation, disruption in food production, etc. are some common features that impacted economies all over the world. As such, time has come to rethink and re-emphasize on the risk management of the banking sector.

Banking sector of Bangladesh has been trying to address new risk aspects along with conventional ones in line with existing as well as new regulatory guidelines. In this backdrop, it can be mentioned that United Commercial Bank PLC. accommodated these challenges relatively successfully in 2022 and achieved enviable success by adopting dynamic strategy.

Since the beginning of my journey as the Chief Risk Officer (CRO), I have observed that the businesses of the bank have been driven with a focus on risk-calibrated profitable growth. The bank prudently manages different risks by maintaining a strong risk management culture. This was enabled by introduction of the centralized Credit Administration Division (CAD) which reduced the risk of documentation errors, standardised the process and thus reducing the

associated risks. Bank also has a strong Treasury mid-office which regularly monitored the transactions against various parameters and contributed significantly in risk reduction. In line with our commitment to provide the best possible customer service, emphasis has been given on NPS survey of customers through our Service Quality team, feedback of which is used for service improvement. In addition, call centre upgradation is under process and with this, the customers will experience the world class services within a very short time. Moreover, with the introduction of state-of-the-art customer authentication technology of the call centre solution, manual intervention will be reduced and risks will be minimised. The steps taken have enabled the Bank to emerge as more dynamic, and this is reflected in the performance of the Bank in the year 2022.

Sound Risk Management System

The risk management system of UCB includes policies, procedures, limits and controls that provide adequate, timely, and continuous identification, assessment, measurement, monitoring, mitigation, and reporting of risks posed by its activities along the business lines and different levels of the bank. To ensure effective and efficient risk controlled business operations, the Bank has put in place a sound risk management system, which encompasses the following key elements:

Board and senior management overview

The Board of Directors defines the risk appetite, risk tolerance and risk limit, and sets risk strategies to ensure that the management is taking the necessary steps to manage the accompanying risk. Senior Management of the Bank is also aware of the Bank's risk profile on an ongoing basis and reports it regularly to the Board of Directors and the Board Risk Management Committee for review.

Adequate organizational policies and procedures

The Bank's policies and more detailed procedures provide guidance for the day-to-day implementation of broad risk strategies and generally include limits designed to protect the Bank from imprudent and unwarranted risks.

Appropriate management information system (MIS)

The Bank assesses the effectiveness of the risk measurement, monitoring and management reporting systems by considering the adequacy of the risk

monitoring practices and reports addressing all material risks, appropriateness of the key assumptions, data sources, etc. to the Board and senior management.

Comprehensive internal controls and limits

The Bank's internal control system is adequately tested and reviewed by its internal audit. The coverage, procedures and findings of the audit regarding the internal controls are adequately reviewed by the Audit Committee of the Board, and any material weakness found is addressed promptly and appropriately.

Bank's main risk indicators and their status in 2022

The risk profile of Bank indicates strong performance that reflects the good work done in the past years to improve its portfolios and secure its foundations. In 2022, the Bank has remained resilient, with its asset quality remaining broadly stable as well as its capital and liquidity metrics continuing to be at healthy levels. The comparative analysis of key risk profile indicators is outlined below in the table:

Risk Category and Parameter	Key Risk Indicator	Policy Parameter	Actual Position	
			31.12.2022	31.12.2021
Credit Risk: (Assets quality and resilience capacity)	Gross NPL Ratio	<5%	5.99%	4.11%
	Net NPL Ratio	<3.50%	1.72%	0.86%
	Provision Maintenance Ratio	≥100%	100.45%	100%
	Rated Borrowers Ratio	-	87.20%	84.68%
Liquidity Risk	Cash Reserve Requirement (CRR)	≥4%	4.10%	4.33%
	Statutory Liquidity Requirement (SLR)	≥13%	16.83%	20.68%
	Advance to Deposit Ratio (ADR)	≥87%	86.14%	83.73%
	Liquidity Coverage Ratio (LCR)	≥100%	105.00%	133.72%
	Net Stable Funding Ratio (NSFR)	≥100%	117.54%	118.57%
Strategic Risk	Capital to Risk Weighted Assets Ratio (CRAR) with Conservation Buffer	≥12.50%	13.06%	13.64%
	Tier 1 Plus Conservation Buffer	≥8.50%	9.01%	8.89%
	CET 1 Plus Conservation Buffer	≥7%	8.02%	7.85%
	Leverage Ratio	≥3%	5.00%	5.15%
	Credit rating	-	AA (ECRL 2)	AA (ECRL 2)

The key ratios presented in the table are within the regulatory requirement. It indicates that the quality of credit, liquidity and capital position of the Bank is strong.

However, the Bank remains vigilant against existing and emerging risks that may impact its business, and utilize portfolio reviews and stress testing to assess the risk landscape. In 2022, the bank has focused on dealing with these existing and emerging risks by taking into consideration on:

- Building a robust risk management culture across the bank.
- Raising awareness on risk management by providing adequate training.
- Enhance the service quality in all facets of the bank.
- Enhance resilience capacity in all indicators of the Bank.

Risk Management Approach of the Bank

The Bank has to identify and manage risks holistically as well as strengthening the Bank's capabilities to understand, articulate and control the nature and level of the risks the Bank management takes while serving its clients.

In order to mitigate the risks more smoothly, the Bank will consider whether any of the other existing or emerging risks should be treated as material risks over time. The table below provides an overview of the Bank's core risks and risk management process.

Type of core risk	Mitigating process
Credit Risk	The Bank has a robust credit risk policy framework embedded with prudent credit risk management guidelines to minimize credit defaults and manages its credit exposures by diversifying products, geographical area, client segments and industry sectors.
Asset and Liability Risk	The Asset Liability Committee (ALCO) of the Bank has analysed the market liquidity and loans & advances position as well as interest rate of deposit, loans and advances. ALCO also reviews and offers deposit interest rate with attractive deposit products of Bank in line with industry and holds an adequate buffer of High Quality Liquidity Asset (HQLA) to survive extreme but plausible liquidity stress scenarios for at least 30 days without recourse to extraordinary central bank support.
Foreign Exchange Risk	The Bank maintains its foreign exchange holdings as per the need faced by the clients and manages Foreign Exchange Risk within the approved Risk Appetite. The Bank is also conscious of managing FX positions so that any FX losses don't cause material damage to its regular FX operation. A significant client portfolio of the Bank is made up of export-oriented clients who have had a steady stream of foreign exchange inflows during the recent foreign exchange challenges and therefore, the Bank managed the foreign exchange risk rather well during this period.
Internal Control and Compliance Risk	The Bank has effective guidelines to maintain strong internal control systems through which regular and special inspections are conducted by the team of audit division and reports accordingly to the senior management of the Bank.
Money Laundering Risk	The Bank has formulated "Guidelines on Prevention of Money Laundering and Terrorist Financing" and applies, measures and monitors risk-based Customer Due Diligence (CDD), business relationship and transaction pursuant to national regulations and international standards.
ICT Risk	The Bank continuously enriches its technology risk management capabilities by adopting a strong "Information & Communication Technology (ICT) Security policy" and reviews its system fluctuations and penetration testing. A dedicated IT audit team carries out its functions to ensure findings which are addressed to a higher authority.

Bank's Resilience Status in 2022

UCB has dedicated itself to ensure sustainable growth of the economy and its all stakeholders through effective risk management meeting the Bank's strategic objectives for a better future. Some exclusive resilience status of the Bank is mentioned below:

CAMELS, Core Risks, CRMR Rating has been successfully maintained at a comfort level: Low Risk

Adequate Capital has been maintained against Risk Weighted Assets (RWA): CRAR 13.06%

Credit Rating of the clients has been improved: Credit Rating 87.20%

Bank's Risk Profile has been decreased due to reduced RWA against total loans and advances: RWAs to Exposures 54.75%

Minimum level of additional capital has been charged against residual risk: Capital charged BDT. 3,718.20 Million (2021)

Credit Deposit Ratio (ADR) has been successfully maintained: ADR 86.14%

Liquidity Coverage Ratio (LCR) has been maintained effectively: LCR 105.00%

Net Stable Funding Ratio (NSFR) has been maintained successfully: NSFR 117.54%

Cash Reserve Ratio (CRR) has been maintained positively: CRR 4.10%

Statutory Liquidity Requirement (SLR) has been maintained effectively: SLR 16.83%

Capital Market Exposure to Regulatory Capital has been maintained within the regulatory limit: 20.40%

Deposit Mix has been improved by reducing High Cost deposit: High Cost Deposit 48.48%

Risk prioritised areas

In view of the challenging environment, the Bank continues to optimize the way so that risk is managed within the Bank. Innovation is the main agenda of UCB and the Bank is making progress on the risk priorities set out on a need basis:

Strengthen the Bank's risk culture: Internal messaging from senior management promotes a

healthy risk culture by valuing risk-based thinking across each line of defense.

Enhanced Information and Cyber Security (ICS):

Since there has been a significant upscaling of the technological infrastructure of UCB, cyber security threat has been a key consideration in the Enterprise Risk Management Framework of the Bank. The Bank operates a comprehensive information security and cyber protection program to protect the information and information systems that support its operations and assets. The Information Security Division provide a custody to sensitive information and control mechanisms of the Bank including:

- Policies, standards, and controls that meet or exceed requirements established by BB ICT Security Guideline, BB Cloud Guideline, ISO 27001 Standard, PCI-DSS, SWIFT Security and the NIST.
- 24/7/365 cyber defence operations, Security Operation Center (SOC), incident response and technologies.

- Information Security LAB and Cyber Fusion Center
- Robust and comprehensive vulnerability assessment & penetration testing activities.
- Information Security awareness and privacy training.

Managing Climate Risk: In order to mitigate environmental risk, UCB checks ESDD in all applicable cases before disbursement of loans and advances. We have a very few cases of high-risk exposures in the year 2022. Besides, UCB substantially grew in terms of Green and Sustainable Finance disbursement in 2022 compared to 2021.

Emerging Risks

Emerging Risks refer to unpredictable and uncontrollable outcomes from certain events and circumstances which are on the radar but not yet fully measurable and may have the potential to impact our business materially. The following emerging risks that the Bank may face in the future:

Type of emerging risk	Managing process
Climate-related transition Risk	UCB is addressing both mitigation and adaptation approach to address climate issues. As part of the mitigation, green and sustainable finance are being promoted. On the other hand, environmental CSR like tree plantation, house reconstruction, building of embankment, cyclone shelters, etc. after disaster are being donated as part of adaptation process.
Regulatory changes, Regulatory reviews, etc.	The new rescheduling policy of Bangladesh Bank has liberalized repayment tenor as well as down payment. Though such steps have reduced NPL in overall banking sector for the time being, it will not last long and it has bad impact for repayment of loans and advances in future.
Challenge in RMG sector	Bangladesh will graduate from LDC (Least Developed Country) group in the year 2026. In the post LDC scenario, international market access for RMG sector will be really challenging. At that time, Bangladesh will face preference erosion which will impact export competitiveness. Considering such long term vision, UCB is encouraging all its exporters to develop export retention by themselves as well as export diversification.

Future Outlook

Recently, risky investments contributed to the failure of some US Banks in spite of them having very satisfactory credit ratings. Such collapse marked the largest failure of the United States banking system since the financial crisis of 2007-2008 and it brought risk management system of the global banking sector under renewed scrutiny. This is also a lesson for countries like Bangladesh so that we learn to be more aware on risk issues-both predictable and unpredictable. UCB risk management team is continuing its effort to avert any such unexpected shock.



Syed Faridul Islam
Chief Risk Officer

REPORT ON RISK MANAGEMENT FRAMEWORK



1.1 RISK AND RISK MANAGEMENT

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.

According to Oxford Dictionary, Risk is- 1. A situation involving exposure to danger 2. The possibility that something unpleasant or unwelcome will happen and 3. The possibility of financial loss.

One commendable risk definition is found in the Wikipedia, which is as follows: 'The probability or threat of quantifiable damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action'.

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.

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 its being the key driving force of an economy, this sector, particularly the Banking Sector, is subject to extreme 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.

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) Systematic Risk
 - iii) 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. Operational Risk
- vi. Liquidity Risk
 - a. Funding Risk
 - b. Time Risk
 - c. Call Risk
- vii. Asset-Liability Management Risk (Balance Sheet Risk)
- viii. 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
- ix. Reputation Risk
 - x. Strategic Risk
 - xi. Sustainability Risk

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.

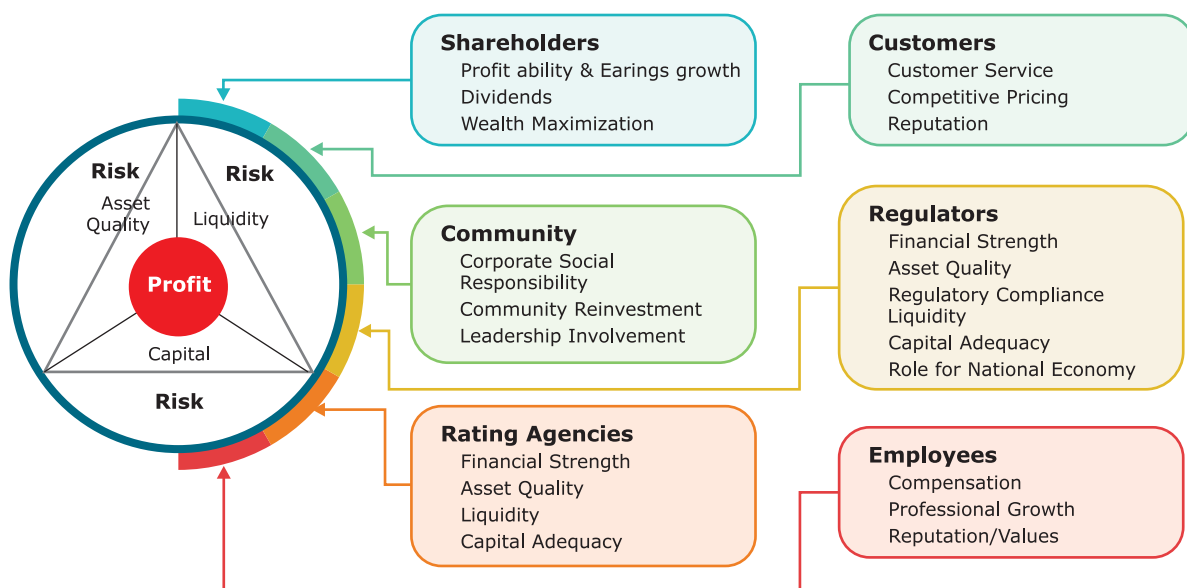
Risk Management (RM) as a discipline is viewed as an integrated, holistic (bank-wide) approach for consolidating all individual risk management functions. It adopts/formulates contemporary risk management methods to identify, measure, monitor, and control risks throughout the banking organization. The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

ALIGNING OF STAKEHOLDER OBJECTIVES WITH RISK MANAGEMENT OBJECTIVES

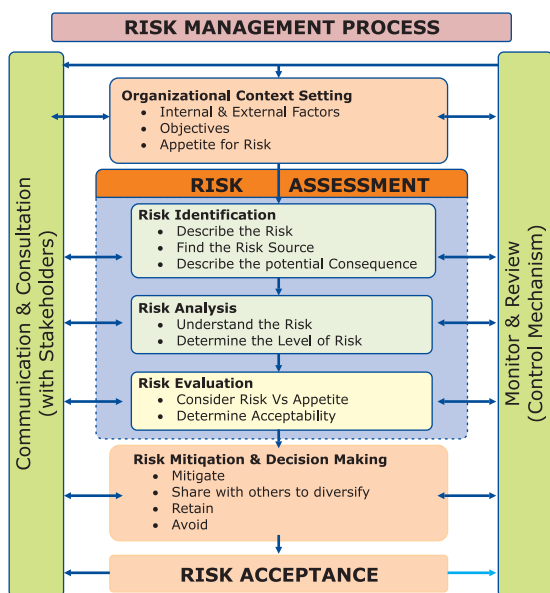
Each stakeholder (Shareholders, Regulators, Customers, Employees, Community, etc.) objective has a different influence on the optimal trade-offs between the risk and profitability, asset quality, liquidity as well as capital.

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:



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:



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
- 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 not very much encouraging for incorporating 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.

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), we 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.

SUBSEQUENT FORMATION OF DIFFERENT RISK MANAGEMENT COMMITTEES:

▪ RISK MANAGEMENT COMMITTEE OF THE BOARD (RMCB):

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 'Risk Management Committee' mandatory. Followings were the features of the Committee:

Name of the Committee	Risk Management Committee of the Board (RMCB)	
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, CRO and other Officials to the Meeting.

In compliance to that directive, the 1st 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.	Nurul Islam Chowdhury	Member
04.	Afroza Zaman	Member
05.	Prof. Dr. Iftekhar Uddin Chowdhury	Member

ROLES & RESPONSIBILITIES OF THE RMCB

- 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:

We 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 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 a 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 a 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 shall form ERMC comprising of CRO (as the Chairman), Head of ICC, CRM/CAD, Treasury, AML, ICT, FI&OBU, Business Operations, Business, Finance, Recovery and Head of any other department/division related to risk if deemed necessary. Risk Management Division will act 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 RMCM

- a) Identifying, measuring and managing bank's existing and potential risks through detailed risk analysis;
- b) Holding meeting at least once in a month based on the findings of risk reports and taking appropriate decisions to minimize/control risks;
- c) Ensuring incorporation of all the decisions in the meeting minutes with proper dissemination of responsibilities to concerned divisions/ departments;
- d) Minimizing/controlling risks through ensuring proper implementation of the decisions;
- e) Reviewing risks involved in new products and activities and ensuring that the risks can be measured, monitored, and controlled adequately;
- f) Submitting proposals, suggestions & summary of ERMC meetings to CEO, BRMC on regular basis;
- g) Implementing the decisions of BRMC and board meetings regarding risk issues;
- h) Assessing requirement of adequate capital in line with the risk exposures and ensuring maintenance of the same through persuading senior management and board;
- i) Determining risk appetite, limits in line with strategic planning through detailed discussions among the members;
- j) Contributing to formulation of risk policies for business units;
- k) Handling "critical risks" (risks that require follow-up and further reporting);
- l) Following up reviews and reports from BB and informing BRMC the issues affecting the bank's operation.
- m) 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.

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;

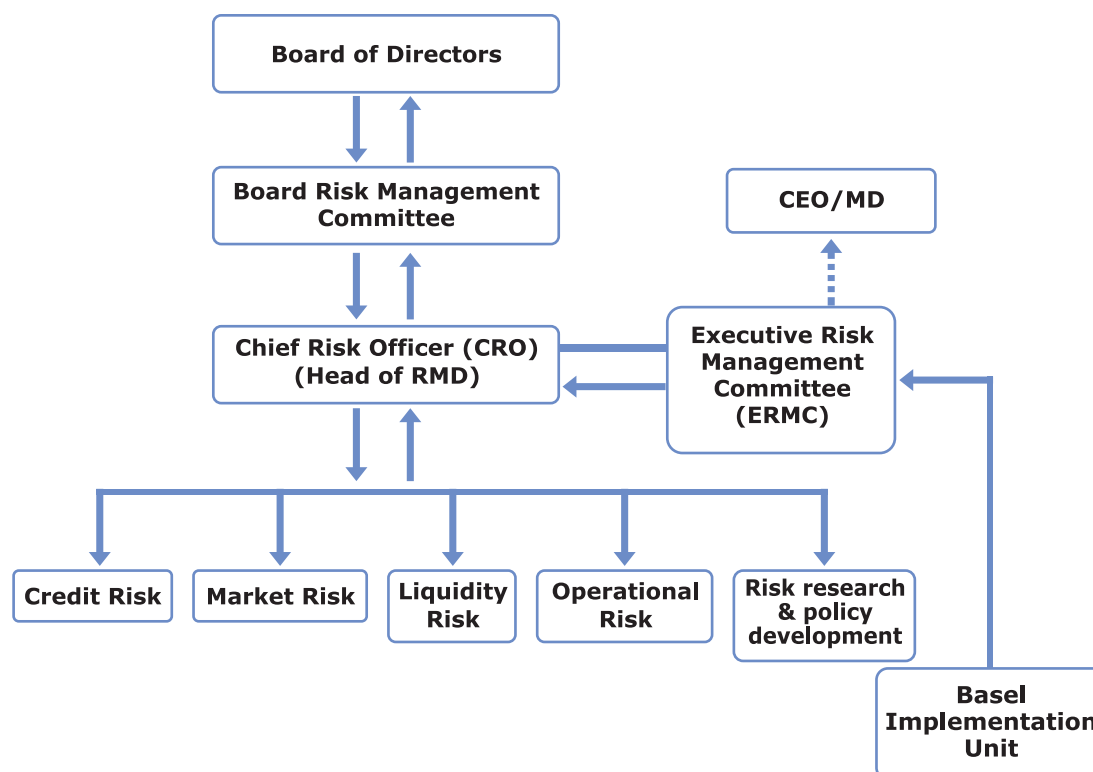
- iv) Making of recommendations to the Board, for its approval, clear policies on standards for presentation of credit proposals, financial covenants, rating standards and benchmarks;
- v) Proposing the delegation of the Credit Approval Authority, prudential limits on large credit exposures, standards 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) consists of the mid-level executives from risk related division of the Bank's. A monthly meeting is held by the Risk Associates which will escalate as well as discuss risk issues raised from the various corners of the Bank and seek resolution. Risk assessment and grading of risk issues will be done at this level and where required will be forwarded to ERM for resolution.

ORGANOGRAM OF RISK MANAGEMENT DIVISION

Following is the Organogram of Risk Management Division as directed by Bangladesh Bank and as approved by the Board of Directors of the Bank in its 477th meeting held on October 23, 2022:



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) Designing of 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 of 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. Division;
- vii) Highlighting of risky portfolios and deficiencies of the bank on 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 of 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 of high-risk related matters through Executive Risk Management Committee to Risk Management Committee of the Board.
- xii) Communication of views of the Board, BRMC, Senior Management and ERMC 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 the Executive Risk Management Committee.

REPORT ON RISK MITIGATION METHODOLOGY



Risk mitigation is the process of reducing risk and minimizing the likelihood of an incident. United Commercial Bank PLC. is continually addressing the risks to protect the bank fully by developing and implementing its own guidelines and different types of risk management tools consistent with the complexity, size and nature of business, risk strategy as well as Bangladesh Bank guidelines. 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 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.

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.

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 Russia and Ukraine war and other circumstances, the bank has taken several fruitful steps to mitigate the risk.

Risks and uncertainties faced 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, 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.



Core Risks

1. Credit Risk,
2. Asset Liability Management Risk,
3. Foreign Exchange Risk,
4. Internal Control & Compliance Risk,
5. Anti-Money Laundering (AML) risk and
6. Information and Communication Technology Risk.

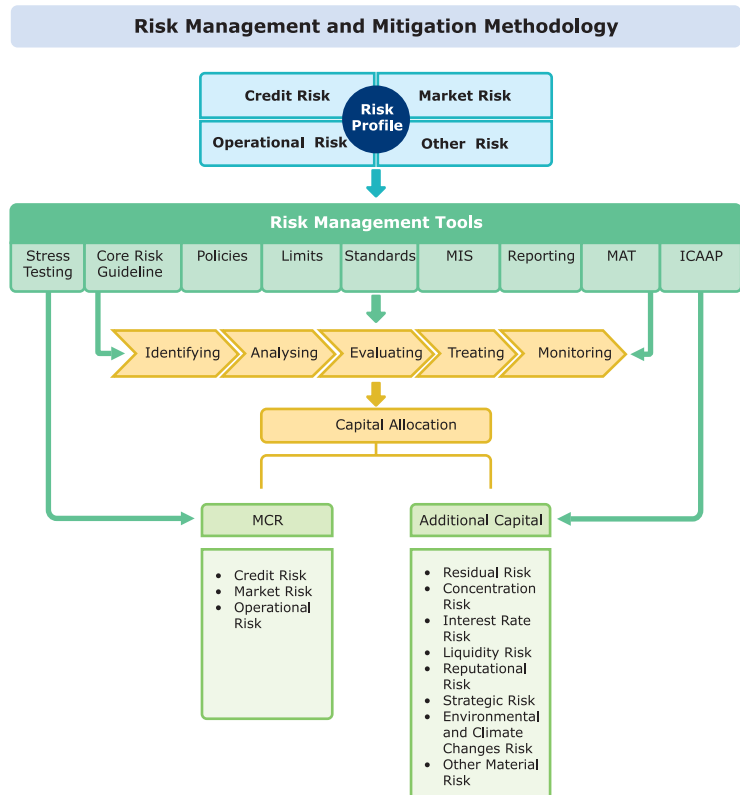
Risk Profile

1. Credit risk
2. Market risk
3. Operational risk
4. Residual Risk
5. Concentration Risk
6. Interest Rate Risk in Banking Book
7. Liquidity Risk
8. Reputational Risk
9. Strategic Risk
10. Settlement Risk
11. Environmental and Climate Changes Risk and
12. Other Material Risk

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 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 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, IT 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 (CRMC), 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.

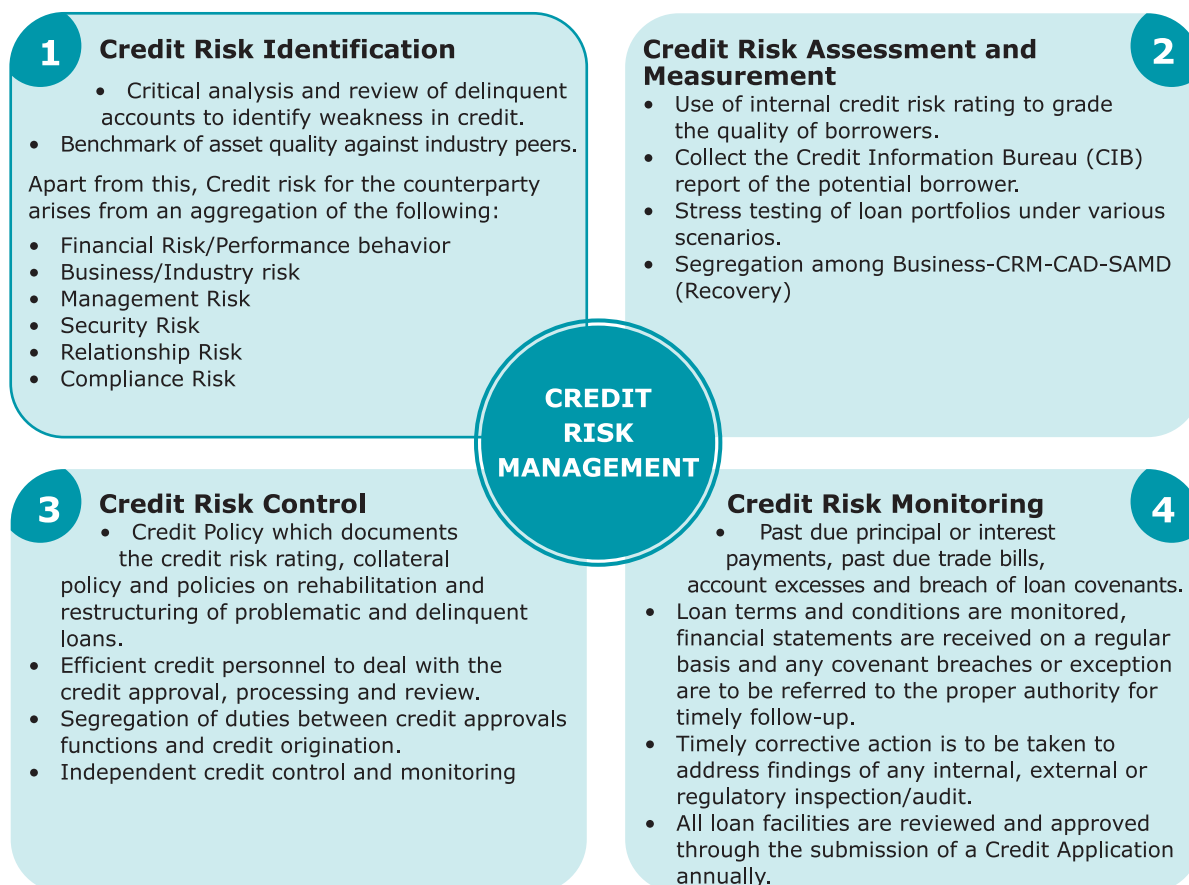
Credit Risk

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 counterparties 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 the 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 employees dealing with lending products 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:



Credit Risk Mitigation Measurement

UCB uses a number of tools and programs 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, Ad hoc	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

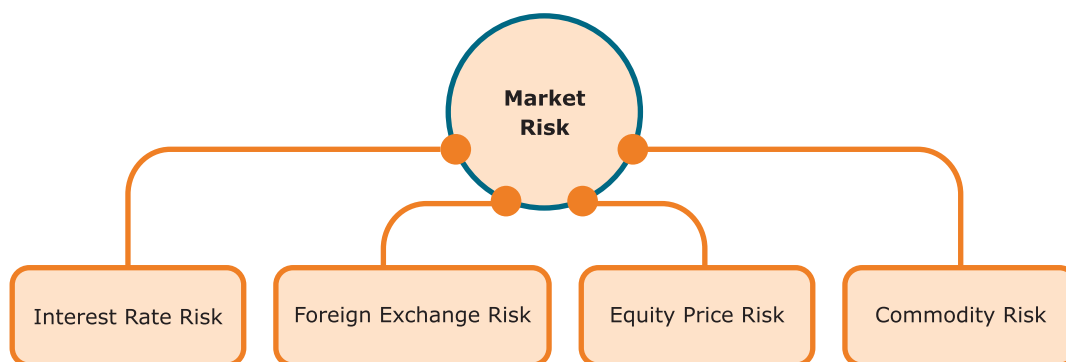
Market Risk

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 & CEO. 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:



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. 118.30 million and capital requirement is Tk. 11.83 million in year ended 2022.

Approach to Managing Market Risk

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 financial assets and liabilities gap as of 31 December 2022, 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 697.01 million.

Detailed calculation of the Net Interest Income impact at each time bucket is shown below:

(BDT in Million)			
Particulars	Up to 3 months	3 - 6 months	6 - 12 months
Rate Sensitive Assets (RSA)	220,744.77	70,405.93	53,982.29
Rate Sensitive Liabilities (RSL)	111,466.25	60,661.43	103,303.97
Gap (RSA – RSL)	109,278.52	9,744.50	(49,321.67)
Cumulative Gap	109,278.52	119,023.00	69,701.30

Interest Income Impact:	(BDT in Million)		
Assumed Increase in Interest Rate	1%	2%	3%
Increased in Net Interest Income (NII)	697.01	1,394.02	2,091.03

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.

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 2022, Total Risk Weighted Assets for Foreign Exchange Risk is BDT. 1,354.10 million and capital requirement is BDT.135.41 million.

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, marks 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 2022, Total Risk Weighted Assets for Equity Risk was BDT. 10,915.40 million and capital requirement was BDT. 1,091.54 million.

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.

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.

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 PLC. 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 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)
- 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.

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

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 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.

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.

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	

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 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, a bank's operational risk governance function is integrated into the bank's overall risk management governance structure.

Measurement of Operational Risk: Bank used 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.

Requirement of capital charges for operational risk:

					(BDT in Million)
Basis	Operational Risk	2020	2021	2022	Capital Charge
Solo	Gross Income	23,614.67	26,765.99	30,144.10	4,026.24
Consolidated	Gross Income	24,217.03	28,216.17	31,868.75	4,215.10

Operational Risk Mitigating Measures

Some significant operational risks have low probabilities but potentiality considerable financial impact. UCB 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, RCSA	Stress Testing, ICAAP	Monthly, Quarterly, Yearly	

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 Bank has a designated Chief Compliance Officer at Corporate Office and Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions.

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.

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 that guidelines, Audit activities should be independent and sovereign. 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 Organogram of ICCD in light of Bangladesh Bank guidelines. 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.

Internal Control and Compliance Risk Mitigation Measurement

To mitigate and control internal control and compliance risk at the operational level, UCB 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	

Information Technology Risk

Technology will play a key role for digital transformation, banking operation, delightful customer experience as well as services. Banks and other financial institutions have become more dependent on internet, computer and other electronic data 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 224 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
- Human Resource Management Information System (HRMIS) Solution introduced

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

- 3G GSM MODEM installed to ensure seamless Branch Connectivity
- 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

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.

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:

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

Error in Valuation of Collateral: Bank maintained 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.

Approach to managing residual risk: UCB manages residual risk in the following approach:

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

Residual Risk Mitigation Measurement

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

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.

Approach to Managing Concentration Risk

United Commercial Bank PLC. 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.

Concentration Risk Mitigation Measurement

United Commercial Bank PLC. 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

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.

Approach to Managing Reputational Risk

United Commercial Bank PLC. 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 imposed by the regulators
- Technological disruption.
- Violation of laws, regulations.
- Fake notes in the ATM machine.
- Insufficient fund in the ATM machine etc.

Reputational Risk Mitigation Measurement

United Commercial Bank PLC. 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	

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	

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.

Approach to managing strategic risk

United Commercial Bank PLC. 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

Strategical Risk Mitigation Measurement

United Commercial Bank PLC. 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	

Settlement Risk

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

Approach to Managing Settlement Risk United Commercial Bank PLC. 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.

Settlement Risk Mitigation Measurement

United Commercial Bank PLC. 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

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.

Approach to Managing Environmental & Social Risk

United Commercial Bank PLC. developed 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 order 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.

Environmental & Social Risk Mitigation Measurement

United Commercial Bank PLC. 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 Loans and Advances (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

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 Risk Management Division 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 ERMC and 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 and actual risks.

DISCLOSURE OF RISK REPORTING



In the banking business, risk is inherent and needs to be minimized to achieve the organizational goal. Bangladesh Bank has identified six key risks for banks and issued policy guidelines for sound management of these core risks that are central to the functioning of risk management activities in the banking industry. As per Bangladesh Bank's directive as well the Bank for International Settlements (BIS) guidelines, United Commercial Bank PLC. formulates its own strategies to manage particular risks, i.e., credit risk, market risk, operational risk, liquidity risk, etc., and prepares risk management reports on a monthly, quarterly, half-yearly, and yearly basis.

1.0 Risk Management Principles

United Commercial Bank PLC. is continuously following the international standards for managing risks as

specified by the Bank for International Settlements (BIS) as well as the regulatory directives in its core principles of effective banking supervision.

2.0 Risk Profile & Risk Management Process

The risk profile of a bank is measured by the economic capital usage calculated for credit, market and operational risk. United Commercial Bank PLC. determines the overall risk positions by calculating total Risk Weighted Assets (RWAs) of credit, market and operational risk at each quarter end and allocated capital against them. The risk profile of UCB as measured by economic capital allocation by risk types is as follows:

Risk Types	(BDT in Million)	
	2022	2021
Credit Risk Weighted Assets	352,083.44	339,192.84
Market Risk Weighted Assets	10,915.39	10,960.12
Operational Risk Weighted Assets	40,262.38	36,590.84
Total Risk-Weighted Assets	403,261.21	386,743.80
Minimum Capital Requirement	40,326.12	38,674.38
Total Regulatory Capital	52,673.82	52,760.95



Risk Profile: (RWA)**(BDT in Million)**

Credit Risk	Market Risk	Operational Risk
352,083.44	10,915.39	40,262.38

As per the risk profile, credit risk was accounted for 87.31% of total Risk Weighted Assets (RWA) where the Market Risk and Operational Risk were 2.71% and 9.98% respectively at the end of December, 2022.

3.0 Capital Adequacy: Implementation of Basel III

Capital adequacy is the measure of the financial strength and sustainability of a bank. A bank's capital is the "cushion" for potential losses that protects the bank's depositors or other borrowers. Thus, capital management is considered an integral part of the risk management of United Commercial Bank PLC. The bank has a capital management process in place to measure, deploy and monitor its available capital as per the guidelines on Risk-Based Capital Adequacy Framework in line with the Basel III issued by Bangladesh Bank.

Capital to Risk Weighted Assets Ratio (CRAR)

Particulars	2022	2021
Total Regulatory Capital	52,673.82	52,760.95
Risk-Weighted Assets	403,261.21	386,743.80
CRAR	13.06%	13.64%

At the end of 2022 and 2021 Capital to Risk Weighted Assets Ratio (CRAR) of United Commercial Bank PLC. stood at 13.06% and 13.64% respectively which indicate that Bank is far above the required CRAR of 12.50% with buffer.

3.1 Minimum Capital Requirement (MCR) under Basel III (Pillar-1)

According to the Basel III road-map, the Minimum Capital Requirement (MCR) for the banks in Bangladesh is currently 10% of its total RWAs with the addition of a Capital Conservation Buffer of 2.5% of total RWAs from the year 2019.

(BDT in Million)

Particulars	2022	2021
Tier 1 Capital	36,328.23	34,364.53
Tier 2 Capital	16,345.58	18,396.42
Total Regulatory Capital	52,673.82	52,760.95
Minimum Capital Required @ 10% of RWAs	40,326.12	38,674.38
Buffer @ 2.50% of RWAs	10,081.53	9,668.95
Excess /Shortfall	12,347.70	14,086.57

At the end of 2022 and 2021, the total Regulatory Capital of United Commercial Bank PLC. was BDT. 52,673.82 million and BDT. 52,760.95 million respectively. The Bank has maintained BDT. 12,347.70 million and 14,086.57 million excess capital after deducting the minimum requirement including buffer of 12.50% of RWAs in 2022 and 2021 respectively.

3.2 Adequate Capital Requirement under ICAAP of Basel-III (Pillar-2)

The Supervisory Review Process (Pillar-II of Basel-III) of the risk-based capital adequacy framework aims to ensure that banks have sufficient capital in place to mitigate all risks. It encourages banks to take action in creating and making proper use of sophisticated risk management techniques in terms of monitoring and managing their risks. UCB is maintaining an adequate level of capital each year as per Bangladesh Bank's SREP review and the bank has perfectly minimized the capital charge under residual risk year to year through rigorous oversight of bank's SRP team.

3.3 Market Disclosure: Pillar-3 of Basel-III

Market discipline has established transparency and discipline in the financial markets. Stakeholders can judge a bank's position with regard to assets held. It also allows them to take note of the risks relating to these assets and the adequacy of capital available to handle any likely losses. Thus, UCB has created a set of disclosure principles as per the guidelines of Bangladesh Bank which includes information on assets, risk exposure, risk assessment processes, and capital adequacy to meet risk. The disclosure has been reported in another section of this annual report.

4.0 Stress Testing Report

The underlying tool is used to assess the bank's vulnerability to unexpected but presumable changes in various related factors (e.g. increase in NPL, change in interest rate, fall in security value etc.). The impact of this model is expressed through the change in overall CRAR of the bank. The Central Bank has advised all banks to perform stress testing on a quarterly basis. The outcome of stress testing needs to be submitted to Bangladesh Bank upon review by senior management and the Board.

Stress Testing Result

Particulars	2022			2021		
	Minor	Moderate	Major	Minor	Moderate	Major
Performing loan directly downgraded to B/L: Sectoral Concentration. 1	-0.33	-1.00	-1.67	-0.21	-0.64	-1.06
Performing loan directly downgraded to B/L: Sectoral Concentration. 2	-0.05	-0.16	-0.26	-0.25	-0.76	-1.28
Increase in NPLs due to default of top large loan borrowers	-1.75	-5.30	-6.94	-2.61	-3.96	-5.89
Negative shift in NPLs categories	-0.38	-0.75	-1.49	-0.36	-0.73	-1.47
Decrease in the FSV of collateral	-0.36	-0.72	-1.46	-0.36	-0.36	-1.46
Increase in NPLs	-1.14	-4.09	-9.17	-1.16	-4.01	-8.58
Interest Rate	-0.24	-0.48	-0.72	-0.35	-0.71	-1.06
FEX: Currency Appreciation	-0.01	-0.03	-0.04	-0.00	-0.01	-0.01
Equity price	-0.10	-0.20	-0.41	-0.11	-0.23	-0.46

5.0 Credit Risk

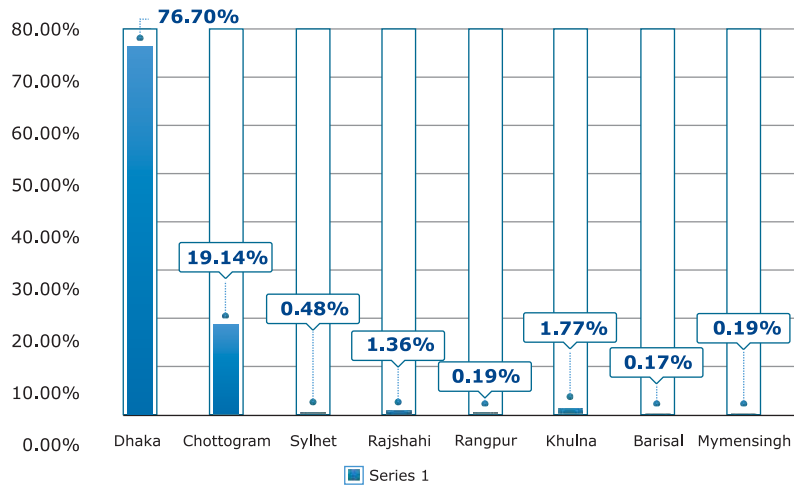
Credit risk arises from the potential that a bank's borrower will fail to meet its obligations in accordance with agreed terms and results in a negative effect on the profitability and capital of the bank. Measuring the credit risk of an entire bank is a complicated assessment, involving many quantitative and qualitative factors. In the context of UCB, the most important factors of which are summarized below:

5.1 Credit concentration: When the credit portfolio of a bank is concentrated on a few individuals or entities or sectors, credit concentration risk arises. Credit risk is increased by credit concentration like portfolio, geographic, sector, group concentration, funded and non-funded etc. To avoid concentration, the principle of credit diversification is followed as per the Risk Appetite Statement (RAS) and CRM policy guidelines.

1. Area wise concentration:

Division	BDT in Million	In %
Dhaka	359,397.03	76.70%
Chattogram	89,668.77	19.14%
Sylhet	2,270.70	0.48%
Rajshahi	6,369.90	1.36%
Rangpur	898.94	0.19%
Khulna	8,305.18	1.77%
Barisal	801.17	0.17%
Mymensingh	893.41	0.19%
Total	468,605.10	100.00%

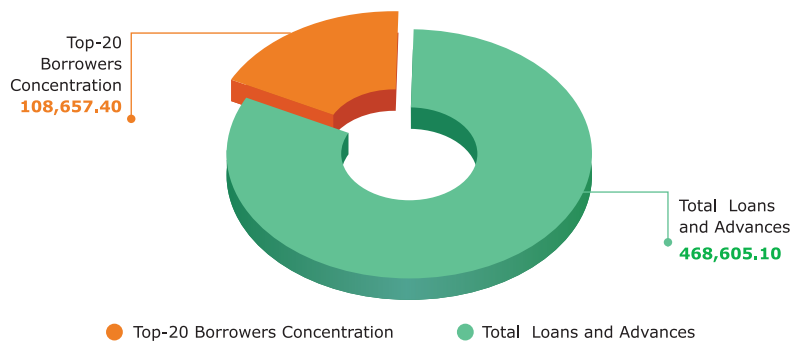
Geographical Distribution of Credit Exposure



2. Top-20 Borrowers concentration

Particulars	BDT in Million
Total Loans and Advances	468,605.10
Top-20 Borrowers Concentration	108,657.40

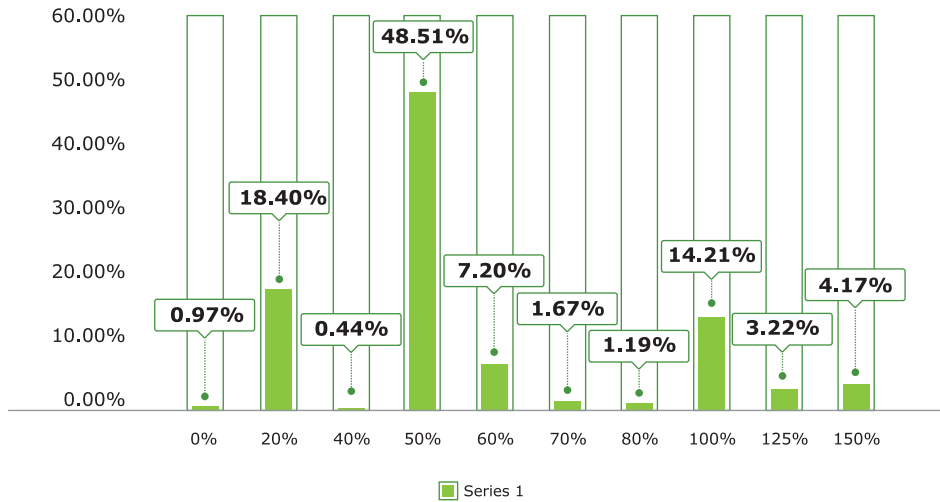
Top-20 Borrowers Concentration



3. Composition of RWA of loan portfolio

Category of Risk weight	BDT in Million	In %
0%	4,564.90	0.97%
20%	86,236.09	18.40%
40%	2,046.91	0.44%
50%	227,306.20	48.51%
60%	33,741.55	7.20%
75%	7,847.68	1.67%
80%	5,596.01	1.19%
100%	66,612.09	14.21%
125%	15,091.95	3.22%
150%	19,561.72	4.17%
Total	468,605.10	100.00%

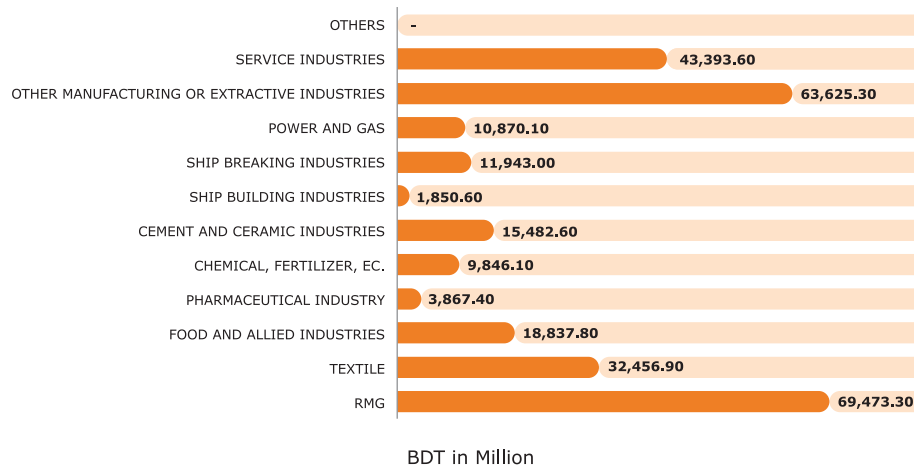
Composition of Risk Weighted Asset of loan portfolio



4. Industry-wise loan concentration

Particulars	BDT in Million
RMG	69,473.30
Textile	32,456.90
Food and allied Industries	18,837.80
Pharmaceutical Industry	3,867.40
Chemical, Fertilizer, etc.	9,846.10
Cement and Ceramic Industries	15,482.60
Ship Building Industries	1,850.60
Ship Breaking Industries	11,943.00
Power and Gas	10,870.10
Other Manufacturing or Extractive Industries	63,625.30
Service Industries	43,393.60
Others	-
Total	281,646.70

Industry-wise loan concentration



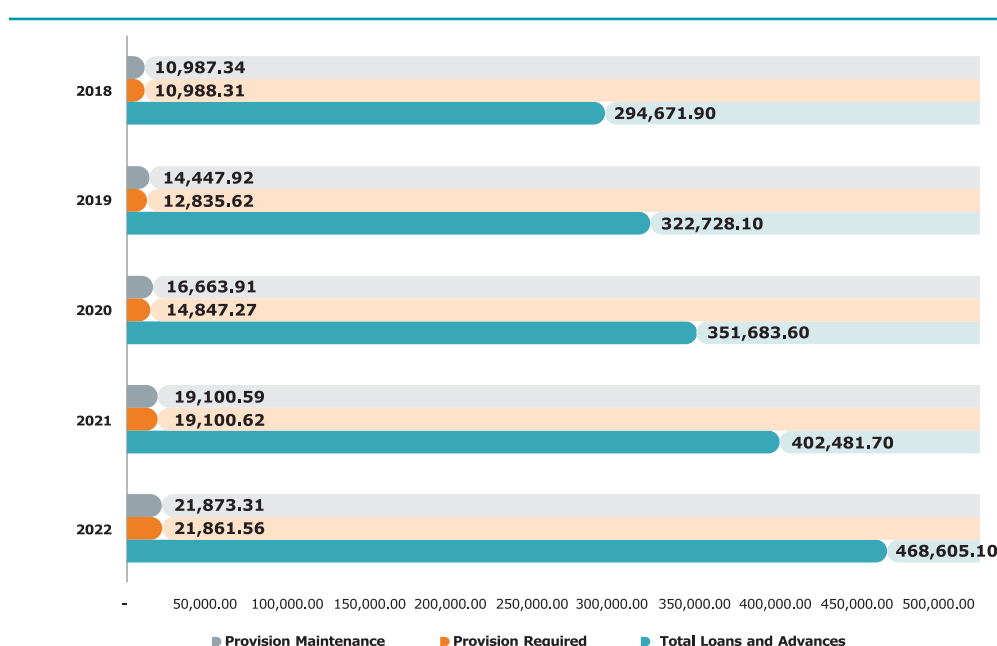
5.2 Assets quality

The quality of assets is of paramount importance and how well the banks manage them to remain with high quality assets dictates the success of the bank. One of the major parameters of measuring bank's performance is the quality of assets. It draws attention to the quality of credit that provides earnings for the bank. This shows the stability of the bank when faced with particular risks. At the end of December, 2022, loans of UCB (including SMA) stood at 94.01% of total loans and advances, while NPL stood at 5.99% which indicates that the bank has quality assets in its portfolio.

Composition of Loans and Advances

(BDT in Million)

Particulars	2022	2021	2020	2019	2018
Total Loans and Advances	468,605.10	402,481.70	351,683.60	322,728.10	294,671.90
Provision Required	21,861.56	19,100.62	14,847.27	12,835.62	10,988.31
Provision Maintenance	21,873.31	19,100.59	16,663.91	14,447.92	10,987.34

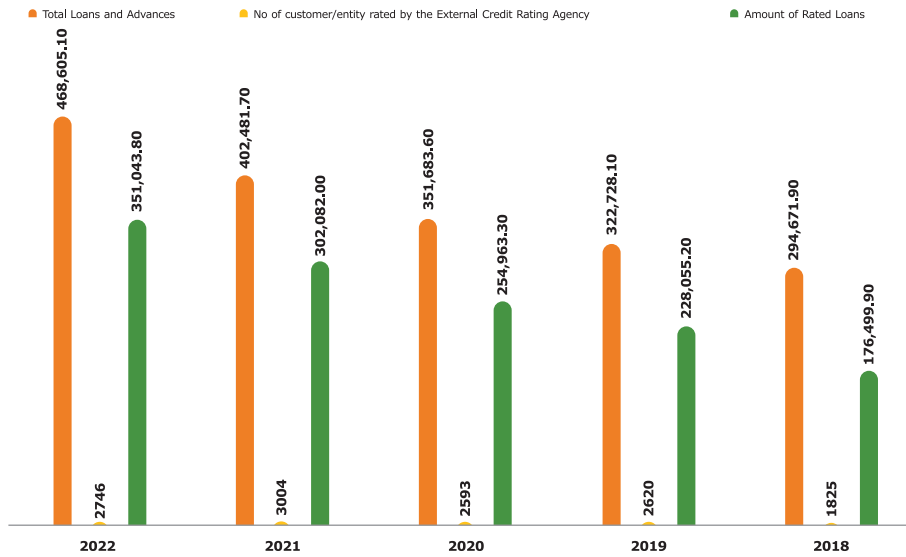


5.3 Credit Rating of the borrowers

UCB always gives emphasis to the client's credit rating. A good rating of the borrowers implies the identification of high-quality borrowers that improve the asset quality and also require less capital. According to Bangladesh Bank's Standardized Approach of Risk Based Capital Adequacy (RBCA) guidelines of Basel-III, the client's credit rating is the most important tool for managing credit risks. The bank gives more attention to its branches to increase the number of rated-borrowers to reduce risk-weighted assets (RWAs). The rating growth is graphically presented here.

Particulars	2022	2021	2020	2019	2018
Total Loans and Advances	468,605.10	402,481.70	351,683.60	322,728.10	294,671.90
No of Customer/Entity Rated by the External Credit Rating Agency	2,746	3,004	2,593	2,620	1,825
Amount of Rated Loans	351,043.80	302,082.00	254,963.30	228,055.20	176,499.90

Credit Rating Status



5.4 Collateral against loans and advances:

Where a transaction is secured by eligible financial collateral (cash, gold, rated securities, debt securities, equities, transferable securities and mutual funds) and meets the eligibility criteria, it minimizes the capital requirements and the bank is allowed to reduce its credit exposure by taking into account the risk mitigating effect of the collateral for the calculation of capital charge.

(BDT in Million)

Particulars	2022	2021
Total Loans and Advances	468,605.10	402,481.70
Collateral (FSV)	291,777.30	253,281.70
Collateral Coverage Ratio	87.81%	83.74%

UCB focuses on collateral based loans and advances to secure its quality of loans. At the end of December-2022, the collateral coverage ratio was 87.81% which was up from 83.74% in 2021

6.0 Market Risk

Market risk is the risk that any changes in market prices, such as interest rates and capital market conditions, will affect the bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The major components of Market risk and the position of UCB are as follows:

6.1 Interest rate risk: United Commercial Bank PLC. computes an estimated change in the bank's net interest income (NII) given changes in interest rates. To evaluate the impact on earnings, interest rate sensitive liabilities (RSL) in each time bucket are subtracted from the corresponding Interest Rate Sensitive Assets (RSA) to produce a re-pricing "gap" for that time bucket.

(BDT in Million)

Particulars	2022	2021	Change
RSA ≤ 1 Year	34,513.30	31,386.78	3,126.52
RSL ≤ 1 Year	27,543.17	25,359.63	2,183.54
Net Gap	3,126.52	2,183.54	942.98
Impact on NII (Rate Change by @1%)	31.26	21.84	9.42

The probable impact on net interest income of UCB at the end of December, 2022 was measured at BDT. 31.26 million, which was BDT. 21.84 million in 2021.

6.2 Equity price risk: United Commercial Bank PLC. uses the mark to market valuation method against a predetermined limit. From an accounting perspective, the cost or market value of a share, whichever is lower, should be considered. If the market value falls below the cost, the bank must keep a provision for unrealized losses.

UCB has maintained sufficient provisions against its investment in the share market for un-realized losses and the limit of capital market exposures is also maintained as per Bangladesh Bank instruction.

6.3 Foreign exchange risk: The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying commitments and other remittance requirements. The impact of Foreign Exchange transaction risk is identified by providing exchange rate shocks to the net open position of the bank.

(BDT in Million)

Particulars	2022	2021
Net Open Position Limit	6,209.90	6,877.70
Net Open Position	1,354.10	417.20
Net Open Position to Regulatory Capital	2.57%	0.79%

At the end of 2022, the bank's open position was BDT. 1,354.10 million against the FEX holding limit equivalent to BDT. 6,209.90 million as determined by Bangladesh Bank.

7.0 Liquidity risk: The bank's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or taking risk of damage to the bank's reputation.

Liquidity Risk Indicators (LRI)

Ratios	2022	2021
Cash Reserve Requirement (CRR)	4.10%	4.33%
Statutory Liquidity Requirement (SLR)	16.83%	20.68%
Advance to Deposit Ratio (ADR)	86.14%	83.79%
Liquidity Coverage Ratio (LCR)	105.00%	133.72%
Net Stable Funding Ratio (NSFR)	117.54%	118.57%

Typically, the bank ensures that it has sufficient cash and cash equivalents to meet expected operational expenses through the preparation of the cash flow forecast, which is prepared based on the time line of payment of the financial obligation and accordingly sufficient liquidity/fund is arranged to make the expected payment by the due date.

8.0 Operational risk: UCB, through its Risk Management Division and Internal Control and Compliance Division, controls the operational procedures of the bank. The Internal Control and Compliance Division undertakes periodic and special audits of the branches and departments at the Corporate Office for review of the operation and compliance with statutory requirements.

