



Navigating New Horizons

ভরসার ততুত জাতালা

Annual Report 2023

UNITED COMMERCIAL
BANK PLC



LETTER OF TRANSMITTAL

To

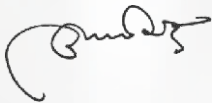
The Shareholders
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange PLC.
Chittagong Stock Exchange PLC.
Registrar of Joint Stock Companies & Firms

Subject: **Annual Report of United Commercial Bank PLC for the year ended December 31, 2023**

Dear Sir (s),

We are pleased to present the Annual Report 2023 of United Commercial Bank PLC together with the Auditor's Report, Directors' Report and Audited Financial Statements as of December 31, 2023 for your kind information and record.

Sincerely Yours,



ATM Tahmiduzzaman, FCS
AMD & Company Secretary

Navigating New Horizons: Journey of Resilience and Growth

As we reflect on the accomplishments of the past year, we recognize that our journey is far from over. The challenges may change but our vision remains steadfast. With a clear focus on innovation, excellence and social responsibility, United Commercial Bank PLC is poised to chart new frontiers in banking, shaping the future of finance and redefining the role of banking in society. The Annual Report serves as a testament to our collective efforts and a roadmap for the journey ahead, guiding us as we navigate new horizons and embrace the endless possibilities that lie beyond. The year 2023 posed unprecedented challenges from global economic fluctuations to emerging technological disruptions.

Yet, at United Commercial Bank PLC, challenges are viewed as opportunities for growth. We embraced change, leveraging innovative strategies and digital solutions to meet the evolving needs of our clients while staying true to our core values of trust and integrity. The previous year has been transformative for our bank. Under the guiding principle of "ভরসার নতুন জানালা", we have opened new avenue of trust and reliability for our valued customers. Our commitment to providing exceptional banking experiences is reflected in our continuous efforts to innovate and adapt in an ever-evolving financial landscape. We believe in growing responsibly and giving back to the communities that support us. Our commitment to sustainable practices is reflected in our green banking initiatives, which aim to reduce our environmental footprint. Additionally, our community outreach programs have made a positive impact, supporting education, healthcare and small businesses.

The Annual Report 2023 of UCB is more than just a compilation of financial data; it is a testament to our resilience, innovation and dedication to serve our customers and communities. As we embark on the journey ahead, we invite you to join us in navigating new horizons and shaping a future of endless possibilities.





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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

PROFILE OF THE COMPANY

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 four 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 PLC. and Chittagong Stock Exchange PLC. 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 228 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 5,749; 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 4 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"



CORPORATE DIRECTORY

Key Corporate Information

Name of the Company	United Commercial Bank PLC
Legal Form	Public Limited Company
Type of Business	Banking
Key Business Segments	Corporate Banking, MSME Banking and Consumer Banking
Date of Incorporation	26 June 1983
Date of Commencement of Business	27 June 1983
Bangladesh Bank License number	BRPD/(LS-1)/745(17)/2023-462
Number of Branches	Branch -228 , Sub Branch-152 (As on 31.12.2023)
Number of ATM & CRM Booths	672 (As on 31.12.2023)
Number of Agent Banking Outlets	850 (As on 31.12.2023)
Number of Off-Shore Banking Units	01 (As on 31.12.2023)
Number of Foreign Correspondents	609 (As on 31.12.2023)
Number of Employees	5749 (As on 31.12.2023)
Subsidiaries	UCB Stock Brokerage Limited UCB Asset Management Limited UCB Investment Limited UCB Fintech Company Limited UCB Exchange (SG) PTE. LTD.
Dedicated CSR Wing	UCB Foundation
Tax Identification Number (ETIN)	458548597820
VAT Registration Number / BIN Number	000875839-0101
Credit Rating	Long-term: AA, Short-term: ST-2, Valid till: 06.05.2025 Outlook: Stable
Stock Exchange Listing	Dhaka Stock Exchange PLC. (DSE) Chittagong Stock Exchange PLC. (CSE)

Key Members of the Board of Directors & its Assistive Committees

Chairman, Board of Directors	Rukhmila Zaman
Vice Chairman, Board of Directors	Bashir Ahmed
Chairman, Executive Committee	Anisuzzaman Chowdhury
Chairman, Audit Committee	Touhid Shipar Rafiquzzaman
Chairman, Risk Management Committee	M. A. Sabur
Managing Director & CEO	Arif Quadri
Company Secretary	ATM Tahmiduzzaman, FCS

Officials Two-tier below the Chief Executive Officer (CEO)

Additional Managing Director	Syed Faridul Islam Abul Alam Ferdous ATM Tahmiduzzaman, FCS
Deputy Managing Director	Abdullah Al Mamoon Md. Shah Alam Bhuiyan Mohammed Khorshed Alam Alamgir Kabir Faruk Ahammad, FCA S M Mainul Kabir Amalendu Roy

Officials holding Key Positions

Chief Financial Officer (CFO)	Faruk Ahammad, FCA
Chief Risk Officer (CRO)	Syed Faridul Islam
Chief Anti Money Laundering Compliance Officer (CAMLCO)	Kazi Aktarul Islam
Chief Operating Officer (COO)	Md. Abdullah Al Mamoon
Head of Internal Control & Compliance	Mohammed Khorshed Alam
Company Secretary	ATM Tahmiduzzaman, FCS

Auditors, Consultants & Rating Agency

Auditors for the year 2023	ACNABIN, Chartered Accountants
Compliance Auditor for the year 2023	Itrat Hossain & Associates
Tax Consultant for the year 2023	Snehasis Mahmud & Co, Chartered Accountants
Cash Incentive Auditor for the year 2023	ACNABIN, Chartered Accountants Hussain Farhad & CO. Chartered Accountants
Credit Rating Agency for the year 2023	Emerging Credit Rating Limited

Contact

Registered / Head Office	Bulus Center, Plot - CWS(A)-1, Road No - 34 Gulshan Avenue, Dhaka-1212, Bangladesh
Corporate Office	Bulus Center, Plot - CWS(A)-1, Road No - 34 Gulshan Avenue, Dhaka-1212, Bangladesh
Investors Relation Office	Bulus Center, Plot - CWS(A)-1, Road No - 34 Gulshan Avenue, Dhaka-1212, Bangladesh
Telephone	+88-02-55668070, +88-09610999999
SWIFT	UCBL BDDH
24/7 Contact Center	16419, Overseas +88-09610016419, +88-09612316419
Email address	info@ucb.com.bd
Website	www.ucb.com.bd

PRODUCTS & SERVICES

Retail Banking

CASA (including FC)

- > Current AC
- > General Savings AC
- > Savings Deposit Non-Interest AC
- > Corporate Executive Package Salary AC
- > Youngster Saving AC
- > NRB Savings AC
- > AYMA Savings AC
- > Imperial Savings AC
- > UCB Retail Diganta Salary Account
- > Retail Shomota Account
- > Dynamic Benefits Savings AC
- > Prothom AC
- > Probashi Savings (Uclick)
- > Convertible Taka AC
- > Non-Convertible Taka AC
- > Non-Resident Investor's Taka AC (NITA)
- > Resident Foreign Currency Deposit (RFCD) AC
- > Private FC AC
- > Swadhin Account
- > Retail Offshore Banking Foreign Currency Account
- > Retail International Banking Foreign Currency Account (Current)

Fixed Deposit (including FC)

- > Fixed Deposit (General)
- > Fixed Deposit (Special)
- > Fixed Deposit (Exclusive)
- > Money Maximizer (Retail)
- > UCB Earning Plus (Retail)
- > Retail Non-Resident FC Deposit (NFCD) AC
- > Retail Offshore Banking Foreign Currency Account
- > Retail International Banking Foreign Currency Account (Term Deposit)
- > ERQ Term Deposit

Scheme Deposit

- > Retail UCB Multi-Millionaire
- > Retail AYMA DPS Plus
- > Retail UCB Youngster DPS
- > Retail NRB DPS Plus
- > UCB Super Flex DPS

Loans

- > Home Loan
- > Home Mortgage Loan
- > Advance Against Salary
- > Doctors Loan
- > Education Loan
- > Household Durable Loan

- > Personal Loan
- > Auto Loan
- > Cash Secured Loan
- > Secured Overdraft (other Fo)
- > Secured Overdraft (own Fdr)
- > Pension Commutation Loan
- > Bangladesh Air Force Overdraft
- > Hospitalization Loan

Card

- > Credit Card
- > Debit Card
- > Prepaid Card
- > Business Card

Services

- > Student File
- > 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
- > Home Loan

SME & Agri 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 SME Remittance Loan (USRL)
- > Cluster Financing
- > Start up Financing

Women Entrepreneur Loans

- > UCB Ayma Jyoti (Overdraft)
- > UCB Ayma Dipti (Term Loan)
- > UCB Ayma Credit Card

Agri Loan

- > UCB Agri Term Loan
- > UCB Agri Time Loan

SME Deposits

- > Sonirvor Current Account
- > Sabolombi Easy Account
- > Prottoyi Monthly Deposit
- > Uddomi Fixed Deposit
- > SME Fixed Deposit (Exclusive)

Other SME Facilities

- > Working Capital Finance
- > Letter of Credit
- > Export & Import Finance
- > House Building Finance
- > Hire Purchase
- > Lease Finance
- > Transport Loan
- > Work Order Finance
- > Purchase of Bills
- > Bank Guarantee
- > SME Credit Card
- > UCB Ayma Credit Card

Corporate Banking

Corporate Banking Loans

- > Bridge Financing
- > Lease Finance/Hire Purchase
- > Work Order Financing
- > Buyers'/Suppliers' Credit
- > Working Capital Finances (Service/Trading/Manufacturing)
- > Transport Loan
- > Import Financing (LC/LTR etc.)
- > Bill Purchase

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
- > UCB NRB Savings Account
- > UCB Farmer's Savings (Farmer & Non farmer)
- > UCB Youngster (Student) Accounts Savings
- > Retail Shomota Account

Current Accounts

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

DPS

- > UCB DPS Plus (General DPS)
- > UCB Youngsters DPS (Monthly Savings Account for youngsters)
- > UCB Multi-Millionaire (Monthly Savings Scheme)
- > UCB Super Flex DPS
- > Prottoyi Monthly Deposit (03,05,07)

Loan File Sourcing

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

UCB Taqwa

Deposit

- > UCB Taqwa Al-Wadia Current Account
- > UCB Taqwa Al-Wadia FC Account
- > UCB Taqwa Al-Wadia Freedom Current Account
- > UCB Taqwa Mudaraba Savings Account
- > UCB Taqwa Mudaraba Imperial Savings Account
- > UCB Taqwa Ayma Savings Account
- > UCB Taqwa Probashi Savings Account
- > UCB Taqwa Mudaraba SND Account
- > UCB Taqwa Mudaraba Term Deposits
- > UCB Taqwa Mudaraba CEP Savings Account
- > UCB Taqwa Mudaraba Young Star Savings Account
- > UCB Taqwa Mudaraba Monthly Deposit Scheme
- > UCB Taqwa Mudaraba SND Plus Account
- > UCB Taqwa Mudaraba TD Plus Account
- > UCB Taqwa Payroll Card
- > UCB Taqwa International Travel Prepaid Card (Hajj)
- > UCB Taqwa Monthly Hajj Deposit Account

Financing/Investment

- > UCB Taqwa Personal Finance
- > UCB Taqwa Auto Finance
- > UCB Taqwa Home Finance

Corporate/SME

- > UCB Taqwa Murabaha Local Purchase (Working Capital)
- > UCB Taqwa Murabaha Trust Receipt Finance
- > UCB Taqwa Murabaha Import Bill Finance
- > UCB Taqwa Salam Packing Finance
- > UCB Taqwa Salam Working Capital
- > UCB Taqwa Musharaka Local Bill Finance
- > UCB Taqwa Bai-As-Sarf Foreign Bill Finance
- > UCB Taqwa HPSM Term Finance
- > UCB Taqwa EDF Finance

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 favors 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.

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.

5 YEAR'S FINANCIAL SUMMARY

(Amounts in million of BDT except ratios and per share information)

Results of Operation	2023	2022	2021	2020	2019
Interest income	37,882	31,685	27,324	27,307	30,949
Interest expense	22,150	17,010	13,927	17,796	20,151
Net interest income	15,732	14,674	13,396	9,511	10,798
Non-interest income	13,497	13,848	11,423	10,977	9,911
Non-interest expenses	19,503	17,054	14,636	13,631	12,430
Gross Revenue	51,378	45,533	38,747	38,284	40,860
Gross Profit	29,229	28,523	24,820	20,488	20,709
Operating profit	9,726	11,469	10,184	6,857	8,279
Earning before interest, depreciation and tax	7,814	8,460	8,426	7,764	7,501
Profit before tax	5,177	5,916	5,610	4,948	4,932
Total Provision for loans, investments, off B/S and other	4,548	5,553	4,574	1,909	3,347
Net profit after tax	2,685	4,024	3,177	2,857	2,772

Balance Sheet	2023	2022	2021	2020	2019
Authorized capital	15,000	15,000	15,000	15,000	15,000
Paid up capital	14,765	14,062	12,784	12,175	11,595
Shareholders' equity	42,845	40,957	37,442	35,066	32,783
Borrowing	65,272	103,892	85,804	59,399	40,911
Deposits	513,395	426,028	389,901	353,982	330,632
Loans and advances	505,969	468,605	402,482	351,684	322,728
Investments	82,864	76,435	81,388	65,323	57,801
Fixed assets	17,016	14,579	14,721	14,540	14,455
Off-balance sheet exposure	291,676	217,940	260,413	201,042	183,958
Total assets	685,012	628,077	565,314	493,307	446,760
Total liabilities	642,168	587,120	527,872	458,241	413,977
Net worth (Shareholders' equity)	42,845	40,957	37,442	35,066	32,783

Share Information	2023	2022	2021	2020	2019
Market price per share	12.40	13.00	15.30	14.10	13.30
No. of shares outstanding (No. in million)	1,476.55	1,406.24	1,278.40	1,217.52	1,159.54
Earnings Per Share (BDT) - (as per annual report of respective year)	1.86	2.86	2.49	2.35	2.39
Earnings Per Share (BDT) - (restated)	1.86	2.79	2.20	1.98	1.92
Dividend (percent)	10.00	10.00	10.00	10.00	10.00
Cash Dividend (percent)	5.00	5.00	0.00	5.00	5.00
Stock Dividend (percent)	5.00	5.00	10.00	5.00	5.00
Net asset value per share - (BDT)	29.68	29.13	29.29	28.80	28.27
Price earning ratio (times)	6.67	4.77	6.14	6.01	5.56
Dividend cover ratio (times)	1.82	1.91	2.49	2.35	2.39
Dividend Yield (percent)	8.06	7.69	6.54	7.09	7.52
Market capitalization (BDT in million)	18,309	18,281	19,559	17,167	15,422

Financial Ratios	2023	2022	2021	2020	2019
Cost-income ratio (percent)	66.73	59.79	58.97	66.53	60.02
Advance to Deposit (AD) ratio (percent)	86.57	86.14	83.73	81.18	83.79
Debt equity ratio (times)	13.51	12.94	12.71	11.79	11.34
Gross profit ratio (percent)	56.89	64.06	64.06	53.52	50.68
Current Ratio (times)	1.08	1.02	1.05	1.15	1.13
Return on Capital Employed (percent)	2.12	3.00	2.92	3.40	3.74
Net interest income as a percentage of working funds	58.47	219.47	100.59	32.80	39.46
Operating profit as percentage of working funds	36.15	171.52	76.47	23.65	30.25
Return on assets (percent)	0.41	0.67	0.60	0.61	0.65
Return on equity (percent)	6.41	10.27	8.76	8.42	8.84
CASA Deposit as percentage of Total Deposit	31	34	34.70	32.32	27.96
Yield on advance (percent)	7.72	6.99	7.08	7.92	9.78
Cost of fund (percent)	7.06	6.38	6.01	7.42	8.57
Net interest margin (NIM) - (percent)	3.67	3.44	3.87	3.39	4.17
Foreign Business	2023	2022	2021	2020	2019
Import	417,963	419,148	403,178	259,241	246,213
Export	349,618	413,098	292,674	212,485	252,920
Remittance	73,493	73,008	64,273	45,283	48,764
No. of Foreign correspondents	609	613	601	596	581
Capital Measures	2023	2022	2021	2020	2019
Total Risk Weighted Assets	438,856	403,261	386,742	336,720	314,868
Tire I Capital	39,149	36,328	34,365	28,848	27,254
Tire II Capital	16,066	16,346	18,392	21,383	18,982
Total Capital	55,214	52,674	52,757	50,232	46,236
Tire I Ratio (percent)	8.92	9.01	8.89	8.57	8.66
Tire II Ratio (percent)	3.66	4.05	4.76	6.35	6.03
Capital to RWA Ratio (percent)	12.58	13.06	13.64	14.92	14.68
Required Capital	54,857	50,408	48,343	42,090	39,359
Capital Surplus/(Shortage)	357	2,266	4,414	8,142	6,878
Liquidity Measures	2023	2022	2021	2020	2019
Cash Reserve Requirement (percent)	4.15	4.16	4.29	4.30	5.59
Statutory Liquidity Ratio (percent)	15.78	16.83	20.77	16.53	15.92
Current Assets	343,927	299,997	270,583	226,649	242,113
Current liabilities	317,020	293,311	257,266	197,650	214,747
Net Current Assets (working funds)	26,907	6,686	13,317	28,999	27,366
Long term liabilities	325,148	293,809	270,606	260,590	194,446
Long term liabilities/Current liabilities (percent)	102.56	100.17	105.19	131.84	90.55
Asset Quality	2023	2022	2021	2020	2019
Non Performing Loans	27,819	28,078	17,737	8,984	11,711
NPL (percent)	5.50	5.99	4.41	2.55	3.63
Total specific provisions for classified loans and advances	13,907	13,207	10,122	7,240	6,430
Total general provisions for unclassified loans and advances	6,244	6,002	6,462	5,406	4,005
Total provision for Investment	673	612	-	235	673
Total provision for Off Balance Sheet	2,342	1,944	2,407	1,857	1,617
Total provision for Other assets	425	105	105	105	105
Other informations	2023	2022	2021	2020	2019
No. of branches	228	224	215	204	195
No. of sub-branches	152	141	135	-	-
No. of ATMs/CRMs	672	663	628	556	523
No. of agent banking outlets	850	314	177	177	123
No. of employees	5,749	5,354	5,060	4,900	4,988
Operating Profit per employee (BDT in million)	1.69	2.14	2.01	1.40	1.66

UNITED COMMERCIAL BANK PLC
HORIZONTAL ANALYSIS (STAND ALONE)

Statement of Financial Position

(Amounts in million of BDT except ratios and per share information)

	2023		2022		2021		2020		2019	
	BDTM	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%
PROPERTY AND ASSETS										
Cash	36,186	17%	30,939	22%	25,380	2%	24,948	-6%	26,403	16%
Balance with other banks & financial institutions	21,177	26%	16,872	-13%	19,409	-5%	20,468	69%	12,123	-25%
Money at Call on short notice	-	-	-	0%	3,200	244%	930	-45%	1,700	1033%
Investments	82,864	8%	76,435	-6%	81,388	25%	65,323	13%	57,801	14%
Loans and Advances	505,969	8%	468,605	16%	402,482	14%	351,684	9%	322,728	10%
Fixed assets including premises, furniture & fixture	17,016	17%	14,579	-1%	14,721	1%	14,540	1%	14,455	60%
Other assets	21,799	6%	20,647	10%	18,734	22%	15,414	33%	11,550	28%
Non-banking assets	-	0%	-	-	-	-	-	-	-	-
Total property and assets	685,012	9%	628,077	11%	565,314	15%	493,307	10%	446,760	11%
LIABILITY AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions and agents	17,167	-18%	20,877	45%	14,353	408%	2,827	-18%	3,445	-33%
Borrowings from Bangladesh Bank	32,916	-51%	67,824	17%	58,150	44%	40,272	83%	22,067	-9%
Convertible Subordinate Bonds	10,480	-9%	11,480	-14%	13,300	-18%	16,300	6%	15,400	0%
Money at Call on short notice	4,709	27%	3,710	100%	-	-	-	-	-	-
Deposits and other accounts	513,395	21%	426,028	9%	389,901	10%	353,982	7%	330,787	11%
Other liabilities	63,501	11%	57,200	10%	52,168	16%	44,860	6%	42,279	36%
Total Liabilities	642,168	9%	587,120	11%	527,872	15%	458,241	11%	413,977	11%
Capital and Shareholders' Equity										
Total Shareholders' Equity	42,845	5%	40,957	9%	37,442	7%	35,066	7%	32,783	10%
Total Liabilities and Shareholders Equity	685,012	9%	628,077	11%	565,314	15%	493,307	10%	446,760	11%

UNITED COMMERCIAL BANK PLC
HORIZONTAL ANALYSIS (STAND ALONE)
Profit & Loss Account

(Amounts in million of BDT except ratios and per share information)

Particulars	2023			2022			2021			2020			2019		
	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	BDT'M	Δ%	
Interest Income	37,882	20%	31,685	16%	27,324	0%	27,307	-12%	30,949	-12%	27,307	-12%	30,949	22%	
Interest paid on deposits and borrowings etc.	22,150	30%	17,010	22%	13,927	-22%	17,796	-12%	20,151	-12%	17,796	-12%	20,151	26%	
Net Interest Income	15,732	7%	14,674	10%	13,396	41%	9,511	-12%	10,798	-12%	9,511	-12%	10,798	17%	
Investment income	5,872	3%	5,685	4%	5,464	-11%	6,135	26%	4,853	26%	6,135	26%	4,853	10%	
Commission, exchange and brokerage	7,385	-7%	7,899	38%	5,739	22%	4,694	-5%	4,920	-5%	4,694	-5%	4,920	10%	
Other operating income	240	-9%	264	20%	221	49%	148	7%	138	7%	148	7%	138	-1%	
Total operating income	29,229	2%	28,523	15%	24,820	21%	20,488	-1%	20,709	-1%	20,488	-1%	20,709	13%	
Salary and allowances	8,540	12%	7,659	7%	7,167	13%	6,354	7%	5,912	7%	6,354	7%	5,912	-9%	
Rent, taxes, insurance, electricity etc.	2,040	26%	1,624	45%	1,122	13%	996	-0.21%	998	-0.21%	996	-0.21%	998	-19%	
Legal expenses	91	-4%	95	-2.6%	129	37%	94	40%	67	40%	94	40%	67	6%	
Postage, stamps, telecommunications etc.	222	1%	219	19%	185	6%	175	-8%	189	-8%	175	-8%	189	33%	
Stationery, printing, advertisements etc.	1,688	0%	1,694	36%	1,249	-16%	1,483	21%	1,227	21%	1,483	21%	1,227	9%	
Chief Executive's salary and fees	16	17%	14	5%	13	-10%	15	9%	14	9%	15	9%	14	39%	
Directors' fees	3	-10%	4	37%	3	-4%	3	-22%	3	-22%	3	-22%	3	-36%	
Auditor's fees	1	-33%	2	50%	1	-33%	1	50%	1	50%	1	50%	1	0%	
Depreciation and repair of banks assets	2,449	18%	2,074	14%	1,822	13%	1,610	12%	1,438	12%	1,610	12%	1,438	80%	
Other expenses	4,453	21%	3,671	25%	2,945	2%	2,900	12%	2,580	12%	2,900	12%	2,580	149%	
Total Operating Expenses	19,503	14%	17,054	17%	14,636	7%	13,631	10%	12,430	10%	13,631	10%	12,430	14%	
Profit/(Loss) before provision	9,726	-15%	11,469	13%	10,184	49%	6,857	-17%	8,279	-17%	6,857	-17%	8,279	12%	
Loans & advances	4,185	-2.6%	5,660	30%	4,362	97%	2,211	-21%	2,796	-21%	2,211	-21%	2,796	-1.8%	
Recovery from Write-Off	(410)	73%	(237)	131%	(103)	-1%	(103)	-39%	(169)	-39%	(103)	-39%	(169)	-3.7%	
Diminution in value of investments	61	-90%	612	-360%	(235)	-46%	(438)	-165%	673	-165%	(438)	-165%	673	-330%	
Off balance sheet items	391	-18.1%	(482)	-188%	549	129%	240	41.6%	47	41.6%	240	41.6%	47	-11.1%	
Other Provisions	320	100%	-	-	-	-	-	-	0	-	-	-	0	-	
Total Provision	4,548	-18%	5,553	21%	4,574	140%	1,909	-43%	3,347	-43%	1,909	-43%	3,347	35%	
Total Profit/(Loss) before taxes	5,177	-12%	5,916	5%	5,610	13%	4,948	0.323%	4,932	0.323%	4,948	0.323%	4,932	0.496%	
Provision for taxation															
Current tax expense	2,987	-5%	3,133	-1.8%	3,823	45%	2,633	-5%	2,783	-5%	2,633	-5%	2,783	18%	
Deferred tax expense/(income)	(494)	-60%	(1,241)	-1.1%	(1,391)	157%	(542)	-1.3%	(623)	-1.3%	(542)	-1.3%	(623)	-449%	
Total provision for taxation	2,492	32%	1,892	-2.2%	2,433	16%	2,091	-3%	2,160	-3%	2,091	-3%	2,160	-15%	
Net Profit after taxation	2,685	-33%	4,024	27%	3,177	11%	2,857	3%	2,772	3%	2,857	3%	2,772	17%	

UNITED COMMERCIAL BANK PLC
VERTICAL ANALYSIS (STAND ALONE)

Statement of Financial Position

(Amounts in million of BDT except ratios and per share information)

	2023		2022		2021		2020		2019	
	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%
PROPERTY AND ASSETS										
Cash	36,186	5%	30,939	5%	25,380	4%	24,948	5%	26,403	6%
Balance with other banks & financial institutions	21,177	3%	16,872	3%	19,409	3%	20,468	4%	12,123	3%
Money at Call on short notice	-	0%	-	0%	3,200	1%	930	0%	1,700	0%
Investments	82,864	12%	76,435	12%	81,388	14%	65,323	13%	57,801	13%
Loans and Advances	505,969	74%	468,605	75%	402,482	71%	351,684	71%	322,728	72%
Fixed assets including premises, furniture & fixture	17,016	2%	14,579	2%	14,721	3%	14,540	3%	14,455	3%
Other assets	21,799	3%	20,647	3%	18,734	3%	15,414	3%	11,550	3%
Non-banking assets	-	0%	-	-	-	-	-	-	-	-
Total property and assets	685,012	100%	628,077	100%	565,314	100%	493,307	100%	446,760	100%
LIABILITY AND CAPITAL										
Liabilities										
Borrowings from other banks, financial institutions and agents	17,167	3%	20,877	3%	14,353	3%	2,827	1%	3,445	1%
Borrowings from Bangladesh Bank	32,916	5%	67,824	11%	58,150	10%	40,272	8%	22,067	5%
Convertible Subordinate Bonds	10,480	2%	11,480	2%	13,300	2%	16,300	3%	15,400	3%
Money at Call on short notice	4,709	1%	3,710	1%	-	0%	-	0%	-	0%
Deposits and other accounts	513,395	75%	426,028	68%	389,901	69%	353,982	72%	330,787	74%
Other liabilities	63,501	9%	57,200	9%	52,168	9%	44,860	9%	42,279	9%
Total Liabilities	642,168	94%	587,120	93%	527,872	93%	458,241	93%	413,977	93%
Capital and Shareholders' Equity										
Total Shareholders' Equity	42,845	6%	40,957	7%	37,442	7%	35,066	7%	32,783	7%
Total Liabilities and Shareholders Equity	685,012	100%	628,077	100%	565,314	100%	493,307	100%	446,760	100%

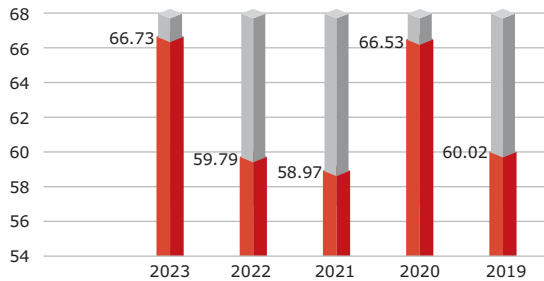
UNITED COMMERCIAL BANK PLC
VERTICAL ANALYSIS (STAND ALONE)
Profit & Loss Account

(Amounts in million of BDT except ratios and per share information)

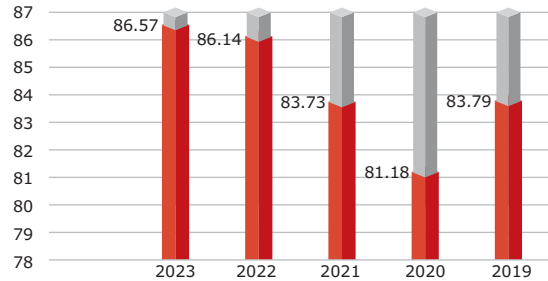
Particulars	2023		2022		2021		2020		2019	
	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%	BDT'M	%
Interest Income	37,882	74%	31,685	70%	27,324	71%	27,307	71%	30,949	76%
Interest paid on deposits and borrowings etc.	22,150	43%	17,010	37%	13,927	36%	17,796	46%	20,151	49%
Net Interest Income	15,732	31%	14,674	32%	13,396	35%	9,511	25%	10,798	26%
Investment income	5,872	11%	5,685	12%	5,464	14%	6,135	16%	4,853	12%
Commission, exchange and brokerage	7,385	14%	7,899	17%	5,739	15%	4,694	12%	4,920	12%
Other operating income	240	0.47%	264	1%	221	1%	148	0.39%	138	0.34%
Total operating income	29,229	57%	28,523	63%	24,820	64%	20,488	54%	20,709	51%
Salary and allowances	8,540	17%	7,659	17%	7,167	18%	6,354	17%	5,912	14%
Rent, taxes, insurance, electricity etc.	2,040	4%	1,624	4%	1,122	3%	996	3%	998	2%
Legal expenses	91	0.18%	95	0%	129	0.33%	94	0.24%	67	0.16%
Postage, stamps, telecommunications etc.	222	0.43%	219	0%	185	0.48%	175	0.45%	189	0.46%
Stationery, printing, advertisements etc.	1,688	3%	1,694	4%	1,249	3%	1,483	4%	1,227	3%
Chief Executive's salary and fees	16	0.03%	14	0%	13	0.03%	15	0.03%	14	0.03%
Directors' fees	3	0.01%	4	0%	3	0.00%	3	0.00%	3	0.00%
Auditor's fees	1	0.00%	2	0%	1	0.00%	2	0.00%	1	0.00%
Depreciation and repair of banks assets	2,449	5%	2,074	5%	1,822	5%	1,610	4%	1,438	4%
Other expenses	4,453	9%	3,671	8%	2,945	8%	2,900	8%	2,580	6%
Total Operating Expenses	19,503	38%	17,054	37%	14,636	38%	13,631	36%	12,430	30%
Profit/(Loss) before provision	9,726	19%	11,469	25%	10,184	26%	6,857	18%	8,279	20%
Loans & advances	4,185	8%	5,660	12%	4,362	11%	2,211	6%	2,796	7%
Recovery from Write-Off	(410)	-1%	(237)	-1%	(103)	-0.26%	(103)	-0.27%	(169)	-0.41%
Diminution in value of investments	61	0.12%	612	1%	(235)	-1%	(438)	-1%	673	2%
Off balance sheet items	391	1%	(482)	-1%	549	1%	240	1%	47	0.11%
Other Provisions	320	1%	-	-	-	0%	-	0%	0	0%
Total provision	4,548	9%	5,553	12%	4,574	12%	1,909	5%	3,347	8%
Total Profit/(Loss) before taxes	5,177	10%	5,916	13%	5,610	14%	4,948	13%	4,932	12%
Provision for taxation										
Current tax expense	2,987	6%	3,133	7%	3,823	10%	2,633	7%	2,783	7%
Deferred tax expense/(income)	(494)	-1%	(1,241)	-3%	(1,391)	-4%	(542)	-1%	(623)	-2%
Total provision for taxation	2,492	5%	1,892	4%	2,433	6%	2,091	5%	2,160	5%
Net Profit after taxation	2,685	5%	4,024	9%	3,177	8%	2,857	7%	2,772	7%

GRAPHICAL PRESENTATION OF FINANCIAL RATIOS

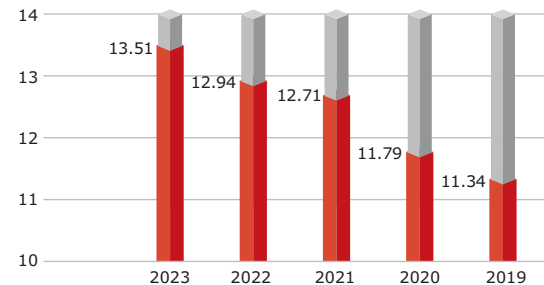
Cost-income ratio (percent)



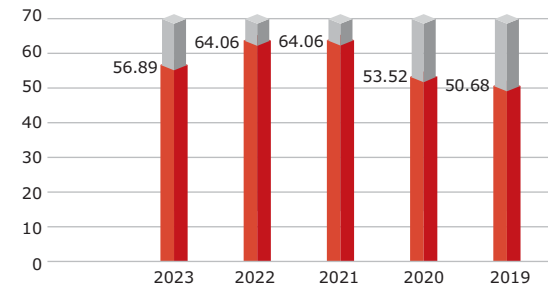
Advance to Deposit (AD) ratio (percent)



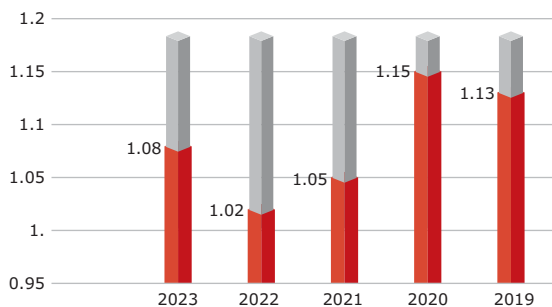
Debt equity ratio (times)



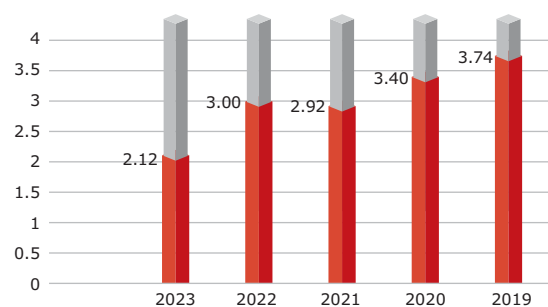
Gross profit ratio (percent)



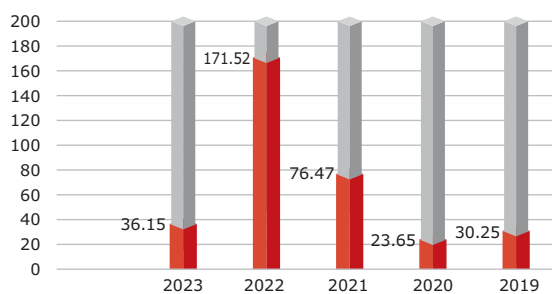
Current Ratio (times)



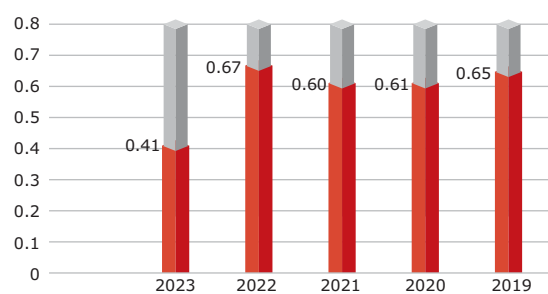
Return on Capital Employed (percent)



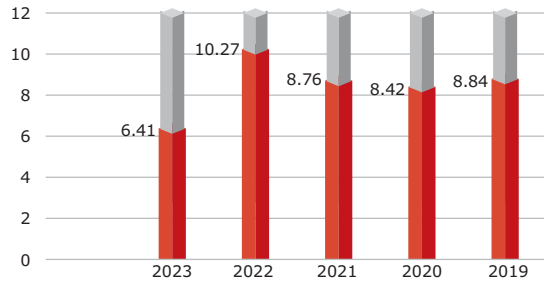
Operating profit as percentage of working funds



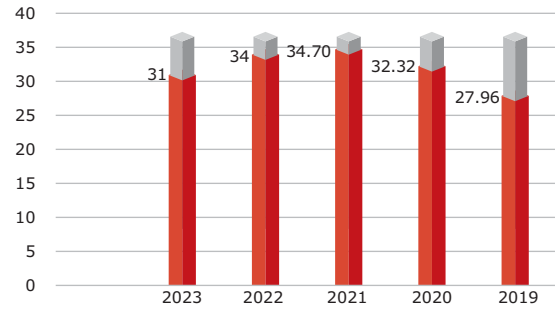
Return on assets (percent)



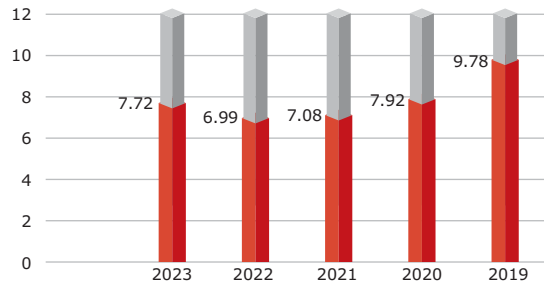
Return on equity (percent)



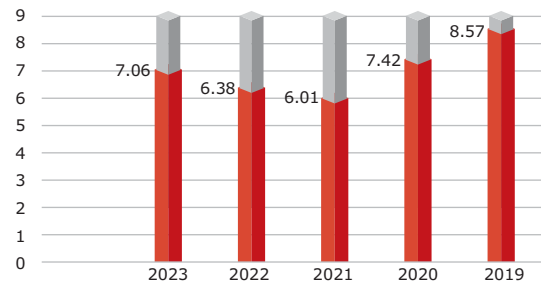
CASA Deposit as percentage of Total Deposit



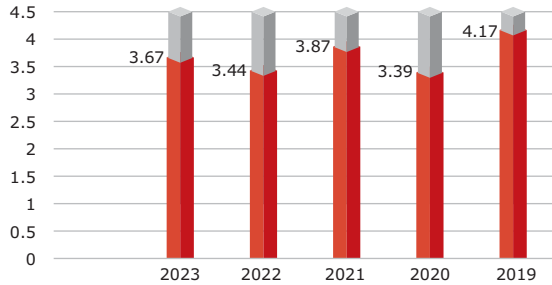
Yield on advance (percent)



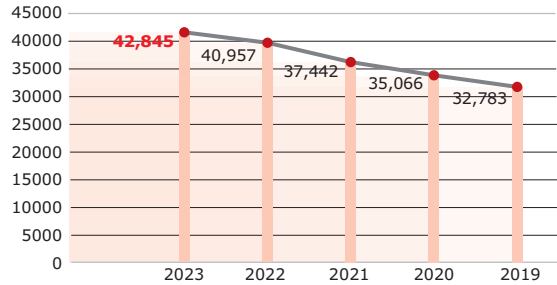
Cost of fund (percent)



Net interest margin (NIM) - (percent)

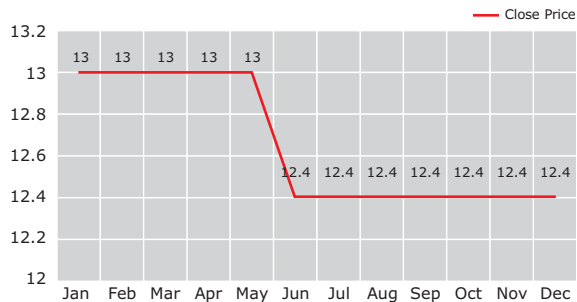


Net worth (Shareholders' equity)

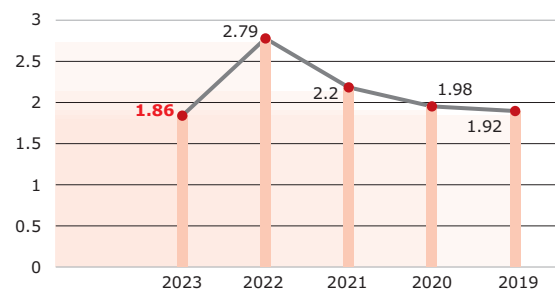


Stock Performance 2023

DSE Close Price



Earnings Per Share (BDT) - (restated)



Year to Year Comparison

Branch and sub-branch

31-Dec-23	228	Branch	31-Dec-22	224
31-Dec-23	152	Sub-branch	31-Dec-22	141
31-Dec-23	672	ATM/CRM	31-Dec-22	663
31-Dec-23	850	Agent Banking Outlet	31-Dec-22	314

Deposit and loan

31-Dec-23	513,394,683,785	Deposit	31-Dec-22	426,028,440,768
31-Dec-23	505,969,487,028	Loans and advances	31-Dec-22	468,605,096,016

Net interest income

2023	15,731,768,277	Net Interest Income	2022	14,674,449,441
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Write-off recovery

2023	409,590,871	Write-off Recovery	2022	236,944,194
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Islamic banking Unit

31-Dec-23	17,226,699,084	Deposit	31-Dec-22	10,536,515,298
31-Dec-23	13,185,442,170	Investments	31-Dec-22	7,348,924,335
2023	652,825,431	Operating profit	2022	230,495,955

Cards

31-Dec-23	682,600	Debit card	31-Dec-22	572,600
31-Dec-23	86,000	Credit card	31-Dec-22	67,800

Internet Banking

31-Dec-23	156,490	Internet banking base	31-Dec-22	93,707
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BOARD OF DIRECTORS

BOARD OF DIRECTORS



Rukhmila Zaman
Chairman



Bashir Ahmed
Vice-Chairman



Anisuzzaman Chowdhury
Chairman, Executive Committee



Touhid Shipar Rafiquzzaman
Chairman, Audit Committee



M. A. Sabur
Chairman, Risk Management
Committee



Bazal Ahmed
Director



Nurul Islam Chowdhury
Director



Roxana Zaman
Director



Asifuzzaman Chowdhury
Director



Afroza Zaman
Director



Md. Nasim Kalam
Director



Masuma Parvin
Director



Syed Kamruzzaman, FCMA
Director



Muhammed Shah Alam, FCMA
Director



Kanak Kanti Sen, FCMA
Director



Md. Akshed Ali Sarker
Director



Dr. Aparup Chowdhury
Independent Director



Prof. Dr. Iftexhar Uddin Chowdhury
Independent Director



Md. Abdul Hannan
Independent Director



Arif Quadri
Managing Director & CEO



ATM Tahmiduzzaman, FCS
Company Secretary

PROFILE OF THE DIRECTORS



Rukhmila Zaman
Chairman

Rukhmila Zaman, a prominent young woman entrepreneur in the country, serves as the Chairman of United Commercial Bank PLC. Additionally, she holds the position of Managing Director at Aramit Group, a leading manufacturing conglomerate. She is the spouse of Mr. Saifuzzaman Chowdhury, MP and former Honourable Minister for Land, Government of Bangladesh. Mrs. Zaman is actively involved with various socio-economic organizations and plays a significant role in empowering young women to become integral participants in the economy.