Particulars	2022	2021
No. of Branches Audited	150	204
No. of Major Non Compliances	Nil	01
Whether it is placed to audit committee	N/A	Yes

9.0 Money Laundering Risk

The Bank complies meticulously with the Money Laundering Prevention (Amendment) Act, 2015, Anti-terrorism (Amendment) Act, 2013 and related circulars of BFIU, Bangladesh Bank to prevent money laundering and combating terrorism financing. A Central Compliance Committee (CCC) has been formed headed by an AML expert who is the Chief Anti Money Laundering Compliance Officer (CAMLCO).

(BDT in Million)

Particulars	CTR	STR
No. of Accounts	13403	18
Amount	53,132.56	293.88

10.0 Residual Risk

Residual risk is a risk that arises mainly out of errors in documentation and errors in valuation of collateral. The bank always tries to collect and maintain documentation appropriately and conduct valuation of collateral both physically and financially at market rates. The residual risk of the bank has been measured and reported in the ICAAP-2021 submitted to Bangladesh Bank in 2022, where the loans and advances of BDT. 20,830 million was assessed against residual risk. The base for capital charge was BDT. 17,177 million and an amount of 1,117.70 million in capital has been kept. The ICAAP Report-2022 will also be submitted in 2023 as per the time-frame of Bangladesh Bank, and the bank is expecting to lower the residual risk.

11.0 Concentration Risk

Credit concentration risk arises when the credit portfolio of the bank is concentrated on a few individuals, entities, or sectors. As there are no unanimously agreed tools to measure the concentration risk, some indicators are applied, such as:

- Herfindahl Hirschman Index (HHI),
- Simpson's Equitability Index (SEI),
- Shannon's Index (SI),
- Gini Coefficients (GC)

The concentration risk of the bank has been measured and reported in the ICAAP-2021 submitted to Bangladesh Bank in 2022, where the capital charge was BDT. 386.74 million. The ICAAP Report-2022 will also be submitted in 2023, as per the time-frame of the Bangladesh Bank.

12.0 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. The reputational risk of the bank has been measured and reported in the ICAAP-2021 submitted to Bangladesh Bank in 2022, where 872.40 million capital was charged. ICAAP report-2022 will also be submitted in 2023, as per the time-frame of Bangladesh Bank.

13.0 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. Strategic risk of the bank has been measured and reported to the ICAAP-2021 submitted to Bangladesh Bank in 2022, where BDT 1,448 million was charged and it was adjusted from the capital kept under Operational Risk in Pillar-1 (MCR) of Basel-III. As a result, no additional

capital was required under the strategic risk of the bank. ICAAP Report-2022 will also be submitted in 2023, as per the time-frame of Bangladesh Bank

14.0 Settlement Risk

Settlement risk arises when an executed transaction is not settled as the standard settlement system suggests or within a predetermined method. The settlement risk of the bank has been measured and reported in the ICAAP-2021 submitted to Bangladesh Bank in 2022, where BTD 386.70 million capital was charged due to the outstanding amount of non-receiving and the payment amount was above 5% of the total loans and advances. The ICAAP Report-2022 will also be submitted in 2023, as per the time frame of Bangladesh Bank.

15.0 Environmental & Social Risk

UCB has developed an effective approach to managing environmental & social risk. In this regard, the bank measured environmental & social risk and reported it in the ICAAP-2021 and submitted it to Bangladesh Bank in 2022, where BTD 161.20 million capital was charged. ICAAP Report -2022 will also be submitted in 2023 as per the time frame of Bangladesh Bank.

16.0 Other Material Risk

These are risks that are not directly covered by the core risk guidelines of Bangladesh Bank, and more precisely, additional risks under pillar II of Basel III are measured under this risk. Other material risks have been reported in the ICAAP-2021 and submitted to Bangladesh Bank in 2022, where no capital was charged. ICAAP Report-2022 will also be submitted in 2023 as per the time frame of Bangladesh Bank.

17.0 Policy Development

UCB has made significant progress in transitioning to uniform operations rather than practice-based operations. As part of that, policy and operational procedure development and review remain a top priority of the Bank. In parallel to the development and review of direct risk-related policies and procedures, Risk Management Division has simultaneously focused on ensuring the development and review of cross-divisional policies and procedures. In reference to policy-related issues, the bank has developed/revised a number of policies for the year 2022 which are as follows:

Risk Management Guidelines:

- Risk Management Guidelines
- Credit Risk Management Guidelines
- ALM Risk Management Guidelines
- Foreign Exchange Risk Management Guidelines
- ICC Risk Management Guidelines
- AML Risk Management Guidelines
- ICT Risk Management Guidelines

Risk Management Policies

- Risk Appetites Statement (RAS)
- Management Action Triggers (MAT)
- Methodology for Customer Services & Complaint Management
- Operational Risk Management Policies, etc.

18.0 Meeting & Implementation of Minutes

UCB arranged meetings of different risk-related committees according to the direction of Bangladesh Bank. During 2022, the bank has arranged the meetings of ERMC, BRMC etc. and discussions with the

risk management activities regarding their findings, observations, and recommendations on various issues of interest and concern.

19.0 Reporting & Compliance

Aggregate measures of risk, across products and businesses, are used in compliance with policies, limits, and guidelines. They also provide a clear statement of the amounts, types, and sensitivities of the different risks in the bank's portfolios. Senior management and the Board use this information to comprehend the bank's risk profile as well as the performance of the portfolio. The bank submitted the following risk reports during the year 2022:

Sl.	Name of the Reports	Frequency	Submitted To
A	Risk Management Reporting:		
1	Monthly Risk Management Report (MRMR)	Quarterly	ERMC/BRMC/Board/BB
2	Minutes of the ERMC Meeting	Quarterly	ERMC/BRMC/BB
3	Comprehensive Risk Management Report (CRMR)	Half Yearly	ERMC/BRMC/Board/BB
4	Risk Appetite Statements	Annually	ERMC/BRMC/Board/BB
5	Effectiveness of Risk Management Policies & Functions	Annually	BB
6	Recovery Plan for Bank	Annually	BRMC/Board/BB
B	Basel - III Reporting and Capital Management		
1	Risk Based Capital Adequacy Reporting (Pillar-1)	Quarterly	ERMC/BRMC/Board/BB
2	ICAAP Report (Pillar-2)	Annually	ERMC/BRMC/Board/BB
3	Disclosure on Risk Based Capital: Market Discipline (Pillar-3)	Annually	BRMC/Board/BB
C	Stress Testing Report Quarterly		ERMC/BRMC/Board/BB

20.0 Building Risk Culture & Awareness

In 2022, the following risk management training was provided to bank officials both online and offline in order to raise risk management awareness and build a strong risk management culture across the bank.

Sl	Subject	No of courses	Total Participants
1	Asset Liability Risk Management	13	492
2	Credit Risk Management	20	605
3	Foreign Exchange Risk Management	14	313
4	ICC Risk Management	15	510
5	AML Risk Management	40	2,099
6	ICT Risk Management	24	5,462
7	Comprehensive Risk Management	0	0
8	Basel Accord	0	0
9	Overview on Stress Testing	0	0
10	Others	153	8,149
	Total	279	17,630

21.0 Capital Planning

A bank's capital planning is a dynamic, ongoing, and forward-looking mechanism to incorporate 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:

- Identify risks, improve the bank's understanding of overall risks, set risk tolerance levels, and assess strategic choices in long-term planning.
- Identify vulnerabilities, i.e. concentrations, and assess their impact on capital.
- Integrate business strategy, risk management, capital and liquidity planning decisions.

In devising capital planning, both short-term and long-term capital needs have been considered, and the bank's overall strategy and business growth have been coordinated, usually with a forecast horizon of five years.

21.1 Raising Additional Tier 1 Capital

To strengthen the Tier-1 capital and also keep the adequate capital base according to the Capital plan of the Bank, UCB has issued Perpetual Bond of BDT. 4,000 million in the year 2021 and 2nd Perpetual Bond of BDT. 3,000 million is under process.

21.2 Raising Tier 2 Capital

UCB is always keen to maintain a sufficient capital base to do business to support the healthy growth of the business and ensure compliance with the Basel III capital accord in line with the Bangladesh Bank road-map. The bank's CRAR (Capital to Risk Weighted Assets Ratio) is 13.06% as of December 31, 2022 against the required 12.50% with buffer. To keep an adequate capital base, the bank issued subordinated bond after obtaining required approvals from the Bangladesh Securities and Exchange Commission and Bangladesh Bank.

আপনার কস্টার্জিত টাকা সুরক্ষিত
রাখুন ইউসিবি ইসলামী ব্যাংক
তাকওয়া-য়



16419 



ভালো থাকুক আপনার টাকা

UCB  ASSET
Management Limited

UCB  INVESTMENT
Limited

UCB  STOCK
Brokerage Limited

 উপায়

DISCLOSURES ON RISK BASED CAPITAL (BASEL III)



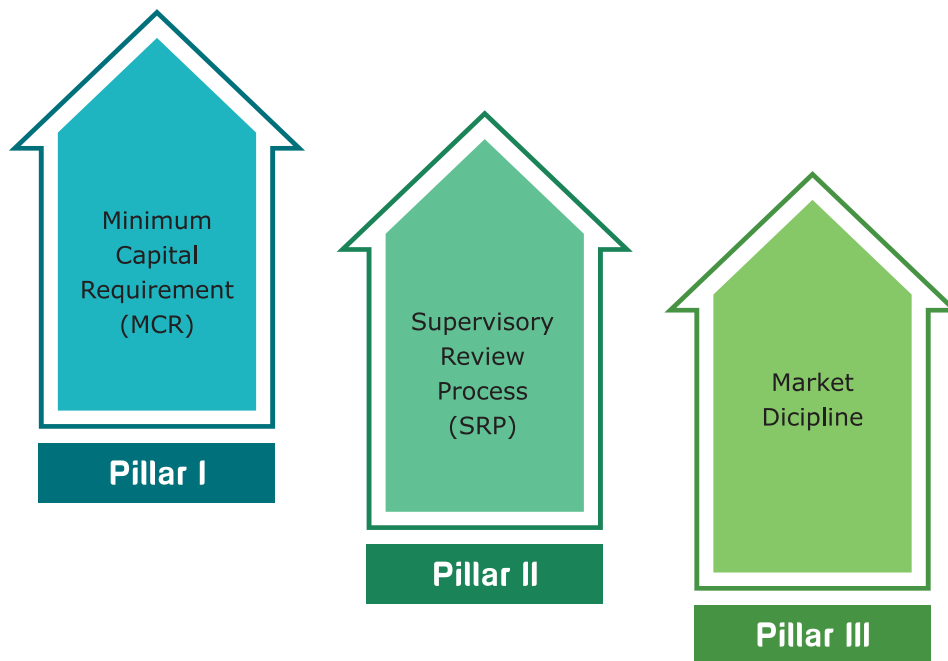
Preamble

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 PLC. had undertaken to manage its Risk Based Capital Adequacy and other requisites throughout the year 2022 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.

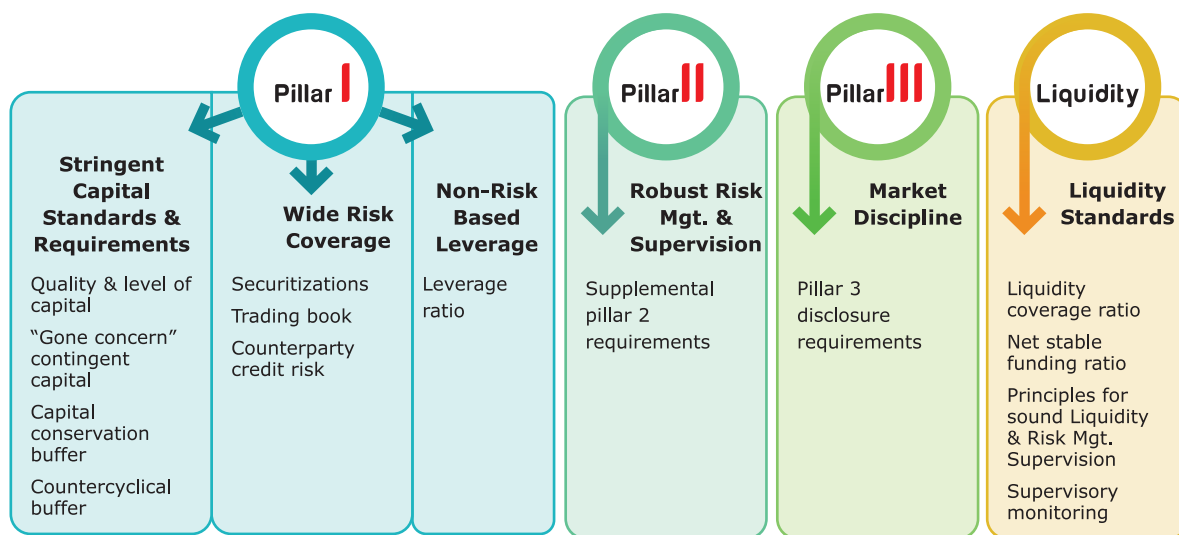
Consistency and Validation

The quantitative disclosures are made on the basis of audited financial statements of UCB and its subsidiaries as at and for the year ended 31 December 2022. 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:



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.

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).

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 PLC.
2. UCB Stock Brokerage Limited

3. UCB Investment Limited
4. UCB Asset Management Limited
5. UCB Fintech Limited

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

➤ **United Commercial Bank PLC**

United Commercial Bank PLC. ('UCB' 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 224 (2021: 215) branches, 141 (2021: 135) sub branches and 663 (2021: 628) ATMs/CRMs and 314 (2021: 177) agent banking outlets as on 31 December 2022. Out of the above 224 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.

● **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 PLC. 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. 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 07.02.2017 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 314 agent outlets launched around the country till 31 December 2022. 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 PLC**

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 PLC. 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.

UCB 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.

● **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.

UCB 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.

● 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 company is a wholly owned subsidiary of United Commercial Bank PLC. and has obtained its' licence (BSEC/Asset Manager/2020/46) as an Asset Management Company from Bangladesh Securities & Exchange Commission on February 03, 2020. 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 99.9999990% of total shares of the Company.

● UCB Fintech Limited

UCB Fintech Company Limited (hereinafter referred to as "the Company", a subsidiary of United Commercial Bank PLC. 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 99,999,999 nos. of shares of UCB Fintech Company Limited with face value of BDT.10 each which is equivalent to 99.9999996% of total shares of the Company.



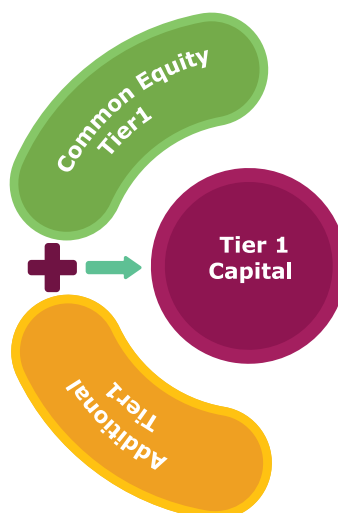
2. Capital Structure

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:

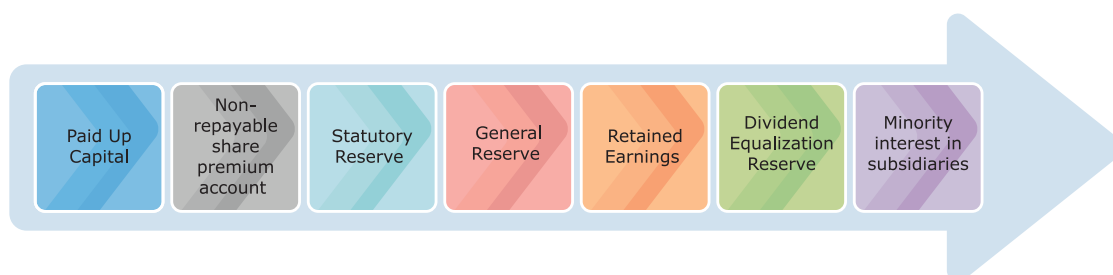
1. Tier 1 Capital (going-concern capital)
 - a) Common Equity Tier 1
 - b) Additional Tier 1
2. Tier 2 Capital (gone-concern capital)



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

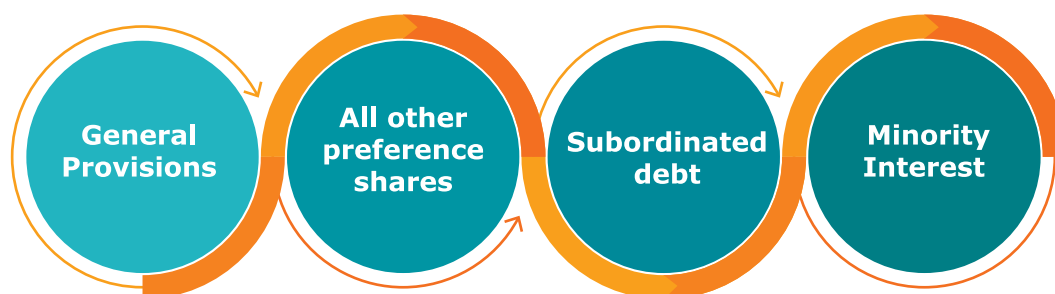
Perpetual Bond

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, 2022.

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, 2022 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	14,062.37	14,062.37
1.1.2	Non-repayable Share premium account	1,454.98	1,454.98
1.1.3	Statutory Reserve	15,730.18	15,764.30
1.1.4	General Reserve	26.58	26.58
1.1.5	Retained Earnings	6,885.48	6,072.82
1.1.6	Dividend Equalization Reserve	0.00	0.00
1.1.7	Minority Interest in subsidiaries	0.00	0.00
	Sub-Total:	38,159.59	37,381.05
1.1.8	Regulatory Adjustments:	5,831.35	5,841.93
1.1.8.1	Goodwill and all other Intangible Assets	634.68	645.25
1.1.8.2	Deferred Tax Assets (DTA) @ 95%	5,196.68	5,196.68
1.1.8.3	Reciprocal crossholdings	0.00	0.00
1.1.8.3	Others	0.00	0.00
	Sub-Total:	32,328.24	31,539.12
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	0.00	0.00
	Sub-Total:	4,000.00	4,000.00
1.3	Total Tier 1 Capital	36,328.24	35,539.12
2.0	Tier-2 (Gone-Concern Capital)		
2.1	General Provision	7,945.58	8,309.66
2.2	Subordinated debt	8,480.00	8,480.00
	Sub-Total:	16,425.58	16,789.66
2.4	Regulatory Adjustments:	80.00	80.00
2.4.1	Reciprocal crossholdings in the T-2 Capital Banking Financial and Insurance Entities	80.00	80.00
2.4.2	Others	0.00	0.00
2.5	Total Tier 2 Capital	16,345.58	16,709.66
3.0	Total Regulatory Capital (Sl. 1.3+2.5)	52,673.82	52,248.78



3. Capital Adequacy

Methodology of Capital Adequacy Determination

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

- a. 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.
- b. Standardized (Rule Based) Approach for Market Risk; and
- c. 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. 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, 2022 are as under:

(BDT in million)

Particulars	Solo	Consolidated
Capital requirement for Credit Risk	35,208.34	35,387.20
Capital requirement for Market Risk	1,091.54	1,251.95
Capital requirement for Operational Risk	4,026.24	4,215.10
Total Capital Requirement under Pillar-I	40,326.12	40,854.25
Capital to Risk-weighted Asset Ratio (CRAR)	13.06%	12.79%
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	8.02%	7.72%
Requirement of Common Equity Tier 1 Capital Ratio	4.50%	4.50%
Tier 1 Capital to Risk-weighted Asset Ratio	9.01%	8.70%
Requirement of Tier 1 Capital Ratio with Capital Conservation Buffer	8.50%	8.50%
Tier 2 Capital to Risk-weighted Asset Ratio	4.05%	4.09%
Percentage of Capital Conservation Buffer	3.01%	2.70%
Amount of Capital Requirement for Capital Conservation Buffer	10,081.53	10,213.56

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 2% 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	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 UCB 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.

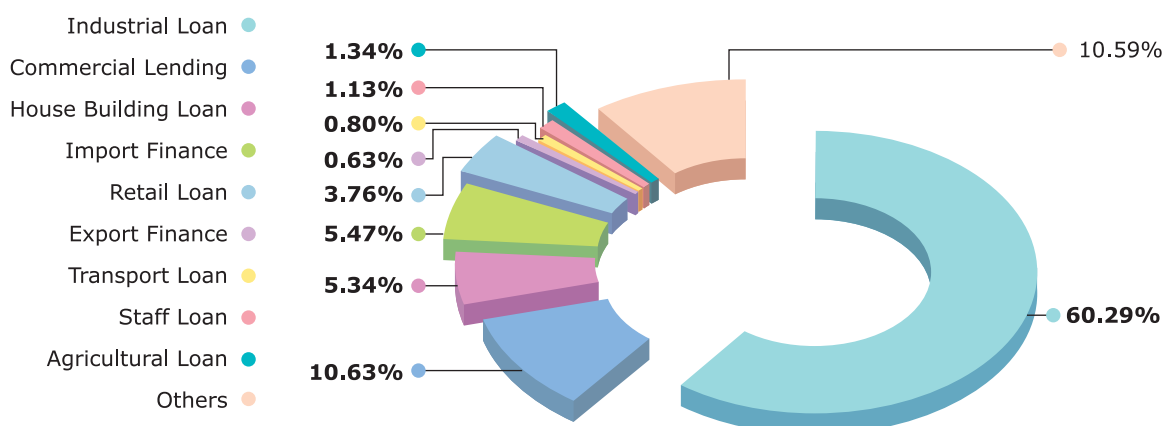
Credit Risk Mitigation

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

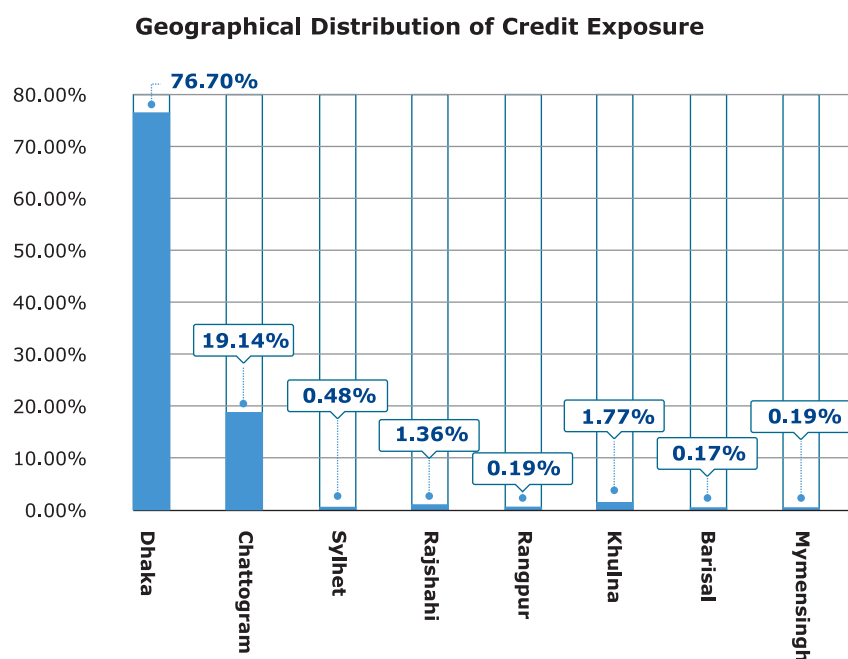
Types of Credit Exposure	BDT in Million	In %
Industrial Loan	282,530.41	60.29%
Commercial Lending	49,826.31	10.63%
House Building Loan	25,025.89	5.34%
Import Finance	25,641.24	5.47%
Retail Loan	17,628.93	3.76%
Export Finance	2,960.25	0.63%
Transport Loan	3,766.59	0.80%
Staff Loan	5,310.39	1.13%
Agricultural Loan	6,272.72	1.34%
Others	49,642.37	10.59%
Total	468,605.10	100.00



Geographical Location Wise Credit Exposure

Division	BDT in Million	In %
Dhaka	359,397.03	76.70%
Chattogram	89,668.77	19.14%
Sylhet	2,270.70	0.48%
Rajshahi	6,369.90	1.36%
Rangpur	898.94	0.19%
Khulna	8,305.18	1.77%
Barisal	801.17	0.17%
Mymensingh	893.41	0.19%
Total	468,605.10	100.00%

Geographical Distribution of Credit Exposure



Industry Type Distribution of Exposure

Types of Credit Exposure	BDT in Million	In %
RMG & Accessories	84,079.76	17.94%
Textile Industries	32,456.28	6.93%
Agriculture	6,272.72	1.34%
Food Products & Processing	18,416.25	3.93%
Jute Industries	227.46	0.05%
Leather & Leather Products	1,345.23	0.29%
Paper & Paper Products Industries	6,880.54	1.47%
Wood & Wooden Products	2,229.49	0.48%
Chemical & Chemical Products	9,846.11	2.10%
Cement Industries	14,806.11	3.16%
Brick Field, Auto Bricks, Tiles	2,330.46	0.50%
Engineering, Basic Metal & Products	16,818.76	3.59%
Ship Re-cycling	11,943.01	2.55%
Ship Manufacturing	1,850.62	0.39%
Educational Institute, Hotel, Restaurant	5,839.27	1.25%
Telecommunication	2,442.46	0.52%
Transport & Communication	3,766.59	0.80%
Diagnostic/Medical/Clinic	3,849.14	0.82%
Housing Industry	25,025.89	5.34%
Construction (Other than Housing)	38,105.19	8.13%
Electronics Media	335.27	0.07%
Power & Energy	10,870.07	2.32%
Commercial Trade Financing	78,427.80	16.74%

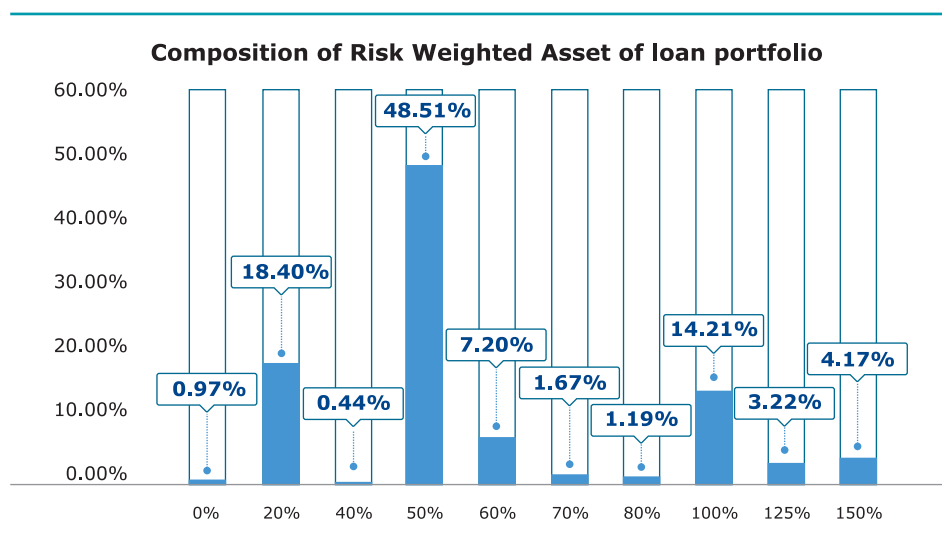
Types of Credit Exposure	BDT in Million	In %
Glass & Glassware Product Industries	518.95	0.11%
Tea Manufacturing	421.55	0.09%
Others	89,500.12	19.10%
Total	468,605.10	100%

Residual Contractual Maturity Wise Distribution of Exposure

Particulars	BDT in Million
On demand	6,139.10
Not more than three months	131,934.00
More than three months but less than one year	110,541.96
More than one year but less than five years	154,968.39
More than five years	65,021.65
Total	468,605.10

Composition of Risk Weighted Asset of loan portfolio

Category of Risk weight	BDT in Million	In %
0%	4,564.90	0.97%
20%	86,236.09	18.40%
40%	2,046.91	0.44%
50%	227,306.20	48.51%
60%	33,741.55	7.20%
75%	7,847.68	1.67%
80%	5,596.01	1.19%
100%	66,612.09	14.21%
125%	15,091.95	3.22%
150%	19,561.72	4.17%
Total	468,605.10	100.00%



Loans & Advances and Provision

Particulars	Loans & Advances	Provision against Loans & Advances
Total Loans and Advances	468,605.10	19,208.24
Performing Loans & Advances	440,527.41	6,001.53
Classified Loans and Advances	28,077.69	13,206.71
Substandard (SS)	1,605.75	174.65
Doubtful (DF)	342.20	108.23
Bad/Loss (BL)	26,129.74	12,923.83
Off-Balance Sheet Items	217,939.76	1,944.06

Gross Non-Performing Assets (NPAs)

Particulars	BDT in Million
Gross Non-Performing Assets (NPAs)	28,077.69
Total Loans and Advances	468,605.10
NPAs to outstanding Loans & Advances	5.99%

Movement of Non-Performing Assets (NPAs)

Particulars	BDT in Million
Opening Balance	17,737.29
Additions	19,009.99
Reductions	8,669.59
Closing Balance	28,077.69

Movement of Specific Provisions for NPLs

Particulars	BDT in Million
Opening Balance	10,122.34
Adjustment due to Write-off	(3079.19)
Provisions made during the period	5926.62
Recoveries of amounts previously written off	236.94
Write off transfer from interest suspense account	--
Closing Balance	13,206.71



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	5,346.35	4,721.52

Particulars	BDT in Million
Realized Gains	1,754.23
Unrealized Gains	244.95
Unrealized Losses	(917.93)
Net Unrealized Gains/(Loss)	672.98
Capital requirement for Equity Risk (Specific & General)	944.30
Supervisory Provision against Classified Equity Investment	612.04

Capital Requirement as per Grouping of Equity

Sector	Cost Price	Market price	Capital Charge		Total Capital Charge
			Specific Risk	General Market Risk	
Pharmaceuticals & Chemicals	407.87	443.76	44.38	44.38	88.75
Textile	147.31	83.64	8.36	8.36	16.73
Telecommunication	633.01	572.59	57.26	57.26	114.52
Fuel & power	67.03	58.87	5.89	5.89	11.77
Bank	1,104.47	998.70	99.87	99.87	199.74
Financial Institutions	1,176.91	1,300.36	130.04	130.04	260.07
Miscellaneous	1,809.75	1,263.61	126.36	126.36	252.72
Total	5,346.35	4,721.52	472.15	472.15	944.30



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)	220,744.77	70,405.93	53,982.29
Rate Sensitive Liabilities (RSL)	111,466.25	60,661.43	103,303.97
Gap (RSA – RSL)	109,278.52	9,744.50	(49,321.67)
Cumulative Gap	109,278.52	119,023.00	69,701.30

Interest Rate Shock on Capital:	(BDT in Million)		
Total Regulatory Capital	52,673.81		
Total Risk Weighted Assets (RWA)	403,261.20		
Capital to Risk-weighted Asset Ratio (CRAR)	13.06%		

Assumed Increase in Interest Rate	1%	2%	3%
Earnings Impact on Cumulative Gap	697.01	1,394.02	2,091.03
Capital After Shock	53,370.82	54,067.83	54,764.84
CRAR after Shock	13.23%	13.41%	13.58%
Increase in CRAR	0.17%	0.35%	0.52%



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

Market Risk	BDT in Million
Interest Rate Related instruments	11.83
Equities	944.30
Foreign Exchange Position	135.41
Commodities	0.00
Total	1,091.54

 **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	2020	2021	2022	Capital Charge
Solo	Gross Income	23,614.67	26,765.99	30,144.10	4,026.24
Consolidated	Gross Income	24,217.03	28,216.17	31,868.75	4,215.10

 **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.

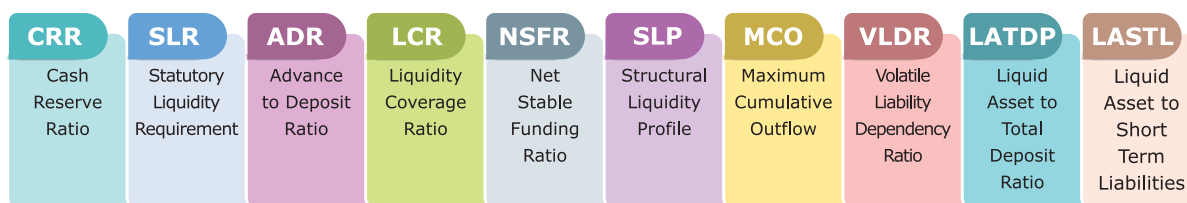
Views of BoD on system to reduce liquidity Risk

United Commercial Bank PLC 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).

$$LCR = \frac{\text{(Stock of High Quality Liquid Assets)}}{\text{(Total net cash outflows over the next 30 calendar days)}}$$

The minimum standard for LCR is greater than or equal to 100. However, the bank's status as on 31 December 2022 in this ratio is as follows:

(BDT in million)		
Particulars	Regulatory Standard	As on 31 December, 2022
Total Stock of High Quality Liquid Assets		95,645.34
Total Net cash outflows over the next 30 calendar days		91,090.80
Liquidity Coverage Ratio (LCR)	Greater than or equal to 100	105.00%

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, 2022 is as under:

(BDT in million)

Particulars	Regulatory Standard	As on 31 December, 2022
Available amount of stable funding (ASF)		535,127.13
Required amount of stable funding (RSF)		456,113.37
Net Stable Funding Ratio (NSFR)	Greater than 100	117.32%



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. UCB 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 UCB 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
- UCB 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, UCB maintains leverage ratio on quarterly basis. The formula for calculating leverage ratio is as under:

$$\text{Leverage Ratio} = \frac{\text{Tier-1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$$

The status of Leverage Ratio as on 31 December, 2022 is as under:

(BDT in million)

Particulars	Solo Basis	As on 31 December, 2022
		Consolidated Basis
Tier 1 Capital*	36,328.23	35,539.11
On Balance Sheet Exposure*	614,870.11	620,100.20
Off-Balance Sheet Exposure*	117,474.79	117,474.79
Total Deductions	5,831.35	5,841.93
Total Exposure	726,513.55	731,733.06
Leverage Ratio	5.00%	4.86%

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%	5.00%	--	--	--	--
Consolidated Basis	4.89%	4.86%	--	--	--	--



11. Remuneration

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 2022, 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 2022, 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 2022 by overseeing the Banks remuneration position in the Banking industry.

<p>iii. A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.</p>	<p>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.</p>
<p>c) Description of the ways in which current and future risks are taken into account in the remuneration processes.</p>	
<p>i. An overview of the key risks that the bank takes into account when implementing remuneration measures.</p>	<p>The business risk including credit/default risk, compliance, reputational, financial and liquidity risk are mostly considered when implementing the remuneration measures.</p>
<p>ii. An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure.</p>	<p>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.</p>
<p>iii. A discussion of the ways in which these measures affect remuneration.</p>	<p>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.</p>
<p>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.</p>	<p>No material change has been made during the year 2022 that could affect the remuneration.</p>
<p>d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.</p>	
<p>i. An overview of main performance metrics for bank, top-level business lines and individuals.</p>	<p>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.</p>
<p>ii. A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.</p>	<p>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.</p>
<p>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.</p>	<p>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.</p>

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. UCB 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.	
	A summary of Short-term and Long-term compensation packages of the Bank are as follows: Short-Term Incentives / Rewards <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. Long-Term Incentives/Rewards <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. Others Form: <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.	The variable remuneration award during the financial year as under: <table border="1" data-bbox="794 1633 1342 1771"> <thead> <tr> <th>Particulars</th> <th>BDT in Million</th> </tr> </thead> <tbody> <tr> <td>Incentive Bonus</td> <td>821.40</td> </tr> <tr> <td>Ex-gratia</td> <td>66.00</td> </tr> <tr> <td>Total</td> <td>887.40</td> </tr> </tbody> </table>	Particulars	BDT in Million	Incentive Bonus	821.40	Ex-gratia	66.00	Total	887.40
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Ex-gratia	66.00									
Total	887.40									
	ii. Number and total amount of guaranteed bonuses awarded during the financial year.	Number of total festival bonus: 02 Total amount of festival bonus as under: <table border="1" data-bbox="794 1858 1342 1993"> <thead> <tr> <th>Particulars</th> <th>BDT in Million</th> </tr> </thead> <tbody> <tr> <td>Festival Bonus</td> <td>526.80</td> </tr> <tr> <td>Ex-gratia</td> <td>62.90</td> </tr> <tr> <td>Total</td> <td>589.70</td> </tr> </tbody> </table>	Particulars	BDT in Million	Festival Bonus	526.80	Ex-gratia	62.90	Total	589.70
Particulars	BDT in Million									
Festival Bonus	526.80									
Ex-gratia	62.90									
Total	589.70									

	iii. Number and total amount of sign-on awards made during the financial year.																	
	iv. Number and total amount of severance payments made during the financial year.	Number of severance payments: 285 Total amount of severance payments: BDT. 1,252.90 Million (Provident fund, gratuity fund, retirement benefit and leave encashment)																
i)	i. Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	No deferred remuneration was paid out in the financial year of 2022																
	ii. Total amount of deferred remuneration paid out in the financial year.																	
	Breakdown of amount of remuneration awards for the financial year to show: <ul style="list-style-type: none"> - fixed and variable. - deferred and non-deferred. - different forms used (cash, shares and share linked instruments, other forms). 	Breakdown of Remuneration for the year-2022 is as under: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: right;">BDT in Million</th> </tr> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">Amount</th> </tr> </thead> <tbody> <tr> <td>Basic salary</td> <td style="text-align: right;">3,226.43</td> </tr> <tr> <td>Allowances</td> <td style="text-align: right;">1,439.24</td> </tr> <tr> <td>Bonus</td> <td style="text-align: right;">1,654.53</td> </tr> <tr> <td>Provident fund contribution</td> <td style="text-align: right;">378.50</td> </tr> <tr> <td>Gratuity</td> <td style="text-align: right;">960.00</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">7,658.70</td> </tr> </tbody> </table>	BDT in Million		Particulars	Amount	Basic salary	3,226.43	Allowances	1,439.24	Bonus	1,654.53	Provident fund contribution	378.50	Gratuity	960.00	Total	7,658.70
BDT in Million																		
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Basic salary	3,226.43																	
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Bonus	1,654.53																	
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Gratuity	960.00																	
Total	7,658.70																	
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.																		
	i. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	No amount is outstanding of deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.																
	ii. Total amount of reductions during the financial year due to ex post explicit adjustments.	There were no reductions during the financial year 2022 due to ex post explicit adjustments																
	iii. Total amount of reductions during the financial year due to ex post implicit adjustments.	There were no reductions during the financial year 2022 due to ex post implicit adjustments																



REPORT ON
**SUSTAINABLE
FINANCE**



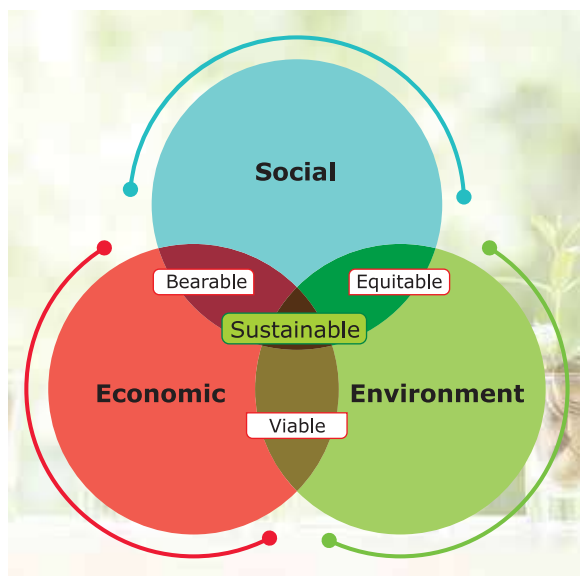
Sustainable Finance Steps to Sustainable Development

Sustainability has come into the fore of the financial sector as banks and financial institutions are confronting with mounting pressure to extend financing into more resilient and sustainable businesses rather than traditional businesses that are mostly accountable for the pollution of the environment. As such, there is growing recognition that traditional financing models are not sufficient to address these challenges. This has given rise to the concepts of green financing and sustainable finance. Extending credit in sustainable business may also protect the portfolio of the Bank from the effects of the climate change and global warming.

Importance of Sustainable Finance

Sustainable finance is a concept that emerged in response to the growing recognition that traditional financial practices may not be sustainable in the long run. It integrates environmental, social, and governance (ESG) factors into financial decision-making processes, taking into account the impact of investments on the planet, people, and prosperity.

Sustainable finance is important for several reasons. First, it helps to ensure the long-term financial stability of institutions and markets. By taking into account ESG factors, investors can better identify potential risks and opportunities that may impact the value of their investments over time.



Second, sustainable finance fosters the transition to a more sustainable and equitable global economy. It directs capital towards environmentally sustainable and socially responsible projects, such as renewable energy, sustainable agriculture, and affordable housing, among others.

Third, sustainable finance provides an opportunity for investors to align their investments with their values and priorities. By incorporating ESG factors into investment decision-making, investors can support companies and initiatives that promote positive social and environmental outcomes, while avoiding those that do not.

Role of Banks in Promoting Sustainable Finance

The role of the financial sectors in promoting sustainable finance and green financing has become increasingly important in recent years. Banks and the Financial sectors are in intense pressure to adopt ESG principles – Environmental, Social and Governance – and demonstrate a commitment to the transition to a more sustainable economy. By doing so, they are not only promoting positive environmental and social outcomes, but also ensuring the long-term financial sustainability of their operations.

Hence, Banks can play a pivotal role in promoting financing for the preservation and protection of environment and its eco-system through sustainable finance and green financing. As custodians of capital, they are in a unique position to direct investment towards environmentally and socially sustainable projects. This includes lending to clean energy projects, green buildings and infrastructure, sustainable agriculture, and other sustainable initiatives. Additionally, banks and financial institutions can integrate environmental, social and governance (ESG) factors into their investment decision-making process, ensuring that capital is directed towards businesses that demonstrate responsible practices. By doing so, they can help drive the transition to a more sustainable global economy while still generating financial returns for their investors.

Commitment of United Commercial Bank PLC

United Commercial Bank PLC is committed to sustainable finance and promoting environmental sustainability. The bank has taken several steps to demonstrate its commitment towards the environment and support the global transition to a more sustainable economy.

The Bank's Risk Management Committee (RMC) of the Board is the apex body to review the Sustainable Finance activities of the Bank. The Board of the Bank also have the active participation in approving eligible Green Finance and Sustainable Finance related credit facilities. At Management level, a highly skilled Sustainable Finance Committee (SFC), comprising Heads of relevant Divisional/Portfolio Heads, guides the implementation wing – the Sustainable Finance Unit (SFU).

UCB PLC has an Environmental and Social Risk Management (ESRM) Policy which outlines the bank's approach to identifying, assessing, mitigating, and managing environmental and social risks associated with its lending activities. This policy aims to ensure that the bank's lending practices are aligned with sustainable development goals and promotes environmentally sustainable projects and initiatives.

The bank also actively works to promote and funding for energy efficiency and sustainable agriculture projects. UCB PLC is also participatory of several refinancing schemes of Bangladesh Bank designed to support environmentally sustainable initiatives. Furthermore, UCB PLC has adopted several environmentally friendly measures, such as implementing green technology in its banking operations, reducing energy consumption and paper usage.

Sustainable Finance & Green Finance

Sustainable Finance refers to financing activities that integrate ESG factors into investment decision-making processes. This means weighing environmental, social and governance factors alongside traditional financial metrics when evaluating investment opportunities.

Green financing, on the other hand, refers to financing activities that promote environmentally sustainable economic growth. This can take many forms, including funding renewable energy projects, green buildings, and other similar projects.

In-house Initiatives for the Year 2022

United Commercial Bank PLC has been making significant efforts to promote green banking and environment-friendly financing as part of its long-term commitment to the preservation of the planet. UCB has been actively promoting the use of digital technology to reduce paper usage, cut down carbon footprint and promote environmental sustainability.

The Board of Directors of UCB had earlier approved the distribution of internal office memos through digital tablets, thereby reducing the 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. Additionally, Human Resources Management software saves papers and employee hours through implementation and generation of leave management systems, attendance reports, Provident Fund (PF) and fixation reports for all employees of the Bank.

UCB is also focusing on providing digital-based solutions to its customers. The bank has designed several digital platforms like UPAY, Unet, and UCB Express, which can be accessed on smartphones, providing hassle-free banking services to customers. These initiatives aim to bring banking services within the tap of customers' smartphones, promoting digital banking and reducing paper-based transactions.

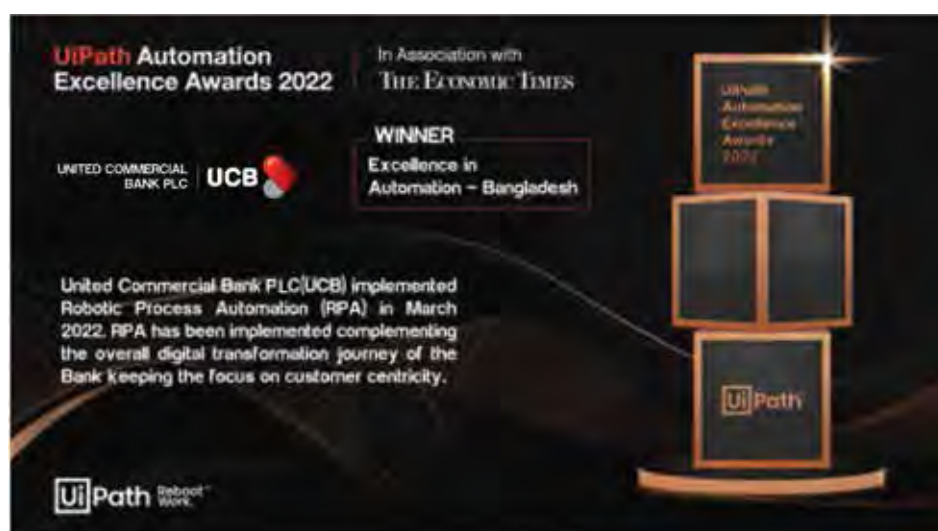
In 2022, the implementation of the following technological aspects within the business processes rolled out in UCB PLC:

Robotic Process Automation (RPA)

United Commercial Bank PLC implemented Robotic Process Automation (RPA), an Artificial Intelligence (AI) based technology of 4th Industrial Revolution. Robotic process automation (RPA) is a software technology that makes it easy to build, deploy, and manage software robots that emulate human actions.

RPA are bots as a Digital Workforce that can interact with any system or application. For example, bots can copy-paste, scrape web data, make calculations, open and move files, parse emails, log into programs, connect to APIs, and extract unstructured data. RPA has been implemented complementing the overall digital transformation journey of the bank in alignment to the slogan of "Digital Bangladesh" and guidelines of Bangladesh Bank.

The Bank was awarded the 'Excellence in Automation – Bangladesh' winner for Bangladesh region during the UiPath Automation Excellence Awards 2022 for the implementation of the RPA system.



Online Collection of Income Tax Return Certificate

Income Tax Return portal is an initiative that allows customers of the Bank to submit their Tax Return Receipt/Certificate through online web-portal (<https://itr.ucb.com.bd/>). This eliminates the need for them to come to the Branch physically and also the need for physical papers. The system is a significant step towards promoting digital banking and reducing the environmental impact of paper-based transactions.

CIB Inquiry

CIB Inquiry is a workflow system that streamlines the inquiry process for CIB data from Bangladesh Bank. Using this system branches can request CIB data without filling or forwarding any physical papers.

Implementation of Change Management through UCB Home

UCB Home is a solution based on Microsoft SharePoint. This application is in use to replace in-office memos and approval requests, reducing the amount of paper significantly.

In essence, UCB's commitment towards green banking and environment-friendly financing has led to the adoption of several innovative and environment-friendly measures. As a banking institution, UCB is offering sustainable finance solutions and promoting environmentally sustainable practices to support the global transition to a more sustainable economy while reducing its carbon footprint as an organization.

Bank's Financing in Sustainable and Green Projects

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.

Annual Status on Sustainable Finance and Green Finance

The Bank fixed 2% and 15% of outstanding and 5% and 20% of disbursement as target on Sustainable Finance and Green Finance respectively. After deducting classified loans, staff loans and credit card from the Bank's December 2021 outstanding; the Green Finance and Sustainable Finance target of the Bank for the year 2022 was fixed at Tk. 756.61 Crore and Tk. 5,674.54 Crore respectively. As on 31 December 2022, outstanding on Green Finance was 2.15% (Tk.814.02 Crore) against the target fixed at 2% (Tk.756.61 Crore); while outstanding on Sustainable Finance stood 17.48% (Tk.6,613.17 Crore) against the regulatory requirement of 15% (Tk. 5,674.58 Crore).

(Fig. in Cr.)

OUTSTANDING	Target 2022		Achieved 2022	
	(in %)	(in figure)	(in %)	(in figure)
Green Finance	2%	756.61	2.15%	814.02
Sustainable Finance	15%	5,674.58	17.48%	6,613.17

Green Finance

Out of 11 categories, the Bank's Green Financing has coverage in the 08 categories with an outstanding of Tk.814.02 Crore at the end of December, 2022. The Bank's disbursement in Green products and initiatives throughout the year 2022 stood 16.69% (Tk.276.57 Crore) against the regulatory requirement of 5% (Tk. 83.37 Crore). [Disbursement target on Green Finance is determined against the Bank's total Term Loan disbursement on each quarter.]

(Fig. in Cr.)

GREEN FINANCING AREAS	Disbursement (During 2022)	Outstanding (as on 31.12.22)
Renewable Energy	0.40	0.40
Energy and Resource Efficiency	142.12	200.30
Liquid Waste Management	-	2.30
Recycling and Manufacturing of Recyclable Goods	14.96	19.88
Environment Friendly Brick production	36.64	105.80

Green / Environment Friendly Establishment	45.57	447.32
Green CMSME	-	0.13
Green Socially Responsible Finance (SRF)	36.88	37.90
TOTAL	276.57	814.02

Sustainable Finance

By the end of the year 2022, Sustainable Finance portfolio, which also includes Green Finance, of the Bank stood at Tk. 6,613.17 Crore. The Bank's disbursement throughout the year 2022 in Sustainable Financing was 19.59% (Tk.4,875.26 Crore) against the target of 20% (Tk. 4,976.37 Crore). [Disbursement target on Sustainable Finance is determined against the Bank's Total Disbursement on each quarter.]

(Fig. in Cr.)

SUSTAINABLE FINANCING AREAS	Disbursement (During 2022)	Outstanding (as on 31.12.22)
Sustainable Agriculture	404.83	593.19
Sustainable CMSME	691.80	1,181.72
Socially Responsible Finance (SRF)	2,131.12	789.00
Green Products/ Projects/ Initiatives	1,316.86	3,098.45
Priority Trading Sectors	54.08	136.78
Green Financing	276.57	814.02
TOTAL	4,875.26	6,613.17

Refinancing Schemes related to Green Finance

The Bank entered into agreement with Bangladesh Bank for participation of Green Financing related refinancing schemes for accelerating the availing of low-cost fund, both for the banks and the customers, with a view to protecting and preserving the environment as well as ensuring the sustained economic development. The Refinancing Schemes for Green Financing are as under:

1. Green Transformation Fund (GTF) in Foreign Currency
2. Technology Development/Up-gradation Fund (TDUF)
3. Refinancing Scheme for Green Products/ Projects/ Initiatives

The Bank received refinancing of Tk.91.24 Crore in 2022 under Green Transformation Fund (GTF) in Foreign Currency refinancing scheme of Bangladesh Bank.

Incorporation of Environment & Social Risk in Customer Relationship Management (CRM)

For fortifying the financing portfolio of the Bank along with protection and preservation of the environment, the Bank has started implementing Environmental and Social Risk Management (ESRM) guidelines, the latest version being issued in June, 2022 by Bangladesh Bank. As per the guidelines, Environmental and Social Due Diligence (ESDD) checklist has to be conducted for the eligible customers of the Bank generating an Environmental and Social Risk Rating (ESRR) to facilitate the competent approval authority for approval decision based on the Environmental and Social (E&S) risk assessment and applicable mitigation measures of the customers.

Status of Dedicated Sustainable Finance Help Desks (DSFHD)

For acceleration of the activities of Green Financing and Sustainable Financing, the Bank established 50 "Dedicated Sustainable Finance Help Desks" in potential rural and urban branches. The primary responsibility of the Help Desks is to ensure one-stop service in fastest time on priority basis for activities like providing advice and processing credit facilities on Sustainable Finance and Green Finance.

Budget for Green Finance, Sustainable Finance, and Climate Risk Fund (CRF)

The Bank's Risk Management Committee (RMC) of the Board approved the annual budget of Tk. 600.00 Crore and Tk. 2.00 Crore for Green Finance and Climate Risk Fund (CRF) respectively for the year 2022. At present, the Bank's green financing outstanding stands at Tk. 814.02 Crore as on 31 December, 2022; while contribution to the Climate Risk Fund was Tk. 10.00 Crore disbursed to alleviate the adverse impact of the inundation at Haor region of Sylhet in June 2022.

Training on Green Finance & Sustainable Finance

Two training sessions titled “Necessity of Green Banking” and “ESRM guidelines” are being conducted on every quarter. Since July 2022, the Sustainable Finance Unit (SFU) has arranged several sessions on “Revised ESRM guidelines of Bangladesh Bank, 2022”; 112 personnel participated from SME, Credit Risk Management, Corporate and RMG. Nominated officials of the Dedicated Sustainable Finance Help Desk were also trained on the above issues, along with Green Finance.

Particulars	2021	2022
Training Program organized	15	29
Number of Employees trained	458	906
Number of Customers trained	-	12

Overall, UCB PLC's commitment to sustainable finance and environmental sustainability is a significant step towards supporting the transition to a more sustainable economy. By actively promoting sustainable projects and initiatives and adopting environmentally friendly practices, UCB PLC is demonstrating its dedication towards preserving the planet, protecting biodiversity and mitigating the impact of climate change.



REPORT ON
**CORPORATE
SOCIAL
RESPONSIBILITY**

REPORT ON CORPORATE SOCIAL RESPONSIBILITY



Corporate Social Responsibility (CSR) is an important aspect of any organization's operations. As a financial institution, United Commercial Bank PLC has a responsibility to the communities it serves, as well as to the environment and the economy. This CSR report highlights the bank's initiatives and accomplishments over the previous year. 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 country. UCB also recognizes the impact that its operations have on the environment and is committed to minimizing that impact. We understand the importance of ethical business practices. UCB has a strict code of conduct and ethics policy that all employees must adhere to. The bank also conducts regular training sessions to ensure that all employees are aware of their ethical responsibilities.

We at United Commercial Bank PLC are keen on adopting and supporting initiatives, activities and programs that deliver a positive and sustainable impact on our communities and which have become an integral part of our CSR strategy. Accordingly, our role has not been limited to merely supporting said

initiatives, but we have become partners in social, charitable and philanthropic endeavours.

In the year 2022, our total expenditure in CSR was an amount of BDT 193.40 Million. The detailed of the CSR activities comes as follows:

Education

UCB PLC has long been practising CSR in Education sector through different initiatives. UCB believes to contribute in numerous forms of educational assistance 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 fees to certain schools and educational institutions as well.

During 2022, we spent a total of BDT 5.56 Million as CSR expense in the education sector. Among the large number of projects, some, worth mentioning are donation to Aunkur Society Girls High School, Upalabdi working for education & safe shelter for poor girls, Prime Minister Shikkha Shohayota Trust, Dalal Bazar Balika Uchcha Biddyaloy and many more.



Health

UCB has been contributing by donating different health care institutions and assistance to health related issues. 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 27.06 Million during 2022 as expenditure in the health sector under CSR projects. Some notable projects include Financial Assistance to Chattogram Maa O Shishu Hospital, National Institute of traumatology and orthopaedic rehabilitation [NITOR], National Institute of Cardiovascular Diseases (NICVD) for treatment of helpless & poor paediatric heart patients and assistance to many poor individual patients as well.

Disaster Management

Disaster management has become one of the most discussed issue in contemporary world due to alarming scenario of global warming and climate change. 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 2022, almost an amount of BDT 150.41 Million has been contributed in Disaster Management Sector. Some of the contributions are donation to Prime Minister Relief Fund for flood affected people, donation of blankets to cold affected people etc.



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 2022, contribution in the sector of Art & Culture amounted to BDT 10.35 Million. Some notable projects are donation for the construction of Bir Muktijoddha Akhtaruzzaman Chowdhury Chattar, Chattogram; donation to Joy Bangla Utsab organized by Bangladesh Association of Banks, Financial Assistance to Art Bangla Foundation for 4th International Art Festival 2022 Mymensingh 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 2022, our CSR expenditure in Sports sector is BDT 0.02 Million.

In conclusion, United Commercial Bank PLC is committed to CSR and has implemented several initiatives to support this. The bank recognizes that CSR is not just a corporate responsibility, but also a way to create a positive impact on the communities it serves, the environment, and the economy. UCB PLC will continue to implement CSR initiatives and promote ethical and sustainable business practices.





REPORT ON
**UCB TAQWA
ISLAMIC
BANKING**

Report on UCB Taqwa-Islamic Banking



In the name of Allah, The Most Gracious and The Most Merciful

1. Introducing UCB Taqwa-Islamic Banking

The natives' daily money requirements are determined by their adherence to Islamic doctrine and Shariah's guiding principles. With the help of a wide variety of Shariah-compliant Personal and Corporate Banking products and services, UCB Taqwa, a Shariah-compliant Islamic Banking service, was launched in response to the ever-increasing demand for a modern Shariah-compliant banking system. A banking system based on Shariah principles of 'interest-free' and 'equity-based' has proved its significance in Bangladesh's banking sector and economy 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. Although the Year 2022 was a challenging year for the economy, the Islamic Banking country deposits reached at BDT 4,099 billion as of Dec 2022 with a growth of 4.28% compared to 20.24% growth in the previous year. Investment also reached at BDT 4,052 billion with a growth of 14.64% compared to the 20.18% growth of last year.

United Commercial Bank PLC. started its journey of Islamic banking with 10 Window branches in the year 2020 with the brand name "UCB Taqwa". In the year 2021, a dedicated UCB Taqwa - Islamic Banking Branch has also been inaugurated in Gulshan with a vision to strengthen the presence of Islamic Banking.

2. Key Strengths of UCB Islamic Banking

a) Income Sharing Ratio (ISR) for Mudaraba Accounts

UCB Taqwa – Islamic Banking declares Income Sharing Ratio (ISR) between Bank and Customer, which is applicable on all Mudaraba-based accounts and Term Deposits as well as schemes. UCB TAQWA profit-bearing accounts are operated under Shariah Mode "Mudaraba" which is a partnership business contract between Bank & Customer. The customer provides capital (Shaheb Al Maal) and Bank manages the business (Mudarib). Income generated is distributed between partners as per the agreed Income Sharing

Ratio (ISR). It is pertinent to mention here that UCB TAQWA does not offer any provisional rate for any type of Mudaraba Deposit Account. The Profit Rate is determined every month according to the Income Sharing Ratio (ISR) between Bank and Customer and Income from investment.

b) Value-Added Services to Customers

UCB Taqwa Islamic Banking is committed to offering superior service to its customers. From the very beginning, customers can transact and avail of Islamic Banking services from any branch of the Bank with a real-time online banking platform. We also brought the convenience of UCB Internet Banking (UNET) to our Islamic customers through which customers can get account information, transfer funds within and outside UCB, and pay utility bills using the mobile app. (upay). We have also introduced Visa Debit Card, Prepaid Card for Corporate Salary Account Holders, and SMS Alert after transactions.

3. Highlights of the Year 2022

Key achievements

Despite sluggish market growth, UCB Taqwa achieved phenomenon growth last year:

- a) Deposit book stood at **BDT 1053.65** Crore with a growth of **261%** from last year

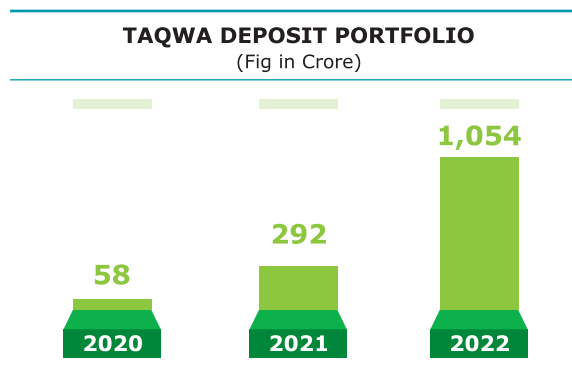


Figure: Year-to-year deposit growth

- b) Investment book stood at **BDT 734.89** Crore with a growth of **912%** from last year

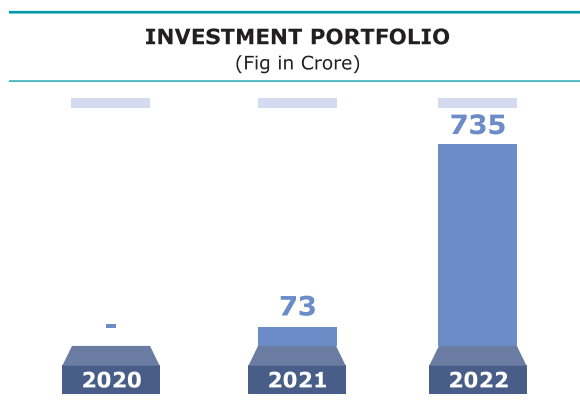


Figure: Year-to-year investment growth

- a) Profit before the provision was recorded as **BDT 23.05** Crore as of 31st Dec, 2022

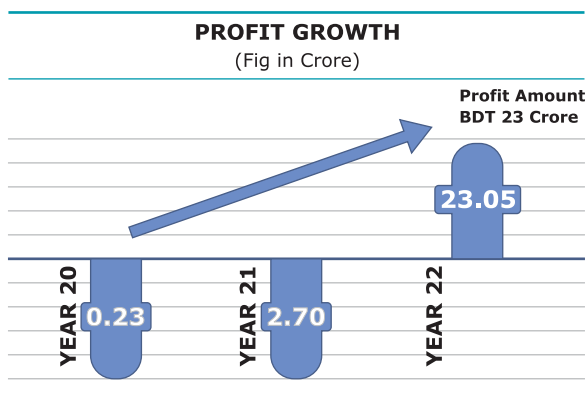


Figure: Year-to-year Profit

4. Key Initiative of the Year 2022

a) Inclusion of Agent Banking under the UCB Taqwa network

To serve customers from the agent banking point we have integrated the agent banking software with Islamic banking core software this year. After enabling the facility, a huge response was received from customers and agents. Total BDT 118.37 Crore deposit booked in 13,113 accounts through Agent Banking.

b) Customer Awareness Program

As part of our Islamic Banking awareness-building program, we took initiatives to meet customers at 21 branches and exchanged views with more than 500 existing and prospective clients;

c) Knowledge Building Program

Training is a continuous process and we engaged employees of 82 branches this year in classroom sessions on Islamic Banking. More than 300 staff have been trained on Islamic Banking products and operations.

5. UCB Taqwa Deposit and Investment Products

We have a wide range of deposit and financing schemes based on Shariah-approved modes 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.

List of Available Deposit Products

1. UCB Taqwa Al-Wadia Current Account
2. UCB Taqwa Al-Wadia FC Account
3. UCB Taqwa Mudaraba Savings
4. UCB Taqwa Probashi Savings Account
5. UCB Taqwa Mudaraba Short Notice Deposit
6. UCB Taqwa Mudaraba Term Deposits (3 months to 3 Years)
7. UCB Taqwa Mudaraba CEP Savings Account

List of Available Investment Products Retails

- UCB Taqwa Personal Finance
- UCB Taqwa Auto Finance
- UCB Taqwa Home Finance
- UCB Taqwa Local Purchase (Working Capital)
- UCB Taqwa Salam Packing Finance (RMG)
- UCB Taqwa Salam Working Capital
- UCB Taqwa Musharaka Local Bill Finance
- UCB Taqwa Bai-As-Sorf Foreign Bill Finance
- UCB Taqwa Term Finance
- UCB Taqwa EDF Finance

New Products in 2022

- a) Retails Deposit Products
 - UCB Taqwa CEP Mudaraba Savings Account
 - UCB Taqwa Prepaid Payroll Card
 - UCB Taqwa Mudaraba DPS Account
- b) SME & Corporate Deposit Products
 - UCB Taqwa Al- Wadiah Freedom
 - UCB Taqwa Mudaraba SND Plus Account
 - UCB Taqwa Mudaraba TD Plus Account

6. Report Of Shariah Supervisory Committee

1. Formation of the Shariah Supervisory Committee

Shariah Supervisory Committee (SSC) has been formed under the direct supervision of the Board of Directors of United Commercial Bank PLC. and in compliance with the Islamic Banking guideline of Bangladesh Bank. To uphold Shariah values and ensure strict Shariah Compliance UCB has 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).

2. Introducing the Members of the Shariah Supervisory Committee:

Shariah Supervisory Committee



Bazal Ahmed
Chairman



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

3. Role of the Shariah Supervisory Committee

- To perform and guide the Bank in accordance with the instruction given by Bangladesh Bank;
- To advise the Board, and Management including the Bank's subsidiaries, and provide input to the Bank on Shariah matters to comply with Shariah principles;
- To endorse Shariah policies and procedures prepared by the Bank;
- To ensure the quality and consistency of the Shariah decisions;
- To provide Shariah advisory and consultancy services in all matters relating to Bank's products, transactions, and activities as well as other businesses involving the Bank;
- To provide written Shariah opinions in circumstances where the Bank submits applications to the Bank for new product approval.

4. Meeting and attendance of the Members of the Committee

Name	Present	Absent	Remarks
Bazal Ahmed	4	0	-
Arif Quadri	2	2	-
Prof. Dr. A.F.M Akbar Hossain	4	0	-
Prof. Dr. Mohammad Abdur Rashid	3	1	-
Prof. Dr. K M Saiful Islam Khan	4	0	-
Dr. Mohammed Nasir Uddin (Azhary)	4	0	-
Dr. Mohammad Manjurur Rahman	4	0	-

5. Major Issues Reviewed by the Shariah Supervisory Committee in 2022

During the year 2022, the Committee met in 4 (four) meetings and gave its opinion on various Shariah-related issues placed before it by the Management. The issues are as followings:

- The Committee reviewed the principles and the contracts relating to the transactions and applications introduced by the Bank's Islamic Banking Division during the period from 1st January 2022 to 31st December 2022.
- The contracts, transactions, and dealings entered into by the Bank during the year ended on 31st December 2022 were reviewed in compliance with the Shariah rules and principles;

- c) Distribution of profit to the Mudaraba Depositors conforms to the basis that had been approved in accordance with the Shariah rules and principles;
 - d) Review the performance of the Islamic Banking business on a quarterly basis;
 - e) Advise taking effective steps aiming at creating awareness among the employees and the customers about Shariah compliance;
 - f) Reviewed the Shariah Audit Report presented by the Muraquib;
 - g) Provided opinions and endorsements regarding new products and schemes.
- Management, and Islamic Banking Division for their co-operation while performing their duties and responsibilities.

On behalf of the Committee



Bazal Ahmed
Chairman
Shariah Supervisory Committee

6. Acknowledgment

The Shariah Supervisory Committee expressed its gratitude and thanks to the Bank's Board of Directors,

A SUCCESS STORY OF UCB IN SERVICE QUALITY



The banking industry in Bangladesh has become increasingly integrated in recent years. Rapid technological advancement and improved communication systems, have contributed to the integration process for which banks are now facing very high and intense competition.

Hence, customer satisfaction, maintaining quality and retention have become the most important factor for all the Banks, be it large or small, global or local. Therefore, Service Quality in banking is one of the most important ways to keep customers smiling. It includes responding to customers - questions and feedback in a thorough & timely manner and interacting with customers through face-to-face meetings, over telephone, mailer and email.

Improving the Service Quality is the best way to differentiate ourselves from the competition and improve the financial performance for our bank.

In today's highly competitive banking industry, the quality of services is an essential element for enhancing customer experience, customer satisfaction, and customer loyalty. These are important factors in improving the performance of banks and in determining their success, i.e. better profitability and a bigger market share. And this service quality consists in how well managing the experience of a customer, the service can meet or exceed customer expectations through a methodology designed to identify the gaps between what customers expected from.

In the light of above, Management of the bank has established Service Quality Department (SQD) in 14th October '2018 focusing initially on Four (4) Pillars along with responsibilities –

- 1) Service Begins with Culture** - The foundation of everything we do in customer service begins with our culture. UCB considers culture as respect for customers and this must be maintained at all levels. Customers should be considered as partners in the success of the business to grow further.
- 2) Listen to Customers** - Organizations on all levels must listen to their customers.

Customers are the ones using our product. Their feedback is a rich source of information on how to improve our product or service and the way it is experienced. Surveys to measure Net Promoter Score or Customer Satisfaction that include a place for customer comments can be great tools to get this feedback from customers.

- 3) Hiring The Right People** - Hiring process must continue to improve to ensure quality staff people who are wonderful with customers, champions of our service standards and easily teachable.
- 4) Emphasizing on Training** - The message that is conveyed to customers must be consistent and the ability of frontline agents to resolve customer issues should be smart and fast enough to ensure comfort to the customers. These are possible through improved and effective training. Training at our Bank is becoming a collaborative effort where we talk about what's working and what isn't working.

And also formed this Service Quality Department in line with "Guideline for Customer Services And Complaint Management June 2014" circulated by the Bangladesh Bank Financial Integrity & Customer Services Department (Customer Service Division) vide FICSD Circular No. 02/2014 dated 20th October '2014

And furthermore, begin with a VISION –

To enable customer delivery touch-points and concerned service delivery units to provide outstanding quality of service to our valued customers for making United Commercial Bank PLC a top service exemplary brand in banking industry and also be a catalyst in establishing a customer centric culture across the bank.

Core Functions of Service Quality Department (SQD)



SQD Initiatives Taken So Far

Since Inception, SQD is enormously working hard and taking different initiatives time to time for the improvement of Customer Experience and Customer Satisfaction.

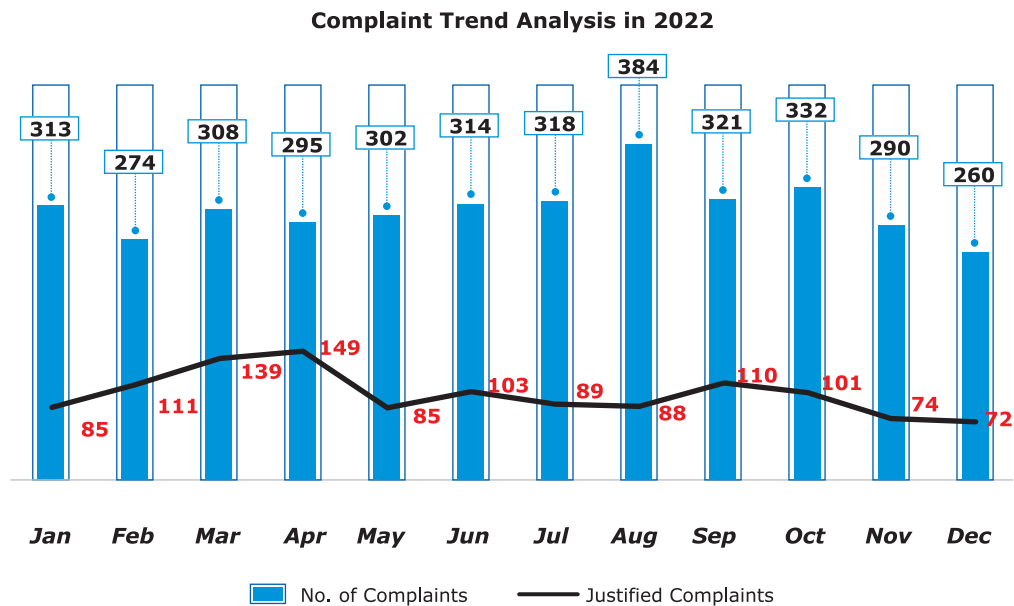
1. Customer Convenience at Touch Points –
 - a. Direct Complaint Phone (Unique in Industry)
 - b. Enhancement of Cash Limit for Cash Officers
 - c. Update Information through Digital Display TVs (91 Branches)
 - d. Credit Card Service Request Form
 - e. Floor Manger (Corporate Branches Only)
2. Latest Updates to Customers
 - a. Customer's Charter Digital Display (Initiative of 2023)
 - b. Bank Notes (Initiative of 2023)
 - c. Products Information
3. Smooth Handling of Complaints –
 - a. Zonal Complaint Management Cell
 - b. Stop Sending SMS/Alert to Non-Customers
 - c. Software introduction (iUCB)
 - d. E-mail & SMS Acknowledgement for Complaint & Service Request
 - e. Appreciation Letter & Thank You Card (Upcoming)
 - f. Service Level Agreements (Intra Department - Upcoming)
 - g. Automation of Complaint Management System (MIS - Upcoming)
 - h. Implement Account Activation TAT (Upcoming)
 - i. Sort out the unused cards (Upcoming)
 - j. Rewards Point Redemption through Cash/Adjustment of Bills (Upcoming)
4. Make Accountable to Touch Point Staffs
 - a. Inclusion SQ KPI for Branches
 - b. Fixation of SQ 20% KPI weightage for Branches
 - c. Examination for all Staffs (Upcoming)
5. Awareness for Regular Improvement of Front Line Staff
 - a. Monthly Service Quality Dashboard to All Employees
 - b. Service Awareness Bulletin to All Staffs
 - c. Service Excellence Recognition Award Program
 - d. Customer Service Master Class Physical Training for Branch Staffs through LDC
 - e. Do's & Don't Audio Video Visual (Upcoming)
 - f. Monthly Knowledge Bank (Upcoming)
 - g. E-Learning for Branch Officials (Upcoming)
6. Branch Performance Monitoring
 - a. Mystery Shopping by SQD
 - b. Mystery Shopping by Independent Body
 - c. Customer Satisfaction Survey (NPS)

Complaint Management

Generally, complaints are coming in different sources and SQD is responsible to handle all the complaints lodged from any sources depicted below -

- a) Telephone (Call Center-16419 & UCB Staffs)
- b) Branch Direct Telephone Line (Forwarded to SQ instantly & unique in Industry)
- c) Direct Telephone Call to SQD Officials in Head Office (IP number available in Website)
- d) Complaint Handling iUCB Intranet Web Portal (Employees)
- e) E-mail (Direct – complaint@ucb.com.bd & sq@ucb.com.bd and Employees)
- f) Written Hard Copy Letter (Direct - Customers & Employees)
- g) Bangladesh Bank (Complaint Cell) through E-mail or Hard Copy Letter
- h) Through Website - (Form Fill Up)
- i) Through Social Media {From United Commercial Bank (UCB) Page}

Below table shows the 2022 complaint trend down flow even after introduction of new touch points (branches / sub-branches / outlets) has been increased.



Since SQD operations started, the complaints were high and by taking different initiatives from the root cause analysis, the proven complaints are reducing day by day. Followings are the implemented initiatives so far taken from SQD to reduce the similar issues from customers –

- 01 **Introducing of Credit Card Service Request Form**
- 02 **Introduce Floor Supervisor in Selected Corporate Branches**
- 03 **Enhancement of Cash Limit for Cash Officers**
- 04 **Decrease TAT of On-Us ATM/CRM Transaction Dispute**
- 05 **Implement Stop Sending Process for SMS to non-customers**
- 06 **Introduce Training on Do's & Don't for all Branches front line staffs with new joiners**

However, SQD is also in process to take below initiatives in the coming days. These are –

- 1) Initiation of E-Learning Portal to promote greater awareness to cover all branch staffs soon
- 2) Implementation of end-to-end TAT monitoring that will ensure timely service delivery at all the channels
- 3) Immediate Corrective Actions against the findings of Mystery Shopping & NPS for the Branches

Training & Coaching of Branch Officials

To perform the tasks individually, skill set is essential which is a combination of abilities, qualities and experiences that requires training and coaching all through the year to provide one stop service which will enhance better customer experience. So far, below training was conducted by SQD in the year 2022 –

Training Name	Number of Participants
Customer Centricity–14 Nos.	834
BDE Skill Development–2 Nos.	112
Regional Training–10 Nos.	454
Total	1,400

The following topics were covered while conducting the above trainings –

Customer Centricity

- Creating an organization wise customer centric or customer focused culture
- Strategies to serve customers better
- Creating customer delight
- Managing customer expectations
- Lodging complaint in iUCB

BDE Skill Development

- Review Sub-Branch complaint issues
- Strategies to serve customers better and reduce complaints

Regional Training

- Why customer experience matters?
- The impact of bad customer experience
- Building rapport with customers and managing customer expectations
- Service Quality vs Service Recovery
- Review of regional complaints and discuss strategies on how to reduce/eliminate these complaints
- The purpose of Service Quality

We are hopeful to conduct similar trainings covering 50% front line staffs in 2023.

Mystery Shopping Management

Mystery shopping is the most world renowned effective measurement scale of service environment of Branch which conducted by service quality officials till mid of 2022 and afterward we have assigned third party to conduct the operation for ensuring following key factors-

- To avoid any conflict of interest or baseness.
- To capture the actual scenario of the Branch from customer’s point of view.
- To measures the real service standard of the Branch from a third eye.
- Evaluate the Branches appropriately.

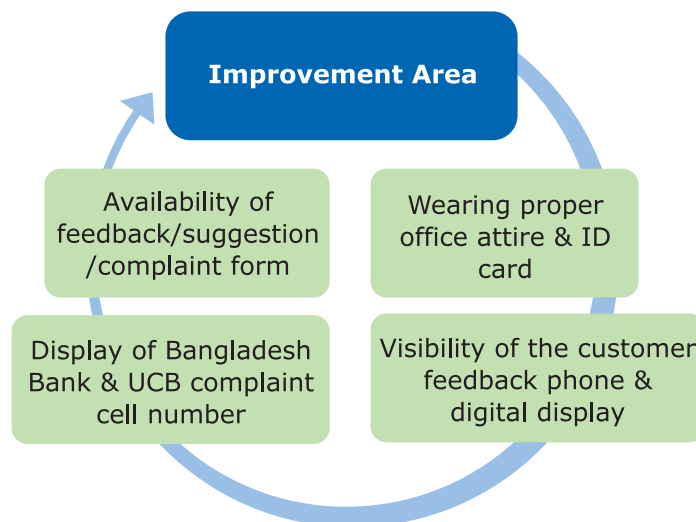
After deploying the third party, we have found following scope of work from Service Quality Department-

- Identified the points where we have still the scope to improve.
- Guided branches individually if any improvement scope identified.
- All of the Branches are now aware about service standard, culture and its impact in the organization.

However, in 2022, the SQD team conducted Mystery Shopping of 31 branches mainly in Dhaka city and its surrounding areas where 18 branches successfully achieve the target and rests has fulfilled the requirement (Threshold - 75 Marks) after identify & share the gaps to related branches.

And the third party has completed mystery shopping for 100 branches (27 branches inside Dhaka and 73 branches outside Dhaka). After completion of the event, 67 branches successfully achieve the target score and others branches comply the requirements after circulating the reports separately to branches. Overall overview is as follows-

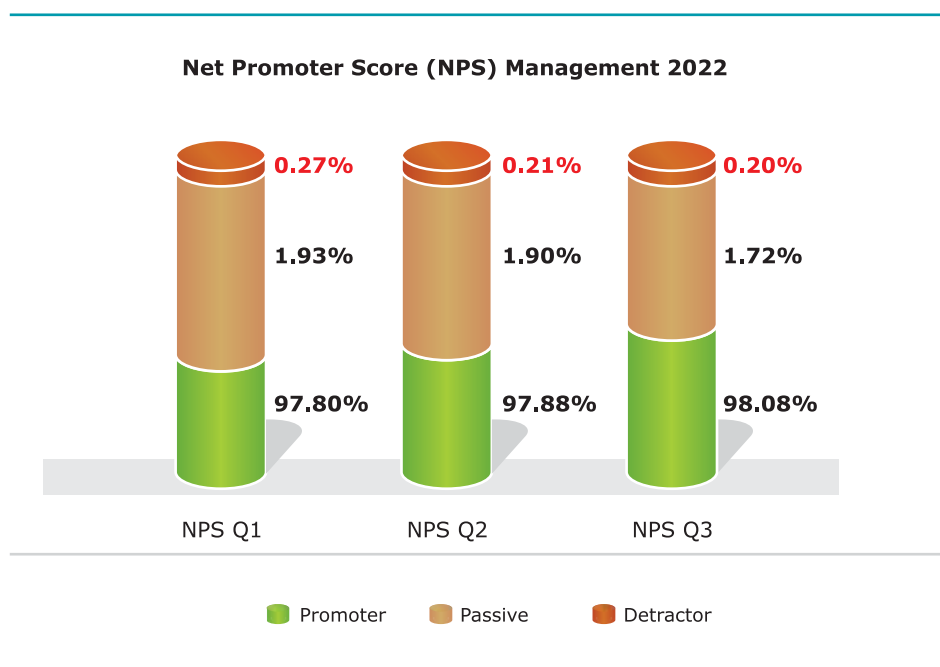




Net Promoter Score (NPS) Management:

Another key parameter to measure the level of customer satisfaction and receive the actual customer's voice regarding the service level in Net Promoter Scores (NPS). Survey are performed on the customers who visited UCB Branches between a specific period and availed cash or any other service related assistance from the branch officials. Based on the results and actual customer voice records, SQD arranges training and feedback session with the respective Branches aiming to improve the service quality standard.

Following bar graph shows the 2022 management of total Net Promoters Scores (NPS).



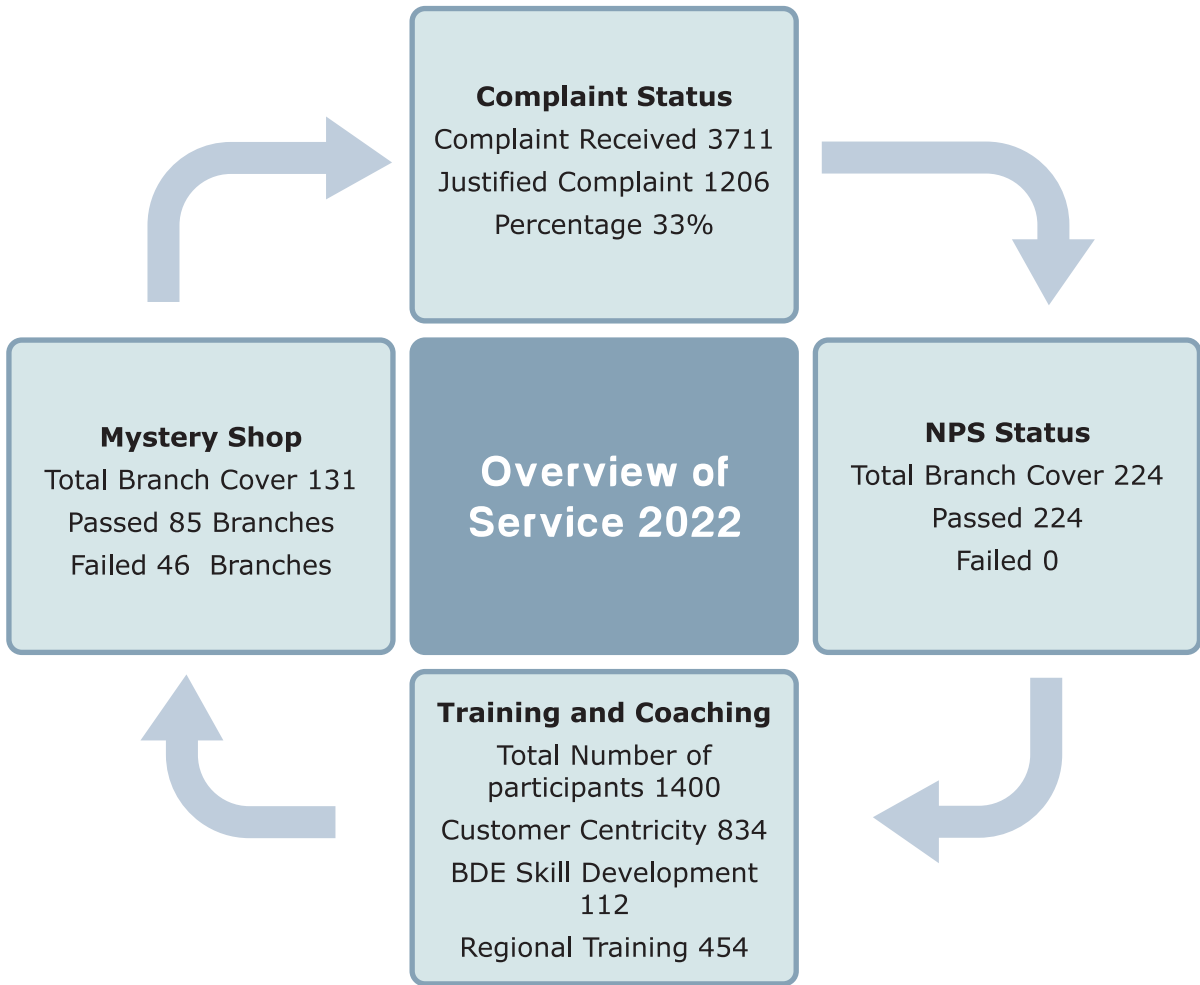
Below please find the 2022 NPS Scores conducted 3 times through third party.

Year 2022	NPS Q1	NPS Q2	NPS Q3
NPS Scores	97.53%	97.67%	97.88%

NPS Scores = Promoter – Detractors

In conclusion, SQD is immensely trying hard to make the service standard high and hopefully will gain customer confidence within 2026.

The overview of the service in the year 2022 -





FINANCIAL STATEMENTS

Independent Auditors' Report

Independent Auditors' Report

To the Shareholders of United Commercial Bank PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of United Commercial Bank PLC and its subsidiaries (the "Group") as well as the separate financial statements of United Commercial Bank PLC (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2022 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

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 financial position of the Group and the separate financial position of the Bank as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note no. 2.1.

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 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), guidelines issued by Bangladesh Bank, and rules and regulations issued by Bangladesh Securities and Exchange Commission (BSEC), 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 judgement, 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. For each matter described below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
1. Measurement of provision for loans and advances	
Refer to note no. 7, 12.1, 12.2 and 35 to the consolidated and separate financial statements	
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business; • Performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time.</p> <p>As at 31 December 2022, the Group and the Bank reported total provision for loans and advances of BDT 19,208 million (December 2021: BDT 16,584 million) and BDT 19,208 million (December 2021: BDT 16,584 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"> • Credit monitoring and provisioning process; • Identification of loss events including early warning indicator and default warning indicators; and • Review of 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 provision requirements; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and • 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	
Refer to note no. 7 and 20 to the consolidated and separate financial statements	
<p>Recognition of interest income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income has involvement of complex IT environment.</p> <p>We have identified recognition of interest income from loans 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 by management to meet specific targets or expectations.</p> <p>At the year ended 2022, the Group and the Bank reported total gross interest income from loans and advances of BDT 31,484 million (January 2021 to December 2021: BDT 27,465 million) and BDT 30,868 million (January 2021 to December 2021: BDT 26,804 million) respectively.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest from loans and advances.</p> <p>We have performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
3. Loans and advances	
Refer to note no. 7 to the consolidated and separate financial statements	
<p>Loans and advances are the main element of financial statements of the Bank. Interest income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loans and advances disbursement requires robust documentation followed by approval from appropriate level of authority.</p> <p>We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loans and advances disbursement procedures and monitoring process of loans and advances.</p> <p>We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances are recorded completely and accurately and that are existed at the reporting date.</p>

Description of key audit matters	Our response to key audit matters
<p>At the year ended 2022, the Group and the Bank reported total gross loans and advances of BDT 474,640 million (December 2021: BDT 408,310 million) and BDT 468,605 million (December 2021: BDT 402,482 million) respectively.</p>	<p>Furthermore, we have assessed the appropriateness of disclosures against Bangladesh Bank guidelines.</p>
<p>4. Impairment assessment of unquoted shares</p>	
<p>Refer to note no. 6b to the consolidated and separate financial statements</p>	
<p>In the absence of quoted price in an active market, the fair value of unquoted shares and securities, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence requires an elevated level of judgement and assumption.</p>	<p>We assessed the process and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process.</p> <p>We have tested a sample of investment valuation as at 31 December 2022 and compared our results to the recorded value.</p>
<p>Due to high level of judgment and assumption involved in evaluating the impairment assessment of unquoted shares, we considered this to be a key audit matter.</p>	<p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>5. Valuation of treasury bills and treasury bonds</p>	
<p>Refer to note no. 6a and 6.1 to the consolidated and separate financial statements</p>	
<p>The classification and measurement of treasury bills (T-Bills) and treasury bonds (T-Bonds) require judgment and complex estimates.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and treasury bonds.</p>
<p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds 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 have obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and treasury bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p>
<p></p>	<p>We have 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>
<p>6. Carrying value of investment in subsidiaries by the Bank</p>	
<p>Refer to note no. 9 and 9.6 to the consolidated and separate financial statements</p>	
<p>The Bank has invested in equity shares of its four subsidiaries namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, and UCB Fintech Company Limited. As at 31 December 2022 the carrying value of these investments is BDT 7,500 million (December 2021: BDT 5,500 million).</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of the subsidiaries in accordance with IAS 36: Impairment of Assets. In addition, as per IAS-27: Separate Financial Statements, when an entity prepares separate financial statements, it shall account for investment in subsidiaries, joint ventures and associates either at cost, as per IFRS-9 and using equity method as per IAS-28. Here, the Bank followed the recognition of investment in subsidiaries at cost.</p>
<p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in the above subsidiaries stated at cost. Further, the subsidiary UCB Fintech Company Limited continuing its operation having retained loss of Taka 2,281 million as at 31 December 2022.</p>	<p>In particular, our discussion with the management was focused on the continued appropriateness of the used model, the key assumption used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. Further, UCB Fintech Company Limited having continuous loss working on a 10 years strategic plan to recover its loss and being a profitable entity.</p>
<p>The Bank is required to perform impairment test of investments in subsidiaries when impairment indication exists. The impairment testing is considered to be a key audit matter due to the</p>	<p></p>

Description of key audit matters	Our response to key audit matters
<p>complexity and judgements required in determining the assumptions to be used to estimate the recoverable amount which is higher of fair value less costs to sell and value in use.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiaries in accordance with IAS 36: Impairment of Assets.</p>	<p>We also checked mathematical accuracy of the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p>
7. Deferred tax assets	
Refer to note no. 9.4 to the consolidated and separate financial statements	
<p>As at 31 December 2022 the Group and the Bank reported net deferred tax assets of BDT 5,470 million (December 2021: BDT 4,226 million) and BDT 5,470 million (December 2021: BDT 4,229 million) respectively.</p> <p>Significant judgment is required in relation to measurement of 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 Bank's key controls over the recognition and measurement of deferred tax assets and the assumptions used in estimating the Group and the Bank's future taxable income.</p> <p>We have assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We have involved tax specialist to assess key assumptions, controls, recognition and measurement of deferred tax assets.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against IAS 12: <i>Income Taxes</i>.</p>
8. Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates 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 estimation 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 and Bank's key controls over the legal provision and contingency processes.</p> <p>We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Group and the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group and the Bank's provisions and contingent liabilities disclosure.</p>
9. IT systems and controls	
<p>Our audit procedures have focused 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 master data management, user access management and developer access to the production environment and</p>	<p>We tested the design and operating effectiveness of the Group and the Bank'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.</p> <p>We tested the Group and the Bank's periodic review of access rights. We also inspected requests of changes</p>

Description of key audit matters	Our response to key audit matters
changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application-based controls.	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. 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.

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 2021 were audited by MABS & J Partners, Chartered Accountants, who expressed an unmodified opinion on those statements on 30 March 2022.

Other Information

Management is responsible for the other information. The other information comprises all of the information but does not include the consolidated and separate financial statements and our auditor's report thereon. The other information 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 consolidated and separate 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 consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to 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 no. 2.1, 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 (as amended up to date) and the Bangladesh Bank regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Group and 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 judgement 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 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 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, 2020, 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 Responsibilities for the Audit of the Consolidated and Separate Financial Statements section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in 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 the Bank;
- (iii) consolidated financial statements of the Bank include 04 (four) subsidiaries, namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited which reflect total assets of BDT 9,972 million, BDT 1,334 million, BDT 1,102 million, BDT 1,666 million respectively as at 31 December 2022 and total revenue of BDT 1,279 million, BDT 123 million, BDT 56 million, BDT 202 million respectively for the year ended 2022.
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

- (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 Group's and the Bank's business for the period;
- (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 explained in notes 2.10.52 and 2.1.1 as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for loans and advances 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 7,112 person hours; and
- (xii) Capital to Risk-weighted Assets Ratio (CRAR) has been maintained adequately during the period based on provisions allowed by Bangladesh Bank against the requirement as explained in notes 12.1 and 13.6.

Dhaka
25 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC No. 2304260787AS109585

United Commercial Bank PLC & its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2022

	Notes	31-Dec-2022 Taka	31-Dec-2021 Taka
PROPERTIES & ASSETS			
Cash	3	30,939,723,526	25,380,748,231
Cash in hand (Including foreign currencies)		9,100,795,455	7,498,609,154
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		21,838,928,071	17,882,139,077
Balance with other banks & financial institutions	4	17,975,933,601	20,633,128,821
In Bangladesh		4,509,386,657	19,568,097,037
Outside Bangladesh		13,466,546,944	1,065,031,784
Money at Call on short notice	5	-	3,200,000,000
Investments	6	79,010,194,462	83,046,995,094
Government		65,222,002,585	73,662,987,344
Others		13,788,191,877	9,384,007,750
Loans and Advances	7	474,639,746,248	408,309,815,648
Loans, Cash Credits, Overdrafts etc		451,148,361,902	381,754,404,170
Bills purchased and discounted		23,491,384,346	26,555,411,478
Fixed assets including premises, furniture and fixture	8	17,026,510,993	17,018,196,481
Other assets	9	13,714,813,337	12,835,963,574
Non-banking assets		-	-
Total Assets		633,306,922,167	570,424,847,849
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	107,039,740,584	89,410,437,395
Deposits and other accounts	11	424,683,416,974	387,023,828,463
Current accounts & other accounts		92,967,521,218	78,346,168,340
Bills Payable		7,016,021,483	8,845,268,369
Savings Bank Deposits		85,798,085,253	80,659,233,376
Fixed Deposits		202,075,933,429	181,860,356,177
Bearer Certificates of Deposits		-	-
Other Deposits		36,825,855,591	37,312,802,201
Other Liabilities	12	61,405,650,473	56,601,754,666
Total Liabilities		593,128,808,031	533,036,020,524
Capital / Shareholders' Equity		40,178,113,962	37,388,827,060
Paid up Capital	13	14,062,366,430	12,783,969,490
Share Premium	13.3	1,454,976,750	1,454,976,750
Statutory Reserve	14	15,764,308,439	14,555,968,681
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,797,068,995	2,631,853,888
Retained Earnings	17	6,072,815,387	5,935,480,290
Non controlling interest		174	265
Total Shareholders' Equity with non-controlling interest		40,178,114,136	37,388,827,325
Total Liabilities and Shareholders' Equity		633,306,922,167	570,424,847,849

	Notes	31-Dec-2022 Taka	31-Dec-2021 Taka
Off Balance Sheet Item			
Contingent Liabilities			
		215,667,677,403	260,413,159,150
Acceptances & Endorsements	18.1	95,629,506,243	110,309,146,988
Letters of Guarantee	18.2	59,964,400,737	57,499,501,948
Irrevocable Letters of Credit	18.3	39,547,144,513	75,222,523,708
Bills for Collection	18.4	20,526,625,910	17,381,986,506
Other Contingent Liabilities		-	-
Other Commitments			
		2,272,080,692	-
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		2,272,080,692	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items		217,939,758,095	260,413,159,150

The annexed notes from 01 to 49 form an integral part of these financial statements.



Managing Director & CEO



Director



Director



Director

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

Dhaka
25 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC No. 2304260787AS109585

United Commercial Bank PLC & its Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
Interest Income	20	32,301,597,460	27,984,761,834
Interest paid on deposits and borrowings etc	21	17,087,467,705	14,166,778,473
Net Interest Income		15,214,129,755	13,817,983,361
Investment income	22	5,814,473,380	5,646,288,161
Commission, exchange and brokerage	23	8,899,008,606	6,466,823,421
Other Operating Income	24	319,785,244	394,237,274
Total Operating Income (A)		30,247,396,985	26,325,332,217
OPERATING EXPENSES			
Salary and allowances	25	8,421,749,115	7,736,214,129
Rent, taxes, insurance, electricity etc.	26	1,667,491,649	1,147,506,346
Legal expenses	27	107,724,456	136,054,009
Postage, stamps, telecommunications etc.	28	241,266,257	191,894,385
Stationery, printing, advertisements etc.	29	1,943,127,626	2,154,980,062
Chief Executive's salary and fees	30	14,098,442	13,450,900
Directors' fees	31	4,331,887	3,339,785
Auditors' fees	32	1,947,500	1,278,500
Depreciation and repair of banks assets	33	2,154,511,753	1,859,159,180
Other expenses	34	4,478,285,856	3,102,257,442
Total Operating Expenses (B)		19,034,534,541	16,346,134,738
Profit before provision (C) = (A-B)		11,212,862,444	9,979,197,479
Provision for Loans & Advances	35	5,515,505,953	4,391,175,429
Provision for diminution in value of investments	36	646,373,322	(244,586,028)
Other provisions	37	(482,028,218)	549,363,208
Total Provision (D)		5,679,851,057	4,695,952,609
Total Profit before Income taxes (C - D)		5,533,011,387	5,283,244,870
Provision for Taxation	38	2,234,364,259	2,776,130,772
Current Tax		3,473,872,045	4,166,078,526
Deferred Tax		(1,239,507,786)	(1,389,947,755)
Net Profit after Taxation		3,298,647,127	2,507,114,098
Appropriations			
Statutory Reserve		1,208,339,758	1,130,980,783
Start-Up Fund		40,240,112	31,771,709
CSR Fund		245,965,311	-
Retained Surplus		1,804,101,947	1,344,361,606
Attributable to:			
Equity holders' of the Bank		1,826,159,153	1,344,361,561
Non controlling interest		(91)	45
		1,826,159,062	1,344,361,606
Earnings Per Share (EPS)	39	2.35	1.78

The annexed notes from 01 to 49 form an integral part of these financial statements.



Managing Director & CEO



Director



Director




Director

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

Dhaka

25 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner

ICAB Enrollment No. 787
DVC No. 2304260787AS109585

United Commercial Bank PLC & its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

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	Retained Earnings	Total Equity
Balance as at 01 January 2022	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	5,935,480,290	37,388,827,325
Surplus on accounts of revaluation of investments	-	-	-	-	-	60,328,018	-	-	-	60,328,018
Currency translation difference (OBU)	-	-	-	-	-	-	-	104,887,088	-	104,887,088
Net Profit for the year	-	-	-	-	-	-	-	-	3,012,441,705	3,012,441,705
Transferred to statutory reserve	-	-	1,208,339,758	-	-	-	-	-	(1,208,339,758)	-
Dividend (Bonus Share Issued)	1,278,396,940	-	-	-	-	-	-	-	(1,278,396,940)	-
Cupon Payment Perpetual Bond	-	-	-	-	-	-	-	-	(388,370,000)	(388,370,000)
Non Controlling Interest	-	-	-	-	-	-	(91)	-	-	91
Balance as at 31 December 2022	14,062,366,430	1,454,976,750	15,764,308,439	26,577,961	2,534,101,559	128,060,537	174	134,906,899	6,072,815,386	40,178,114,134

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	Retained Earnings	Total Equity
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
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)
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	5,935,480,290	37,388,827,325

The annexed notes from 01 to 49 form an integral part of these financial statements.

United Commercial Bank PLC & its Subsidiaries

Consolidated Cash Flow Statement

For the year ended 31 December 2022

Notes	2022 Taka	2021 Taka
A. Cash flows from operating activities		
Interest Receipts in cash	38,346,831,674	33,310,945,884
Interest Payments	(16,806,028,516)	(14,277,952,671)
Dividend Receipts	216,497,814	189,847,793
Fees & Commission Receipts in cash	5,176,708,919	4,871,999,226
Recoveries of loans Previously written off	236,944,194	102,577,518
Cash Payments to employees	(8,657,478,775)	(7,705,298,800)
Cash Payments to suppliers	(5,505,311,332)	(3,527,410,603)
Income taxes paid	(4,638,236,660)	(3,499,325,527)
Receipt from other operating activities	289,055,558	765,093,940
Payment for other operating activities	(4,044,131,737)	(2,987,399,969)
Operating profit before changes in operating asset and liabilities	4,614,851,139	7,243,076,791
Increase/Decrease in operating assets and liabilities		
Statutory Deposits	9,035,522,468	(16,679,987,307)
Purchase/Sales of trading Securities	(647,478,052)	57,866,937
Loans and advances to Customers	(66,327,928,377)	(51,717,458,833)
Other assets	(819,859,606)	383,014,186
Deposit from banks	798,799,900	3,495,509,363
Deposit from customers	36,887,880,866	31,061,611,148
Other Liabilities	(2,173,490,754)	2,461,013,816
	(23,246,553,555)	(30,938,430,690)
Net cash used in operating activities (A)	(18,631,702,416)	(23,695,353,899)
B. Cash flows from investing activities		
Proceeds from Sale of Securities	(1,175,370,413)	(142,500,930)
Purchase/Sale of property, plant & equipment	(1,635,032,727)	(3,495,479,680)
Net cash used in investing activities (B)	(2,810,403,140)	(3,637,980,610)
C. Cash flows from financing activities		
Receipts from borrowings	19,448,179,846	29,642,896,100
Sub-Ordinated Bond	(1,820,000,000)	(3,000,000,000)
Dividends paid	-	(608,760,452)
Net cash flow from financing activities (C)	17,628,179,846	26,034,135,648
D. Net Decrease in Cash and Cash Equivalents (A+B+C)	(3,813,925,710)	(1,299,198,861)
E. Effects of the changes of exchange rate on cash and cash equivalents	3,515,705,784	1,571,481,016
F. Cash and Cash Equivalents at beginning of the year	49,213,877,052	48,941,594,897
G. Cash and Cash Equivalents at the end of the year	48,915,657,127	49,213,877,052
Consolidated Cash and Cash Equivalents at end of the year		
Cash in hand (including foreign currencies)	3.1 9,100,795,455	7,498,609,154
Balance with Bangladesh bank and its agent bank	3.2 21,838,928,071	17,882,139,077
Balance with other banks & financial institution	4 17,975,933,601	20,633,128,821
Money at call on short notice	5 -	3,200,000,000
	48,915,657,127	49,213,877,052

The annexed notes from 01 to 49 form an integral part of these consolidated financial statements.

United Commercial Bank PLC

Balance Sheet

As at 31 December 2022

	Notes	31-Dec-2022 Taka	31-Dec-2021 Taka
PROPERTIES & ASSETS			
Cash	3	30,939,034,586	25,380,179,538
Cash in hand (Including foreign currencies)		9,100,106,515	7,498,040,461
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		21,838,928,071	17,882,139,077
Balance with other banks & financial institutions	4	16,872,052,936	19,409,249,978
In Bangladesh		3,405,505,992	18,344,218,194
Outside Bangladesh		13,466,546,944	1,065,031,784
Money at Call on short notice	5	-	3,200,000,000
Investments	6	76,434,562,205	81,387,609,500
Government		64,706,395,079	73,662,987,344
Others		11,728,167,126	7,724,622,156
Loans and Advances	7	468,605,096,016	402,481,735,743
Loans, Cash Credits, Overdrafts etc		445,113,711,670	375,926,324,265
Bills purchased and discounted		23,491,384,346	26,555,411,478
Fixed assets including premises, furniture and fixture	8	14,579,410,074	14,721,191,566
Other assets	9	20,646,673,379	18,734,245,157
Non-banking assets		-	-
Total Assets		628,076,829,196	565,314,211,482
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	103,891,893,400	85,803,634,252
Deposits and other accounts	11	426,028,440,768	389,900,723,984
Current accounts & other accounts		94,312,545,012	81,223,063,861
Bills Payable		7,016,021,483	8,845,268,369
Savings Bank Deposits		85,798,085,253	80,659,233,376
Fixed Deposits		202,075,933,429	181,860,356,177
Bearer Certificates of Deposits		-	-
Other Deposits		36,825,855,591	37,312,802,201
Other Liabilities	12	57,199,836,761	52,167,845,818
Total Liabilities		587,120,170,929	527,872,204,054
Capital / Shareholders' Equity		40,956,658,267	37,442,007,428
Paid up Capital	13	14,062,366,430	12,783,969,490
Share Premium	13.3	1,454,976,750	1,454,976,750
Statutory Reserve	14	15,730,183,055	14,546,968,923
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,797,068,995	2,631,853,888
Retained Earnings	17	6,885,485,076	5,997,660,416
Total Liabilities and Shareholders' Equity		628,076,829,196	565,314,211,482

	Notes	31-Dec-2022 Taka	31-Dec-2021 Taka
Off Balance Sheet Items			
Contingent Liabilities			
		215,667,677,403	260,413,159,150
Acceptances & Endorsements	18.1	95,629,506,243	110,309,146,988
Letters of Guarantee	18.2	59,964,400,737	57,499,501,948
Irrevocable Letters of Credit	18.3	39,547,144,513	75,222,523,708
Bills for Collection	18.4	20,526,625,910	17,381,986,506
Other Contingent Liabilities			
Other Commitments			
		2,272,080,692	-
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		2,272,080,692	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items		217,939,758,095	260,413,159,150

The annexed notes from 01 to 49 form an integral part of these financial statements.



Managing Director & CEO



Director



Director



Director

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

Dhaka
25 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC No. 2304260787AS109585

United Commercial Bank PLC

Profit and Loss Account

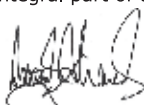
For the year ended 31 December 2022

	Notes	31-Dec-2022 Taka	31-Dec-2021 Taka
Interest Income	20	31,684,836,835	27,323,646,852
Interest paid on deposits and borrowings etc	21	17,010,387,394	13,927,259,014
Net Interest Income		14,674,449,441	13,396,387,838
Investment income	22	5,685,113,776	5,463,607,877
Commission, exchange and brokerage	23	7,899,474,370	5,739,170,575
Other Operating Income	24	263,702,890	220,574,859
Total Operating Income (A)		28,522,740,477	24,819,741,149
OPERATING EXPENSES			
Salary and allowances	25	7,658,696,939	7,166,522,140
Rent, taxes, insurance, electricity etc.	26	1,623,559,944	1,122,448,908
Legal expenses	27	94,587,412	128,654,592
Postage, stamps, telecommunications etc.	28	219,090,942	184,561,969
Stationery, printing, advertisements etc.	29	1,694,262,239	1,249,146,112
Chief Executive's salary and fees	30	14,098,442	13,450,900
Directors' fees	31	3,544,387	2,590,290
Auditors' fees	32	1,725,000	1,150,000
Depreciation and repair of banks assets	33	2,073,607,674	1,822,185,672
Other expenses	34	3,670,796,436	2,945,319,029
Total Operating Expenses (B)		17,053,969,415	14,636,029,612
Profit before provision (C) = (A-B)		11,468,771,062	10,183,711,537
Provision for Loans & Advances	35	5,422,689,930	4,259,894,629
Provision for diminution in value of investments	36	612,038,691	(235,220,899)
Other provisions	37	(482,028,218)	549,132,684
Total Provision (D)		5,552,700,403	4,573,806,414
Total Profit before Income taxes (C - D)		5,916,070,659	5,609,905,123
Provision for Taxation	38	1,892,059,505	2,432,734,220
Current Tax		3,133,378,030	3,823,478,709
Deferred Tax		(1,241,318,525)	(1,390,744,489)
Net Profit after Taxation		4,024,011,154	3,177,170,903
Appropriations			
Statutory Reserve		1,183,214,132	1,121,981,025
Start-Up Fund		40,240,112	31,771,709
CSR Fund		245,965,311	-
Retained Surplus		2,554,591,600	2,023,418,169
		4,024,011,154	3,177,170,903
Earnings Per Share (EPS)	39	2.86	2.26

The annexed notes from 01 to 49 form an integral part of these financial statements.



Managing Director & CEO



Director



Director



Director

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

Dhaka

25 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner

ICAB Enrollment No. 787

DVC No. 2304260787AS109585

United Commercial Bank PLC

Statement of Changes in Equity

For the year ended 31 December 2022

Particulars	Amount in BDT									
	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Foreign Currency translation Gain	Retained Earnings	Total Equity	
Balance as at 01 January 2022	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	
Surplus on accounts of revaluation of investments	-	-	-	-	-	60,328,018	-	-	60,328,018	
Currency translation difference (OBU)	-	-	-	-	-	-	104,887,089	-	104,887,089	
Net Profit for the period	-	-	-	-	-	-	-	3,737,805,732	3,737,805,732	
Transferred to statutory reserve	-	-	1,183,214,132	-	-	-	-	(1,183,214,132)	-	
Dividend (Bonus Share Issued)	1,278,396,940	-	-	-	-	-	-	(1,278,396,940)	-	
Coupon Payment Perpetual Bond	-	-	-	-	-	-	-	(388,370,000)	(388,370,000)	
Balance as at 31 December 2022	14,062,366,430	1,454,976,750	15,730,183,055	26,577,961	2,534,101,559	128,060,537	134,906,900	6,885,485,076	40,956,658,267	

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	Retained Earnings	Total Equity	
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	
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	-	-	-	-	-	-	-	3,145,399,194	3,145,399,194	
Transferred to statutory reserve	-	-	1,121,981,025	-	-	-	-	(1,121,981,025)	-	
Dividend (Bonus Share Issued)	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	

The annexed notes from 01 to 49 form an integral part of these financial statements.

United Commercial Bank PLC

Cash Flow Statement

For the year ended 31 December 2022

Notes	2022 Taka	2021 Taka
A. Cash flows from operating activities		
Interest receipts	37,078,273,890	32,410,109,539
Interest payments	(16,574,786,563)	(14,078,145,160)
Dividend receipt	178,569,508	149,088,539
Fees & Commission receipt	4,383,768,584	4,167,689,559
Recoveries from previously written off advances	236,944,194	102,577,518
Payments to employees	(7,867,795,381)	(7,179,973,040)
Payments to suppliers	(4,192,355,163)	(3,200,235,642)
Payment for Advance Income Tax	(4,392,182,336)	(3,285,957,698)
Receipt from other operating activities	272,883,290	641,746,940
Payment for other activities	(3,962,642,308)	(2,895,277,427)
Operating profit before changes in operating assets and liabilities	5,160,677,714	6,831,623,127
Increase/Decrease in operating assets and liabilities		
Statutory Deposit	9,035,522,468	(16,679,987,307)
Purchase/Sale of trading securities	(390,644,970)	(118,378,810)
Loans and advances to customers	(66,123,360,271)	(50,798,176,340)
Other Assets	(1,900,245,802)	(2,326,620,975)
Deposit from Banks	798,799,900	3,495,509,363
Deposit from customers	35,328,916,884	32,247,232,604
Other liabilities	(1,668,991,486)	2,885,991,733
	(24,920,003,276)	(31,294,429,733)
Net cash used in operating activities (A)	(19,759,325,562)	(24,462,806,605)
B. Cash flows from investing activities		
Purchase/Sale of Securities	(532,900,000)	(10,400,000)
Purchase of Property, Plant & Equipments	(1,490,081,364)	(1,250,599,100)
Net cash used in investing activities (B)	(2,022,981,364)	(1,260,999,100)
C. Cash flows from financing activities		
Receipt from borrowing	19,908,259,148	29,404,508,263
Sub-Ordinated Bond	(1,820,000,000)	(3,000,000,000)
Cash dividend payment	-	(608,760,459)
Net cash flow from financing activities (C)	18,088,259,148	25,795,747,804
D. Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	(3,694,047,778)	71,942,099
E. Effects of the changes of exchange rate on cash and cash equivalents	3,515,705,784	1,571,481,023
F. Cash and Cash Equivalents at beginning of the year	47,989,429,516	46,346,006,394
G. Cash and Cash Equivalents at the end of the year (D+E+F)	47,811,087,522	47,989,429,516
Cash and Cash Equivalents at the end of the year		
Cash in hand (including foreign currencies)	3.1 9,100,106,515	7,498,040,461
Balance with Bangladesh bank and its agent bank	3.2 21,838,928,071	17,882,139,077
Balance with other banks & financial institution	4 16,872,052,936	19,409,249,978
Money at call on short notice	5 -	3,200,000,000
	47,811,087,522	47,989,429,516

The annexed notes from 01 to 49 form an integral part of these financial statements.