Bashir Ahmed
Vice-Chairman

Bashir Ahmed is the Vice-Chairman and a current Member of the Executive Committee of United Commercial Bank PLC (UCB). He is the son of the late Mr. M. A. Bari, a founder and Sponsor Director of UCB. An innovative entrepreneur, Bashir is the Managing Director of Airmate Goodie Electrical Industries Ltd, Goodie Accessories (Pvt) Ltd, International Distribution Company Bangladesh PLC, and several other enterprises. Born on December 25, 1969, into a respected Muslim family, he is also involved with numerous social and educational organizations to benefit the community.



Anisuzzaman Chowdhury
Chairman, Executive Committee

Anisuzzaman Chowdhury, a young and dynamic industrialist, is a Director and the Chairman of the Executive Committee at United Commercial Bank PLC. He also serves as Chairman of Navana Pharmaceuticals PLC and is the elected Vice-Chairman of the Bangladesh Association of Banks (BAB). Additionally, he is a Director of Ronny Chemical Industries Limited. Mr. Chowdhury graduated in Business Administration from Palm Beach Atlantic College, USA. Born into a respected Muslim family in Anwara, Chattogram District, his leadership and vision have significantly contributed to UCB's success in delivering top-tier banking services.



Touhid Shipar Rafiquzzaman
Chairman
Audit Committee

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 39 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 travelled person, sports fan, and keen golfer.



M. A. Sabur
Chairman
Risk Management Committee

M. A. Sabur, a prominent industrial entrepreneur, is a Director and Chairman of the Risk Management Committee at United Commercial Bank PLC (UCB). He also chairs Masco Group and Maxim Group, major export houses in the textile sector. An MBA graduate, he is the son of the late Alhaj Raham Ali and hails from a respected Muslim family in Kanchon, Narayanganj District. Sabur is a member of the IBA Alumni Association, Dhaka University Alumni Association, and a lifetime member of Kurmitola and Bhatary Golf Clubs. He actively supports various educational and socio-cultural organizations in Dhaka and Chittagong, guiding the bank in exploring new business opportunities.



Bazal Ahmed
Director

Bazal Ahmed, Director of the Board of Directors and a member of the Executive Committee of United Commercial Bank PLC (UCB). 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 M/S Taj Accessories (Pvt.) Ltd, M/S Saikat Textile Ind. Limited and M/S Deen Fashion Limited are one of Bangladesh's leading enterprises in the garment/textile sector. 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.



Nurul Islam Chowdhury
Director

Nurul Islam Chowdhury, one of the Directors and a member of the Risk Management Committee of United Commercial Bank PLC (UCB). 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, NAMS Consulting & Sourcing Ltd, Bosphorus Fashion Ltd and Eastern Engineers (CTG.) Limited. Besides, he is the proprietor of NAMS Trading Corporation. 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 Steel Industries of the Country.



Roxana Zaman
Director

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, late 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

Asifuzzaman Chowdhury is one of the young & promising Directors of United Commercial Bank PLC (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 Industries Limited. He attained his BBA from Atlantic University, Florida, USA. With innovative ideas, this young entrepreneur is contributing to the nation.



Afroza Zaman
Director

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, late Akhtaruzzaman Chowdhury. She is also a Member of the Bank's Risk Management Committee. Ms. Zaman is actively associated with different socio-economic and philanthropic activities.



Md. Nasim Kalam
Director

Md. Nasim Kalam, a prominent young businessman, is a Director of United Commercial Bank PLC. He is the youngest son of Hajee Abul Kalam, a Sponsor Director of the Bank, and also a Director at M.A. Kalam Limited and United Overseas Ltd. He graduated from London University and earned a postgraduate degree from Middlesex Business School. With extensive experience in business and property development across the UK, UAE, Saudi Arabia, and Bangladesh, he is also actively involved in various educational, philanthropic, and socio-cultural organizations.



Masuma Parvin
Director

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 PLC and Dhaka Evergreen Retirement Homes Limited. She has more than 17 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.



Syed Kamruzzaman, FCMA
Director

Syed Kamruzzaman, FCMA is a Director (Representative of Aramit Thai Aluminium Limited) and a Member of the Audit Committee of United Commercial Bank PLC (UCB). Mr. Kamruzzaman, is an eminent qualified Cost and Management Accountant from "The Institute of Cost and Management Accountants of Bangladesh. He started his career in a UK-based Audit Firm in the United Arab Emirates. He served in various MNCs and Local Companies in Bangladesh for the last 30 years in Financial Management, accounts, audit, supply chain management, human resource, and administration. He has been a key leadership role in many major pragmatic decisions over the last two decades.



Muhammed Shah Alam, FCMA
Director

Muhammed Shah Alam, FCMA is a Director (Representative of Ardent Assets Limited Limited) and a Member of Audit Committee of United Commercial Bank PLC (UCB). Mr. Alam has 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 35 years. He obtained his B.com (Hons) and M.com in Accounting from the University of Chittagong.



Kanak Kanti Sen, FCMA
Director

Kanak Kanti Sen, FCMA is a Director (Representative of Nahar Metals Limited) and an Audit Committee member of United Commercial Bank PLC (UCB). 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". He started his career at Sunman Group of Companies, and served several JV's and local companies, holding different leadership positions. He also attended several Internationally and Locally organized Seminars, Workshops.



Md. Aksed Ali Sarker
Director

Md. Aksed Ali Sarker, a Director (Representative of Aromatic Properties Limited) of United Commercial Bank PLC (UCB) has a wide experience of over 34 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 travelled 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, a former Secretary to the GOB, served for 39 years in various high-responsibility roles in Field Administration, different Ministries, and Corporate Bodies. He held key positions such as Deputy Commissioner, Chairman of Bangladesh Parjatan Corporation, and Secretary of the Ministry of Liberation War Affairs. He trained in Negotiation at Duke University, USA; Policy, Planning, and Management at University of Putra, Malaysia; and Managing at the Top at Civil Service College, Singapore. He holds an M.Sc. in Fresh Water Biology from Chittagong University and a Ph.D. in Disaster Management. Dr. Chowdhury is a member of the Bangladesh Administrative Service Association, Officers' Club Dhaka, Singapore Civil Service College Alumni, Duke University Alumni, and the 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.



Md. Abdul Hannan
Independent Director

Md. Abdul Hannan has a diverse and impactful career in civil services, spanning various positions and responsibilities over the years. His experience as an administrative head in different public agencies, magistrate, and managing director of Bangladesh Overseas Employment & Services Limited highlights his significant contributions to maintaining law and order, overseeing development activities, and facilitating overseas employment for Bangladeshi citizens. By the order of the Government, Mr. Hannan Served as a director and chairman of the board of directors of Rajshahi Krishi Unnoyon Bank, Rajshahi, further underscores his leadership and management skills. His dedication to public services was commendable.



Arif Quadri
Managing Director & CEO

Arif Quadri, 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 (UCB). Prior to joining UCB, he was the Deputy Managing Director & Chief Operating Officer of Premier Bank PLC. During his long career with AB Bank PLC, Al Baraka Bank Limited, ONE Bank PLC and Meghna Bank PLC. 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 and Director of UCB Fintech Limited. Mr. Quadri has excellent academic track record.



ATM Tahmiduzzaman, FCS
Company Secretary

ATM Tahmiduzzaman FCS, a Fellow of the Institute of Chartered Secretaries of Bangladesh (ICSB), is the Additional Managing Director and Company Secretary of United Commercial Bank PLC (UCB). Mr. Tahmid has held leadership roles at Warid Telecom and Airtel Bangladesh Limited and began his career with REA Consortium. A law graduate and ICSB faculty member, he holds a Master's from the University of Dhaka and an MBA from the Commonwealth of Learning.

DIRECTORS' QUALIFICATION & EXPERIENCE

SL No.	Name of the Director	Date of Birth	Education & Professional Qualification	Year of Experience	Field of Expertise	Status in the Board
1	Rukhmila Zaman	06.05.1979	MBA	18 years	Banking, Power, Securities/Merchant banking, Cement, Business Management.	Chairman
2	Bashir Ahmed	25.12.1969	B.Com	30 years	Business professional, Management, General Management, Shipping Agency, Electrical & Electronics,	Vice-Chairman & Member, Executive Committee
3	Anisuzzaman Chowdhury	13.05.1972	BBA	26 years	Banking, Chemical, Accounts & Finance, General Management & Administration and Corporate Governance.	Director & Chairman, Executive Committee, Member, Risk Management Committee
4	Touhid Shipar Rafiquzzaman	23.07.1959	MA	39 years	Banking, General Management, Risk Management, Customer Relationship Management.	Independent Directors & Chairman, Audit Committee
5	M. A. Sabur	02.01.1948	MBA	41 years	RMG, Textile, Banking, Securities, Agro Business, Energy, Trading, General Management, Risk Management.	Director & Member, Executive committee, Chairman, Risk Management Committee
6	Bazal Ahmed	12.04.1969	M.Com	33 years	Banking, RMG, Agro Business, Management, General Management	Director & Member , Executive Committee
7	Nurul Islam Chowdhury	20.07.1962	B. Com	35 years	Banking, Engineering, Management, General Management.	Directors & Member of the Executive Committee & Risk Management Committee
8	Roxana Zaman	20.02.1969	Bachelor Degree	35 years	RMG, Business Management, General Management.	Director & Member of the Executive Committee
9	Asifuzzaman Chowdhury	07.07.1978	BBA	22 years	RMG, Textile, Banking, Agro Business, Management, General Management.	Director & Member of the Executive Committee
10	Afroza Zaman	08.08.1976	B.Com	30 years	Banking, Insurance, Management, RMG, Textile, Banking, Agro Business, Chemical, General Management.	Director & Member of the Risk Management Committee
11	Md. Nasim Kalam	31.01.1978	BSc, MBA	21 years	Overseas Business, Management, General Management	Director
12	Masuma Parvin	07.07.1966	MA	17 years	Accounts & Finance, General Management & Administration and Corporate Governance.	Director

SL No.	Name of the Director	Date of Birth	Education & Professional Qualification	Year of Experience	Field of Expertise	Status in the Board
13	Syed Kamruzzaman, FCMA	21.02.1964	B. Com(Hons) in Accounting & FCMA	30 years	Financial and accounting, audit, supply chain management, human resource, Securities, and administration.	Director & Member of the Audit Committee
14	Muhammed Shah Alam, FCMA	01.03.1962	B. Com (Hons), M. Com & FCMA	35 years	Cost and Management Accounting, Financial Management, and audit.	Director & Member of the Audit Committee
15	Kanak Kanti Sen, FCMA	24.06.1965	M.Com & FCMA	30 years	Cost and Management Accountant, Company Secretariat, General Management.	Director & Member of the Audit Committee
16	Md. Aksed Ali Sarker	31.12.1963	MBA	34 years	Marketing, General Management, Finance, and Administration.	Director
17	Dr. Aparup Chowdhury	01.11.1959	MSc, MBA, PhD	39 years	Civil Service & Public Administration, Supply Chain Management, Sales and Marketing.	Independent Director & Member of the Audit Committee
18	Prof. Dr. Iftekhar Uddin Chowdhury	01.07.1955	MA, LL.B, PhD	37 years	Legal Affairs, Business Law, Teaching, Administration, General Management, Vice Chancellor of Public University.	Independent Director & Member of the Risk Management Committee
19	Md. Abdul Hannan	01.02.1961	MA	40 years	Bangladesh civil services, Public administration, public services, Banking, General Management.	Independent Director
20	Arif Quadri	31.10.1960	MSc	40 years	Banking, Management, Compliance, Management, General Management	Managing Director & CEO

COMMITTEES OF THE BOARD OF DIRECTORS

Executive Committee



Anisuzzaman Chowdhury
Chairman



Bashir Ahmed
Member



M. A. Sabur
Member



Bazal Ahmed
Member



Nurul Islam Chowdhury
Member



Roxana Zaman
Member



Asifuzzaman Chowdhury
Member



ATM Tahmiduzzaman, FCS
Secretary

Audit Committee



Touhid Shipar Rafiquzzaman
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 multi-dimensional 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 PLC. During his long career with AB Bank PLC, Al Baraka Bank Limited, ONE Bank PLC and Meghna Bank PLC. 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 and Director of UCB Fintech 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 PCL. He was also the Head of SME Banking, BRAC Bank PLC, 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 40 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.



Abul Alam Ferdous
Additional Managing Director

Abul Alam Ferdous, Additional Managing Director of United Commercial Bank PLC brings around 04 decades of exceptional experience in Banking, having commenced his illustrious career as a Probationary Officer with UCB in the Year 1984. His areas of specialization encompass RMG Finance, Corporate Finance, SME Finance and Islamic Banking Finance (TAQWA), reflecting a comprehensive understanding of both conventional and Shariah-compliant financial practices. He completed both his Graduation and Post-Graduation degree in Accounting at the University of Chittagong. His academic background and profound experience have equipped him with a robust understanding of financial principles and strategies, facilitating his strategic decision-making and leadership within the Banking sector.



ATM Tahmiduzzaman, FCS
AMD & Company Secretary

ATM Tahmiduzzaman FCS, a Fellow of the Institute of Chartered Secretaries of Bangladesh (ICSB), is the Additional Managing Director and Company Secretary of United Commercial Bank PLC (UCB). Mr. Tahmid has held leadership roles at Warid Telecom and Airtel Bangladesh Limited and began his career with REA Consortium. A law graduate and ICSB faculty member, he holds a Master's from the University of Dhaka and an MBA from the Commonwealth of Learning.



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 32 years of multidisciplinary experience in diversified professional domains with Government and Financial Institutions. Prior to joining UCB, Mr. Mamoon served in AB Bank PLC and BRAC Bank PLC in different capacities. He is a business graduate from Royal Roads University, British Columbia, Canada; a globally certified Project Management Professional (PMP) from Project Management Institute (PMI), USA, and a Green Belt in Six Sigma from Benchmark Six Sigma, India.



Md. Shah Alam Bhuiyan
Deputy Managing Director

Md. Shah Alam Bhuiyan, with a 34-year banking career, is Deputy Managing Director at United Commercial Bank PLC. He oversees Special Assets Management, Legal and Collection, SME & Agri Banking, Written-off Recovery, and the Willful Defaulter Unit. Starting in 1990 at Muslim Commercial Bank Ltd, he facilitated its acquisition by Bank Asia PLC and played a key role in the restructuring of Bank of Credit & Commerce International. At BRAC Bank PLC, he managed central operations, financial administration, and asset management.



Mohammed Khorshed Alam
Deputy Managing Director
& Head of ICCD

Mohammed Khorshed Alam, a visionary Banking professional, joined 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), Human Resources Management Division (HRMD), General Services Division (GSD) of the Bank. Prior to joining UCB, Mr. Khorshed Alam rendered services at Prime Bank PLC 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 PLC, one of the country's leading state-owned commercial banks, as Senior Officer in 1998.



Alamgir Kabir
Deputy Managing Director

Alamgir Kabir is a seasoned banker, currently serving as Deputy Managing Director at United Commercial Bank PLC. Previously, he held the position of Senior Executive Vice President, overseeing the Corporate Banking Division. He holds an MBA and BBA from the University of Chittagong and comes from a well-respected Muslim family in Chittagong. With over 23 years of experience in the banking sector, he has worked in various capacities at both branch and head office levels. Starting his career in 1999 with First Security Islami Bank PLC, Mr. Kabir has acquired extensive expertise in areas such as Business, Operations, Trade Finance, Foreign Exchange, Correspondence Banking, Customer Services, Cash Management, and Compliance. Currently, he leads and enhances the corporate business segment of the bank



Faruk Ahammad, FCA
DMD & 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 Deputy Managing Director of United Commercial Bank PLC. Mr. Ahammad started his career with IPDC. He then served in different organizations in different Senior Management Strategic roles.



S M Mainul Kabir
Deputy Managing Director

Prominent banker S M Mainul Kabir recently joined United Commercial Bank PLC (UCB) as Deputy Managing Director after serving in the same capacity at Community Bank. With over 29 years in banking, he has expertise in bank relationship management, branch banking, trade finance, lending operations, credit risk management, and analysis. He began at National Bank PLC and held senior roles at South East Bank PLC, Jamuna Bank PLC, and EXIM Bank PLC. Mr. Kabir holds Honors and Master's degrees in Finance & Banking from the University of Dhaka and an MBA from the Department of Management Studies, University of Dhaka.



Amalendu Roy
Deputy Managing Director

Eminent banker Amalendu Roy has been promoted to Deputy Managing Director of United Commercial Bank PLC, previously serving as Senior Executive Vice President and Corporate Branch Head. With a 27-year career, he began as a Probationary Officer at Uttara Bank PLC in 1996, later joined National Bank PLC and UCB in 2011. Since 2000, he has been a successful branch manager at various banks. He holds a Master's in Information Science and Library Management from Dhaka University and has attended numerous professional trainings and workshops.



UCB অঙ্কুর মেয়াদী ঋণ

ঋণের বৈশিষ্ট্যসমূহ

- ঋণসীমাঃ সর্বোচ্চ ৯০.০০ কোটি টাকা পর্যন্ত
- ঋণের ধরণঃ মাসিক/ত্রৈমাসিক কিস্তি ভিত্তিক মেয়াদী ঋণ
- ঋণের মেয়াদঃ ১ থেকে ৫ বছর
- ঋণের উদ্দেশ্যঃ চলতি মূলধন, কৃষি পণ্য উৎপাদন ও বিপণন এবং অন্যান্য ব্যবসায়িক প্রয়োজনে
- আকর্ষণীয় সুদ হার
- জামানতঃ ২৫.০০ লক্ষ টাকা ঋণসীমা পর্যন্ত জামানতবিহীন (বিশেষ ক্ষেত্রে ৫০.০০ লক্ষ টাকা পর্যন্ত জামানতবিহীন সুবিধা)

ঋণ পাওয়ার যোগ্যতা

- ব্যবসার ধরণঃ একক মালিকানা, অংশীদারি এবং প্রাইভেট লিমিটেড কোম্পানী
- ন্যূনতম ৯ বছরের ব্যবসায়িক অভিজ্ঞতা প্রয়োজন
- প্রোগ্রাইটের বা পরিচালনাকারীর বয়স সীমা ২৯ থেকে ৭০ বছর

বিস্তারিত তথ্য ও সহযোগিতার জন্য বিকটবর্তী ইউসিবি শাখা/উপ-শাখায় যোগাযোগ করুন।

ইউসিবিতে কাম্পিগনে ব্যাংক পিএলসি UCB

16419



UCB ধ্রুব ওভারড্রাফট ঋণ

ঋণের বৈশিষ্ট্যসমূহ

- ঋণসীমাঃ সর্বোচ্চ ৫.০০ কোটি টাকা পর্যন্ত
- ঋণের ধরণঃ ওভারড্রাফট ঋণ
- ঋণের মেয়াদঃ ৯ বছর (বেবায়নযোগ্য)
- ঋণের উদ্দেশ্যঃ চলতি মূলধন, কৃষি পণ্য উৎপাদন ও বিপণন এবং অন্যান্য ব্যবসায়িক প্রয়োজনে
- আকর্ষণীয় সুদ হার
- জামানতঃ জামানত প্রয়োজন

ঋণ পাওয়ার যোগ্যতা

- ব্যবসার ধরণঃ একক মালিকানা, অংশীদারি এবং প্রাইভেট লিমিটেড কোম্পানী
- ন্যূনতম ৯ বছরের ব্যবসা পরিচালনার অভিজ্ঞতা প্রয়োজন
- প্রোগ্রাইটের বা পরিচালনাকারীর বয়স সীমা ৯৫ - ৭০ বছর

বিস্তারিত তথ্য ও সহযোগিতার জন্য বিকটবর্তী ইউসিবি শাখা/উপ-শাখায় যোগাযোগ করুন।

ইউসিবিতে কাম্পিগনে ব্যাংক পিএলসি UCB

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UCB RSTL এসএমই রিভলভিং শর্ট টার্ম লোন

ঋণের বৈশিষ্ট্যসমূহ

- ঋণসীমাঃ সর্বোচ্চ ৭৫.০০ কোটি টাকা পর্যন্ত
- ঋণের ধরণঃ তলবী ঋণ
- ঋণের মেয়াদঃ ৯ বছর (বেবায়নযোগ্য) তবে প্রতিটি তিলের মেয়াদ সর্বোচ্চ ৯০ দিন।
- ঋণের উদ্দেশ্যঃ চলতি মূলধন, দৈনন্দিন ব্যবসায়িক কার্যক্রম পরিচালনার জন্য
- আকর্ষণীয় সুদ হার
- জামানতঃ জামানত প্রয়োজন

ঋণ পাওয়ার যোগ্যতা

- ব্যবসার ধরণঃ একক মালিকানা, অংশীদারি এবং প্রাইভেট লিমিটেড কোম্পানী
- ন্যূনতম ০ বছরের ব্যবসা পরিচালনার অভিজ্ঞতা প্রয়োজন
- প্রোগ্রাইটের বা পরিচালনাকারীর বয়স সীমা ২৫ থেকে ৬৫ বছর

বিস্তারিত তথ্য ও সহযোগিতার জন্য বিকটবর্তী ইউসিবি শাখা/উপ-শাখায় যোগাযোগ করুন।

ইউসিবিতে কাম্পিগনে ব্যাংক পিএলসি UCB

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USIL ইউসিবি এসএমই ইনস্টলমেন্ট লোন

জামানতবিহীন মেয়াদী ঋণ

ঋণের বৈশিষ্ট্যসমূহ

- ঋণসীমাঃ ৯.৫০ কোটি টাকা পর্যন্ত
- ঋণের ধরণঃ মাসিক কিস্তি ভিত্তিক মেয়াদী ঋণ
- ঋণের মেয়াদঃ ৯ থেকে ৫ বছর
- ঋণের উদ্দেশ্যঃ যে কোন ব্যবসায়িক প্রয়োজনে
- জামানতঃ জামানতবিহীন
- আকর্ষণীয় সুদ হার

ঋণ পাওয়ার যোগ্যতা

- ব্যবসার ধরণঃ একক মালিকানা, অংশীদারি এবং প্রাইভেট লিমিটেড কোম্পানী
- ন্যূনতম ০ বছরের ব্যবসায়িক অভিজ্ঞতা প্রয়োজন
- প্রোগ্রাইটের বা প্রকৃতপূর্ণ ব্যক্তির বয়স সীমা ২৯ থেকে ৬৫ বছর
- বাৎসরিক ন্যূনতম টার্নওভার ৬০.০০ লক্ষ টাকা
- ব্যাংক হিসাব বিবরণীতে ব্যবসায়ের বিকল্পের প্রতিফলন প্রয়োজন

বিস্তারিত তথ্য ও সহযোগিতার জন্য বিকটবর্তী ইউসিবি শাখা/উপ-শাখায় যোগাযোগ করুন।

ইউসিবিতে কাম্পিগনে ব্যাংক পিএলসি UCB

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এগিয়ে যাওয়াই
আমার স্বাধীনতা

UNITED COMMERCIAL
BANK PLC



ইউনাইটেড কমার্শিয়াল
ব্যাংক লিমিটেড
নিয়ে এলো



UCB
AYMA
WOMEN BANKING



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

ucb.com.bd

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STEWARDSHIP



**MESSAGE
FROM THE CHAIRMAN**

Dear Esteemed Shareholders,

I am delighted to present to you the Annual Report and Financial Statements for the Financial year ended December 31st, 2023. I want to express my sincere appreciation to all of you for your continued unwavering cooperation to United Commercial Bank PLC. Your continued support has been instrumental to the Bank's sterling performance since its inception.

The global outlook in past year has been a turbulent year amid financial sector turmoil, high inflation, effects of the global war with the global economy marred by profound shocks and unprecedented uncertainty. UCB PLC adopted a cautious approach in the face of the negative impact of measures taken to curb the global crisis and uncertainty. Despite different global and domestic impediment, our economic growth and social development is enormous and envious worthy to many people around the world.

We achieved a total deposit of Taka 51,340 Crore, total loans & advances of Taka 50,597 Crore and total operating profit of Taka 972 Crore in 2023. We also successfully Opened 4 Branches, 12 Uposhakhas, 9 ATM Booths in the year 2023.

The capital ratios of the Bank continued to improve during the financial year on the back of better planning, plough back of profit, and efficient risk management of the banking book. The focus on asset quality and containing risk has been an area of continued attention for the Bank. There was a broad-based improvement in the asset quality of UCB. Highest emphasis has been given on recovery and at the same time prevention of new loan classification is also another priority to us. To make our investments safe and sound, we have to search potential borrowers; low cost and no cost deposit collection can be more effective for profit maximization.

As a financial institution, UCB has responsibility to the community it serves. Our moral values imply that we have a responsibility of giving back to the society. Social, environmental and economic concerns are embedded in our values. We at UCB are keen on adopting and supporting initiatives, activities and programs that deliver a positive sustainable impact on community. In the year 2023, our expenditure in Corporate Social Responsibility was an amount of BDT 383.99 million. We will continue to implement CSR initiatives and promote ethical sustainable business practices.

We aim to dedicate our energy towards serving the rural and urban sector in the most efficient manner. We will remain committed as ever, to render banking services to those who previously had no access. We will remain committed for promoting digitization of banking services, for the sheer convenience and the transparency it brings and to play our role in sensitizing the general public on its benefits. And most of all, we will remain committed to our role in driving forward the economic and social development of Bangladesh. These aspirations can only take shape if all our well-wishers and members come forward with a single

purpose of seeing the growth and welfare of the Bank. At UCB, customer-centricity is of paramount importance, and we undertake a proactive and flexible approach to cater to the changing financial needs of our customers.

We employ cutting-edge technology and new solutions to offer seamless and efficient banking experiences, keeping our finger on the pulse of market developments. Our objective is to significantly increase our presence across the country and penetrate deeper into new regions to ensure that all our customers have access to our services.

United Commercial Bank PLC will keep extending its innovative digital financial services and products designed to reflect customer requirements along with its social activities, financial literacy awareness and other engagements to meet emerging business requirements. It is very reassuring to note that Management and Employees of UCB have demonstrated resilience and the capacity to adapt to macroeconomic changes and constraints while ensuring compliance with all applicable laws and regulations. United Commercial Bank PLC is in compliance with all regulations and prudential ratios issued by Regulatory & Government.

Our Bank has made very significant investments in improving leadership and people capabilities. One of the most important is a comprehensive leadership development with the objective of building a strong and sustainable pipeline of leaders for our Bank. To become a learning organization, employees are encouraged to continuously acquire new skills through vigorous training and skill development schemes.

Last but not least, thanks to all our stakeholders, including our customers, investors, regulators, and banking and funding partners –for placing their trust and confidence UCB and supporting our growth over the years.

We would also like to take this opportunity to extend appreciation to colleagues on the Board for their counsel and support, as well as UCB team, which is under the direction of a competent and dedicated management team, for their outstanding achievements.

We pledge to all of our clients and shareholders that in 2024, we will continue to focus on areas that represent the best opportunities and support businesses that have shown resilience and commitment to responsibilities.

Thank You.



Rukhmila Zaman
Chairman



MANAGING DIRECTOR & CEO'S ROUND UP

“ We pursue to deliver nothing less than world class service to our clients and always strive to make UCB a better banking partner for our clients and healthier work place for our employees. ”

We have observed increasing political and economic tensions around the world during the year 2023. Resurging nationalism is precipitating global decoupling, reversing the enflaming integration of preceding decades. The effects are echoed in increasingly restrictive trade policies, subsidies, mistrust even among allies, and the resurrection of real conflict which slowed down the global as well as the domestic economy.

We have considerable ambition for UCB. Simply we want us to be the leader in private commercial banking segment of Bangladesh by having excellent operational performance, strong product lines, satisfied client base, and robust liquidity, capital, risk and NPL management. Our ultimate goal is to produce optimal levels of returns for the shareholders.

UCB has spent time to scrutinize and reformulate the strategies and the directions that will take us forward. We always focused to improve our operational and financial performance and stakeholder returns. To do so, we continued to invest in technologies and digital platforms to increase operating efficiency which will make us Simpler and Smarter.

We pursue to deliver nothing less than world class service to our clients and always strive to make UCB a better banking partner for our clients and healthier work place for our employees. We invested in our employees through accessible resources and structured training programs that offer opportunities for continuous professional development. We have been trying to build an organisation of mutual respect and appreciation in which our colleagues will have unlimited opportunities to prove their potentials.

UCB has undertaken an Agro CSR initiative named "Voroshar Notun Janala" in 2023 with a view to contributing to the agriculture sector of the country as per the directives of Bangladesh Bank. Under the initiatives, UCB is providing district wise entrepreneurial skill development training to the selected agri-entrepreneurs from all upazillas of the country. Furthermore, we have distributed seeds, fertilizers, agri tools and technologies, planted different types of trees, conducted vaccination and health camp for the livestock and poultry, established agro-processing units, partnered with the reputed organizations to conduct action research in agriculture in different corners of Bangladesh. The ultimate objective of our initiative is to ensure a sustainable positive impact in the country's agri-economy.

We heightened our operational and business flexibilities. As a result, we are now well positioned to tackle both short-term and long-term challenges. Glimpses of performances of UCB in 2023 are as follows:

- We sustained to deliver growth across almost every aspect of the Bank's operations and registered **09.07%** growth over the last year in the balance sheet size, which grew to BDT **68,501.00 crore in 2023**.
- Funds under Management (FUM) of the bank had a standard growth of **14.00% to 1,01,936 crore** with year-end deposit and Loans and advances balance of **BDT 51,339 crore and 50,597 crore** respectively.
- In **2023** corporate loan exposure was **BDT 34,100.44 crore** while SME and Retail loan exposures were **BDT 13,799.83 crore** and **BDT 2,696.67 crore** respectively.
- UCB played a pivotal role in local and international trade business. Total import and export business of the bank in the year **2023** were **USD 3,842 million** and **USD 3,245 Million** respectively.

- UCB earned an operating profit of **BDT 973** for the year ended 31st December **2023**.
- Earnings Per Share (EPS) was **BDT 1.86 in 2023**;
- In 2023, our banking network further expanded through **228 Branches, 152 sub branches** and **672 ATM/CRM Booths, 7** domestic and international Airport Lounges, along with **850** agent outlets.

We believe in the welfare of the communities where we serve, and focus on helping the hard-up population of the country. In **2023** UCB contributed an amount of BDT **38.40** crore in CSR activities to promote education, health security, environment protection, disaster management, sports, art and culture etc.

UCB won the Platinum Award for focusing on creating sustainable SME through digital revolution in the category of SME Financier of the Year, Asia of the Global SME Finance Award 2023 by IFC. Bangladesh Bank ranked UCB as one of the Top banks practising sustainable and green finance for the year 2022.

Our success is driven by the hard work and dedication of our colleagues across UCB. I am grateful to them for their support to our customers, clients and communities. I am also indebted to you, Our Shareholders, for keeping 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 to fight against the odds throughout the year. 2024 will be a crucial year for the bank and the banking industry as a whole. Adopting changes coming ahead will be a challenge. I am confident that our clear plan, spirited effort, relentless focus and timely actions will take us to the desired destination of sustainable success.

Thank you



Arif Quadri
Managing Director & CEO

AWARDS AND RECOGNITION

Receiving SME Finance Award 2023 by International Finance Corporation- World Bank Group



Receiving 23rd ICAB National AWARD





DIRECTORS' REPORT

DIRECTORS' REPORT

We, 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 2023, along with the audited financial statements of the United Commercial Bank PLC (UCB) and its subsidiaries for the financial year ended 31 December 2023. 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 2023, in compliance with the applicable regulatory framework.

Industry Outlook and Possible Future Development in the Industry

The outlook and possible future development in the Banking Industry are presented on page 59 as part of Management Discussion and Analysis.

The state of the company's affairs and Description of the business

The state of the company's affairs and Description of the business are presented on page 61 as part of Management Discussion and Analysis.

Subsidiaries of the Bank

The bank consists of five subsidiaries: UCB Stock Brokerage Limited (former UCB Capital Management Limited), UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited and UCB Exchange (SG) PTE. Ltd. a brief discussion on subsidiaries is presented on page 62.

Segment-wise/Product-wise Performance of the Bank

The segment-wise and product-wise performance of the bank has been presented under different divisions-wise overview of this report at page 70 to 98.

Risk and Concern

Banking companies face a variety of risks and concerns that can impact Bank's operations, financial stability, and reputation. such Key risks includes:

- **Credit Risk:** The possibility that borrowers will default on their loan obligations. Managing this risk involves thorough credit assessments and maintaining diversified loan portfolios.
- **Market Risk:** Exposure to losses due to changes in market prices, such as interest rates, foreign exchange rates, and equity prices. Banks use hedging strategies and diversification to mitigate these risks.
- **Operational Risk:** Risks arising from inadequate or failed internal processes, people, systems, or external events. This includes cybersecurity threats, fraud, and compliance breaches.

- **Liquidity Risk:** The risk that a bank cannot meet its short-term financial obligations due to an inability to liquidate assets or obtain funding. Maintaining adequate liquidity reserves and access to capital markets is crucial.
- **Regulatory Risk:** The potential for changes in laws and regulations that could adversely affect the bank's operations. Banks must ensure compliance with existing regulations and adapt to new regulatory requirements.
- **Reputational Risk:** The threat to a bank's reputation due to negative public perception. This can result from scandals, poor customer service, or adverse media coverage. Effective communication and ethical practices help mitigate this risk.
- **Strategic Risk:** Risks associated with poor business decisions or the failure to adapt to changes in the market environment. Banks need robust strategic planning and market analysis to navigate this risk.
- **Environmental, Social, and Governance (ESG) Risks:** Increasingly, banks face scrutiny over their environmental and social impacts, and their governance practices. This includes the risk of financing activities that harm the environment or are socially irresponsible.

To manage these risks, UCB implement comprehensive risk management frameworks, employ advanced analytical tools, conduct regular stress testing, and ensure a strong internal control environment. We also engage in continuous monitoring and reporting to stay ahead of potential issues.

Preparation of Financial Statements aligning with IFRS & IAS and its Fairness

The financial statements of the Bank, as prepared by the Management, were duly scrutinized by the statutory/external auditors and presented fairly its state of affairs. Also, the financial statements together with the notes thereon have been drawn up in conformity

with the Companies Act 1994 and amended till date, relevant IAS and IFRS, relevant securities laws and directives, and Dhaka/Chittagong Stock Exchange (Listing) Regulations, 2015.

Declaration on Financial Statements

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, Declaration on Financial Statements for the year ended on 31 December 2023 is presented on page 173.

Remarks from Auditor's Report

The Board of Directors reviewed the Auditor's Report issued by the Bank's auditor ACNABIN, Chartered Accountants based on their audit of financial statements for the year ended 31 December 2023. 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 auditor's suggestion which auditor provides through a separate management report and gives the strategic guidelines to the management for improvement.

Books of Accounts

Proper books of accounts of the Bank are maintained.

Accounting Policies

Appropriate accounting policies have been consistently applied for preparing the financial statements and the accounting estimates are based on reasonable and prudent judgment.

Cost of Goods Sold, Gross Profit Margin, and Net Profit Margin

Discussion on interest income, interest expense, operating profit, provisions for loans and advances and net profit is presented on page 67.

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.

Utilization of proposed stock dividend

The Board of Directors of United Commercial Bank PLC recommended 10% dividend (5% cash and 5% stock) in its meeting no. 491 held on 29 April 2024. The Board has decided to raise Tier-I Capital through recommending stock dividend and retaining a portion of profit made during the year 2023. This will strengthen the capital base of the Bank in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The recommended stock dividend will be utilized for future business expansion, growing bank's loan portfolio and investing in high yield instruments to contribute to the economic development of the country.

Related Party Transactions

UCB had no credit directly to its Directors at the end of 2023. However, there were some related party contacts and transactions wherein the Directors had interest. 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

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.

Event after the reporting period

The Board of Directors recommended to increase the authorized capital of the Bank from BDT 15,000,000,000 (Fifteen Hundred Crore) to BDT 25,000,000,000 (Twenty-Five Hundred Crore) in its meeting no. 490 held on 13 March 2024. This is subject to approval of regulatory authorities and approval of the shareholders in the 41st Annual General Meeting (AGM) of the Bank.

At 491 Meeting of the Board of Directors held on 29.04.2024 recommended cash dividend 5 percent and stock dividend 5 percent for the year 2023 subject to approval of the shareholders in the ensuring Annual General Meeting of the Bank to be held on June 30, 2024.

Certificate Regarding Compliance

The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 disclosed at page 171.

Appointment, Retirement, & Re-Appointment/Re-election of Directors

The Board of Directors of the Bank has been appointed in accordance with the Companies Act 1994 and amended till date, Bank Companies Act 1991 and amended till date, Articles of Associations of the Bank, and other regulatory requirements.

At the forthcoming 41st Annual General Meeting (AGM), one-third (1/3rd) of the Directors holding longest in office shall retire as per Article of Association (AOA) of the Bank, applicable laws, and regulatory directives/notifications/circulars.

List of Directors who were retired and re-elected in the last AGM, brief resume of the Directors who were re-elected, rotation of the Directors in the upcoming AGM and the profiles of the proposed Independent Directors are presented on page 114.

Pattern of Shareholdings

Detailed shareholdings, including patterns, are presented at the Statement of Shareholding on page 165.

Board of Directors Meetings

During the year 2023, the Board of Directors has conducted 10 (Ten) meetings. Details of the meeting are shown by date wise in the page 344.

Disclosure of Senior Management

UCB is committed to attracting and retaining highly qualified and experienced senior management. The report provides details on the qualifications and experience of key members of the senior management team at Page 39. The rationale behind the SMT's remuneration policy, considering factors such as performance, experience, and market competitiveness.

Soundness of Internal Control System

UCB has an independent audit department that is led by the Head of Internal Control and Compliance. Additionally, the Board of Directors has established an Audit Committee as a sub-committee of the Board. The purpose of this committee is to ensure that the internal control system has been designed in a sound way and that it has been installed and maintained in an efficient manner. A report on the internal audit has been presented to the audit committee on a quarterly, semi-annual, and annual basis simultaneously.

Protection of Minority Shareholder

The Board of Directors is committed to upholding the highest governance standards to protect the interests of all stakeholders, especially minority shareholders, and to promote honesty, transparency, and accountability. Any and all actions taken by the Board of Directors must always be carried out in a manner that is in the best interest of the Company.

Payment of Taxes to the Government Authorities on time

UCB complies with applicable tax laws and regulations and pays income tax and VAT on income and expenses

as required. The bank also deducts and collects tax and VAT on behalf of the government, as required by law. All taxes and VAT due from the bank are paid to the government's exchequer in a timely manner. By following these procedures and paying all required taxes, the bank is able to fulfill its financial obligations and maintain good relationships with tax authorities.

No Dispute or Default in Payment of Taxes

UCB strives for transparency and maintains a clean record with tax authorities. We are proud to report that in 2023, we had no disputes or defaults in payment of taxes. Our focus on accurate accounting practices and open communication with tax authorities ensures a smooth and compliant tax filing process.

Payment to Vendors on Time

UCB maintains a strong commitment to ethical business practices and financial responsibility. We prioritize timely payments to our vendors, ensuring a positive and reliable partnership. In 2023, we achieved 100% on-time payment rate to our vendors, demonstrating our commitment to financial integrity and building strong relationships with our business partners.

Labor Practices and Child Labor Prevention

UCB adheres to the highest ethical standards in our labor practices. We have a zero-tolerance policy for child labor and are committed to providing a safe and fair working environment for all employees. We comply with all applicable labor laws and regulations and maintain robust recruitment procedures to prevent the employment of minors. We also provide ongoing training on labor laws and employee rights to our management team.

Community Engagement

UCB encourages a culture of giving back to the community. We actively engage our employees and their families in various community welfare initiatives throughout the year. In 2023, we organized several programs focused on community initiatives where employees volunteered their time and resources. We are proud of the positive impact these initiatives have on the lives of those in need. These initiatives not only benefit the community but also foster a sense of social responsibility among our employees.

Attendance & Remuneration Summary of the Board of Directors - 2023

Names	Designation	Board	EC*	AC*	RMC*	Total	Total Remuneration
Rukhmila Zaman	Chairman	9	-	-	-	9	72,000.00
Bashir Ahmed	Vice-Chairman	7	8	-	-	15	120,000.00
Anisuzzaman Chowdhury	Chairman, Executive Committee	9	10	-	4	23	184,000.00
Touhid Shipar Rafiquzzaman	Independent Director & Chairman, Audit Committee	5	-	6	-	11	88,000.00

Names	Designation	Board	EC*	AC*	RMC*	Total	Total Remuneration
M. A. Sabur	Director	8	9	-	4	21	168,000.00
Bazal Ahmed	Director	10	10	-	-	20	160,000.00
Nurul Islam Chowdhury	Director	9	4	-	4	17	136,000.00
Roxana Zaman	Director	9	9	-	-	18	144,000.00
Asifuzzaman Chowdhury	Director	7	6	-	-	13	104,000.00
Afroza Zaman	Director	9	-	-	2	11	88,000.00
Md. Nasim Kalam	Director	1	-	-	-	1	8,000.00
Syed Kamruzzaman, FCMA	Director	6	-	2	-	8	64,000.00
Muhammed Shah Alam, FCMA	Director	9	-	5	-	14	112,000.00
Kanak Kanti Sen, FCMA	Director	9	-	5	-	14	112,000.00
Md. Akсед Ali Sarker	Director	10	-	-	-	10	80,000.00
Masuma Parvin	Director	10	-	-	-	10	80,000.00
Dr. Aparup Chowdhury	Independent Director	7	-	6	-	13	104,000.00
Professor Dr. Iftekhar Uddin Chowdhury	Independent Director	10	-	-	4	14	112,000.00
Md. Abdul Hannan**	Independent Director	-	-	-	-	-	-
Hajee M. A. Kalam	Former Director	2	-	-	-	2	16,000.00
Hajee Yunus Ahmed	Former Director	2	2	-	-	4	32,000.00

*EC - Executive Committee; AC - Audit Committee; RMC - Risk Management Committee

**No meeting was held during his tenure

Attendance & Remuneration Summary of the Members of Shariah Supervisory Committee (SSC)- 2023

Names	Designation	SSC	Total	Total Remuneration
Professor Dr. Muhammad Abdur Rashid	Chairman, Shariah Supervisory Committee	4	4	32,000.00
Professor Dr. A. F. M. Akbar Hossain	Member, Shariah Supervisory Committee	4	4	32,000.00
Dr. Mohammad Manjurur Rahman	Member, Shariah Supervisory Committee	4	4	32,000.00
Professor Dr. Mohammed Nasir Uddin (Azhar)	Member, Shariah Supervisory Committee	4	4	32,000.00
Professor Dr. K M Saiful Islam Khan	Member, Shariah Supervisory Committee	4	4	32,000.00
Bazal Ahmed	Former Chairman, Shariah Supervisory Committee	3	3	24,000.00



Global Economic outlook

The global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, territorial disputes in Gaza, geopolitical tensions and conflicts in the Middle East and the cost of living crisis is showing surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller than expected toll on employment and activity, reflecting favorable supply side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support

amid high debt are expected to weigh on growth in 2024. The global economic outlook can vary based on a multitude of factors including geopolitical tensions, technological advancements, monetary policies, and natural disasters among others. As of last update, several factors will be prominent:

- Growth resilient in major economies.
- Inflation subsiding faster than expected.
- High borrowing costs cooling demand.
- Fiscal policy amplifying economic divergences.

Economic activity was surprisingly resilient through the global disinflation of 2022–23. As global inflation descended from its mid-2022 peak, economic activity grew steadily, defying warnings of stagflation and global recession. Growth in employment and incomes held steady, reflecting supportive demand developments including greater than expected government spending and household consumption and a supply side expansion amid, notably, an unanticipated boost to labor force participation.

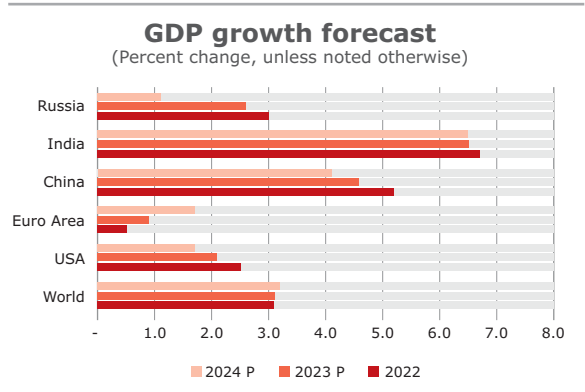
Global growth, estimated at 3.1 percent in 2023, is projected to remain at 3.1 percent in 2024 before rising modestly to 3.2 percent in 2025. Advanced economies are expected to see growth decline slightly in 2024 before rising in 2025, with a recovery in the euro area from low growth in 2023 and a moderation of growth in the United States. Emerging market and developing economies are expected to experience stable growth through 2024 and

2025, with regional differences. World trade growth is projected at 3.3 percent in 2024 and 3.6 percent in 2025, below its historical average growth rate of 4.9 percent. Rising trade distortions and geo-economics fragmentation are expected to continue to weigh on the level of global trade. According to Global Trade Alert data countries imposed 3,000 new restrictions in 2023 in addition to the 3,200 restrictions in 2022.

Global trade and value chains: Shaken not stirred

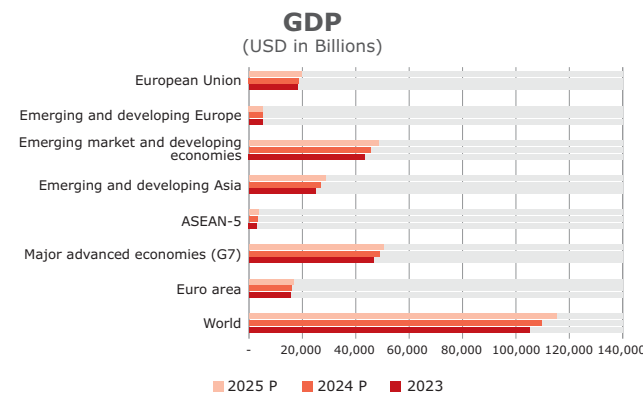
World trade and production have plateaued in recent years, hinting at a potential shift in the global economic paradigm. The potential for output losses and increased vulnerability to shocks highlight the complex trade-offs in reshaping supply chains. Increased potential for inflationary episodes may exert upward pressure on future interest rates, as central banks recognize the risks associated with fragmentation.

IMF GDP growth forecast

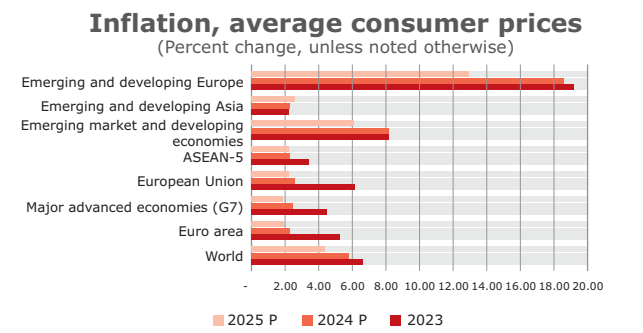


Inflation Outlook: Steady Decline to Target

Global headline inflation is expected to fall from an estimated 6.8 percent in 2023 (annual average) to 5.8 percent in 2024 and 4.4 percent in 2025. The global economy has undergone significant challenges including prolong impact of the COVID-19 pandemic followed by the Russia-Ukraine conflict, territorial disputes in GAZA and geopolitical tensions in Middle East. However, the global forecast is unrevised for 2024 compared with October 2023 projections and revised down by 0.2 percentage point for 2025. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0 percentage points in 2024 to 2.6 percent than emerging market and developing economies, where inflation is projected to decline by just 0.3 percentage point to 8.1 percent.



Overall, about 80 percent of the world's economies are expected to see lower annual average headline and core inflation in 2024. Among economies with an inflation target, headline inflation is projected to be 0.6 percentage point above target for the median economy by the fourth quarter of 2024, down from an estimated gap of 1.7 percentage points at the end of 2023. Most of these economies are expected to reach their targets (or target range midpoints) by 2025. In several major economies, the downward revision to the projected path of inflation, combined with a modest upgrade to economic activity, implies a softer than expected landing.





A brief overview of Bangladesh Economy

In the fiscal year 2023, Bangladesh's economy demonstrated a relatively robust real GDP growth, despite facing numerous challenges arising from both domestic and global factors across various domains. However, this growth was attained through various fiscal and monetary policy interventions designed to stimulate investment and create employment opportunities. Disruptions in global supply chains and a rise in fuel and commodity prices contributed to increased inflationary pressures. While several countries managed to control inflation through appropriate policy measures, Bangladesh encountered difficulties in achieving the same. Additionally, the nation grappled with issues such as a sensitive financial sector, a deficit in the financial account, fluctuations in exchange rates, and dwindling foreign exchange reserves.

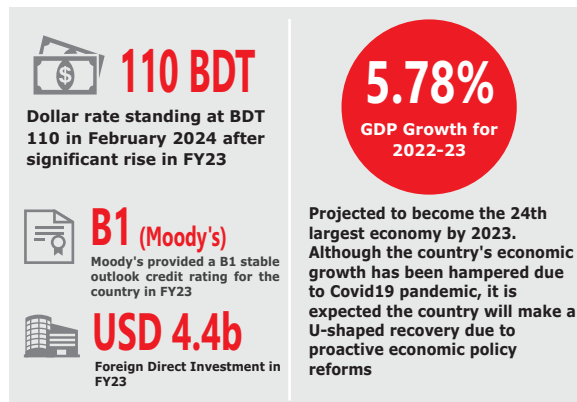
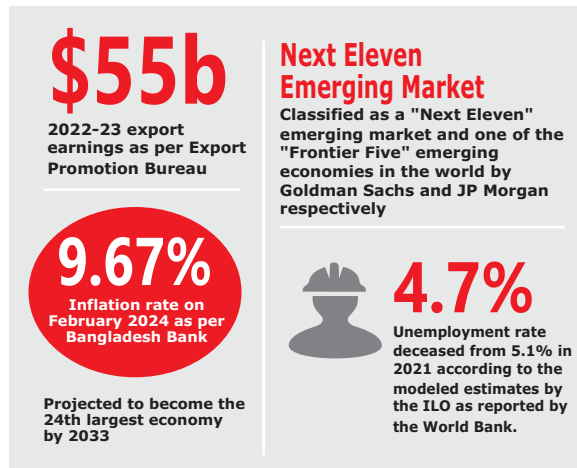
The Bangladesh Bureau of Statistics has provisionally estimated a 6.03 percent real GDP growth rate and per capita income of USD 2,765 for the fiscal year 2023. Annual inflation rate is reached with a sharp increase of 9.02 percent at the end of FY23 (9.67 percent at the end of February'24 as per Bangladesh Bank). In the fiscal year 2023, agriculture made up 11.20 percent of the Gross Domestic Product (GDP), experiencing a slight decline in growth from 3.05 percent in fiscal year 2022 to 2.61 percent. Meanwhile, the industrial sector contributed 37.56 percent to the GDP in FY23, with a growth rate of 8.18 percent, down from 9.86 percent in FY22. The services sector retained the largest share of GDP, accounting for 51.24 percent in FY23, slightly lower than its contribution of 51.48 percent in FY22. On the demand side of GDP, private consumption grew by 3.63 percent due to the relaxation of the economy from restrictions imposed over the last couple of years to contain the spread of the COVID-19 pandemic. Furthermore, public consumption increased by 10.46 percent during the same period. As a result, total consumption spending grew by 4.19 percent, which contributed 2.99 percentage points to the total growth of GDP.

Total investment increased by 2.89 percent and contributed 0.95 percentage point to GDP growth. The contribution of net exports to GDP became positive due to the positive growth of exports and a negative growth of imports.

Bangladesh is making significant strides forward, yet to fully realize its potential, this emerging champion must pro-actively engage. Bangladesh needs to set bold aspirations, foster savings, and increase investor confidence through better market management, raise capital, form global alliances, invest in digital and talent, and build resilient organizations in order to propel economic growth. With such measures, Bangladesh will find it easier to attain the status of a middle and higher income nation. Our growth narrative is supported by core factors: an ambitious and dynamic young workforce, consumer confidence, a willingness to innovate into emerging economic sectors, the

growth of middle and affluent consumer segments and economic resilience.

Key Highlights



Developments in the Bangladesh Economy

Bangladesh economy still holding its ground though the post-pandemic recovery was hindered by rising inflation, a persistent balance of payments deficit, financial sector vulnerabilities, and global economic uncertainty. Monetary, fiscal and financial reforms are in place to sustain the growth momentum going forward.

In the fiscal year 2023, real GDP growth slowed led by weakening private consumption and investment. Private sector credit growth also slowed, indicating a slowdown of investments. Inflation continues to erode consumer purchasing power, impacting the poor people the most. Several factors contributed to elevated inflation, including shortages of foreign exchange resulting in reduction of key imports, depreciation of the taka against the US dollar, energy shortages and increased power prices.



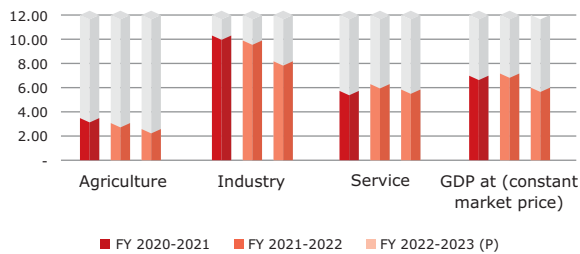
Bangladesh's strong macro-economic fundamentals have helped the country overcome many past challenges. Faster and bolder fiscal policy, vibrant financial sector and monetary reforms can help Bangladesh to maintain macroeconomic stability and reaccelerate growth. Bangladesh has strong economic fundamentals, with a demographic dividend, growing market share in ready-made garments and a large overseas workforce.



Macroeconomic Trend

GDP Growth

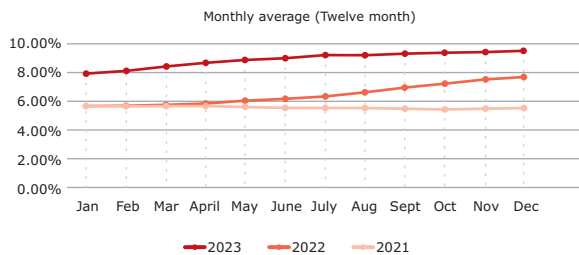
Sectoral GDP growth in Bangladesh (Percent change, unless noted otherwise)



Inflation

The CPI based 12-month average headline inflation continued rising and reached to 9.02 percent in FY23, higher than the revised target of 7.50 percent. The inflation momentum was attributed to both higher food and non-food items, mostly originated from higher import costs and the lag effects of global commodity prices and upward adjustment to the domestic electricity and fuel prices. These adverse circumstances have resulted in a swift devaluation of the exchange rate, thereby contributing to a prolonged period of elevated inflation.

Rate of Inflation

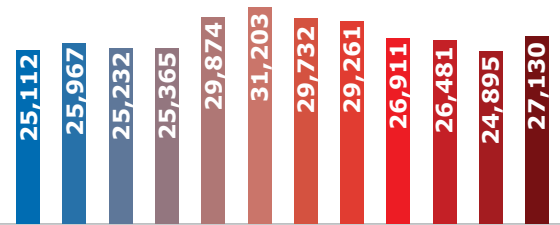


Foreign exchange reserve

Gross international foreign exchange reserves stood at USD 27,130 million at the end of December 2023. Foreign exchange reserve decreased by USD 6,618 million at the end of 2023 compare the same of 2022.

Foreign Exchange Reserve

Jan-23 Feb-23 Mar-23 Apr-23 May-23 Jun-23
Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23



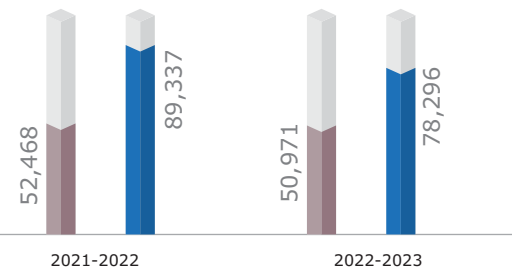
Foreign Exchange Reserve
(USD in million)

Export & Import

Export proceedings: Total export receipts of services of Bangladesh during the financial years 2022-23, 2021-22 and 2020-21 amounted to BDT 73,412 crore, BDT 76,672 crore and BDT 56,547.8 crore or USD 7,399 million, USD 8,866 million and USD 6,668 million respectively.

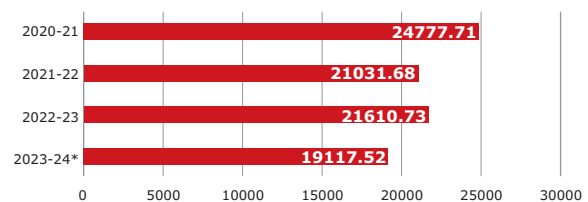
Import Payments of Services: The total import payments of services during the years 2022-2023 and 2021-2022 amounted to BDT 96,339.2 crore (or US\$ 9,695 million) and BDT 89,941.1 crore (or US\$ 10,387.1 million), respectively, reflecting a 6.7 % decrease in dollar terms.

Export Import



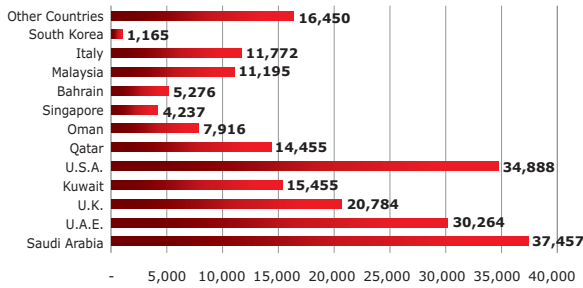
Wage Earners' Remittance

Remittances (USD in million)



*2023-24 (Provisional data)

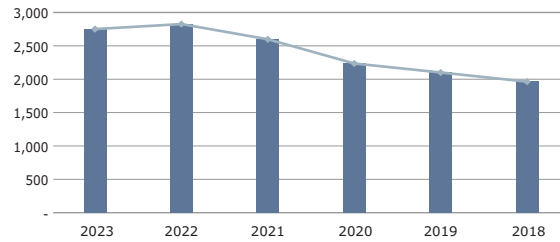
Country-wise workers remittance (BDT in Crore)



*remittance of FY 2022-2023

Per Capita Income: The per capita income went up to \$2,765 in FY2022-23 which was \$2,824 in the last FY 2021-22.

Per Capita Income in USD (\$)



Banking Industry Outlook

The year 2023 witnessed so many global challenges as mentioned above. The year 2023 also witnessed a complex situation such as geopolitical tensions, prolong impact of the COVID-19 pandemic followed by the Russia-Ukraine conflict, territorial disputes in GAZA and geopolitical tensions in Middle East 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 growth is expected to remain subdued in the near term. The high NPL ratio and the issue of good governance in

Despite these challenges, there are also opportunities for the banking industry in 2023. 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

Policy Initiatives by Central Bank

- A more flexible, market-clearing exchange rate.
- Maintaining prudent fiscal and monetary policy

Policy Initiatives by Central Bank

- Introduction of PCA Framework.
- An efficient resolution framework for NPLs to maintain financial stability and revive private sector credit.

Policy Initiatives by Central Bank

- Discouraging imports of luxury and non-essential commodities.
- Enhancing the facilities to improve the export receipts and inward remittance.

banks and NBFIs are also matter of concern for the financial stability of the economy.

The economic impacts 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. Additionally, banks will continue to face competition from fin-tech and other non-traditional financial institutions that are disrupting the industry with innovative products and services. Growth is expected to increase gradually over the medium term as inflationary pressures ease significantly, input, and foreign exchange shortages are addressed through external sector reforms, and as a result investment sentiment improves.

In terms of opportunities, Bangladesh has a large and growing population with increasing demand for financial services.

Bangladesh Bank (BB) recognizes the significant influence of digital innovation on global financial systems. It is proactively creating supportive regulatory frameworks and demonstrating dedication to establishing a resilient, streamlined, and secure financial ecosystem that adapts to emerging technological advancements considering the GoB mission "Minimum of 75 percent of local transactions to occur digitally by 2027". 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.

Recent Policy Interventions

The ongoing Israel-Gaza crisis, Russia-Ukraine crisis, supply chain disruptions 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. 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 and huge governmental debts. 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, Bangladesh Bank has taken multipronged initiatives to navigate the situation by containing growing demand and improving supply conditions with appropriate policy interventions.

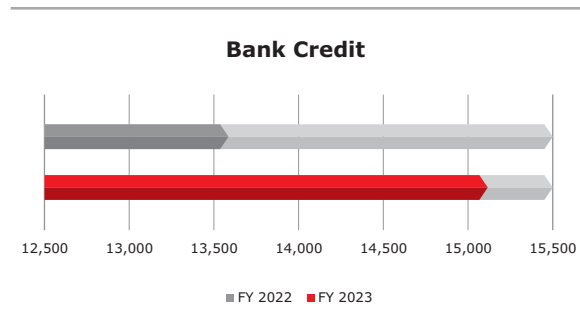
To overcome these challenges, Bangladesh Bank has taken a series of policy initiatives, including edging up the policy interest rate to mitigate the demand-side pressure; continuing the repo and liquidity support facilities for banks and NBFIs to normalize the extensive liquidity stress; extending the 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.

- Monetary Policy Adjustment
- Foreign Exchange Management
- Financial Stability Measures
- Support for Economic Recovery
- Financial Inclusion initiatives
- Regulatory reforms
- Green Financing initiatives

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 1,530 billion or 11.25 percent to BDT 15,121 billion in FY23

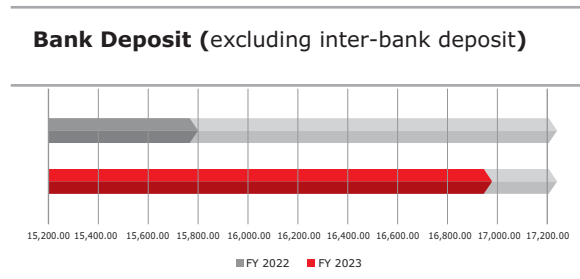


*Figures in BDT (Billion)

*As per latest available Bangladesh Bank report for the period ending Jun 23

Bank Deposit

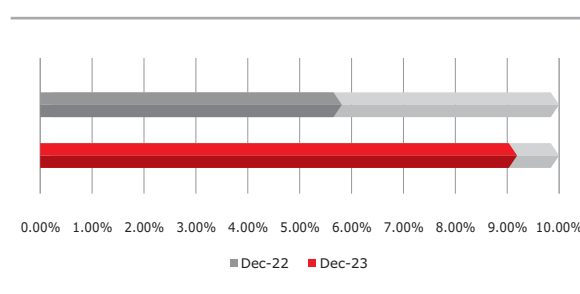
Bank deposits (excluding inter-bank items) increased by BDT 1,179 billion or 7.46 percent to BDT 16,979 billion during FY23 against the increase of BDT 1,330 billion or 9.19 percent to BDT 15,800 billion in FY22. The total bank deposits increased due to rise in per capita income and inflows of remittances. Demand deposits increased by BDT 104 billion or 5.53 percent to BDT 1,993 billion in FY23 against the increase of BDT 231 billion or 13.96 percent to BDT 1,889 billion in FY22. .



Figures in BDT (Billion)

*As per latest available Bangladesh Bank report for the period ending Jun 23

Weighted average call money rate



UCB

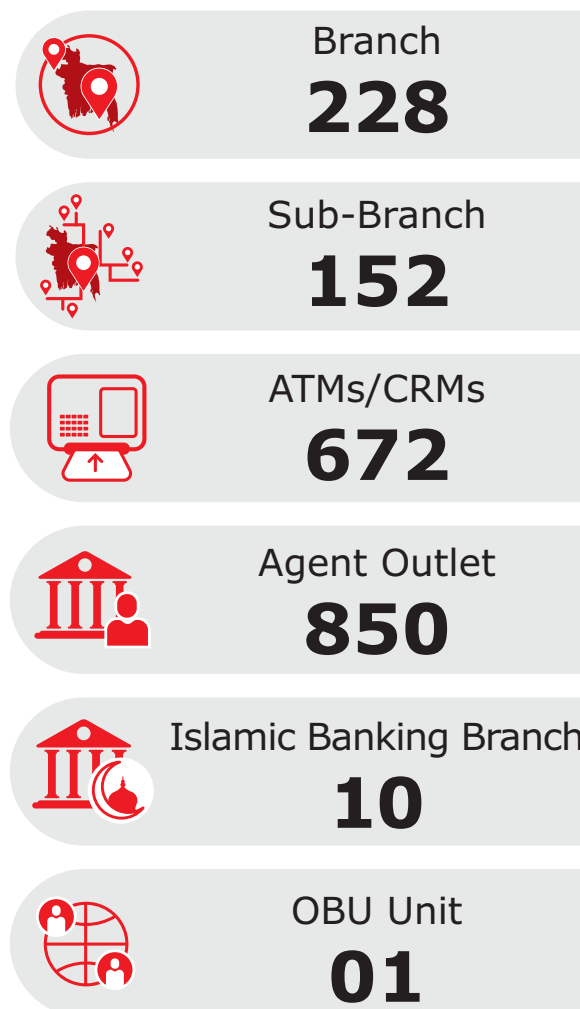
Four decades of dedicated services in advancing economic growth, social well-being and prosperity.

The state of the company's affairs and description of the business

UCB commenced its operations in the mid-1983 with an initial paid-up capital of BDT 35.50 million by some dynamic entrepreneurs, esteemed industrialists, and the Bangladesh Government with the objective of excellence in customer service with pleasure and happiness. Over the years, it has built one of the most extensive networks, boasting 228 branches as of December 31, 2023, among the pioneer banks in the private sector. Demonstrating a steadfast commitment to the nation's economic progress, the bank has left an indelible mark in the realm of private sector banking. It has achieved this through personalized service, innovative strategies, a dynamic approach, and efficient management. With aspirations to assume a leading role in the country's economic landscape, the bank actively contributes to the development of trade, commerce, and industry through a forward-thinking 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 2023 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 PLC (DSE) in the year 1986 and with the Chittagong Stock Exchange PLC (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.



Principal Activities

UCB's core competencies may be classified into the followings segments leading by interest earning activities in the form of providing loans and advances and investment activities.

Interest Earning Activities

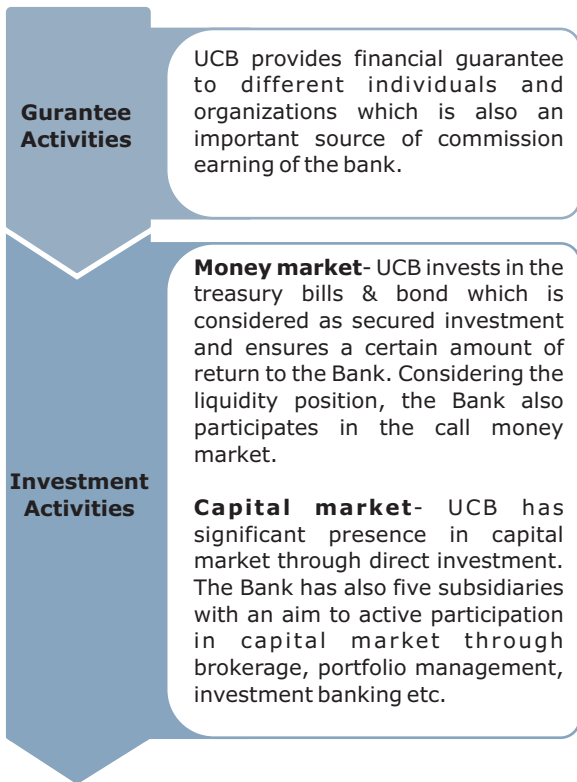
UCB has an attractive basket of loan products which cover SME financing, Project financing, Export-Import financing, overdraft facility and cash credit, home loan, car loan, lease financing, consumer financing, RMG financing, Agro loan and many more.

Local & Foreign Trade Activities

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

Remittance Activities

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



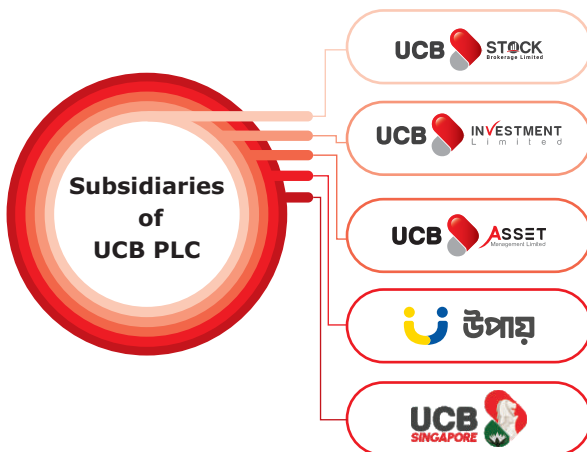
Bangladesh. It is a fully owned subsidiary of the bank. UCB Stock Brokerage Limited was incorporated in Bangladesh as a private limited company in accordance with the Companies Act, 1994. The company provides stock brokerage and margin loan services. UCB Stock Brokerage Limited started providing its 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.



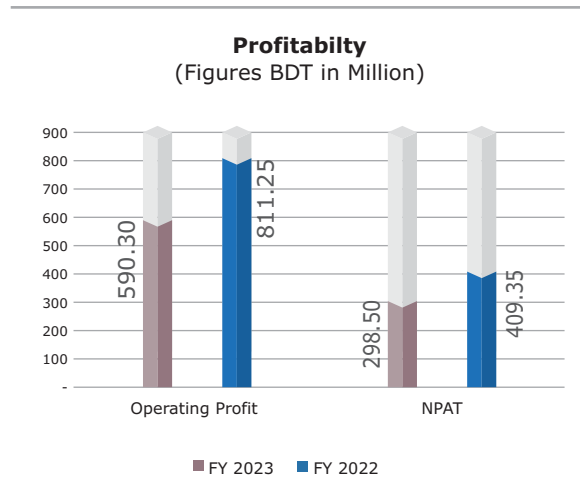
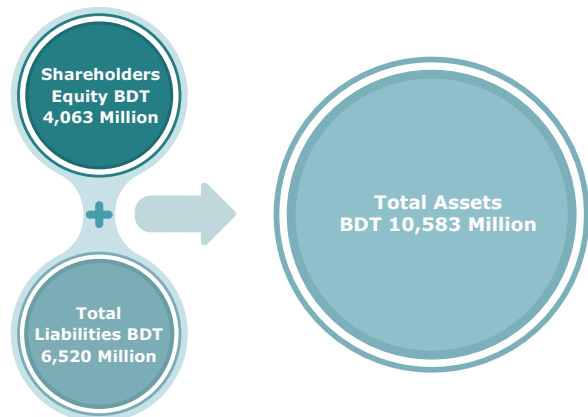
Subsidiaries of the Bank

The bank consists of five subsidiaries: UCB Stock Brokerage Limited (former UCB Capital Management Limited), UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited and UCB Exchange (SG) PTE. Ltd.



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

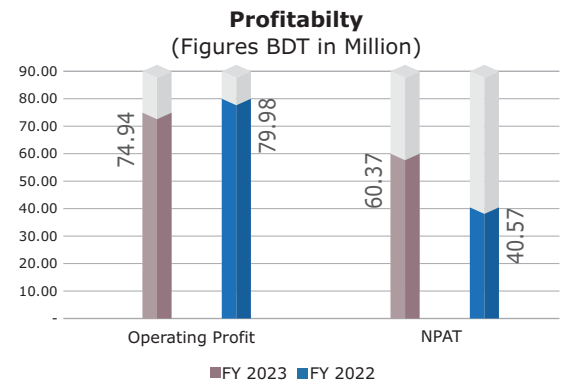


UCB Investment Limited

UCB Investment Limited (UCBIL) was incorporated in Bangladesh as a private limited company with limited liability as on 3 August 2011 under the Companies Act 1994 with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-94654/11. The Company has obtained Merchant Banking license (registration certificate no. MB-97/2020) from the Bangladesh Securities and Exchange Commission (BSEC) 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.

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. 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.

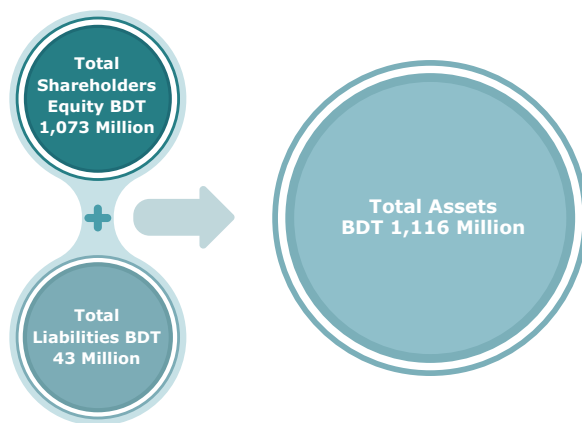
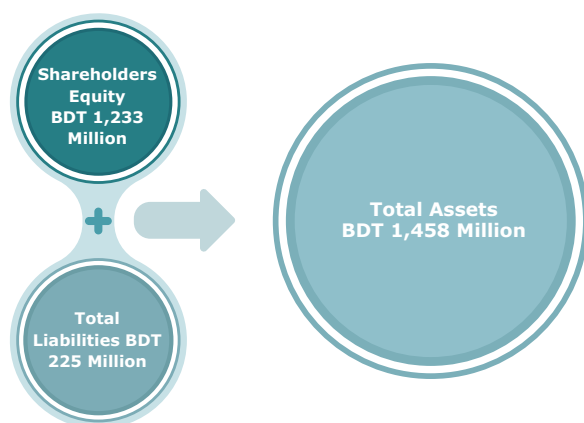
The entity aims at delivering topclass, customized investment solutions to its clients to cater to their specific needs and be their long-term growth partner. The key strength of UCBIL comes from its people, who are highly talented investment managers with vast and versatile experience in the investment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

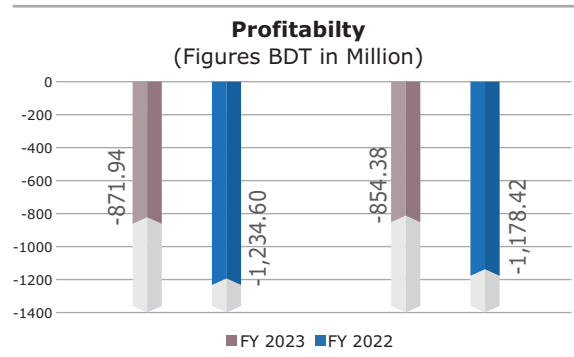
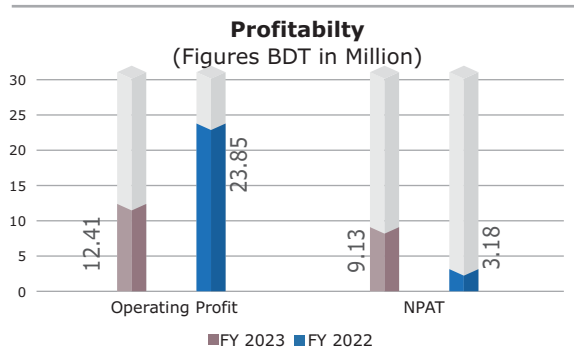


UCB Asset Management Limited

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

The principal objective of the company is to carry out various merchant banking activities in Bangladesh i.e. portfolio management, share transfer agent, fund management to issue in the capital and security market, underwrite, manage and distribute the issue of stock shares, bonds and other securities. Trust is the core value of UCB Asset Management and its mission is to gain people's confidence towards the capital market while maintaining an international standard-oriented service.

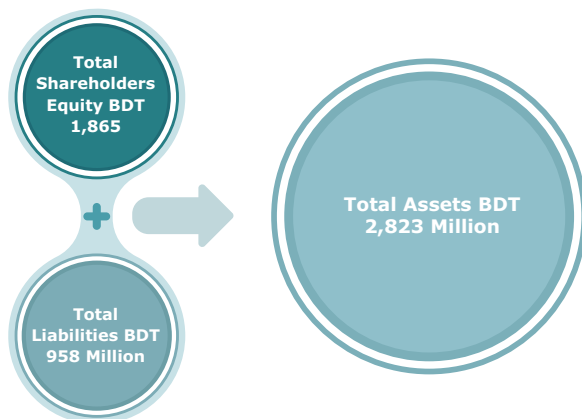




UCB Fintech Company Limited

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

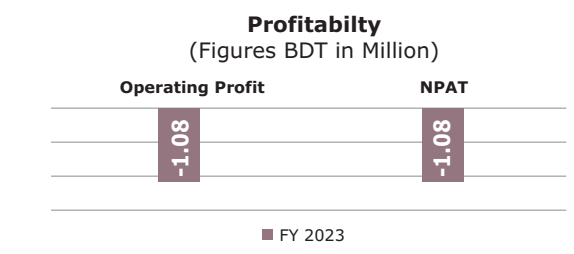
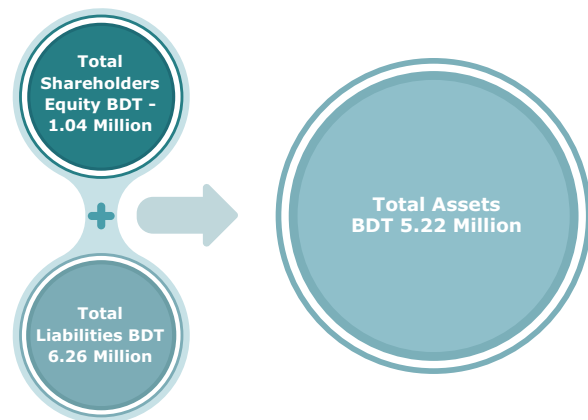
Product and services of UCB Fintech Company Limited include mobile transactions (cash-in, cash-out, send money etc.), utility bill payment, in-store and ecommerce payment, inward remittance, salary disbursement, G2P and P2G transaction, airtime recharge and other value added financial services. Going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



UCB Exchange (SG) PTE. Ltd.