United Commercial Bank PLC
Liquidity Statement
Asset and Liability Maturity Analysis
As at 31 December 2022

Amount in BDT

Particulars	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 years	Total
Assets						
Cash in hand	10,760,334,252	-	-	-	20,178,700,334	30,939,034,586
Balance with other banks & financial institutions	14,822,252,936	245,000,000	250,000,000	1,554,800,000	-	16,872,052,936
Money at call on short notice	-	-	-	-	-	-
Investment	1,572,200,000	6,328,600,000	11,049,567,126	14,952,500,000	42,531,695,079	76,434,562,205
Loans and Advances	41,243,899,996	81,423,398,613	102,456,378,970	154,968,392,991	65,021,641,099	445,113,711,670
Bill Purchased & Discounted	8,516,200,000	6,889,600,000	8,085,584,345	-	-	23,491,384,346
Fixed assets including premises, furniture & fixture	190,500,000	381,000,000	1,714,500,000	9,144,000,000	3,149,410,075	14,579,410,074
Other Assets	983,517,498	1,967,034,997	1,117,834,875	9,073,631,623	7,504,654,386	20,646,673,379
Non banking assets	-	-	-	-	-	-
Total Assets (A)	78,088,904,682	97,234,633,610	124,673,865,316	189,693,324,614	138,386,100,973	628,076,829,196
Liabilities						
Borrowing from Bangladesh bank, other banks, financial institutions and agents	17,893,407,146	32,325,988,370	28,447,297,884	14,854,200,000	10,371,000,000	103,891,893,400
Deposits	53,958,456,634	61,979,247,595	79,152,915,299	124,148,643,905	106,789,177,334	426,028,440,768
Provisions and other liabilities	2,249,117,668	3,406,527,068	13,898,003,408	11,270,331,235	26,375,857,382	57,199,836,761
Total Liabilities (B)	74,100,981,449	97,711,763,033	121,498,216,591	150,273,175,140	143,536,034,716	587,120,170,929
Net Liquidity Gap (A-B)	3,987,923,233	(477,129,423)	3,175,648,725	39,420,149,474	(5,149,933,743)	40,956,658,267

United Commercial Bank PLC and its Subsidiaries

Notes to the Financial Statements

As at and for the year ended 31 December 2022

1. The Bank & its activities

1.1 Status of the Bank

United Commercial Bank PLC ('UCB' 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 224 (2021: 215) branches, 141 (2021: 135) sub branches and 663 (2021: 628) ATMs/CRMs and 314 (2021: 177) agent banking outlets as on 31 December 2022. Out of the above 224 branches, 10 branches provided both Islamic Banking and Conventional 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 Nature of Business

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. The Bank also provides a comprehensive range of financial services including treasury management, transaction services, foreign exchange and structured finance to corporate clients, inland and international remittance facility, governments and financial institutions. In 2020, the Bank started to offer Direct Custody and Clearing (DCC) services to its offshore clients.

1.3 Off-shore Banking Unit

Off-shore Banking Unit (the Unit), a separate business unit of United Commercial Bank PLC, 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 314 agent outlets launched around the country till 31 December 2022. 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 PLC. 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.

UCB PLC 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 the 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.

UCB PLC 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

(BSEC/Asset Manager/2020/46) as an Asset Management Company from Bangladesh Securities & Exchange Commission on February 03, 2020. 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 PLC holds 99,999,999 nos. of shares of UCB Asset Management Limited with face value of Taka 10 each which is equivalent to 99.9999990% 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 PLC, 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 PLC holds 299,999,999 nos. of shares of UCB Fintech Company Limited with face value of Taka 10 each which is equivalent to 99.9999996% 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	
		2022	2021	2022	2021	2022	2021
UCB Stock Brokerage Limited	100	25,000,000	25,000,000	24,999,999	24,999,999	99.99%	99.99%
UCB Investment Limited	10	100,000,000	100,000,000	99,999,999	99,999,999	99.99%	99.99%
UCB Asset Management Limited	10	100,000,000	100,000,000	99,999,999	99,999,999	99.99%	99.99%
UCB Fintech Company Limited	10	300,000,000	200,000,000	299,999,999	199,999,999	99.99%	99.99%

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 company is a wholly owned subsidiary of United Commercial Bank PLC (UCB PLC) and has obtained its' licence

1.6.6 UCB Foundation

UCB is a not for profit, non-political, voluntary and charitable Foundation. Environment pollution free through "Go Green Campaign" civil society awareness and other benevolent and CSR activities towards the promotion of the objective of this Foundation. UCB Foundation has been registered under Societies Registration Act, 1860. The registered office of the

Foundation shall be situated at South Breeze, plot #08, Gulshan Avenue, Gulshan-1, Gulshan, Dhaka-1212.

The overall affairs of the Foundation shall be managed by an Executive Committee consisting of at least 9 (nine) members but not more than 19 (nineteen) members including ex-officio Executive members and Executive Secretary, who will be designated as follows:

- i) Chairman
- ii) Treasurer
- iii) Executive Member
- iv) Executive Secretary

2. Summary of significant accounting policies and basis of preparation of the financial statements

2.1 Basis of preparation

Pursuant to Bangladesh Bank circular BRPD Circular No: 02, dated 25 February 2019, these financial statements for the year ended 31 December 2022 comprise the operations of both the Domestic Banking Unit (DBU) and the Offshore Banking Unit (OBU) and the consolidated financial statements of the group as at and for the year ended 31 December 2022 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 2020, Bangladesh Securities and Exchange ordinance 1969, Bangladesh Securities and Exchange Act 1993, Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, Bangladesh Securities And Exchange Commission (Debt Securities) Rules 2021;
- The Income Tax ordinance, 1984 and Income Tax Rules 1984 and amendment thereon;
- The Value Added Tax and Supplementary Duty Act, 2012 and Value Added Tax and Supplementary Duty Rules, 2016 and amendment thereon;

- Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
- Financial Reporting Act, 2015.

In case of any requirement of the Bank Company Act 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank (BB) differing with those of IFRSs, the requirements of the Bank Company Act 1991 (as amended up to date), 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: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the "First Schedule" (section 38) of The Bank Company Act, 1991 (amendment up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

ii. Investment in Equity instrument

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. UCB PLC recognizes investment in shares and securities at cost basis.

iii. Subsequent measurement of Government securities

IFRS: Debt instruments include both bonds and bills. As per requirements of IFRS 9 Financial Instruments, bonds can be categorised as "Amortised Cost (AC)", "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Bonds designated as Amortised Cost are measured at amortised cost method and interest income is recognised through profit and loss account. Any changes in fair value of bonds designated as FVTPL is recognised in profit and loss account while changes in fair value of bonds designated as FVOCI is recognised in other reserve as a part of equity. As per requirements of IFRS 9, bills can be categorised either as "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Any change in fair value of bills is recognised in profit and loss or other reserve as a part of equity respectively.

Bangladesh Bank: As per DOS Circular no. 05 (26 May 2008) and subsequent clarification in DOS Circular no 05 (28 January 2009), Government securities/bills are classified either into Held for Trading (HFT) or Held to Maturity (HTM). HFT securities are revalued on the basis of mark to market and at 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. 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.

v. 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. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020 and circulars issued till 2022, a general provision at 0.25% to 2% under different categories of unclassified loans (standard/SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad/losses loans has to be provided at 5% to 20%, 5% to 50% and 100%, respectively for loans and advances depending on the duration of overdue. Again 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, a general provision at 0% to 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by International Financial Reporting Standards (IFRS) 9: Financial Instruments.

vi. 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.

vii. 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 through BRPD circular no. 14 (25 June 2003) which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include OCI nor are the elements of OCI allowed to be included in a single OCI statement. As such the Bank does not prepare an OCI statement. However elements of OCI, if any, are shown in the statements of changes in equity.

viii. Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 cannot be made in the financial statements.

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) considering the latest BRPD circular letter No. 09 dated 27 May 2019.

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 equivalents in the balance sheet. Money at call and on short notice are presented on the face of the balance sheet while treasury bills, Bangladesh Bank bills, prize bonds are shown as investments. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

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 and BRPD Circular no. 22 dated 20 September 2021, 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: (Cash Reserve Requirement)

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, hence it is shown in fixed assets.

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: As per IFRS 9, 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 Financial Guarantees

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).

xx. Provision for Startup Fund

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: In compliance with SMESPD circular 04 dated March 29, 2021 and SMESPD circular letter 05 dated April 26, 2021, the Bank has created Start-up Fund in first

quarter 2021 appropriating BDT 3.17 Crore (1% of net profit of FY 2021 BDT 317.71 Crore). As a continuation of creating Start-up Fund, the bank has also contributed BDT 3.93 Crore (1% of net profit of FY 2022 BDT 393.28 Crore). The objective of this fund is to provide loan facilities to the start-up entrepreneurs for their business and projects.

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.

2.1.3 Disclosure on BASEL III

The Basel III accord (an extension of the existing Basel II Framework) is a set of financial reforms that was developed by the Basel Committee on Banking Supervision (BCBS), with the aim of strengthening regulation, supervision, and risk management within the banking industry. Due to the impact of the 2008 Global Financial Crisis on banks, Basel III was introduced to improve the banks' ability to handle shocks from financial stress and to strengthen their transparency and disclosures as well as liquidity standards.

It was agreed upon by the members of the Basel Committee on Banking Supervision in 2010–2011, and was scheduled to be introduced from 2013 until 2015. However, changes made from April 2013 extended implementation until March 31, 2018. The Basel III requirements were in response to the deficiencies in financial regulation that is revealed by the 2000's financial crisis. Basel III was intended to strengthen bank capital requirements by increasing bank liquidity and decreasing bank leverage. The global capital framework and new capital buffers require financial institutions to hold more capital and higher quality of capital than under current Basel II rules. The new leverage ratio introduces a non-risk-based measure to supplement the risk-based minimum capital requirements. The new liquidity ratios ensure that adequate funding is maintained in case there are other severe banking crises.

Key Principles of Basel III

Capital Conservation Buffer is designed to absorb losses during periods of financial and economic stress. Financial institutions will be required to hold a capital conservation buffer of 2.5% to withstand future periods of stress, bringing the total common equity requirement to 7% (4.5% common equity requirement

and the 2.5% capital conservation buffer). The capital conservation buffer must be met exclusively with common equity. Financial institutions that do not maintain the capital conservation buffer faces restrictions on pay-outs of dividends, share buybacks, and bonuses.

Countercyclical Capital Buffer is a countercyclical buffer within a range of 0% and 2.5% of common equity or other fully loss absorbing capital is implemented according to national circumstances. This buffer serves as an extension to the capital conservation buffer.

Higher Common Equity Tier 1 (CET1) constitutes an increase from 2% to 4.5%.

Minimum Total Capital Ratio is 10%. Tier 2 capital instruments are harmonized and tier 3 capital is abolished in the Basel III regime. With buffer Banks have to maintain 12.50% capital of Total Risk Weighted Asset of the banks.

Leverage ratio: Basel III introduced a minimum "leverage ratio". The leverage ratio was calculated by dividing Tier 1 capital by the bank's average total consolidated assets; the banks were expected to maintain a leverage ratio in excess of 3% under Basel III.

Liquidity requirements

Basel III introduced two required liquidity ratios:

Liquidity Coverage Ratio (LCR) ensures that sufficient levels of high-quality liquid assets are available for one-month survival in a severe stress scenario.

Net Stable Funding Ratio (NSFR) promotes resilience over long-term time horizons by creating more incentives for financial institutions to fund their activities with more stable sources of funding on an ongoing structural basis.

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/CMRRCD/2009-193/150/Admin dated 18 August 2013.
- Investment in shares of listed companies are valued at market price and unlisted companies at cost or book value of last audited balance sheet, whichever is lower.

- Net asset/(liability) of defined benefit scheme is net of present value of defined benefit obligations, total plan assets and other related items as required by IAS 19.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of United Commercial Bank PLC and its subsidiaries 'UCB Stock Brokerage Limited', 'UCB Investment Limited', '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 2022. 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.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

i) Provision for loans and advance

The Bank assesses its loans and advances for objective evidence of impairment on a regular basis and particularly at year end. Whilst the primary criteria set out in BRPD circular no. 14 dated 23 September 2012 for determining whether a loan is impaired is objective, being based on borrower's ability to make timely repayments, loans and advances may also be classified based on qualitative judgment. This involves making assessments regarding the economic environment in which borrowers operate in addition to making judgments about a borrower's financial situation and net realisable value of any underlying collateral.

ii) Taxation

The estimation of current tax provision involves making judgments regarding admissibility of certain expenses, estimating the amount of other expenses for tax purposes and applicability of provision of the Finance Act 2022, although return will be submitted for tax based on the Finance Act 2023.

In addition, the recognition of deferred tax assets requires the Bank to estimate the extent to which it is probable that future taxable profits will be available against which the deferred tax assets may be utilized

iii) Post-employment benefits-asset/(liability) from gratuity

The determination of Bank's asset/(liability) from gratuity involves the use of estimates regarding demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will influence the cost of the benefit.

iv) Depreciation

Depreciation is provided on a straight line basis over the estimated useful life of each item of fixed asset. The determination of useful life involves the use of estimates regarding expected use of the assets, expected physical wear and tear, technical or commercial obsolescence and legal or similar limits on the use of the assets.

v) Provisions for expenses

A provision is recognised in the balance sheet when the Bank 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 obligation in compliance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

vi) Lease Liabilities

The lease liability is initially measured at the present value of the lease payments, discounted at the Bank's incremental borrowing rate. The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the rental assets leased. The lease liability is remeasured when there is a change in future lease payments or the changes in discount rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets and 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 PLC 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

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is the Bank's functional currency. The functional currency of OBU is US Dollar (USD). The financial statements of OBU have been translated to presentation currency (Taka/Tk/BDT) using the exchange rate prevailing at balance sheet date. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

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 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.

Foreign currency differences arising on translation are recognised in the profit and loss account except for exchange rate differences on fund deposited with Bangladesh Bank as capital, which is recognised directly in equity.

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

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 where applicable. 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 accredited. 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 01 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.

Revaluation

Government Treasury Bills and Bonds (HFT)	At Market value (using marking to market concept)
Government Treasury Bills and Bonds (HTM)	At present value (using marking to market concept)
Prize Bond	At cost
Unquoted Shares	At cost or book value of the last audited balance sheet whichever is lower

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

- Loans and advances are stated at gross amount.
- 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.
- 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 Loans.
- Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- 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 and circulars till 2022).

	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
- there is no realistic prospect of recovery and
 - against which legal cases are filed and pending for more than 03 (three) years as per guidelines of Bangladesh Bank (BRPD circular No.01 dated 06 February 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. Write-off loans and advances are reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

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 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:

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:

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.

As a lessee

The Bank recognises a right-of-use (ROU) asset and a lease liability from the initial application date i.e. 01 January 2019 or the commencement date of a lease contract. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the initial application date or commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Bank by the end of the lease term or the cost of the right-of-use asset reflects that the Bank will exercise a purchase option. In that case the right-of-use assets will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the initial application date or commencement date, discounted at the Bank's weighted average rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Bank determines whether the arrangement is or contains a lease.

At inception or reassessment of an arrangement that contains a lease, the Bank separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair value. If the Bank concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Bank's incremental borrowing rate.

ii) Leased Asset

Leases of property, plant and equipment that transfer to the Bank substantially all of the risks and the rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to the asset.

Assets held under other leases are classified as operating leases and are not recognised in the Bank's statement of financial position.

iii) Lease Payment

Payments made under operating lease are charged to profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease

term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 2022.

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 in accordance with the BRPD Circular No. 22 dated 20 September 2021. 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 UCB PLC 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 December 2022 (BDT in Million)					
UCB 3rd Subordinated Bond (1st Tranche)	3,500.00	1,400.00	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	2,100.00	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	300.00	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	1,500.00	26-Dec-18	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (3rd Tranche)	100.00	80.00	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	800.00	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	400.00	05-Dec-19	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 December 2022 (BDT in Million)					
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	1000.00	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
UCB 5th Subordinated Bond (1st Tranche)	500.00	500.00	29-Dec-22	7 Years	Base Rate plus 2.0%	7.00%-10.00%	20% in each of last 5 years
UCB 5th Subordinated Bond (2nd Tranche)	1,000.00	1,000.00	29-Dec-22	7 Years	Base Rate plus 2.0%	7.00%-10.00%	20% in each of last 5 years

Perpetual Bond

Name of the Perpetual Bond	Issued Amount	Issue Date	Interest Rate	Range of Interest Rate
	(BDT in Million)			
UCB 1st 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 (IFRSs).

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 2022 is 10% (5% cash dividend and 5% stock dividend), 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 and circulars issued till 2022).

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 as per the Bangladesh Bank guideline/Circulars 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. 04 dated 12 April 2022 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, UCB PLC 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 (maximum 10%). 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 UCB PLC 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 widely accepted industry practice and in accordance with section 11(1) of the Bank Company Act, 1991 (as amended up to date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers Profit Participation Fund (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 Letter No. 05 dated 26 May 2008, DOS Circular Letter No. 05 dated 28 January 2009, 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 and circulars till 2022 of Bangladesh Bank. Interest is accrued on a daily basis and applied to customer accounts every month, quarter and at maturity depending on the product offerings. In accordance with BRPD circular no. 14 dated 23 September 2012, interest accrued on sub-standard loans and doubtful loans are credited to Interest Suspense Account which is included within Other liabilities. Interest from loans and advances ceases to be accrued when they are classified as bad/loss.

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. Investment income includes interest income, capital gain, and revaluation loss on government securities.

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

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'.

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

The balance sheet presents the net amount of financial assets and liabilities when there is a legally enforceable right to offset the recognized amounts and the intention is to settle them on a net basis or simultaneously realize the asset and settle the liability. The Bank presents its advance tax paid and provision for tax on a net basis under liability since the tax liability amount is higher than the advance tax. Similarly, the Bank presents its Deferred Tax (DT) assets and liabilities on a net basis under the asset section, as the DT asset amount is higher than the DT liability. The net defined benefit obligation is shown under the liability section because the defined benefit obligation is higher than the fair value of plan assets. Finally, card revenues and expenses earned and incurred on a shared basis that are directly attributable are presented on a net off basis.

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 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 year.

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 2022.

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 10% dividend (5% cash dividend and 5% stock dividend) for the year 2022 in its meeting no. 481 held on 25 April 2023.

2.10.51 Credit rating

ECRL has rated the Bank based on December 31, 2021 with "AA"(pronounced as Double A) in the Long Term and ST-2 for the Short Term. The date of rating was April 24, 2022.

Year	Long Term Rating	Short Term Rating
2022	AA	ST-2
2021	AA	ST-2
2022	AA	ST-2

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
Income Taxes	12	Applied
Property Plant and Equipment	16	Applied
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
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
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IAS	IAS 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 contracts 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 01 January 2022 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 PLC and its status are discussed below.

BRPD circulars no.17 dated 07 October 2003, BRPD circular no. 04 dated 05 March 2007 and DOS circular no. 2 dated 15 February 2012 require banks to put in place an effective risk management system. The risk management system of the Bank covers the following six broad risk areas:

- Credit Risk
- Foreign exchange risk
- Asset Liability Management Risk
- Internal Control & Compliance Risk
- Money Laundering Risk
- Information & Communication Risk
- Technology Security Risk

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.

The prime objective of the risk management is that the Bank undertakes well calculated business risks to safeguard its capital, financial resources and growth of sustainable profitability. In this context, the Bank has formed a risk management committee to overview regular monitoring of those critical risk areas.

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.

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:

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 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.

UCB PLC 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

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 UCB PLC 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 UCB PLC 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:

- Preventive** - creation of process control environment,
- Corrective** - Control Procedures in business processes/operation and
- Detective** - Post facto controls.

Three line of defense

UCB PLC uses a lines of defense model as a key component of its Enterprise Risk Management (ERM) Framework to manage its risks. The lines of defense model bring together risk-taking, risk oversight, and risk assurance under one umbrella and provides an avenue for risk accountability of the first line of defense, a construct for effective challenge by IRM and ICRM ("second line of defense") and empowers independent risk assurance by Internal Audit ("third line of defense"). In addition, the lines of defense model include organizational units tasked with supporting a strong control environment ("enterprise support functions").

The first, second and third lines of defense, along with enterprise support functions, have distinct roles and responsibilities and are empowered to perform their relevant risk management processes and responsibilities outlined in the ERM Framework and supporting suite of policy documents in order to manage Citi's risks in a consistent and effective manner.

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 2022 to develop their professional skill and ensure better compliance.

A total number of 21,317 participants were covered through e-learning & Training programme). Total 257 sessions were arranged by the LDC through eLearning module and Training facilities.

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.

As part of Alternative Learning Channel, in 2022 LDC has partnered with LinkedIn & ensured upskilling of 50 officials to be equipped with the international business and leadership practices, refined critical thinking skills, improved virtual communication, flexibility and self-efficacy learning to maximize self-efficacy. Likewise, licenses for the UCB SMT of a Premium Learning Solution Harvard Manage Mentor was attained.

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.

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).

- Duel 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 Interest rate Risk

Interest rate risk may arise either from trading portfolio or from non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities as far as Interest rate risk is concern. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis and the Bank's Markets Treasury team actively manages the Balance Sheet gap to reduce the risk.

2.10.57 Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Operational risk is inherent in the Bank's activities and as with other risk types is managed through an overall framework with checks and balances that include implementation of three line of defence, recognised ownership of the risk by the businesses and independent risk management oversight. The operational risk policy codifies the core governing principles for operational risk management and provides a framework for operational risk. In

accordance with the policy, each business area is responsible to identify its key operational risks as well as the controls established to mitigate those risks and to ensure compliance with laws, regulations, regulatory administrative actions and the Bank's policies. The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the reputation of the Bank's reputation with overall cost effectiveness and innovation. In all cases, the bank's policy requires compliance with all applicable legal and regulatory requirements.

2.10.58 Operating Environment

The Bank's operating environment during the year ended 2022 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, start of Russia-Ukraine conflict, increase in fuel and commodity price, strengthening of USD, etc. Most of these events also had significant impact in the local economic environment affecting the Bank's operation. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macroeconomic situation and factor these issues into the decision making process. However, the long-term effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from the actual results.

2.10.59 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

2.10.60 Audit Committee

According to BRPD Circular No. 12 (23 December 2002), all banks are advised to constitute an audit committee comprising of member of the board. The audit committee will assist the board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plan set by board for the effective functioning of the Bank. The committee will review the financial reporting process, the system of internal control and management of the financial risk, the audit process and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

The Bank, being a branch of a foreign bank, does not have a local board of directors from whom to select an Audit Committee but there is a Business Risk, Compliance and Control Committee (BRCC) where all risk issues are discussed, action points set to mitigate risks identified and documented. However, the Bank obtained formal dispensation from the Banking

Regulation and Policy Department of Bangladesh Bank as regards to the formation of the committee as suggested in the BRPD Circular No 12 dated 23 December 2002.

2.10.61 Standard issued but not yet effective

The following new standards and amendments to standards are effective for annual periods beginning after 01 January 2022 and earlier application is permitted, but the Bank has not early adopted. However, none of these new and amended standards are expected to have a significant impact on the Bank's financial statements.

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Lease liability in a Sale and Leaseback (Amendments to IFRS 16).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).

2.11 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 2022. 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 01 January 2022 to 31 December 2022.

Approval of financial statements

The financial statements have been approved by the Board of Directors of the bank in its meeting held on 25 April 2023.

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
3 Cash	30,939,723,526	25,380,748,231	30,939,034,586	25,380,179,538
3.1 Cash in hand				
Local currency	7,282,632,080	5,754,712,719	7,281,943,140	5,754,144,026
Cash in ATM	1,754,993,500	1,694,618,000	1,754,993,500	1,694,618,000
Foreign currency	63,169,875	49,278,435	63,169,875	49,278,435
	9,100,795,455	7,498,609,154	9,100,106,515	7,498,040,461
3.2 Balance with Bangladesh Bank and its agent Bank(s)				
Local currency	20,178,794,329	16,938,530,397	20,178,794,329	16,938,530,397
Foreign currency	1,660,133,742	943,608,680	1,660,133,742	943,608,680
	21,838,928,071	17,882,139,077	21,838,928,071	17,882,139,077
Total Cash in hand including balance with Bangladesh Bank & its agent Bank's	30,939,723,526	25,380,748,231	30,939,034,586	25,380,179,538
3.2.1 Balance with Bangladesh Bank				
Local currency	20,178,700,334	16,938,487,415	20,178,700,334	16,938,487,415
Foreign currency	1,660,133,742	943,608,680	1,660,133,742	943,608,680
	21,838,834,076	17,882,096,096	21,838,834,076	17,882,096,096

* 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	93,995	42,982	93,995	42,982
Foreign currency	-	-	-	-
	93,995	42,982	93,995	42,982

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 Company 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 Govt. Sukuk Bond, 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 2022 are as follows:

3.3.1 Cash Reserve Requirement (CRR)

A. Conventional and Offshore Banking:

Average total demand and time liabilities			
DBU		436,816,139,250	389,701,927,000
OBU		14,356,512,568	6,818,267,369
Total ATDTL of Conventional and Offshore Banking		451,172,651,818	396,520,194,369

i) CRR maintenance on daily minimum basis:

DBU (3.5% of ATDTL)		15,288,564,874	13,639,567,445
OBU (1.5% of ATDTL)		215,347,689	102,274,011
Required reserve		15,503,912,562	13,741,841,456
Actual reserve maintained		18,485,340,914	17,160,492,479
Surplus		2,981,428,352	3,418,651,023

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
ii) CRR maintenance on bi-weekly average basis:				
DBU (4% of ATDTL)			17,472,645,570	15,588,077,080
OBU (2% of ATDTL)			287,130,251.37	136,365,347
Required reserve			17,759,775,821	15,724,442,427
Actual reserve maintained			18,485,340,914	17,160,492,479
Surplus			725,565,093	1,436,050,051
B. Islamic Banking:				
Average total demand and time liabilities				
DBU			7,853,620,000	1,681,107,000
OBU			-	-
Total ATDTL of Islamic Banking			7,853,620,000	1,681,107,000
i) CRR maintenance on daily minimum basis:				
DBU (3.5% of ATDTL)			274,876,700	58,838,745
OBU (1.5% of ATDTL)			-	-
Required reserve			274,876,700	58,838,745
Actual reserve maintained			386,240,766	153,614,954
Surplus			111,364,066	94,776,209
ii) CRR maintenance on bi-weekly average basis:				
DBU (4% of ATDTL)			314,144,800	67,244,280
OBU (2% of ATDTL)			-	-
Required reserve			314,144,800	67,244,280
Actual reserve maintained			386,240,766	153,614,954
Surplus			72,095,966	86,370,674
3.3.2 Statutory Liquidity Ratio (SLR)				
A. Conventional and Offshore Banking:				
DBU (13% of ATDTL)			56,786,098,103	50,661,250,510
OBU (13% of ATDTL)			1,866,346,634	886,374,758
Required reserve			58,652,444,736	51,547,625,268
Actual reserve maintained			75,926,833,196	81,995,501,653
Surplus			17,274,388,460	30,447,876,385
B. Islamic Banking:				
DBU (5.5% of ATDTL)			431,949,100	92,460,885
OBU (5.5% of ATDTL)			-	-
Required reserve			431,949,100	92,460,885
Actual reserve maintained			653,057,892	385,013,921
Surplus			221,108,792	292,553,036
3.3.3 Held for Statutory Liquidity Ratio				
Cash in hand (note- 3.1)			9,100,106,515	7,498,040,461
Balance with Sonali Bank (agent Bank) (note-3.2.2)			93,995	42,982
Govt. Securities (Treasury Bills) (note:6.a)			7,854,765,489	16,454,437,834
Govt. Treasury Bond (HTM) (note : 6.1)			56,191,625,790	56,180,698,409
Govt. Treasury Bond (HFT) (note : 6.1)			-	-
Reverse Repo with other Bank (note : 6.1)			-	916,517,100
Bangladesh Bank Bills (note : 6.a)			-	916,517,100
Stock of Prize Bond (note : 6.1)			660,003,800	111,334,001
Excess Reserve of CRR (note : 3.3.1)			797,661,059	1,096,897,440
			74,604,256,648	83,174,485,327
4 Balance with other banks and financial institutions				
In Bangladesh (note - 4.1)	4,509,386,657	19,568,097,037	3,405,505,992	18,344,218,194
Outside Bangladesh (Annexure-A)	13,466,546,944	1,065,031,784	13,466,546,944	1,065,031,784
	17,975,933,601	20,633,128,821	16,872,052,936	19,409,249,978

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
4.1 In Bangladesh				
A. Current account and others				
Janata Bank Limited			51,333,766	48,214,344
Agrani Bank Limited			24,134,076	591,455
Rupali Bank Limited			23,357	25,716
Sonali Bank Limited			1,278,684,551	1,612,325,609
Standard Chartered Bank			1,427,545	6,061,070
NRB Bank Limited (Islamic Banking)			51,187	450,000,000
Shahjalal Islami Bank Limited (Islamic Banking)			51,511	-
			1,355,705,992	2,117,218,194
B. Fixed Deposits				
Bank				
NCC Bank Limited			-	1,500,000,000
Dhaka Bank Limited			-	1,900,000,000
Meghna Bank Limited			-	600,000,000
Modhumati Bank Limited			-	600,000,000
Southeast Bank Limited			-	1,000,000,000
Mercantile Bank Limited			-	1,600,000,000
Mutual Trust Bank Limited			-	1,100,000,000
Shahjalal Islami Bank Limited			-	343,200,000
Midland Bank Limited			-	750,000,000
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
			-	13,072,200,000
NBFI				
International Leasing			400,000,000	400,000,000
Peoples Leasing & Finance Services			4,800,000	4,800,000
Aviva Finance Limited			650,000,000	650,000,000
Phoenix Finance and Investment Limited			500,000,000	500,000,000
ICB			-	450,000,000
Lanka Bangla Finance Limited			-	150,000,000
Uttara Finance & Investment Limited			250,000,000	250,000,000
Meridian Finance & Investment Limited			245,000,000	250,000,000
			2,049,800,000	2,654,800,000
Islamic Banking:				
Exim Bank Limited			-	500,000,000
Total Fixed Deposits			2,049,800,000	16,227,000,000
Total (A+B)			3,405,505,992	18,344,218,194
4.2 Maturity grouping of balance with other banks & financial institutions				
On demand			1,355,603,294	1,667,218,194
Upto three months			13,711,649,642	15,637,231,784
More than three months but less than six months			250,000,000	650,000,000
More than six months but less than one year			-	650,000,000
More than one year but less than five years			1,554,800,000	804,800,000
			16,872,052,936	19,409,249,978

	Consolidated		United Commercial Bank PLC	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Taka	Taka	Taka	Taka
5 Money at call on short notice				
Modhumoti Bank Limited			-	250,000,000
Industrial Promotion & Development			-	290,000,000
IDLC Finance Limited			-	600,000,000
Lanka Bangla Finance Limited			-	220,000,000
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
6 Investments				
Government Securities	65,222,002,585	73,662,987,344	64,706,395,079	73,662,987,344
Other Investments	13,788,191,877	9,384,007,750	11,728,167,126	7,724,622,156
	79,010,194,462	83,046,995,094	76,434,562,205	81,387,609,500
a) Government Securities				
Treasury Bills				
28 days Treasury bills			-	-
91 days Treasury bills			5,914,696,000	-
182 days Treasury bills			-	-
364 days Treasury bills			1,940,069,489	16,454,437,834
			7,854,765,489	16,454,437,834
Government Bonds				
Prize Bonds			8,713,800	7,794,000
Reverse Repo with other Bank			-	916,517,100
Government Bonds			56,842,915,790	56,284,238,410
			56,851,629,590	57,208,549,510
Total Government Securities			64,706,395,079	73,662,987,344
b) Other investments				
Shares in listed companies			5,116,345,610	4,725,700,603
Shares in non-listed companies			731,821,517	198,921,553
Sub-ordinated Bond			3,600,000,000	2,800,000,000
Perpetual Muadarba Bond (Islamic)			230,000,000	-
Perpetual Bond Investment			2,050,000,000	-
Total other investments			11,728,167,126	7,724,622,156
Total Investments (a+b)			76,434,562,205	81,387,609,500
6.1 Government Securities are Classified as per Bangladesh Bank Circular				
Treasury Bond - HTM			56,191,625,790	56,180,698,409
Treasury Bond - HFT			-	-
Treasury Bills - HTM			1,940,069,489	16,454,437,834
Treasury Bills - HFT			5,914,696,000	-
Bangladesh Bank Bills - HTM			-	-
Bangladesh Bank Bills - HFT			-	-
Reverse Repo with other Bank			-	916,517,100
Other Securities (Sukuk Bond & Prize Bond)			660,003,800	111,334,001
			64,706,395,079	73,662,987,344
6.2 Maturity grouping of investments				
On demand			-	103,540,000
Up to three months			7,900,800,000	17,878,727,893
More than three months but less than one year			11,049,567,126	7,258,238,668
More than one year but less than five years			14,952,500,000	17,238,083,760
Over five years			42,531,695,079	38,909,019,178
			76,434,562,205	81,387,609,500

Consolidated		United Commercial Bank PLC	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taka	Taka	Taka	Taka

6.3 Other Investments

A) Shares in listed companies other than BB Scheme

Name of the Company	Market Price as on 31.12.2022	Cost Price as on 31.12.2022	Cost Price as on 31.12.2021
Square Pharmaceuticals Ltd.	-	-	300,411,074
Grameenphone Ltd.	271,968,210	310,611,136	233,275,524
Brac Bank Ltd.	416,845,122	441,019,972	351,581,509
MARICO	29,058,000	29,175,635	93,583,768
National Housing Fin. and Inv. Ltd.	235,569,083	44,648,231	44,648,491
Titas Gas Transmission & dist. Co. Ltd.	-	-	38,233,177
Unique Hotel & Resorts Limited	-	-	79,999,980
ACI Limited	-	-	149,200,926
Berger PBL	63,591,502	66,081,678	42,557,144
Square Textile Limited	-	-	95,713,543
Shasha Denims Limited	83,636,847	147,310,199	147,310,426
Eastern Bank Ltd.	-	-	87,147,710
The City Bank Limited	293,233,021	350,553,352	343,341,231
United Power Generation & Distribution Company Limited	58,870,666	67,031,572	93,508,162
Navana CNG Limited	-	-	25,508,613
Singer Bangladesh Limited	-	-	-
IFAD Autos Limited	29,117,951	69,778,759	69,778,710
BATBC	380,342,481	397,313,219	289,967,315
Reneta	313,036,837	278,655,682	248,681,224
Genex Infosys Limited	552,891,987	1,051,524,110	1,051,524,336
Runner Automobiles	158,432,173	140,288,089	145,800,000
Delta Life Indurance Company Limited	834,791,549	902,261,664	-
OLYMPIC	28,807,432	30,609,615	-
Perpetual Muadarba Bond (Islamic)	230,000,000	230,000,000	-
Sub Total (A)	3,980,192,861	4,556,862,912	3,931,772,863

B) Shares in listed companies as per BB Scheme (Dos circular No. 01 dated 10 February 2020)

Name of the Company	Market Price as on 31.12.2022	Cost Price as on 31.12.2022	Cost Price as on 31.12.2021
Grameenphone Ltd.	300,619,326	322,396,500	322,396,500
Brac Bank Ltd.	288,621,295	312,895,470	310,435,023
BATBC	21,367,328	24,975,148	-
Square Pharmaceuticals Ltd.	130,719,666	129,215,580	94,154,610
Singer Bangladesh Limited	-	-	66,941,608
Sub Total (B)	741,327,614	789,482,698	793,927,740

C) Shares in non-listed companies

Name of the Company	Market Price as on 31.12.2022	Cost Price as on 31.12.2022	Cost Price as on 31.12.2021
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	58,800,000	58,800,000	78,400,000
Fiber shine	10,000,000	10,000,000	10,000,000
UCB Asset Management Limited Mutual Fund	30,000,000	-	-
ICB AMC L2ND NRBUF	30,415,000	40,985,125	40,985,161
SWIFT	8,258,622	8,258,622	8,258,622
UCB TAQWA GF	52,447,500	52,500,000	-
UCB AML FMF	32,340,000	30,000,000	-
Fair electronics Ltd	500,000,000	500,000,000	-
Sub total (C)	723,538,892	731,821,517	198,921,553
Total (A + B + C)	5,445,059,367	6,078,167,127	4,924,622,156

Consolidated		United Commercial Bank PLC	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taka	Taka	Taka	Taka

6.3 (a) Cost and market value of investment as on 31 December 2022

Government securities:

Name of the Securities	Cost Price	Market Value/ Amortised Cost	Market Value/ Amortised Cost
Treasury Bills (Govt. Securities)	7,777,106,500	7,854,765,489	46,454,437,834
Govt. Treasury Bond (HTM)	57,462,967,049	56,191,625,790	56,180,698,410
Others	-	-	916,517,100
Bangladesh Govt Investment Sukuk	651,290,000	651,290,000	103,540,000
Stock of Prize Bond	8,713,800	8,713,800	7,794,000
	65,900,077,349	64,706,395,079	103,662,987,344

Investment in Shares, Bond & Debenture:

Name of the Securities	Market Value/ Amortised Cost	Cost Price	Cost Price
Quoted Shares	4,721,520,475	5,346,345,609	4,725,700,603
Un-Quoted Shares	723,538,892	731,821,517	198,921,553
	5,445,059,367	6,078,167,127	4,924,622,156

6.4 (a) Disclosure regarding outstanding Reverse Repo on 31 December 2022.

Sl.No	Counter party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1				
2				
Total				-

6.4 (b) Disclosure regarding overall transaction of Repo and Reverse Repo

Particulars	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	429,137,634	701,075,615	565,106,624
Securities Purchased under reverse repo			
1) from Bangladesh Bank	-	-	-
2) from Other Bank & Financial ins.	393,512,000	10,280,512,419	2,606,213,639

7 Loans and Advances **474,639,746,248** **08,309,815,649** **468,605,096,016** **402,481,735,743**

7.1 Maturity grouping of Loans & Advances (including bills purchased and discounted)

On demand	6,139,100,000	36,153,280,974	6,139,100,000	36,153,280,974
Not more than three months	131,933,998,608	60,933,570,614	131,933,998,608	60,933,570,614
More than three months but less than one year	116,574,611,326	116,137,456,288	110,541,963,315	110,309,376,383
More than one year but less than five years	154,968,392,991	140,170,671,641	154,968,392,991	140,170,671,641
More than five years	65,023,643,322	54,914,836,132	65,021,641,101	54,914,836,131
	474,639,746,248	408,309,815,649	468,605,096,016	402,481,735,743

7.2 Loans & Advances

i) Loans, Cash credit & overdraft etc

a) Within Bangladesh

Loan	361,250,884,868	297,246,966,037	355,216,234,636	291,418,886,132
Cash credits	25,417,990,838	24,756,450,792	25,417,990,838	24,756,450,792
Overdrafts	64,479,486,196	59,750,987,341	64,479,486,196	59,750,987,341
	451,148,361,902	381,754,404,170	445,113,711,670	375,926,324,265
b) Outside Bangladesh	-	-	-	-
	451,148,361,902	381,754,404,170	445,113,711,670	375,926,324,265

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
ii) Bills Purchased & Discounted (note : 7.13)				
a) Payable Inside Bangladesh				
Inland Bills Purchased	2,789,390,117	2,595,591,213	2,789,390,117	2,595,591,213
b) Payable outside Bangladesh				
Foreign bills purchased & discounted	20,701,994,229	23,959,820,265	20,701,994,229	23,959,820,265
	23,491,384,346	26,555,411,478	23,491,384,346	26,555,411,478
	474,639,746,248	408,309,815,648	468,605,096,016	402,481,735,743
7.3 Net Loans & Advances				
Gross Loans & Advances (note- 7.2)			468,605,096,016	402,481,735,743
Less: Non Performing Loans & Advances (note- 7.10 b)			28,077,685,496	17,737,290,395
Interest suspense (note- 12.4)			15,162,207,211	13,540,853,401
Provision for Loans & Advances (note- 7.11)			19,208,242,209	16,584,382,139
			62,448,134,916	47,862,525,935
			406,156,961,100	354,619,209,808
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				
i) Commercial Lending			49,826,309,073	45,575,816,391
ii) Import Finance			25,641,240,760	24,235,864,805
iii) Export Finance			2,960,249,215	3,358,188,461
iv) House Building Loan			25,025,888,198	23,753,409,182
v) Transport Loan			3,766,590,422	3,715,012,679
vi) Retail Loan			17,628,933,616	15,388,734,073
vii) Staff Loan			5,310,392,251	4,672,954,406
viii) Industrial Loan			282,530,411,628	234,010,658,474
ix) Agricultural Loan			6,272,720,919	4,766,106,487
x) Others			49,642,359,934	43,004,990,786
Total Loans & Advances			468,605,096,016	402,481,735,743
7.5 Industry wise Loans and Advances				
RMG & Accessories			84,079,761,237	85,745,065,804
Textile Industries			32,456,282,644	24,789,611,096
Agriculture			6,272,720,919	4,766,106,487
Food Products & Processing			18,416,246,261	15,604,962,054
Jute Industries			227,457,203	219,726,904
Leather & Leather Products			1,345,234,575	1,283,409,827
Paper & Paper Products Industries			6,880,541,819	7,443,876,678
Wood & Wooden Products			2,229,491,533	2,822,102,309
Chemical & Chemical Products			9,846,114,838	6,541,225,453
Cement Industries			14,806,113,247	10,458,041,616
Brick Field, Auto Bricks, Tiles			2,330,461,103	1,503,664,468
Engineering, Basic Metal & Products			16,818,759,987	11,559,966,845
Ship Re-cycling			11,943,009,041	7,011,565,533
Ship Manufacturing			1,850,623,547	2,320,056,667
Educational Institute, Hotel, Restaurant			5,839,267,577	3,169,071,431
Telecommunication			2,442,455,755	2,441,694,716
Transport & Communication			3,766,590,422	3,715,012,679
Diagnostic/Medical/Clinic			3,849,136,870	3,641,814,854
Housing Industry			25,025,888,198	23,753,409,182
Construction (Other than Housing)			38,105,193,198	34,831,450,370
Electronics Media			335,270,270	342,143,301
Power & Energy			10,870,069,620	9,960,279,417
Commercial Trade Financing			78,427,799,048	73,169,869,658
Glass & Glassware Product Industries			518,954,390	273,075,916
Tea Manufacturing			421,550,403	702,871,809
Others			89,500,102,311	64,411,660,672
			468,605,096,016	402,481,735,743

Consolidated		United Commercial Bank PLC	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taka	Taka	Taka	Taka

7.5.1 Cluster base CMSME Financing

In compliance with Bangladesh Bank SMESPD circular no. 05 dated 14 August 2022, the bank has already adopted cluster financing policy for CMSME loan. As per policy defined cluster wise outstanding as on 31 December 2022 was;

Classification	Amount in Taka
High priority cluster financing	
Ready Made Garments (RMG), Knitwear, Designe & Personal Wear Clusters	673,100,000
Others	
Powerloom	249,468,000

7.6 Geographical Location wise Loans & Advances

Urban branches

Dhaka	350,084,446,298	292,940,857,981
Chattogram	86,437,455,603	80,077,067,434
Sylhet	1,871,611,420	1,594,613,324
Rajshahi	6,088,025,262	5,989,399,541
Rangpur	772,869,696	735,352,710
Khulna	8,021,722,727	7,875,736,669
Barisal	746,470,338	617,874,890
Mymensingh	691,967,067	-
	454,714,568,411	389,830,902,548

Rural branches

Dhaka	9,312,581,425	8,977,936,526
Chattogram	3,231,316,216	2,950,685,129
Sylhet	399,086,212	299,176,794
Rajshahi	281,878,134	267,744,920
Rangpur	126,066,293	59,217,920
Khulna	283,455,211	84,670,835
Barisal	54,696,361	11,401,072
Mymensingh	201,447,753	-
	13,890,527,605	12,650,833,196
	468,605,096,016	402,481,735,743

7.7 Sector - wise Loans and Advances

Government & autonomous	95,465,147	86,060,433
Co-operative sector	22,212,723	-
Other public sector	-	-
Private sector	468,487,418,146	402,395,675,310
	468,605,096,016	402,481,735,743

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)	5,267	5,276
Outstanding Advances (note : 7.8.1)	24,298	24,499
Number of customers	40	41
Classified amount	-	-
Measures taken for recovery	-	-

Consolidated		United Commercial Bank PLC	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taka	Taka	Taka	Taka

7.8.1 Detail of information on Advances more than 10% of Bank's total Capital as on 31 December 2022

(Figure in crore)

Name of the Borrower	Outstanding as on 31 December 2022			31 December 2021
	Funded	Non-Funded	Total	Total Taka
Four H group	1,164.49	339.54	1,504.04	1,971.82
Mondol Group	679.00	922.32	1,601.32	1,806.91
Micro Fibre Group	479.61	463.45	943.06	1,552.40
Mostafa-Hakim Group	688.55	470.46	1,159.01	1,179.06
Bashundara Group	1,117.88	51.85	1,169.73	1,124.45
Toma Group	515.53	663.22	1,178.75	926.71
BSM Group	565.13	185.24	750.38	913.07
GPH Group	350.71	513.03	863.74	880.85
Metro (Panam) Group	332.43	367.28	699.71	802.08
Abul Khair group	41.69	625.31	667.00	737.63
N.R. Group	570.97	207.93	778.91	699.80
DIRD Group	614.86	68.40	683.27	620.00
Pran Group	389.63	361.77	751.40	576.01
B Trac Group	131.34	281.67	413.01	568.07
City Group	244.51	596.60	841.11	556.87
Habib Group	-	-	-	554.11
Kabir Group	338.62	148.72	487.34	532.55
AWR Group	495.94	26.63	522.57	526.99
LIZ GROUP	436.27	143.89	580.16	503.48
Confidence Group	136.56	288.53	425.10	483.61
Baraka Patenga Group	172.72	678.72	851.44	481.60
New Asia Group	-	-	-	476.37
Multi Trading Group	144.46	310.63	455.10	470.76
Tahseen Group	-	-	-	429.00
Wahid Group	-	-	-	397.45
APS Group	283.37	95.02	378.39	393.71
Max Group	269.25	225.84	495.09	387.65
Mir Akhter Hossain	-	-	-	386.19
Thermax Group	250.38	233.65	484.03	385.53
M.M Knitwear Group	272.38	141.81	414.19	383.91
Anwar Group	380.32	140.06	520.37	377.43
BSRM Group	0.13	315.25	315.38	361.26
Orion Group	366.60	0.89	367.49	344.20
Fair Group	-	-	-	340.19
Baishakhi Group	321.02	121.88	442.90	323.97
Energypac Group	213.76	105.46	319.22	283.66
Bashundara Oil	256.93	-	256.93	249.21
Ideal Electrical Group	-	-	-	213.23
Meghna Group	53.94	159.26	213.20	126.84
Spectra Group	122.31	159.31	281.62	110.08
Summit Group	35.78	162.37	198.15	60.75
Walton Group	152.35	48.39	200.74	-
Rupayan Group	611.17	-	611.17	-
Bulk Trade Group	99.39	442.76	542.15	-
Western Engineering (pvt) Ltd.	446.99	62.01	509.00	-
KDS Group	0.09	25.43	25.51	-
Universal Denims Group Total	128.46	267.76	396.23	-
Total	13,875.52	10,422.39	24,297.91	24,499.44

7.9 Disclosure of Particulars of Advances

i) Loans considered good in respect of which the banking company is fully & partly secured.	362,686,830,278	312,160,979,738
ii) Loans considered good against which the banking company holds no security than the debtors personal guarantee.	41,731,110,548	50,116,384,546
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor.	64,187,155,189	40,204,371,460
iv) Loans adversely classified, provision not maintained there against.	-	-
	468,605,096,016	402,481,735,743

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person			5,310,392,251	4,672,954,406
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			5,310,392,251	4,672,954,406
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:			26,129,730,824	15,991,408,571
a) (Decrease)/Increase in provision			2,623,860,070	3,938,483,126
b) Amount realized against loan previously written off			236,944,194	102,577,518
c) Amount of provision kept against loan classified as Bad/ Loss on the balance sheet date			10,002,939,434	6,081,831,019
d) Interest credited to the interest suspense account.			5,960,421,558	4,342,188,321
xi) Cumulative amount of the written off loan			17,855,427,756	13,859,886,709
xii) Amount written off during the year			4,232,485,241	533,992,311
Principal Written off			3,079,326,167	426,893,663
Interest suspense written off			1,153,159,074	107,098,648
xiii) Amount of written off loan for which law suit filed			20,066,138,050	15,833,652,809

7.10 Classification of Loans & Advances

a) Unclassified

Standard (SMA)	10,219,511,122	14,047,422,407
Standard	428,533,305,899	366,080,880,748
SMA-Special RSDL (BRPD-5)	1,774,593,498	4,616,142,194
	440,527,410,518	384,744,445,349

b) Classified

Sub - Standard	1,605,752,460	283,803,106
Doubtful	342,202,212	125,119,718
Bad & Loss	26,129,730,824	17,328,367,571
	28,077,685,496	17,737,290,395
	468,605,096,016	402,481,735,743

* Segment-wise Non Performing Loans & Advances

	Sub Standard	Doubtful	Bad & Loss		
Corporate	740,526,657	47,094,338	18,221,335,624	19,008,956,619	10,318,078,253
Retail	195,004,579	192,893,639	535,104,834	923,003,053	571,643,882
SME	670,221,224	102,214,234	7,373,290,366	8,145,725,824	6,847,568,260
	1,605,752,460	342,202,212	26,129,730,824	28,077,685,496	17,737,290,395

7.11 Particulars of required provision for Loans & Advances

Particulars	Base for Provision	Rate of Provision	Provision required	
General Provision (a)				
Special Mention Account	9,523,815,500	0.25% - 5%	56,229,837	128,058,149
Small & Medium Enterprise	96,772,202,082	0.25%	241,930,574	222,916,699
Consumer Fin.- Credit Card	3,301,271,244	2%	57,636,578	50,987,223
Consumer Fin-House Finance	4,996,859,370	1%	49,833,006	31,830,300
Consumer Fin - Professional	407,966,921	2%	8,159,351	7,409,032
Consumer Fin-Others	5,325,630,234	5%	106,714,025	103,259,852
Short Term Agri & Micro Credit	8,220,887,134	1%	82,208,766	39,509,401
Loan to BHs/MBs/SDs against share	2,069,286,260	2%	40,678,504	40,974,100
Standard loans & advances	307,440,683,110	1%	3,728,137,881	4,297,095,244
Special General Provision- COVID-19	-	1%	1,630,000,000	1,540,000,000
	438,058,601,856		6,001,528,522	6,462,040,000

Particulars	Consolidated		United Commercial Bank PLC	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Taka	Taka	Taka	Taka
Specific Provision (b)	Base for Provision	Rate of Provision	Provision required	
Sub - Standard	1,065,316,939	20% & 5%	174,653,880	47,923,031
Doubtful	247,568,943	50% & 5%	108,230,929	9,736,950
Bad & Loss	10,002,939,432	100%	10,002,939,434	6,081,831,019
SMA-Special RSDL (BRPD-5)	1,319,882,198		504,066,419	1,411,704,980
Bangladesh Bank Directives	-		2,416,823,025	2,415,465,663
Provision against special accounts	-		-	155,680,496
	12,635,707,512		13,206,713,687	10,122,342,139
Total provision required for Loans & Advances (A+B)			19,208,242,209	16,584,382,139
Total provision held for Loans & Advances			19,208,242,209	16,584,382,139
Excess/(Short) Provision			-	-

7.12 Suit filed by different branches against defaulted borrowers during the year (Branch wise details)

Agrabad branch	927,262,260	314,868,306
Feni branch	-	7,379,576
Jessore branch	-	771,279
Naogaon branch	-	2,150,728
Comilla branch	-	42,122,885
Sylhet branch	215,648,483	-
Brahmanbaria branch	-	15,664,140
Gazipur Chowrasta branch	16,118,474	-
Gulshan Branch	35,304,614	-
Kamrangichar branch	6,702,494	-
Kanaipur branch	2,782,916	45,394,599
Mirpur Road branch	738,716,180	-
Narayangonj	-	13,357,560
Rajshahi Branch	-	65,564,918
Chittagong Medical Collage Br	-	25,394,446
Dinajpur Branch	-	64,662,680
Mymensingh branch	2,212,289	4,769,538
Station Road branch	11,967,350	67,555,552
Jhawtala Branch	-	23,627,440
O.R Nizam Road branch	3,216,047	540,865,121
Principal branch	65,845,149	42,831,306
Mohammadpur branch	-	692,407
Corporate Branch	244,295,196	-
Chaumuhani	73,515,661	-
Anwara Br.	8,858,802	-
Kadamtali branch	-	664,510,887
Islampur Branch	4,245,486	-
Pragati Sarani Branch	16,234,812	-
Sherpur (Mymensingh)	-	6,192,548
Khatungonj Br.	860,463,168	-
Bahaddarhat	14,693,341	-
Moulvibazar Dhaka	5,067,670	-
Anderkilla branch	-	37,022,858
Bijaynagar Branch	32,569,771	-
Foreign Exchange	149,250,108	-
Narsingdi Br.	46,523,143	-
Chapainababgonj	-	52,977,624
	3,481,493,416	2,038,376,396

7.13 Bills purchased and discounted

a) Payable in Bangladesh	2,789,390,117	2,595,591,213
b) Payable outside Bangladesh	20,701,994,229	23,959,820,265
	23,491,384,346	26,555,411,478

	Consolidated		United Commercial Bank PLC	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Taka	Taka	Taka	Taka
7.13.1 Maturity grouping of bills purchased and discounted				
Payable within one month			8,516,200,000	1,320,231,986
Over one month but less than three months			6,889,600,000	1,456,612,954
Over three months but less than six months			330,948,534	481,775,440
Six months or more			7,754,635,812	23,296,791,098
			23,491,384,346	26,555,411,478

7.14 Compliance status of BRPD circular no. 04 dated 04 January 2021 and BRPD circular letter no. 35 dated 06 July 2021
As per BRPD circular no. 04 dated 04 January 2021 and BRPD circular letter no. 35 dated 06 July 2021, in order to validate financial statements for credit approval/renewal for the clients under relationship of Corporate Banking, the Bank has verified DVC mentioned in audited financials with DVS (Document Verification System) developed by ICAB (Institute of Chartered Accountants of Bangladesh) for all the possible cases and has preserved with loan file accordingly.

8. Fixed assets including premises, furniture & fixture

Land	6,282,956,179	6,282,956,179	4,395,054,283	4,395,054,283
Building	2,663,726,008	2,590,073,665	2,623,253,671	2,559,698,620
Furniture and fixtures	2,792,390,685	2,416,633,155	2,693,736,543	2,373,267,236
Office equipments	2,764,213,030	2,627,977,340	2,713,986,040	2,605,760,758
Computer & equipments	2,506,826,435	1,932,157,232	2,190,846,756	1,687,141,874
Vehicles	642,675,822	513,876,823	610,872,113	500,450,963
Capital Expenditure Work in Progress	724,573,408	864,787,580	580,762,044	759,111,835
	18,377,361,567	17,228,461,974	15,808,511,450	14,880,485,569
Intangible assets				
Computer software	1,864,123,891	1,447,385,833	1,848,510,666	1,439,719,788
Lease Asset				
Right of Use assets (ROU) as per IFRS 16	5,590,566,138	5,590,566,138	5,590,566,138	5,590,566,138
	25,832,051,596	24,266,413,945	23,247,588,254	21,910,771,495
Less: Accumulated depreciation and amortization	8,805,540,602	7,248,217,464	8,668,178,180	7,189,579,929
Written down value at the end of the year	17,026,510,993	17,018,196,481	14,579,410,074	14,721,191,566

A schedule of Fixed assets is given in **Annexure-B**

9. Other assets

Investment in share of subsidiary companies.	-	-	7,499,999,870	5,499,999,980
Receivable from Subsidiary Company	-	-	110	3,288,579
Stock of Stationery & Stamps	72,649,049	45,574,840	72,649,049	45,574,840
Account with Stock Broker	282,494,602	707,191,708	282,494,602	707,191,708
Advance Payment	2,659,369,280	2,860,412,586	2,091,229,330	2,252,650,397
Advance Deposit	4,654,406	6,247,730	4,654,406	6,247,730
Suspense Account (note-9.1)	1,703,851,746	1,581,570,216	1,703,851,746	2,581,570,216
Advance Income Tax Paid (note-9.2)	1,529,764,179	1,118,597,021	1,529,764,179	1,118,597,021
Interest Receivable	1,973,706,061	2,271,639,682	1,973,706,061	2,271,639,682
Income Receivable	16,984,457	15,014,126	16,984,457	15,014,126
Head Office General Account (note-9.3)	140,471	2,659,186	140,471	2,659,186
Deferred Tax Asset (note-9.4)	5,469,685,031	4,226,106,925	5,470,180,663	4,228,862,137
Others (note-9.5)	1,514,055	949,554	1,018,435	949,554
	13,714,813,337	12,835,963,574	20,646,673,379	18,734,245,157

9.1 Suspense accounts

Advance against expenses			752,608,255	1,852,123,400
Advance against Foreign Remittance Settlement			85,289,523	13,036,099
Claims on Sanchaypatra			75,016,553	255,271,070
Interest on sanchaypatra			23,507,571	42,284,507
Excise duty			-	1,650,900
Protested bill			97,020,471	97,013,874
Sundry receivable ATM			404,741,922	241,741,913
Card suspense			107,753,321	77,855,953
UBS Required Suspense Account			157,037,330	-
Cash in Excess/(Short) ATM			876,800	592,500
			1,703,851,746	2,581,570,216

	Consolidated		United Commercial Bank PLC		
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka	
9.2 Advance income tax					
Opening balance			1,118,597,021	1,293,168,266	
Add: Advance Tax paid during the year			4,392,182,336	3,285,957,698	
Less: Advance Tax adjustment with tax Provision			(3,981,015,178)	(3,460,528,944)	
			1,529,764,179	1,118,597,021	
9.2.1 Advance income tax paid					
A) Assessment year wise break up is as follows:					
2012-2013			2,300,895,593	2,300,895,593	
2013-2014			1,801,862,346	1,801,862,346	
2017-2018			2,912,485,430	2,524,701,311	
2018-2019			2,381,403,375	2,381,403,375	
2020-2021			2,127,302,249	2,077,302,249	
2021-2022			2,274,983,810	2,248,133,810	
2022-2023			3,516,381,057	1,118,597,023	
2023-2024			1,529,764,181	-	
			18,845,078,041	14,452,895,707	
Less: Advance Tax Adjusted with tax provision up to the year 2022			(17,315,313,862)	(13,334,298,686)	
			1,529,764,179	1,118,597,021	
9.3 Head Office General Account					
This is made up as follows:					
Due from branches			178,644,215,303	171,732,467,223	
Due to branches			178,644,074,832	171,729,808,036	
			140,471	2,659,186	
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:					
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	
Balance as at 31 December 2022					
Deferred Tax Asset (a)				5,569,599,009	
Deferred Tax Liability (b)				(99,418,346)	
Net Deferred Tax Asset as at 31 December 2022 (a+b)				5,470,180,663	
Particulars	Accounting Base	Tax Base	Deductible/ (Taxable) Temporary Difference	Applicable Rate	Deferred Tax Asset/(Liability)
Opening provision(Specific)	11,604,682,158	-	11,604,682,158	37.50%	4,351,755,809
Provision made during the year (Specific)	6,163,562,757	3,079,191,210	3,084,371,547	37.50%	1,156,639,330
Opening provision (Dilution of Investment)	-	-	-	10.00%	-
Provision made during the year (Dilution of Investment)	612,038,691	-	612,038,691	10.00%	61,203,869
Deferred tax asset (a)					5,569,599,009
Property, Plant and Equipment	5,823,981,638	5,558,866,050	(265,115,588)	37.50%	(99,418,346)
Deferred tax liabilities (b)					(99,418,346)
9.5 Others					
Other Receivable				1,018,435	949,554
				1,018,435	949,554

	Consolidated		United Commercial Bank PLC	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Taka	Taka	Taka	Taka
9.6 Income generating other assets				
<u>Investment in share of subsidiary companies</u>				
UCB Stock Brokerage Limited			2,499,999,900	2,500,000,000
UCB Investment Limited			999,999,990	999,999,990
UCB Asset Management Limited			999,999,990	999,999,990
UCB Fintech Company Limited			2,999,999,990	1,000,000,000
			7,499,999,870	5,499,999,980
9.7 Non-income generating other assets				
Stock of Stationery & Stamps			72,649,049	45,574,840
Receivable from subsidiary companies			110	3,288,579
Account with Stock Broker			282,494,602	707,191,708
Advance Payment			2,091,229,330	2,252,650,397
Advance Deposit			4,654,406	6,247,730
Advance Income Tax Paid			1,529,764,179	1,118,597,021
Suspense Account			1,703,851,746	2,581,570,216
Head Office General Account			140,471	2,659,186
Deferred Tax Asset			5,470,180,663	4,228,862,137
Interest receivable			1,973,706,061	2,271,639,682
Income receivable			16,984,457	15,014,126
Others			1,018,435	949,554
			13,146,673,509	13,234,245,177
10 Borrowings from other banks, financial institutions and agents				
In Bangladesh (note-10.1)	97,248,832,136	79,486,038,324	94,100,984,952	75,879,235,181
Out Side Bangladesh (note-10.2)	9,790,908,448	9,924,399,071	9,790,908,448	9,924,399,071
	107,039,740,584	89,410,437,395	103,891,893,400	85,803,634,252
10.1 In Bangladesh				
UCBL Subordinated Bond (note-10.1.1)			11,480,000,000	13,300,000,000
UCBL Perpetual Bond			4,000,000,000	4,000,000,000
Bangladesh Bank IPFF Fund			5,548,003,952	4,780,948,537
EDF Borrowings from Bangladesh Bank			50,131,431,273	43,048,570,624
Borrowing from Bangladesh Bank Refinancing scheme			12,145,037,187	10,320,716,020
OBU Term Borrowing_Bank			1,053,585,540	429,000,000
Borrowing from Bank & NBF(Short Term Borrowing)			6,032,927,000	-
Money at Call on Short Notice			3,710,000,000	-
			94,100,984,952	75,879,235,181
10.1.1 UCBL Subordinated Bond				
UCBL 2nd Subordinated Bond			-	1,000,000,000
UCBL 3rd Subordinated Bond			3,500,000,000	4,900,000,000
UCBL 4th Subordinated Bond			6,480,000,000	7,400,000,000
UCBL 5th Subordinated Bond			1,500,000,000	-
			11,480,000,000	13,300,000,000
10.2 Out Side Bangladesh				
PROPARCO			-	122,571,423
DBS Bank Limited			-	1,716,000,000
Standard Chartered Bank			-	858,000,000
National Bank of Ras Al-Khaimah, UA			4,235,000,700	2,337,227,648
Emirates Islamic Bank			663,139,134	343,200,000
Commercial Bank of Qatar			-	-
Abu Dhabi Commercial Bank			-	2,574,000,000
CAIXA BANK SPAIN			1,611,366,120	-
STATE BANK OF INDIA HONG KONG			206,585,400	-
United Bank Limited-UAE			723,048,900	-
ICICI Bank Ltd., India			-	429,000,000
Bank Muscat International			1,342,805,100	1,544,400,000
Emirates NBD Bank PJSC-UAE			1,008,963,094	-
			9,790,908,448	9,924,399,071

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
10.3 Security against borrowings from other banks, financial institutions and agents				
Secured			-	-
Unsecured			103,891,893,400	85,803,634,252
			103,891,893,400	85,803,634,252
10.4 Maturity Grouping of Borrowings from other banks, financial institutions & agent				
Payable on demand			3,710,000,000	-
Payable within one month			14,183,407,146	4,642,509,586
Over one month but within six months			56,390,590,639	49,836,743,129
Over six month but within one year			4,382,695,615	8,555,580,697
Over one year but within five years			14,854,200,000	15,174,871,980
Over five years but within ten years			10,371,000,000	7,593,928,860
			103,891,893,400	85,803,634,252
11 Deposits and other accounts				
Inter Bank deposits	5,318,259,349	3,519,459,448	5,318,259,349	3,519,459,448
Other deposits	419,365,157,625	383,504,369,015	420,710,181,419	386,381,264,536
	424,683,416,974	387,023,828,463	426,028,440,768	389,900,723,984
a. Current accounts & other accounts				
Current deposits	52,518,987,419	48,827,732,278	53,864,011,213	51,704,627,799
Foreign currency deposits	3,725,788,414	2,389,666,375	3,725,788,414	2,389,666,375
Sundry deposits (note - 11.1)	36,722,745,385	27,128,769,687	36,722,745,385	27,128,769,687
	92,967,521,218	78,346,168,340	94,312,545,012	81,223,063,861
b. Bills Payable				
Pay order	7,009,297,398	8,838,542,084	7,009,297,398	8,838,542,084
Demand draft payable	6,724,085	6,726,285	6,724,085	6,726,285
	7,016,021,483	8,845,268,369	7,016,021,483	8,845,268,369
c. Savings Bank deposits				
Savings Bank deposits	85,798,085,253	80,659,233,376	85,798,085,253	80,659,233,376
	85,798,085,253	80,659,233,376	85,798,085,253	80,659,233,376
d. Fixed deposits				
Fixed deposits	158,050,366,555	139,395,911,610	158,050,366,555	139,395,911,610
Scheme Deposits	44,025,566,874	42,464,444,567	44,025,566,874	42,464,444,567
	202,075,933,429	181,860,356,177	202,075,933,429	181,860,356,177
e. Special notice deposits				
	36,825,855,591	37,312,802,201	36,825,855,591	37,312,802,201
	36,825,855,591	37,312,802,201	36,825,855,591	37,312,802,201
Total Deposits and other accounts (a+b+c+d+e)	424,683,416,974	387,023,828,463	426,028,440,768	389,900,723,984
11.1 Sundry deposits				
Sundry creditors			968,107,698	283,174,918
Security deposits			10,981,550	9,432,100
Debit & Credit card			14,466,010	12,206,642
Others*			25,892,671	16,935,934
FC held against deemed export LC			2,388,400,621	1,752,810,210
FC held against BTB LC			20,989,948,246	16,877,138,845
Margin				
Letter of guarantees			2,539,085,022	2,464,156,924
Letter of credit			9,693,391,305	5,606,773,719
SME Time Loan			19,734,377	6,193,459
Export Proceed			72,737,885	99,946,936
			36,722,745,385	27,128,769,687

* The Bank deposited its balances of unclaimed deposits of more than 10 years to Bangladesh Bank on 26 April 2022 following section 35 of the Bank Company Act 1991.

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
11.2 Maturity analysis of deposits & other accounts				
Inter- Bank Deposits				
Payable on demand			1,761,946,896	14,192,579
Payable within one month			56,312,453	5,266,869
Over one month but within six months			-	-
Over six month but within one year			3,500,000,000	3,500,000,000
Over one year but within five years			-	-
Over five years but within ten years			-	-
			5,318,259,349	3,519,459,448
Other Deposits				
Payable on demand			7,125,614,954	5,285,531,770
Payable within one month			41,648,081,630	42,149,846,699
Over one month but within six months			101,422,205,945	93,382,406,402
Over six month but within one year			39,576,457,649	36,028,943,486
Over one year but within five years			124,148,643,905	120,081,483,974
Over five years but within ten years			106,789,177,335	89,453,052,205
			420,710,181,419	386,381,264,536
			426,028,440,768	389,900,723,984
11.3 Sector-wise deposits				
Government			2,274,838,902	1,678,480,284
Semi-Government			3,803,627,852	2,476,620,336
Public			21,836,228,253	21,985,285,046
Private			394,387,957,347	361,370,671,942
Foreign Currency Deposits			3,725,788,414	2,389,666,375
			426,028,440,768	389,900,723,983
12 Other Liabilities				
Provision for loans & advances (note-12.1)	17,578,242,209	15,044,382,138	17,578,242,209	15,044,382,138
Special General Provision for COVID-19 (note-12.2)	1,630,000,000	1,540,000,000	1,630,000,000	1,540,000,000
Provision for off-balance sheet exposure (note-12.3)	1,944,055,532	2,407,237,923	1,944,055,532	2,407,237,923
Interest suspense account (note-12.4)	15,162,207,211	13,540,853,401	15,162,207,211	13,540,853,401
Provision for diminution in value of investment (note-12.5)	612,038,691	-	612,038,691	-
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)	5,697,991,322	6,570,722,950	5,095,981,421	5,943,618,568
Provision for UCB foundation (note-12.9)	87,000,000	81,500,000	87,000,000	81,500,000
Unclaimed Dividend	62,654,264	80,075,149	62,654,264	80,075,149
Interest payable	5,187,716,314	4,847,407,733	5,187,716,314	4,847,407,733
Lease Liabilities as per IFRS 16	4,282,470,913	4,660,758,109	4,282,470,913	4,660,758,109
Sundry liabilities	8,705,752,899	7,659,501,576	5,101,949,096	3,852,697,110
Start-Up Fund (note-12.10)	100,583,799	60,343,687	100,583,799	60,343,687
CSR Fund (note-12.11)	245,965,311	-	245,965,311	-
	61,405,650,465	56,601,754,666	57,199,836,761	52,167,845,818

Unclaimed dividend is the residual amount of declared dividend which has not yet been paid to or claimed by the shareholders. As per therelevant BSEC directive, the bank has deposited unclaimed/undistributed/ unsettled dividend amount to the Capital Market Stabilization Fund (CMSF).

12.1 Provision for loans & advances

General provision (note- 12.1.1)	4,371,528,522	4,922,039,998
Specific Provision (note- 12.1.2)	13,206,713,687	10,122,342,140
	17,578,242,209	15,044,382,138

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
12.1.1 General provision				
Opening balance			4,922,039,998	4,566,041,128
Provision made during the year			(593,928,633)	353,378,491
Transferred from surplus of other provision heads			-	-
Exchange Difference			43,417,157	2,620,379
			4,371,528,522	4,922,039,998
12.1.2 Specific Provision				
Opening balance			10,122,342,140	7,239,857,885
Less: Adjustment due to written off			(3,079,191,210)	(426,609,401)
Add: Provision made during the year			5,926,618,563	3,206,516,138
Add: Recoveries of amounts previously written off			236,944,194	102,577,518
			13,206,713,687	10,122,342,140
12.2 Special General Provision for COVID_19				
Opening balance			1,540,000,000	840,000,000
Provision made during the year			90,000,000	700,000,000
			1,630,000,000	1,540,000,000
12.3 Provision for off-balance sheet exposure				
Opening balance			2,407,237,923	1,857,239,989
Provision made during the year			(482,028,218)	549,132,684
Exchange Difference			18,845,827	865,250
			1,944,055,532	2,407,237,923
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 2022 is BDT 1,944,055,532 against which available provision is BDT 1,944,055,532.				
12.4 Interest suspense account				
Opening balance			13,540,853,401	11,594,608,601
Add: Amount transferred to interest suspense account during the year			5,960,421,558	4,342,188,321
Less: Amount recovered from interest suspense account during the year			(3,120,709,566)	(2,080,445,188)
Less: Interest waiver/remission allowed			(65,199,108)	(208,399,685)
Less: Amount written off during the year			(1,153,159,074)	(107,098,648)
			15,162,207,211	13,540,853,401
12.5 Provision for diminution in value of investment				
Opening balance			-	235,220,899
Provision made/(reversed) during the year			612,038,691	(235,220,899)
			612,038,691	-
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			5,943,618,568	5,580,668,803
Add: Addition during the year			3,133,378,030	3,960,296,853
Add: Adjustment with previous year			-	(136,818,144)
Less: Adjustment with advance Tax			(3,981,015,177)	(3,460,528,944)
			5,095,981,421	5,943,618,568

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
12.8.1 Provision for Current Tax				
Assessment year wise breakup is as follows:				
2012-2013			2,183,460,319	2,183,460,319
2013-2014			2,152,935,623	2,152,935,623
2017-2018			2,561,251,694	2,561,251,694
2018-2019			3,027,500,000	3,027,500,000
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	3,960,296,854
2023-2024			3,133,378,030	-
			22,411,295,283	19,277,917,253
Adjustment of Current Tax Provision with advance Tax up to the year 2022			(17,315,313,862)	(13,334,298,685)
			5,095,981,421	5,943,618,568
12.9 Provision for UCB foundation				
Opening balance			81,500,000	75,000,000
Addition during the year			85,000,000	78,000,000
Fund transfer to UCB Foundation			(79,500,000)	(71,500,000)
			87,000,000	81,500,000
12.10 Start Up Fund				
Opening balance			60,343,687	28,571,978
Provision made during the year			40,240,112	31,771,709
			100,583,799	60,343,687
12.11 Corporate Social Responsibility (CSR) Fund				
Opening balance			-	-
Provision made during the year			245,965,311	-
			245,965,311	-
13 Share Capital				
Opening balance			12,783,969,490	12,175,209,040
Add: Bonus shares issue			1,278,396,940	608,760,450
			14,062,366,430	12,783,969,490
13.1 Authorized Capital				
1,500,000,000 ordinary shares of Tk. 10.00 each			15,000,000,000	15,000,000,000
13.2 Issued subscribed and paid up Capital				
1,278,396,949 ordinary shares @ Taka 10.00 each			12,783,969,490	12,175,209,040
60,876,045 ordinary shares @ Taka 10.00 each issued as bonus share			-	608,760,450
127,839,694 ordinary shares @ Taka 10.00 each issued as bonus share			1,278,396,940	-
			14,062,366,430	12,783,969,490
Shareholding position				
Particulars	31 December 2022		31 December 2021	
	No. of Shares	Taka	No. of Shares	Taka
Sponsors/Directors	487,236,904	4,872,369,040	442,942,654	4,429,426,540
Institution (Financial & Others)	311,594,040	3,115,940,400	273,841,715	2,738,417,150
General Public	596,000,011	5,960,000,110	551,243,772	5,512,437,720
Government of Peoples' Republic of Bangladesh	11,405,688	114,056,880	10,368,808	103,688,080
Total	1,406,236,643	14,062,366,430	1,278,396,949	12,783,969,490
13.3 Share Premium				
29,09,95,350 ordinary shares of Taka 5 each per share			1,454,976,750	1,454,976,750
Right 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.				

Consolidated		United Commercial Bank PLC	
31.12.2022	31.12.2021	31.12.2022	31.12.2021
Taka	Taka	Taka	Taka

13.4 Classification of Shareholders by holding as at 31 December 2022

Shareholding Range	Number of Shareholders	Number of Shares	Value of Shares in BDT	Total Holdings %
Upto 500 Shares	19,016	3,126,344	31,263,440	0.22%
501 to 5000 Shares	18,857	34,894,848	348,948,480	2.48%
5001 to 10,000 Shares	2,820	19,897,251	198,972,510	1.41%
10,001 to 20,000 Shares	1,754	24,421,747	244,217,470	1.74%
20,001 to 30,000 Shares	603	14,739,818	147,398,180	1.05%
30,001 to 40,000 Shares	244	8,398,782	83,987,820	0.60%
40,001 to 50,000 Shares	152	6,789,617	67,896,170	0.48%
50,001 to 100,000 Shares	297	20,165,878	201,658,780	1.43%
100,001 to 10,00,000 Shares	332	89,274,385	892,743,850	6.35%
10,00,001 & above	154	1,184,527,973	11,845,279,730	84.23%
Total	44,229	1,406,236,643	14,062,366,430	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
2022	127,839,694	1,278,396,940	14,062,366,430

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 2022 was Taka 50,407,651,176 as against available Tier-1 Capital of Taka 36,328,234,469 and Tier-2 Capital of Taka 16,345,584,054 making a Total Regulatory Capital of Taka 52,673,818,523 thereby an excess of capital of Taka 2,266,167,347 at that date.

Details are shown below:

Tier-I Capital:

Common Equity Tier-1 capital (CET1)

Paid-up Capital (note: 13.2)	14,062,366,430	12,783,969,490
Share Premium (note: 13.3)	1,454,976,750	1,454,976,750
Statutory Reserve (note: 14)	15,730,183,055	14,546,968,923
General Reserve (note: 15)	26,577,961	26,577,961
Retained Earnings (note: 17)	6,885,485,076	5,997,660,416
	38,159,589,272	34,810,153,540

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
Less: Regulatory Adjustments				
Goodwill and all other Intangible Assets			634,683,173	340,439,879
Deferred Tax Assets (DTA)			5,196,671,630	4,017,419,030
Reciprocal crossholdings and excess investment above limit			-	87,767,516
Others			-	-
			5,831,354,803	4,445,626,425
Total Common Equity Tier-1 Capital			32,328,234,469	30,364,527,115
Additional Tier-1 Capital (AT-1)			4,000,000,000	4,000,000,000
Less: Others			-	-
Total Tier-1 Capital			36,328,234,469	34,364,527,115
Tier-II Capital:				
General Provision			7,945,584,054	8,869,277,921
Revaluation Reserve (note: a)			-	-
Subordinated Bond			8,480,000,000	9,980,000,000
			16,425,584,054	18,849,277,921
Less: Regulatory Adjustments				
Revaluation Reserve			-	-
Reciprocal crossholdings in the T-2 Capital of BNBFI's & Insurance Entities			80,000,000	80,000,000
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991 (50% of Investment)			-	-
Others			-	376,878,476
Total Admissible Tier-2 Capital			16,345,584,054	18,392,399,445
Total Regulatory Capital			52,673,818,523	52,756,926,560
Risk Weighted Assets (note-13.8)			403,261,209,410	386,741,535,473
Minimum Capital Requirement with Capital Conservation Buffer (12.5% of Risk Weighted Assets)			50,407,651,176	48,342,691,934
Capital Surplus			2,266,167,347	4,414,234,626
13.7 Composition of Capital	Required	Held	Required	Held
Common Equity Tier -I	4.50%	8.02%	4.50%	7.85%
Tier-I Capital	6.00%	9.01%	6.00%	8.89%
Tier-II Capital	0.00%	4.05%		4.76%
Tier-I Capital with Buffer	8.50%	8.02%	8.50%	8.89%
Total CRAR	12.50%	13.06%	12.50%	13.64%
13.8 Computation of Risk weighted assets				
On- Balance Sheet			299,071,325,136	271,721,577,080
Off-Balance sheet			53,012,116,206	67,469,005,582
Credit Risk (A)			352,083,441,341	339,190,582,662
Market Risk (B)			10,915,390,905	10,960,117,767
Operational risk (C)			40,262,377,163	36,590,835,044
Total: Risk Weighted assets (A+B+C)			403,261,209,410	386,741,535,473
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	14,555,968,681	13,424,987,898	14,546,968,923	13,424,987,898
Add: Transferred during the year	1,208,339,758	1,130,980,783	1,183,214,132	1,121,981,025
	15,764,308,439	14,555,968,681	15,730,183,055	14,546,968,923
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

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
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)	134,906,899	30,019,810	134,906,899	30,019,810
Revaluation Reserve on HTM Securities (notes: 16.2.1)	128,060,537	49,130,334	128,060,537	49,130,334
Revaluation Reserve on HFT Securities (notes: 16.2.2)	-	18,602,185	-	18,602,185
	2,797,068,995	2,631,853,888	2,797,068,995	2,631,853,888

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)	128,060,537	49,130,334
HFT Securities (notes 16.2.2)	-	18,602,185
	128,060,537	67,732,519

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	49,130,334	93,738,160
Net Revaluation gain/adjustment during the year	78,930,203	(44,607,826)
	128,060,537	49,130,334

16.2.2 Revaluation Reserve on HFT Securities

Opening Balance	18,602,185	139,751,027
Net Revaluation gain/adjustment during the year	(18,602,185)	(121,148,842)
	-	18,602,185

17 Retained Earnings

Opening Balance	5,997,660,416	5,191,763,156
Add: Retained surplus transferred during for the year	2,554,591,600	2,023,418,169
Less: Issuance of Stock Dividend	(1,278,396,940)	(608,760,450)
Less: Issuance of Cash Dividend	-	(608,760,459)
Less: Coupon Payment Perpetual Bond	(388,370,000)	-
	6,885,485,076	5,997,660,416

17(a) Consolidated Retained Earnings

United Commercial Bank PLC	6,885,485,076	5,997,660,417
UCB Stock Brokerage Limited	1,230,784,395	846,556,056
UCB Investment Limited	173,067,142	132,493,978
UCB Asset Management Limited	64,058,534	60,874,664
UCB Fintech Company Limited	(2,280,579,586)	(1,102,104,559)
	6,072,815,561	5,935,480,556
Less: Non controlling Interest	174	265
Total balance of retained earnings attributable to the ordinary Share holders	6,072,815,387	5,935,480,290
Non controlling interest	174	265

	Consolidated		United Commercial Bank PLC	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Taka	Taka	Taka	Taka
18 Contingent liabilities & commitment				
Acceptances & endorsement (note- 18.1)			95,629,506,243	110,309,146,988
Letters of guarantee (note- 18.2)			59,964,400,737	57,499,501,948
Irrecoverable letters of credit (note- 18.3)			39,547,144,513	75,222,523,708
Bills for collection (note-18.4)			20,526,625,910	17,381,986,506
Other Commitments			2,272,080,692	-
			217,939,758,095	260,413,159,150
18.1 Acceptances & endorsements				
Bankers liabilities for accepted against usance LC			72,908,541,938	86,824,956,787
Bankers liabilities for accepted against BB usance			22,720,964,305	23,484,190,201
			95,629,506,243	110,309,146,988
18.2 Letters of guarantee				
Bankers liabilities for letters of guarantee (Inland)			38,598,505,618	40,358,914,710
Bankers liabilities for letters of guarantee (Foreign)			21,365,895,119	17,140,587,238
			59,964,400,737	57,499,501,948
18.3 Irrecoverable letters of credit				
Letters of credit (Inland)			324,008,071	699,415,743
Letters of credit (Foreign)			21,116,691,665	42,851,416,389
Back to back L/C			17,229,036,221	27,002,330,832
Letters of credit EDF			870,777,061	4,633,089,470
Letters of credit EPZ			6,631,495	36,271,274
			39,547,144,513	75,222,523,708
18.4 Bills for collection				
Bills for collection			13,574,675,495	10,838,943,348
Foreign Bills for collection			6,951,950,415	6,543,043,158
			20,526,625,910	17,381,986,506

	Consolidated		United Commercial Bank PLC	
	2022	2021	2022	2021
	Taka	Taka	Taka	Taka
19 Income Statement				
Income				
Interest, discount and similar income (note-19.1)			37,182,200,704	32,216,994,109
Dividend income			178,569,508	149,088,539
Fees, commission and brokerage			4,383,768,586	4,167,689,559
Net gain arising from dealing in securities			-	-
Net gain arising from investment securities			9,040,399	421,132,081
Net gain arising from dealing in foreign currencies			3,515,705,784	1,571,481,016
Income from non-banking asset			-	-
Other operating income			263,842,890	220,614,859
			45,533,127,871	38,747,000,163
Expenses				
Interest paid on deposits and borrowings etc			17,010,387,394	13,927,259,014
Administrative expenses (note-19.2)			11,751,310,123	10,234,359,002
Other operating expenses			3,670,796,436	2,945,319,029
Depreciation on banks assets			1,631,862,856	1,456,351,581
			34,064,356,809	28,563,288,626
			11,468,771,062	10,183,711,537
19.1 Interest, discount and similar income				
Interest Income			31,684,836,835	27,323,646,852
Interest income from investments			5,497,363,869	4,893,347,257
			37,182,200,704	32,216,994,109

	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
19.2 Administrative expenses				
Salary and allowances			7,658,696,939	7,166,522,140
Rent, taxes, insurance, electricity etc.			1,623,559,944	1,122,448,908
Legal expenses			94,587,412	128,654,592
Postage, stamps, telecommunications etc.			219,090,942	184,561,969
Stationery, printing, advertisements etc.			1,694,262,239	1,249,146,112
Chief Executive's salary and fees			14,098,442	13,450,900
Directors' fees			3,544,387	2,590,290
Auditors' fees			1,725,000	1,150,000
Repair of banks assets			441,744,818	365,834,091
			11,751,310,123	10,234,359,002
20 Interest Income				
Interest on loans and advances	31,484,421,785	27,465,323,347	30,867,661,160	26,804,208,365
Interest on balances with other banks & Fin Ins.	368,936,066	447,909,025	368,936,066	447,909,025
Interest on money at call on short notice	398,855,195	46,399,514	398,855,195	46,399,514
Interest on balance with foreign Bank	49,384,414	25,129,948	49,384,414	25,129,948
	32,301,597,460	27,984,761,834	31,684,836,835	27,323,646,852
21 Interests Paid on deposits and borrowings etc.				
Interest paid on deposits (note-21.1)	14,426,156,234	11,605,438,993	14,426,156,234	11,605,438,993
Interest paid on borrowings (note-21.2)	2,661,311,471	2,561,339,480	2,584,231,160	2,321,820,021
	17,087,467,705	14,166,778,473	17,010,387,394	13,927,259,014
21.1 Interest paid on deposits				
Savings Deposit			1,772,777,520	1,618,577,290
Special Notice Deposit			1,163,025,470	1,076,472,790
Fixed Term Deposit			8,027,114,747	5,612,968,047
Scheme Term Deposit			3,463,238,497	3,297,420,866
			14,426,156,234	11,605,438,993
21.2 Interest paid on borrowings				
Borrowing from Bangladesh Bank			525,574,451	444,611,325
Borrowing from other Bank & financial institution			156,835,705	103,815,059
Interest Paid on Subordinated Bond			911,605,115	1,131,615,194
F.C borrowings			433,060,700	91,440,509
Interest Exp. On Other Bank repo borrowings			(21,806,978)	214,118,953
Interest on money at call on short notice			9,161,736	1,398,819
Interest on EDF borrowings from Bangladesh Bank			569,800,431	334,820,162
			2,584,231,160	2,321,820,021
22 Investment income				
Interest income from investments (note-22.1)	5,626,723,473	5,076,027,541	5,497,363,869	4,893,347,257
Non interest income from investments (note-22.2)	187,749,907	570,260,620	187,749,907	570,260,620
	5,814,473,380	5,646,288,161	5,685,113,776	5,463,607,877
22.1 Interest income from investments				
Government treasury bill/bond			4,793,289,866	4,527,908,064
Bangladesh Bank Bill			-	63,473,500
Sub-ordinated Bond			187,504,397	217,270,418
Bangladesh Government Investment in SUKUK			4,856,026	4,896,048
Perpetual Bond			50,527,778	-
Reverse Repo with Other Bank			110,216,313	2,758,304
Income from Investment			47,787,625	13,837,792
Gain/(Loss) on revaluation on govt. securities (note - 22.1.1)			303,181,865	63,203,131
			5,497,363,869	4,893,347,257

	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
22.1.1 Gain/(Loss) on revaluation on govt. securities				
Gain on revaluation on govt. securities			306,364,223	-
Less: Loss on revaluation on govt. securities			(3,182,358)	63,203,131
			303,181,865	63,203,131
22.2 Non interest income from investments				
Dividend on shares			178,569,508	149,088,539
Gain on sale of share (note - 22.2.1)			9,040,399	421,132,081
Prize money on prize bond			140,000	40,000
			187,749,907	570,260,620
22.2.1 Gain on sale of shares				
Gain on sale of shares			81,080,581	569,698,545
Less: Loss on sale of shares			(72,040,182)	(148,566,464)
			9,040,399	421,132,081
23 Commission, Fees, Exchange & Brokerage				
Commission (note - 23.1)	3,349,547,255	3,186,063,101	2,350,013,019	2,458,410,255
Fees (note - 23.2)	2,033,755,567	1,709,279,304	2,033,755,567	1,709,279,304
Exchange earning (note - 23.3)	3,515,705,784	1,571,481,016	3,515,705,784	1,571,481,016
	8,899,008,606	6,466,823,421	7,899,474,370	5,739,170,575
23.1 Commission				
Remittance Inland			8,817,440	5,404,569
Remittance Foreign			9,649,895	9,848,975
Commission on Letters of guarantee			484,879,716	459,806,064
Commission on Letters of credit			445,180,075	480,962,262
Letters of credit (back to back)			369,675,197	454,128,557
Commission on BSP/PSP			34,360,256	24,494,106
Commission on acceptance			717,311,772	760,140,945
Exchange comm. & rebate			232,395,419	231,719,690
Clearance			1,952,807	1,825,153
Commission (Card)			23,918,606	16,777,055
MFS Commission			-	-
Others			21,871,836	13,302,879
			2,350,013,019	2,458,410,255
23.2 Fees				
Bills for collection			46,958,718	39,775,786
Account maintenance fees			155,155,460	116,750,033
Appraisal/processing fees			52,904,194	53,082,460
Online transaction fees			75,962,096	75,146,529
BACH/BEFTN charges			30	-
Cash incentive charges			21,525,050	16,117,005
Standing instruction charges			-	28,660
FC Endorsement charges			5,508,000	196,925
LC,BC,& BG (Others) Fees & Charges			757,546,148	656,512,829
Debit card			273,941,586	239,518,168
Credit card			438,945,303	353,504,649
Arrangement Fees			1,568,828	-
ABS fees & charges			12,091,983	23,138,953
SMS Banking charges			142,854,901	121,849,600
Misc. fees			48,793,270	13,657,707
			2,033,755,567	1,709,279,304

	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
23.3 Exchange				
Exchange earning (general)			2,640,443,665	1,644,144,243
Revaluation gain/(Loss) on foreign currency			518,152,899	(8,882,983)
FX Deal Discount Income			357,109,220	(63,780,244)
			3,515,705,784	1,571,481,016
Less : Exchange loss (general)			-	-
Less : Exchange loss (dealing room)			-	-
			3,515,705,784	1,571,481,016
24 Other Operating Income				
Locker	15,520,100	15,261,155	15,520,100	15,261,155
Premises rent	536,280	-	536,280	-
Swift charges	64,928,919	75,011,059	64,928,919	75,011,059
Recoveries from Operational Loss	6,050,000	-	6,050,000	-
Cheque Book Issuance	80,632,338	55,407,383	80,632,338	55,407,383
Miscellaneous earning	152,117,607	248,557,677	96,035,253	74,895,262
	319,785,244	394,237,274	263,702,890	220,574,859
25 Salaries and allowances				
Basic salary	3,989,479,777	3,494,275,247	3,226,427,601	2,924,583,258
Allowances	1,439,238,533	1,302,112,058	1,439,238,533	1,302,112,058
Bonus	1,654,527,321	1,578,679,339	1,654,527,321	1,578,679,339
Provident fund and Welfare fund	378,503,484	426,147,485	378,503,484	426,147,485
Gratuity	960,000,000	935,000,000	960,000,000	935,000,000
	8,421,749,115	7,736,214,129	7,658,696,939	7,166,522,140
26 Rent, taxes, insurance, electricity etc.				
Rent premises	816,950,386	386,773,887	773,018,681	361,716,449
Rent, rates & taxes	80,760,651	72,453,309	80,760,651	72,453,309
Other rental charges	183,272,621	157,408,534	183,272,621	157,408,534
Insurance charge	316,345,378	286,413,476	316,345,378	286,413,476
Electricity, Water & Gas *	270,162,612	244,457,140	270,162,612	244,457,140
	1,667,491,649	1,147,506,346	1,623,559,944	1,122,448,908
* Compliance status of BRPD Circular No 28 Dated 26 July 2022:				
Bangladesh bank, vide BRPD circular letter no 28 dated 26 July 2022 and subsequent clarification, instructed all the commercial banks to bring down fuel expenses by 10% and electricity expenses by 12.5% from the budgeted amount in 2nd half of 2022 considering the global economic crisis arising from Covid-19 and Russia-Ukraine war. The bank has taken various initiatives i.e. Daylight saving, AC use optimization, timely closure of office etc. to bring down the fuel and electricity cost. the progressive status has been summarised below:				
	Actual, 2022 (July-Dec)	Budget, 2022 (July-Dec)	Variance (July-Dec)	% in change (July-Dec)
Pool Car Generator Etc.	120,649,318	134,649,320	(14,000,002)	-10.40%
Electricity Water Gas etc.	148,575,723	170,580,720	(22,004,997)	-12.90%
27 Legal expenses				
Professional fees	98,232,077	129,454,796	85,095,033	122,055,379
Other legal charges	9,291,403	6,508,051	9,291,403	6,508,051
Stamp, power of attorney & notary public	200,976	91,162	200,976	91,162
	107,724,456	136,054,009	94,587,412	128,654,592
28 Postage, stamps, telecommunications etc.				
Postage	42,298,483	45,033,855	42,298,483	45,033,855
Telecommunication charges	45,624,120	46,398,716	45,624,120	46,398,716
Reuter	4,699,201	4,073,690	4,699,201	4,073,690
Internet	3,713,400	2,580,200	3,713,400	2,580,200
Online connectivity charge	144,931,053	93,807,923	122,755,738	86,475,507
	241,266,257	191,894,385	219,090,942	184,561,969

	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
29 Stationery, printing & advertisements etc.				
29.1 Stationery and printing:				
Security Stationery	21,108,124	20,040,172	21,108,124	20,040,172
Petty Stationery	52,209,372	35,280,360	52,209,372	35,280,360
Office Stationery	167,837,089	120,763,669	167,837,089	120,763,669
	241,154,585	176,084,200	241,154,585	176,084,200
29.2 Advertisement:				
News paper	23,291,119	43,429,738	23,291,119	43,429,738
Magazine	1,276,434	2,214,229	1,276,434	2,214,229
Sponsorship	332,000,035	142,216,249	332,000,035	142,216,249
Business Development	84,014,298	30,644,815	84,014,298	30,644,815
Branding expenses	1,069,112,036	1,555,099,250	820,246,649	649,265,301
Promotional Material	129,589,454	120,688,341	129,589,454	120,688,341
Bill board & neon sign	2,270	-	2,270	-
Television	16,696,850	24,945,800	16,696,850	24,945,800
Radio	1,304,100	2,007,148	1,304,100	2,007,148
Misc. advertisement	44,686,445	57,650,291	44,686,445	57,650,291
	1,701,973,041	1,978,895,862	1,453,107,654	1,073,061,912
	1,943,127,626	2,154,980,062	1,694,262,239	1,249,146,112
30 Chief Executive's salary and fees				
Basic salary	12,098,442	10,272,900	12,098,442	10,272,900
Festival Bonus	2,000,000	2,178,000	2,000,000	2,178,000
Incentive Bonus	-	1,000,000	-	1,000,000
Provident fund	-	-	-	-
	14,098,442	13,450,900	14,098,442	13,450,900
31 Directors fees				
Meeting fees	3,392,300	2,923,095	2,604,800	2,173,600
Other meeting fee (travelling expenses)	939,587	416,690	939,587	416,690
	4,331,887	3,339,785	3,544,387	2,590,290
Each director of the Bank is paid for BDT 8,000 as per BRPD circular letter no. 11 dated 4 October 2015 per board or board committee meeting attended in 2022.				
32 Auditors fees	1,947,500	1,278,500	1,725,000	1,150,000
33 Depreciation and repair of bank's assets				
33.1 Depreciation				
Furniture/fixtures	212,125,077	207,260,045	207,214,604	203,148,071
Vehicles	39,533,464	32,396,434	34,260,962	30,149,971
Office equipments	379,863,455	356,402,759	375,093,224	353,308,262
Computer equipments	287,708,355	181,962,149	227,827,812	158,259,195
Computer software	245,593,261	192,711,490	243,521,689	191,941,304
Immovable property (Building)	64,991,872	64,751,840	64,124,872	63,992,465
Right of Use assets (ROU) as per IFRS 16	479,819,692	455,552,313	479,819,692	455,552,313
	1,709,635,177	1,491,037,030	1,631,862,856	1,456,351,581
33.2 Repair renovation & maintenance				
Furniture/fixtures	3,756,061	15,589,888	3,756,061	15,589,888
Vehicles	15,947,219	15,657,776	15,947,219	15,657,776
Office equipments	63,983,955	73,835,779	63,983,955	73,835,779
Computer equipments	567,798	89,327	567,798	89,327
Renovation & maintenance	329,828,945	225,494,997	326,697,187	223,206,937
Premises	30,777,398	37,454,383	30,777,398	37,454,383
Repair building	15,200	-	15,200	-
	444,876,576	368,122,150	441,744,818	365,834,091
	2,154,511,753	1,859,159,180	2,073,607,674	1,822,185,672

	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
34 Other expenses				
Entertainment	72,068,171	54,487,851	72,068,171	54,487,851
Petrol, oil & lubricant	199,464,498	137,148,476	199,464,498	137,148,476
Subscription	20,800,668	34,832,328	20,800,668	34,832,328
Donation	235,424,820	199,393,247	235,424,820	199,393,247
Traveling	259,533,556	112,753,012	259,533,556	112,753,012
Cartage and freight	17,069,571	13,201,305	17,069,571	13,201,305
Hon. general	2,357,350	1,735,253	2,357,350	1,735,253
Fees commission & charges	957,489,197	273,862,725	149,999,777	116,924,311
Meeting Seminar and staff training	44,627,202	14,362,733	44,627,202	14,362,733
Fees Commission and Charges Dabit Card	43,978,934	21,528,218	43,978,934	21,528,218
Fees Commission and Charges Visa Card Local	255,802,643	138,480,056	255,802,643	138,480,056
Liveries & uniforms	1,001,663	1,486,744	1,001,663	1,486,744
Medical expenses	217,977,292	202,856,713	217,977,292	202,856,713
Car expenses	149,549,493	130,292,757	149,549,493	130,292,757
Loss on sale of assets	2,302,827	5,115,792	2,302,827	5,115,792
Write off of assets	59,374	103,852	59,374	103,852
BATCH/BEFTN Charges	606,526	666,755	606,526	666,755
UCB Foundation	85,000,000	78,000,000	85,000,000	78,000,000
Interest expense for leased liability as per IFRS 16	249,755,744	280,010,047	249,755,744	280,010,047
Outsource Staff Expenses	1,629,343,193	1,373,214,048	1,629,343,193	1,373,214,048
Other Expenses	34,073,132	28,725,530	34,073,132	28,725,530
	4,478,285,856	3,102,257,442	3,670,796,436	2,945,319,029
35 Provision for Loans & Advances				
Classified loans & advances	6,256,378,779	3,440,374,456	6,163,562,757	3,309,093,656
Unclassified Loans & advances	(593,928,633)	353,378,491	(593,928,633)	353,378,491
Special General Provision for COVID_19	90,000,000	700,000,000	90,000,000	700,000,000
Recoveries from previously written off loan	(236,944,194)	(102,577,518)	(236,944,194)	(102,577,518)
	5,515,505,953	4,391,175,429	5,422,689,930	4,259,894,629
36 Provision for diminution in value of investments				
Provision required during the year	646,373,322	(244,586,028)	612,038,691	(235,220,899)
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	(482,028,218)	549,363,208	(482,028,218)	549,132,684
	(482,028,218)	549,363,208	(482,028,218)	549,132,684
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	3,473,872,045	4,166,078,526	3,133,378,030	3,823,478,709
Deferred Tax Provision	(1,239,507,786)	(1,389,947,755)	(1,241,318,525)	(1,390,744,489)
	2,234,364,259	2,776,130,772	1,892,059,505	2,432,734,220
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)	3,298,647,127	2,507,114,098	4,024,011,154	3,177,170,903
Number of Ordinary shares outstanding (Denominator)	1,406,236,643	1,406,236,643	1,406,236,643	1,406,236,643
Earning Per Share (EPS)	2.35	1.78	2.86	2.26
Earning per share (EPS) has been increase due to increase in operating income, consequently net profit after taxes.				

	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
40 Receipt from other operating activities				
Exchange earning & brokerage	3,515,705,784	1,571,481,016	3,515,705,784	1,571,481,016
Other operating income	289,055,558	289,055,558	272,883,290	641,746,940
	3,804,761,342	1,860,536,574	3,788,589,074	2,213,227,956
41 Payment for other operating activities				
Legal expenses	94,587,412	128,654,592	94,587,412	128,654,592
Directors fees & other expenses	3,544,387	2,590,290	3,544,387	2,590,290
Auditors fees	1,725,000	1,150,000	1,725,000	1,150,000
Repair to fixed assets	441,744,818	365,834,091	441,744,818	365,834,091
Other expenditure	3,502,530,120	2,489,170,996	3,421,040,691	2,397,048,454
	4,044,131,737	2,987,399,969	3,962,642,308	2,895,277,427
42 Increase/Decrease of other assets				
Investment in share of subsidiary companies.			(2,000,000,000)	(1,745,907,133)
Receivable from Subsidiary Company			3,288,579	18,877,262
Stock of Stationery & Stamps			(27,074,209)	17,933,614
Account with Stock Broker			424,697,106	1,224,950,126
Advance Payment			188,820,165	43,162,685
Advance Deposit			1,593,324	1,999,000
Suspense Account			1,034,755,800	(1,132,592,311)
Head Office General Account			2,518,715	(2,588,156)
Others			(1,528,845,283)	(752,456,062)
Increase/Decrease for the year			(1,900,245,802)	(2,326,620,975)
43 Increase/Decrease of other liabilities				
Write off loan			(4,232,485,242)	(426,609,399)
Interest suspense account			1,621,353,810	1,946,244,800
Dividend payable			(17,420,886)	80,075,149
Sundry liabilities			959,560,832	1,286,281,184
Increase/Decrease for the year			(1,668,991,486)	2,885,991,733
44 Net Operating Cash Flows Per Share (NOCFPS)				
Net Cash from operating activities	(18,631,702,416)	(23,695,353,899)	(19,759,325,562)	(24,462,806,605)
Number of Ordinary shares outstanding (Denominator)	1,406,236,643	1,406,236,643	1,406,236,643	1,406,236,643
Net Operating Cash Flows Per Share (NOCFPS)	(13.25)	(16.85)	(14.05)	(17.40)
Net operating cash flow per share (NOCFPS) has been changed due to the positive impact in operating assets and liabilities.				
45 Net Asset Value Per Share (NAVPS)				
Net Asset Value	40,178,113,962	37,388,827,060	40,956,658,267	37,442,007,428
Number of Ordinary shares outstanding (Denominator)	1,406,236,643	1,406,236,643	1,406,236,643	1,406,236,643
Net Asset Value Per Share (NAVPS)	28.57	26.59	29.13	26.63
Net asset value per share (NAVPS) has been increased due to increase in net profit after taxes, gain on foreign exchange and investment revaluation reserve.				
46 a) Reconciliation of Net Profit after Taxes and Operating profit before changes in operating assets and liabilities of the bank				
Cash flows from operating activities				
Net profit after taxes			4,024,011,155	3,177,170,903
Provision for taxation			1,892,059,504	2,432,734,220
Provision for investment, shares & contingent liabilities			5,552,700,403	4,573,806,414
Decrease interest receivable			297,933,621	157,313,883
Decrease interest payable on deposits			(566,945,898)	(210,662,973)
Depreciation & amortization of fixed assets			1,631,862,855	1,456,121,884

	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
Recoveries on loans & advances previously written-off			236,944,194	102,577,518
Income tax paid			(4,392,182,336)	(3,285,957,698)
Effect of exchange rate changes on cash and cash equivalents			(3,515,705,784)	(1,571,481,024)
Operating profit before changes in operating assets and liabilities			5,160,677,714	6,831,623,127

b) Reconciliation of effective tax rate

Particulars	Effective Rate	31-Dec-2022	Effective Rate	31-Dec-2021
Profit before income taxes as per profit & loss account	-	5,916,070,659	-	5,609,905,127
Income taxes as per applicable tax rate	37.50%	2,218,526,497	37.50%	2,103,714,423

Factors affecting the tax charge in current year

Inadmissible expenses	33.59%	1,987,425,015	32.23%	1,807,919,167
Admissible expenses in the current year	-19.52%	(1,154,696,704)	-2.85%	(160,093,797)
Tax from reduced tax rates for dividend	0.60%	35,713,902	0.53%	29,817,708
Tax from reduced tax rates for capital gain	0.78%	46,381,320	0.75%	42,113,208
Tax from reduced tax rates for prize bond	0.00%	28,000	0.00%	8,000
Effect of deferred tax income	-20.98%	(1,241,318,526)	-24.79%	(1,390,744,488)
Total income tax expenses	31.98%	1,892,059,505	43.36%	2,432,734,220

47 A. Audit Committee Meeting

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 05 (Five) members of the Board as on 31 December 2022.

Name of the Members	Status with the Bank	Status in the Committee	Educational Qualification
Touhid Shipar Rafiqzaman	Independent Director	Chairman	MA
Syed Kamruzzaman, FCMA	Director	Member	B.Com (Honours) in Accounting, FCMA
Muhammed Shah Alam, FCMA	Director	Member	M.Com.in Accounting, FCMA
Dr. Aparup Chowdhury	Independent Director	Member	MSC, MBA, PHD
Kanak Kanti Sen, FCMA	Director	Member	M.Com & FCMA

During the year 2022, the Audit Committee has conducted **07 (Seven)** meetings. Details of the meeting are shown below by datewise.

Details of the Audit Committee Meeting in the year 2022

Sl. No	Meeting No.	Held on
1	121	17.02.2022
2	122	30.03.2022
3	123	12.05.2022
4	124	26.07.2022
5	125	28.07.2022
6	126	23.10.2022
7	127	21.12.2022

The Audit Committee discussed the following issues during the year 2022

- To review the Audited and Un-Audited Financial Statements and Auditors Report of the Bank;
- To review the Risk Based Internal Audit Findings;
- To review the Internal Audit Strategic Plan-2022;
- To review the Self-Assessment on Anti-Fraud Internal Controls;
- To review the Annual Health Report of the Bank;
- To review the Information System Security Audit (IT Audit) Strategic Plan-2022
- To review the appointment of Auditors and Fixation of Remuneration;
- To review the 'Management Letter 2021' submitted by the External Auditors

B. Board of Directors Meetings

During the year 2022, the Board of Directors has conducted 12 (Twelve) meetings. Details of the meeting are shown below by datewise.

Details of the Board Meeting in the year 2022

Sl. No	Meeting No	Held on
1	467	24.01.2022
2	468	20.02.2022
3	469	30.03.2022
4	470	19.04.2022
5	471	12.05.2022
6	472	06.07.2022
7	473 (Special)	28.07.2022
8	474	28.07.2022
9	475	24.08.2022
10	476	08.09.2022
11	477	23.10.2022
12	478	28.12.2022

C. Executive Committee Meeting

During the year 2022, the Executive Committee has conducted 08 (Eight) meetings. Details of the meeting are shown below by datewise.

Details of the Executive Committee Meeting in the year 2022

Sl. No	Meeting No	Held on
1	449	27.01.2022
2	450	23.03.2022
3	451	27.04.2022
4	452	31.07.2022
5	453	24.08.2022
6	454	25.09.2022
7	455	23.10.2022
8	456	28.12.2022

D. Risk Management Committee Meeting

Details of the Risk Management Committee Meeting in the year 2022

Sl. No	Meeting No	Held on
1	34	23.03.2022
2	35	31.07.2022
3	36	11.12.2022
4	37	27.12.2022

E. Shariah Supervisory Committee Meeting

During the year 2022, the Shariah Supervisory Committee has conducted 04 (Four) meetings. Details of the meeting are shown below by date wise.

Details of the Shariah Supervisory Committee Meeting in the year 2022

Sl. No	Meeting No	Held on
1	4	27.03.2022
2	5	27.07.2022
3	6	21.11.2022
4	7	27.12.2022

48 Related Party Disclosers

48.1 (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 January 2022	Closing Share holding position as on 31 December 2022
Rukhmila Zaman	Chairman	25,569,417	28,126,358
Bashir Ahmed	Vice Chairman	25,713,046	28,284,349
Anisuzzaman Chowdhury	Director	35,777,974	39,355,771

Name of the Directors	Status in the Board	Opening Share holding position as on 01 January 2022	Closing Share holding position as on 31 December 2022
Touhid Shipar Rafiquzzaman	Independent Director	-	-
M. A. Sabur	Sponsor Director	27,764,187	30,540,602
Bazal Ahmed	Director	25,619,905	28,181,894
Nurul Islam Chowdhury	Director	25,573,103	28,130,412
Hajee Yunus Ahmed	Sponsor Director	27,611,439	30,372,582
Hajee M.A. Kalam	Sponsor Director	25,570,605	28,127,665
Roxana Zaman (Representative of Volkart Trading Limited)	Director	25,589,025	28,147,927
Asifuzzaman Chowdhury	Director	36,061,405	39,667,545
Afroza Zaman (Representative of Legendary Assets Management Limited)	Director	25,589,025	28,147,927
Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited)	Director	26,208,739	28,829,612
Muhammed Shah Alam, FCMA (Representative of Ardent Assets Management Limited)	Director	25,589,025	28,147,927
Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited)	Director	25,568,408	28,125,248
Aksed Ali Sarker (Representative of Aromatic Properties Limited)	Director	25,578,000	28,135,800
Masuma Parvin (Representative of Splendid Trading Limited)	Director	25,589,025	28,147,927
Dr. Aparup Chowdhury	Independent Director	-	-
Prof. Dr. Iftekhar Uddin Chowdhury	Independent Director	-	-
Arif Quadri	Managing Director & CEO	-	-

48.1 (b): Name of the Directors and the entities in which they had interest as at 31 December 2022

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
Bashir Ahmed	Vice Chairman	<ol style="list-style-type: none"> 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 Solution Pvt. Limited 11. Pioneer Electronics 12. Mettle Emporium
Anisuzzaman Chowdhury	Chairman, Executive Committee	<ol style="list-style-type: none"> 1. Asif Steels Limited 2. Javed Steel Mills Limited 3. Vanguard Steel Limited 4. Afroza Oil Limited 5. Asif Synthetic Fibres Limited 6. Holi Crescent Hospital Limited 7. Ronny Chemical Industries Limited 8. Navana Pharmaceuticals Limited

Name of Directors	Status	Entities where they have interest
Touhid Shipar Rafiquzzaman	Chairman, Audit Committee	None
M. A. Sabur	Chairman, Risk Management Committee	<ol style="list-style-type: none"> 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 Trims Limited 20. Masco Cotspin Limited 21. Maxim Limited 22. Masco Dairy Enterprise
Bazal Ahmed	Chairman, Shariah Supervisory Committee	<ol style="list-style-type: none"> 1. M/S Taj Accessories (Pvt.) Limited 2. M/S Saikat Textile Ind. Limited 3. M/S DEEN Fashions Limited
Nurul Islam Chowdhury	Director	<ol style="list-style-type: none"> 1. Islam Steel Mills Limited 2. Eastern Engineers (CTG.) Limited 3. NAMS Trading Corporation 4. NAMS Shipping Lines
Hajee Yunus Ahmed	Director	<ol style="list-style-type: none"> 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. Ynunosco (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) Limited 15. Centra Transportation Services Limited 16. Contrade Shipping Lines Limited 17. Bangladesh Media Services Limited
Hajee M. A. Kalam	Director	<ol style="list-style-type: none"> 1. M/S. M. A. Kalam Limited 2. M/S. United Overseas (BD) Limited 3. Arab Plantation Limited 4. Modern Bricks Limited

Name of Directors	Status	Entities where they have interest
Roxana Zaman	Director	1. Asif Steels Limited 2. Javed Steels Limited 3. Vangaurd Steets Limited 4. Afroza Oil Limited 5. Asif Cotton Mills Limited 6. Asif Synthetic Fibers Limited 7. Volkart Trading Limited
Asifuzzaman Chowdhury	Director	1. Asif Steels Limited 2. Javed Steel Mills Limited 3. Vanguard Steel Limited 4. Afroza Oil Limited 5. Bhatiary Fruits & Vegetable Products (Pvt.) Limited 6. Bangladesh Fertilizer Limited 7. Asif Cotton Mills Limited 8. Asif Synthetic Fibres Limited 9. Jasa Corporation Limited 10. Ronny Chemical Industries Limited
Afroza Zaman	Director	1. Asif Steels Limited 2. Javed Steel Mills Limited 3. Vanguard Steel Limited 4. Afroza Oil Limited 5. Bangladesh Fertilizer Limited 6. Asif Cotton Mills Limited 7. Asif Synthetic Fibres Limited 8. Ronny Chemical Industries Limited 9. Volkart Trading Limited
Masuma Parvin	Director	1. Navana Pharmaceuticals Limited 2. Japan Bangladesh Friendship Hospital (Pvt.) Limited 3. Dhaka Evergreen Retirement Homes (Pvt.) Limited
Syed Kamruzzaman, FCMA	Director	1. North West Securities Limited
Muhammed Shah Alam, FCMA	Director	None
Kanak Kanti Sen, FCMA	Director	None
Aksed Ali Sarker	Director	None
Dr. Aparup Chowdhury	Independent Director	None
Prof. Dr. Iftekhar Uddin Chowdhury	Independent Director	None

48.2 Significant Contracts where Bank is a party and wherein Directors have interest:	Nil
48.3 Shares issued to Directors & Executives without consideration or exercisable at a discount:	Nil
48.4 Related Party Transactions:	Nil
48.5 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
48.6 Loans and advances to concern related to directors:	Nil
48.7 Business other than banking business with any related concern of the Directors as per section 18(2) of the Bank company Act 1991:	Nil
48.8 Investment in securities of Directors and their related concern:	Nil

49 Events after Balance Sheet date:

The Board of Directors recommended 10% dividend (5% cash and 5% stock) for the year 2022 in its meeting no. 481 held on 25 April 2023.