UCB Exchange (SG) PTE. Ltd., a wholly owned subsidiary of United Commercial Bank PLC, was incorporated in Singapore on 25 January 2023 as a private limited company by shares under the Companies Act 1967 in Singapore having Unique Entity Number (UEN) 202302830G. After incorporation, UCB Exchange has submitted its application for remittance license to Monetary Authority of Singapore (MAS) and it is still under process.

The principal activities of the company are to carry on the remittance business and to undertake and participate in transactions, activities and operations commonly carried on or undertaken by remittance and exchange house. UCB holds 1000 nos. of shares of UCB Exchange (SG) PTE. Ltd., Singapore with face value of Singapore Dollar 1.00 each which is equivalent to 100% of total shares of the company.



Financial Performance of UCB

UCB remains well-positioned to capitalize on growth opportunities in Bangladesh's dynamic banking landscape considering the complex situation such as inflationary, liquidity and exchange rate pressures during 2023, mainly due to external shocks. Achieving this wouldn't have been feasible without robust customer trust supported by our principles-driven banking approach and clear, accountable governance.

Robust revenue growth

UCB demonstrated strong revenue growth in 2023, driven by diversified income streams and increased market penetration. Net interest income saw steady expansion, supported by healthy lending activity and a well-managed interest rate environment. Non-interest income, including fees from banking services, wealth management, and investment banking, also contributed to the bank's top line.

Strengthened Asset Quality

One of the key achievements in 2023 was the maintenance of sound asset quality through rigorous risk management practices, prudent lending standards, proactive measures to identify and mitigate credit risks resulting in a low level of non-performing loans (NPLs).

Enhanced Operational Efficiency

Efforts to streamline operations and optimize cost structures yielded positive outcomes for UCB. The bank leveraged technology and automation to improve operational efficiency, controlling overhead expenses and enhancing productivity. Investments in digital banking solutions and process optimization initiatives contributed to smoother customer experiences and increased operational agility.

With a strong financial foundation, customer-centric approach, and commitment to innovation and sustainability, the bank is poised to continue its upward trajectory and deliver value to stakeholders in the years to come.

Continued Capital Strength

UCB maintained required capital adequacy throughout 2023, reflecting its commitment to prudent capital management and regulatory compliance. Adequate capital reserves provided a solid foundation for business growth and expansion initiatives while ensuring resilience against potential economic downturns or unexpected market shocks. The bank's strong capital position also instilled confidence among investors and stakeholders.

Customer-Centric Innovation

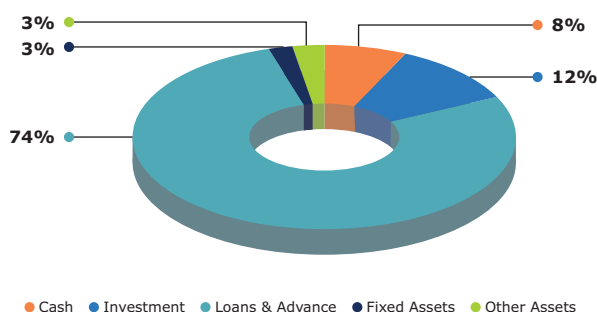
In response to evolving customer preferences and market trends, UCB prioritized customer-centric innovation in 2023. The bank introduced innovative digital banking solutions, personalized financial products, and value-added services to enhance customer engagement and satisfaction. By leveraging data analytics and customer feedback, UCB delivered tailored solutions that addressed the diverse needs of its clientele.

Commitment to Sustainability and Social Responsibility:

UCB demonstrated a steadfast commitment to sustainability and social responsibility in 2023. The bank actively supported environmental, social, and governance (ESG) initiatives, integrating sustainability principles into its business practices and decision-making processes. Through responsible lending practices, community outreach programs, and ethical governance standards, UCB contributed to positive social impact and long-term sustainable development.

Composition of Balance sheet

FY 2023





Total Asset
BDT
685,012
million



Loans & Advance
BDT
505,969
million

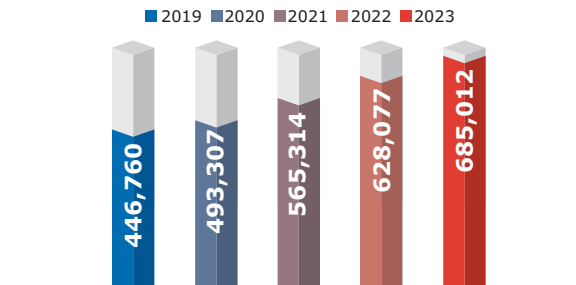


Deposit
BDT
513,395
million

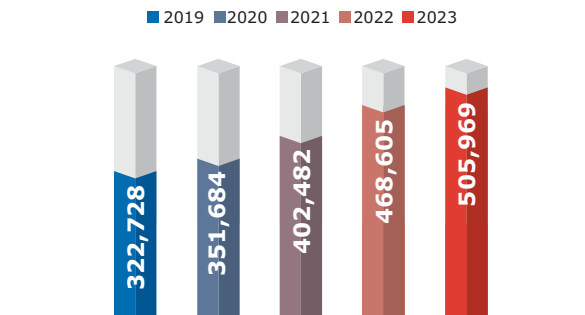


Investment
BDT
82,864
million

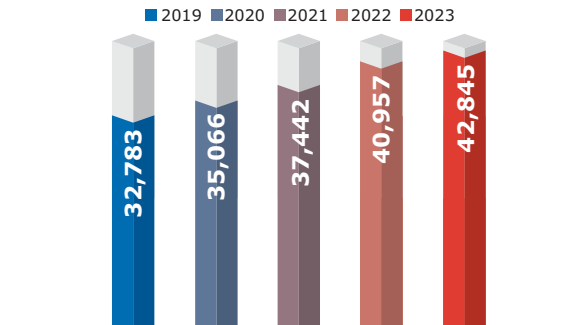
Total Assets/Total Liabilities and Shareholders' Equity (BDT in Million)



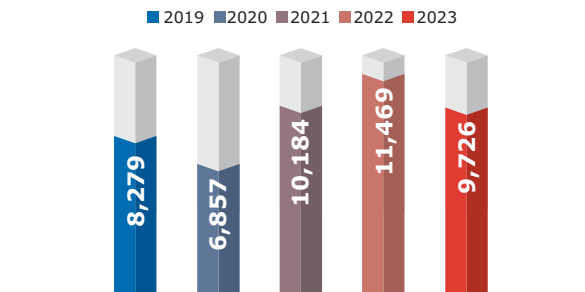
Loans and Advances (BDT in Million)



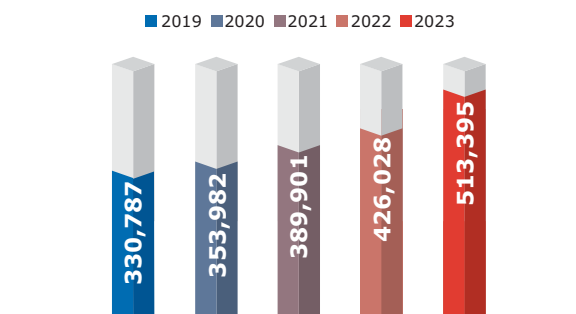
Shareholders' Equity (BDT in Million)



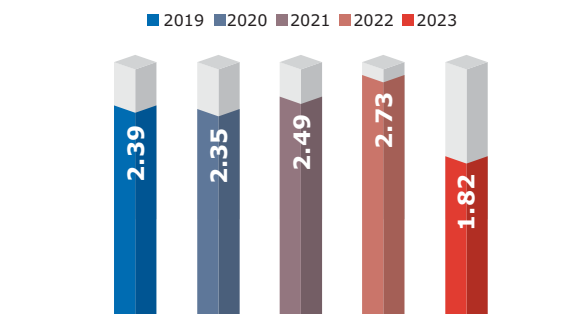
Operating Profit (BDT in Million)



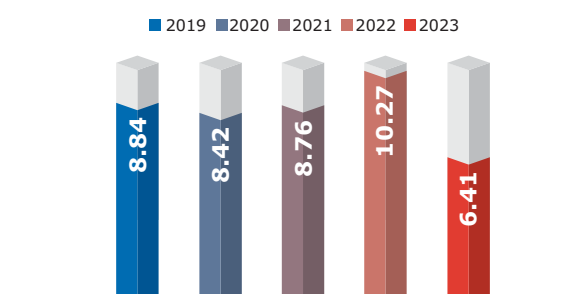
Deposits (BDT in Million)



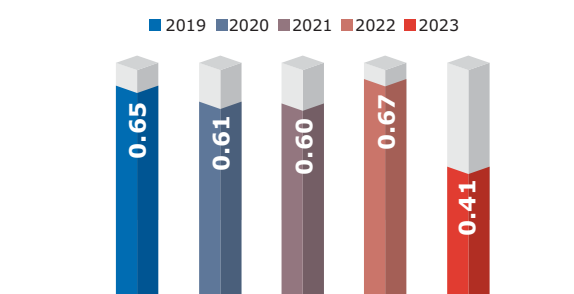
Earnings per share (EPS) in BDT



Return on Equity (ROE) in percentage



Return on Assets (ROA) in percentage



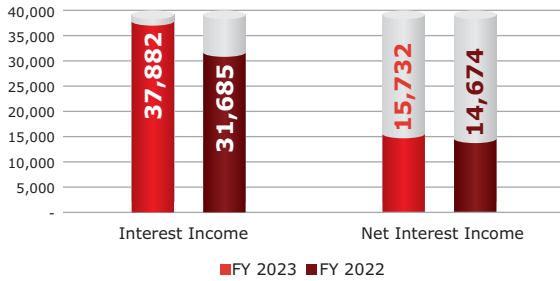
Our primary focus in 2023 was on efficient balance sheet management, upholding service excellence, recovery of classified and written off loans, mobilization of stable deposits and rationalizing costs.

Following table summarizes financial performance of UCB:

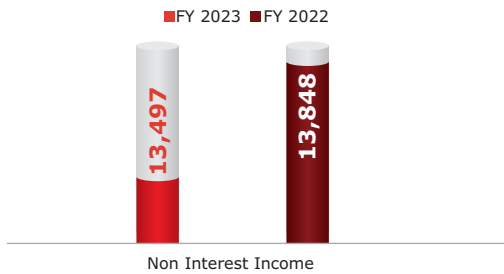
BDT in million

Particulars	UCB PLC (Stand Alone)		
	2023		2022
	BDT'M	Δ%	BDT'M
Interest Income	37,882	19.6%	31,685
Interest paid on deposits and borrowings etc	22,150	30.2%	17,010
Net Interest Income	15,732	7.2%	14,674
Investment income	5,872	3.3%	5,685
Commission, exchange and brokerage	7,285	-6.5%	7,899
Other operating income	240	-9.1%	264
Total operating income	29,229	2.5%	28,523
Salary and allowances	8,540	11.5%	7,659
Rent, taxes, insurance, electricity etc.	2,040	25.6%	1,624
Legal expenses	91	-3.9%	95
Postage, stamps, telecommunications etc.	222	1.3%	219
Stationery, printing, advertisements etc.	1,688	-0.4%	1,694
Chief Executive's salary and fees	16	16.6%	14
Directors' fees	3	-10.3%	4
Auditor's fees	1	-33.3%	2
Depreciation and repair of banks assets	2,489	18.1%	2,074
Other expenses	4,453	21.3%	3,671
Total Operating Expenses	19,503	14.4%	17,054
Profit/ (Loss) before provision	9,726	-15.2%	11,469
Loans & advances	3,776	-30.4%	5,423
Recovery from Write-Off	(410)	73.0%	(237)
Diminution in value of investments	61	-90.0%	612
Other Provisions	712	-247.6%	(482)
Total provision	4,548	18.1%	5,553
Total Profit/ (Loss) before taxes	5,177	-12.5%	5,916
Provision for taxation:			
Current tax expense	2,987	-4.7%	3,133
Deferred tax expense/ (income)	(494)	-60.2%	(1,241)
Total provision for taxation	2,492	31.7%	1,892
Net Profit after taxation	2,685	-33.3%	4,024

Interest Income & Net Interest Income

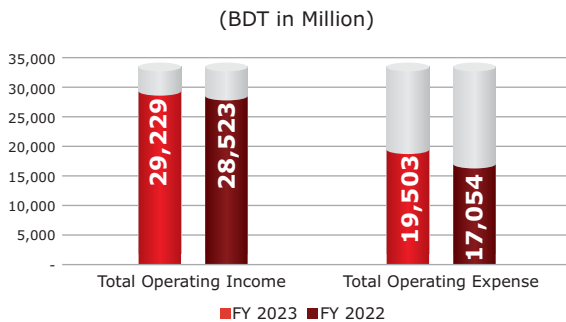


Non-Interest Income



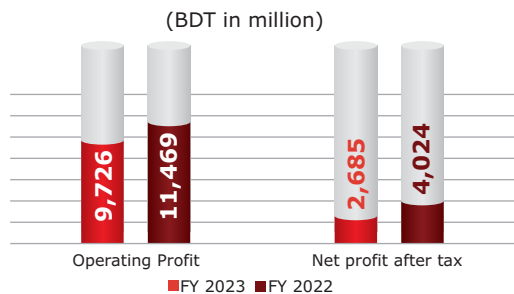
*Figures BDT in Million

Total Operating Income & Total Operating Expense



*Figures BDT in Million

Operating profit & Net profit after tax

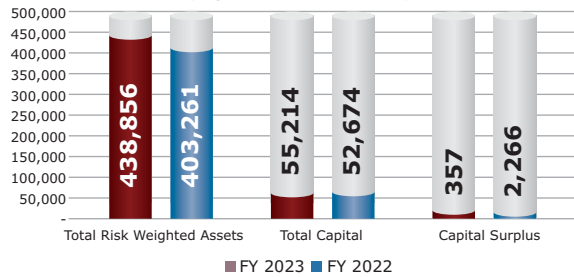


*Figures BDT in Million

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 12.58% as on 31 December 2023. For details please see Note 14.6 (Capital to Risk Weighted Asset Ratio) section of the Financial Statements.

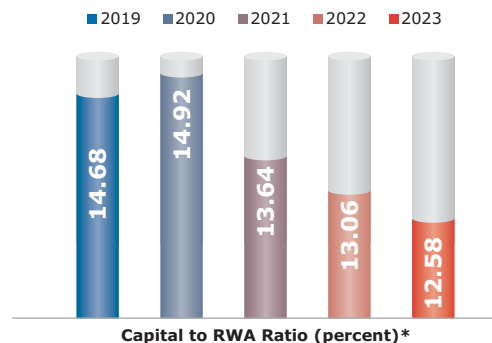
Capital adequacy status under BASEL III (Figure BDT in Million)



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.

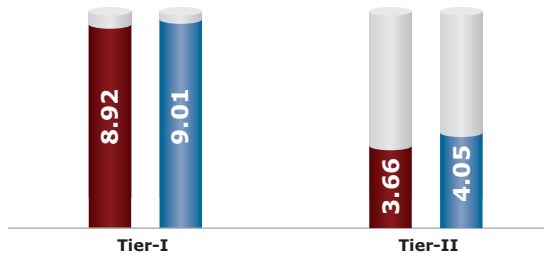
Capital to RWA Ratio (percent)



Capital to RWA Ratio (percent)*

Tier-I & Tier-II capital

FY 2023 ■ FY 2022



Stakeholder-centric approach to value creation

Our agenda for value creation is centered on making a lasting impact on all individuals and entities associated with the bank. The primary focus remains on meeting the needs and expectations of all our stakeholders, while advancing our journey towards sustainable value creation for everyone involved.



Divisional Overview



Corporate Banking

Bangladesh is UCB's home for over 40 years and being the first generation private bank after liberation, it has fronted many challenges of time and has gained and sustained the position of one-of-the leading banks. As time passes, UCB has adopted changes in terms of including state-of-the art technology, corporate governance, product diversification, widening branch network, agent banking, mobile financial service, recent digital banking but the zeal of innovation & exploring continues.

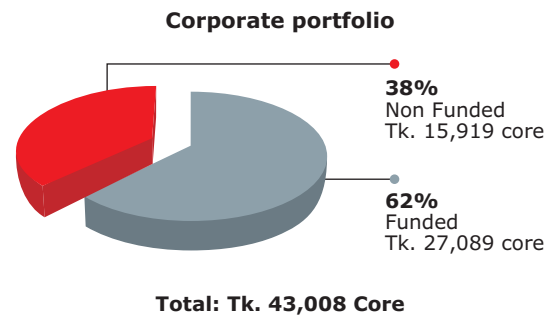
Though, the year 2023 brought multidimensional challenges for the economy of Bangladesh, UCB has captained strongly and sailed through the economic tide shocked by post COVID era and, afterwards, war between Russia & Ukraine. The bank chose to utilize its resources rationally and efficiently amidst such critical juncture. As one of country's leading first generation private bank, UCB has remained a strong and progressive banking partner to flourish and pave the advancement of country's industrialisation.

Corporate Banking Division (CBD), UCB, plays the vital role for steering earnings for the bank. CBD works together with its corporate customers to create a better financial future for the country. It has always endeavoured in one hand to render top-notch services and prompt tailored solutions to satisfy business need of its corporate customers and, on the other hand, bring forth growth in earning, loans & advances as well.

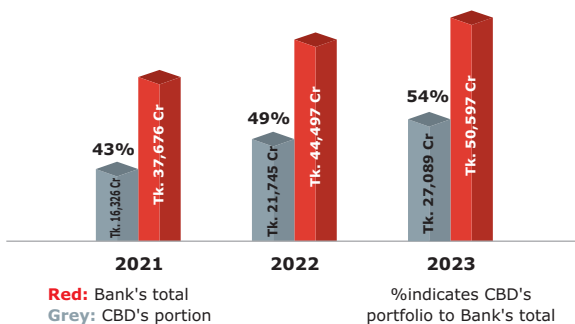
Corporate Banking shares about 50% of Bank's earnings in 2023 and each year the portfolio is increasing gradually. Corporate banking not only limits itself merely a profit maker but emphasizes greatly on advocating enrichment of environment friendly facilities. Since corporate banking partners with large corporates owning massive factories, yards etc., it promotes pollution stabilizing facilities. Corporate project financing of the bank is supporting establishment of new factories and BMREs of existing which contributes to country's employment growth and widens socio-economic perspective.

UCB's corporate financing extends to power, oil & gas, long & flat steel, poultry & fish feed, infrastructure development, commodity, cement, home appliance, mobile manufacturing etc. We are proud to be a finance partner of some nationally important project as Padma Bridge, Metro Rail, Chittagong-Cox's Bazar locomotive line etc.

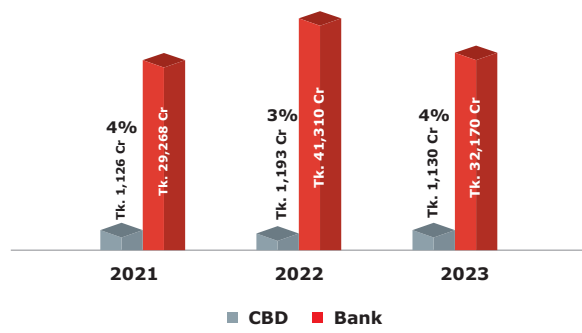
A glimpse of corporate banking is presented below:

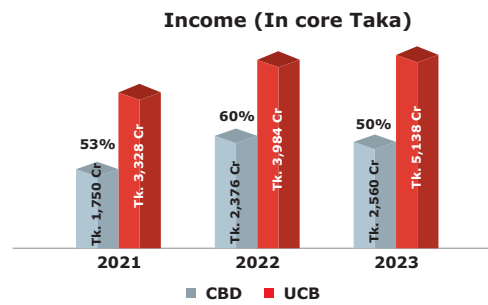
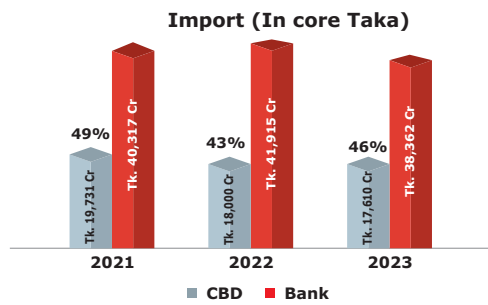


Year-to-year portfolio growth of Corporate Banking Division (CBD)



Export (In core Taka)

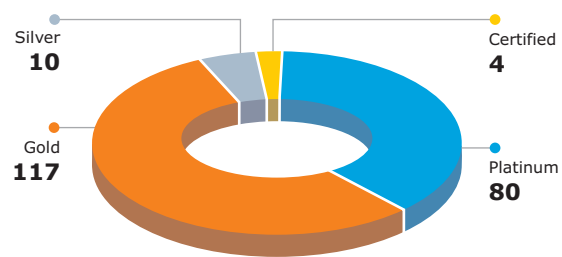




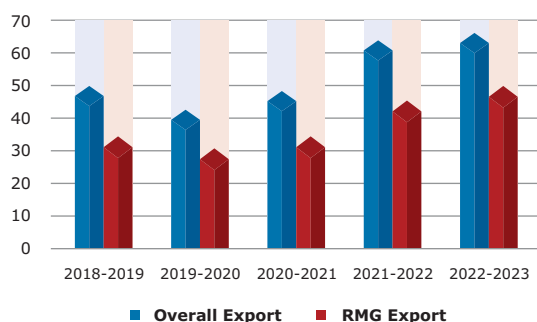
Achievements of UCB PLC in the RMG Sector of Bangladesh

Bangladesh is the world's second-largest exporter of ready-made garments (RMG). The "RMG" sector is a cornerstone of our economy, contributing approximately 84% to the nation's total export earnings. In the fiscal year 2022-2023, total goods & services export of Bangladesh was USD 63.06 billion out of which RMG exports reached an unprecedented USD 46.99 billion. This sector employs over 04 million people, predominantly women around 60%, thereby playing a crucial role in gender empowerment and economic stability. Bangladesh boasts 211 LEED-certified factories, solidifying its position as a global leader in sustainable garment manufacturing. Among these, an impressive 54 out of the top 100 LEED Green Factories worldwide, including 9 of the top 10 and 18 of the top 20 are in Bangladesh. Despite facing challenges related to compliance with international labour standards and environmental sustainability, the RMG sector continues to thrive, bolstered by significant investments in technology and infrastructure.

Leed Certified Factories in Bangladesh



Comparison of RMG Export to Total Export



Position of UCB PLC in the RMG Sector: As one of the leading private commercial banks in Bangladesh, United Commercial Bank PLC (UCB) has been instrumental in facilitating the growth and sustainability of the RMG sector through its tailored financial solutions. These services/solutions include project finance, working capital finance, and export-import finance. In the fiscal year 2022-2023 alone, RMG exports amounting to nearly USD 3.50 billion was routed through UCB, representing 7.45% of the country's total RMG exports. Our strategic focus on the RMG industry has enabled numerous garment manufacturers to scale their operations, adopt advanced technologies, and meet stringent international compliance standards. With a fixed customer-base since its inception in 1983 to till date, UCB has delivered optimum customer retention performance, which is exemplary in the market. It's of no surprise that, there are pioneer customers who exclusively route all of their businesses with UCB due to financial solutions and service oriented comfort. Notably, several customers route exports amounting to over USD 350 million through UCB.

Trade Finance Automation: We understand the complexities of international trade in RMG sector. Our dedicated RMG & trade finance team offers expertise in

handling import and export transactions, ensuring smooth garment export processes for RMG businesses. UCB offers a state-of-the-art Core Banking System that keeps the customers informed as they enjoy instant email and SMS notifications for key transactions, including Letter of Credit activity, proceed realization, disbursements and adjustments of loan. Throughout the COVID-19 pandemic, our employees ensured seamless trade business support by working from home and also played prominent role in disbursing many Government sanctioned stimulus funds in a timely manner, ensuring uninterrupted financial support to keep the economy running.

Digital Transformation: UCB is at the forefront of digital banking, offering online platforms and mobile applications that streamline financial transactions for RMG businesses. UCB PLC offers a comprehensive suite of services to its RMG customers from a single point of contact. This includes support for worker wages through Mobile Financial Services (MFS)/Upay and salary management for staff and executives via accounts and ATMs. Additionally, our Corporate Internet Banking solution, U-net Enterprise, empowers the customers to conveniently monitor account activities.

Sustainable Finance: We actively promote sustainable practices by offering financing solutions that encourage eco-friendly production processes and adherence to labour standards. Additionally, we provide exclusive support to RMG customers by arranging various refinancing schemes such as OBU Finance, ECA Finance and Bangladesh Bank Refinances such as- the Green Transformation Fund (GTF), Long-Term Financing Facility (LTFF), Japan International Cooperation Agency (JICA), and the Support to Sustainable and Renewable Energy (SREUP) project. Generally, the refinancing cost is half of the regular borrowing cost, ensures more profitability for the customers.

Looking Ahead: UCB remains committed to playing a pivotal role in the continued success of Bangladesh's RMG sector. We will focus on:

- **Innovation:** Continuously developing new and innovative financial products and services that cater to the evolving needs of the RMG industry.
- **Financial Inclusion:** Expanding our reach to provide financial services to a wider range of RMG businesses, including smaller players.
- **Sustainability:** Encouraging and supporting sustainable practices within the RMG sector for a greener and more ethical global garment industry.

Conclusion: Our unwavering commitment and tailored financial services have significantly contributed to the unprecedented growth and sustainability of Bangladesh's RMG sector. As we look ahead, UCB remains committed to driving progress and prosperity in the RMG sector, ensuring it continues to thrive as a pillar of Bangladesh's economy.



SME & Agri Banking Division

UCB's commitment to supporting Small and Medium Enterprises (SMEs) in Bangladesh has yielded remarkable results, reinforcing our position as a leading provider of SME banking services. Recognizing the vital role SMEs play in driving economic growth and job creation, we have tailored our financial products and services to meet their unique needs. Our offerings include flexible loan products, efficient credit processing, and comprehensive advisory services, all designed to facilitate the growth and sustainability of these businesses. Additionally, we have leveraged digital banking solutions to enhance accessibility and convenience for our SME clients. Through dedicated support and innovative solutions, we have empowered countless SMEs to expand their operations, improve their financial health, and contribute more robustly to the national economy. Our efforts in SME banking not only reflect our strategic priorities but also underscore our commitment to fostering inclusive economic development in Bangladesh.

Key Performance:



2nd Position

Industry mkt. share

Among all Private Banks (excluding Islami Bank) in terms of SME Outstanding



Tk.860 cr.

Agri Loan Disbursement

Disbursed a total Tk.860 crore against a target of Tk.776 crore in FY 2022-23. i.e. 110.82% achieved.



17.2% growth

SME Loan Portfolio

SME outstanding stood at Tk.13,799 crore, which was Tk.11,771 in 2022.



Tk.9,412 cr.

SME Loan Disbursement

Total of Tk. 9,412 crore has been disbursed during the year 2023 which was 6,310 crores in last year. i.e. 49% Disbursement increase.



16.7% growth

SME Deposit

Increased by Tk.920 crore from Dec-2022 & stood Tk.6,414 crore as on 31 Dec, 2023.



Tk.675 cr.

Refinance Received

Tk.675 Crore received in Y-2023 as Refinance from Bangladesh Bank under various SME & Agri. Refinance Schemes.



Tk.1026 cr.

WE Loan Disbursement

Disbursement increases 224.31% from the last year. WE outstanding stood at Tk.768 crore i.e.289% Growth.



11% growth

Unsecured Loan (USIL)

Total of Tk. 340.34 crore has been disbursed during the year of 2023 to 553 no of SME customers. Portfolio growth was 11%.



Tk.698 cr.

Credit Rating for SMEs'

Successfully completed 72% Credit Rating for SME eligible customers.

SME Loan



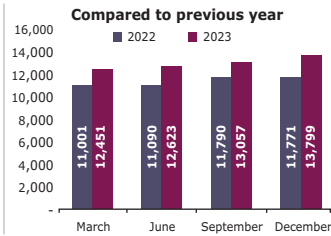
Tk.13,799 Cr.
Actual Loan



Tk.13,346 Cr.
Target Loan



103%
Target Achievement



Agricultural Loan (FY- 2022-23)



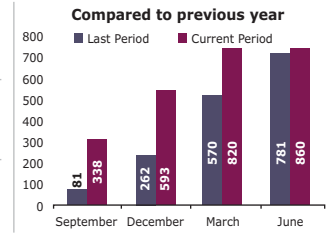
Tk.860 Cr.
Actual Agri. Loan



Tk.776 Cr.
Target Agri. Loan



111%
Target Achievement



SME Deposit



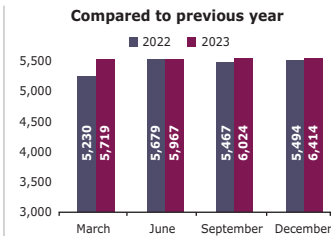
Tk.6,414 Cr.
Actual Deposit



Tk.6,343 Cr.
Target Deposit



101%
Target Achievement



WE Loan



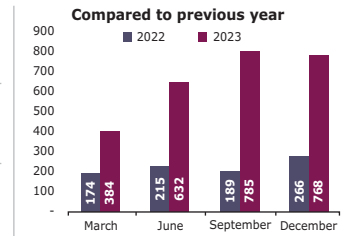
Tk.1026 Cr.
WE Loan disbursed



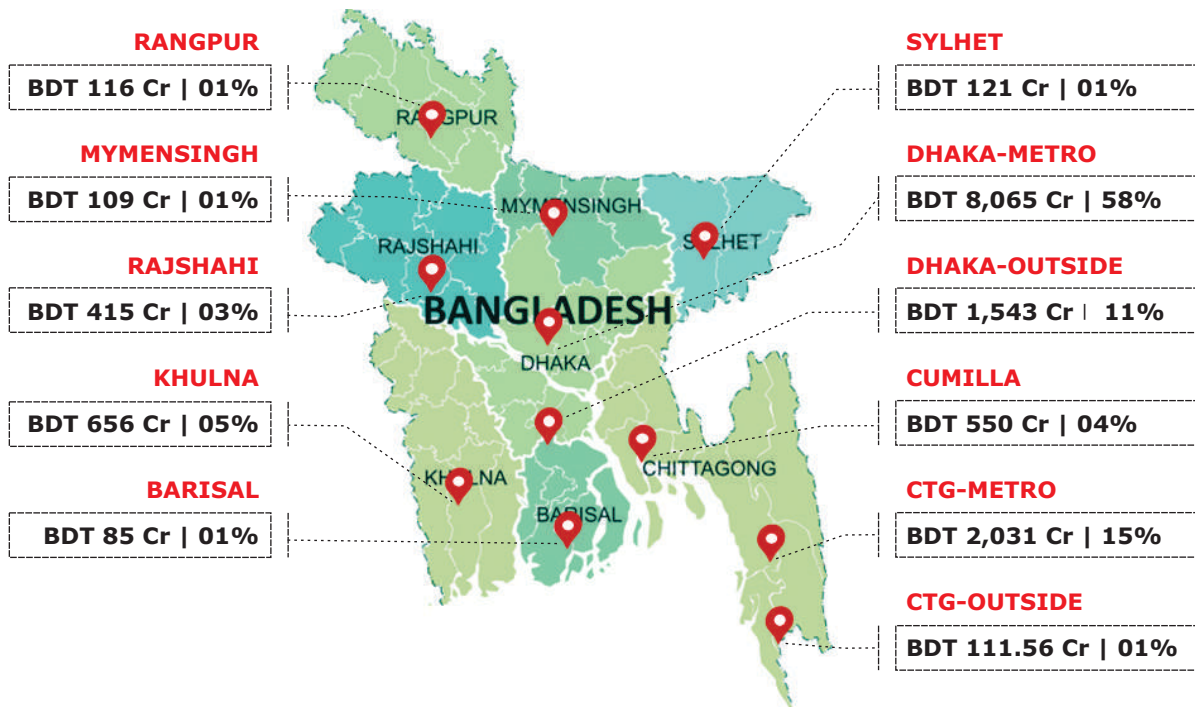
Tk.768 Cr.
WE Loan Outstanding



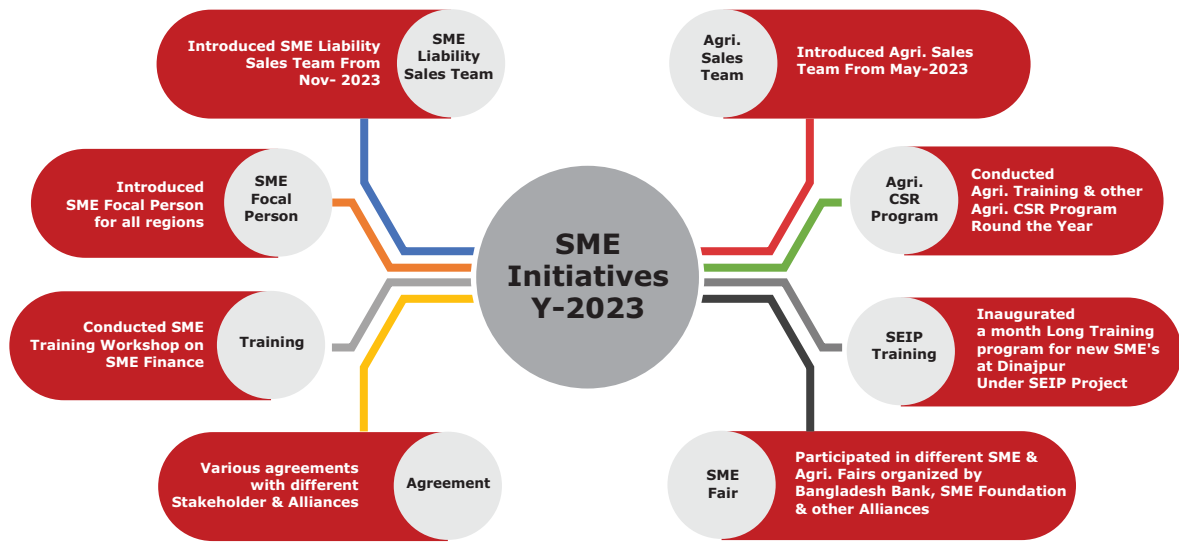
188%
Growth (Y-o-Y)



Regional Footprint:



Key Initiatives in the year 2023:



A glorious year of SME – 2023

UCB - The Best SME Bank in Asia

United Commercial Bank PLC (UCB) won the Platinum Award (top position) for focusing on Creating Sustainable SMEs through Digital Revolution in the category of SME Financier of the Year, Asia of the Global SME Finance Awards 2023, by IFC, World Bank Group managed by SME Finance Forum on 13 September 2023 at Mumbai, India. UCB also recognized with an "Honorable Mention" in Best Financier for Women Entrepreneurs Category. Last year UCB received Honorable mentions in two categories namely SME Financier of the Year - Asia and Product Innovation of the Year 2022 which was held in Cambodia.



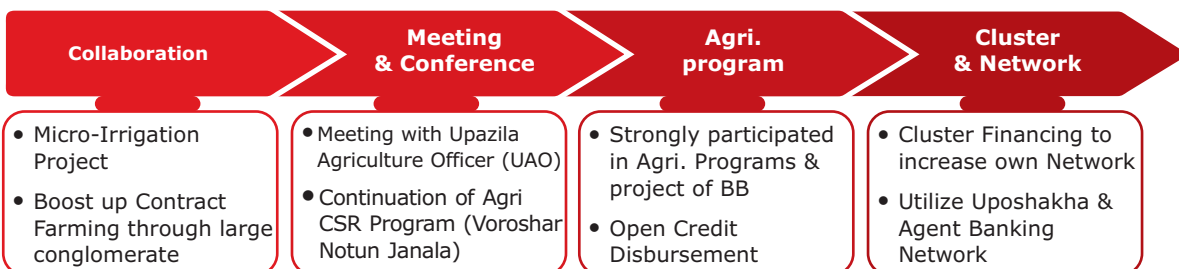
UCB won the Platinum Award



SME Financier of 2023 Asia



Action plan for the year 2024





Retail Banking Division

UCB maintain a solid commitment to excellence in retail banking, driven by dedication to meeting the diverse needs of our customers by embracing innovation and technological advancements. UCB retail business encompasses a wide range of liability and asset products, offering a comprehensive portfolio designed to support our customers' financial journeys.

In the pathway of growth and excellence journey, the Retail Banking thrived in all portfolios in 2023.

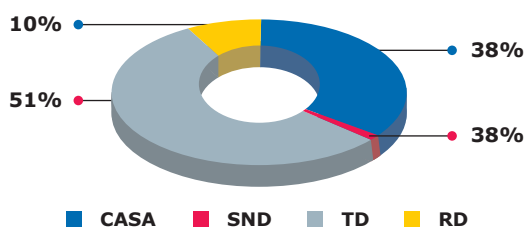
The Performance highlight of Retail Banking in 2023 -



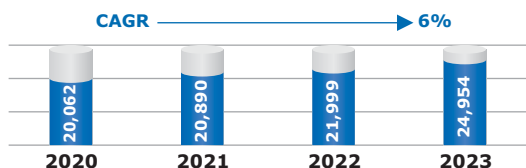
Retail Deposit

UCB has achieved phenomenal growth (13%) in Retail deposit in 2023 vs 2022 which is the highest ever growth over last 4 years' span. The total new CASA accounts (conventional) open in 2023 is 186.5k which is 22% growth over last year.

RETAIL DEPOSIT DISTRIBUTION



TOTAL DEPOSIT BDT_CR



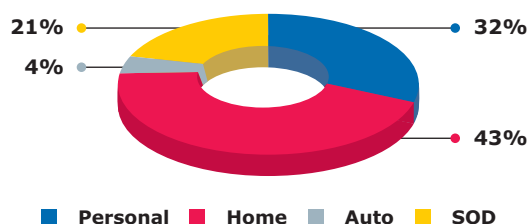
The key drivers of the deposit growth are

- Strong distribution network
- Diversified product composition
- Superior Customer relationship & service
- Tech Savvy Banking Platform

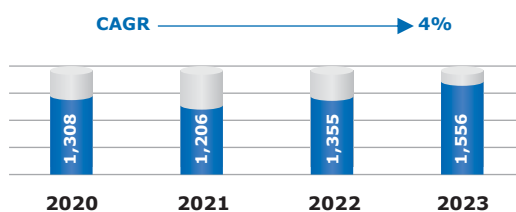
Retail Loan - UCB retail loan growth was 15% in 2023. Mainly growth contributed by Home loan (40% growth in 2023). According to strategic goal, we are focusing on home loan, and as a part of that BDT 300 crore home loan disbursed in 2023 which is 60% of total retail loan disbursement. Despite adverse economic condition of the country, our proactive employees made it a grand success. UCB is giving priority on decent loan portfolio growth. As part of individual financial needs, UCB is working on different need-based lifestyle lending products.

Loan Portfolio Mix by Product -

PRODUCT WISE RETAIL LOAN



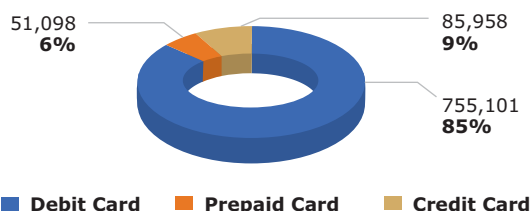
TOTAL LOAN PORTFOLIO BDT_CR



Card Business

UCB involves offering a wide card products and services tailored to the needs and preference of customers in the local market. By offering diverse and customer centric cards such as credit card, debit card, prepaid card, business card, co-branded card, the bank attached and retained a wide range of customers while maximizing revenue in the financial service market. as a part of strategic focus, launched prestigious Dual Currency Debit Card and Country's first MFS Co-Branded UCB-UPAY prepaid card in 2023. To give our cardholders hassle-free card services and lucrative discounts on necessary goods and services, year-round campaigns and promotions were run actively. As a result, credit card transactions volume increased by 43% from 2022 and the credit card portfolio grew by more than 18%

TOTAL LIVE CARD STATUS



- Launch Co-Branded Credit/Prepaid Card with some major partners
- Launch Fuel Card (Credit/Prepaid)
- Launch SME Women Entrepreneur Business Credit Card & Debit Card
- Launch Women Credit Card for Regular Consumer

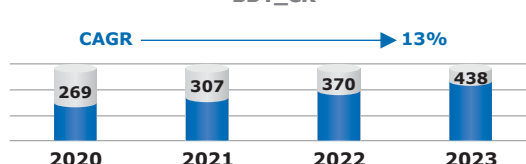
Acquiring (PoS)

The Merchant Acquiring represents a significant milestone in our journey towards excellence and market leadership since launching year of 2018. We are thrilled to announce the successful acquisition of leading merchants under UCB POS Acquiring Business. Currently UCB is in 3rd position in terms of volume and no of POS in the market. The acquiring transaction volume growth is 32% over last year. This milestone marks a significant step forward in our journey towards market presence.

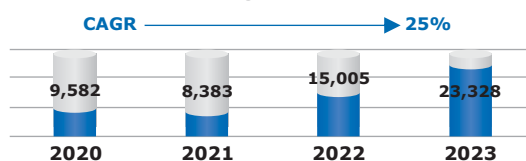
Milestone in 2023

- Introducing Android POS for the 1st time in Bangladesh
- Launch UCB Bangla QR Merchants Code as a Part of cashless transaction

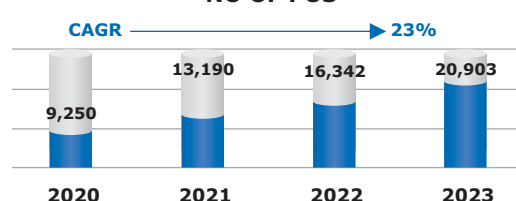
CREDIT CARD PORTFOLIO



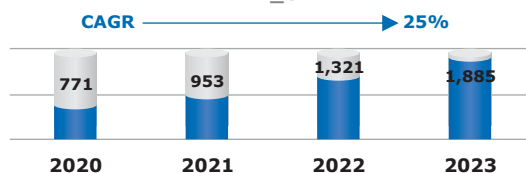
NEW CREDIT CARD ISSUANCE



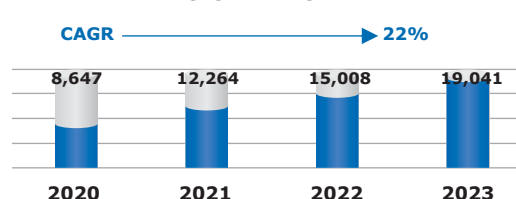
NO OF POS



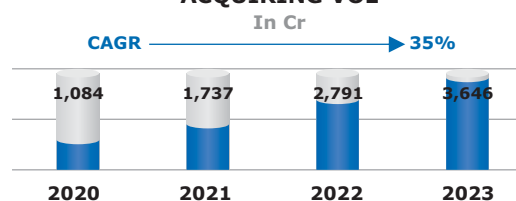
TRANSACTION GROWTH



NO OF MERCHANT



ACQUIRING VOL



Major activities of card business unit in 2023:

- Mastercard Incentive Deal for next 7 years
- Mastercard Prepaid Card Launched in UCB for the first time
- Dual currency facility for Debit Card in UCB for the first time
- Launched Co-Branded Prepaid Card with upay. First time in banking industry issuing Prepaid Card for MFS users in Bangladesh
- Cashback on EMI based campaign for Credit Cardholders for the 1st time.

Key Action Plan for 2024:

- Incentive Deal with VISA for next 5 years
- Visa Incentive Deal for upay Co-Branded Prepaid Card with upay
- MasterCard Incentive Deal for upay Co-Branded Prepaid Card with upay

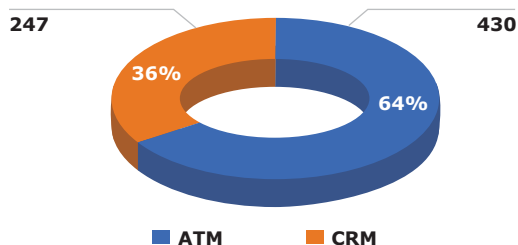
Below Top Renown Merchant On boarded in year 2023 as a part of strategic alliance -

- Bata Shoe Company (bangladesh) Limited Bata
- DhI Worldwide Express Bd Pvt. Ltd
- Epyllion Holdings Limited- Sailor
- Lubnan Trade Consortium Ltd- Richman/infinity
- Kay Kraft Kay Kraft
- Astra Airways Limited Air Astra

ATM/CRM

To ensure door step retail banking financial services, ucb ATM/CRM network is expanding significantly over the periods. At present, UCB owns 430 ATMs and 247 CRMs across the country. The number ATMs/CRMs and transactions also increased significantly year on year. To optimize the alternate channel many initiatives already has been taken.

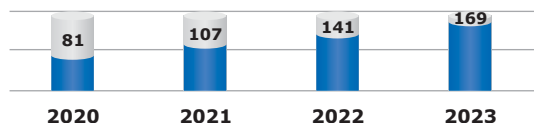
TOTAL ATM & CRM



NO OF TRANSACTION

ATM & CRM (in Lac)

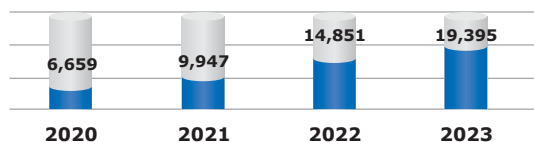
CAGR → 20%



NO OF TRANSACTION VOL

ATM & CRM (in BDT Cr)

CAGR → 31%



CEP (Payroll Business)

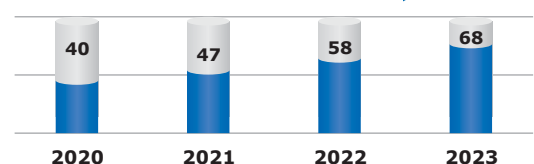
Our Corporate Executive Package(CEP) has been proven itself as a very successful business unit that has been helping to contribute the overall growth of the banking business in both retail and corporate portfolio. Significant contribution of CEP unit is as stated here -

- Payroll Deposit Growth 23%
- New payroll account opened in 2023 is 30k, YoY growth 45%

DAILY MACHINE TRANSACTION PRODUCTIVITY

ATM & CRM

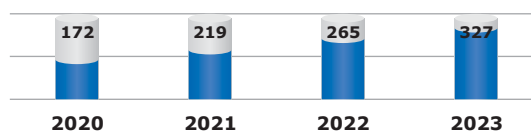
CAGR → 15%



CEP PORTFOLIO (DEPOSIT)

BDT_Cr

CAGR → 17%



In 2023, 256 company's on boarded as corporate payroll accounts clients. The Major onboarded companies are -

- Bashundhara Group
- Akhter Group
- Edison Group
- Paramount Group
- Western Engineering (pvt) Ltd
- J.M. Industries Limited
- Nde Infrastructure Ltd
- Bhaiya Group
- Lavender Group
- Saiham Knit Composite

Challenges in Retail Banking -

- The banking sector in Bangladesh faced serious crisis in 2023, including: dollar shortage, depreciating local currency, loan irregularities
- Banking sector faced major liquidity crisis that reduced customer's confidence towards banks that challenged maintaining deposits
- More fintech companies and digital banks entered the market with convenient services with the ability to serve at a minimum cost while traditional banks are struggled to enrich their digital offerings
- Economy faced a high inflation rate that hampered macroeconomic savings and investment
- Adaption of new technologies and replacing the existing one was also a major challenge
- High import growth, low remittance growth, current account deficit, depleting forex reserves, and increase in non-performing loans major challenge for the banking industry

Retail Banking Way forward -

As a forward-looking bank, UCB is dedicated to driving innovation, fostering customer-centricity, and upholding our role as a trusted financial partner. By staying agile and adaptable in the face of changing market dynamics, we are confident to continue delivering superior value to both our customers and shareholders. Our performance in retail banking underscores our financial strength and unwavering commitment to excellence and customer satisfaction. We extend our gratitude to our customers, employees, and stakeholders for their continuous support and trust, and we look forward to the opportunities that lie ahead.

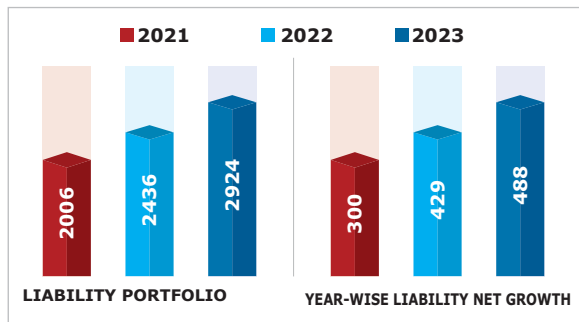
Our Strategic Focus -

- Customer-Centric Approach
- Innovative Product thru Digital Transformation
- Financial Inclusion
- Enhance Customer Experience
- Enhance Partnerships and Collaborations
- Optimize Distribution Network

Imperial Banking

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.

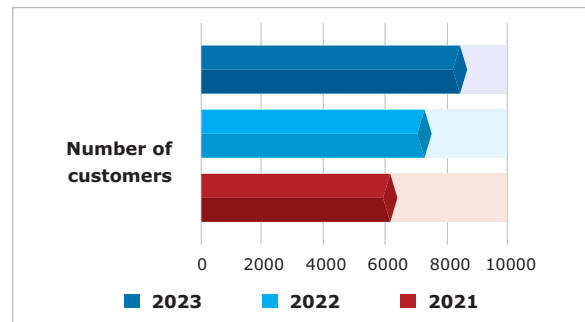
Since its inauguration in June 2012, it has been a glorious journey for Imperial Banking with numerous success stories. Inspired by its past success, Imperial Banking is now looking ahead to an even brighter future.



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.

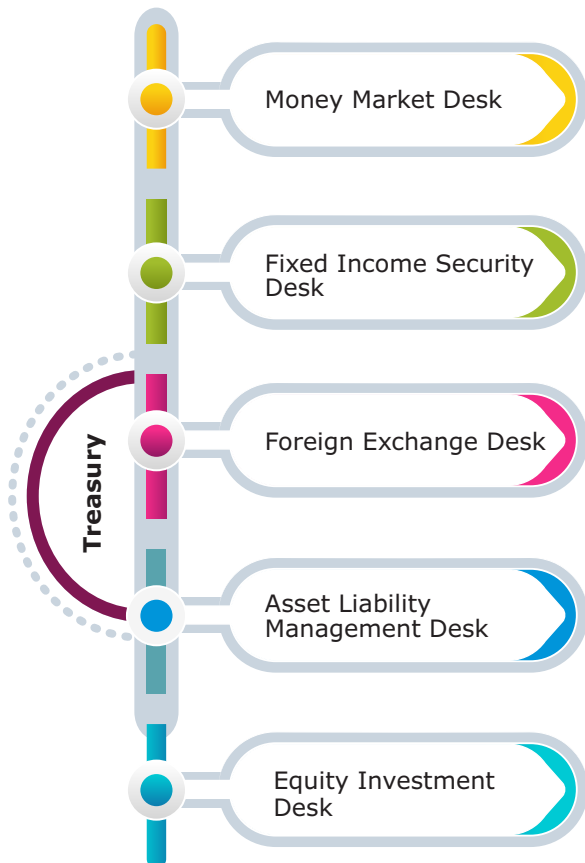
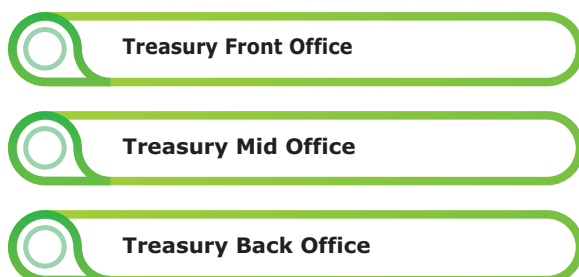
Below are the 3 year's growth results



Treasury Division

Treasury division plays a crucial role in managing various aspects of the bank's assets and liabilities, liquidity, and risk. Major function of treasury includes fund management, statutory requirement, investment, trading of Foreign Exchange & Money Market Instruments, Asset Liability Management and Risk Management. UCB PLC has well trained and energetic and dedicated treasury team capable of providing all kind of treasury solutions within its capacity.

Organizational Structure of Treasury



Treasury Priorities in 2024

- To focus more in Secondary G Sec Trading.
- To explore opportunities to earn exchange gain from Upward movement of USD/BDT
- To focus more gain from secondary equity market
- To explore new opportunities and serve customized solution to customer by offering new derivatives product.
- To automate treasury activities by Introducing Treasury Module in bank.



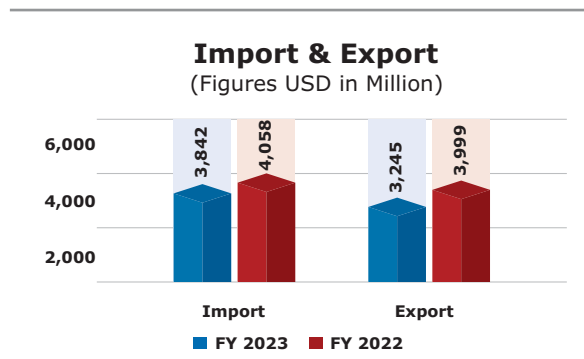
Financial Institution and Off-shore Banking Unit

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 2023, Import business of the Bank was USD 3,842 million having remarkable decline of 5%. Total export business of the Bank in 2023 was USD 3245.1 million.

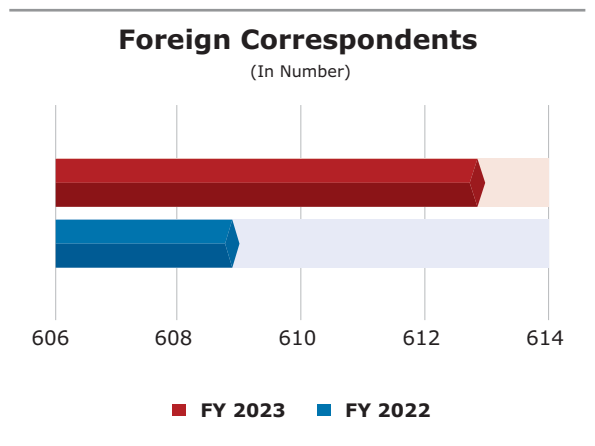


Bank has a stretched and expanded global network reaching every corner of the world for extending every kind of foreign exchange services to the customers.

Foreign Correspondents

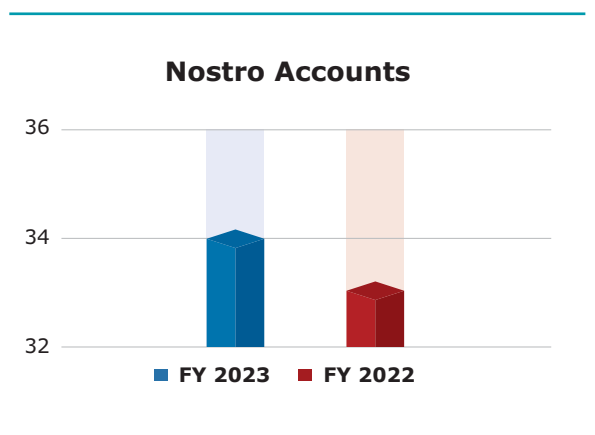
In 2023, UCB's correspondent relationship (RMA) stood at 609 across the globe.

Our excellent reputation in meeting our commitment and strong financials enabled us in securing Credit lines (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 34 Nostro accounts in major international currencies: US Dollar, Pound Sterling, Swiss Franc, Australian Dollar, Japanese Yen and Euro & Dollar accounts under Asian Clearing.



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 USD 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 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, fin-tech services, and online banking.

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.

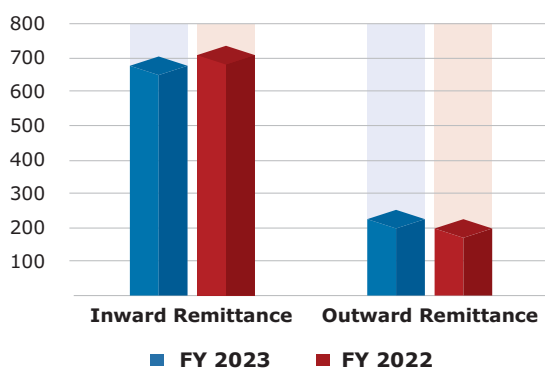
Initiatives of UCB and key accomplishment in 2023

To increase the volume of remittance, UCB is continuously establishing new remittance tie up with global money transfer company in different corridors. Though the country remittance in 2022-2023 was 2.75% growth, whereas UCB's was 7.5% in 2023 amounting USD 501.01 from USD 466.09 million in year 2022. To focus on NRB remittances, the board of UCB has opined to established four subsidiaries in Singapore, Malaysia, UAE and Qatar for remittance company in 2022. We have incorporated a remittance company in Singapore in 2023 and submitted application to Monetary Authority of Singapore for remittance license. Application is under process now.

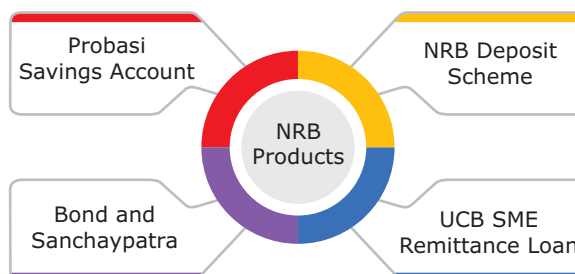
UCB is working for our beloved NRBs (Non- Resident Bangladeshi) not only by disbursing remittance but also offering 'One Stop Banking Solution' by creating a favorable environment and opportunity for long-term financial contributions in the socio-economic progress of the nation. To facilitate the NRBs (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.

Inward & Outward Remittance

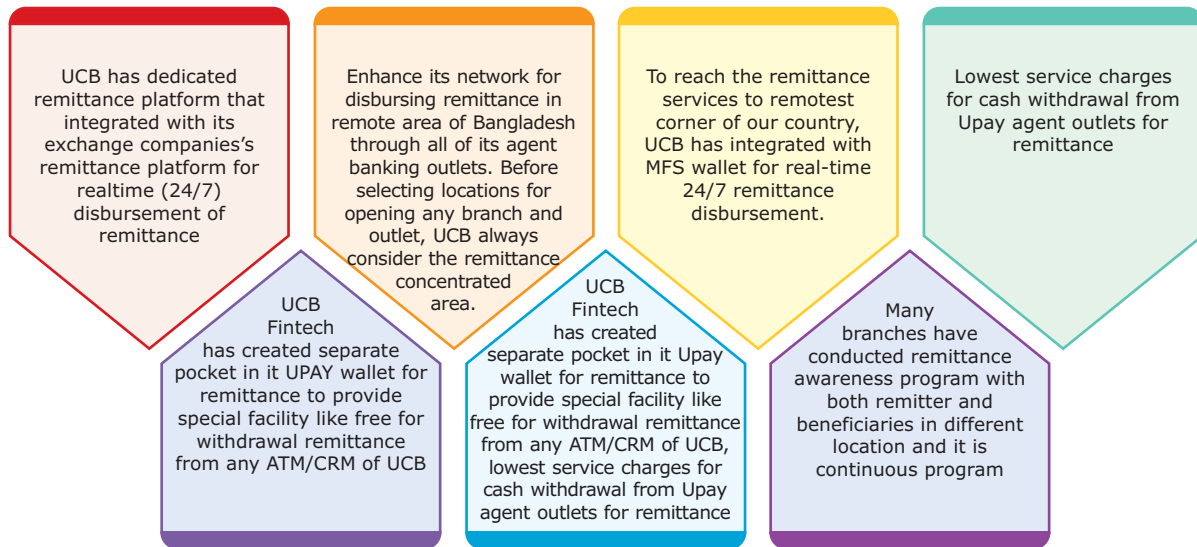
(Figures USD in Million)



NRB products



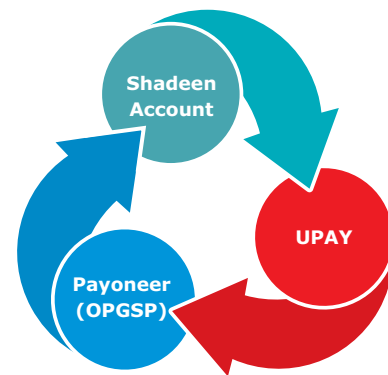
Remittance services



Initiatives taken for addressing freelancer in 2023

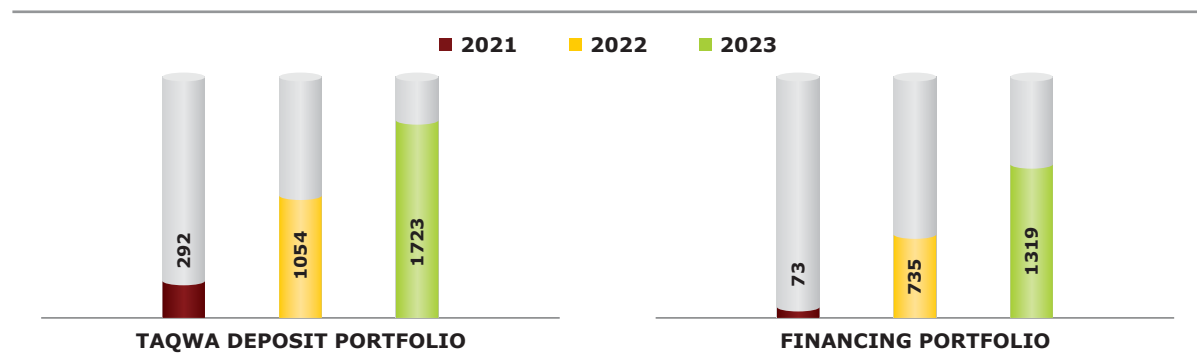
Freelancing is one of the emerging source of remittance in Bangladesh. UCB is concerned about it and focusing to launch different products to grab this remittance.

In 2023, UCB has started to receive freelancer remittance from renowned global OPGSP (On Line Payment Gateway Service Provider) company named "Payoneer" who handle freelancer remittance for receiving and integrated with UCB fin-tech company (UPAY). We have received USD 2.75 million in year 2023 and it is increasing drastically. 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 "Shadeen Account".



Islamic Banking Division

UCB Islamic Banking Unit has demonstrated exceptional performance, reinforcing our commitment to providing Shariah-compliant financial solutions in Bangladesh. By adhering to the principles of Islamic finance, we have seen substantial growth in both our asset and deposit portfolios. Our suite of products, has been well-received, attracting a diverse clientele seeking ethical banking options. Our dedicated team has worked diligently to ensure compliance with Islamic law while delivering outstanding customer service. Additionally, we have focused on expanding our reach through digital banking platforms, making our services more accessible to clients across the country. This year, our Islamic Banking Unit has not only strengthened its market presence but also contributed significantly to the bank's overall growth and success.



Key Initiatives during 2023



Action Plan for the year 2024

- Open 50 new windows across all over country to expand business operation.
- Customer Awareness Program.
- Training Program all over the Bangladesh with the proper coordination with the central shariah Board.
- Service Month Campaign for 1 to 2 Months.
- Business performance meeting all over the Bangladesh.
- Focus on Present and Prospective Corporate customers.
- Sponsorship to Islamic TV programs.
- Doa book and Ramadan Ifter-Sehri time.

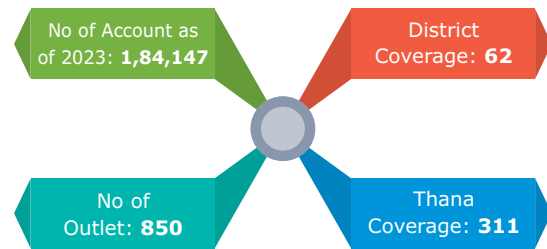


Agent Banking Division

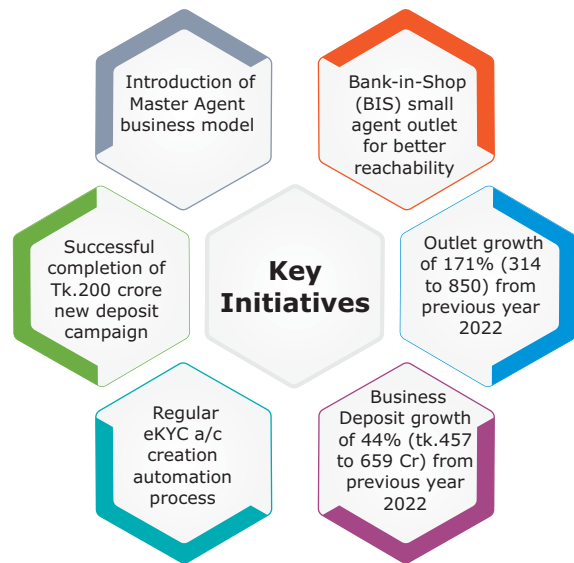
UCB started Agent Banking Journey from 1st February 2018 with an aim to bring unbanked population in financial inclusion and provide UCB' best class service to the remote location across the country. It has been targeted to expand agent banking network everywhere across the country at the rural, semi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

Financial Inclusion

As of 2023 UCB covered 62 districts and 311 Thana with 850 agent outlets, 155 exclusive outlets. Total number of account in 2023 was 1,84,147. Master Agent business model was also successfully launched in 2023.



Key initiatives in 2023



Major challenges in 2023

- Account opening & activation challenge from remote areas; which was mitigated through eKYC
- Hampering customer confidence due to other bank's agent banking fraudulence activity
- Remote internet accessibility resulting slower customer service at agent outlet
- Challenges to examine and select quality agents

Competitive Edge and Key Determinant of Success in 2024

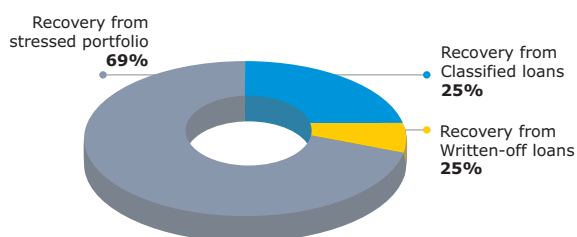
UCB will increase agent outlets up to 2000 outlets with an aim to reach out up to union level to serve the unbanked population and meet government SDG's target i.e. financial inclusion of above eighteen by 2025. We will focus on increasing fees income as well as interest income. Utility bill collection, 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.



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.

RECOVERY IN FY 2023 (FIGURES BDT IN CORE)

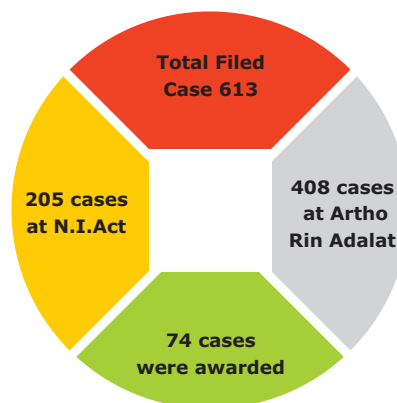


LEGAL

UCB successfully recovered a total of BDT 673.36 crore from rescheduled, classified, and written-off accounts.

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 613 cases, out of which 408 are Artho Rin Adalat cases and the remaining 205 are N.I Act cases.

We are pleased to inform you that we have settled a total of 196 cases and judgement awarded a total of 74 cases, which includes 6 Artho Rin Adalat cases and 68 N.I Act cases in 2023.



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 initiatives in 2023

As a conscientious financial institution, UCB consistently upholds the highest standards of ethics, transparency, and compliance in its operations. We recognize that our success is intricately linked to the welfare of our customers and thus, we diligently ensure that our lending practices are equitable, enduring, and aligned with our customers' financial objectives. However, despite our earnest endeavors, certain borrowers may encounter difficulties in meeting their loan obligations, resulting in problematic, classified, or written-off accounts. In such instances, UCB has implemented a series of robust recovery strategies to mitigate risks and safeguard the interests of all stakeholders.

To cater to the requirements of delinquent borrowers, UCB has established a specialized team of recovery professionals proficient in loan recovery, debt restructuring, and negotiation. This team is tasked with devising tailored recovery plans for each defaulting borrower and ensuring the execution of all requisite measures to retrieve the outstanding loan amounts.

In order to optimize our recovery endeavours, we have instituted region-specific recovery objectives for each classified and written-off account. This framework allows us to allocate our resources efficiently and concentrate our efforts on the most critical cases. We acknowledge that certain borrowers may pose challenges in terms of locating or communicating with them, particularly if they have relocated or updated their contact information. To overcome this hurdle, we have established a nationwide network of recovery agents and field officers responsible for reaching out to every defaulter and apprising them of their outstanding loan obligations and the repercussions of non-repayment.

UCB formulates individualized plans for each defaulting borrower, taking into account their financial circumstances, repayment history, and other pertinent factors. To ensure the efficacy of our recovery team and branch personnel, we impart rigorous training and supervision, closely monitor their performance, and provide regular feedback to ensure adherence to best practices, as well as ethical and legal standards.

In certain scenarios, it may be imperative to conduct physical visits to defaulting borrowers, their guarantors, or their associates to recover outstanding loan amounts. Our recovery team and field officers are adept at conducting such visits with sensitivity and professionalism, ensuring meticulous documentation for organizational records.

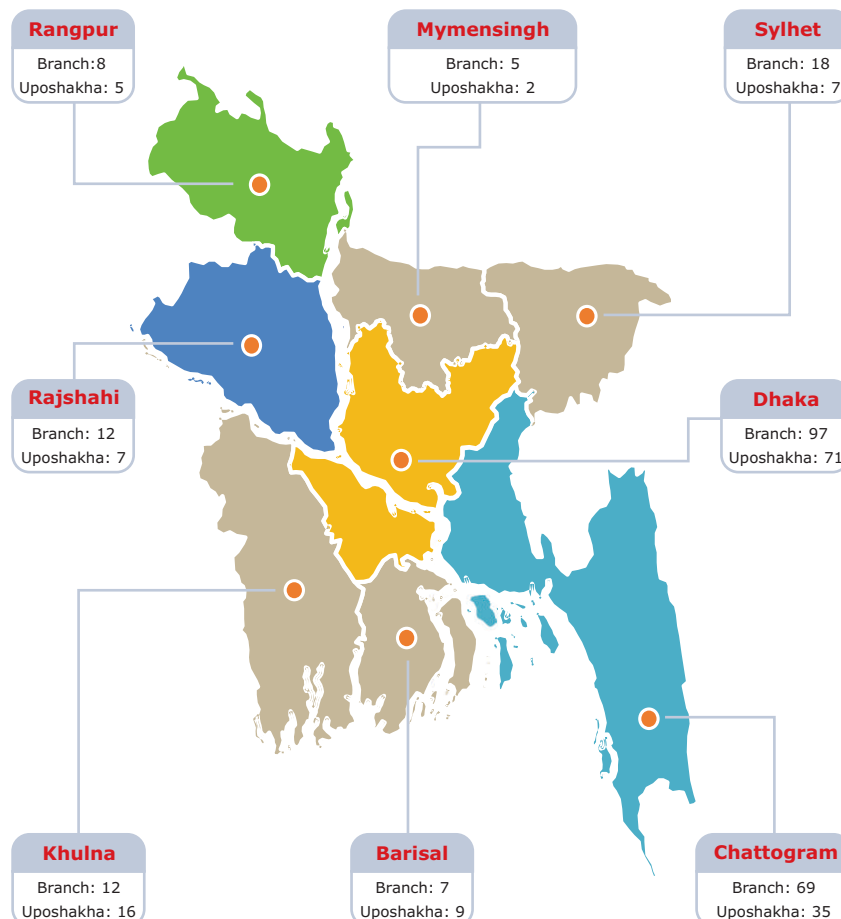
In extreme cases, legal recourse may be necessary against defaulting borrowers, which may involve executing warrants of arrest and judgment. However, such measures are considered as a last resort, and we consistently endeavour to amicably and equitably resolve outstanding loan amounts. In addition to legal actions, we may also pursue other legal remedies to recover outstanding loan amounts, with our legal team working in close collaboration with our recovery unit to ensure compliance with applicable 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.



Distribution Channel (BDCU)

Branch Distribution Channel Unit was formed in late 2021 to bring branch business operations under one point of contact with a view to smoothen customer service, enhance customer experience & satisfaction and at the same time, expanding UCB network to cover every pocket that would be viable for the Bank in terms of business in quest of putting footstep in every corner of the country. UCB, with its current fleet of 228 branches and 152 Uposhakhas, has already covered all 64 districts across the whole country.



UCB has a strong and diversified distribution channel with a large network of branches across the country. Recently introduced sub branch and agent banking outlets has helped the bank outreach every corner of the country. We are also rich in alternative channels like ATM/ CDM Machine, Recycler, Internet Banking (Unet), Digital payment and Mobile Financial Services (Upay).

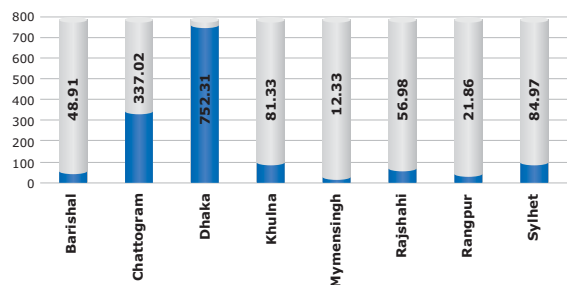
The scope of work of BDCU is so versatile that besides network expansion, it covers aiding almost every operational aspect of branches and sub branches as well as monitoring business development, monitoring and ensuring service quality at every sphere, monitoring quality of asset, governance & management of regulatory and compliance framework, cost control and efficiency and last but not the least, people management.

Emphasizing on "Quality Customer Service" by activating a culture for 'Memorable Customer Experience' in the DNA of all officers of the Branches to transformation it to a 'Service Organisation' is another major work area of BDCU. This also includes continuous improvisation of process, operating manuals for reducing Turn-around-Time (TAT).

Supervision of processes and procedures to cover perceivable risks and taking steps to mitigate those in liaise with stakeholders and Branches by ensuring effectiveness of internal control system and compliance of process, procedure, rules and regulations by the Branches is also a pivotal role BDCU plays.

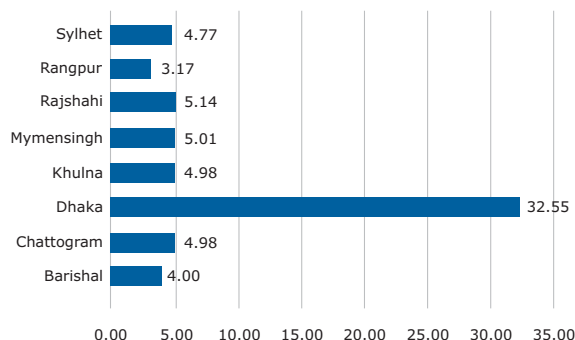
Managing cash at branches and sub-branches to minimize cash holding loss is another crucial role BDCU plays. BDCU has been successful in creating a cash environment that is now allowing the bank to keep optimal amount of cash in vaults and thereby avoiding excess cash holding and at the same time, holding enough cash to support customer requirements. BDCU has also reorganized feeding branches by adding more feeding branches in the fleet to smoothen the process.

Deposit: Division-wise
(Through Sub-branch)



*Figures in BDT crore

Division-wise Loan Portfolio
(Through Sub-branch)



*Figures in BDT crore

In recent times, some major initiatives were taken by BDCU to foster business and create new scope of business that includes introducing outsourced sales force in all uposhakhas across the country. This has already started to bring results as a good number of business has been brought in by the third party outsourced sales force.

BDCU recently came up with an innovative idea of transforming uposhakhas into self-reliant business unit under collaborative supervision of both branch and BDCU.

Some major initiatives BDCU has taken

Leading and monitoring dormant account regularization throughout the branches that has brought down the count substantially.

Recently a project was taken to destroy unused DD (including Foreign DD) and FD Blocks across all branches which is a major step in reducing risk.

BDCU has also worked out a project on regularizing lockers that has been inactive for a long time. BDCU is also working on increasing locker business through creating awareness.

A project was also run to regularize mandate accounts which resulted in regularizing 275 accounts with mandates.

BDCU has also taken initiative and implemented sending half-yearly statement of accounts regularly and inform customers through SMS.

BDCU has also run a project on accounts with Govt. body stay order and ensured compliance in this issue.

UCB aims to broaden reach by increasing the number of branches and sub branches but with a cautionary policy closely observing the economic movements. In 2023, we opened 4 branches and 11 sub branches in various regions of the country and this year too, we plan to not increase the pace by a big margin. We intend to focus on digital platforms and services rather to keep up with changing environment with the emergence of technology. BDCU also plans to work in coherence with SME & Agriculture Division to foster business and diversify bank's asset and liability portfolio.



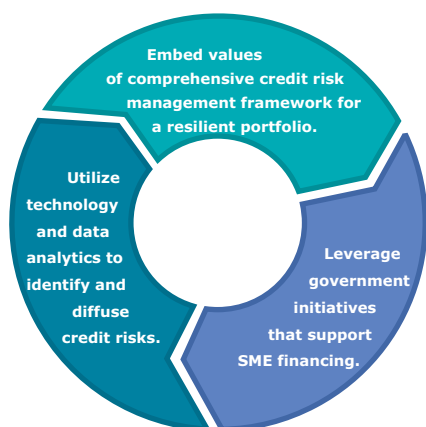
Credit Risk Management Division

UCB 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.

The scopes and areas mentioned in the diagram will be waiting for us during 2024, to improve through taking some initiatives/ action plan.