General:

49.1 Banks share capital has not been utilized for acquiring any other direct or indirect business.

49.2 No amount was spent by the bank for compensating any members of the board for special services rendered during the period.

49.3 During the period under report, United Commercial Bank PLC did not place any of its assets under pledge as security to obtain any liabilities.



Managing Director & CEO



Director



Director



Director

United Commercial Bank PLC

Balance with Nostro Accounts [Balance with Foreign Bank]

As at 31 December 2022

(Annexure-A)

Nostro Bank	Name of the Country	Currency	2022			2021		
			Amount in FC	Rate	Amount in BDT	Amount in FC	Rate	Amount in BDT
AB Bank Ltd	India	ACU	857,944	103.29	88,619,340	623,263.98	85.80	53,476,049
Bank AL Bilad	Saudi Arabia	SAR	95,526	27.49	2,625,638	555,533.54	22.86	12,700,441
Bank of Bhutan	Bhutan	ACU	4,646	103.29	479,867	92,204.10	85.80	7,911,112
Commerz Bank AG	Germany	USD	9,179,201	103.29	948,144,452	198.04	85.80	16,992
Commerz Bank AG	Germany	EUR	4,680,980	109.74	513,682,112	(274,598.38)	97.27	(26,710,596)
Habib American Bank	USA	USD	7,406,675	103.29	765,055,459	2,049,071.79	85.80	175,810,360
Habib Metropolitan Bank Limited	Pakistan	ACU	204	103.29	21,027	112,040.97	85.80	9,613,115
HDFC Bank Limited	India	ACU	481,082	103.29	49,692,298	675,316.49	85.80	57,942,155
ICICI Bank Limited, Hong Kong (USD)	Hong Kong	USD	500,239	103.29	51,671,011	139,648.11	85.80	11,981,808
ICICI Bank Ltd	India	ACU	2,149,906	103.29	222,069,549	1,233,510.27	85.80	105,835,181
JP Morgan NY	USA	USD	(3,237,034)	103.29	(334,361,936)	(10,808,168.09)	85.80	(927,340,822)
Mashreq Bank Psc	India	ACU	1,236,925	103.29	127,765,319	570,401.62	85.80	48,940,459
Mashreq Bank Psc	USA	USD	15,142,144	103.29	1,564,072,969	(1,626,366.17)	85.80	(139,542,217)
Nepal Bangladesh Bank	Nepal	ACU	747	103.29	77,139	354.80	85.80	30,442
Peoples Bank Colombo	Sri Lanka	ACU	1,900	103.29	196,226	452,182.70	85.80	38,797,276
Sonali Bank Ltd	India	ACU	122,336	103.29	12,636,450	109,842.04	85.80	9,424,447
Standard Chartered Bank Ltd	India	ACU	1,854,940	103.29	191,601,786	933,423.00	85.80	80,087,693
Standard Chartered Bank Ltd	USA	USD	59,967,988	103.29	6,194,255,358	2,693,028.21	85.80	231,061,820
State Bank of India	India	ACU	2,456	103.29	253,704	2,456.17	85.80	210,739
Meezan Bank Ltd	Pakistan	ACU	69,679	103.29	7,197,318	216,090.57	85.80	18,540,571
Bank of Tokyo Mitsubishi	Japan	JPY	19,840,210	0.77	15,319,944	2,559,257.00	0.75	1,908,950
Wells Fargo Bank N.A	USA	USD	5,219,383	103.29	539,124,194	661,527.52	85.80	56,759,061
Mashreq Bank PSC	UAE	AED	6,062,707	28.13	170,533,565	385,703.50	23.36	9,010,882
KOOKMIN BANK	Korea	USD	254,537	103.29	26,291,832	15,423.38	85.80	1,323,326
Axis Bank Limited	India	ACU	-	-	-	1,353,818.56	85.80	116,157,632
Yes Bank Limited	India	ACU	945,372	103.29	97,650,027	28.79	85.80	2,470
Citi Bank N.A., New York, USA	USA	USD	546,150	103.29	56,413,348	(233,466.93)	85.80	(20,031,463)
Mashreq Bank NY (OBU)	USA	USD	376,226	103.29	38,861,379	483,620.00	85.80	41,494,596
Habib American Bank, NY, (OBU)	USA	USD	20,036,231	103.29	2,069,596,412	9,433,207.19	85.80	809,369,174
ICICI Bank Limited	India	USD	683,562	103.29	70,606,981	1,231,390.06	85.80	105,653,267
SCB Germany (EUR)	Germany	EUR	89,156	109.74	9,783,794	1,619,138.85	97.27	157,496,065
Punjab National Bank Ltd	Pakistan	ACU	125,506	103.29	12,963,851	143,351.86	85.80	12,299,590
Standard Chartered Bank, United Kingdom (GBP)	United Kingdom	GBP	(474,025)	124.30	(58,922,490)	41,487.34	115.73	4,801,205
Zhejiang Chouzhou Commercial Bank	China	USD	89,906	103.29	9,286,616	-	-	-
Zhejiang Chouzhou Commercial Bank	China	CNY	218,239	14.81	3,232,826	-	-	-
Indusind Bank Limited, India (ACU)	India	ACU	480	103.29	49,581	-	-	-
					13,466,546,944			1,065,031,784

United Commercial Bank PLC

Schedule of Fixed Assets

As at 31 December 2022

(Annexure-B)

Particulars	Cost			Rate	Depreciation			Amount in BDT	
	Balance as at 01 January 2022	Addition during the year	Adjustment during the year		Balance as at 31 December 2022	Adjustment during the year	Charged during the year	Balance as at 31 December 2022	Written down value as at 31 December 2022
Land	4,395,054,283	-	-	0.0%	4,395,054,283	-	-	-	4,395,054,283
Building	2,559,698,620	63,555,051	-	2.5%	2,623,253,671	-	64,124,872	565,726,093	2,057,527,578
Furniture & Fixtures	2,373,267,236	348,983,737	28,514,430	10.0%	2,693,736,543	24,131,465	207,214,604	1,477,400,718	1,216,335,825
Office Equipment	2,605,760,758	189,425,087	81,199,805	20.0%	2,713,986,040	79,518,386	375,093,224	1,849,611,257	864,374,782.84
Computer Equipment	1,687,141,874	553,392,024	49,687,142	20.0%	2,190,846,756	49,614,755	227,827,812	1,277,492,966	913,353,790.09
Vehicles	500,450,963	110,421,150	-	20.0%	610,872,113	-	34,260,962	473,165,626	137,706,487
Computer Software	1,439,719,789	408,790,878	-	25.0%	1,848,510,667	970,305,804	243,521,689	1,213,827,493	634,683,174
Right of use assets (ROU)	5,590,566,138	-	-	0.0%	5,590,566,138	-	479,819,692	1,810,954,027	3,779,612,111
Capital Expenditure Work In Progress	759,111,835	1,496,218,136	1,674,567,927	0.0%	580,762,044	-	-	-	580,762,044
Total as on 31 December 2022	21,910,771,496	3,170,786,063	1,833,969,304		23,247,588,254	1,53,264,606	1,631,862,856	8,668,178,180	14,579,410,074

As at 31 December 2021

Particulars	Cost			Rate	Depreciation			Amount in BDT	
	Balance as at 01 January 2021	Addition during the year	Adjustment during the year		Balance as at 31 December 2021	Adjustment during the year	Charged during the year	Balance as at 31 December 2021	Written down value as on 31 December 2021
Land	4,395,054,283	-	-	-	4,395,054,283	-	-	-	4,395,054,283
Building	2,559,698,620	-	-	2.5%	2,559,698,620	-	63,992,465	501,601,221	2,058,097,400
Furniture & Fixtures	2,107,660,250	320,329,246	54,722,260	10.0%	2,373,267,236	38,888,282	203,148,071	1,296,950,835	1,076,316,401
Office Equipment	2,483,921,697	253,490,953	131,651,892	20.0%	2,605,760,758	129,984,336	353,308,262	1,552,076,619	1,053,684,139
Computer Equipment	1,457,701,213	252,411,407	22,970,745	20.0%	1,687,141,874	20,552,490	158,259,195	1,098,836,150	588,305,724
Vehicles	496,004,413	9,907,000	5,460,450	20.0%	500,450,963	414,215,142	30,149,971	438,904,664	61,546,299
Computer Software	1,214,706,002	225,013,787	-	25.0%	1,439,719,789	778,364,499	191,941,304	970,305,803	469,413,985
Right of use assets (ROU)	5,203,580,012	386,986,126	-	0.0%	5,590,566,138	875,582,021	455,552,313	1,331,134,334	4,259,431,804
Capital Expenditure Work In Progress	549,975,033	1,265,221,302	1,056,084,500	0.0%	759,111,835	-	-	-	759,111,835
Total as on 31 December 2021	20,468,301,524	2,713,359,820	1,270,889,847		21,910,771,497	1,94,885,557	1,456,351,581	7,189,809,627	14,720,961,870

United Commercial Bank PLC

Highlights on Overall Activities

Particulars	Amount in BDT	
	31.12.2022	31.12.2021
Paid-up Capital	14,062,366,430	12,783,969,490
Total Capital	52,673,818,523	52,756,926,560
Capital Surplus	2,266,167,347	4,414,234,626
Total Assets	628,076,829,196	565,314,211,482
Total Deposits	426,028,440,768	389,900,723,984
Total Loans & Advances	468,605,096,016	402,481,735,743
Total Contingent Liabilities & Commitments	217,939,758,095	260,413,159,150
Credit Deposit Ratio (%)	86.14	83.73
Percentage of Classified Loans against Total Loans and Advances	5.99	4.11
Operating Profit	11,468,771,062	10,183,711,537
Profit after Tax & Provision	4,024,011,154	3,177,170,903
Amount of Classified Loans during the year	10,340,395,101	9,974,087,030
Classified Loans and advance at the end of the year	28,077,685,496	17,737,290,395
Provision kept against Classified Loans	13,206,713,687	10,122,342,140
Provision Surplus/(Deficit)	-	-
Cost of Fund (%)	6.38	6.01
Interest Earning Assets	549,827,967,981	497,572,569,551
Non-interest earning Assets	78,248,861,215	67,741,641,931
Return on Investment (ROI) (%)	7.20	7.45
Return on Assets (ROA) (%)	0.67	0.60
Net Asset value per share	29.13	26.63
Income from Investments	5,685,113,776	5,463,607,877
Earning per share (Taka)	2.86	2.26
Net Income per share (Taka)	2.86	2.26
Price earning ratio (Times)	4.54	6.16

United Commercial Bank PLC

Off-shore Banking Unit

Balance Sheet

As at 31 December 2022

	Notes	31 December 2022		31 December 2021
		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	21,096,019	2,179,064,772	956,517,040
In Bangladesh		-	-	-
Outside Bangladesh		21,096,019	2,179,064,772	956,517,040
Loans and advances	4	210,470,334	21,740,049,093	25,218,952,310
Loans, cash credits, overdrafts, etc.		17,573,027	1,815,165,437	1,931,205,450
Bills purchased and discounted		192,897,307	19,924,883,656	23,287,746,860
Fixed assets including premises, furniture and fixtures	5	17.77	1,385	140,307
Other assets	6	-	-	-
Non - banking assets		-	-	-
Total assets		231,566,371	23,919,115,250	26,175,609,656
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	7	215,996,363	22,310,847,518	25,067,161,337
Deposits and other accounts		-	-	-
Other liabilities	8	4,998,305	516,288,456	530,455,065
Total liabilities		220,994,668	22,827,135,974	25,597,616,402
Capital / Shareholders' equity				
Paid up capital		-	-	-
Statutory reserve		-	-	-
Foreign currency gain		-	-	-
Other reserve		-	104,872,957	4,863,330
Deficit in profit and loss account / Retained earnings	9	10,571,703	987,106,319	573,129,925
Total Shareholders' equity		10,571,703	1,091,979,276	577,993,254
Total liabilities and Shareholders' equity		231,566,371	23,919,115,250	26,175,609,656

United Commercial Bank PLC

Off-shore Banking Unit

Balance Sheet

As at 31 December 2022

Notes	31 December 2022		31 December 2021
	USD	BDT	BDT
Off Balance Sheet Items			
Contingent liabilities			
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 PLC

Off-shore Banking Unit

Profit and Loss Account

for the Year ended 31 December 2022

	Notes	31 December 2022		31 December 2021
		USD	BDT	BDT
Interest income	10	15,244,646	1,423,391,038	854,733,095
Interest paid on deposits, borrowings, etc.	11	5,992,327	559,503,012	222,898,999
Net interest Income		9,252,318	863,888,026	631,834,096
Investment Income		-	-	-
Commission, exchange, brokerage, etc.	12	585,020	54,623,298	97,516,256
Other operating income	13	-	-	-
Total operating income (A)		9,837,339	918,511,324	729,350,352
Salaries and allowances	14	12,970	1,211,050	1,090,699
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	138,921
Other expenditure	15	1,823	170,223	160,629
Total operating expenses (B)		16,576	1,520,194	1,390,250
Profit / (loss) before provision (C=A-B)		9,820,763	916,991,130	727,960,102
Provision for loans and advances / investments				
Specific provision		-	-	-
General provision		(825,000)	(77,030,168)	102,088,920
Provision for Off Balance Sheet Exposure		74,060	6,914,979	52,741,258
Total provision (D)		(750,940)	(70,115,189)	154,830,178
Total profit / (loss) before taxes (C-D)		10,571,703	987,106,319	573,129,925
Provision for taxation				
Current tax		-	-	-
Deferred tax		-	-	-
		-	-	-
Net profit / (loss) after taxation		10,571,703	987,106,319	573,129,925
Retained earnings brought forward from previous years		-	-	-
		10,571,703	987,106,319	573,129,925

United Commercial Bank PLC

Off-shore Banking Unit

Cash Flow Statement

for the year ended 31 December 2022

Notes	31 December 2022		31 December 2021
	USD	BDT	BDT
A) Cash flows from operating activities			
Interest receipts in cash	15,244,646	1,423,391,038	854,733,095
Interest payments	(5,992,327)	(559,503,012)	(222,898,999)
Fees and commission receipts in cash	585,020	54,623,298	97,516,256
Cash payments to employees	(12,970)	(1,211,050)	(1,090,699)
Cash payments to suppliers	-	-	-
Receipts from other operating activities	-	-	-
Payments for other operating activities	(1,823)	(170,223)	(160,629)
Cash generated from operating activities before changes in operating assets and liabilities	9,822,545	917,130,051	728,099,024
Increase / (decrease) in operating assets and liabilities			
Loans and advances to other banks	-	-	-
Loans and advances to customers	83,456,849	8,620,483,252	(7,674,915,577)
Other assets	-	-	8,091,436
Deposits from other banks / borrowings	(76,161,695)	-7,866,947,072	6,462,754,375
Deposits from customers	-	-	-
Other liabilities	(433,215)	-44,747,912	64,819,802
	6,861,940	708,788,268	(1,139,249,964)
Net cash from operating activities	16,684,485	1,625,918,319	(411,150,940)
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	(10,571,703)	(987,106,319)	(573,129,925)
Net Cash from financing activities	(10,571,703)	(987,106,319)	(573,129,925)
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	6,112,782	638,812,000	(984,280,864)
E) Effects of exchange rate changes on cash and cash equivalents	-	104,872,957	25,461,507
F) Cash and cash equivalents at beginning of the year	14,983,237	1,435,379,815	1,915,336,398
G) Cash and cash equivalents at end of the year (D+E+F)	21,096,019	2,179,064,772	956,517,040
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	21,096,019	2,179,064,772	956,517,040
	21,096,019	2,179,064,772	956,517,040

United Commercial Bank PLC

Off-shore Banking Units

Notes to the Financial Statements

for the year ended 31 December 2022

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, 2022 to December 31, 2022.

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 103.2927 (closing rate as at 31st December 2022) and Tk. 93.3699 (average rate which represents the year end).

	Notes	31 December 2022		31 December 2021
		USD	BDT	BDT
3 Balance with other banks and financial institutions				
In Bangladesh		-	-	-
Outside Bangladesh		21,096,019	2,179,064,772	956,517,040
		21,096,019	2,179,064,772	956,517,040
4 Loans and advances				
i) Loans, cash credits, overdrafts, etc.				
Loan (General)		-	-	-
Hire purchase		-	-	-
Lease finance		-	-	-
Term Loan		17,573,027	1,815,165,437	1,931,205,450
		17,573,027	1,815,165,437	1,931,205,450
ii) Bills purchased and discounted (note-5)				
Payable Inside Bangladesh				
Inland bills purchased		-	-	-
Payable Outside Bangladesh				
Foreign bills purchased and discounted		192,897,307	19,924,883,656	23,287,746,860
		192,897,307	19,924,883,656	23,287,746,860
		210,470,334	21,740,049,093	25,218,952,310
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		18,969	1,478,628	1,339,706
Computer and equipments		808	62,949	62,949
		19,777	1,541,577	1,402,655
Written down value (WDV)		18	1,385	140,307
6 Other assets				
Advance deposits and advance rent		-	-	-
Interest Receivable		-	-	-
Foreign currency translation reserve		-	-	-
		-	-	-
7 Borrowings from other banks, financial institutions and agents				
Borrowings from Head office		215,996,363	22,310,847,518	14,713,762,266
International Finance Corporation		-	-	-
PROPARCO		-	-	429,000,000
Emirates NBD Bank PJSc-UAE		-	-	-
First Gulf Bank		-	-	-
National Bank of Ras Al-Khaimah, UAE		-	-	-
DBS Bank Ltd		-	-	9,924,399,071
		215,996,363	22,310,847,518	25,067,161,337
8 Other liabilities				
Interest payable		1,763,902	182,198,235	188,512,639
Provision for Loans & Advances		2,125,000	219,496,988	253,110,000
Provision for Off Balance Sheet Exposure		1,109,403	114,593,233	88,832,427
		4,998,305	516,288,456	530,455,065
9 Retained earnings				
Balance 1 January 2021		-	-	-
		-	-	-
Current year profit		10,571,703	987,106,319	573,129,925
Retained earnings transferred to central operation		(10,571,703)	-987,078,834	(578,007,385)
Effect of changes in exchange rate		-	104,872,957	4,863,330
		-	104,900,442	(14,131)

Notes	31 December 2022		31 December 2021
	USD	BDT	BDT
10 Interest income			
Term Loan	1,109,047	103,551,615	85,770,744
Bills purchased & Discount	13,803,563	1,288,837,306	744,964,067
Others	-	-	-
Interest on loans and advances	14,912,610	1,392,388,921	830,734,811
Interest on balance with other banks and financial institutions	197,694	18,458,712	23,959,702
Interest received from foreign banks	134,341	12,543,405	38,582
Total Interest income	15,244,646	1,423,391,038	854,733,095
11 Interest on deposits, borrowings, etc.			
Interest paid on deposits	-	-	-
Interest paid on local bank accounts	-	-	-
Interest paid on Borrowings	5,992,327	559,503,012	222,898,999
	5,992,327	559,503,012	222,898,999
12 Commission, exchange and brokerage			
LC,BC & BG (Others) Fees and Charges	380,321	35,510,558	63,207,114
Exchange Gain/(Loss)	176,684	16,496,982	34,309,142
Income from Nostro	28,015	2,615,758	-
Revaluation Gain/(Loss) on foreign currency	-	-	-
	585,020	54,623,298	97,516,256
13 Other operating income			
Reimbursement Charge	-	-	-
Miscellaneous earnings	-	-	-
	-	-	-
14 Salaries and allowances			
Basic pay	6,398	597,368	560,418
Allowances	3,527	329,332	314,120
Bonus	2,406	224,612	160,120
Contribution to fund	640	59,738	56,042
	12,970	1,211,050	1,090,699
15 Other expenditure			
Foreign bank correspondence charges	-	-	160,629
Miscellaneous Expenses	1,823	170,223	-
Revaluation loss on foreign currency	-	-	-
	1,823	170,223	160,629

United Commercial Bank PLC

Off-shore Banking Unit

Cash Flow Statement

for the year ended 31 December 2022

	Notes	31-Dec-2022 BDT	31-Dec-2021 BDT
PROPERTY AND ASSETS			
Cash	3	419,436,691	164,508,201
In hand (including foreign currencies)		17,914,893	5,614,134
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-
		401,521,798	158,894,067
Balance with other Banks and Financial Institutions	4	102,698	950,000,000
In Bangladesh		102,698	950,000,000
Outside Bangladesh		-	-
Placement with other banks and financial institutions		-	-
Investments in shares and securities	5	830,266,000	287,750,000
Government		547,750,000	287,750,000
Others		282,516,000	-
Investments	6	7,348,924,335	725,575,546
General Investment		7,348,924,335	725,575,546
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	7	39,890,081	50,308,859
Other assets	8	2,371,683,267	943,321,400
Non - banking assets		-	-
Total assets		11,010,303,072	3,121,464,006
LIABILITIES AND CAPITAL			
Liabilities			
Placement from other banks, financial institutions and agents	9	56,951,294	160,489,035
Deposits and other accounts	10	10,536,515,298	2,914,986,316
Al-wadeeah current and other deposits accounts, etc.		1,562,754,577	566,867,082
Bills Payable		802,030	18,852
Mudaraba Savings Deposits		3,585,250,124	654,739,709
Mudaraba term Deposits		5,387,708,567	1,693,360,672
Other liabilities	11	416,836,480	45,988,655
Total liabilities		11,010,303,072	3,121,464,006
Capital / Shareholders' equity			
Paid up capital		-	-
Statutory reserve		-	-
Foreign currency gain		-	-
Other reserve		-	-
Deficit in profit and loss account / Retained earnings	12	-	-
Total Shareholders' equity		-	-
Total liabilities and Shareholders' equity		11,010,303,072	3,121,464,006
Off Balance Sheet Items			
Contingent liabilities		3,429,548,298	1,004,262,512
Acceptances and endorsements		1,963,805,460	440,779,140
Letters of guarantee		55,292,199	16,136,900
Irrevocable letters of credit		1,393,989,622	547,346,472
Bills for collection		16,461,017	-
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		3,429,548,298	1,004,262,512

United Commercial Bank PLC

Islamic Banking Unit

Profit and Loss Account

for the Year ended 31 December 2022

	Notes	31-Dec-2022 BDT	31-Dec-2021 BDT
Investment income	13	339,127,988	28,590,824
Profit paid on deposits, borrowings, etc	14	153,945,242	19,073,693
Net investment Income		185,182,746	9,517,131
Profit on Investment with bank and financial institutions		47,787,625	13,837,792
Commission, exchange, brokerage	15	76,211,694	9,320,837
Other operating income	16	277,350	275,450
Total operating income (A)		309,459,415	32,951,209
Salaries and allowances	17	31,043,390	18,694,332
Rent, taxes, insurance, electricity, etc.		4,438,567	1,084,421
Legal expenses		502,550	1,616,037
Postage, stamp, telecommunication, etc.		237,947	65,175
Stationery, printing, advertisements, etc.		7,642,983	8,417,003
Depreciation and repair of Bank's assets	18	21,069,138	23,869,709
Other expenditure	19	14,028,885	6,193,660
Total operating expenses (B)		78,963,460	59,940,337
Profit / (loss) before provision (C=A-B)		230,495,955	(26,989,127)
Provision for investments	20	60,365,962	5,138,509
Provision for Deminution in Value of Investment in Shares	21	-	-
Other Provision	22	34,130,873	10,042,625
Total provision (D)		94,496,835	15,181,134
Total profit / (loss) before taxes (C-D)		135,999,120	(42,170,261)

United Commercial Bank PLC

UCB Taqwa Islamic Banking

Notes to the Financial Statements

for the year ended 31 December 2022

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 (as amended up to 2018), 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 a d v i c e s , 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 (as amended) 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 (as amended) 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, 2022.

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.

	31-Dec-2022 BDT	31-Dec-2021 BDT
3 Cash	419,436,691	164,508,201
Cash in hand		
Local currency	16,175,444	5,614,134
Cash in ATM	-	-
Foreign currency	1,739,449	-
	17,914,893	5,614,134
Balance with Bangladesh Bank and its agent Bank(s)		
Local currency	401,521,798	158,894,067
Foreign currency	-	-
	401,521,798	158,894,067
4 Balance with other banks and financial institutions		
In Bangladesh	102,698	950,000,000
Outside Bangladesh	-	-
	102,698	950,000,000
5 Investments in Shares and Securities		
Perpetual Mudaraba Bond Investment	230,000,000	-
Investment in Un-Quoted Securities	52,500,000	-
Bangladesh Govt Investment Sukuk	547,750,000	287,750,000
Prize Bond	16,000	-
	830,266,000	287,750,000
6 Investments		
i) General Investments		
General Investment	7,348,924,335	725,575,546
	7,348,924,335	725,575,546
ii) Bills purchased and discounted		
Payable Inside Bangladesh		
Inland bills purchased	-	-
Payable Outside Bangladesh		
Foreign bills purchased and discounted	-	-
	-	-
	7,348,924,335	725,575,546
7 Fixed assets		
Cost		
Furniture and Fixture	6,272,107	
Office equipments	1,558,420	1,077,650
Computer and equipments	1,847,583	905,000
Computer software	67,944,879	67,944,879
	77,622,989	69,927,529
Less: Accumulated Depreciation		
Furniture and Fixture	482,880	
Office equipments	313,069	22,189
Computer and equipments	540,489	186,229
Computer software	36,396,470	19,410,252
	37,732,908	19,618,670
Written down value (WDV)	39,890,081	50,308,859
8 Other assets		
Advance deposits and advance rent	-	-
Advance Income Tax Paid	1,508,802	-
Income Receivable	16,984,457	3,892,541
Stock of Stationery & Stamps	152,300	4,620
Head Office General Account	2,353,037,708	939,424,239
	2,371,683,267	943,321,400

	31-Dec-2022	31-Dec-2021
	BDT	BDT
9 Placement from other banks, financial institutions and agents		
Borrowings from Head office	-	-
EDF Borrowing from Bangladesh Bank	56,951,294	160,489,035
Emirates Islamic Bank	-	-
First Gulf Bank	-	-
Habib Bank UK	-	-
Commercial Bank of Qatar	-	-
National Bank of Ras Al-Khaimah, UAE	-	-
	56,951,294	160,489,035
10 Deposits and other accounts		
Inter Bank deposits	50,201,507	-
Other deposits	10,486,313,791	2,914,986,316
	10,536,515,298	2,914,986,316
a. Al-Wadeeah Current and Other Deposits		
Current deposits	566,336,240	147,858,817
Foreign currency deposits	84,892,252	23,378,616
Sundry deposits	911,526,085	395,629,649
	1,562,754,577	566,867,082
b. Bills Payable		
Pay order	802,030	18,852
Demand draft payable	-	-
Others Payable	-	-
	802,030	18,852
c. Mudaraba Savings Deposits		
Savings Bank deposits	3,585,250,124	654,739,709
	3,585,250,124	654,739,709
d. Mudaraba Term Deposits		
Fixed deposits	4,655,601,033	1,146,040,516
Special notice deposits	731,425,534	547,320,156
Scheme Deposits	682,000	-
	5,387,708,567	1,693,360,672
Total Deposits and other accounts (a+b+c+d)	10,536,515,298	2,914,986,316
11 Other liabilities		
Provision for Investment (Notes-11.1)	60,365,962	5,138,509
Provision for off-balance sheet exposure	34,130,873	10,042,625
Profit payable	54,461,079	27,340,378
Payable Tax, VAT and Excise Duty	15,760,926	3,467,144
Unearned Income	112,583,532	-
Compensation Realisable Account	3,435,678	-
Other Sundry Liabilities	99,310	-
Profit payable accoount	135,999,120	-
Head Office General Account	-	-
	416,836,480	45,988,655
11.1 Provision for Investments		
General Provision	60,365,962	5,138,509
Specific Provision	-	-
	60,365,962	5,138,509
12 Retained Earnings		
Opening Balance	-	-
Add: Transferred during for the year	-	-
Retained earnings transferred to central operation	-	-
Effect of changes in exchange rate	-	-
	-	-

	31-Dec-2022 BDT	31-Dec-2021 BDT
13 Investment Income		
Term Investment	339,127,988	19,096,343
Bills purchased & Discount	-	-
Others	-	1,202,499
Interest on Investment	339,127,988	20,298,842
Income on balance with other banks and financial institutions	-	8,291,982
Islamic Bond _Islami Banking	-	-
Income received from foreign banks	-	-
Total Interest income	339,127,988	28,590,824
14 Profit paid on deposits, borrowings, etc.		
Profit paid on deposits	151,199,689	15,603,491
Profit paid on local bank accounts	-	-
Profit paid on Borrowings	2,745,553	3,470,202
	153,945,242	19,073,693
15 Commission, exchange and brokerage		
Exchange Gain/(Loss)	1,834,817	(325,204)
Account Maintenance Fee	1,958,700	3,561,048
Debit Card	5,565,200	-
Fees and Charges	18,727,653	5,904,293
Revaluation Gain/(Loss) on foreign currency	-	-
Commission Income	43,964,134	-
SWIFT Charge Recoveries	1,494,990	-
Cheque Book Issuance	2,666,200	180,700
	76,211,694	9,320,837
16 Other operating income		
Income from Others	277,350	275,450
	277,350	275,450
17 Salaries and allowances		
Basic pay	20,009,223	11,425,974
Allowances	6,387,158	3,884,184
Bonus	2,311,037	2,050,712
Provident Fund and Welfare Fund	2,335,972	1,333,462
	31,043,390	18,694,332
18 Depreciation and repair of Bank's assets		
Depreciation		
Computer Equipment	360,677	170,912
Computer Software	16,986,219	14,925,648
Furniture and Fixture	482,880	-
Office Equipment	290,880	21,195
	18,120,656	15,117,756
Repair and Renovation		
Premises	-	504,550
Repair and Renovation Expense Supply Items	1,244,532	29,515
Vehicles	42,475	-
Repair Office Equipment	87,975	30,000
Software Maintenance Charge	1,573,500	8,187,888
	2,948,482	8,751,953
	21,069,138	23,869,709
19 Other Expenditure		
Fees, Commission and Charges	376,862	435,000
Car Expense	3,732,718	-
Medical Expense	1,099,007	-
Revaluation loss on foreign currency	-	-
Other expense	8,820,298	5,758,660
	14,028,885	6,193,660

	31-Dec-2022 BDT	31-Dec-2021 BDT
20 Provision for Investments		
Provision for Classified Investments		-
Provision for Unclassified Investments	60,365,962	5,138,509
	60,365,962	5,138,509
21 Other Provision		
Provision for Off Balance Sheet Exposure	34,130,873	10,042,625
	34,130,873	10,042,625

— UCB  —
Imperial Lounge



Largest
Airport Lounge Network

UNITED COMMERCIAL
BANK PLC



TRAVEL WITH UCB CARDS

With UCB Credit card, you can now enjoy
a range of benefits and rewards that are
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**SUBSIDIARY
COMPANIES
OF UCB**



**UCB
STOCK
BROKERAGE
LIMITED**

COMPANY PROFILE

UCB Stock Brokerage Limited is the largest stock broker in Bangladesh with 26 outlets across the country. It is a wholly-owned subsidiary of United Commercial Bank PLC, 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 years of operation, in 2021, the company ranked #1 among all the brokers in DSE and in 2022 the company solidified its position by being the #1 broker throughout the year. The company's success can be attributed to the following few 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.
- UCB Stock Brokerage Limited has been very proactive in finding growth opportunities even during adverse situations which has allowed the company to exceed expectations and touch new milestones consistently.
- 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.

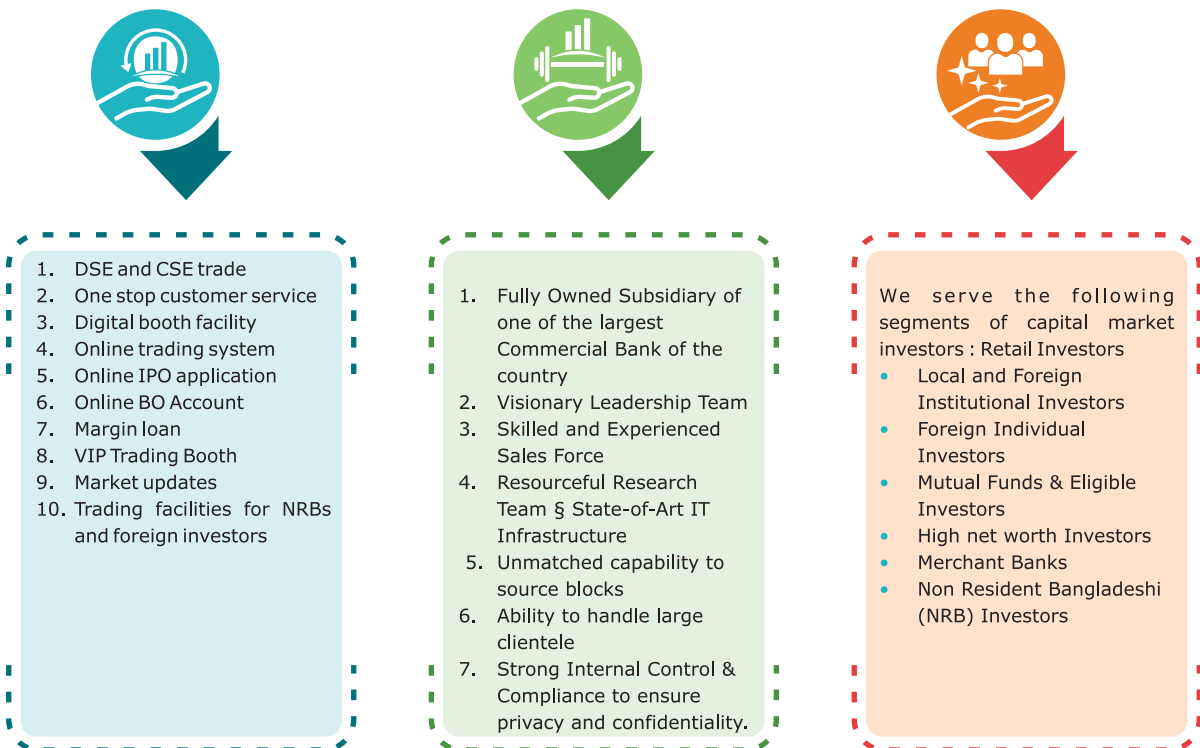
With its strong compliance and top-notch research, corporate access and execution services, UCB Stock Brokerage Limited is playing a key role in bringing large foreign portfolio investment in Bangladesh from the United States, Europe, and Asia.

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 has launched Human Resources Information System (HRIS) in March 2023, increasing the overall efficiency of the workforce by creating an organized structure for managing human resources. The company also spends a considerable portion of its profit on employee training, coaching, and mentoring.

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.

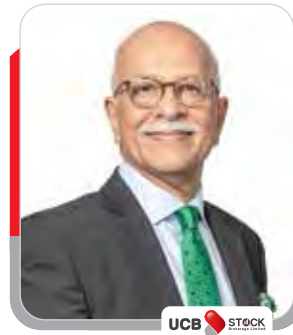
OUR MISION, VISION & CORE VALUES



BOARD OF DIRECTORS



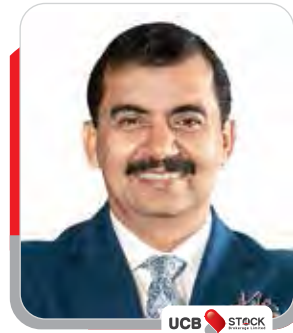
Arif Quadri
Chairman



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

DIRECTORS' REPORT

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, 2022.

Surpassing Milestones Despite the Odds

Amid multiple challenges, namely rising commodity prices fuelled by Russia-Ukraine war, supply chain disruptions, global rate hikes, inflationary pressure, and declining liquidity in the local market, UCB Stock Brokerage Limited navigated strongly, capitalizing on growth opportunities to retain 1st position in terms of total turnover throughout 2022.

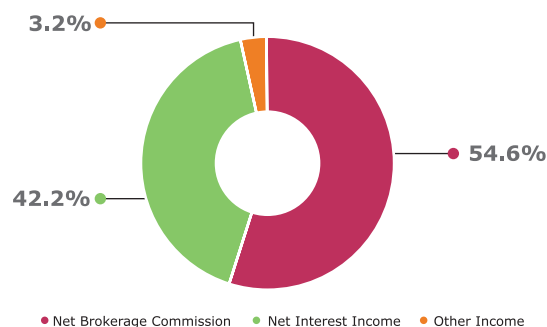
The company has gone for expansion by opening 7 new branches in 2022 to acquire new customers and solidify our position as the leading stock broker of the country. Compared to our competitors, we have been able to diversify our customer base considerably with this expansion, which decreases the business risk of the company.

Throughout the year, the company has remained committed to providing high-quality services to our customers. Our specialized departments focusing on specific customer segments, such as retail, high net worth individuals, local and foreign institutions, have enabled us to deliver tailored services to meet customer needs. As a result, 6,377 new Beneficiary Owners (BO) accounts were opened last year despite the economic slowdown, taking the total number of active BO accounts to 16,160. The company's efforts to expand the customer portfolio have also paid off, with an increase in market share to 5.9% in 2022 from 4.5% in 2021.

In addition to our domestic operations, we have made significant progress in venturing into the foreign client segment. For our foreign clients we have hosted trips to Bangladesh of two major global asset management companies, conducted an analyst roadshow meeting US clients with substantial exposure and interest in frontier markets and monetized our research content.

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 in delivering commendable financial results. UCB Stock Brokerage Limited registered a net profit of BDT 409.35 million in 2022, a 62.9% increase from 2021. Operating profit stood at BDT 811.25 million in 2022 compared to BDT 681.24 million in 2021.

Revenue Breakdown



Key Financials

Particulars	2022	2021	2020	2019	2018
Shareholders' Equity	3,764,909,779	3,355,555,814	2,604,299,552	2,514,301,973	2,447,842,000
Total Assets	9,972,452,795	10,308,204,546	9,355,783,150	5,043,651,437	4,086,670,754
Total Liabilities	6,207,543,016	6,952,648,732	6,751,483,598	2,529,349,463	1,638,828,754
Net Revenue from Brokerage	699,035,845	644,240,676	275,731,395	189,821,875	137,986,067
Net Interest Income	539,680,311	408,878,704	285,776,209	269,963,261	234,198,149
Net Profit After Tax	409,353,965	251,256,262	89,997,578	66,472,767	178,321,342
Return on Assets	4.10%	2.42%	1.25%	1.46%	4.43%
Return on Equity	10.87%	7.49%	3.52%	2.68%	7.56%
No. of Shares	25,000,000	25,000,000	20,000,000	5,135,000	5,135,000
Adjusted EPS* (BDT)	16.37	10.05	3.6	2.66	7.14

*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 PLC (Parent Co.) as of 31 December, 2022

Nature	Amount (BDT)
Overdraft Loan– General	1,725,316,975
Overdraft Loan– BB Scheme	303,556,645
Cash at Bank	408,992,064

Shareholding Structure of UCB Stock Brokerage Limited

Name of the Owner	Amount (BDT)
United Commercial Bank PLC	2,499,999,900
ATM Tahmiduzzaman, FCS	100

World Economy

The ongoing Russia-Ukraine war and supply chain disruption coupled with pent up demand have had significant effects on the world economy resulting in rising commodity prices, inflation and pressure on liquidity.

Both energy and non-energy commodity prices started to increase from mid-2021 to 2022. World Bank Commodity Indices show that energy and non-energy prices have increased by 72.0% and 37.0% respectively from January 2020 to December 2022. (Source: World Bank)

In order to combat the inflationary pressure, monetary authorities of most developed countries have resorted to policy rates hike which is putting downward pressure on the global demand.

As the global demand softens because of interest rate hikes, inflationary pressure started to ease slowly but the whole economic situation is far from becoming normal. The World Bank (WB) has revised its global growth forecast downwards to 2.9% for 2022. This indicates a cautionary stance on the world economy as it is still uncertain how things will pan out in the near future. Meanwhile, recent bank collapses in the USA and perceived weaknesses in banks of other developed markets have heightened the uncertainty.

However, amid all these challenges, the silver lining is that global commodity prices have started reversing from the peak and is heading towards pre-pandemic level.

GDP Growth Projection	2018	2019	2020	2021	2022E	2023F	2024F
World	3.0%	2.6%	-3.2%	5.9%	2.9%	1.7%	2.7%
Advanced Economies	2.2%	1.7%	-4.3%	5.3%	2.5%	0.5%	1.6%
EMDE	4.3%	3.8%	-1.5%	6.7%	3.4%	3.4%	4.1%

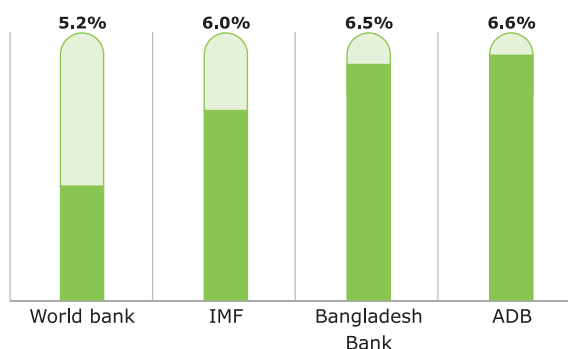
Source: World Bank

Bangladesh Economy

The economic outlook for Bangladesh in 2023 is expected to be positive, with a projected growth rate of 6.5%, according to Bangladesh Bank. However, recent pressing issues including drawdown of forex reserve, depreciation pressure on local currency, inflation and declining liquidity in the financial system pose several challenges.

Balance of payments (BoP) deficit stood at USD 7.4bn during Jul'22 to Jan'23, compared to deficit of USD 2.1bn during the same period last year due to both widening current account deficit and financial account deficit. Forex reserve peaked at USD 48.1bn by end of Aug'21 and since then it gradually fell to ~USD 31.2bn as on Mar'23 as BB kept selling greenback to provide foreign currency liquidity. After being steady for a long time, BDT depreciated ~24.0% against USD in last one year. (Source: Bangladesh Bank)

FY23 GDP Growth Forecast of Bangladesh



Source: Different Sources of Related Organization

To absorb the external pressure and reduce fiscal deficit, government has taken austerity measures and made revision in the fuel & electricity prices. Rising commodity prices in the international market, local currency depreciation and upward revision in fuel & electricity prices have increased cost push inflationary pressure in the economy. Point to point inflation touched 8.8% in Feb'23 up from 6.2% in Feb'22. However, there isn't any demand escalation that would fuel further inflationary pressure and will help to tame inflation going forward. (Source: Bangladesh Bank)

Interest rates have also started picking up as evident in the government treasury and call money market. As liquidity in the financial system declined owing to mainly negative growth in net foreign asset, treasury rates and call money rates increased substantially. (Source: Bangladesh Bank)

Amid all these challenges, Bangladesh Bank (BB) adopted cautiously accommodative stance. In the last monetary policy for second half of FY23, central bank raised repo and reverse repo rate by 25 bps to 6.00% and 4.25% respectively. Meanwhile, BB has also given indication of reforms in exchange rate stating that they are taking necessary measures to gradually move towards market based, flexible and unified exchange rate regime (within a 2.00% variation) by end of FY23. (Source: Bangladesh Bank)

Moreover, Bangladesh authorities have availed USD 4.7bn fund facility from IMF as a support for forex reserve and climate change issues. Bangladesh has already received first tranche of the loan amounting to

USD 476mn . IMF has stipulated several conditions which is making way for reforms in both fiscal and monetary policy.

We have seen that Sri Lanka and Pakistan are still pursuing IMF fund facility though IMF reached staff level agreement with both these countries much earlier compared to with Bangladesh signifying IMF's confidence in Bangladesh economy and the authorities' commitment towards the reform measures.

In the last few months we are observing that things are getting into better shape. Pressure in BoP deficit has started easing on the back of government's austerity measures and improvement in export and remittance numbers. Meanwhile, commodity prices in the international market is facing correction which is likely to benefit Bangladesh through reduced import cost and inflationary pressure. Also, further reforms in monetary and fiscal policy is likely to make the economy further resilient to overcome the challenges. (Source: Bangladesh Bank)

Risk 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.
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.

Category	Risk Title	Risk Statement
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

In 2022, Bangladesh's stock market had a lacklustre performance after two years of double-digit returns. The broad market index, DSEX, fell 8.1%, and daily average turnover decreased by 35.0% year over year. (Source: DSE)

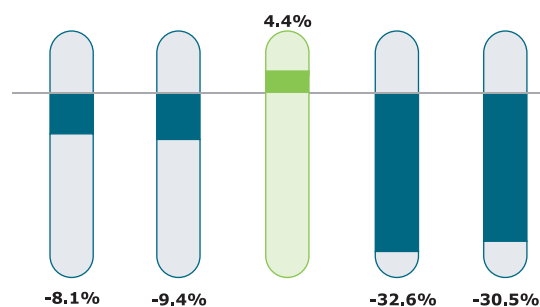
Macroeconomic challenges, declined liquidity and erosion in corporate profits have resulted in weak performance of the market. Amid the growing sell pressure, Bangladesh Securities and Exchange Commission (BSEC) on 28 July imposed floor prices on all companies to prevent share prices of the companies from falling beyond a certain level.

Meanwhile, there were number of developments in the market which include launch of government securities trading in the exchanges and initiation of alternative trading board which facilitate secondary trading of non-listed companies. During 2022, 10 new companies got listed in the market. (Source: DSE)

In 2022, most emerging and frontier markets had poor performances due to rising interest rates in developed

economies and concerns about the debt sustainability of emerging and frontier markets. The performance of Bangladesh's capital market in 2022 was on par with most of its frontier market peers.

Capital Market Growth 2022



Bangladesh Pakistan India Vietnam Sri Lanka

Capital Market Statistics

Date	Turnover (BDT bn)*	Market Cap (BDT bn)	DSEX	DSEX Change YoY	DSES	DSES Change YoY	DS30	DS30 Change YoY
31-Dec-22	2,030	7,603	6,207	-8.13%	1,359	-5.03%	2,195	-13.34%
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%

*Total annual turnover

Source: Dhaka Stock Exchange

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 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	Status in Parent Company
Arif Quadri	Chairman	Managing Director
Akhter Matin Chaudhury, FCA, FCS	Director	Independent Director
Syed Faridul Islam	Director	Additional Managing Director
Faruk Ahammad, FCA	Director	Chief Financial Officer
ATM Tahmiduzzaman, FCS	Director	Company Secretary

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 April 19, 2022 and previous March 02, 2021. The rating report is summarized as under

Credit Rating	Current	Previous
Long-Term	A	A
Short-Term	ST-3	ST-3
Publishing date	19 April, 2022	02 March 2021

Operating Performance

Particulars	2022	2021	2020	2019	2018
Income	1,279,289,420	1,161,936,989	585,541,580	469,500,494	413,490,314
Expenditure	468,036,667	480,700,966	255,199,017	186,747,949	110,481,620
Operating Profit	811,252,753	681,236,023	330,342,564	282,752,544	303,008,693

Observance of BAS, BFRS & 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 2020. The Directors also confirm that the financial statements have been prepared in accordance with the Bangladesh Accounting Standards, Bangladesh 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 'ACNABIN' was appointed as the independent auditor of the Company for the year 2022 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 Quadri

Chairman

UCB Stock Brokerage Limited

MANAGEMENT DISCUSSION & ANALYSIS

Dear stakeholders,

As we reflect on the past year, it is evident that 2022 was a challenging year for the entire market. However, despite the unprecedented challenges, we are pleased to announce that UCB Stock Brokerage Limited has managed to hold on to our position as the top stock broker in the country throughout the whole year. Our success is a testament to our resilience and adaptability in the face of adversity. Despite adverse macroeconomic conditions, our net profit after tax (NPAT) has grown by a staggering 62.9% due to both top-line growth and cost efficiency.

A Year of Unparalleled Success

We have taken several initiatives throughout the year to retain and increase our customer base. We have gone for expansion by opening 7 new branches in 2022 to acquire new customers in order to solidify our position as the leading stock broker of the country. We have been able to diversify our customer base to strengthen our portfolio.

Our cost to income ratio declined from 41.4% in 2021 to 36.6% in 2022 indicating increasing efficiency in cost management. Return on equity increased to 10.9% in 2022 from 7.4% in 2021. In 2022, 6,377 new BO accounts were opened by us. We managed to retain the #1 spot throughout 2022 by increasing our market share from 4.5% in 2021 to 5.9% this year.

One of our strategic priorities has been to venture into segment of foreign clients. We have managed to host trips to Bangladesh of two major global asset management companies. We have also conducted an analyst roadshow in 2022 where we have met with US clients with substantial exposure in frontier markets. In addition to deepening foreign-investor relations, we have also started to monetize our research content by engaging with both US and UK based asset managers.

Mission to Stay Ahead of the Curve

In light of our vision "to be the preferred Brand for Stock Broking in Bangladesh Capital Market" and our 2023 outlook, we are planning on adopting new technologies to bring innovation in our products & services which will bring more comfort to the clients through digital platforms like Order Management System (OMS) and Research Web Portal and integration of other digital services at every touch points. We believe, adoption of digital means will increase our scalability as it will help us cover wider customer base without incurring marginal cost. Moreover, our commitment to provide innovative

services to our clients will help us increase our customer retention and acquire new customers.

Our focus on developing human resource continues with greater emphasis. We recently adopted Human Resource Information System (HRIS) which will increase organizational efficiency significantly. The first phase of the system has already been implemented in March 2023 while the other two phases with the training and analytical module to track employee performance, development needs and other key human resource information, will be gradually implemented throughout 2023.

We are working relentlessly to acquire, train and develop human resources to overcome the skilled human resource shortage in the capital market. In 2022, we have spent a considerable portion of profit on employee training, coaching, and mentoring as it is our prime focus to create a productive and rewarding work-culture. During 2022, we have conducted 3 external training sessions in the USA and India which included 27 employees for development of both technical skills and different core competencies.

Besides external training programs, employees participated in many internal training sessions which included foreign instructors as well. Through these training sessions, we hope to invest in the growth of our employees as they invest in the growth of this company. Through our flagship internship program "U-Succeed", we have recruited 11 talented young individuals who will contribute greatly to the future of this company as they learn and grow with us.

Besides traditional marketing, we are increasing our focus on digital marketing. In 2022, our social media engagement grew considerably on both LinkedIn and Facebook. At UCB Stock Brokerage Limited we believe in connecting with different communities and so, some members of our team volunteered in different nationwide student development programs such as 'CFA Institute Research Challenge' by CFA Society Bangladesh.

In conclusion, the year 2022 was undoubtedly a challenging one for us all. However, our resilience and adaptability have enabled us to hold on to our position as the top stock broker in the country. We thank our customers, employees, and stakeholders for their unwavering support, and we remain committed to delivering quality services to our clients while contributing to society's development.

Key Stats of UCB Stock Brokerage Limited

Particulars	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ranking in DSE	42	63	45	13	7	4	2	1	1
Market share in DSE turnover	0.5%	0.6%	0.7%	1.3%	2.4%	3.8%	4.4%	4.5%	5.9%
Number of clients	768	988	1,521	2,740	3,890	5,599	7,829	14,383	16,160
Growth	112.2%	28.6%	53.9%	80.1%	42.0%	43.9%	39.8%	83.7%	12.4%
Avg. Daily turnover by UCB STOCK (BDT Crore)	4.7	4.7	6.6	25.4	25.1	37.7	60.7	134.04	113.6
Growth	67.9%	0.0%	40.4%	284.8%	-1.2%	50.2%	61.0%	120.8%	-15.1%
Profit Before Tax (BDT Crore)	4.1	4	4.7	30.1	30.3	28.3	28.9	55.0	71.8
Growth	583.3%	-2.4%	17.5%	540.4%	0.7%	-6.6%	2.1%	90.3%	30.5%

Acknowledgements and Appreciation

Despite the challenges we faced in 2022, UCB Stock Brokerage Limited capitalized on growth opportunities by widening customer base and cultivating customer oriented strategies. This would not have been possible without the dedication and perseverance of our employees. I would also like to extend my sincere thanks to our Chairman and Board of Directors for their invaluable guidance and leadership. Their unwavering support has been critical to our success, and we are grateful for their continued partnership. I would also like to acknowledge and thank all the regulatory bodies for creating an enabling environment that has allowed us to carry out our responsibilities in a sustainable and confident manner. Lastly, I want to thank our clients for their trust and loyalty in our services. Your support and partnership have been instrumental in our growth and success.

Looking ahead, I am confident that we will continue to thrive as we navigate the new challenges and opportunities that lie ahead. If we approach each new step with a passion for winning, a commitment to building new capabilities, and a mindset that prizes innovation, I have no doubt that we will continue to achieve great things together.

Best wishes,



Mohammed Rahmat Pasha
Managing Director and 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 2022, 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 and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Other matter

The financial statements of the company for the year ended 31 December 2021 were audited by MABS & J Partners, Chartered Accountants, who expressed an unmodified opinion on those statements on 29 March 2022.

Other Information

Management is responsible for the other information. The other information comprises all the information but doesn't include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover 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 other information, there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020 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 Company'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 Company 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.

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.

Report on other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act 1994, the Securities and Exchange Rules 2020 and the other applicable laws and regulations. We, as required by law, further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements 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 and returns.

Dhaka,

11 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2304110787AS660321

UCB Stock Brokerage Limited

Statement of Financial Position

As at 31 December 2022

	31-Dec-2022	31-Dec-2021
	Taka	Taka
ASSETS		
Non-Current Assets	1,646,544,987	1,564,116,140
Property, plant and equipment	1,120,585,505	1,039,341,822
Intangible asset	3,894,212	2,448,891
Capital work-in-progress	14,183,755	44,443,912
Investments	507,881,516	477,881,516
Current Assets	8,325,907,808	8,744,088,405
Advances, deposits and prepayments	307,544,209	263,054,831
Loan to customers	6,032,648,011	5,828,079,905
Investment in marketable securities	545,184,750	334,981,601
Accounts receivable	64,331,689	134,960,301
Cash and Bank balances	1,376,199,149	2,183,011,768
TOTAL ASSETS	9,972,452,795	10,308,204,546
EQUITY AND LIABILITIES		
Capital and Reserves		
Share Capital	2,500,000,000	2,500,000,000
Retained earnings	1,230,784,395	846,556,056
Capital Reserve	34,125,384	8,999,758
Shareholders equity	3,764,909,779	3,355,555,814
Non Current Liabilities	-	-
Current Liabilities	6,207,543,016	6,952,648,732
Short term loan	3,147,847,184	3,606,803,143
Accounts payable	2,086,329,132	2,588,932,880
Provisions	371,356,800	278,560,800
Provision for Taxation	602,009,901	478,351,909
Total Liabilities	6,207,543,016	6,952,648,732
TOTAL EQUITY AND LIABILITIES	9,972,452,795	10,308,204,546
Net Asset Value (NAV) per share	150.60	134.22



Managing Director



Director



Chairman

This is the statement of financial position referred to in our separate report of even date.