Key Initiatives of CRMD (SME) in 2023

- Emphasize more on BB refinance based loan target achievement through disbursement of loan amount CMSME customer and Sector wise target achievement was prioritized in 2023.
- 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 2024

- **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

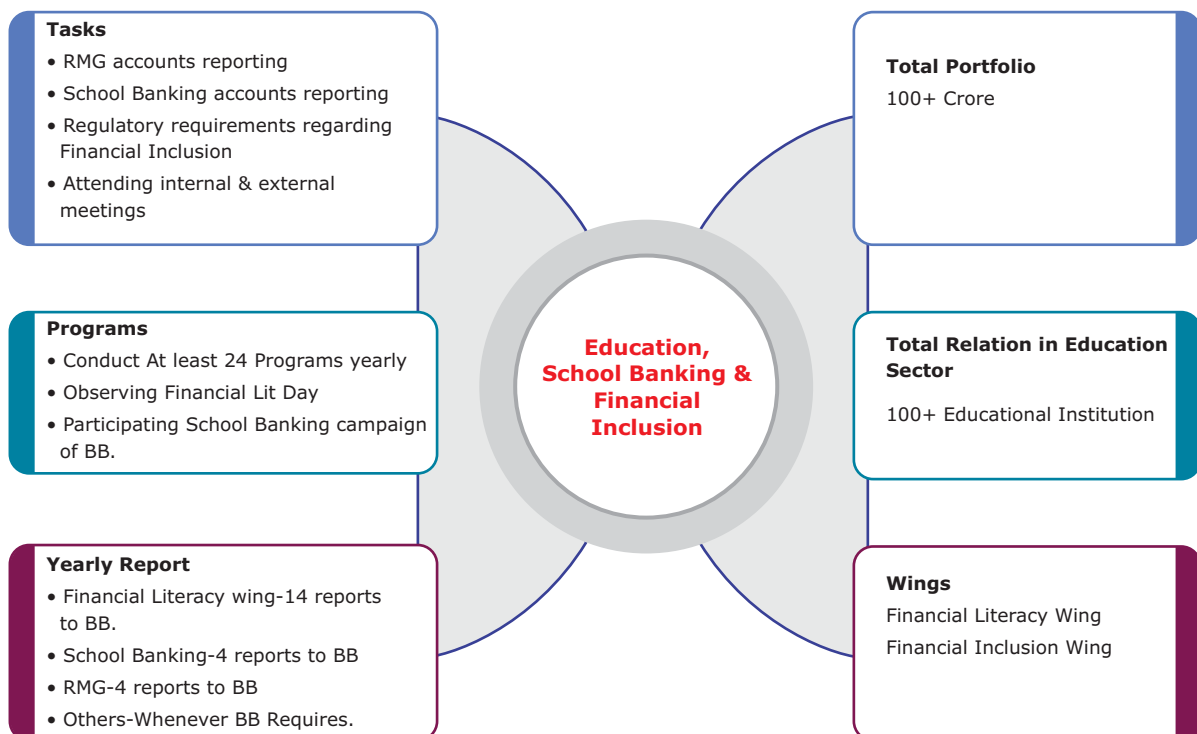
Driving Banking Excellence: Innovating with Automation and Client-Centric Solutions

In the dynamic landscape of the banking industry, our institution is undergoing a profound transformation driven by the widespread adoption of automation technologies. This strategic shift not only streamlines operations but also enhances overall customer experience while reducing operational costs. Our Transaction Banking division is fully dedicated to corporate and institutional clientele where the integration of automated systems underscores our commitment to innovation. Through automated payment systems, we've bolstered efficiency and

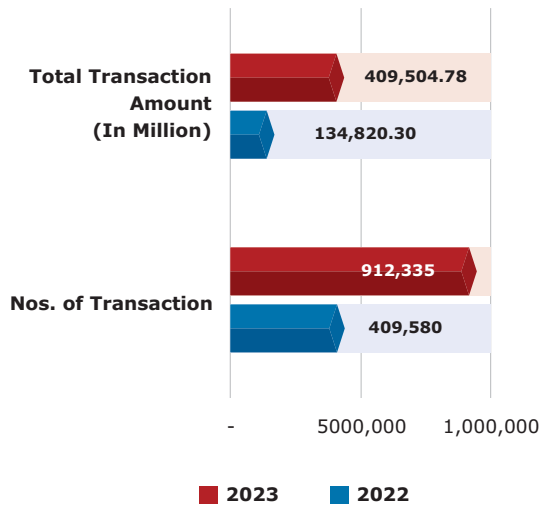
accuracy, while reducing risks associated with manual errors.

Moreover, we are proud to announce that our Corporate deposit has reached a milestone of 17,000 crores, constituting a substantial 36% of Pan banks' total deposits. This achievement underscores our position as a trusted partner in financial management. Furthermore, enabling payment of utility bills through internet banking signifies our continuous efforts to enhance customer convenience and accessibility to banking services. We have also made significant strides in financial inclusion initiatives. Through focused initiatives like school banking, we've broadened access to banking services in underserved communities, nurturing financial literacy and empowerment.

In line with our commitment to offering best-in-class solutions, we are proud to introduce our cutting-edge Enterprise Banking Solution, designed to meet the complex needs of large-scale businesses and multinational corporations. This cutting-edge platform integrates advanced automation and robust security, ensuring unparalleled efficiency and scalability. Tailored modules address diverse financial needs like cash management, trade finance services, risk mitigation, and regulatory compliance, empowering enterprises to make real-time strategic decisions.



Unet Enterprise Banking



Transaction Banking promisingly offers

UCB is excited to embark on strategic initiatives aimed at solidifying our leadership in the banking industry. A pivotal focus will be the introduction of a state-of-the-art virtual account system for collection purposes, empowering clients with real-time access to manage their accounts efficiently. We also anticipate launching a comprehensive School and College Tuition Fee Management System, tailored to meet the unique needs of educational institutions and revolutionize fee management practices.

Furthermore, our commitment to digital transformation extends to optimizing efficiency across various operations through automation technologies. By leveraging automation within cash management and trade finance services, we empower clients to navigate financial processes with precision and efficiency. Through prioritizing efficiency and accuracy, we aim to instil trustworthiness and reliability in all client relationships, ensuring unparalleled service excellence.

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



Digital Banking & Transformation

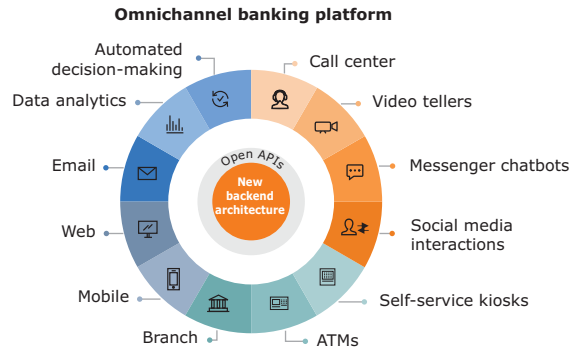
The introduction of Mobile Financial Service (MFS) providers, payment service providers, and fin-tech has also played a vital role in adopting technology in the country's banking system. UCB has entered this arena with its "UNET" platform. Within UCB, the Digital Banking and Transformation Division remains dedicated to driving innovation not only within the company but also across the broader financial industry. Our team is committed to developing and implementing cutting-edge digital technologies to offer customers banking solutions that are both convenient and secure, ensuring that managing accounts is seamless and effortless.

With a customer-centric approach, UCB has crafted a comprehensive digital roadmap, fostering collaboration with fin-tech firms and technology partners. Embracing agile methodologies and prioritizing investments in cybersecurity and data privacy, we aim to provide advanced technological solutions to our customers, positioning ourselves as one of the leading technologically-advanced banks.

Our digital onboarding process allows customers to swiftly open accounts without visiting a physical branch. Our internet banking services, accessible via app and web, provide retail and corporate clients with comprehensive financial management tools from anywhere. Additionally, we offer secure e-Commerce payment solutions, competitive credit cards, 24/7 call center support staffed by knowledgeable representatives, and one of the largest networks of ATMs, CRMS, and STMs nationwide, all backed by state-of-the-art security technology.

- Internet Banking Base 1,56,490
- Acquired 157,000 customers (Growth: 65%)
- Generated revenue of 75 Lacs
- Transaction growth rate of 105%

These advancements signal promising opportunities ahead as we continue to drive innovation while upholding high standards of customer service excellence. In line with our commitment to progressiveness and quality assurance, we are developing new products such as artificial intelligence chat bots and Robotic Process Automation (RPA) to better meet our clients' needs efficiently. Moreover, we are eager to expand into new markets across the country, particularly in digital lending, to promote financial inclusion and cultivate a robust ecosystem.



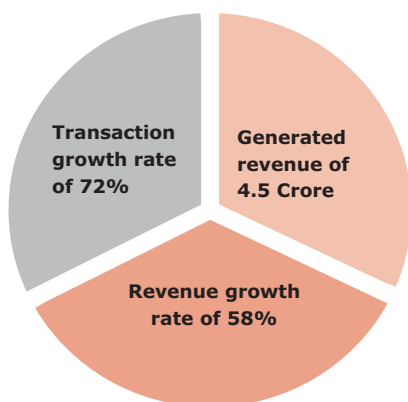
Key Initiatives in 2023

- Increased email capture rate from 26% in 2022 to 48% in 2023.
- Implemented QR code-based business card solution.
- Bangla QR Cashback Campaign
- Participation in Smart Bangladesh & Smart Hat 2023
- Implementation of Change contact through Unet
- Integrated bKash, UPAY, and Swadhin Account into UNET platform.
- Launched campaigns offering 2X reward points and QR code-based promotions.
- Developed standard operating procedures (SOPs) for E-commerce and UNET operations.
- Development of Privacy Policy for Digital Platform and Implemented security enhancements for Uclick and UNET platforms.
- Conducted requirement analysis and finalized features and services closure for CBS & OBDX.

Strategic Initiatives

- Developed a comprehensive strategy for the Digital Banking & Transformation Division, outlining goals until 2025.
- Partnered with piSTRATEGY to align digital banking initiatives with broader organizational objectives.
- Launched a pilot program for Digital Nano Lending focusing on agro based products for the marginal people to revolutionize lending practices through digital channels.

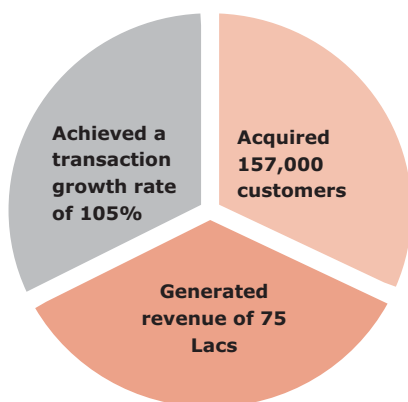
e-Commerce Performance in 2023



Awards and Recognition in 2023



UNET Performance in 2023



Outlook

The Digital Banking & Transformation Division of UCB has achieved significant milestones in 2023, reflecting our unwavering commitment to excellence and innovation in digital banking services.



Finance Division

Finance division encompasses a broad range of activities including financial planning, budgeting and reporting to manage the bank's capital effectively. It involves monitoring cash flows, managing assets and liabilities, ensuring proper taxation and ensuring regulatory compliance with financial standards and regulatory requirements. Additionally, the finance function is responsible for the preparation and analysis of financial statements, which provide insights into the bank's performance and guide strategic decision-making. Risk management is also a key aspect, where the finance team assesses financial risks and implements strategies to mitigate them. Overall, the finance function ensures that the bank operates efficiently, maintains profitability, and sustains growth in a competitive and regulated environment. In case of financial reporting, finance division ensures the following:

- Appropriate accounting policies have been consistently applied in preparation of the financial statements. Finance Division maintains proper books of account as required by law have been maintained by UCB.
- Accounting estimates and underlying assumptions are made on reasonable ground applying prudent judgment, and are reviewed on an ongoing basis.
- The Financial Statements 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 2023 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.

Major recognitions and events



UCB had been awarded with the joint second prize in the 23rd ICAB best presented annual report.

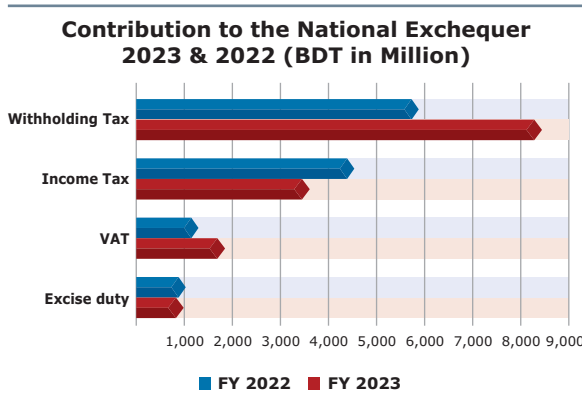


Listing agreements signing with Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC and Inauguration of trading of UCB 2nd Perpetual Bond.

Contribution to the National Exchequer

During the year 2023, UCB deposited BDT 14,276 million to the Government Exchequer out of which BDT 3,458 million as income tax, BDT 8,353 million of withholding tax, BDT 1,660 million of VAT and BDT 804 million of Excise Duty.

The National Board of Revenue (NBR) recognized UCB as one of the top five income taxpayers in Bangladesh under the Large Taxpayers Unit (LTU) in fiscal year (FY) 2022-23.



Overall, the finance division is integral to the strategic and operational success of UCB, providing essential financial oversight, strategic planning, and risk management to support sustainable growth and profitability.



Business Operations Divisions (BOD)

Business Operations Division (BOD) of 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 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 and structured & well defined Standard Operating Processes. With core values of service excellence, resource optimization, control and compliance, automation and adaptability; BOD delivers centralized service supports in a controlled but service-oriented environment for the sustainable business growth.



392K New Accounts opened	52K nos. of Loan Disbursed	197K Debit Cards 23.5K Credit Cards 16K Prepaid Cards 4.8K POS Merchants 800 E-com Merchants
USD 3,842M Import LC USD 3,245M Export LC USD 649.69M Inward Remittance	1.7M Clearing Cheque 5M EFT Transactions 24M ACS Challan Transactions	

Glimpse of Key Service Delivery by BOD in the Year 2023

With core values of service excellence, resource optimization, control and compliance, automation and adaptability; BOD delivers centralized service supports in a controlled but service-oriented environment for the sustainable business growth. Following the underlying theme of 'Doing More with Less', BOD ensures efficient service delivery with adequate control through Straight Through Processing (STP) and by embracing cutting edge technologies like Robotic Process Automation (RPA).



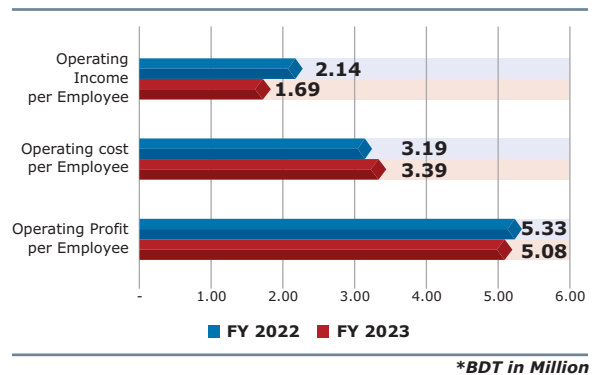
Human Resource Management Division

Human Resource Management Division has been instrumental in driving the growth and success of UCB by fostering a dynamic and inclusive work environment. Through strategic initiatives in talent acquisition, development, and retention, we have attracted top-tier talent and nurtured their professional growth with comprehensive training programs and career development opportunities.

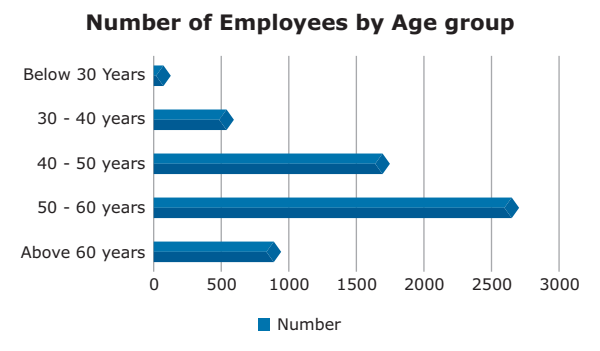
Our commitment to employee well-being and engagement has been reinforced by implementing competitive compensation packages, wellness programs, and a culture of recognition and reward. Additionally, we have embraced digital HR solutions to streamline processes and enhance employee experience. These efforts have resulted in a motivated and high-performing workforce, positioning our bank as an employer of choice in Bangladesh and contributing significantly to our operational excellence and customer satisfaction.

Human Resource Accounting

The insights gained from HRA enable senior management of UCB to make informed decisions. Human Resource Accounting assists UCB in allocating, budgeting, and reporting expenses invested in employees, and in turn, assessing their contributions to the UCB's growth, efficiency and profitability.



Age analysis of Human resources of UCB



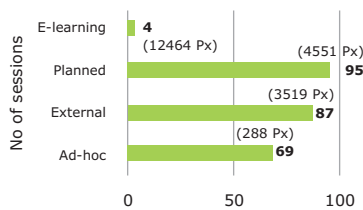
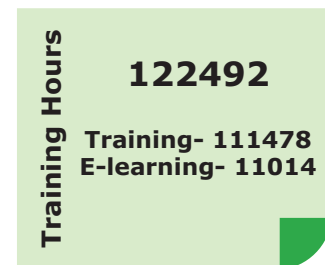
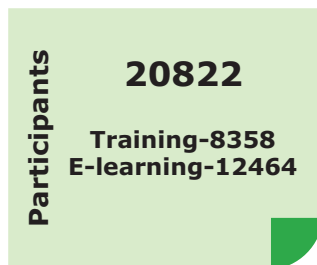


Learning & Development Center (LDC)

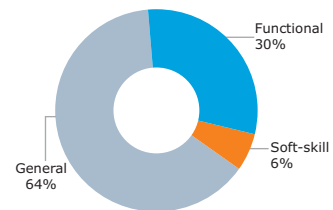
UCB always focuses great emphasis on training and development of its employees. That's why UCB has its own training institute called 'Learning and Development Center of UCB' with a handful of dedicated HR people who are arranging training programs for employees of UCB. United Commercial Bank PLC believes 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 2023



Coaching Hours	
No of Participants	Hours
743	1487
E-learning: Summary of 2023	
Participation	12464
with 50% or More Marks	12109
Successful Coverage (%)	97%

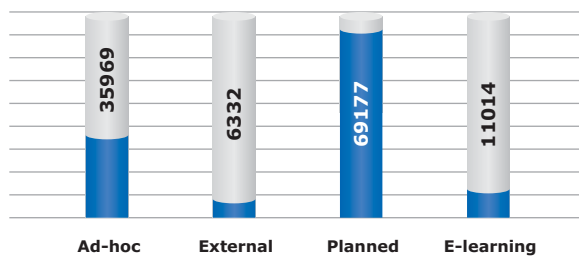


Major Learning Initiatives

- Leadership Development Program
- Train the Trainers
- Certified Islamic Banking Professional
- ICON: Communication Excellence Program
- Level Up: Training for Cash Officials
- Excellence in Sales & Negotiation Skills
- Operational Excellence
- Credit Risk Management in Banks
- Foreign Trade and Foreign Exchange Regulation
- e-Learning Programs on "AML & CFT issues"



Training Hours





General Service Division (GSD)

General Services Division has played a pivotal role in ensuring the seamless and efficient operation of our bank. By managing essential services such as procurement, facility management, and logistical support, the division has maintained a high standard of operational excellence. Our team has successfully optimized procurement processes, resulting in cost savings and improved resource allocation. We have also enhanced our facility management practices, ensuring a safe and conducive working environment for all employees. In response to growing demands, we have upgraded our logistical capabilities to support the bank's expanding operations across Bangladesh. Through these efforts, the General Services Division significantly contributed to the bank's overall efficiency, enabling us to better serve our customers and achieve our strategic objectives.

Key initiatives in 2023

Introduced Fire Control System at Corporate Office fully

Successfully opened four new branches, twelve new sub-branch, nine new ATM Booths;

Successfully relocated four existing branches;

Cost saving initiatives taken during purchasing of new assets through re-use, disposal and re-installation of Fixed Assets instead of purchasing new one.

Original Documents Banks property (Dhaka & Sylhet) and shadow files of property at Chattogram has been collected and preserved;

Disposed of 1249+ HDD through E-waste management for the first time.

Data Centre Upgradation, Building Sub Station (2000 KVA) and power Upgradation completion in a single day and introduced another Data Centre.

Install Fire Diesel Pump at Corporate Office to meet up the requirement of BNBC and FSCD compliance.

Introduced QR based visiting card system for the employee.

Fire Safety plan" for CHO has been approved by Fire brigade and Civil defense authority.

New vault security system with updated security feature (Live video monitoring) introduced to 50 branches.

Action plan for 2024

To introduce AI based Surveillance system in ATM Booth by replacing physical security guard.

To upgrade Fleet Management system of Banks's Pool Car.

Supervision plan will be prepared so that guards posted at Branch and ATM level will be monitored.

Prepare Standard operating procedure (SOP) for Safety & Surveillance system.

To take initiatives of digital archiving of legacy Account opening forms held in branches within a very short period.

To introduce Automated Dispatch and tracing system fort MICR Cheque Book.

To implement ERP of GSD related issues.

To take initiatives for amendment / review of existing SLA and GSD Manual.

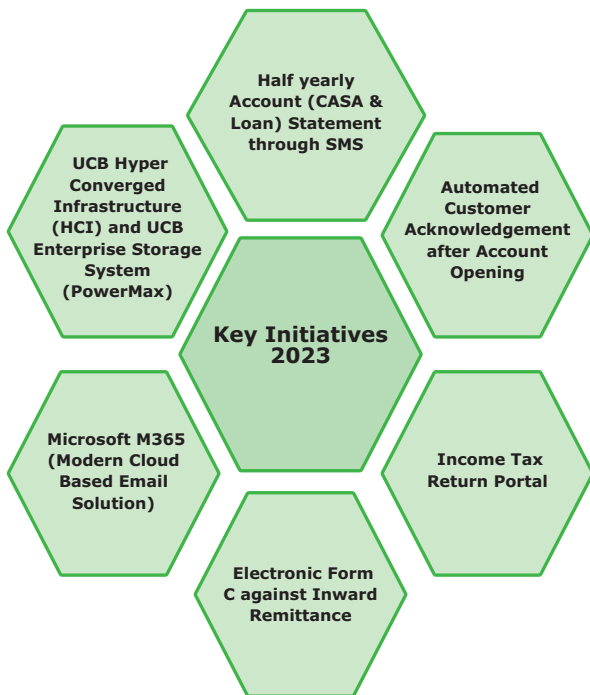


Information Technology Division

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.



Key initiatives in 2023

Automation in realising in supervision charge

Digital Nano Landing and ABG Pocket wallet integration

Utility Payment Gateway and MFS Gateway

UClick (UCB Digital Customer On-Boarding) Phase 2 Deployment

Automated Notification Management System

SWIFT message integrated at Payoneer's payment platform

School Fees Collection Modules in Agent Banking System

Upgradation of Document Management System (Docuware)

New Initiatives at Card Management System, TranzWare

Issuing and acquiring of Bangla QR – NPSB and Card-less Bearer Cash Deposit

PCI-DSS Certification and ISO 27001 Certification

Swift's Customer Security Programme (CSP) and HW and Platform readiness of new CBS.

Collection & Recovery Software Implementation and Excise Duty Implementation at Loan Products.

Disaster Recovery (DR) Drill

Enhancement & Upgradation of Web Application Firewall & Load Balancer

Key initiatives in 2023

CBS Upgradation and ERP Implementation with HW and Platform readiness for ERP (SAP)

Hardware upgradation of TranzWare application suite and Enhancement of Call Center

Enterprise fraud management solution and Takapay Implementation

Payment Gateway migration

Implementation of virtual Card with Host Card Emulation (HCE)

Utility Payment from Agent Banking

Data Center Expansion Phase III for additional High Availability

Near DR Capacity Improvement

Migration of UCB Internet Banking to OBDX

Service Management, Patch Management & Asset Management

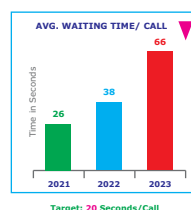
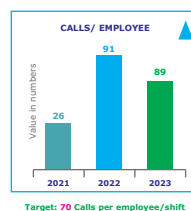
PCIDSS Recertification and SWIFT CSP Compliance



Call Centre

UCB is proud to introduce our state-of-the-art Customer Care Center in line with our commitment to providing exceptional service to our valued customers. This centralized facility serves as a one-stop destination for all customer inquiries, support services, and assistance, reinforcing our mission to be the bank of choice in Bangladesh.

Workforce Management		16419
Total No. of Calls penetrated through MR		1,137,835
Total No. of Calls answered through MR		994,850
No. of active Agents/ Officer worked in the roster		46
Average Calls answered per agent, per day (8 Hours)		89



100,953 Service Requests

Foreign Part Open Request (Credit Cards)	32,572
Foreign Part Close Request (Credit Cards)	22,345
Limit Conversion Request (Credit Cards)	13,469
Capture Card Delivery Request	8,338
Debit Card Replacement Request	6,296
Credit Card EMI Conversion (11% Flat Rate)	3,542
Reward Redemption Request	3,280
Credit Shield De-Enrolment Request	2,837
Security Items Delivery (Cards & Card Cheque)	2,763
Financial Waivers / Balance Transfer	1,938
Credit Card Replacement Request	1,518
E-Statement Re-Send Request (Credit Cards)	892
EMI De-enrolment request	484
Email Address Update (Credit Card)	443
Pre-Paid Card Replacement Request	236

24,117 Feedback/ Apology Calls

Feedback on Service Requests	13,397
Apology on Abandoned Calls	6,341
Proactive Call-Back (PIN fail & disconnected Calls)	4,379

32,857 Complaints Received

Static data update	Dispute transactions	U Click
Card Delivery	Reward redemption	U NET
Request not process	Fail-Back Transactions	Fees & Charge

183.86 Million EMI Sales Volume (11% Flat Rate)

Minimum Txn. BDT 10,000	Transaction must be settled
POS Transactions	Local Transaction Only
E-Commerce Transactions	Card Cheque Transactions

589+ Business Opportunities Generated

PL	Credit Cards	Auto Loan
SME Loan	Home Loan	Banking Accounts
Agent Banking	POS Acquiring	FD

289+ Accounts Opened through STM

Staff Savings Deposit	166
Retail Savings Deposit	110
Retails UCB Women Savings Plus	10
UCB Prothom Account	3

467,524

Enquires

- Banking Products
- Balance & Transactions
- Foreign part open / close
- Outstanding & Statements
- SMS Banking
- Agent Banking
- Current Offers
- U Click & U Net

209,937

Card PIN Generation

- Credit Cards
- International Travel Pre-paid Cards
- RFCD Debit Cards
- Debit Cards

184,369

Card Activation

- Debit Cars : 151,462
- Credit Cards : 25,263
- Int. Travel Prepaid Cards : 7,644



Internal Control & Compliance Division

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.

Structure

Audit & Inspection Department

Monitoring Department

Compliance Department

As per Bangladesh Bank's guidelines, Audit Division has to conduct Internal Audit on branches, divisions of corporate office & subsidiary companies of the bank. During the year 2023, Audit Division conducted Risk Based Internal Audit on 209 (Two Hundred & Nine) branches covering 99.88% of liability portfolio & 99.96% of asset portfolio of the Bank as well as covered major divisions of corporate office and subsidiaries.

Besides that, considering cyber risk in current situation, digitalization of banking environment and optimization of bank investment for its IT infrastructure and security, Audit Division has conducted IT Audit on 214 branches and all major division/unit/subsidiary in the year 2023.



Shari'ah Audit

UCB has started its sacred journey to provide Islamic Banking service through a separate wing branded UCB Taqwa Islamic Banking in the year 2020. To oversee the Shari'ah compliance of Islamic Banking operation, UCB Taqwa Islamic Banking has an Internal Shari'ah Audit/ Review team comprised of Muraqib (Shari'ah Auditor). Muraqib of UCB Taqwa Islamic Banking conducts Shari'ah audit/ inspection on its Islamic Banking Windows as per approved Shari'ah Audit Plan for each calendar year.

Compliance Unit of ICCD

During the year 2023, compliance unit has conducted compliance of total 209 (Two Hundred & Nine) branches out of 209 branches based on the Risk Based

Internal Audit (RBIA) reports. Apart from the compliance of RBIA reports, compliance unit also ensure compliance of "Management Report" and compliance of "Bangladesh Bank Inspection Reports" accordingly and submitted the same to the concerned authority duly within the stipulated time frame.

Monitoring Unit of ICCD

Monitoring Unit under ICCD is engaged in monitoring, reviewing and examining the activities of different branches / departments and identifying risk areas through various control tools and MIS. This unit operates in collaboration with Audit and Compliance unit of Internal Control and Compliance division and reports directly to the Head of ICCD.



Anti-Money laundering Division

Money Laundering (ML) and Terrorist Financing (TF) have the tradition of eroding the financial institutions and weakening the financial sectors' role in the economic growth. So that Financial Institutions across the globe are working hard to fight against ML&TF related financial crime to protect assets and maintain regulatory compliance. Money laundering is the process of providing legitimate appearance to the illegally gained revenue and terrorist financing process involves collecting the funds intended to use in supporting the terrorist organization from a variety of sources to meet goals of terrorist organizations.

Regulators expect functions in the Bank to be global standard across business lines. The best ways to satisfy these expectations are to centralize functions of the bank, keep continuous monitoring of the activities performed by the bank and do meticulous compliance of regulatory requirements.

The challenges in Anti-Money Laundering (AML) & Countering the Financing of Terrorism (CFT) in 2023 were resource constraints in terms of technology, & skilled personnel for effective AML/CFT implementation and enforcement as well as increased regulatory scrutiny and compliance requirements, leading to higher resource allocation for AML/CFT measures.

The years to come will undoubtedly be challenging to manage ML&TF risks. To mitigate such risks, the bank exerts continuous efforts to maintain and fine-tune its current policies and procedures and adopt new ones to meet future challenges.

UCB has already gone a long way in the path of centralization of its functions. In 2018, new Anti- Money Laundering and Anti-Terrorist Financing Division has been formed along with its organogram, which is updated in 2023. As instructed by BFIU, Deputy CAMLCO is heading this Division. The division is initiating new specialized trainings focusing risks such as cryptocurrencies, e-commerce, fin-tech, trade-based and credit-backed money laundering, etc. The division has taken various initiatives to develop better monitoring system though out the bank to mitigate ML&TF risks. To

build a vigorous anti-money laundering and anti-terrorism program, UCB has deployed necessary resource and manpower. In addition, an annual message from the Managing Director & CEO of the bank also acts as a guideline for all the employees in this regard.

AML & ATF Division has arranged a number of training programs on prevention of money laundering and terrorist financing for 2013 Executives/Officers of the Bank through-out 2023 to develop their professional skill and ensure better regulatory compliance. A total number of 6054 participants were covered through 2 (Two) e-learning module arranged by the LDC in 2023.

In line with international initiatives and standards, the regulator has issued guidelines for preventing Trade Based Money Laundering (TBML). Based on that policy, UCB has also prepared the policy and reviewed the same in August, 2023.

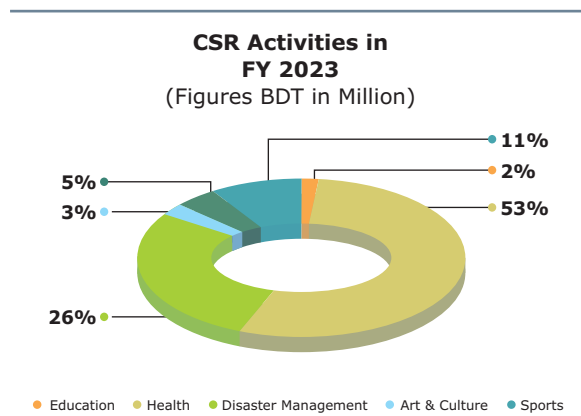
Our goal is to protect the Bank from Money Laundering and Terrorist Financing Risks. To achieve the goal, the AML&ATF Division has the strategic planning to deploy all its resources to improve the implementation status of regulatory requirements. The division has outlined training program and inspection program for 2024 to raise awareness and improve knowledge base among the employees of the Bank. We have formulated a detailed action plan for 2024 to establish robust monitoring and assessment of the effectiveness of AML&CFT measures on a regular basis. Side by side we have started one to one meetings with the branches to achieve our expected ratings in this segment.



Corporate Social Responsibility (CSR) Activities

Being a socially responsible corporate, UCB engaged in a number of CSR activities throughout the year, including a number of donations towards charitable causes. As part of our continuous CSR activities, we have spent BDT 38.40 crore in 2023 (98% higher than 2022) for promoting education, health security, environment protection, disaster management, sports and culture etc. We shall continue our contribution to different sectors of the society to make a better Bangladesh.

The detailed of the CSR activities comes as follows:



Key Initiatives in the year 2023

We have undertaken an Argo-based CSR initiative "Voroshar Notun Janala" in 2023 with a view to contribute in the agriculture sector of the country as per the directives of Bangladesh Bank. Under this initiative, we have distributed fertilizer, quality seeds and modern agricultural tools among 3,000 farmers. We have also provided technical training on fishery, livestock, poultry and agricultural crops to 3,000 farmers of 50 upazilas in 42 districts; and entrepreneurial skill development training to 8,561 agri entrepreneurs of 303 upazilas in 37 districts. In addition, we have conducted 90 vaccination and health camp for livestock in those Districts. On the other hand, we have planted 55,000 trees in different organizations, houses and road side to protect the environment. Our such benevolent initiatives will be carried out in the upcoming years too.

Compliance with corporate governance guidelines

As a responsible corporate citizen, UCB duly complied with the provisions of corporate governance guidelines issued by Bangladesh Securities and Exchange Commission (BSEC). The compliance status of UCB on the said guidelines has been presented in the section 'Corporate Governance Report'. Also, Itrat Husain & Associates, Chartered Secretaries in practice, has certified the compliance status of UCB on the BSEC's corporate governance guidelines during 2023 which has been mentioned at the end of 'Corporate Governance Report'.

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 by CEO and CFO on the compliance of the conditions of BSEC's notification

In exercise of the power conferred by section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969

(XVII of 1969), Bangladesh Securities and Exchange Commission (BSEC) issued notification no. SEC/CMRRCD/2006-158/134/Admin/80 dated June 3, 2018 to comply with certain conditions for corporate governance. The notification was issued for establishing a framework for ensuring good governance practices in the listed companies for the interest of the investors and the capital market. A statement on the compliance with the BSEC's has been presented at the end of Corporate Governance Report at Page No. 136 of this Annual Report.

The Declaration or Certification of Managing Director & CEO and CFO has been presented at the end of the Report on Corporate Governance at Page No. 173 of this Annual Report.

Credit Rating Status

With a view to safeguard the interest of the prospective investors, depositors and creditors and to improve the functioning of the capital market of the country, Bangladesh Bank vide BRPD Circular No.06 dated July 05, 2006 has made it mandatory for the Bank's to have themselves credit rated. Accordingly, Credit Rating of United Commercial Bank PLC was done by Emerging Credit Rating Limited (ECRL) based on audited Financial Statements as on December 31, 2023. The rating report is summarized as under

Particulars	Long Term	Short Term
Entity Rating	AA	ST-2
Based on the Financial Statements as on	31 December 2023	
Validity Date	May 06, 2025	

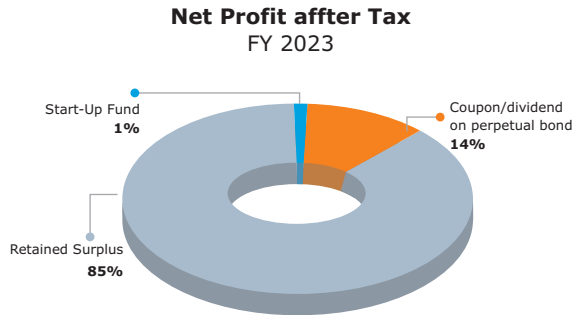
ECRL has assigned AA (pronounced as Double A) the long term credit rating and ST-2 short term credit rating to the United Commercial Bank PLC based on audited financials from FY2019 to FY2023 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The 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.

Senior Management

Name	With UCB since	Functional Designation
Arif Quadri	13 October 2015	Managing Director and CEO
Syed Faridul Islam	15 May 2019	Additional Managing Director and CRO
Abul Alam Ferdous	27 May 1984	Additional Managing Director and CBO-RMG
ATM Tahmiduzzaman, FCS	07 March 2010	Additional Managing Director and CS (CBO- Retail)
Md. Abdullah Al Mamoon	01 March 2017	Deputy Managing Director and Chief Operation Officer
Md. Shah Alam Bhuiyan	12 December 2017	Deputy Managing Director and Head of SAMD (CBO-SME)
Mohammed Khorshed Alam	05 August 2008	Deputy Managing Director and CPO
Alamgir Kabir	28 March 2011	Deputy Managing Director and CBO-Corporate
Faruk Ahammad, FCA	15 May 2019	Deputy Managing Director and CFO
S. M. Mainul Kabir	30 August 2023	Deputy Managing Director and CCRO
Amalendu Roy	21 April 2011	Deputy Managing Director and CCO

- CRO - Chief Risk Officer
- CBO - Chief Business Officer - RMG/Corporate/SME/Retail
- CS - Company Secretary
- CPO - Chief People Officer
- CFO - Chief Financial Officer
- CCRO - Chief Credit Risk Officer
- CCO - Chief Compliance Officer

Appropriation of Profit after Tax



Declaration of dividend

The Board of Directors of the Bank has recommended 10% dividend (5% cash dividend and 5% stock dividend) for the year 2023 in its meeting no. 491 held on 29 April 2024.

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.

Auditor's Report

The Board of Directors reviewed the Auditor's Report issued by the Bank's auditor ACNABIN, Chartered Accountants based on their audit of financial statements for the year ended 31 December 2023. 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 auditor's suggestion which auditor provides through a separate management report and gives the strategic guidelines to the management for improvement.

Appointment of Auditor

The existing auditor, ACNABIN Chartered Accountants, have completed their second year as auditor 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 2024 as they are eligible for re-

appointment for the year 2024. The appointment of the auditor and their remuneration have been recommended by the Board of the Directors of the Bank in its meeting no. 491 held on 29 April 2024 and subject to approval by the shareholders' at the Annual General Meeting (AGM).

Acknowledgement

The Bank concluded 2023 with outstanding performance across all key operational areas, thanks to the unwavering dedication of its employees and the sincere cooperation of all involved. The achievement of excellent results throughout the year was made possible by a strong liquidity base, prudent management of funds and credit, and ongoing guidance and support from the Board. I extend my gratitude to my fellow Board members for their consistent support and contributions, which have steered the Company in the right direction. I also express appreciation to all Company employees, upon whom our success relies. On behalf of the Board, I extend thanks to Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC, Chittagong Stock Exchange PLC, Central Depository Bangladesh Limited, borrowers, depositors, and other stakeholders who have contributed to the bank's growth. We eagerly anticipate their continued support going forward.

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 2023 together with the auditor's report thereon for approval.

(On behalf of the Board of Directors)

Rukhmila Zaman
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

As we reflect on the past year, it is evident that 2023 was a challenging year for the entire banking industry. However, despite the unprecedented challenges, we are pleased to announce that UCB has managed to hold its position as one of the top banks in the country. Our success is a testament to our resilience and adaptability in the face of adversity. Regardless of the adverse macroeconomic conditions, our business grew significantly in 2023.

A Year of Exceptional Growth

Throughout the year, the bank took several initiatives to grow the business as well as to increase the customer base. We have gone for expansion of business by opening new 4 branches, 11 sub-branches, 09 ATMs/CRMs and 536 agent banking outlets to acquire new customers by reaching to the doorsteps to solidify our position as one of the leading banks of the country. As a result, we have observed a significant growth of 20.51% in deposit. This subsequently led to a growth of 7.97% in loans and advances. As a result of these growths, net interest income of the Bank grew by 7.21%. Overall, the balance sheet size has increased by 9.07%.

Irrespective of the challenging economic conditions, the Bank became stronger than ever with the timely implementation of its strategic priorities. Balance sheet size of the company increased by 9.07% mainly driven by higher deposits; higher loans and advances and higher investments. This shows the greater trust of our customers on the Bank and dynamic management of resources. With the increased number of distribution channels, we are trying to reach every corner of the country considering the "financial inclusion" vision of the government; and provide the best banking services at their door.

The bank has reduced its non-performing loans from 5.99% in 2022 to 5.50% in 2023. In this regard, we have taken several initiatives such as account-wise monitoring; centralization of legal and recovery activities; formation of dedicated NPL settlement team and quick settlement of different cases. As a result of such initiatives, recovery from written off loans has increased by 73% in 2023.

Along with the growth in conventional banking, Islamic banking unit of the bank has also performed significantly well in 2023. Deposit, investment and operating profit of this unit has increased by 63%, 79% and 182% respectively in 2023.

2023 was a very crucial year for Bangladesh mainly due to higher inflation and significant dollar crisis. We were not beyond that. Our operating costs increased significantly due to higher inflation which resulted to a higher operating cost to operating income ratio in 2023. However, we have fulfilled each and every requirement of our customers in case of foreign trades such as opening LCs and foreign payments throughout the year. In the year 2023, Import was USD 3,842 million (1% higher than last year) and wage earners remittance was USD 501 Million (7% higher than last year) whereas export was USD 3,245 million (14% lower than last year).

In the year 2023, not only the bank performed exceptionally well but also its subsidiaries did an excellent job. Net profit of UCB Asset and UCB Investment increased by 187% and 49% respectively whereas net loss of UCB Fintech decreased by 31%. On the other hand, only UCB Stock Brokerage experienced a decrease of 27% in its net profit during the year. In addition, a new subsidiary of the Bank, UCB Exchange (SG) PTE. Ltd was incorporated in Singapore during the year.