Dhaka,
11 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2304110787AS660321

UCB Stock Brokerage Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	2022 Taka	2021 Taka
Operating Income		
Brokerage Commission	699,035,845	644,240,676
Interest Income	539,680,311	408,878,704
Net Investment Income	37,109,412	106,227,679
Other Operating Income	3,463,852	2,589,930
Total operating income	1,279,289,420	1,161,936,989
Operating Expenses		
Operating expenses	431,052,106	424,852,807
Other expenses	36,984,561	55,848,159
Total operating expenses	468,036,667	480,700,966
Profit before provision	811,252,753	681,236,023
Provision for negative equity on margin loans and investment	92,796,000	131,280,800
Operating profit before taxation	718,456,753	549,955,223
Provision for Taxation	309,102,788	298,698,961
Current Tax	307,400,000	298,035,000
Deferred Tax	1,702,788	663,961
Net profit after tax	409,353,965	251,256,262
Appropriations		
Capital Reserve	25,125,626	8,999,758
Retained Earnings	384,228,339	242,256,504
	409,353,965	251,256,262
Earnings per share (EPS)	16.37	10.05



Managing Director



Director



Chairman

This is the statement of profit or loss and other comprehensive income referred to in our separate report of even date.

Dhaka,
11 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2304110787AS660321

UCB Stock Brokerage Limited

Statement of Changes in Equity

For the year ended 31 December 2022

Particulars	Share Capital	Retained Earnings	Capital Reserve	Total Shareholders' Equity
Balance as at 01 January 2022	2,500,000,000	846,556,056	8,999,758	3,355,555,814
Net Profit during the year	-	384,228,339	-	384,228,339
10% of last year Net Profit transferred to Capital Reserve (Note: 12)	-	-	25,125,626	25,125,626
Total as at 31 Decemeber 2022	2,500,000,000	1,230,784,395	34,125,384	3,764,909,779

For the year ended 31 December 2021

Particulars	Share Capital	Retained Earnings	Capital Reserve	Total Shareholders' Equity
Balance as at 01 January, 2021	2,000,000,000	604,299,552	-	2,604,299,552
Net Profit during the year (Note: 12)	-	242,256,504	-	242,256,504
10% of last year Net Profit transferred to Capital Reserve	-	-	8,999,758	8,999,758
Issuance of share	500,000,000	-	-	500,000,000
Total as at 31 Decemeber 2021	2,500,000,000	846,556,056	8,999,758	3,355,555,814



Managing Director



Director



Chairman

Dhaka,

11 APR 2023

UCB Stock Brokerage Limited

Statement of Cash Flows

For the year ended 31 December 2022

	2022 Taka	2021 Taka
A. Cash Flow from Operating Activities		
Net Profit before taxation, and extra ordinary item	811,252,753	681,236,023
Adjustment for:		
Depreciation & amortization	18,789,183	13,683,184
Income Tax Expenses	(214,747,357)	(208,833,156)
Decrease of other assets	55,441,795	19,104,745
Decrease of other liability	(502,603,749)	(393,415,978)
Net Cash flow from operating activities	168,132,625	111,774,818
B. Cash Flow from Investing Activities		
Acquisition of Property, Plant & Equipment	(58,574,705)	(1,017,787,646)
Acquisition of Intangible Assets	(2,393,570)	(671,650)
Capital work-in-progress	(10,249,755)	
(Purchase)/Sale of Securities	(210,203,149)	517,888,120
Investment in equity	(30,000,000)	-
Sale of equity share	-	100,000
Margin Loan to customer	(204,568,106)	(919,282,493)
Net cash used in investing activities	(515,989,285)	(1,419,753,669)
C. Cash Flow from Financing Activities		
Increase of Paid up capital	-	500,000,000
(Payment to)/Borrowing from Bank	(458,955,959)	238,387,837
Net cash (used in)/flow from Financing activities	(458,955,959)	738,387,837
D. Net decrease in cash and bank balances (A+B+C)	(806,812,619)	(569,591,014)
E. Unrealized foreign exchange gain/(loss)	-	-
F. Cash and bank balances at the beginning of the year	2,183,011,768	2,752,602,782
G. Cash and bank balances at the end of the year (D+E+F)	1,376,199,149	2,183,011,768



Managing Director



Director



Chairman

Dhaka,

11 APR 2023

আপনার স্বপ্নযাত্রার সঙ্গী



1

STOCK BROKING

2

MARGIN LOAN

3

CDBL SERVICES

4

RESEARCH

☎ 01324-243200

✉ info@ucbstock.com.bd

🌐 www.ucbstock.com.bd

YOUR
PARTNER
FOR GROWTH



**UCB ASSET
MANAGEMENT
LIMITED**

Company Profile

UCB Asset Management Limited, the second capital market subsidiary of United Commercial Bank PLC, was established in February 2019 to provide a wide range of unique and tailored investment solutions for both retail and corporate clients. In April 2021, the company launched its first open-end fund, the UCB AML First Mutual Fund, with an initial size of BDT 20 Crore. To cater to the investment needs of clients who specifically seek Shariah-compliant investment opportunities, UCB Asset Management launched the first Shariah-compliant open-end fund, UCB Taqwa Growth Fund, with an initial size of BDT 35 Crore in April 2022. Furthermore, UCB Asset Management offers Separately Managed Account (SMA) investment solutions to corporate clients, recognizing the untapped potential of the SMA service in the country.

UCB Asset Management is in the process of launching its first stable income open-end fund, UCB Income Plus

Fund, with an initial size of BDT 50 Crore. The fund will cater to the investment needs of clients who are specifically seeking stable income investment opportunities through a wide range of fixed-income and debt securities.

UCB Asset Management strives to create a portfolio of holdings that can deliver consistent results, even in adverse market conditions, to help clients achieve their financial goals. The investment process is designed to maintain equal effort in company selection and ongoing evaluation of business performance. The process encourages the team to delve deeper into the true story behind the numbers. Despite the unpredictable nature of the market, UCB Asset Management believes that strategic asset allocation can help withstand market shocks.

BOARD OF DIRECTORS



Abul Alam Ferdous
Chairman



N. Mustafa Tarek
Director



Mohammed Khorshed Alam
Director



Champak Barua
Director



Dr. Aparup Chowdhury
Independent Director



Shekh Mohammad Rashedul Hasan
Managing Director & CEO



Core Values of UCB Asset Management

1

Fiduciary Responsibility

We hold ourselves to the highest standards of professionalism and integrity and strive to maintain the trust and confidence of our clients. We believe that we have a legal and ethical obligation to always act in the best interests of our clients. As such, we always put our clients' needs and goals first, and we never shy away from transparent and timely disclosure.

2

Prudence

We approach investment management with prudence and caution, carefully weighing the risks and benefits of each decision. We believe that adhering to our core investment philosophy is the key to achieving long-term financial success, and we stick to our basics before making every investment decision.

3

Discipline

Our investment process is based on discipline, rigor, and a commitment to continuous improvement. We believe that consistency and discipline are keys to achieving superior investment results, and we adhere to a strict set of investment guidelines and procedures.

Directors' Report to the Shareholders

Dear Shareholders,

The Directors of UCB Asset Management Limited take pleasure in presenting the Directors' Report together with the audited financial statements for the year ended 31 December 2022.

Resilience against shock

In April 2022, UCB Asset Management successfully floated its first Shariah-compliant open-end fund, UCB Taqwa Growth Fund. The fund received subscriptions from corporate and individual clients, with a focus on retail clients through systematic investment plans (SIP). As a result, UCB Asset Management saw significant growth in assets under management (AUM) for both its funds and separately managed accounts, along with a surge in core fee income. The asset manager also attracted new clients and increased its number of SIP customers, contributing to its overall success.

In a bid to expand its reach to potential investors, UCB Asset Management formed its very own sales team in the third quarter of 2022. With members solely dedicated to the task, the team went all-out in connecting directly with retail investors and selling them on the idea of systematic investment plans (SIP). By the end of the year, the sales team successfully closed deals with many SIP investors. With this new sales team in place, UCB Asset Management is all set to strengthen its foothold in the market and expand its customer base even further.

In 2022, the company made the strategic decision to prioritize online platforms to increase public awareness about financial planning. Specifically, the company focused on social media sites to reach and engage with its target audience. One notable campaign was the Tax campaign for Female Professionals, where a Tax Calculator was launched on the company website to help individuals easily calculate their taxable income and potential rebates through investing. Additionally, the company initiated a Query Management Process to enhance the overall customer experience. UCB Asset Management's successful efforts in online lead generation and management demonstrate the company's commitment to staying ahead of the curve in today's increasingly digital business landscape.

Service Description

UCB Asset Management was established with a clear vision to offer investment management solutions to both corporate and retail investors through a well-defined investment process that focuses on long-term value appreciation. Currently, UCB Asset Management

manages two open-end mutual funds; a conventional equity-oriented scheme, UCB AML First Mutual Fund, and a Shariah-compliant investment vehicle, UCB Taqwa Growth Fund. UCB Asset Management is currently set to launch its first-ever stable income product, the UCB Income Plus Fund, in the second quarter of 2023. Furthermore, UCB Asset Management provides separately managed investment accounts for institutions seeking customized investment solutions.

Risks and Concerns

Macroeconomic Risk: The country may experience a slowdown in economic activities in 2023 due to several factors. The continued pressure on the external sector, including geopolitical tensions, has led to a decrease in trade and investment flows. An uptick in inflation has reduced consumer purchasing power and increased the cost of production. As a result, investors have become more risk-averse than in previous years, resulting in a decline in investment and capital flows.

Interest Rate Risk: The interest rate is expected to rise in 2023 due to several factors, including the IMF's proposal to lift the interest rate cap and introduce an interest rate corridor, and a more challenging inflationary environment. A sudden surge by a large magnitude in interest rates can adversely impact the company's investments in government treasuries. To mitigate potential losses due to fluctuations in interest rates, UCB Asset Management has been continuously balancing its portfolios based on any development in the money market. The company will closely follow the market trends and make informed decisions to minimize the impact of interest rate risks.

Industry risk: The recent allegations of illicit activities of a few asset managers have added to existing headwinds, further increasing the challenges for the industry. Despite these challenges, UCB Asset Management is well-positioned due to its strong brand presence and adequate capital. The situation also presents an opportunity for regulatory reforms that can boost the confidence among investors, creating scope for further business expansion. The company is keeping a close eye on these developments and is prepared to adapt to the changing regulatory landscape to provide the best possible investment solutions for its clients.

Extraordinary Gains or Losses

Extraordinary gains or losses refer to the infrequent and unusual gains or losses which are not part of the company's ordinary, day-to-day operations. In 2022, there was no such extraordinary gain or loss reported.

Pattern of Shareholding

Name of the Shareholders	No. of Shares	% of Shareholding
United Commercial Bank PLC	99,999,999	99.999999%
Arif Quadri	1	0.000001%
Total	100,000,000	100%

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 company is set to launch its third open-end mutual fund and the first ever stable income product, UCB Income Plus Fund. Bangladesh Securities and Exchange Commission (BSEC) registered the trust deed of UCB Income Plus Fund on 20 February 2023. The initial public subscription of UCB Income Plus Fund has begun on 8 May 2023.

Role and 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

Name	Status in the Board
Abul Alam Ferdous	Chairman
N. Mustafa Tarek	Director, representing UCB
Mohammed Khorshed Alam	Director, representing UCB
Champak Barua	Director, representing UCB
Dr. Aparup Chowdhury	Independent Director
Shekh Mohammad Rashedul Hasan	Managing Director & CEO

Financial Performance of UCB Asset Management Limited

UCB Asset Management Limited is committed to increasing long-term value for its shareholders through the successful execution of strategic priorities and action plans. Despite unfavorable market conditions, the company succeeded to deliver satisfactory financial results in 2022 by posting an operating profit of BDT 2.4 Crore against an operating profit of BDT 6.3 Crore in 2021.

The retained earnings of the Company as of 31 December 2022 stood at BDT 6.4 Crore, details of which are given in the Statement of Changes in Equity of the financial statement.

Follow up of IAS and IFRS in Preparation of Financial Statements

The Company keeps accounting records that disclose with reasonable accuracy 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 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 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.

Dividend Declaration

UCB Asset Management declared 'no dividend' for its shareholders for the year ended 31 December 2022.

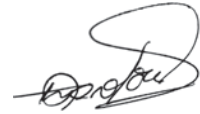
Auditor Appointment

Pursuant to Section 210 of the Companies Act, 1994, ACNABIN Chartered Accountants was appointed as the independent auditor of the Company for the year 2022 in its Annual General Meeting.

Acknowledgment

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 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

Independent Auditors' Report To the Shareholders of UCB Asset Management Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of UCB Asset Management Limited ("the Company"), which comprise the statement of financial position as at 31 December 2022, 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 and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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.

Other matter

The financial statements of the company for the year ended 31 December 2021 were audited by MABS & J Partners, Chartered Accountants, who expressed an unmodified opinion on those statements on 29 March 2022.

Other Information

Management is responsible for the other information. The other information comprises all the information, but doesn't include the financial statements and our

auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover 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 other information, there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

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.

Report on Other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and the other applicable laws and regulations. We, as required by law, further report that:

- 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 and returns.

Dhaka,
11 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

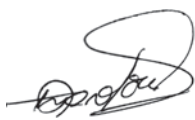
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UCB Asset Management Limited

Statement of Financial Position

As on 31 December 2022

	31-Dec-2022 Taka	31-Dec-2021 Taka
ASSETS		
Current Assets		
Cash and Bank Balances	11,290,234	69,578,232
Investments	578,492,137	493,204,494
Advances, Prepayments and Receivables	35,468,780	46,466,341
Total Current Assets	625,251,151	609,249,067
Non-Current Assets		
Property, Plant and Equipment	476,776,368	474,312,635
Total Non-Current Assets	476,776,368	474,312,635
TOTAL ASSETS	1,102,027,519	1,083,561,702
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current Liabilities		
Other Liabilities	19,360,231	22,386,332
Provision for diminution in value of investment	18,369,392	-
Total Current Liabilities	37,729,623	22,386,332
Non-Current Liabilities		
Deferred Tax Liability	239,362	300,706
Total Non-Current Liabilities	239,362	300,706
Shareholders' Equity		
Share Capital	1,000,000,000	1,000,000,000
Retained Earnings	64,058,534	60,874,664
Total Shareholders' Equity	1,064,058,534	1,060,874,664
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,102,027,519	1,083,561,702



Chairman



Director



Managing Director & CEO

This is the statement of financial position referred to in our separate report of even date.

Dhaka,
11 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



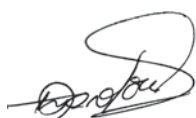
Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2304110787AS844263

UCB Asset Management Limited

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2022

	2022 Taka	2021 Taka
Income		
Investment Income	31,537,221	57,588,270
Fee Income	22,484,432	8,904,561
Interest Income	1,954,496	34,563,858
Total Income	55,976,149	101,056,689
Expenses		
Operating Expenses	31,503,888	37,808,705
Other Expenses	619,667	248,360
Total Expenses	32,123,555	38,057,065
Profit before Provision	23,852,594	62,999,624
Provision for diminution in value of investment	18,369,392	-
Net Profit after provision	5,483,202	62,999,624
Provision for Income Tax	2,360,676	7,935,298
Provision for Deferred Tax	(61,344)	45,799
Net Profit after Tax	3,183,870	55,018,527
Other Comprehensive Income	-	-
Total Comprehensive Income	3,183,870	55,018,527



Chairman



Director



Managing Director & CEO

This is the statement of profit or loss and other comprehensive income referred to in our separate report of even date.

Dhaka,
11 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2304110787AS844263

UCB Asset Management Limited


Statement of Changes in Equity

For the year ended 31 December 2022

Particulars	Share Capital	Retained Earnings	Total Shareholders' Equity
Balance as on 01 January 2022	1,000,000,000	60,874,664	1,060,874,664
Net Profit during the Year	-	3,183,870	3,183,870
Balance as on 31 December 2022	1,000,000,000	64,058,534	1,064,058,534

For the year ended 31 December 2021

Particulars	Share Capital	Retained Earnings	Total Shareholders' Equity
Balance as on 01 January 2021	500,000,000	5,856,136	505,856,136
Issued Capital (Right Share)	500,000,000	-	500,000,000
Net Profit 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



Chairman



Director



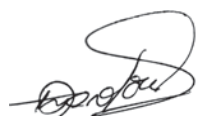
Managing Director & CEO

UCB Asset Management Limited

Statement of Cash Flows

For the year ended 31 December 2022

	2022 Taka	2021 Taka
(A) Cash Flows from Operating Activities		
Interest Receipts in Cash	17,103,519	40,871,206
Dividend Receipts	6,189,490	4,066,827
Fees & Commission Receipts in Cash	22,962,990	3,498,145
Receipt from Operating Activities	2,594,003	45,915,328
Payment for Operating Activities	(39,388,439)	(35,697,142)
Operating Profit before Changes in Operating Assets and Liabilities	9,461,564	58,654,365
Increase/Decrease in Operating Assets and Liabilities		
Increase in Investment	(85,287,643)	(354,404,724)
Other Assets	21,371,930	(26,146,930)
Net Cash Used in Operating Activities	(63,915,713)	(380,551,654)
(B) Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(3,833,849)	(474,179,562)
Net Cash Used in Investing Activities	(3,833,849)	(474,179,562)
(C) Cash Flows from Financing Activities		
Issuance of Share Capital	-	500,000,000
Net Cash Flow from Financing Activities	-	500,000,000
(D) Net Decrease in Cash and Bank Balance(A+B+C)	(58,287,998)	(296,076,850)
(E) Unrealized Foreign Exchange Gain/(Loss)	-	-
(F) Cash and Bank Balances at the Beginning of the Year	69,578,232	365,655,082
(G) Cash and Bank Balances at the End of the Year (D+E+F)	11,290,234	69,578,232



Chairman



Director



Managing Director & CEO

বিনিয়োগের সমীকরণ খুব কঠিন কিছু নয়!



যোগ করুন নিরাপদ ভবিষ্যৎ
বিয়োগ করুন আর্থিক দূশ্চিন্তা
ভাগ করুন খরচের অনিয়ন্ত্রিত ডালপালা
গুণ করুন দীর্ঘমেয়াদী বিনিয়োগের রিটার্ন



**UCB
INVESTMENT
LIMITED**

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 PLC. 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.

UCB Investment, secured 1st position among all the merchant banks in "স্বাধীনতা সুবর্ণজয়ন্তী পুরস্কার" by the capital market regulator-Bangladesh Securities and Exchange

Commission (BSEC) in the year of 2022 which is matter of immense proud to us. Furthermore, it also fetched many international recognitions like "ASIAMONEY" & "Asset Triple A" awards 2022 for its outstanding business excellence within just 1st year of its operation.

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. 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



Nabil Mustafizur Rahman
Chairman



Touhid Shipar Rafiquzzaman
Independent Director



Md. Shah Alam Bhuiyan
Director



Md. Abdullah Al Mamoon
Director



Alamgir Kabir
Director



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, 2022.

1. Corporate Information

UCB Investment Limited (UCBIL) is a fully owned subsidiary of United Commercial Bank PLC – 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 CEO 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.

UCB Investment, secured 1st position among all the merchant banks in “স্বাধীনতা স্মরণীয়তা পুরস্কার” by the capital market regulator-Bangladesh Securities and Exchange Commission (BSEC) in the year of 2022 which is matter of immense proud to us. Furthermore, it also fetched many international recognitions like “ASIAMONEY” &

“Asset Triple A” awards 2022 for its outstanding business excellence within just 1st year of its operation.

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

The world economy is suffering a lot due to the ongoing Russia-Ukraine war and supply chain disruption which eventually results in rising commodity prices, inflation, and pressure on liquidity.

Mentionable that there was an increase in both energy and non-energy commodity from mid-2021 to 2022. World Bank Commodity Indices show that energy and non-energy prices have increased by 72.0% and 37.0% respectively from January 2020 to December 2022.

In order to combat the inflationary pressure, monetary authorities of most developed countries have resorted to policy rates hike which is putting downward pressure on the global demand.

As the global demand softens because of interest rate hikes, inflationary pressure started to ease slowly but the whole economic situation is far from becoming normal. The World Bank (WB) has revised its global growth forecast downwards to 2.9% for 2022. This indicates a cautionary stance on the world economy as it is still uncertain how things will pan out in the near future. Meanwhile, recent bank collapses in the USA and perceived weaknesses in banks of other developed markets have heightened the uncertainty.

3. Bangladesh Economy

With a projected growth rate of 6.5%, according to Bangladesh Bank, the economic outlook for Bangladesh in 2023 is expected to be positive. However, recent pressing issues including drawdown of forex reserve, depreciation pressure on local currency, inflation and declining liquidity in the financial system pose several challenges.

Government has taken austerity measures and made revision in the fuel & electricity prices to absorb the external pressure and reduce fiscal deficit. Rising commodity prices in the international market, local currency depreciation and upward revision in fuel & electricity prices have increased cost push inflationary pressure in the economy. Point to point inflation touched 8.8% in Feb'23 up from 6.2% in Feb'22. However, there isn't any demand escalation that would fuel further inflationary pressure and will help to tame inflation going forward.

Interest rates have also started picking up as evident in the government treasury and call money market. As liquidity in the financial system declined owing to mainly negative growth in net foreign asset, treasury rates and call money rates increased substantially.

Amid all these challenges, Bangladesh Bank (BB) adopted cautiously accommodative stance. In the last monetary policy for second half of FY23, central bank raised repo and reverse repo rate by 25 bps to 6.00% and 4.25% respectively. Meanwhile, BB has also given indication of reforms in exchange rate stating that they are taking necessary measures to gradually move towards market based, flexible and unified exchange rate regime (within a 2.00% variation) by end of FY23.

Meanwhile, Bangladesh authorities have availed USD 4.7bn fund facility from IMF as a support for forex reserve and climate change issues. Bangladesh has already received first tranche of the loan amounting to USD 476mn . IMF has stipulated several conditions which is making way for reforms in both fiscal and monetary policy.

In the last few months we are observing that things are getting into better shape. Pressure in BoP deficit has started easing on the back of government's austerity measures and improvement in export and remittance numbers. Meanwhile, commodity prices in the international market is facing correction which is likely to benefit Bangladesh through reduced import cost and inflationary pressure. Also, further reforms in monetary and fiscal policy is likely to make the economy further resilient to overcome the challenges.

4. Capital Market

In 2022, Bangladesh's stock market had a lacklustre performance after two years of double-digit returns. The broad market index, DSEX, fell 8.1%, and daily average turnover decreased by 35.0% year over year.

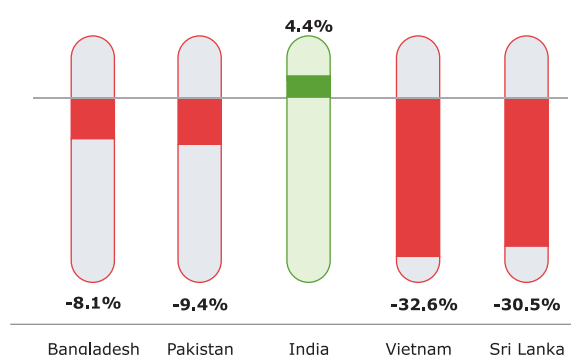
Macroeconomic challenges, declined liquidity and erosion in corporate profits have resulted in weak

performance of the market. Amid the growing sell pressure, Bangladesh Securities and Exchange Commission (BSEC) on 28 July imposed floor prices on all companies to prevent share prices of the companies from falling beyond a certain level.

Meanwhile, there were number of developments in the market which include launch of government securities trading in the exchanges and initiation of alternative trading board which facilitate secondary trading of non-listed companies. During 2022, 10 new companies got listed in the market.

In 2022, most emerging and frontier markets had poor performances due to rising interest rates in developed economies and concerns about the debt sustainability of emerging and frontier markets. The performance of Bangladesh's capital market in 2022 was on par with most of its frontier market peers.

Capital Market Growth 2022



Source: investing.com

5. Investment Banking Services

Fixed Income Securities

As an Arranger and Issue Manager, UCB Investment helps to navigate throughout the entire issuance process from planning and pricing of the issuance, appointing counterparties, filing for application, and responding to regulators' queries to the final approval of issuance and disbursement of funds.

Our team has expertise on assisting issuance of variety number of fixed income securities like: Islamic Financing Solutions, Capital Bonds, Sukuk, Asset Backed Securities etc.

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.

Issue Management and Underwriting

UCB Investment Limited provides high quality Issue Management services to their clients with a team of professionally skilled and competent Investment Bankers. Our Issue Management services include- Initial Public Offering (IPO), Rights Offering, Repeat Public Offering (RPO), Qualified Investors Offer (QIO), Direct Listing, listing of debt securities, listing in the ATB Platform 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.

Corporate Advisory

The main objective of our experienced investment banker is to understand the clients' requirement. 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.

Local and Foreign Loan Syndication

Our dynamic and versatile team is well experienced in structuring and arranging optimal debt financing across multiple sectors in Bangladesh. Bangladesh being 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.

Our Syndication Services include:

- Loan Syndication
- FCY Loan Syndication
- Commercial Paper Issuance
- Project Financing (Greenfield & Brownfield)
- Export Credit Agency and DFI Debt Arrangement
- Debt Restructuring and Refinancing Arrangement

We are committed to 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 can execute 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.

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.

Merger and Acquisition

Mergers and Acquisitions (M&A) can involve complex transactions that require the attention and expertise of professionals with experience like our investment bankers. M&A also requires a strong liaison among different stakeholders. From due diligence, valuation, and structuring to closing of the project – all these steps may come to be bit perplexing for the companies. UCB Investment Limited is certainly the most experienced and trustworthy partner of its esteemed clients in case of such transaction.

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

Board of Directors	Status in Board
Nabil Mustafizur Rahman	Chairman
Touhid Shipar Rafiquzzaman	Independent Director
Md. Shah Alam Bhuiyan	Director, representing of UCB
Md. Abdullah Al Mamoon	Director, representing of UCB
Alamgir Kabir	Director, representing of UCB

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.

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 2022. 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:

Amounts in BDT Crore

Financial Position	2022	2021	2020
Total Assets	1,334,163,761	1,225,376,903	370,404,705
Total Liabilities	161,096,619	92,882,925	58,210,620
Operating Revenue	123,268,064	136,962,759	(1,746,958)
Operating Expense	43,292,520	40,581,588	(4,571,721)
Net Profit Before Provision & Tax	63,990,283	105,746,300	(2,750,320)
Net Profit After Tax	40,573,164	70,299,893	(4,172,236)
Paid-up Capital	1,000,000,000	1,000,000,000	250,000,000
Shareholders' Equity	1,173,067,142	1,132,493,978	312,194,085
Return on Assets	3.04%	5.74%	-1.13%
Return on Equity	3.46%	6.21%	-1.34%

10. Shareholding Position

Shareholders	% of Share Holdings	No. of Shares
United Commercial Bank PLC	99.99%	99,999,999
Mohammed Habibur Rahman	0.01%	1
	100%	100,000,000

11. Observance of BAS, BFRS & 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 Bangladesh Accounting Standards, Bangladesh 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 2022.

15. Auditors Report

The Board of Directors reviewed the Auditors Report issued by the auditors of the company, ACNABIN Chartered Accountants based on their audit of financial statements for the year ended 31 December 2022. 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 'ACNABIN' was appointed as the independent auditor of the Company for the year 2022 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 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 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)



Nabil Mustafizur Rahman
Chairman
UCB Investment Limited

MANAGEMENT DISCUSSION & ANALYSIS

Dear stakeholders,

Evidently 2022 was a challenging year for the entire capital market. However, despite the unprecedented challenges, we are pleased to announce that UCB Investment Limited secured first position among all the merchant banks in “স্বাধীনতা সুবর্ণজয়ন্তী পুরস্কার” by the capital market regulator-Bangladesh Securities and Exchange Commission (BSEC). It has also grabbed multiple international recognitions for its outstanding business excellence. Such success is a testament to our spirit and flexibility in the face of hard times.

Towards sustainable growth

UCB Investment Limited is always dedicated to introducing innovative financial instruments considering the appetite of both the Investor and the Issuer. Since its inception, it has committed to provide 360-degree services to its esteemed clients. This year was not different.

UCB Investment has successfully closed many deals that cater the specific needs of its clients. It has completed transactions i.e: IPO, Tier-I, Tier-II bonds, Rights Share, preference share, ZCB and many more. It has raised BDT3,200 crore and completed 14 deals in the year 2022. UCB Investment stands the only investment banks which has closed all the perpetual bonds- which is very first of its kind it has undertaken till date.

The dynamic team of UCB Investment is working relentlessly toward the development of the capital market as a whole. It closely works with regulators and stakeholders to make the debt market more vibrant and to introduce new instrument in the capital market. With the hard work and perseverance, it managed to honor the commitments it made to the clients and gain the trust.

Mission to Stay Ahead of the Curve

We believe, the title of the “Best Investment Bank” by the regulator comes up with many responsibilities. We are working relentlessly to fulfil all the responsibilities.

Our main mantra to develop in the long run is 2S: Strategy and Service. We set the strategy based on the situation and provide the service to the client as per its requirement. Nevertheless, our team is constantly being trained with the latest knowledge and expertise to ensure 360-degree solutions.

We are working relentlessly to acquire, train and develop human resources to overcome the skilled human resource shortage in the capital market. In 2022, we have spent a considerable portion of profit on employee training, coaching, and mentoring as it is our prime focus to create a productive and rewarding work-culture.

Besides traditional marketing, we are increasing our focus on digital marketing. In 2022, our social media engagement grew considerably on both LinkedIn and Facebook. We have sponsored many events and did participate in charitable work as a part of CSR activity.

In conclusion, the year 2022 was undoubtedly a challenging one for us all. However, our resilience and adaptability have enabled us to be the best investment bank in the country. We thank our customers, employees, and stakeholders for their unwavering support, and we remain committed to delivering quality services to our clients while contributing to society's development.

Best wishes,



Tanzim Alamgir
Managing Director and CEO
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 2022, 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 and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Other Matter

The Financial Statements of the Company as at and for the year ended 31 December 2021 was audited by MABS & J Partners Chartered Accountants and expressed an unmodified opinion on those Financial Statements on 29 March 2022.

Other Information

Management is responsible for the other information. The other information comprises all the information but doesn't include the financial statements and our

auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover 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 other information, there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Company'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

Dhaka,
11 APR 2023

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 Company 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.

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.

Report on other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act 1994, the Securities and Exchange Rules 2020 and the other applicable laws and regulations. We, as required by law, further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements 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 and returns.

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

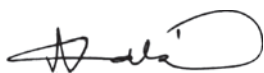
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UCB Investment Limited

Statement of Financial Position

As at 31 December 2022

	31-Dec-2022 Taka	31-Dec-2021 Taka
ASSETS		
Current Assets		
Cash and Bank Balances	57,050,226	459,118,073
Investments	708,310,100	211,179,563
Advances, Prepayments and Receivables	6,759,767	28,113,308
Margin Loan to Portfolio Client	2,002,221	2,451,025
Other Assets	83,718,553	51,210,141
Total Current Assets	857,840,867	752,072,109
Non-Current Assets		
Property, Plant and Equipment	476,322,894	473,304,794
Total Non-Current Assets	476,322,894	473,304,794
TOTAL ASSETS	1,334,163,761	1,225,376,903
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current Liabilities		
Other Liabilities	144,855,087	92,795,950
Provision for Margin Loan	20,022	-
Provision for diminution in value of investment	15,965,239	-
Total Current Liabilities	160,840,349	92,795,950
Non-Current Liabilities		
Deferred Tax Liability	256,270	86,974
Total Non-Current Liabilities	256,270	86,974
Shareholders' Equity		
Share Capital	1,000,000,000	1,000,000,000
Retained Earnings	173,067,142	132,493,978
Total Shareholders' Equity	1,173,067,142	1,132,493,978
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,334,163,761	1,225,376,903



Chairman



Director



Managing Director & CEO

This is the statement of financial position referred to in our separate report of even date.

Dhaka,
11 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2304110787AS533993

UCB Investment Limited

Statement of Profit or Loss and other Comprehensive Income
For the year ended 31 December 2022

	2022 Taka	2021 Taka
Income		
Fee Income	75,562,500	74,507,609
Investment income	27,861,193	18,864,335
Income from Portfolio Operations	3,148,172	2,123,574
Interest income	16,696,199	41,467,242
Total Income	123,268,064	136,962,759
Expenses		
Operating Expense	29,678,027	28,360,607
Financial Expenses	1,123,342	-
Other Expenses	12,491,151	12,220,981
Total Expenses	43,292,520	40,581,588
Profit before Provision	79,975,544	96,381,171
Provision for diminution in value of investment	15,965,239	(9,365,129)
Provision for Margin Loan	20,022	-
Net Profit after provision	63,990,283	105,746,300
Income tax expense	23,247,823	35,359,434
Deferred tax expense	169,296	86,974
Net Profit after Tax	40,573,164	70,299,893
Other Comprehensive Income	-	-
Total Comprehensive Income	40,573,164	70,299,893



Chairman



Director



Managing Director & CEO

This is the statement of profit and loss and other comprehensive income referred to in our separate report of even date.

Dhaka,
11 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2304110787AS533993

UCB Investment Limited

Statement of Changes in Equity

For the year ended 31 December 2022

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total Shareholders' Equity
Balance as at 01 January 2022	1,000,000,000	132,493,978	1,132,493,978
Net Profit after tax for the year	-	40,573,164	40,573,164
Balance as at 31 December 2022	1,000,000,000	173,067,142	1,173,067,142

For the year ended 31 December 2021

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total Shareholders' Equity
Balance as at 01 January 2021	250,000,000	62,194,085	312,194,085
Issuance of Share Capital	750,000,000		750,000,000
Net Profit after tax for the year	-	70,299,893	70,299,893
Balance as at 31 December 2021	1,000,000,000	132,493,978	1,132,493,978



Chairman



Director



Managing Director & CEO

Dhaka,

11 APR 2023

UCB Investment Limited

Statement of Cash Flows

For the year ended 31 December 2022

	2022 Taka	2021 Taka
(A) Cash Flows from Operating Activities		
Interest Receipts in cash	21,249,334	39,464,313
Dividend Receipts	4,738,600	5,306,491
Fees & Commission Receipts	70,941,500	56,570,847
Income taxes paid	(16,952,572)	-
(Payment)/Receipt from other operating activities	(15,248,147)	(9,318,795)
Payments to employees	(18,622,317)	(15,087,606)
Operating profit before changes in current assets and liabilities	46,106,398	76,935,250
Increase/Decrease in current assets and liabilities:		
Purchase/Sales of trading Securities	38,657,710	12,762,350
Client Deposit, withdrawal, IPO & Dividend	12,253,536	23,198,201
Receipt/Settlement with UCB Stock Brokerage Ltd	14,838,719	(11,702,762)
Other Assets	3,572,472	(33,322,653)
Other Liabilities	(1,895,520)	(18,863,678)
Net cash flow from operating activities (A)	67,426,916 113,533,314	(27,928,543) 49,006,707
B. Cash flows from investing activities		
(Purchase)/Sale of Mutual Fund, Bond	(565,318,346)	37,900,000
Proceeds from sale of Property, Plant and Equipment	49,660	-
Acquisition of Property, Plant and Equipment	(1,964,900)	(473,278,580)
Encashment/(Investment) in FDR	52,755,767	(50,000,000)
Net Cash used in investing activities (B)	(514,477,820)	(485,378,580)
C. Cash flows from financing activities		
Issuance of Share capital	-	750,000,000
Receipts from Short Term Loan	147,369,347	-
Paid to Short Term Loan	(148,492,689)	-
Net cash (used in)/ flow from financing activities (C)	(1,123,342)	750,000,000
D. Net (Decrease)/Increase in cash and Bank Balance (A+B+C)	(402,067,848)	313,628,127
E. Unrealised Foreign Exchange Gain/(Loss)	-	-
F. Cash and Bank Balance at beginning of the year	459,118,073	145,489,946
G. Cash and Bank Balance at the end of the year (D+E+F)	57,050,226	459,118,073
Cash in hand	5,364	46,661
Cash at Bank	57,044,862	459,071,412
	57,050,226	459,118,073



Chairman



Director



Managing Director & CEO

Dhaka,

11 APR 2023



Towards Sustainable Growth



OUR VALUED CLIENTS





**UCB FINTECH
COMPANY
LIMITED**



একটি UCB প্রতিষ্ঠান

Leadership

The Trailblazing Dreamers and Leaders



Anisuzzaman Chowdhury
Chairman



Bashir Ahmed
Director



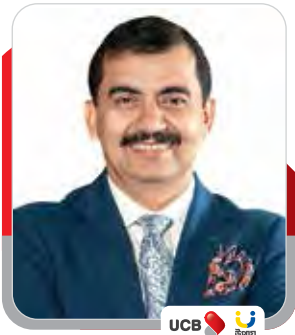
Asifuzzaman Chowdhury
Director



Akhter Matin Chaudhury
FCA (E&W), FCA, FCS
Independent Director



Arif Quadri
Director



ATM Tahmiduzzaman, FCS
Director



Ashraf Bin Taj
Independent Director



Syed Faridul Islam
Director



Md. Abdullah Al Mamoon
Director



Company 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, Dcvq (upay) was founded to become a companion that makes customer journey simple, secure, and convenient, while availing financial services.

Dcvq (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, Dcvq (upay) started its journey in early 2021, offering a broad range of mobile financial services to people from all walks of life.

Dcvq (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, Dcvq (upay) aims to actively contribute to transforming the financial landscape of the country. Dcvq (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, Dcvq (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.



Directors' Report

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 2022 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 and should be read in conjunction with the financial statements and accompanying notes to the financial statements.

UCB Fintech Company Limited was incorporated as a 100%-owned-subsiary of United Commercial Bank on 30 July 2020 and upon receiving the license from Bangladesh Bank, it started its journey in early 2021 under the brand Dcvq (upay) 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 Smart Bangladesh.

UCB Fintech Company Limited has been operating in an industry characterized by a large and aggressive market leader, an aggressive challenger, price sensitive customers and low-margin products. Gaining and maintaining traction in this industry is not only difficult but also expensive; particularly, for new entrant like উপায় (upay). It is not possible for a new entrant to this industry to create a footprint without significant investment in customer acquisition, channel development and in brand building.

Despite all the challenges, around 31 million transactions were conducted through Dcvq (upay) in 2022 compared to around 16 million in 2021. Average daily transaction amount increased from BDT 10.1 crore in 2021 to BDT 14.5 crore in 2022. Similar to the overall industry, cash-in, cash-out and send money accounted for the most of the transaction amount. Registered customers stood at around 6.67 million at the end of 2022. The number of retail agents was

around 133 thousand and the number of merchants was 9,493 at the end of the year.

Revenue increased from BDT 174 million in 2021 to BDT 202 million in 2022. Continued investment in customer acquisition, channel development, brand building and in technology resulted in a Net Loss After Tax of BDT 1,178 million in 2022. However, monthly operating expenditure decreased in 2022 compared to that in 2021 due to the initiatives taken to rationalize some of the expenditures.

Competitive forces and customer behavior are not expected to change much in the near future and, hence, more investment will be necessary so as to reach more customers and, thereby, to gain more market share.

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 2022.

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
UCB Fintech Company Limited



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 2022, 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 and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Other Matter

The Financial Statements of the Company as at and for the year ended 31 December 2021 was audited by MABS & J Partners Chartered Accountants and expressed an unmodified opinion on those Financial Statements on 29 March 2022.

Other Information

Management is responsible for the other information. The other information comprises all the information but doesn't include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover 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 other information, there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

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 Company'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 Company 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.

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.

Report on other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act 1994 and the other applicable laws and regulations. We, as required by law, further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements 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 and returns.

Dhaka,
17 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2304180787AS754310

UCB Fintech Company Limited

Statement of Financial Position

As at 31 December 2022

	31-Dec-2022 Taka	31-Dec-2021 Taka
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	219,886,726	199,886,341
Capital Work-in-Progress	-	13,279,882
Intangible Assets	135,451,460	46,235,765
Pre-operating Expense	2,813,156	3,750,874
	358,151,342	263,152,863
Current Assets		
Receivables	5,088,620	186,882
Inventories	28,208,712	17,159,590
Advance, Deposit and Prepayments	38,238,496	7,876,100
Advance Income Tax	11,722,958	4,534,673
Trust Cum Settlement Account and Investments	797,461,675	728,253,676
Cash and Bank Balances	427,600,879	781,482,239
	1,308,321,340	1,539,493,160
TOTAL ASSETS	1,666,472,682	1,802,646,023
EQUITY AND LIABILITIES		
Equity		
Share Capital	3,000,000,000	2,000,000,000
Retained Loss	(2,280,529,586)	(1,102,104,559)
	719,470,414	897,895,441
Current Liabilities		
Customer and other deposits	747,024,140	549,282,886
Provision for Income Tax	1,589,492	1,270,087
Operational and other payables	76,584,569	143,415,088
Provision for operational expenses	121,804,067	210,782,521
	947,002,269	904,750,582
TOTAL LIABILITIES	947,002,269	904,750,582
TOTAL EQUITY AND LIABILITIES	1,666,472,682	1,802,646,023



Chief Financial Officer



Director



Director

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka,
17 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2304180787AS754310

UCB Fintech Company Limited

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2022

	2022 Taka	2021 Taka
Revenue	202,451,459	174,170,661
Less: Cost of Services	211,536,074	167,457,737
Gross (Loss)/Profit	(9,084,615)	6,712,924
Less: Operating Expenses		
Operating and administrative expenses	588,126,966	360,026,357
Selling and Marketing Expenses	637,389,856	784,965,778
Net Operating Loss for the year	(1,234,601,437)	(1,138,279,212)
Add: Non Operating Income	63,661,927	37,510,430
Loss before Income Tax	(1,170,939,510)	(1,100,768,782)
Income Tax Expense	7,485,517	1,270,087
Net Loss after Income Tax	(1,178,425,027)	(1,102,038,869)
Other Comprehensive Income		
Total Comprehensive Income	(1,178,425,027)	(1,102,038,869)



Chief Financial Officer



Director



Director

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dhaka,
17 APR 2023

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2304180787AS754310

UCB Fintech Company Limited

Statement of Changes in Equity

For the year ended 31 December 2022

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01 January 2022	2,000,000,000	(1,102,104,559)	897,895,441
Issuance of Share Capital during the year	1,000,000,000	-	1,000,000,000
Net Loss after Income Tax	-	(1,178,425,027)	(1,178,425,027)
Balance as at 31 December 2022	3,000,000,000	(2,280,529,586)	719,470,414

For the year ended 31 December 2021

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01 January 2021	1,000,000,000	(65,690)	999,934,310
Issuance of Share Capital during the year	1,000,000,000	-	1,000,000,000
Net Loss after Income Tax	-	(1,102,038,869)	(1,102,038,869)
Balance as at 31 December 2021	2,000,000,000	(1,102,104,559)	897,895,441



Chief Financial Officer



Director



Director

This is the Statement of Changing in Equity referred to in our separate report of even date.

Dhaka,

17 APR 2023

UCB Fintech Company Limited

Statement of Cash Flows

For the year ended 31 December 2022

	2022 Taka	2021 Taka
A. Cash flows from operating activities		
Cash receipt from customers	202,577,223	174,304,182
Interest received from deposits	58,964,189	37,489,510
Other receipts	5,220	20,920
Customers and others deposits	197,741,254	549,282,886
Payment for services	(1,215,436,843)	(726,470,028)
Payments to employees	(446,185,763)	(240,357,550)
Payment of Income Tax	(14,354,396)	(4,534,673)
Net cash used in operating activities	(1,216,689,116)	(210,264,754)
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(67,984,244)	(279,958,641)
Investment in securities	(99,907,834)	(120,100,930)
Net cash used in investing activities	(167,892,078)	(400,059,571)
C. Cash flows from financing activities		
Net proceeds from issue of ordinary shares	1,000,000,000	1,000,000,000
Net cash from financing activities	1,000,000,000	1,000,000,000
D. Net increase in cash and Bank Balances (A+B+C)	(384,581,194)	389,675,675
E. Cash and cash equivalents including trust cum settlement account as at 01 January	1,389,634,985	999,959,310
F. Cash and Bank Balances including trust cum settlement account as at 31 December (D+E)	1,005,053,791	1,389,634,985
G. Less: Trust cum settlement account	577,452,911	608,152,746
H. Cash and Bank Balances at the end of the year	427,600,879	781,482,239



Chief Financial Officer



Director



Director

Dhaka,
17 APR 2023



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



**SUPPLEMENTARY
INFORMATION**

Branch Network of UCB

Dhaka Division

Ati Bazar Branch

Address : Haji Nasir Uddin Market P.O. Ati Bazar,
Union: Shakta, P.S. Karanigonj
Dist: Dhaka
Email : ati@ucb.com.bd
hob.ati@ucb.com.bd
Routing no : 245270345
SWIFT Code : UCBLBDDH
Contact : 01847454073, 01847454074

Balasar Branch

Address : Firoz Khan Shopping Center Balasar
Chowrasta P.O. Bhagyakul Union-
Bhagyakul P.S. Srinagor Dist. Munshigonj
Email : bal@ucb.com.bd
Routing no : 245590083
SWIFT Code : UCBLBDDH
Contact : 01847-275243

Banani Branch

Address : Sharif Plaza (1st & 2nd Floor) 39,
Kamal Ataturk Avenue, Banani Dhaka
Email : bnb@ucb.com.bd
Routing no : 245260434
SWIFT Code : UCBLBDDHBNB
Contact : 02-222290437

Banani Road No-11 Branch

Address : AWR NIB Tower, House No: 99, Road
No: 11 Bir Uttam Khadimul Bashar
Sarak, Word No: 19 Dhaka North City
Corporation, PS: Banani, Dhaka
Email : beb@ucb.com.bd
Routing no : 245260968
SWIFT Code : UCBLBDDH
Contact : +880 02 41081957 &
+88 02 41081958

Banasree Branch

Address : Block-K, Plot-320, Road No-16 Main
Road, South Banasree Dhaka
Email : bns@ucb.com.bd
Routing no : 245260726
SWIFT Code : UCBLBDDH
Contact : +88 02 47291441-3

Bangshal Branch

Address : 32/3, Malitola Road North South Road
Dhaka -1000
Email : bng@ucb.com.bd
Routing no : 245270882
SWIFT Code : UCBLBDDHBNG
Contact : +8802223382520

Barakandi Branch

Address : Joynal Plaza, Kazirhat, vill-
Dubaisalbar, Union-Barakandi,
Thana-Jazira, Shariatpur
Email : brk@ucb.com.bd
Routing no : 245860089
SWIFT Code : UCBLBDDHAGB
Contact : 01915479462

Bashundhara Branch

Address : Plot No- 06, Block-A Bashundhara
Main Road Bashundhara R/A, DHAKA
Email : bbd@ucb.com.bd
Routing no : 245260555
SWIFT Code : UCBLBDDHXXX
Contact : +88 02 8431315; 01811-481287"

Bhanga Branch

Address : Hawlader Mansion Holding-108,
Ward-08 PS: Bhanga District: Faridpur
Email : bab@ucb.com.bd
Routing no : 245290288
SWIFT Code : UCBLBDDHBAB
Contact : 01322890079, 01894924636

Bhawal Mirzapur Branch

Address : Halima Plaza, Bhawal Mirzapur Bazar
Mirzapur, Gazipur
Email : bmb@ucb.com.bd
Routing no : 245330243
SWIFT Code : UCBLBDDH
Contact : 017109635957, 01955515472

Bhulta Branch

Address : Gausia Market (1st Floor), Bhulta
Rupganj, Narayanganj. DHAKA

Email : Bul@ucb.com.bd

Routing no : 245670224

SWIFT Code : UCBLBDDH

Contact : 01713108790

Bijoyagar Branch

Address : Al Razi Complex (1st Floor) 166/167,
Shahid Sayed Nazrul Islam Sharani,
Paltan Dhaka

Email : BJN@UCB.COM.BD

Routing no : 245271094

SWIFT Code : UCBLBDDHBJN

Contact : 47119385

Chashara Branch

Address : Badhan Community Centre (1st Floor)
231/5, B. B. Road Chashara,
Narayanganj.

Email : cbn@ucb.com.bd

Routing no : 245670237

SWIFT Code : UCBLBDDH

Contact : +88 02 75643991-102,
01732799612, 01817032567

Chinispur Branch

Address : G.M.Bhuiyan Tower Velanagar Bus
Stand Vill- Chinispur Ward No- 03
Union-Chinispur PS- Narsingdi Sadar
Dist- Narsingdi

Email : cns@ucb.com.bd

Routing no : 245680085

SWIFT Code : UCBLBDDH

Contact : 02-9451881, 01966602243

Corporate Branch

Address : BULUS CENTER, PLOT-CWS-(A)-1,
ROAD-34 GULSHAN AVENUE
DHAKA-1212

Email : cob@ucb.com.bd

Routing no : 245261738

SWIFT Code : UCBLBDDHGAB

Contact : 0255668070, 09610999999

Dakshinkhan Branch

Address : Irish Plaza 848/1 Prem Bagan, goair
Dakshin Khan

Email : dkn@ucb.com.bd

Routing no : 245260913

SWIFT Code : UCBLBDDH

Contact : +8801787670976

Danga Bazar Branch

Address : Badsha Plaza Ward No.05 P.O. Danga
Bazar Union- Danga P.S. Palash Dist.
Narsingdi

Email : dan@ucb.com.bd

Routing no : 245680201

SWIFT Code : UCBLBDDH

Contact : 01847275241, 01847275242

Darus Salam Road Branch

Address : 09, Dakhin Bishil, Word No-12 Darus
Salam Road, Mirpur-01 P.S-Darus
Salam Dhaka North City Corporation

Email : drs@ucb.com.bd

Routing no : 245260942

SWIFT Code : UCBLBDDH

Contact : 48038312-14

Dhanmondi Branch

Address : 43 (New) Road # 27 (Old), 16 (New)
Dhanmondi R/A, Dhaka 1209

Email : DHN@UCB.COM.BD

Routing no : 245261183

SWIFT Code : UCBLBDDH

Contact : +880248119933

Donia Branch

Address : 1067, Nayapara (1st & 2nd floor)
Union- Shampur, P.S- Shampur,
DHAKA

Email : dnb@ucb.com.bd

Routing no : 245271423

SWIFT Code : UCBLBDDH

Contact : 02223341286

Ekuria Branch

Address : Haji Shahidullah Super Market
(Ground & 1st Floor) Dhaka-Mawa
Road, Union-Shuvadda, Ward No-08,
PS-South Keranigonj, District-Dhaka

Email : erb@ucb.com.bd

Routing no : 245270532

SWIFT Code : UCBLBDDH

Contact : 01713-108771, 01844546446

Elephant Road Branch

Address : 25, Elephant Road Block A DHAKA

Email : epr@ucb.com.bd

Routing no : 245261338

SWIFT Code : UCBLBDDHEPR

Contact : 029664619, 58615947, 9667370,
58610675

Faridpur Branch

Address : 85, Mujib Sarak, Faridpur

Email : frd@ucb.com.bd; ob.frd@ucb.com.bd,
ombco.frd@ucb.com.bd

Routing no : 245290525

SWIFT Code : UCBLBDDH

Contact : 01711883740 01833312432

Foreign Exchange Branch

Address : 20, DILKUSHA COMMERCIAL AREA
MOTIJHEEL DHAKA-1000

Email : fex@ucb.com.bd

Routing no : 245272327

SWIFT Code : UCBLBDDHFEX

Contact : 9515211

Gausul Azam Avenue Branch

Address : 22, Sonargaon Janapath Sarak
Sector 09, Dhaka North City
Corporation, PS: Uttara DHAKA
Email : sal@ucb.com.bd
Routing no : 245260450
SWIFT Code : UCBLBDDH
Contact : +880255094350, 01915479135

Gazipur Chowrasta Branch

Address : Unisay Tower (1st floor) Mymensingh
Road Union: Bason, P.O: Chandana
Dist: Gazipur.
Email : gcb@ucb.com.bd
Routing no : 245330551
SWIFT Code : UCBLBDDH
Contact : +8801817032564

Ghatail Branch

Address : Mohona Shopping Center, Holding
No: 541-542, Main Road, Ward No-07
Ghatail, Tangail
Email : GHT@UCB.COM.BD
Routing no : 245930919
SWIFT Code : UCBLBDDH
Contact : 01955515471

Ghior Branch

Address : Zilla Parishad Tower, Ghior Bazar,
Dag: RS 718, 719 & 723, Khatian: RS-05,
Mouza: Ghior, Union: 4 no ghior,
Police Station: Ghior, Manikganj
Email : grb@ucb.com.bd
Routing no : 245560376
SWIFT Code : UCBLBDDHGRB
Contact : 01322914806, 01896016676

Gopaldi Branch

Address : Co-Operative Complex Gopladi Bazer
School Sarak PS Arahazer Narayangonj
Email : gpl@ucb.com.bd
Routing no : 245670608
SWIFT Code : UCBLBDDH
Contact : 01915479053

Gopalganj Branch

Address : 127, College Road, Chowronggi Ward
No-4, Gopalganj Paurasava
Dist- Gopalganj
Email : gpg@ucb.com.bd
Routing no : 245350373
SWIFT Code : UCBLBDDH
Contact : 02478821573

Gulshan Branch

Address : CONCORD I.K. Tower (1st Floor), Plot
No. CEN (A)-2 North Avenue,
Gulshan-2, Dhaka-1212
Email : gsn@ucb.com.bd
Routing no : 245261725
SWIFT Code : UCBLBDDHGSN
Contact : 01711888358, 222295500

Hasnabad Branch

Address : P.O: Hasnabad Thana Nawabgonj
Dhaka-1321
Email : hsb@ucb.com.bd
Routing no : 245272569
SWIFT Code : UCBLBDDH
Contact : 01711881050

Hemayetpur Branch

Address : Diamond Tower, Union-Tatulijura,
P.S-Savar, Dist-Dhaka
Email : hem@ucb.com.bd and
ombco.hem@ucb.com.bd
Routing no : 245260500
SWIFT Code : UCBLBDDH
Contact : 01708451986, 01951146462

Islampur Branch

Address : Lion Tower (2nd Floor), 108, Islampur
Road PS- Kotwali Dhaka
Email : isp@ucb.com.bd
Routing no : 245272985
SWIFT Code : UCBLBDDH
Contact : 57392308, 57392661, 57390670

Joydebpur Branch

Address : Tasnim Tower, Holding No-J-5/4,
BIDC Road, Ward No-26,
Gazipur City Corporation,
P.S-Joydebpur, Dist-Gazipur
Email : joy@ucb.com.bd
Routing no : 245330735
SWIFT Code : UCBLBDDH
Contact : 01708451987

Kafrul Branch

Address : Rashid Complex Holding No: 88
Ibrahimpur (Pool Par) Road PS: Kafrul,
District: Dhaka
Email : krb@ucb.com.bd
Routing no : 245262382
SWIFT Code : UCBBDDHKRB
Contact : 01322-890077

Kaligonj Branch

Address : Madina Bhaban Kaligonj Bazar,
Ward No-04 P.S- Kaligonj,
Paurashava- Kaligonj
Dist- Gazipur
Email : klg@ucb.com.bd
Routing no : 245330827
SWIFT Code : UCBLBDDHKLK
Contact : 01833147914, 01966602241

Kamarpara Branch

Address : Haji Abul Hashem Market,
Union-Harirampur, P.S-Turag,
Dist-Dhaka
Email : kma@ucb.com.bd
Routing no : 245261512
SWIFT Code : UCBLBDDH
Contact : +8801951146461

Kamrangirchar Branch

Address : Elham Square (1st Floor), Rony Market
Rasulpur Union- Sultangonj DHAKA
Email : krc@ucb.com.bd
Routing no : 245273584
SWIFT Code : UCBLBDDH
Contact : 02-55160218, 01714167426,
01966602205

Kanaipur Branch

Address : Kanaipur General & Eye Hospital (Pvt.)
Ltd Kanaipur Bazar, Kanaipur Faridpur
Email : knp@ucb.com.bd
Routing no : 245290912
SWIFT Code : UCBLBDDH
Contact : 01833102704

Kanchan Branch

Address : Maula Super Market (1st floor)
Kanchan Bazar, Rupgonj Narayangonj
Email : KBN@UCB.COM.BD/
OMBCO.KBN@UCB.COM.BD
Routing no : 245670790
SWIFT Code : UCBLBDDH
Contact : 01811456752/01811456757"

Kanchpur Branch

Address : Hazi Motaleb Khan Super Market-
1, Sonpur Kanchpur, Sonargaon
Narayangonj
Email : kcp@ucb.com.bd
Routing no : 245670129
SWIFT Code : UCBLBDDH
Contact : 01709635955, 01955515475

Kapasias Branch

Address : Kapasia Bazar, Upazilla Road Union-
Kapasias, Ward No-08 P.S- Kapasia,
Dist- Gazipur.
Email : KPS@UCB.COM.BD
Routing no : 245330885
SWIFT Code : UCBLBDDH
Contact : 01833147913, 01966602242

Katiadi Branch

Address : Kuwait Plaza, Holding No.3619 Hospital
Road, Ward No.03 P.S. Katiadi, Dist.
Kishoregonj
Email : kti@ucb.com.bd
Routing no : 245480580
SWIFT Code : UCBLBDDH
Contact : 817201, 817202

Kawranbazar Branch

Address : 11, Kawran Bazar, Titas Gas Bhaban
Kawran Bazar, Dhaka
Email : kbz@ucb.com.bd
Routing no : 245262537
SWIFT Code : UCBLBDDHKBZ
Contact : 02-9141572, 02-58153406,
01711883738

Keranigonj Branch

Address : S.R. Shopping Mall, Word No.- 4
Union- Aganagar Thana- Dakkhin
Keranigonj Dhaka
Email : kgb@ucb.com.bd
Routing no : 245273647
SWIFT Code : UCBLBDDH
Contact : +8801714167369

Khilgaon Branch

Address : Ashirbad Bhaban, Holding No-
569/C&915 Ward No-01, Dhaka North
City Corporation Thana-Khilgaon, Dist-
Dhaka
Email : khi@ucb.com.bd
Routing no : 245273676
SWIFT Code : UCBLBDDH
Contact : 0247217613

Khilkhet Branch

Address : Talna Bhaban_ (1st Floor) House-
Kha-49/A Battala Ward No-17 DHAKA
Email : klk@ucb.com.bd
Routing no : 245260742
SWIFT Code : UCBLBDDH
Contact : 58970241, 58970243

Konabari Branch

Address : Plot- A/139, BSCIC Industrial Estate
Konabari Ward No.- 1, Thana- Gazipur
Sadar Dist- Gazipur.
Email : KBB@UCB.COM.BD
Routing no : 245330948
SWIFT Code : UCBLBDDHXXX
Contact : 01730076149 (HOB), 01833102702 (OM)

Madhabdi Branch

Address : Union-Madhabdee, P.O-Madhabdee PS
& Dist. Narsingdi
Email : mdh@ucb.com.bd
Routing no : 245680672
SWIFT Code : UCBLBDDH
Contact : 01711809731

Ghior Branch

Address : Zilla Parishad Tower, Ghior Bazar, Dag#
RS 718, 719 & 723, Khatian#RS-05,
Mouza# Ghior, Union# 4 no ghior,
Police Station# Ghior, Manikganj
Email : grb@ucb.com.bd
Routing no : 245560376
SWIFT Code : UCBLBDDHGRB
Contact : 01322914806, 01896016676

Matuail Branch

Address : Haji Abdul Aziz Tower (1st floor) Ward
No.07, Union-Matuail, P.S-Demra
Dist.-Dhaka
Email : mat@ucb.com.bd
Routing no : 245274004
SWIFT Code : UCBLBDDHXXX
Contact : +8801844075683

Mawna Branch

Address : Abdus Shahid Super View, Mawna Chowrasta Shreepur Road, Union-Telihati, Upazilla- Shreepur Dist-Gazipur
Email : mwn@ucb.com.bd
Routing no : 245331118
SWIFT Code : UCBLBDDH
Contact : +88 01714167406

Meghna Ghat Branch

Address : Islam Shopping Complex, Meghna Ghat Branch Sonargaon, Narayangonj
Email : ombco.mgm@ucb.com.bd
Routing no : 245671007
SWIFT Code : UCBLBDDH
Contact : 01709-635956, 01955-515746

Mirpur Branch

Address : House No 1 Road No 6 Block A, Section 6, Mirpur Dhaka
Email : mrp@ucb.com.bd
ombco.mrp@ucb.com.bd
Routing no : 245262537
SWIFT Code : UCBLBDDHMRP
Contact : +880248034661, 48031766, 48034707, Cell: +8801752776611

Mirpur Road Branch

Address : House# 12, Road# 5, Ward No# 49 Mirpur Road, Dhanmondi R/A Dhaka
Email : mrb@ucb.com.bd
Routing no : 245263073
SWIFT Code : UCBLBDDHMRB
Contact : 02223363083, 02223362037

Mohakhali Branch

Address : Medona Tower 28, Mohakhali C/A, Dhaka-1212
Email : mkh@ucb.com.bd
Routing no : 245263194
SWIFT Code : UCBLBDDHMKH
Contact : +8802222284883, +8802222284885, +8802222263221

Mohammadpur Branch

Address : 14/21, Block -A, Asad Avenue Mohammedpur, Dhaka
Email : mdp@ucb.com.bd
Routing no : 245263286
SWIFT Code : UCBLBDDH
Contact : 01894815431

Monohardi Branch

Address : Holding: 450, Sadar Road, Ward: 07, Pouroshova & Police Station: Monohardi, Narsingdi
Email : mhbd@ucb.com.bd
Routing no : 245680735
SWIFT Code : UCBLBDDH
Contact : 01322-914808, 01896-016678

Moulavibazar (Dhaka) Branch

Address : 4/1, and 5, Moulvibazar Road. Gulbadan House, Dhaka-1100 DHAKA
Email : MBD@UCB.COM.BD
Routing no : 245274420
SWIFT Code : UCBLBDDHMBD
Contact : 01711881047

Muksudpur Branch

Address : R R Plaza, Holding no: 618, College Road, Ward No: 04, Pouroshova: Muksudpur, Police Station: Muksudpur, District: Gopalganj
Email : email: msb@ucb.com.bd
Routing no : 245350731
SWIFT Code : UCBLBDDH
Contact : 01322914803, 01896016673"

Munshigonj Branch

Address: Abdus Sattar Super Market Holding No- 582 Ward- 1 Sadar Road, (Jamidar Para) Munshigonj
Email : mng@ucb.com.bd
Routing no : 245591037
SWIFT Code : UCBLBDDH
Contact : +8801714-167411 & +8801811-487852

Nabinagar Branch

Address : Hazi Nizam Plaza (1st Floor) Vill-Dendabar PO- Savar Cantonment P.S-Ashulia Upazilla- Savar, District- Dhaka
Email : nbs@ucb.com.bd
Routing no : 245263415
SWIFT Code : UCBLBDDH
Contact : Ph: 02 7792365-7, 01811-418836

Narayangonj Branch

Address : 10,S.M Maleh Road Tanbazar, Narayangonj-1400 DHAKA
Email : ngj@ucb.com.bd
Routing no : 245671186
SWIFT Code : UCBLBDDHNGJ
Contact : 224436628, 224431925, 01730076131, 01966602225

Narsingdi Branch

Address : Narsingdi Bazar Narsingdi-1600
Email : nsd@ucb.com.bd
Routing no : 245680856
SWIFT Code : UCBLBDDH
Contact : 01711809730, 01915479466"

Nayabazar Branch

Address : 9, Bashabari Lane(1st Floor) Nayabazar Dhaka
Email : nbz@ucb.com.bd
Routing no : 245274817
SWIFT Code : UCBLBDDHNBZ
Contact : +88-02-7393379, 7396082, 7393123 01711-888359

New Eskaton Branch

Address : WAQF BHABAN (IST FLOOR) 4,
NEW ESKATON ROAD DHAKA-1000
Email : neb@ucb.com.bd
Routing no : 245261396
SWIFT Code : UCBLBDDH
Contact : +88 02 8333321, 8333326

Nikunja Branch

Address : Finance Square (1st floor), 79/A,
Commercial Block Nikunja,
Khilkhet Dhaka
Email : nik@ucb.com.bd
Routing no : 245260184
SWIFT Code : UCBLBDDH
Contact : 01709635950 (Head of Branch),
01955515477 (Operation Manager),
02-55098321, 02-55098322

Norosinghopur Branch

Address : Nabi Sarker Plaza,
Area: Norosinghopur,
Daag: BRS 927, CS & SA: 93, RS:273,
Khatian no: SA-29, RS-65, BRS: 1250,
Mouza: Norosinghopur, Union: Yarpur,
Police Station: Ashulia, Dhaka
Email : NRB@UCB.COM.BD
Routing no : 245261417
SWIFT Code : UCBLBDDH
Contact : 01322914805

North Brook Hall Road Branch

Address : 54, North Brook Hall Road Bangla
Bazar (1st floor) Dhaka
Email : nbh@ucb.com.bd
Routing no : 245275058
SWIFT Code : UCBLBDDHNBH
Contact : + 88 02 4117030, 47115170,
47119272, 01711883739

Gulshan North Branch

Address : House No: 166, Holding No: NE (k)-2,
Gulshan Avenue-02 Ward No:19, PS:
Gulshan, Dhaka North City Corporation
Dhaka
Email : ngb@ucb.com.bd
Routing no : 245261312
SWIFT Code : UCBLBDDH
Contact : 01713108769

Nawabpur Branch

Address : Hazi Electric Market, 132,
Nawabpur Road Ward No: 38,
Thana: Warry, DCC (S) Dhaka 1100,
Bangladesh.
Email : nwp@ucb.com.bd
Routing no : 245274725
SWIFT Code : UCBLBDDHNP
Contact : +88-02-47116387,
47113750, 9580596

Pagla Bazar Branch

Address : D.N. Road, Paglabazar PS-Fatullah,
Narayangonj
Email : pgl@ucb.com.bd
Routing no : 245671331
SWIFT Code : UCBLBDDH
Contact : 027682234, 027681266, 01711881045

Pragati sarani Branch

Address : Cha- 89/1, North Badda Progati
Sawrani Ward No.- 19 Thana- Badda
Dhaka City Corporation Dist- Dhaka.
Email : psb@ucb.com.bd
Routing no : 245263707
SWIFT Code : UCBLBDDH
Contact : 028835318, 02222294192,
02222296194

Principal Branch

Address : 58, MOTIJHEEL COMMERCIAL AREA
Block A DHAKA-1000
Email : prb@ucb.com.bd
Routing no : 245275353
SWIFT Code : UCBLBDDHPRB
Contact : 223380836,223380833

Rajbari Branch

Address : 267,Marwari Potty Ward No- 3
Paurasava- Rajbari Thana- Rajbari
Sadar District- Rajbari
Email : rjb@ucb.com.bd
Routing no : 245820737
SWIFT Code : UCBLBDDH
Contact : +88064166203, +88064165719
+8864166415, +8801833312428,
+8801714167435

Sadarpur Branch

Address : Zamzam Tower, Purbo Shyampur, Dag
no: SA.1/611, 27, Khatina no: SA.
8,82, Mouza: Sotero Roshi, Union:7 no
Sadarpur, Police Station: Sadarpur,
Faridpur
Email : sab@ucb.com.bd
Routing no : 245291274
SWIFT Code : UCBLBDDH
Contact : 01322914807 & 01896016677

Sarulia Bazar Branch

Address : Awal Khan Shopping Complex Vill-
Tengra, Union- Sarulia, Ward No- 05
P.S.- Demra, Dist- Dhaka.
Email : srl@ucb.com.bd
Routing no : 245270082
SWIFT Code : UCBLBDDH
Contact : 01833147909"

Satarkul Branch

Address : 138, Abdullah Bag, Badda Satarkul
Road North Badda Badda, Dist. DHAKA
Email : skb@ucb.com.bd
Routing no : 245264027
SWIFT Code : UCBLBDDH
Contact : +88 02-55056994, 55056995, Ext-101

Satmasjid Road Branch

Address : Holding No.84 Road 7/A Satmasjid
Road Ward No.15 P.S. Hazaribag
Dhaka South City Corporation Dhaka
Email : dkb@ucb.com.bd
Routing no : 245271902
SWIFT Code : UCBLBDDH
Contact : 02-58157640,58157641,01854979766

Satorie Bazar SME/Krishi Brn.

Address : Satoire Bazar, Word No- 09 P.S-
Boalmaari Dist- Faridpur
Email : sbb@ucb.com.bd
Routing no : 245290554
SWIFT Code : UCBLBDDH
Contact : +8801730705199

Savar Branch

Address : Sugandha Super Market Savar Bus
Stand Ward No- 3,Savar Pourashava
Upazilla- Savar District- Dhaka
Email : SBD@UCB.COM.BD
Routing no : 245264098
SWIFT Code : UCBLBDDH
Contact : 01811414282

Shantinagar Branch

Address : Madina Hights , (Ground & 1st Floor)
32, New Circular Road, Siddeswari,
Ramna Dhaka
Email : snb@ucb.com.bd
Routing no : 245273942
SWIFT Code : UCBLBDDH
Contact : 48312887

Shibchar Branch

Address : Aminuddin Gomosta Super
Market,Guatala Main Road Shibchar
Bazar,Pourashova & PS- Shibchar Dist-
Madaripur
Email : sid@ucb.com.bd
Routing no : 245540709
SWIFT Code : UCBLBDDH
Contact : 01714167392

Shibu Market Branch

Address : Motiur Rahman Mansion, Holding No-
114, Shibu Market Fatullah,
Narayanganj
Email : smb@ucb.com.bd
Routing no : 245671157
SWIFT Code : UCBLBDDHXXX
Contact : 01321124397

Shyamoli Ring Road Branch

Address : Century Jannatul Ferdous 8/1,
Shyamoli Ring Road P.S. Adabor Dist.
Dhaka.
Email : srb@ucb.com.bd
Routing no : 245261059
SWIFT Code : UCBLBDDH
Contact : 0258157430, 0258157431

Signboard Branch

Address : TPL Complex, Signboard, Union-
Kutubpur Union-Kutubpur Fatullah,
Narayanganj
Email : sgb@ucb.com.bd
Routing no : 245670329
SWIFT Code : UCBLBDDHXXX
Contact : 01321124378 (HOB), 01841741236
(OM)

Sonargaon Janapath Branch

Address : House No- 10, Sonargaon Janapath
Sector- 11, Ward No-01, Uttara Model
Town Dhaka
Email : sng@ucb.com.bd
Routing no : 245276581
SWIFT Code : UCBLBDDH
Contact : +88 02-8991584, +88 02-8991583

Tangail Branch

Address : 1722-1729 Masjid Road (Ist Floor)
Tangail
Email : tgl@ucb.com.bd
Routing no : 245932296
SWIFT Code : UCBLBDDH
Contact : 0921-64327, 01711881051

Tejgaon Branch

Address : Rahmans Regnum Centre 191/B,
Tejgaon Gulshan Link Road, Tejgaon
Dhaka
Email : TJB@UCB.COM.BD
Routing no : 245264485
SWIFT Code : UCBLBDDH
Contact : 028878576, BM : 017130705195,
OM: 01675440041

Tongi Branch

Address : 8, Charagali Market Shajahan
Mansion, Tongi Gazipur
Email : tng@ucb.com.bd
Routing no : 245331639
SWIFT Code : UCBLBDDHTNG
Contact : +88-02-224410644, 02-224412332

Tongi Station Road Branch

Address : Amin Super Market, 5, Pubail Road,
BSCIC rail gate Tongi Gazipur-1710
Email : tsr@ucb.com.bd
Routing no : 245331671
SWIFT Code : UCBLBDDH
Contact : +8801678013206

Taqwa Islamic Banking Branch

Address : South Breeze, Plot: 03, Block: SE (H)
GULSHAN AVENUE DHAKA-1212
Email : ibg@ucb.com.bd
Routing no : 245261475
SWIFT Code : UCBLBDDHIBD
Contact : 09610999999-878601, 878602

Uttara Branch

Address : Uttara Sector-13 - Plot# 10, Gausal
Azam Avenue Uttara Dhaka-1230
Email : utr@ucb.com.bd
Routing no : 245264630
SWIFT Code : UCBLBDDHUTR
Contact : +88-02-58950450, 48953813,
48956979

Uttarkhan Branch

Address : 1483, Shah Kabir Majar Road Vill, PO
& PS- Uttarkhan, Ward No- 1 Dist-
Dhaka
Email : UKB@UCB.COM.BD
Routing no : 245264601
SWIFT Code : UCBLBDDH
Contact : 01714167438

Zinzira Branch

Address : Tinpatty (1st Floor), Zinjira Bazar
Zinjira Dhaka-1310
Email : ZNZ@UCB.COM.BD
Routing no : 245277098
SWIFT Code : UCBLBDDH
Contact : 02-7763743

Bheramara Branch

Address : Holding No-0190-00,0190-01,0191-00
High Road, Ward No- 05, Pourashava-
Bheramara Bheramara, Kushtia
Email : bmk@ucb.com.bd
Routing no : 245500286
SWIFT Code : UCBLBDDH
Contact : +88 01321124381, 01841741231

Chattogram Division**Agrabad Branch**

Address : Kashfia Plaza (1st Floor) 923/A
Sheikh Mujib Road Agrabad C/A,
Chittagong-4000
Email : agb@ucb.com.bd
Routing no : 245150131
SWIFT Code : UCBL BDDH AGB
Contact : 02-333311053, 02-333311055,
02-333311054, 02-333319134

Anderkilla Branch

Address : 504, Anderkilla (Imam Mansion)
Chittagong
Email : ank@ucb.com.bd
Routing no : 245150465
SWIFT Code : UCBLBDDHAGB
Contact : 023333-614639, 612162, 53778,
01711881053, 01844075681

Anowara Sadar Branch

Address : APL Hossain, New Market Union
Anowara, P.S. Anowara Dist. Chittagong
Email : ANW@UCB.COM.BD
Routing no : 245150694
SWIFT Code : UCBLBDDH
Contact : 01847454069/01847454070"

Azadi Bazar Branch

Address : Muntasir D.M. City Center (1st Floor)
Vill- Darmapur, Ward No-5 Union-
Darmapur P.S-Fatickchari Dist-Chittagong
Email : azb@ucb.com.bd
Routing no : 245150731
SWIFT Code : UCBLBDDH
Contact : 01847052265

Bahaddarhat Branch

Address : Rahmania Shopping Complex (1st Flr)
63/A, Chandgaon Chittagong
Email : bdh@ucb.com.bd
Routing no : 245150799
SWIFT Code : UCBBDDHAGB
Contact : 01966602221

Bancharampur Branch

Address : S S R Super market, College Road
Bancharampur Poursava, PS-
Bancharampur Brahmanbaria
Email : bnc@ucb.com.bd
Routing no : 245120253
SWIFT Code : UCBLBDDH
Contact : 01787675594

Bandarban Branch

Address : N.S.Mension Holding No.0499 & 0499-
001 VIP Road Ward No. 04 Bandarban
Poursava P.S. Bandarban Sadar
Dist.: Bandarban
Email : ban@ucb.com.bd
Routing no : 245030130
SWIFT Code : UCBLBDDH
Contact : +8801951146468

Bandortila Branch

Address : Shah Plaza, Holding No: 3658/4287, M A
Aziz Road, Chattogram EPZ, Chattogram
Email : brb@ucb.com.bd
Routing no : 245680735
SWIFT Code : UCBLBDDH
Contact : 822404, 822402, BM: 01322914809,
OM: 01896016679

Baroiarhat Branch

Address : Mir Complex, Dhaka-Chittagong
Highway Ward No-02, Poursava-
Baroiarhat, P.O-Bisumeer P.S-Jorargonj
(Ex-Mirsarai) Dist: Chittagong
Email : brh@ucb.com.bd
Routing no : 245151093
SWIFT Code : UCBLBDDH
Contact : 01713436186

Battali Branch

Address : Idris Tower(1st floor), Battali
Rustamhat P.O. Burumchara, Union-
Juidandi, Ward No- 06 P.S. Anowara
Dist. Chittagong
Email : btb@ucb.com.bd
Routing no : 245151172
SWIFT Code : UCBLBDDH
Contact : 01713435860

Boalkhali Branch

Address : Well Foyz Centre(1st Floor) Gomdandi
Fultol Kanungo Para Road, Ward No:07,
PS-Boalkhali, District-Chattogram
Email : bkb@ucb.com.bd
Routing no : 245151301
SWIFT Code : UCBLBDDHAGB
Contact : +88 01844546448; +88 01713108785

Brahmanbaria Branch

Address : 1090/128 Court Road, Brahmanbaria
Email : bbr@ucb.com.bd
Routing no : 245120437
SWIFT Code : UCBLBDDH
Contact : 01711-809733"

Chakaria Branch

Address : Samabaya Market (1st floor) P.O:
Chiringa Chokoria Pourashava
UpaZilla: Chokoria Dist: Cox's Bazar
Email : ckr@ucb.com.bd
Routing no : 245220166
SWIFT Code : UCBLBDDH
Contact : 03422-56274, 0443-4493932
01713-068099"

Chandanaish Branch

Address : Siddique Bachura Shopping Complex
Ho.No.851, Cox's Bazar Main Road,
Ward No.09 P.S.Chandanish Dist.
Chittagong
Email : cha@ucb.com.bd
Routing no : 245151819
SWIFT Code : UCBLBDDH
Contact : 01847454067-68

Chandpur Branch

Address : 37/37, Comilla Road Paul Bazar Chandpur
Email : cdp@ucb.com.bd
Routing no : 245130319
SWIFT Code : UCBLBDDH
Contact : 01711888361

Chaturi Branch

Address : Talukder Bhaban (1st & 2nd floor)
Chaturi Chowmuhani, Union- Chaturi,
P.S.- Anowara Chittagong
Email : anb@ucb.com.bd
ombco.anb@ucb.com.bd
hob.anb@ucb.com.bd
Routing no : 245150528
SWIFT Code : UCBLBDDH
Contact : 01714167386, 01833312430

Chittagong Medical College Branch

Address : 19 , Fazlur Kader Road Ward No 16,
PS: Panchlaish Chittagong
Email : cmc@ucb.com.bd
Routing no : 245152021
SWIFT Code : UCBLBDDH
Contact : 01915479022

Chowdhury Hat Branch

Address : Salma Plaza(1st floor),Chowdhury Hat
Hathazari Chittagong
Email : chc@ucb.com.bd
Routing no : 245152171
SWIFT Code : UCBLBDDHAGB
Contact : +8801951123230

Chowkbazar Branch

Address : 371, Kapashgola Road, Chowkbazar,
Chittagong-4000
Email : cwk@ucb.com.bd
Routing no : 245151930
SWIFT Code : UCBLBDDH
Contact : 01966602232

Chowmuhani Branch

Address : 50-266, Kalitola Road Haji Seraj
Market, Chowmuhani Noakhali
Email : cmh@ucb.com.bd
Routing no : 245750678
SWIFT Code : UCBLBDDH
Contact : 01847082881

Cumilla Branch

Address : 125/117, Raigonj (1st Flr.) Chatipatty
Comilla-3500
Email : cml@ucb.com.bd
Routing no : 245191158
SWIFT Code : UCBLBDDH
Contact : +880 1966-602203, 081-76447
081-65776

Cox's Bazar Branch

Address : Al-Hafez Complex Plot No- 347, Main
Road Ward No- 03, Pourasava- Cox_s
Bazar
Email : cbz@ucb.com.bd
Routing no : 245220258
SWIFT Code : UCBLBDDH
Contact : 01915479399

Dampara Branch

Address : Holding No. 115/134 M. M Ali Road,
WASA More, Dampara Chittagong.
Email : dmp@ucb.com.bd
Routing no : 245150128
SWIFT Code : UCBLBDDH
Contact : 2867051-53

Dohazari Branch

Address : Al Haj Shamsuddin Super Market.
(1stflr) stn. Rd. Dohazari Chandanaish
Chittagong
Email : dhz@ucb.com.bd
Routing no : 245152568
SWIFT Code : UCBLBDDHDHZ
Contact : 01711888357 (HOB),
01915477762 (OM)

Eidgaon Branch

Address : Eidgaon Main Road (Near Bus Stand)
Union- Eidgaon, Upazilla District-
Cox_s Bazar
Email : ebc@ucb.com.bd
Routing no : 245220403
SWIFT Code : UCBLBDDH
Contact : 01894815358

Enayet Bazar Branch

Address : 59, Jubilee Road P.S.- Kotwali Dist-
Chittagong Chittagong
Email : enb@ucb.com.bd
Routing no : 245150052
SWIFT Code : UCBLBDDHAGB
Contact : 02333355418, 02333355419,
01714167421

Fatikchari Branch

Address : M.K. Shopping Complex, College Road
Bibirhat, Union, Durang, UpaZilla
Fatikchari Dist- Chittagong
Email : ftk@ucb.com.bd
Routing no : 245152742
SWIFT Code : UCBLBDDH
Contact : +8801711883746, 01841741239"

Feni Branch

Address : 21, Stn. Road, Shaheed Hossain Uddin
Bipani Bitan(1st Floor), Feni
Email : FNI@UCB.COM.BD
Routing no : 245300523
SWIFT Code : UCBLBDDH
Contact : IP: 8073 -01, 02, 01711-881065,
01811-486285"

Gohira Branch

Address : P.O.: Gohira Pourashava: Raozan
Upazilla: Raozan, Dist: Chittagong
Chittagong
Email : ghr@ucb.com.bd
Routing no : 245153017
SWIFT Code : UCBLBDDH
Contact : +8801811487859"

Halishahar Branch

Address : House No- 7, Road No- 2, Lane- 2,
Block- G Halishahar Housing Estate,
Chittagong City Corporation,
Chittagong
Email : hls@ucb.com.bd
Routing no : 245153167
SWIFT Code : UCBLBDDHAGB
Contact : 01714167388"

Hathazari Branch

Address : SA Shopping Complex (1st floor),
Vill- Fatika Union- Hathazari Sadar,
P.S- Hathazari Chittagong
Email : hhb@ucb.com.bd
Routing no : 245153220
SWIFT Code : UCBLBDDH
Contact : 01730329715"

Jamal Khan Branch

Address : CPDL Minez, Holding No.42 Jamal
Khan Road, Ward No.21 P.S. Kotwali,
Dist. Chittagong
Email : JAM@UCB.COM.BD
Routing no : 245150810
SWIFT Code : UCBLBDDH
Contact : 031-2851813-4

Jhawtala Branch

Address : 693/1, Shahid Khaja Nizam Uddin
Road, Comilla City Corporation P.S.
Kotwali, Dist. Comilla.
Email : jwt@ucb.com.bd
Routing no : 245190159
SWIFT Code : UCBLBDDH
Contact : Telephone: 081-76037,
MOB: 01847052270, 01926666589

Jubilee Road Branch

Address : Rifle Club Shooting Complex
Nandankanan, Jubilee Rd.
Chittagong-4000
Email : jbr@ucb.com.bd
Routing no : 245153646
SWIFT Code : UCBLBDDHJBR
Contact : +8801819412608"

Kadamtali Branch

Address : Baitush Sharaf Market (1st Floor)
Kadamtali Chittagong-4000
Email : kdm@ucb.com.bd
Routing no : 245153738
SWIFT Code : UCBLBDDHKDM
Contact : 02333327270, 02333326240,
02333325939, 02333321978,
02333323019, 01811415699,
01711881056

Kala Meah Bazar Branch

Address : Saber Tower (1st Floor) Shah Amanat
Connecting Road, Chattogram
Email : kmb@ucb.com.bd
Routing no : 245150902
SWIFT Code : UCBLBDDH
Contact : 031-634855, 634822, 01844491071

Kamal Bazar Branch

Address : Kabir Tower (1st Floor) Kamal Bazar
Kalurghat Road U.L Mohora,
Email : rjk@ucb.com.bd
Routing no : 245153970
SWIFT Code : UCBLBDDHAGB
Contact : 031-672357; 031672363

Karnaphuli Branch

Address : Maimuna Shafi Tower, Aktaruzzaman
Chatter Union: Charpathergata, PS:
Karnaphuli Chittagong
Email : kfb@ucb.com.bd
Routing no : 245150331
SWIFT Code : UCBLBDDHAGB
Contact : 01915479021

Kasba Branch

Address : Simanta Complex, Holding No.561, Kuti
Kasba Road, Ward No.05, Kasba
Pourasava, P.S.Kasba Dist. Brahmanbaria
Email : Kas@ucb.com.bd
Routing no : 245121036
SWIFT Code : UCBLBDDH
Contact : 01951-146466, 01708-126236,
0088 08524 73248

Katghar Branch

Address : Noor Shopping Center H-988/1694,
Aziz Road, Ward-04
Patenga, Chittagong
Email : kat@ucb.com.bd
Routing no : 245154090
SWIFT Code : UCBLBDDH
Contact : +8802-333300606,
+88 01847082884

Kazirhat Branch

Address : Vill-Alaiyarpur, Ward No-09, Union-12,
Kutubpur P.S. Begumgonj, Dist. Noakhali
Email : kzh@ucb.com.bd
Routing no : 245750115
SWIFT Code : UCBLBDDH
Contact : 01847052271

keranihat Branch

Address : Hoque View Shopping Centre North
Demsha, Union: Demsha P.S.
Satkania, Dist. Chattogram
Email : ati@ucb.com.bd
hob.ati@ucb.com.bd
Routing no : 245270345
SWIFT Code : UCBLBDDH
Contact : 01847454073, 01847454074

Khagrachhari Branch

Address : Hawker's Market Complex (1st Floor)
Pan Bazar, Pankhiya Para Road,
Khagrachhari Sadar, Khagrachhari
Email : kcb@ucb.com.bd
Routing no : 245460076
SWIFT Code : UCBL BDDH
Contact : 0132-2890071 & 0189-4924628

Khatungonj Branch

Address : 601, Ramjoy Mohajan lane
Khatungonj Chittagong-4000
Email : ktg@ucb.com.bd
Routing no : 245154274
SWIFT Code : UCBLBDDHKTG
Contact : 02333354409, 02333351015,
02333351016, 031613774,
031613774

Khatungonj Branch

Address : 601, Ramjoy Mohajan lane
Khatungonj Chittagong-4000
Email : ktg@ucb.com.bd
Routing no : 245154274
SWIFT Code : UCBLBDDHKTG
Contact : 02333354409, 02333351015,
02333351016, 031613774,
031613774

Lakshmipur Branch

Address : 63, Banacha Nagar Masjid Road
Lakshmipur
Email : lkp@ucb.com.bd
Routing no : 245510739
SWIFT Code : UCBLBDDH
Contact : 038155443, 01711883747

Lohagara Branch

Address : Liakat Hossain Market (1st Floor)
PS-Lohagara Chittagong
Email : hob.lhg@ucb.com.bd
Routing no : 245154661
SWIFT Code : UCBLBDDH
Contact : 01713068480

Maizdi Court Branch

Address : 1175-1176, Maizdee Court Main Rd
Noakhali
Email : mdc@ucb.com.bd
Routing no : 245751572
SWIFT Code : UCBLBDDH
Contact : 01711-883748, 01915479447

Modunaghat Branch

Address : Madnughat, P.O Nur Ali Bari
P.S- Hathazari Chittagong-4337
Email : mdg@ucb.com.bd
Routing no : 245154753
SWIFT Code : UCBLBDDH
Contact : +88 01711883744

Muradpur Branch

Address : Chittagong Shopping Complex 112-129 Nasirabad Mohalla (1st Flr.) Muradpur, Chittagong
Email : mrd@ucb.com.bd
Routing no : 245155323
SWIFT Code : UCBLBDDHAGB
Contact : +88031651376, 2555087, 01711881055, 01847082883

Nazirhat Branch

Address : Nazirhat (Hossain Market) P.O-Nazirhat P.S-Fatickchari Chittagong
Email : nzh@ucb.com.bd
Routing no : 245155594
SWIFT Code : UCBLBDDH
Contact : 01847092009, 01711883745

Noapara (C) Branch

Address : Patherhat, Vill-Noapara P.S-Rawzan Chittagong-4346
Email : npc@ucb.com.bd
Routing no : 245155710
SWIFT Code : UCBLBDDH
Contact : +88 01711883743

O R Nizam Road Branch

Address : 562/A. O.R.Nizam Road Central Shopping Center, Chittagong Chittagong
Email : orm@ucb.com.bd
Routing no : 245155802
SWIFT Code : UCBLBDDHAGB
Contact : +8801811486290

Oxygen Branch

Address : Gazi Mention, Holding No: 3711-B Oxygen-Quaish Link Road Ward No.03, Chittagong City Corporation, P.S. Bayazid Dist.:Chittagong
Email : oxy@ucb.com.bd
Routing no : 245150531
SWIFT Code : UCBLBDDH
Contact : 01951-146460, 01708-451985

Pahartali Branch

Address : 3830/B, Shourav Bitan D.T. Road, Pahartali Chittagong.
Email : ptb@ucb.com.bd
Routing no : 245155923
SWIFT Code : UCBLBDDHAGB
Contact : 02-43150606, 01730-318846 (HOB), 01811-415703 (OM)

Patiya Branch

Address : Islam Tower Ward No.07, P.S. Patiya Dist. Chittagong
Email : pot@ucb.com.bd
Routing no : 245890554
SWIFT Code : UCBLBDDH
Contact : +88 01847454066

Port Branch

Address : Chittagong Port, 200, Strand Rd Samad Supar Mkt., No. 3, Jetty Gate Dabolmuring, Chittagong
Email : prt@ucb.com.bd
Routing no : 245156227
SWIFT Code : UCBLBDDHAGB
Contact : 01847082880

Rangamati Branch

Address : Azia Market (1st Floor) New Cort Road, Happy More Banarupa, Rangamati
Email : rmb@ucb.com.bd
Routing no : 245840520
SWIFT Code : UCBLBDDH
Contact : 01322-890072

Rangunia Branch

Address : Hajee Faiz Market (1st floor), Chaumuhani Vill-Syed Bari, P.O-Morium Nagar P.S-Rangunia, Chittagong
Email : rgb@ucb.com.bd
Routing no : 245156401
SWIFT Code : UCBLBDDH
Contact : 01730329718 & 01819814109

Raozan SME/Krishi Branch

Address : G.T. Shopping Complex Maushighata, Ward No- 08, Paurashava & Upazilla-Raozan Chittagong
Email : RZB@UCB.COM.BD
Routing no : 245156498
SWIFT Code : UCBLBDDH
Contact : 01817721804

Sadarghat Branch

Address : Habib City Tower 49, Sadarghat Chittagong
Email : sdr@ucb.com.bd
Routing no : 245156635
SWIFT Code : UCBLBDDHAGB
Contact : 031-637027, 031-637029, 01847052273, 01966602244

Sandwip Branch

Address : Haji Lokman Plaza, Holding No#002700 Guptochoa Road, Ward No-08, PS-Sandwip Dist-Chattogram, Bangladesh
Email : sdb@ucb.com.bd
Routing no : 245156919
SWIFT Code : UCBLBDDH
Contact : +8801321-124373

Shantirhat Branch

Address : Kamal Centre (1st Floor), Chattogram-Cox's Bazar Highway, Shantirhat Bazar, Union-Kushumpura, PS-Patiya, District-Chattogram
Email : stb@ucb.com.bd
Routing no : 245157242
SWIFT Code : UCBLBDDH
Contact : 01844546449, 01713108781

Sharaf Bhata Branch

Address : Asma Bhaban (1st Floor) Union- Sharaf Bhata, PS- Rangunia Chattogram
Email : sbh@ucb.com.bd
Routing no : 245150894
SWIFT Code : UCBLBDDH
Contact : 01844491070

Sitakunda Branch

Address : Didar Market (1st Floor). Holding No-01, D.T. Road Ward No-06, Pouroshova- Sitakunda Police Station- Sitakunda, District- Chattogram
Email : bhb@ucb.com.bd
Routing no : 245151219
SWIFT Code : UCBLBDDHAGB
Contact : 01811486287

Sonaimuri Branch

Address : Motaleb Plaza, Eshak Miah Sarak Ward No-02, Sonaimuri Pourasava, PS-Sonaimuri Noakhali
Email : smr@ucb.com.bd
Routing no : 245752234
SWIFT Code : UCBLBDDH
Contact : +8803227-51202

Station Road Branch

Address : Hajee Abul Hossain market (1st Floor) 113, Station Road, Katwali Chittagong
Email : str@ucb.com.bd
Routing no : 245157518
SWIFT Code : UCBLBDDHAGB
Contact : 01811481291

Sylhet Division**Ambarkhana Branch**

Address : Airport Road, Amborkhana, Sylhet
Email : amb@ucn.com.bd
Routing no : 245910047
SWIFT Code : UCBLBDDH
Contact : 0821718181 ,01711883751

Beani Bazar Branch

Address : Shahab Mension Main Road, Beanibazar Sylhet-3170
Email : bbz@ucb.com.bd
Routing no : 245910313
SWIFT Code : UCBLBDDH
Contact : 01711883750

Biswanath Branch

Address : Al-Burak Shopping Center Biswanath Bazar, Vill, P.O & P.S: Biswanath Dist. Sylhet
Email : BIS@UCB.COM.BD
Routing no : 245910434
SWIFT Code : UCBLBDDH
Contact : +8808224-56189, +8801966602219

Barolekha Branch

Address : Mouvibazar, P.O& P.S: Barolekha Dist. Moulvibazar
Email : BRL@UCB.COM.BD
Routing no : 245580101
SWIFT Code : UCBLBDDHSYL
Contact : 02996685040

Derai Branch

Address : 2nd Floor of Sen Market Thana Road, Derai Sunamganj
Email : drb@ucb.com.bd
Routing no : 245900257
SWIFT Code : UCBLBDDH
Contact : 01894924637,01322890080

Goala Bazar Branch

Address : P.O Goalabazar P.S Balagonj, Sylhet
Email : gob@ucb.com.bd
Routing no : 245911541
SWIFT Code : UCBLBDDH
Contact : +88 01711883752

Kulaura Branch

Address : Asaddor Palace, Holding No.239, Ward No. 05, Kulaura,Pourasava, P.S- Kulaura, Dist.-Moulvibazar
Email : kul@ucb.com.bd
Routing no : 245580943
SWIFT Code : UCBLBDDH
Contact : 01951146465, 01708126235

Lamabazar Branch

Address : Ali Complex, 14 Chayatoru, Lama Bazar, Sylhet
Email : LBB@UCB.COM.BD
Routing no : 245912511
SWIFT Code : UCBLBDDH
Contact : 01713436187

Madhabpur Branch

Address : Amir Complex (1st Floor), Dhaka-Sylhet Highway Road Ward No: 07, Madhabpur Bus Stand Madhabpur, Habiganj
Email : mpb@ucb.com.bd
Routing no : 245360884
SWIFT Code : UCBLBDDH
Contact : 01713108766, 01844546431

Moulvi Bazar(S) Branch

Address : Central Road, Chowmohona Moulvibazar-3200 Sylhet
Email : mbs@ucb.com.bd, hob.mbs@ucb.com.bd
Routing no : 245581184
SWIFT Code : UCBLBDDH
Contact : +8801711881059 (HOB), +8801833102705 (OM)

Nabigonj Branch

Address : Tahsin Plaza, Holding# 0183-00,
Osmani Road (Traffic Point), Ward#02,
Pouroshova# Nabigonj, Police
Station# Nabigonj, District: Habigonj
Email : hob.nbj@ucb.com.bd
Routing no : 245361096
SWIFT Code : UCBLBDDH
Contact : 01711-883754

Shahjalal Upashahor Branch

Address : Rose View Complex (2nd Floor),
Mouza-Sadipur Plot# 597,598, Block-
D, Shahjalal Upashahar Thana-
Kotually, Sylhet City Corporation
Email : ups@ucb.com.bd
Routing no : 245913257
SWIFT Code : UCBLBDDH
Contact : 01730334185, 01819412620

Sherpur (Syl) Branch

Address : Union-Sadipur, P.O: Aurangapur,
P.S- Osmani Nagar (New)
Dist.- Sylhet.
Email : srp@ucb.com.bd
Routing no : 245913310
SWIFT Code : UCBLBDDH
Contact : +88 01966602235; 01711922479

Shibgonj Branch

Address : Union-TuItikar Sadar Thana Sylhet
Dist- Sylhet
Email : shb@ucb.com.bd
Routing no : 245913402
SWIFT Code : UCBLBDDH
Contact : 01847092006

Sreemangal Branch

Address : Sufia Complex, Holding# 0208-00,
Moulvibazar Road, Ward#09,
Pouroshova: Sreemangal,
Police Station: Sreemangal,
District: Moulvibazar
Email : slb@ucb.com.bd
Routing no : 245581726
SWIFT Code : UCBLBDDH
Contact : BM: 01322914804,
OM: 01896016674

Subid Bazar Branch

Address : Silver Star Tower_ Doyal-1 Sylhet-
Sunamgonj Sarak Subid Bazar,
Sylhet City Corporation
Email : sbs@ucb.com.bd
Routing no : 245913499
SWIFT Code : UCBLBDDH
Contact : +8801714167432,
01833102706

Sylhet Branch

Address : Laldighirpar Sylhet-3100
Email : syl@ucb.com.bd
Routing no : 245913552
SWIFT Code : UCBLBDDH
Contact : 01811481294

Zinda Bazar(S) Branch

Address : 1683/A, Zindabazar Sylhet
Email : znb@ucb.com.bd
Routing no : 245914151
SWIFT Code : UCBLBDDH
Contact : +88029966319
01966602239

Rajshahi Division**Baneshwar Branch**

Address : Haowa Plaza Baneshwar PS Puthia
Rajshahi
Email : bnr@ucb.com.bd
Routing no : 245810226
SWIFT Code : UCBLBDDH
Contact : 0178767590

Bogra Branch

Address : 221, Jhawtola, Pashari Mansion
Bogra- 5800
Email : bgr@ucb.com.bd
Routing no : 245100378
SWIFT Code : UCBLBDDHBGR
Contact : +8801711881066

Chapi Nawabgonj Branch

Address : 4-5, Gudagari Road Chapainawabgonj
Email : cpn@ucb.com.bd
Routing no : 245700257
SWIFT Code : UCBLBDDH
Contact : 02588893037, 01711436595

Enayetpur Branch

Address : Dishari Plaza, Vill:-Enayetpur, Union: 1
No. Sadia Chandpur, P.S. Enayetpur,
Dist: Sirajgonj.
Email : ena@ucb.com.bd
Routing no : 245880827
SWIFT Code : UCBLBDDH
Contact : +8801708126234

Joypurhat Branch

Address : Sowdagar Bazar. Amtoli Joypurhat
Email : jyp@ucb.com.bd
Routing no : 245380406
SWIFT Code : UCBLBDDH
Contact : 01955515478 Ex-815002

Kashinathpur Branch

Address : Khan Plaza (1st Floor) Union-
Kashinathpur, PS- Santhia Pabna
Email : knb@ucb.com.bd
Routing no : 245761333
SWIFT Code : UCBLBDDH
Contact : 01713108762, 01844491073

Naogaon Branch

Address : 379, Tula Patty (1st flr) Naogaon-6500
Email : ngn@ucb.com.bd
Routing no : 245641187
SWIFT Code : UCBLBDDH
Contact : +8801711809728

Natore Branch

Address : Union- Harishapur Patuapara Natore
Email : ntr@ucb.com.bd
Routing no : 245691090
SWIFT Code : UCBLBDDH
Contact : +8801711809721, +8801966602238

Pabna Branch

Address : Al-Monsur Super Market (1st Floor),
407, Abdul Hamid Road, Pabna
Email : pbn@ucb.com.bd
Routing no : 245761788
SWIFT Code : UCBLBDDH
Contact : +8802588842331

Rajshahi Branch

Address : 70/71, Miah Para (1st Flr) Shaheb Bazar
Natore Maha Sarak Rajshahi _6100
Email : rjh@ucb.com.bd
Routing no : 245811933
SWIFT Code : UCBLBDDHRJH
Contact : +88025-88853367

Serajgonj Branch

Address : 720, S.S.Road P.O Serajgonj, Dist-
Serajgonj
Email : srj@ucb.com.bd
Routing no : 245881871
SWIFT Code : UCBLBDDH
Contact : +8801711888362, 8801951123233

Ullapara Branch

Address : Mizan Mansion 807, Joydev Sarak ,
ward No 03 Serajganj
Email : ulp@ucb.com.bd
Routing no : 245882238
SWIFT Code : UCBLBDDH
Contact : +8801787670979, 8801915479134

Khulna Division**Chuadanga Branch**

Address : 147, Barobazar Chuadanga
Email : cdg@ucb.com.bd
Routing no : 245180198
SWIFT Code : UCBLBDDH
Contact : 01711883763

Fakirhat Branch

Address : Talukder Market (1st Floor) Union,
Fakirhat, PS- Fakirhat Bagerhat
Email : fhb@ucb.com.bd
Routing no : 245010468
SWIFT Code : UCBLBDDH
Contact : 8802-47775-488, Mobile: +88 01713-
108760, 01844-491072

Gangni Branch

Address : Mondal Super Complex
Holding No: 196 Gangni Bus Stand
para Ward No: 04 PS: Gangni
District - Meherpur
Email : gnb@ucb.com.bd
Routing no : 245570229
SWIFT Code : UCBLBDDH
Contact : +8801894924631

Jashore Branch

Address : JESSORE BRANCH 36, M.K Road
Jessore
Email : jsr@ucb.com.bd
Routing no : 245410947
SWIFT Code : UCBLBDDH
Contact : 02477760131, 0277765895,
0277765895, 02477766182

Jhenaidah Branch

Address : 129, Shere Bangla Road Jhenaidah
Email : JHN@UCB.COM.BD
Routing no : 245440641
SWIFT Code : UCBLBDDH
Contact : 01711883760, 01966602201"

Khan Jahan Ali Road Branch

Address : Haji Hanif Complex (1st Floor)
Holding No- 12&13 Khan Jahan Ali
Road Khulna
Email : khj@ucb.com.bd
Routing no : 245471481
SWIFT Code : UCBLBDDH
Contact : 01711883762, 01915477758

Khulna Branch

Address : Samabay Bank Bhaban, Holding#07,
K.D Ghosh Road, Ward: 21, Police
Station: Khulna Sadar, Khulna City
Corporation, Khulna
Email : kln@ucb.com.bd
Routing no : 245471544
SWIFT Code : UCBLBDDHKLN
Contact : 02477733636, 02477720522,
02477720502

Kushtia Branch

Address : 4, Bar Waritala Road Kushtia
Email : kst@ucb.com.bd
Routing no : 245500949
SWIFT Code : UCBLBDDH
Contact : 01711881058, 01966602223

Noapara (Jessore) Branch

Address : Noapara Bazar P.S Avoy nagor Jessore
Email : npj@ucb.com.bd
Routing no : 245411667
SWIFT Code : UCBLBDDH
Contact : 01711883761/01833312426

Satkhira Branch

Address : Arif Super Market Holding no. 0699-00,
Abul Kashem Sarak Ward no. -8,
Paurashava - Satkhira
Dist - Satkhira
Email : stk@ucb.com.bd
Routing no : 245871094
SWIFT Code : UCBLBDDH
Contact : 01847350508

Rangpur Division**Boda Branch**

Address : Khodeza Super Market Holding no -
275/O Ward no -7, Upazila - Boda,
Dist - Panchagar
Email : bdb@ucb.com.bd
Routing no : 245770137
SWIFT Code : UCBLBDDH
Contact : HOB: 01711250560, OM:
01847350506

Dinajpur Branch

Address : Maldahpalty Dinajpur-5200
Email : dnj@ucb.com.bd
Routing no : 245280672
SWIFT Code : UCBLBDDH
Contact : 02589924042,02589923266,
02589923327, 01711436596,
01847092008

Gaibandha Branch

Address : P.C. Saha Plaza Circular Road, Das
Bakery More Gaibandha Sadar,
Gaibandha
Email : gbb@ucb.com.bd
Routing no : 245320529
SWIFT Code : UCBLBDDH
Contact : 01322890073

Hatibandha Branch

Address : Alhaj Khatib Uddin Shopping Complex
Vill: Purbo Sindurna, Union: 05 no.
Sindurna PS: Hatibandha
District- Lalmonirhat
Email : hbb@ucb.com.bd
Routing no : 245520095
SWIFT Code : UCBLBDDH
Contact : +88 01322 890075, 01894924632

Kurigram Branch

Address : Bohor Uddin Plaza, Holding No: 0018-
00, Kurigram Road, Ward No: 05,
Pouroshova: Kurigram Sadar, Police
Station: Kurigram, District: Kurigram
Email : kub@ucb.com.bd
Routing no : 245490404
SWIFT Code : UCBLBDDH
Contact : 01322-914802 (Head of Branch)"

Nilphamari Branch

Address : Toyez Uddin Plaza Holdin no- 4895,
Hazi Mohsin Sarak Paurashava-
Nilphamari, Dist- Nilphamari
Email : NPB@UCB.COM.BD
Routing no : 245730735
SWIFT Code : UCBLBDDH
Contact : 01711250559 01847350505

Rangpur Branch

Address : Shahid Shopping Complex, Jahaj
Company More Municipal holding No.
11013 Rangpur
Email : rng@ucb.com.bd
Routing no : 245851456
SWIFT Code : UCBLBDDHRNG
Contact : +88025899 62117, +88025899 66057

Thakurgaon Branch

Address : Abdullah Centre, Shahid Mohammad Ali
Sarak Ward No: 08, Pouroshova:
Thakurgaon P.S: Thakurgaon,
District: Thakurgaon
Email : tgb@ucb.com.bd
Routing no : 245940970
SWIFT Code : UCBLBDDH
Contact : 01321124376

Barishal Division

Barguna Branch

Address : Rafiq Tower, Holding No#107 Sadar Road, Ward No#07 Barguna, Bangladesh
Email : bgb@ucb.com.bd
Routing no : 245040133
SWIFT Code : UCBLBDDH
Contact : 01321124374

Barisal Branch

Address : 87-88 Hamayet Uddin Road, Barisal
Email : bsl@ucb.com.bd
Routing no : 245060289
SWIFT Code : UCBLBDDH
Contact : 01847-454079/02478863144

Bhola Branch

Address : Mukhles Complex, Holding No-888,887 887/1, Sadar Road, Ward No-06, Paurashava-Bhola,P.S- Bhola, Dist.-Bhola
Email : bho@ucb.com.bd
Routing no : 245090109
SWIFT Code : UCBLBDDH
Contact : 01971-160084/01708-451983

Charfasson Branch

Address : Mozibol Hoq Super Market(1st & 2nd floor) Janata Road, Ward no-04,PS+ Pouroshova- Charfasson District-Bhola
Email : cfb@ucb.com.bd
Routing no : 245090220
SWIFT Code : UCBLBDDH
Contact : Telephone:049-2374044, Mobile-01844546430, 01713108796

Indurhat Branch

Address : Hazi Ashmat Ali Tower Sohagdol, Nesarabad Pirojpur
Email : ihb@ucb.com.bd
Routing no : 245790067
SWIFT Code : UCBLBDDH
Contact : +8801322890076/01894924633

Jhalakathi Branch

Address : Ma Hazera Commercial Complex, Holding No # 18 Kapuria Patri,Ward No-04, PS - Jhalakathi Sadar Jhalakathi
Email : JKB@UCB.COM.BD
Routing no : 245420062
SWIFT Code : UCBLBDDH
Contact : 01847350501

Subidkhali Branch

Address : Sikder Market, College Road Subidkhali, Mirzaganj Patuakhali, Bangladesh
Email : SBK@UCB.COM.BD
Routing no : 245781276
SWIFT Code : UCBLBDDH
Contact : 01321124375-01844546434

Mymensingh Division

Jamalpur Branch

Address : Akanda House, Holding No: 0944-00, Station Road, Ward No: 05, Pouroshova: Jamalpur Police Station: Jamalpur Sadar, District: Jamalpur
Email : jpb@ucb.com.bd
Routing no : 245390854
SWIFT Code : UCBLBDDH
Contact : Hob: 01322914801, OM: 01896016671

Kendua Branch

Address : "Khonikaloy" (1st Floor), Shantibag Road, Union-Kandiura, Ward No-08, PS-Kandua, Dist-Netrokona
Email : KDB@UCB.COM.BD
Routing no : 245720466
SWIFT Code : UCBLBDDH
Contact : 01713108773

Mymensingh Branch

Address : 17, Chota Bazar, Mymensingh -2200
Email : mns@ucb.com.bd
Routing no : 245611759
SWIFT Code : UCBLBDDH
Contact : 02996664345-7/ 01711881064/ 01847462059

Sherpur(Myn) Branch

Address : Sampad Plaza Limited, Holding No-46, Ragunath Bazar Naraynpur, Sherpur
Email : spb@ucb.com.bd
Routing no : 245890554
SWIFT Code : UCBLBDDHSPB
Contact : 01955-515470, 01709-635951

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.



United Commercial Bank PLC

Corporate Head Office, Plot # CWS(A)-1

Road # 34, Gulshan Avenue

Dhaka-1212

NOTICE OF THE 40TH ANNUAL GENERAL MEETING

Notice is hereby given to the Shareholders of the Bank that the 40th Annual General Meeting (AGM) of United Commercial Bank PLC will be held on Monday, June 26, 2023, at 3.00 PM 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

1. To receive, consider and adopt the Directors' Report, Auditors' Report along with the Audited Financial Statements of the Bank for the year ended December 31, 2022.
2. To declare Dividend for the year ended December 31, 2022 as recommended by the Board of Directors.
3. To elect/re-elect Directors of the Bank.
4. To approve the appointment of the Independent Directors of the Bank.
5. To appoint Statutory Auditors of the Bank for the term until the conclusion of the next AGM and fix up the remuneration for the year 2023.
6. To appoint a Corporate Governance Compliance Auditor for the year 2023 and fix their remuneration.

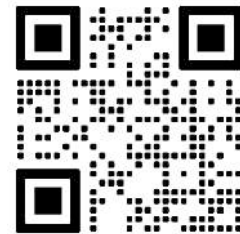
By order of the Board of Directors,

ATM Tahmiduzzaman, FCS
Company Secretary

Dated: Dhaka
June 05, 2023

Notes:

- a) The 'Record Date' in lieu of Book Closure was fixed on Thursday, May 18, 2023, for the entitlement of 5% Cash Dividend.
- b) The 'Record Date' in lieu of Book Closure was fixed Wednesday, May 31, 2023, for the entitlement of 5% Stock Dividend in accordance with the direction of BSEC vide its letter No.BSEC/CI/CPLC(Public)-1076/2023/1271 dated May 17, 2023 issued under Section-2CC of the Securities and Exchange Ordinance, 1969.
- c) Members, whose names appeared in the Member Register of the Bank or in the Central Depository Bangladesh Limited (CDBL) on the Record Date i.e. 18.05.2023 (Thursday) which was declared by the Board of Directors of the Bank, will be eligible to attend the Annual General Meeting.
- d) 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.100 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 (i.e. www.ucb.com.bd).
- e) The link for joining AGM through the Digital Platform is <https://ucb.agm.watch>. Members can join the AGM using their electronic gadgets and will be able to vote/comment/submit questions 48 (forty-eight) hours before the commencement of the AGM providing their respective Name, 16-Digit BO ID, and number of Shares. The online (real-time) or e-voting option shall be opened 48 hours prior to the start of the AGM and shall remain open up to the closure of the General Meeting. The full login/participation process of the AGM will be available on the Bank's website i.e. www.ucb.com.bd.
- f) Members can download the Annual Report and join in AGM by scanning the QR Codes given herein.
- g) In Compliance with BSEC Notification No. BSEC/CMRRCD/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 Digital 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 2022 or can download the same by scanning the QR Code given.
 - iii. Members, who want to collect the printed copy of the Annual Report-2022 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.
- h) 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 May 25, 2023.



To Join in AGM



To Download
Annual Report



**GLIMPSE OF
LAST AGM**

GLIMPSE OF UCB 39TH ANNUAL GENERAL MEETING





Notes



UNITED COMMERCIAL
BANK PLC



Plot-CWS (A)-1, Road No-34, Gulshan Avenue, Dhaka-1212
Phone: +88-02-55668070, Call center: 16419