Mission to Stay Ahead

In order to provide the latest banking facilities to our existing and new customers, we are continuously opening new sub-branches and agent banking outlets at different corners of the country. Our teams are working relentlessly in different automation and digital projects to offer latest online and digital banking experiences. We are planning on adopting new technologies to bring innovation in our products and services which will ensure more comfort for our customers. We are also continuously offering competitive products to gain new customers and retain the existing customer base. We believe, adoption of digital means will help us to cover wider customer base without incurring marginal costs. Moreover, our commitment to provide innovative services to our customers will help us increase our customer retention and acquire new customers.

We are committed to sustainable finance and promoting environmental sustainability. The bank has already established 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. As part of this, the bank is actively working to promote funding for energy efficiency and sustainable agricultural projects. UCB is also participant of several refinancing schemes of Bangladesh Bank designed to support

environmentally sustainable initiatives. Furthermore, UCB has adopted several environment friendly measures, such as implementing green technology in its banking operations, reducing energy consumption and paper usage etc.

We have undertaken an Argo-based CSR initiative "Voroshar Notun Janala" in 2023 with a view to contribute in the agriculture sector of the country as per the directives of Bangladesh Bank. Under this initiative, we have distributed fertilizer, quality seeds and modern agricultural tools among 3,000 farmers. We have also provided technical training on fishery, livestock, poultry and agricultural crops to 3,000 farmers of 50 upazilas in 42 districts; and entrepreneurial skill development training to 8,561 agri entrepreneurs of 303 upazilas in 37 districts. In addition, we have conducted 90 vaccination and health camp for livestock in those Districts. On the other hand, we have planted 55,000 trees in different organizations, houses and road side to protect the environment. Our such benevolent initiatives will be carried out in the upcoming years too.

We believe in the welfare of the communities where we serve; therefore, we not only earn profit but also contribute to the society. As part of our continuous CSR activities, we have spent BDT 38.40 crore in 2023 (98% higher than 2022) for promoting education, health security, environment protection, disaster management, sports and culture etc. We shall continue our contribution to different sectors of the society to make a better Bangladesh.

We have issued 150K new debit cards in 2023 (total number of debit cards as of 2023 is 682.6K) which is 33K higher than 2022. Similarly, we have issued 23.3K new credit cards (total number of credit cards as of 2023 is 86K) which is 8.3K higher than 2022. During this year, we have increased different features of our cards and signed different MoUs with numerous organizations to provide better facilities through usage of our cards. We have also opened a new domestic airport lounge in Jessore this year to provide better experience to our card holders during waiting time.

We are gradually transforming ourselves into a digitally enabled banking service provider where customers can access our products and services using different digital platforms. Currently, we are offering three digital platforms which are UClick, Unet Retail and Unet Enterprise. Using these platforms, our customers can easily open bank accounts, transfer money, pay bills, perform mobile recharge and avail many other digital banking facilities. Our internet banking base as of December 2023 is 156,490 which is 67% compared to last year. Transaction through Unet has grown by 105% compared to last year. We have been recognized by VISA for Excellence in product innovation; received "Best Banking Solution for E-commerce" award by ECAB and "Fintech Award" for Unet from Brand Forum.

In addition to customer oriented technological development, we are also working on developing our internal banking systems and reporting engines. We

are implementing several system migration projects which will help our employees to perform the transactions in a better and faster manner. In addition, this will also help us to generate improved reports to meet different regulatory requirements. Our focus of developing human resource continued in this year with greater emphasis. We are continuously acquiring meritorious and skilled human resource; and working relentlessly to improve their skills by training and development programs. Besides external training programs, employees have participated many internal training sessions which included renowned external trainers. We hope our investment in the growth of our employees will be evident in the growth of our bank.

Accounting Policies and Estimation for Preparation of Financial Statements

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, the Financial Reporting Act 2015, and other applicable laws and regulations. Details of the accounting policies and estimation used for the preparation of the financial statements of the Company are disclosed in Notes 1 to 2.20 of the financial statements.

Changes in Accounting Policies and Estimation

There were no major changes in the accounting policies and estimates. The company has followed the same accounting policies and estimates used in the previous year and there were no material changes observed. Moreover, appropriate accounting policies have been consistently applied in the preparation of financial statements.

Comparative Analysis of Financial & Operational Performance

The comparative analysis of financial & operational performance, with the immediate preceding five years, is shown on page 18 to 25.

Flows of current financial year

The consolidated and solo financial statements of the bank reflect true and fair view of the financial position of the bank which has been prepared in accordance with the International Financial Reporting Standards (IFRS)

Comparison of Financial Performance with the Peer Industry Scenario

Eastern Bank PLC, City Bank PLC, BRAC Bank PLC, and Bank Asia PLC are usually considered peers of United Commercial Bank PLC in the banking industry of Bangladesh considering the similar size of the portfolio. The following table shows a comparative benchmark for the year 2023 amongst the peers:

Parameter	United Commercial Bank PLC	Eastern Bank PLC.	City Bank PLC.	BRAC Bank PLC.	Bank Asia PLC.
Loans & Advances (BDT in million)	505,969	353,357	396,078	519,452	291,339
Deposits (BDT in million)	513,395	366,104	392,510	513,909	361,617
Investments (BDT in million)	82,864	94,023	73,062	115,657	11,500
Import (BDT in million)	417,963	267,320	287,299	249,902	204,353
Export (BDT in million)	349,618	227,976	276,649	161,784	150,985
Operating Profit (BDT in million)	9,726	11,451	13,498	13,930	11,648
NPAT (BDT in million)	2,685	6,109	6,151	7,304	2,005
NPL (%)	5.50	3.10	3.63	3.38	5.67
CRAR (%)	12.58%	15.04	15.80	14.00	16.45
Proposed Dividend (%)	5 Cash	12.50 Cash	15.00 Cash	10.00 Cash	15.00 Cash
	5 Stock	12.50 Stock	10.00 Stock	10.00 Stock	

Financial and Economic Scenario of the Country and the Globe

The world economy faced multiple crises in 2023, including worsening geopolitical tensions, reduced growth prospects, trade challenges with evolving sanctions, higher-than-expected inflation, climate change, and de-globalization.

Similarly, the domestic economy remained volatile throughout 2023 due to high inflation, high-interest rates, significant currency weakening, and depleting forex reserves. As an import-dependent economy, Bangladesh faced increased import costs and currency challenges, impacting both public and private sector financing.

Despite these uncertainties, Bangladesh is progressing with infrastructure development and critical reforms to improve the investment climate.

The IMF's baseline forecast for 2024 and 2025 predicts the world economy will grow at 3.2%, with advanced economies growing slightly faster and emerging markets and developing economies growing slightly slower. The Asian Development Bank (ADB) forecasts Bangladesh's GDP growth at 6.1% in 2024 and 6.6% in 2025, with inflation rates at 8.4% in 2024 and 7.0% in 2025.

Risks and Concerns related to the Financial Statements

The Bank has implemented a structured control mechanism to identify and mitigate risks related to financial statements, ensuring accurate representation of events and transactions. The Management conducts a risk assessment and develops a mitigation plan to address potential risks. The internal audit team and statutory auditors review the effectiveness of these systems.

The integrity of the Bank's financial reporting is supported by several processes, including reviews and recommendations by the Audit Committee and approvals by the Board. The Audit Committee and Risk Management Committee assist the Board in overseeing management activities and risk management issues. They update the Board on financial statements before publication. Additionally, the CFO and CEO certify the accuracy of the financial statements annually.

Future Plan or Projection or Forecast for Bank's Operation, Performance, and Financial Position

Despite the Ukraine-Russia war severely impacting Bangladesh's economy, inflation is expected to drop in 2024, and growth will rebound. As the economy recovers, we aim to maintain strong capital and liquidity but remain concerned about rising non-performing loans.

United Commercial Bank PLC will focus on growing its low-cost deposit base to support loan growth and market share. Our strong underwriting team will help keep NPLs low, and we'll enhance risk management and borrower engagement.

We expect continued profitability and improved performance from our subsidiaries. We'll uphold our commitment to ethical practices, zero tolerance for corruption, and addressing workplace issues.

The bank plans to boost efficiency through digital transformation, expanding key business areas, and ongoing innovation for future growth.

Acknowledgment and Appreciation

Despite the challenges we faced in 2023, United Commercial Bank PLC capitalised 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 gratitude to our Chairman and Board of Directors for their invaluable guidance and leadership. Their unwavering support has been critical

to our success. 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 customers 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 through 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 mind-set that prizes innovation, I have no doubt that we will continue to achieve great things together.

Best wishes



Arif Quadri

Managing Director and CEO



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 Regulations-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 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 15 (Fifteen) numbers of Non-Executive Directors including the Chairman, 4 (Four) 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 Code, Bank Company Act 1991 (amended up to 2023), and Corporate Governance Guidelines issued by Bangladesh Bank, the Board of Directors of the Bank has appointed 4 (Four) 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. The directors are also 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 2023) 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.

c) Appointment of a New Director

Under section 15(4) of the Bank Company Act, 1991 (amended up to date), 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 (amended upto date); 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 date) 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 making such expenditures. The maximum possible delegation of such power of</i></p>

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) Board Member Expertise in Corporate Governance

UCB recognizes the importance of a Board with a strong understanding of corporate governance principles and regulatory requirements. In accordance with requirements, the Board includes members with demonstrable expertise in corporate governance, finance, banking and accounting. These members have a strong understanding of relevant regulatory rules, responsibilities. They are designated with the specific responsibility of advising the Board on the Bank's compliance with corporate governance regulations and best practices

k) 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..

l) 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.

m) 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.

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.
- 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 2023) 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 2023) 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.

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 (1/3) 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 40th AGM, the following 5 Directors retired from the office of Director.

SL	Name	Mode of Change
01	Bashir Ahmed	Retired & Re-elected
02	Nurul Islam Chowdhury	Retired & Re-elected
03	Syed Kamruzzaman, FCMA	Retired & Re-elected
04	Muhammed Shah Alam, FCMA	Retired & Re-elected
05	Kanak Kanti Sen, FCMA	Retired & Re-elected

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

Brief Resume of the Directors who were re-elected

01	Personal Information		Corporate Information	
	Name	Bashir Ahmed	First Appointment	28.09.1993
	Date of Birth	25.12.1969	Last Appointment	26.06.2023
	Nationality	Bangladeshi	Status in Bank	Director
Entities where he has an interest				
1. Airmate Goodie Electrical Industries Limited		2. Goodie Accessories (Pvt.) Ltd.		
3. International Distribution Company Bangladesh PLC.		4. B & B Electronics.		
5. B & B Food & Beverage.		6. B & B Electrical & Electronics.		
7. Dhaka Electrical & Electronics.		8. Bard International.		
9. Petal Enterprise.		10. Airmate Lighting & Electrical Solutaional Pvt. Ltd.		
11. Ariston Enterprise		12. Mettle Emporium		
13. Yaman Impex Mega Trading Ltd.		14. Future Distribution and Network Limited		
15. Beg Shipping Agency				

02	Personal Information		Corporate Information	
	Name	Nurul Islam Chowdhury	First Appointment	30.08.1987
	Date of Birth	20.07.1962	Last Appointment	26.06.2023
	Nationality	Bangladeshi	Status in Bank	Director
Entities where he has an interest				
1. Islam Steel Mills Ltd.		2. NAMS Consulting & Sourcing Ltd.		
3. Eastern Engineers (CTG.) Ltd.		4. Bosphorus Fashion Ltd.		
5. NAMS Trading Corporation				

03	Personal Information		Corporate Information	
	Name	Syed Kamruzzaman, FCMA	First Appointment	10.08.2017
Date of Birth	21.02.1964	Last Appointment	26.06.2023	
Nationality	Bangladeshi	Status in Bank	Director	
Entities where he has an interest				
1. North West Securities Limited				

04	Personal Information		Corporate Information	
	Name	Muhammed Shah Alam, FCMA	First Appointment	10.08.2017
Date of Birth	01.03.1962	Last Appointment	26.06.2023	
Nationality	Bangladeshi	Status in Bank	Director	
Entities where he has an interest				
NIL				

05	Personal Information		Corporate Information	
	Name	Kanak Kanti Sen, FCMA	First Appointment	03.09.2020
Date of Birth	24.06.1965	Last Appointment	26.06.2023	
Nationality	Bangladeshi	Status in Bank	Director	
Entities where he has an interest				
NIL				

b) Rotation of the Directors in the upcoming AGM

According to the Articles of Associations of the Bank, 5 Directors will retire in the 41st Annual General Meeting of the Bank and all of them are eligible for re-election.

SL	Name
01	Rukhmila Zaman
02	M.A. Sabur
03	Roxana Zaman
04	Afroza Zaman
05	Md. Nasim Kalam

01	Personal Information		Corporate Information	
	Name	Rukhmila Zaman	First Appointment	13.04.2014
Date of Birth	06.05.1979	Last Appointment	05.08.2021	
Nationality	Bangladeshi	Status in Bank	Chairman	
Entities where he has an interest				
1. Aramit PLC.		2. Aramit Alu Composite Panels Limited.		
3. Aramit Cement PLC.		4. Aramit Steel Pipes Limited.		
5. Aramit Thai Aluminum Limited.		6. Aramit Footwear Limited		
7. Aramit Power Limited.		8. North West Securities Limited		

02	Personal Information		Corporate Information	
	Name	M. A. Sabur	First Appointment	29.06.1983
	Date of Birth	02.01.1948	Last Appointment	05.08.2021
	Nationality	Bangladeshi	Status in Bank	Director
Entities where he has an interest				
1. Masco Industries Limited		2. Masco Trims Limited		
3. Masco Cottons Limited		4. Concept Knitting Limited		
5. Mascotex Limited		6. Masco Properties Limited		
7. Shanta Expressions Limited		8. Masco Shares & Securities Limited		
9. Tasniah Fabrics Limited		10. Masco Poultry Limited		
11. Masco Printing & Embroidery Limited		12. Masco Services Limited		
13. Masco Picasso Limited		14. Masco Cotspin Limited		
15. Masminu Energy Limited		16. MAXIM Limited		
17. Masminu Footspree Limited		18. Masco Dairy Enterprise		
19. Masco Shakib Cricket Academy Limited				

03	Personal Information		Corporate Information	
	Name	Roxana Zaman	First Appointment	12.04.2018
	Date of Birth	20.02.1969	Last Appointment	05.08.2021
	Nationality	Bangladeshi	Status in Bank	Director
Entities where he has an interest				
1. Asif Steels Ltd.		2. Asif Cotton Mills Ltd.		
3. Javed Steels Ltd.		4. Asif Synthetic Fibers Ltd		
5. Vangaurd Steels Ltd.		6. Volkart Trading Limited		
7. Afroza Oil Ltd				

04	Personal Information		Corporate Information	
	Name	Afroza Zaman	First Appointment	30.04.2018
	Date of Birth	08.08.1976	Last Appointment	05.08.2021
	Nationality	Bangladeshi	Status in Bank	Director
Entities where he has an interest				
1. Asif Steels Ltd.		2. Asif Cotton Mills Ltd.		
3. Javed Steel Mills Ltd.		4. Asif Synthetic Fibres Ltd.		
5. Vanguard Steel Ltd.		6. Ronny Chemical Industries Limited.		
7. Afroza Oil Ltd.		8. Volkart Trading Ltd.		
9. Bangladesh Fertilizer Ltd.				

05	Personal Information		Corporate Information	
	Name	Md. Nasim Kalam	First Appointment	30.05.2010
	Date of Birth	31.01.1978	Last Appointment	21.11.2023
	Nationality	Bangladeshi	Status in Bank	Director
Entities where he has an interest				
1. M.A Kalam Ltd.		2. United Overseas Ltd.		

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 2023, a total of 10 Board Meetings were held.

a) Meeting Calendar

SL	Board Meeting No.	Date of the Board Meeting
01	479	25-Jan-2023
02	480	15-Mar-2023
03	481	25-Apr-2023
04	482	14-May-2023
05	483 (Special)	30-May-2023
06	484	22-Jun-2023
07	485	24-Jul-2023
08	486	23-Aug-2023
09	487	23-Oct-2023
10	488	24-Dec-2023

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	10	10	9	1	
2	Bashir Ahmed	Vice Chairman	10	10	7	3	
3	Anisuzzaman Chowdhury	Chairman, Executive Committee	10	10	9	1	
4	Touhid Shipar Rafiquzzaman	Independent Director & Chairman, Audit Committee	10	9	5	4	
5	M. A. Sabur	Chairman, Risk Management Committee	10	10	8	2	
6	Bazal Ahmed	Director	10	10	10	0	
7	Nurul Islam Chowdhury	Director	10	10	9	1	
8	Roxana Zaman	Director	10	10	9	1	
9	Asifuzzaman Chowdhury	Director	10	10	7	3	
10	Afroza Zaman	Director	10	10	9	1	

SL	Name	Status with the Board	Total Meetings held during the year	Total Meetings held during their period	Attended	Absent	Remarks
11	Md. Nasim Kalam	Director	10	01	01	0	01 meeting was held during her tenure
12	Syed Kamruzzaman, FCMA	Director	10	8	6	2	08 meetings were held during his tenure
13	Muhammed Shah Alam, FCMA	Director	10	10	9	1	
14	Kanak Kanti Sen, FCMA	Director	10	10	9	1	
15	Md. Aksed Ali Sarker	Director	10	10	10	0	
16	Masuma Parvin	Director	10	10	10	0	
17	Dr. Aparup Chowdhury	Independent Director	10	10	7	3	
18	Prof. Dr. Iftekhar Uddin Chowdhury	Independent Director	10	10	10	0	
19	Md. Abdul Hannan	Independent Director	10	0	0	0	No meeting was held during his tenure
20	Arif Quadri	Managing Director & CEO	10	8	8	2	

c) Attendance of the Past Member of the Board

SL	Name	Status with the Board	Total Meetings	Total Meetings held during their period	Total Attended	Total Absent	Remarks
1	Hajee Yunus Ahmed	Former Director	10	2	2	0	2 meetings were held during his tenure
2	Hajee M. A. Kalam	Former Director	10	2	2	0	2 meetings were held during his tenure

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

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, Additional 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 five 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 সুবর্ণজয়ন্তী 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, Dcvq (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, Dcvq (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.

e) UCB Exchange (SG) Pte Limited

UCB Exchange (SG) Pte Ltd, a wholly owned subsidiary of United Commercial Bank PLC, was incorporated in Singapore on 25 January 2023 as a private limited company by shares under the Companies Act 1967 in Singapore under Unique Entity Number (UEN) 202302830G. After incorporation, UCB Exchange has submitted its application for remittance licence to Monetary Authority of Singapore (MAS) and it is still under process.

Our goal is to be the first choice for remitters in Singapore for sending remittances and to become a global market leader in money transfer industry. By ensuring a competitive service and exchange rates, flexible settlement rates and dates, and excellent operational and business support that keeps pace with current technology, we aim to surpass our clients' needs in Singapore. We aim to provide a quick,

secure and cost-effective money transfer experience for all our customers. We will achieve this by innovating and bettering our services for the needs of our customers.

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 2023 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 Auditor's 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 40th 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 2023:

- 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 2023 UCB proudly owns 5749 no. of employees and operating profit per employee was BDT 2.14 million compared to BDT 2.14 in 2022.

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 2023 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. 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	Director
5	Nurul Islam Chowdhury	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
457	25-Jan-2023
458	15-Mar-2023
459	17-Apr-2023
460	31-May-2023
461	22-Jun-2023
462	31-Jul-2023
463	31-Aug-2023
464	27-Sep-2023
465	30-Oct-2023
466	24-Dec-2023

SL	Name	Position	Total Meeting held	Meetings held during his/ her period	Attended	Absent	Remarks
1	Anisuzzaman Chowdhury	Chairman	10	10	10	0	
2	Bashir Ahmed	Member	10	10	8	2	
3	M. A. Sabur	Member	10	10	9	1	
4	Bazal Ahmed	Member	10	10	10	0	
5	Nurul Islam Chowdhury	Member	10	4	4	0	4 meetings were held during his tenure
6	Roxana Zaman	Member	10	10	9	1	
7	Asifuzzaman Chowdhury	Member	10	10	6	4	

Past Members Attendance Details

SL	Name	Total Meeting held	Total Meetings held during their period	Total Attended	Total Absent	Remarks
1	Hajee Yunus Ahmed	10	2	2	0	2 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, amended in 2023 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 31.12.2023) & 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	Nature of Directorship
1.	Touhid Shipar Rafiquzzaman a) Date of Birth: 23.07.1959 b) Educational & Professional Qualifications: MA c) Years of Experience: 39 d) Fields of Expertise: Risk Management, Customer Relationship Management	Chairman	Independent Director	Non-Executive
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: 30 d) Fields of Expertise: Finance and Accounting	Member	Director	Non-Executive

SL	Name and Qualification	Status in the Committee	Status in the Board	Nature of Directorship
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: 35 d) Fields of Expertise: Finance and Accounting	Member	Director	Non-Executive
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: 39 years d) Field of Expertise: Civil Service & Administration	Member	Independent Director	Non-Executive
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: 30 years d) Field of Expertise: Finance and Accounting, Company Secretariat	Member	Director	Non-Executive

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 BESS on June 3, 2018, amended in 2023 and other best-practice corporate governance regulations and standards.

Meetings of the Audit Committee

Bangladesh Bank recommends that Audit Committees hold at least 4 (four) meetings every year. In 2023, The UCB Audit Committee met 6 (six) times. The Committee conducted extensive discussions and review sessions with the Head of Internal Control & Compliance, the Head of Audit, and the External Auditors about Audit findings, observations, and corrective measures. The dates for Audit Committee meetings were as follows:

Details of Audit Committee Meetings held in 2023

Sl. No.	Meeting No.	Date of Meeting
1	128	25-Apr-2023
2	129	14-May-2023
3	130	30-May-2023
4	131	24-Jul-2023
5	132	01-Oct-2023
6	133	23-Oct-2023

Particulars of Attendance of the Members of Audit Committee

Name of the Directors	Position	Meetings held in 2023	Meetings held during member's tenure in 2023	Meetings Attended	Remarks
Touhid Shipar Rafiquzzaman	Chairman	6	6	6	-
Syed Kamruzzaman, FCMA	Member	6	2	2	2 meetings were held during his tenure
Muhammed Shah Alam, FCMA	Member	6	6	5	-
Dr. Aparup Chowdhury	Member	6	6	6	-
Kanak Kanti Sen, FCMA	Member	6	6	5	-

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. Conflict of Interest Reporting

Reporting to the Board of Directors the Audit Committee is responsible for providing a report on its activities to the Board. If any of the following findings arise, the Audit Committee shall immediately report them to the Board: Conflicts of interest; Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; Suspected violation of laws, regulatory compliance including securities-related laws, rules, and regulations; and Any other matter deemed necessary by the Audit Committee that must be immediately disclosed to the Board. However, no such incidents occurred at SJIBL during the year 2022.

I. Presence at the Annual General Meeting (AGM)

The Chairman of the Audit Committee attends in every General Meeting to answer questions and provide additional transparency and accountability regarding the Committee's activities. This allows shareholders to gain a deeper understanding of the financial reporting oversight process and fosters trust in UCB's commitment to sound governance practices.

J. 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.

K. 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 2023

- a) Audited Financial Statements, and the Auditor's Report of the Bank;
- b) Appointment of External Auditors and Fixation of their Remuneration;

- c) Approval of the report of the Audit Committee for the annual report 2022;
- d) Review Un-Audited Financial Statements of the Bank for the 1st Quarter (Q1) ended 31 March, 2023;
- e) Discussion on Compliance status of Recommendation of the Audit Committee of the Board (ACB);
- f) Discussion on Un-rectified compliance status of RBIA report as of March 2023;
- g) Self-Assessment of Anti-Fraud Internal Controls for the period from July - Dec 2022;
- h) Approval of Internal Audit Strategic Plan (RBIA) for the year 2023;
- i) Summary of Risk-Based Internal Audit Findings (High-Risk Issues) of 07 branches
- j) Un-Audited Financial Statements of the Bank for the 2nd Quarter (Q2) ended 30 June, 2023;
- k) 'Annual Health Report' as of 31 December 2022;
- l) Compliance status of Recommendation of the Audit Committee of the Board (ACB) of Risk Based Internal Audit Findings (High-Risk Issues) of 5 (Five) branches;
- m) Effectiveness of Internal Control Policy, Practice & Procedure for the year 2022;
- n) Self-Assessment of Anti-Fraud Internal Controls for the period from January to June 2023;
- o) Internal audit strategic plan (RBIA) for the year 2023;
- p) Information system security Audit (IT Audit) strategic plan for the year 2023;
- q) Updated Summary of Risk Based Internal Audit findings (High-Risk issues) of 07 branches;
- r) Un-Audited Financial Statements of the Bank for the 3rd Quarter (Q3) ended 30 September, 2023;

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 2023. 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 Rafiqzaman
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	41	Banking, RMG, Agro & Others
2	Anisuzzaman Chowdhury	Member	Director	BBA	26	Banking, Chemical, Pharma & Others
3	Nurul Islam Chowdhury	Member	Director	B. Com	35	Banking, Steel & Shipping Business
4	Afroza Zaman	Member	Director	B. Com	30	Banking & Insurance
5	Prof. Dr. Iftekhar Uddin Chowdhury	Member	Independent Director	LLB, MA & PhD	37	Teaching
6	ATM Tahmiduzzaman, FCS	Member Secretary	Company Secretary	MBA & CS	22	Banking, Telco & Governance

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 2023 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	38	15-Mar-2023
2	39	22-Jun-2023
3	40	15-Nov-2023
4	41	24-Dec-2023

Attendance Detail

Name of the Directors	Status	Total Meeting Held During 2022	Meeting Held During their tenure	Meetings Attended	Remarks
M. A. Sabur	Chairman	4	4	4	
Anisuzzaman Chowdhury	Member	4	4	4	
Nurul Islam Chowdhury	Member	4	4	4	
Afroza Zaman	Member	4	4	2	Leave of absence were granted
Prof. Dr. Iftekhar Uddin Chowdhury	Member	4	4	4	

Major Issues Reviewed by The Risk Management Committee During 2023

Significant issues and areas of interest dealt with by RMC during 2023 are noted below:

- a) Incidental Report regarding Fire incident at UCB Corporate Office;
- b) Risk Appetite Statement of the Bank for the year 2023;
- c) Revised Business Continuity Plan (BCP) of the Corporate office and the branches;
- d) Stress Test Report of the Bank for the year 2023;
- e) Half-Yearly Comprehensive Risk Management Report as on December 31, 2022;
- f) Foreign Exchange Position;
- g) Sustainable Finance Status;
- h) Compliance status of time bound action plan set by BFIU;
- i) The initiatives and Service Quality Concern;
- j) The Report of the Risk Management Committee of the Board of Directors;
- k) Minutes of the 80th to 89th Executive Risk Management Committee (ERMC);
- l) Monthly Risk Management Report;
- m) ICAAP Report of the Bank for the year 2022;
- n) Process review for Home Loan;
- o) Submission of Profitability position;
- p) Submission of the Recovery Plan of the United Commercial Bank PLC;
- q) Submission of Two ICT Risk Items as on June 21, 2023;
- r) Recent fraud incidents at UCB;
- s) Projected Capital Position of the Bank;
- t) Revised 'Internal Capital Adequacy Assessment Process Manual';
- u) ICT Security Policy Review (v8.0 to v9.0) as per latest BB ICT Security Guideline version 4.0;
- v) Revised and Operational Risk Management Policy of the Bank;
- w) Branch Risk grading of the Bank for the year ended on 2022;
- x) Management Action Trigger (MAT) Document;
- y) Bank's Self-Assessment & Independent Testing Procedure (ITP) report to BFIU;
- z) 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

INTEGRATED REPORTING

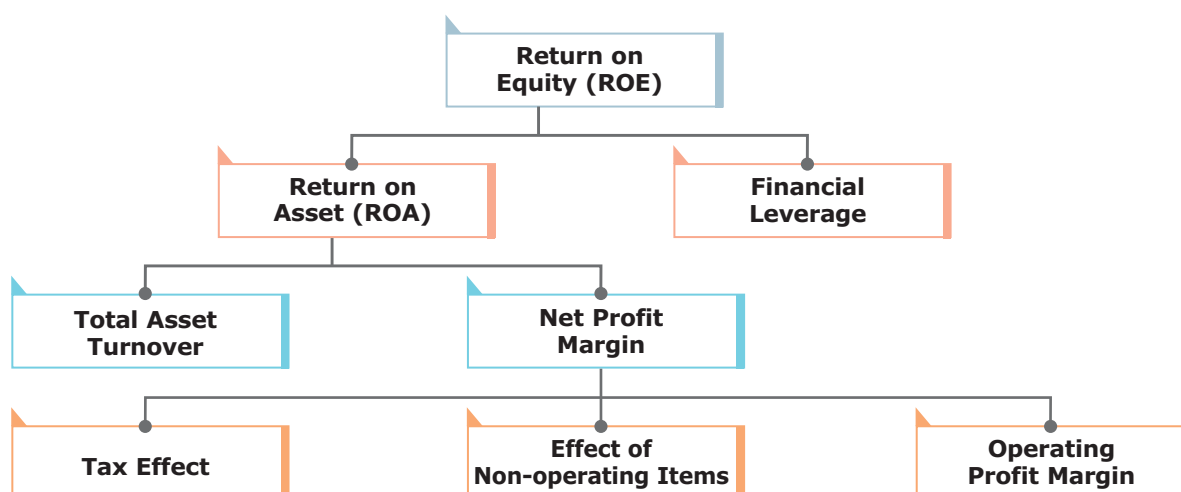
SWOT Analysis for United Commercial Bank PLC



DuPont Analysis

The DuPont Analysis is a powerful tool used to decompose a company's Return on Equity (ROE) into its constituent components. This analysis helps in understanding the drivers behind a company's financial performance. The DuPont formula breaks down ROE into three key components:

- 1. Profit Margin (Net Profit Margin):** Measures how much profit a company generates for each dollar of sales.
- 2. Asset Turnover:** Measures how efficiently a company uses its assets to generate sales.
- 3. Equity Multiplier:** Measures the degree of financial leverage used by a company.



PESTEL Analysis for United Commercial Bank PLC



P

Political Factors

1. Regulatory Environment

- Banking regulations and compliance requirements significantly impact UCB's operations. Changes in financial regulations, such as capital adequacy norms and lending restrictions, can affect the bank's strategies and profitability.

2. Political Stability

- Political stability in the regions where UCB operates influences business confidence and economic growth, affecting the bank's operational stability and market conditions.

3. Government Policies

- Policies related to taxation, interest rates, and foreign investment can impact UCB's business environment. Favourable policies can support growth, while restrictive policies may pose challenges.



E

Economic Factors

1. Economic Growth

- The overall economic health of UCB's operating regions influences loan demand, deposit growth, and investment opportunities. Economic downturns can lead to higher default rates and lower profitability.

2. Interest Rates

- Fluctuations in interest rates affect UCB's net interest margin and overall profitability. Central bank policies on interest rates play a critical role in the bank's financial performance.

3. Inflation Rates

- Inflation impacts the purchasing power of consumers and businesses, influencing borrowing and saving behaviors. High inflation can erode asset values and increase operational costs.



S

Social Factors

1. Demographic Trends

- Changes in population demographics, such as aging populations or growing middle class, affect demand for different banking products and services.

2. Consumer Behavior

- Shifts in consumer preferences towards digital banking and personalized financial services drive UCB to innovate and adapt its offerings to meet customer expectations.

3. Financial Literacy

- Levels of financial literacy in the market influence how consumers engage with banking products. Higher financial literacy can lead to increased demand for sophisticated financial services.



T

Technological Factors

1. Digital Transformation

- Advances in technology present opportunities for UCB to enhance its digital banking platforms, improve customer experience, and streamline operations through automation and data analytics.

2. Fintech Innovations

- The rise of fintech companies introduces new competitive dynamics. UCB can leverage partnerships with fintech firms to offer innovative products and stay competitive.

3. Cybersecurity

- As digital banking services expand, ensuring robust cybersecurity measures is crucial to protect customer data and maintain trust. Cyber threats pose significant risks to UCB's operations.



E

Environmental Factors

1. Sustainability Initiatives

- Increasing focus on sustainability and environmental responsibility affects how UCB conducts its operations and makes investment decisions. Adopting green banking practices can enhance the bank's reputation and meet regulatory requirements.

2. Climate Change Impact

- Climate change poses risks to the financial sector, including UCB, through physical risks (e.g., natural disasters) and transition risks (e.g., shifts towards a low-carbon economy).

3. Regulatory Pressure on Environmental Issues

- Governments and regulatory bodies are increasingly imposing regulations related to environmental impact and sustainability, which UCB must comply with.



L

Legal Factors

1. Compliance Requirements

- UCB must adhere to a complex web of banking regulations and compliance standards, including anti-money laundering (AML) and know-your-customer (KYC) norms, which require significant resources.

2. Litigation Risks

- The bank faces potential legal risks from lawsuits related to customer disputes, regulatory breaches, or employment issues, which can impact its financial standing and reputation.

3. Intellectual Property

- Protecting proprietary technologies and maintaining intellectual property rights are essential for UCB to safeguard its innovations and competitive advantage.

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 2023 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, 2023.
- 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 2023, 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 2023 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 2023.
- 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 2023 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 2023 have been sufficiently discussed in the Directors' Report 2023 and the MD&A portion of the report.
- Declaration of a temporary dividend in the form of a bonus share or equity dividend: In 2023, there was no declaration of an interim distribution for bonus shares or equity dividends.
- The number of board meetings held in 2023 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 2023, 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);	✓		
	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	✓		
	1(3)(b)	Independent director shall have following qualifications			
	1(3)(b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	-	-	N/A
	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.	✓	-	Please See the Directors' Profile for Details
	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	✓	-	Please See the Directors' Profile for Details
	1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓	-	Please See the Directors' Profile for Details
	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	-	-	N/A

	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.	-	-	No such case occurred
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;	✓		discussion on interest income-expense, operating & net profit, provisions for loans & advances is provided

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.;	✓	-	N/A
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	✓		
	1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board	✓		

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	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)	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:	✓		
	3(3)(a)(i)	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					
For ensuring good governance in the company, the Board shall have at least following sub-committees	4(i)	Audit Committee	✓		
	4(ii)	Nomination and Remuneration Committee	-		Bangladesh Bank has restricted the formation of NRC for Banking Companies Vide letter BRPD (R-1)717/2021-5064 dated June 16, 2021.

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
5 Audit Committee					
Responsibility to the Board of Directors	5(1)(a)	The company shall have an Audit Committee as a sub- committee of the Board	✓		
	5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
	5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
Constitution of the Audit Committee	5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
	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)	TReporting of the Audit Committee	✓		
	5(6)(a)	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	-	-	No such case occurred

	Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	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;	-	-	No such case occurred
	5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	No such case occurred
	5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	-	-	No such case occurred
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 case occurred
	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;	-		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;	-		
	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;	-		

	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);	-		
	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;	-		
	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;	-		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)(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.	✓		

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. 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> <ol 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> <ol 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> <ol 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. (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. (vi) Other Responsibilities: <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. d) Meetings: <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> <ol style="list-style-type: none"> a) Organizational Structure: <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. b) Qualifications of the Member: <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. c) Roles and Responsibilities of the Risk Management Committee: <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 2023
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 2023
9.0	Withdrawal of Resolutions	Not required in the Year of 2023
10.0	Rescinding of Resolutions	Not required in the Year of 2023
11.0	Modifications to Resolutions	Not required in the Year of 2023
12.0	Reading of Report/Certificate	Complied
13.0	Distribution of Gifts	Complied
14.0	Adjournment of Meetings	Not required in the Year of 2023
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 2023
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 25 April 2023	 PSI regarding Audited Financial Statements for the year ended on December 31, 2022
02 14 May 2023	 PSI for credit rating of UCB PLC for the year 2022
03 14 May 2023	 PSI of Un-audited Financial Statement (Q1), 2023
04 24 July 2023	 PSI on Un-Audited Financial Statements for the Second Quarter (Q2) period ended on June 30, 2023
05 23 October 2023	 PSI Third Quarter (Q3) period ended on September 30, 2023
06 14 December 2023	 Information Memorandum of UCB 2nd Perpetual Bond

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	529748133	5297481330	35.87
Institution (Financial & Others)	319738843	3197388430	21.64
General Public	615085527	6150855270	41.68
Govt. of Peoples Republic of BD	11975972	119759720	0.81
Total	1476548475	14765484750	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
UCB Exchange (SG) PTE. 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	Share Held	Percentage
1.	Rukhmila Zaman	29,534,743	2.00%
2.	Bashir Ahmed	29,698,564	2.01%
3.	Anisuzzaman Chowdhury	41,323,559	2.80%
4.	Touhid Shipar Rafiquzzaman	Nil	Nil
5.	M. A. Sabur	32,447,036	2.20%
6.	Bazal Ahmed	29,590,986	2.00%
7.	Nurul Islam Chowdhury	29,536,931	2.00%
8.	Roxana Zaman (Representative of Volkart Trading Limited)	29,555,323	2.00%
9.	Asifuzzaman Chowdhury	41,650,921	2.82%
10.	Afroza Zaman (Representative of Legendary Assets Management Limited)	29,555,323	2.00%
11.	Md. Nasim Kalam	29,649,401	2.01%
12.	Masuma Parvin (Representative of Splendid Trading Limited)	29,555,323	2.00%
13.	Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited)	30,271,092	2.05%
14.	Muhammed Shah Alam, FCMA (Representative of Ardent Assets Management Limited)	29,555,323	2.00%
15.	Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited)	29,531,510	2.00%
16.	Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited)	29,542,590	2.00%
17.	Dr. Aparup Chowdhury	Nil	Nil

18. Professor Dr. Iftekhar Uddin Chowdhury	Nil	Nil
19. Md. Abdul Hannan	Nil	Nil
ii. Arif Quadri (Managing Director & CEO)	Nil	Nil
iii. A T M Tahmiduzzaman, FCS (AMD & Company Secretary)	Nil	Nil
iv. Faruk Ahammad (DMD and Chief Financial Officer)	Nil	Nil
v. Mohammed Khorshed Alam (DMD and Head of Internal Audit)	Nil	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)	Nil
02	Abul Alam Ferdous (Additional Managing Director)	Nil
03	Md. Abdullah Al Mamoon (Deputy Managing Director)	Nil
04	Md. Shah Alam Bhuiyan (Deputy Managing Director)	Nil
05	Alamgir Kabir (Deputy Managing Director)	Nil
06	S M Mainul Kabir (Deputy Managing Director)	Nil
07	Amalendu Roy (Deputy Managing Director)	Nil

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

SL	Name of Directors	Shares Held
01	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	17,389	2,445,059.00	24,450,590.00	0.17%
From 501 to 5000	19,826	34,370,057.00	343,700,570.00	2.33%
From 5001 to 10000	3,093	20,919,903.00	209,199,030.00	1.42%
From 10001 to 20000	1,880	25,684,321.00	256,843,210.00	1.74%
From 20001 to 30000	656	15,872,276.00	158,722,760.00	1.07%
From 30001 to 40000	257	8,722,969.00	87,229,690.00	0.59%
From 40001 to 50000	157	6,938,133.00	69,381,330.00	0.47%
From 50001 to 100000	311	20,978,411.00	209,784,110.00	1.42%
From 100001 to 1000000	342	92,666,489.00	926,664,890.00	6.28%
Above 1000000	152	1,247,950,857.00	12,479,508,570.00	84.52%

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 2023. 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 31.12.2023

Name	Designation in Bank	Name of the Entities
Rukhmila Zaman	Chairman	Aramit PLC.
		Aramit Cement PLC.
		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 31.12.2023

Name	Designation in Bank	Name of the Entities
Bashir Ahmed	Vice-Chairman	Airmate Goodie Electrical Industries Limited
		Goodie Accessories (Pvt.) Ltd.
		International Distribution Company Bangladesh PLC.
		B & B Electronics.
		B & B Food & Beverage.
		B & B Electrical & Electronics.
		Dhaka Electrical & Electronics.
		Bard International.
		Petal Enterprise.
		Airmate Lighting & Electrical Solutaional Pvt. Ltd.
		Ariston Enterprise
		Mettle Emporium
		Yaman Impex Mega Trading Ltd.
		Future Distribution and Network Limited
Beg Shipping Agency		
Anisuzzaman Chowdhury	Director	Asif Steels Ltd.
		Javed Steel Mills Ltd.
		Vanguard Steel Ltd.
		Afroza Oil Ltd.
		Asif Synthetic Fibres Ltd.
		Holy Crescent Hospital Ltd.
		Ronny Chemical Industries Limited
		Navana Pharmaceuticals PLC.
Touhid Shipar Rafiquzzaman	Independent Director	None
M. A. Sabur	Director	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 Shakib Cricket Academy Limited
		Masco Trims Limited
		Concept Knitting Limited
		Masco Properties Limited
		Masco Shares & Securities Limited
Masco Poultry Limited		

DISCLOSURE OF ENTITIES WHERE DIRECTORS HAVE AN INTEREST AS ON 31.12.2023

Name	Designation in Bank	Name of the Entities
		Masco Services Limited
		Masco Cotspin Limited
		MAXIM Limited
		Masco Dairy Enterprise
Bazal Ahmed	Director	M/s Taj Accessories (PVT) Limited.
		M/s Saikat Textile Industries Limited
		M/s Deen Fashions Limited
Nurul Islam Chowdhury	Director	Islam Steel Mills Ltd.
		Eastern Engineers (CTG.) Ltd.
		NAMS Trading Corporation
		NAMS Consulting & Sourcing Ltd.
		Bosphorus Fashion Ltd.
Roxana Zaman (Representative of Volkart Trading Limited)	Director	Asif Steels Ltd.
		Javed Steels Ltd.
		Vangaurd Steel Ltd.
		Afroza Oil Ltd
		Asif Cotton Mills Ltd.
		Asif Synthetic Fibers Ltd
		Volkart Trading Limited
Asifuzzaman Chowdhury	Director	Asif Steels Ltd.
		Javed Steel Mills Ltd.
		Vanguard Steel Ltd.
		Afroza Oil Ltd.
		Bhatiary Fruits & Vegetable Products (Pvt) Ltd.
		Bangladesh Fertilizer Ltd.
		Asif Cotton Mills Ltd.
		Asif Synthetic Fibres Ltd.
		JASA Corporation Ltd.
		Ronny Chemical Industries Limited
Afroza Zaman (Representative of Legendary Assets Management Limited)	Director	Asif Steels Ltd.
		Javed Steel Mills Ltd.
		Vanguard Steel Ltd.
		Afroza Oil Ltd.
		Bangladesh Fertilizer Ltd.
		Asif Cotton Mills Ltd.
		Asif Synthetic Fibres Ltd.
		Ronny Chemical Industries Limited
		Volkart Trading Ltd.

DISCLOSURE OF ENTITIES WHERE DIRECTORS HAVE AN INTEREST AS ON 31.12.2023

Name	Designation in Bank	Name of the Entities
Md. Nasim Kalam	Director	M.A Kalam Ltd.
		United Overseas Ltd.
Masuma Parvin (Representative of Splendid Trading Limited)	Director	Navana Pharmaceuticals PLC
		Japan Bangladesh Friendship Hospital Pvt. Ltd
		Dhaka Evergreen Retirement Homes Pvt. Ltd.
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
Md. Abdul Hannan	Independent Director	None
Arif Quadri	Managing Director & CEO	None

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 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

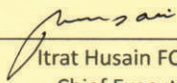
We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

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

Dhaka, 07 May 2024



For: **Itrat Husain & Associates**


Itrat Husain FCMA, FCS
Chief Executive

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

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 2023**

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 2023 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 2023 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 2023 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, 2025

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 FOR PROSPECTIVE INVESTORS

Overview

United Commercial Bank PLC is committed to providing transparent, comprehensive, and accurate information to our shareholders and prospective investors. Our annual report is designed to offer a thorough understanding of our financial health, strategic direction, and operational achievements. Below is a summary of key information and disclosures for prospective investors.

Financial Performance

In the fiscal year ending 2023, United Commercial Bank PLC has demonstrated robust financial performance, with significant growth in key metrics :

- Revenue in Million Taka: 51,378
- Net Profit After Tax in Million Taka: 2,685
- Earnings Per Share (EPS): 1.86
- Return on Equity (ROE): 6.41

Detailed financial statements, including the income statement, balance sheet, and cash flow statement, can be found in the Financial Section of this report.

Strategic Initiatives

Our strategic initiatives are focused on enhancing shareholder value through:

- **Digital Transformation:** Investment in digital banking solutions to improve customer experience and operational efficiency.
- **Market Expansion:** Expanding our footprint domestically and internationally to tap into new markets.
- **Sustainable Banking:** Commitment to sustainable practices and responsible banking to ensure long-term growth and environmental stewardship.

Risk Management

Risk management is a cornerstone of our operational strategy. We employ rigorous risk assessment and mitigation practices to manage:

- **Credit Risk:** Maintaining a diversified loan portfolio and stringent credit assessment procedures.

- **Operational Risk:** Implementing robust internal controls and continuous process improvements.
- **Market Risk:** Utilizing hedging strategies and market analysis to mitigate exposure to market fluctuations.

Corporate Governance

We adhere to the highest standards of corporate governance, ensuring transparency, accountability, and integrity in all our operations. Our governance framework includes:

- **Board of Directors:** A diverse and experienced board overseeing strategic direction and corporate policies.
- **Audit Committee:** An independent committee ensuring accuracy and integrity in financial reporting.
- **Compliance:** Adherence to regulatory requirements and best practices in corporate governance.

Corporate Social Responsibility (CSR)

United Commercial Bank PLC is dedicated to making a positive impact on society. Our CSR initiatives focus on:

- **Community Development:** Supporting local communities through various programs and partnerships.
- **Environmental Sustainability:** Reducing our carbon footprint and promoting green banking practices.
- **Employee Engagement:** Fostering a positive work environment and investing in employee development.

Future Outlook

Looking ahead, United Commercial Bank PLC is well-positioned to capitalize on emerging opportunities and navigate potential challenges. Our strategic focus will continue to be on innovation, customer-centric solutions, and sustainable growth.

Invitation to Invest

We invite prospective investors to review our annual report in detail and consider the promising opportunities that United Commercial Bank PLC offers. For more information or to discuss investment opportunities, please contact our Investor Relations team.

Disclaimer

This disclosure contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those projected. Investors are advised to review the complete annual report and perform their due diligence before making investment decisions.

Contact Information

For further details or inquiries, please contact:

Investor Relations Team

United Commercial Bank PLC

Bulus Center, Plot - CWS- (A)-1,
Road No – 34, Gulshan Avenue, Dhaka-1212

Email: bsd@ucb.com.bd

Phone: +88-02-55668070, +88-09610999999

Website: A dedicated Investor Relations section is available on our website at <https://www.ucb.com.bd/know-ucb/investor-relations/> containing financial reports, presentations, news releases, and other investor resources.



RISK MANAGEMENT OF THE BANK



FROM THE DESK OF THE CHIEF RISK OFFICER

In 2023, the global economy was struck by a string of powerful shocks that reinforced one another. Rapid interest rate increases caused capital outflows and currency depreciations, exacerbated risks to debt sustainability, and created a new crisis by upsetting the food and energy markets. Additionally, high inflation undermined real incomes and sparked a global crisis of cost of living.

Along with the global shocks, Bangladesh's economy was confronted with a number of unresolved structural problems, such as low tax revenue performance, a weak banking sector, inadequate management of public expenditures, inappropriate trade and industrial policies for export and economic diversification, low foreign direct investment, and inadequate corporate governance. The banking industry in Bangladesh has been attempting to address both new and old risk factors in accordance with both new and current regulatory rules in response to economic difficulties. In light of this, it is appropriate to note that United Commercial Bank PLC. effectively maintained all metrics in 2023 by implementing a clear and flexible plan.

As a Chief Risk Officer (CRO), I have found UCB steering through challenging circumstances. The businesses of the Bank have been driven with a focus

on risk-calibrated profitable growth. UCB continued to maintain its capital adequacy ratios (on solo basis) above the regulatory requirement and reported a total CRAR of 12.58% at the end of 2023. The Bank prudently managed risk by maintaining a good risk management culture. 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 2023.

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 2023

The risk profile of Bank indicates good performance that reflects the good work done in the past years to improve its portfolios and secure its foundations. In 2023, 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	
			31.12.2023	31.12.2022
Credit Risk: (Assets quality and resilience capacity)	Gross NPL Ratio	<5%	5.50%	5.99%
	Net NPL Ratio	<3.50%	1.52%	1.72%
	Provision Maintenance Ratio	≥100%	100.00%	100.45%
	Rated Borrowers Ratio	-	88.64%	87.20%
Liquidity Risk	Cash Reserve Requirement (CRR)	≥4%	4.15%	4.10%
	Statutory Liquidity Requirement (SLR)	≥13%	15.78%	16.83%
	Advance to Deposit Ratio (ADR)	≥87%	86.57%	86.14%
	Liquidity Coverage Ratio (LCR)	≥100%	106.81%	105.00%
	Net Stable Funding Ratio (NSFR)	≥100%	118.77%	117.54%
Strategic Risk	Capital to Risk Weighted Assets Ratio (CRAR) with Conservation Buffer	≥12.50%	12.58%	13.06%
	Tier 1 Plus Conservation Buffer	≥8.50%	8.92%	9.01%
	CET 1 Plus Conservation Buffer	≥7%	7.69%	8.02%
	Leverage Ratio	≥3%	4.93%	5.00%
	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 good.

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 2023, 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.

Bank's Resilience Status in 2023

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:

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 the 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 and Terrorist Financing 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.

- Adequate Capital has been maintained against Risk Weighted Assets (RWA): CRAR 12.58%
- Credit Rating of the clients has been improved: Credit Rating 88.64%
- Minimum level of additional capital has been charged against residual risk: Capital charged BDT. 556.90 Million (2022)
- Credit Deposit Ratio (ADR) has been successfully maintained: ADR 86.57%
- Liquidity Coverage Ratio (LCR) has been maintained effectively: LCR 106.81%
- Net Stable Funding Ratio (NSFR) has been maintained successfully: NSFR 118.77%
- Cash Reserve Ratio (CRR) has been maintained successfully: CRR 4.15%
- Statutory Liquidity Requirement (SLR) has been maintained effectively: SLR 15.78%
- Capital Market Exposure to Regulatory Capital has been maintained within the regulatory limit: 19.54%
- NPL ratio has been arrested at 5.50%
- Provision has been maintained as per regulatory requirement.
- Leverage Ratio has been maintained 4.93% far above the BB requirement 3.25%.

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 communication from the 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 (ISMS), ISO 22301 Standard (BCMS), 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.
- Robust and comprehensive software/application security assessment through QC process.
- 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 2023. Besides, UCB substantially grew in terms of Green and Sustainable Finance disbursement in 2023 compared to 2022.

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 may have the potential to impact our business materially.

The following table summarizes the Emerging Risks that the Bank may face and its managing process:

Tight monetary policy and slow credit growth

BB has made containing inflation its top priority when it comes to policy. Consumers' purchasing power is reduced by persistently high inflation, and it may also cause expectations of higher inflation. In an effort to curb inflationary expectations, BB has started down a path of contractionary monetary policy, which involves regularly raising the policy rate. Growth in private sector credit could be slowed by these restrictive liquidity conditions. To better communicate its monetary position, BB has added an interest rate corridor and increased the flexibility of interest rate ceilings.

Poor asset quality and the weak capital base

Prolonged regulatory lenience and inadequate mechanisms for evaluating credit risk impede the efficient distribution of loans, thereby increasing the possibility of additional declines in the quality of bank assets. Credit expansion is significantly impeded by insufficient bank capital across the banking industry. To lower the risk of financial instability, credit risk management policies must be followed, the PCA framework must be put in place, and a recovery plan must be implemented.

Bank mergers and acquisition

Forced bank mergers may be counterproductive without a thorough assessment of asset quality. A consolidation process will require careful assessment and prudent implementation of procedures to avoid weakening good banks acquiring bad banks. An assessment of the asset quality of weak banks will be required.

Evolution of IT and data infrastructure

It is anticipated that there will be a significant change in the talent pool in the risk function, with a greater emphasis on advanced analytics, improved teamwork, and a lesser emphasis on operational procedures. Paperless workflows, real-time technologies, and automation will probably become standard. Big data and sophisticated algorithms will be used to create more sophistication as IT and data infrastructure continue to evolve. The risk function will be able to make more accurate risk judgments because of this improved technical environment, which will also save operating costs and eventually improve client experiences.

Climate-related transition Risk

Climate resilience is no longer a paperwork but a necessity for the vulnerable population. Exercising Environmental & Social Due Diligence (ESDD) rating before finance decision making has become crucial and almost obligatory for regulatory importance.

Future Outlook

In order to meet the demands of developing risks, growing consumer expectations, and new regulatory requirements by 2024, banks will need to make significant changes to their risk functions. As unlikely as it may seem, risk management could change more over the next decade than it did in the previous one. Banks may find it difficult to satisfy the upcoming criteria and demands if they don't take steps to prepare for these changes.



Syed Faridul Islam
Chief Risk Officer

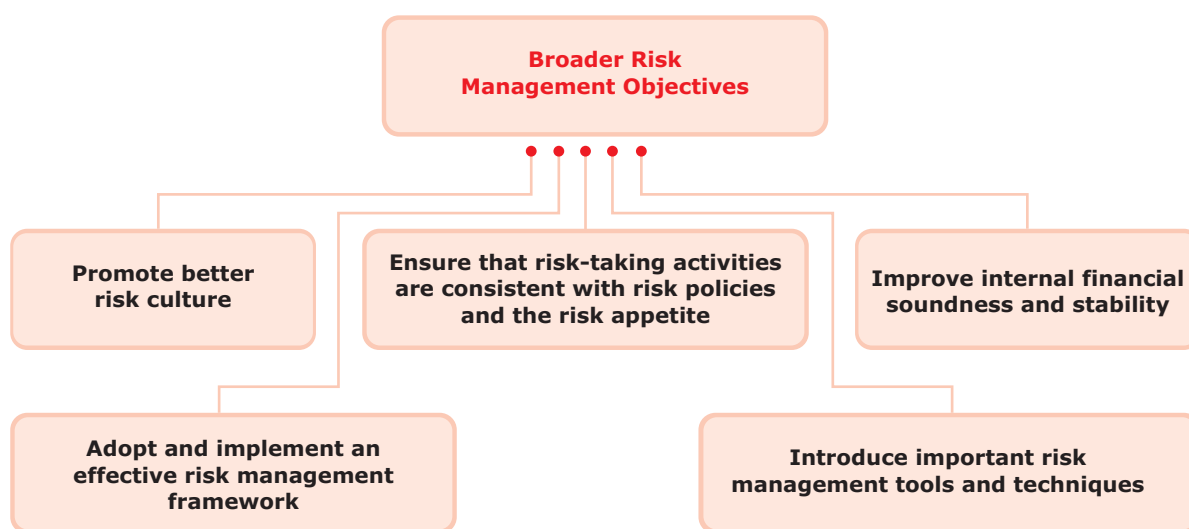
REPORT ON RISK MANAGEMENT FRAMEWORK

Risk management is a discipline at the core of every banking company and encompasses all activities that affect its risk profile. A Risk Management Framework (RMF) is a set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization. The notion of a risk management framework is essentially equivalent to the concept of Enterprise Risk Management (ERM).

1.0 Risk Management Overview

United Commercial Bank PLC (UCBPLC) embraces risk management as an integral part of its business, operations, and decision-making processes. In order to

ensure that UCB achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the risk-taking process by providing independent inputs, including relevant valuations, investment evaluations, new product assessments, and quantification of capital requirements. These inputs enable the business units to assess the risk-vs-reward of their propositions, thus enabling risk to be priced appropriately in relation to the return. Generally, the objectives of the bank's risk management activities are to protect the bank from the risks and achieve bank's goals:

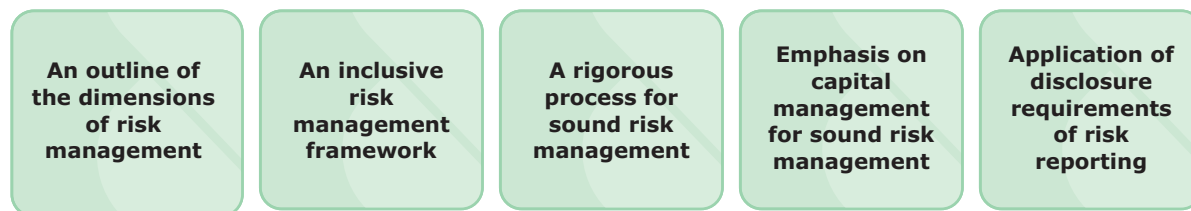


2.0 Bank's Risk Management Policy

It is important to not only comply with regulatory requirements but also improve the financial and operational performance of the bank. The risk management policy has evolved as a key part of the organizational structure. Indeed, it is now more vital for the stability of banks in the long run. UCBPLC has an all-inclusive outlook on risk management. As a result,

all of the activities related to risk management are being driven by the bank's risk management policy, delineating a clear vision for our entire enterprise. The UCBPLC risk management policy covers detailed guidelines for sound risk management. We also adhere to the industry's best practices at the national and international level.

Aspects of Risk Management Policies of Bank



3.0 Bank's Risk Management Framework

United Commercial Bank PLC has developed a Risk Management Framework (RMF) as a standardized approach to effectively manage its risks and opportunities. The Bank's Risk Management Framework provides its Board and Management with tools to anticipate and manage both the existing and potential risks, taking into consideration changing risk profiles as dictated by changes in business strategies, the external environment and/or the regulatory environment.

The key components of the Bank's Risk Management Framework are represented as:

- Governance
- Risk Appetites
- Risk Management Tools
- Robust MIS

The design of the Bank's Risk Management Framework incorporates a complementary 'top-down strategic' and 'bottom-up tactical' risk management approach.

Risk Management Process:

- Risk Management Tools
- Risk Appetites
- Risk Governance
- Risk Culture

3.1 Risk Culture

The bank has established an integrated and institution-wide risk culture, based on a full understanding of the risks it faces and how they are managed, considering risk tolerance and appetite. Since the banking business involves risk-taking, it is fundamental that risks are appropriately managed. A sound and consistent risk culture throughout the bank is a key element of effective risk management. The bank has developed its risk culture through policies, examples, communication, and training of staff regarding their responsibilities for risk. Every member of the bank is fully aware of his or her responsibility regarding risk management. The sound risk culture of the bank encourages effective risk management, promotes sound risk-taking, and ensures the risk-taking activities. The Bank's risk governance structure, risk appetite, and risk management tools are influenced by risk culture of the Bank. The risk culture is built upon:

Tone from the top: Clear and consistent communication from leaders on risk behaviour expectations and the importance of UCB's values.

Accountability: All UCB employees in every business function are held accountable for risk ownership and their actions in accordance with the three lines of defense model.

Compensation: Programs are designed to discourage and punish behaviour that is inconsistent with the bank's values, policies and Code of Conduct.

Training: UCB maintains a risk culture by offering all employees with effective and informative mandatory and non-mandatory risk management training modules, as well as presentations and other training media on a variety of risk management issues.

Reporting: Risk register for reputational and operational risk, as well as other crucial variables, are tracked and reported. Employee feedback is also sought through a number of surveys.

Centralized Decision-making: The member of Executive Risk Management Committee and senior management team responsible for the review.

3.2 Risk Governance & Organization

Risk governance refers to the structure, rules, processes, and mechanisms by which decisions about risks are taken and implemented. A strong governance structure is important to ensure an effective and consistent implementation of the bank's risk management framework. The Board is ultimately responsible for the bank's strategic direction, which is supported by the risk appetite and relevant risk management frameworks, policies, and procedures. The Board is assisted by different risk committees and control functions in ensuring that the bank's risk management framework is effectively maintained. The bank's risk management philosophy is embodied in the Three Lines of Defense approach, whereby risks are managed at the point of risk-taking activity.

1st Line of defense Business and Operation Units

- To have in place effective process to identify, assess measure, monitor, mitigate and report on their risks.
- To operate in accordance with the risk policies and delegated mandates.

- To be responsible for having skills, operating procedures, systems and controls

2nd Line of defense (Risk Management Division): relates to the appropriate Internal Control framework put in place to ensure effective and efficient operations, including the following;

- adequate control of risks;
- prudent conduct of business;
- reliability of financial and non-financial information reported or disclosed (both internally and externally); and,
- compliance with laws, regulations, supervisory requirements, and the institution's internal policies and procedures.

The Risk Management Division will be overseeing this internal control framework which will encompass risk control function and compliance function, and should cover the whole organization, including the activities of all business, support, and control units. The risk management division, headed by a Chief Risk Officer also has the responsibility for recommending and monitoring the bank's risk appetite and policies, and for following up and reporting on risk related issues across all risk types.

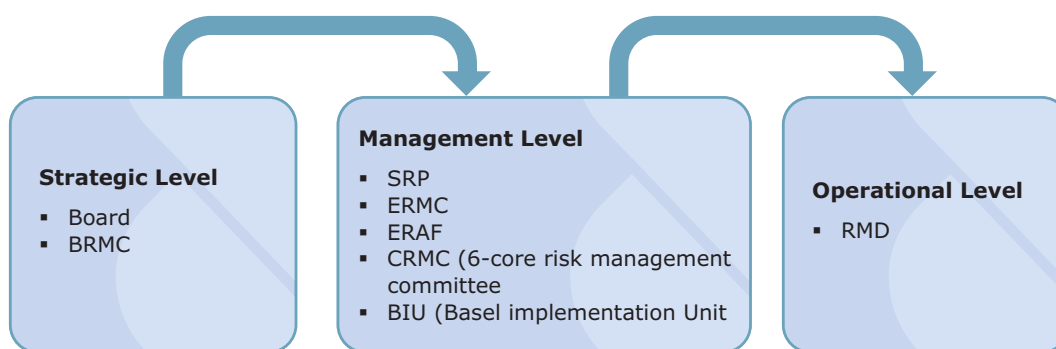
The third line of defence consists of the bank's internal audit which performs independent periodic reviews of the first two lines of defence, provides assurance and informs strengths and potential weaknesses of the two first lines.

3rd Line of defense (Internal Audit Division)

- To conduct independent periodic reviews of the first and second line defense.
- To provides assurance and informs strengths and potential weaknesses of the two first lines.
- To add value in accomplishing the objectives of operational effectiveness & efficiency
- To act as an objective source of independent advice to the governing body and senior management for improvement of risk management, control, compliance and governance processes.
- To assure the senior management on reliable financial reporting and compliances with laws, regulations & policies.
- To add value in accomplishing the objectives of operational effectiveness & efficiency.

3.2.1 Risk Management Structure

Risk management procedures are approved, monitored, and mitigated at different stages of the bank by a combination of the board and its committees, management level committees, the risk management division, and the Basel Implementation Unit (BIU). The risk management structure of UCB consists of three layers, through which an effective and sound risk management system has been established throughout the bank.



Risk Governance System



3.2.2 Roles & Responsibilities of Risk related Committees

Level	Roles & Responsibilities
Board Risk Management Committee (BRMC)	<ul style="list-style-type: none"> Formulate and review the risk management strategies and policies at least once a year. Monitor and implement the risk management policy and process. Ensure the construction of an adequate organizational structure. Supervise the activities of ERMC, SRP Team and CRMC. Ensure, formulate, review and recommend risk appetite, limit and tolerance level. Ensure compliance with BB instructions regarding core risk management. Hold four meetings at least once a year. Submit proposals, suggestions, and summaries of BRMC meetings to the Board of Directors on at least a quarterly basis. Ensure that RMD has adequate and efficient staff resources. Assess the overall effectiveness of risk management functions on a yearly basis.
Executive Risk Management Committee (ERMC)	<p>UCB has formed an ERMC comprising of the Chief Risk Officer (as the Chairman), the heads of divisions from ICC, CRM, Treasury, AML, ICT, ID, Operation, Corporate and SME Business, Finance, and Special assets management, and representatives of other divisions related to risk.</p>

Level	Roles & Responsibilities
	<p>The following responsibilities are carried out by the ERM:</p> <ul style="list-style-type: none"> • Identify, measure, and manage the bank’s existing and potential risks; • Hold at least one meeting a month based on the findings of the risks/ report; • Ensure incorporation of all the decisions in the meeting minutes; • Control risks through proper implementation of the decisions of the ERM, BRM, and Board meetings; • Submit proposals, suggestions, and a summary of ERM meetings to the BRM; • Assess the need for adequate capital and ensure that it is maintained; • Determine the risk appetite, limits in accordance with strategic planning; • Contribute to the formulation of risk policies for business units; • Monitor and follow up the reviews and reports of the Bangladesh Bank and inform the BRM.
Supervisory Review Process (SRP) Team	<ul style="list-style-type: none"> • Ensure that the bank has implemented Pillar 2 of the RBCA framework according to Bangladesh Bank instructions; • Develop an internal process document called the Internal Capital Adequacy Assessment Process (ICAAP) for assessing the bank’s overall risk profile; • Ensure that the bank has overall capital adequacy in relation to its risk profile and follows a strategy for maintaining its capital at an adequate level; • Report in time the bank’s quantitative information regarding ICAAP along with the supplementary documents to BRM, the board and Bangladesh Bank.
Core Risk Management Committee (CRMC)	<ul style="list-style-type: none"> • Adopt a core risk assessment methodology developed in-house; • Conduct a periodic assessment of each of the Core Risk Guidelines and their implementation status. • Reviewing and approval of the core risk rating and recommendation for improvement • Extend supervisory support for implementation of the committee’s meeting minutes; • Submit proposals, suggestions, and a summary of the CRMC meetings to RMD and BRM
Risk Management Division (RMD)	<p>The bank has an independent, full-fledged Risk Management Division (RMD) which is headed by the Chief Risk Officer (CRO). The bank has separate desks within the RMD to oversee each key risk area. It also maintains a close relationship with BIU to have better communication. The RMD deals with the following major functions:</p> <p>Manage the process for developing risk policies and procedures;</p> <ul style="list-style-type: none"> • Designing bank’s overall risk management strategy; • Collecting and analyzing data/information for identifying risks and making appropriate recommendations for risk mitigation; • Preparing risk management reports, arranging monthly meeting of ERM and preparing meeting minutes, disseminating the decisions to the concerned department/divisions, monitoring and follow up of implementation status; • Ensuring timely submission of risk management reports, meeting minutes, compliance report and other documents to BB; • Assisting BRM/ERM by providing risk issues that are needed to be addressed; • Ensuring significant contribution in establishing sophisticated risk management infrastructure with a sufficiently robust data-base, data architecture and information technology; • Conducting, developing and overseeing Stress Testing activity;

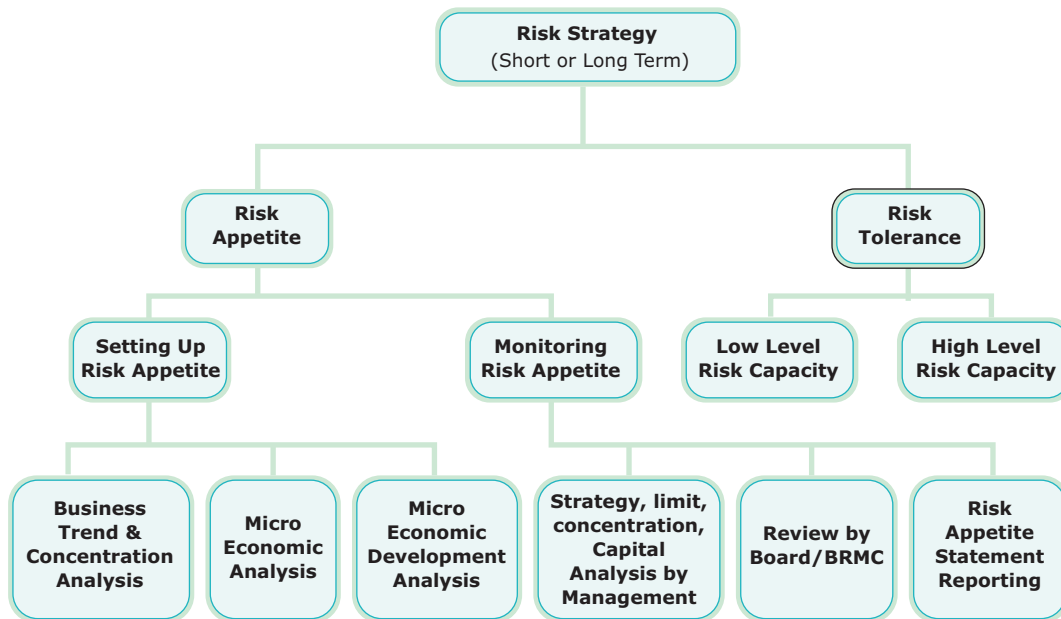
Level	Roles & Responsibilities
	<ul style="list-style-type: none"> Utilizing the Stress Test result and scenario analysis to better understand potential risk exposures under a variety of adverse circumstances; Assisting senior management in formulating strategic planning considering bank's risk exposures and industry as a whole; Supporting the Board, BRMC and ERM in formulation, review and approval of the enterprise-wide risk governance framework which includes the bank's risk culture, risk appetite, risk limits, and Management Action Trigger (MAT); The ongoing monitoring of the risk-taking activities and risk exposures in line with the Board approved risk appetite, risk limit and corresponding capital or liquidity needs (i.e. capital planning) Taking initiatives for interim review of risk appetites on request of other related departments and informing the board of directors and BRMC time to time about the status of risk exposures as compared to appetite; Establishing an early warning or trigger system for breaches of the bank's risk appetite or limits; Taking initiatives for establishing enterprise/comprehensive risk management policies and procedures with the approval of the board; Monitoring compliance of irregularities found in core risk inspection reports of BB and implement from lessons learnt; Adopting proper financial protection measures through risk transfer, risk avoidance, and risk retention programs; Taking appropriate steps to control or mitigate risk exposures and ensure reporting the same to senior management and BRMC. Audit socialization of common audit common observations.
Basel Implementation Unit (BIU)	<ul style="list-style-type: none"> Raise the quality and level of the capital to ensure the bank is better equipped to absorb losses on both a going concern and a gone concern basis. Increase the risk coverage of the capital framework. Introduce the leverage ratio to serve as a backstop to the risk-based capital measure. Raise the standards for the supervisory review process (Pillar 2) and Ensure public disclosures (Pillar 3), etc.
Enterprise Risk Associates' Forum (ERAF)	<ul style="list-style-type: none"> To escalate as well as discuss risk issues raised from the various corners of the Bank on monthly basis and seek resolution. Risk assessment and grading of risk issues is done at this level and where required risk issues is forwarded to ERM for resolution.

3.3 Risk Strategy and Risk Appetite

Risk appetite is defined as the amount and type of risk that the bank is able and willing to accept in pursuit of its strategic and business objectives. UCB sets risk appetite, including tolerance and limit, every year to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and risk. The bank's risk appetite framework consists of risk capacity, risk appetite statement, and key risk appetite

measurement. Application of the risk appetite statement and monitoring of the key risk appetite measurement help to ensure the bank stays within appropriate risk boundaries. The risk appetite statement plays an important role in cascading the risk strategy through the bank. As per instruction of the central bank, the bank sends a board approved copy of the same appetite to the Bangladesh Bank within the prescribed time each year.

Setting & Monitoring Risk Appetite



3.4 Risk Management Tools and Models

In managing credit, market, liquidity, and operational risks, the bank follows the latest six (6) Core Risk Management Guidelines, Stress Testing Guidelines, Recovery Plan and related circulars issued by Bangladesh Bank. Sound risk management includes different tools and models that are guided by the bank's risk appetite framework and integrated with the bank's strategies and business planning process.

Risk Management Tools & Models

- Guidelines process, Standards & Limits
- Policies & Procedures
- Recovery Plan
- Stress Testing
- Risk Register
- Monitoring & Reporting

3.4.1 Risk Policies, Procedures, Process, Standards and Limits

Policies and Procedures

The Board of Directors and Senior Management have formulated risk management policies and procedures

to deal with various risks that arise from the bank's business and operational activities. The bank's policies and more detailed procedures provide guidance for the day-to-day implementation of broad risk strategies and limits designed to protect the bank from imprudent and unwarranted risks. These policies and procedures include not only those relevant to specific risk areas like credit policy, liquidity management policy, and operational risk management policy, but also those related to overall risk management.

The management reviews risk policies, procedures, and limits on a yearly basis and updates them when necessary. Policies are guided by the bank's risk appetite, which sets the limits and controls within which the bank can operate.

- Key risk policies are approved by the Board of Directors.
- Senior executive/management and/or key risk committees approve management level risk policies and manuals associated with processes such as new product initiation and development.

Risk Management Guidelines	Risk Management Policies:
<ul style="list-style-type: none"> • Risk Management Guidelines • Credit Risk Management Guidelines • ALM Guidelines • Foreign Exchange Guidelines • ICC Guidelines • ML& TF Risk Management Guidelines • ICT Security Guidelines • Wholesale Borrowing & Funding Guidelines • Collateral Valuation Guidelines 	<ul style="list-style-type: none"> • Risk Appetites Statement (RAS) • Management Action Triggers (MAT) • Self-Assessment of 6 Core Risks • Customer Services & Evaluation Process • Calculating Weighted Average Cost of Fund • Fraud Detection & Prevention Policy • Liquidity Contingency Plan • Capital growth Plan • Business Growth Plan • Process Document Manual (ICAAP)

Process

The activities are associated with identifying, evaluating, documenting, reporting and controlling risk.

Standards

Standards are developed covering the whole enterprise and documented in a series of policies, manuals, and handbooks under the purview of the Risk Management Division.

Limits

Control risk-taking activities within the tolerance level established by the board and senior management. Limits also establish accountability for key tasks in the risk-taking process and establish the level or conditions under which transactions may be approved or executed.

3.4.2 Pillar 1 & 2 under Basel III and Stress Testing

Through the Pillars 1 & 2 under Basel III and the bank's stress testing programs at the enterprise level, the bank can estimate the potential impact on income, capital, and liquidity of significant changes in market conditions, credit environment, operational conditions, liquidity demands, or other risk factors.

The development, approval, and on-going review of the bank's pillars 1 & 2 under Basel III and stress testing programs are subject to the Bangladesh Bank's updated guidelines and instructions. Reports for Pillar 1 under Basel III and the stress testing are prepared on a quarterly basis, and the report for Pillar 2 under Basel III is prepared on a yearly basis and presented to ERM, BRMC, and the Board.

3.4.3 Risk Register

The risk register is one of the effective tools for comprehensive risk management that is maintained by the bank to identify the key business and financial risks through impact and probability analysis and to define and implement respective controls and mitigating factors to reduce the risks faced by the bank.

RMD reviews the risk register based on the reports provided by the business line managers, suggests the mitigation measures to the concerned units, and also submits the effectiveness of the mitigation measures to ERM.

3.4.4 Measurement, Monitoring and Reporting

Risk Measurement

The bank uses models for different purposes, including estimating the value of transactions, measuring risk exposures, determining credit risk ratings and parameters, and calculating economic and regulatory capital. The use of quantitative risk methodologies and models is balanced by a strong governance framework and includes the application of sound and experienced judgment.

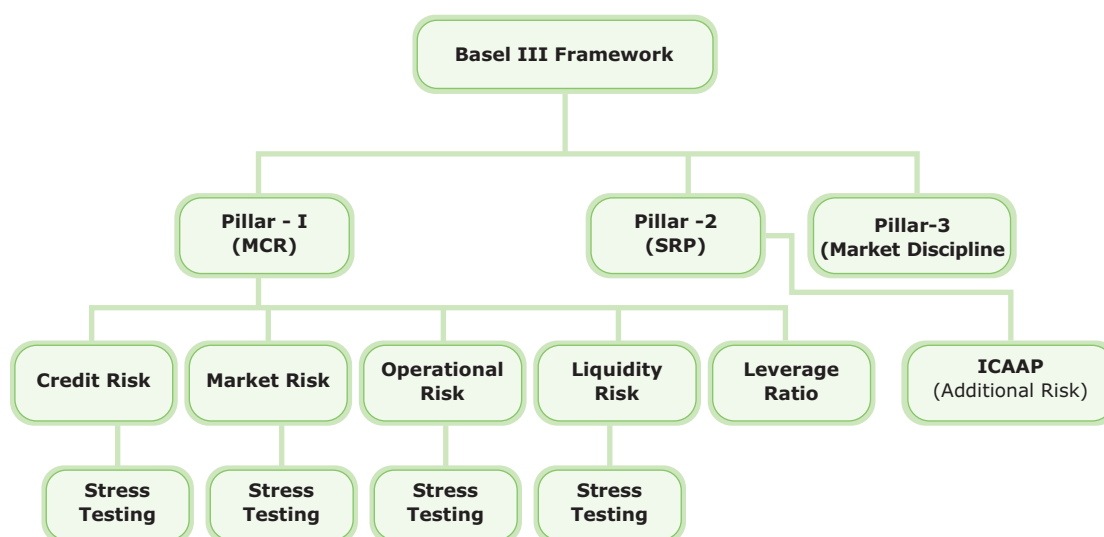
Regular Monitoring

Regular monitoring ensures that business activities are within approved limits or guidelines and are aligned with the bank's strategies and risk appetite. Breach (if it occurs) of any of these limits or guidelines is reported to senior management, risk committees, and/or the Board, depending on the limit.

Risk Reports

Aggregate measures of risk, across products and businesses, are used in compliance with policies,

Basel III Framework and Stress Testing



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.

3.4.5 Recovery Plan

Bank takes necessary and appropriate corrective action in timely manner in the deteriorated financial and operational situation i.e., to maintain its viability, as long as the bank has not yet reached the stage of non-viability as determined by Bangladesh Bank. Five stress events are assumed and the stress scenarios included the hypotheses of devaluation of assets, reduction in borrowing capacity, reduced profitability, and deterioration in liquidity due to systemic or idiosyncratic instabilities of domestic or external origin. Bank identified a list of credible options that a bank could adopt to restore financial strength and viability for the bank to remain as a going concern.

3.5 Risk Management Process

The risk management process is the systematic application of management policies, procedures, and practices to the assessment, treatment, controlling and monitoring of risk. It is an iterative process that, with each cycle, can contribute progressively to organizational improvement by providing management with a greater insight into risks and their impact. UCBPLC adopts the following steps of the Risk Management Process:

Risk Management Process:



Communicate and Consult

This is a preparatory step that aims to identify the responsible persons involved in risk assessment and

also the persons engaged in the treatment, monitoring and review of risk

Establish the Context

This is another preparatory stage that is close to starting the formal risk management process.

Identify the Risks

The next step is to identify possible risks that may affect, either negatively or positively, the objectives of the business and the activity under analysis.

Analyse the Risks

The risk analysis step assists in determining which risks have a greater consequence or impact than others.

Evaluate the Risks

Risk evaluation entails comparing the amount of risk discovered during the analysis process to previously established risk criteria and determining if these risks need to be treated.

Treat the Risks

Risk treatment is about considering options for treating risks, evaluating those options, preparing the risk treatment plans and implementing those plans to achieve the desired outcome.

Monitor the Risks:

Risks need to be monitored periodically to cope with changing circumstances. The risk management process needs to be regularly repeated so that new risks are captured in the process and effectively managed.

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.

1.0.0 Risk Mitigation Methodology

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

1.1.0 Risk mitigation approach

The bank has adopted a sound risk mitigation approach to ensure risk exposures within the bank. Risks of the bank are mitigated consistently in line with the Board-approved risk appetite that supports the bank's strategy. The risk mitigation approach sets

standardized practices to promote accountability and necessary oversight for the effective management of all these risk types. Taking into consideration the foreign exchange reserve position of Bangladesh, continuation of Russia and Ukraine war, Middle east crisis and other circumstances, the bank has taken several fruitful steps to mitigate the risk.

1.2.0 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, Money Laundering & Terrorist Financing 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. Money Laundering & Terrorist Financing Risk and
6. Information and Communication Technology Risk.

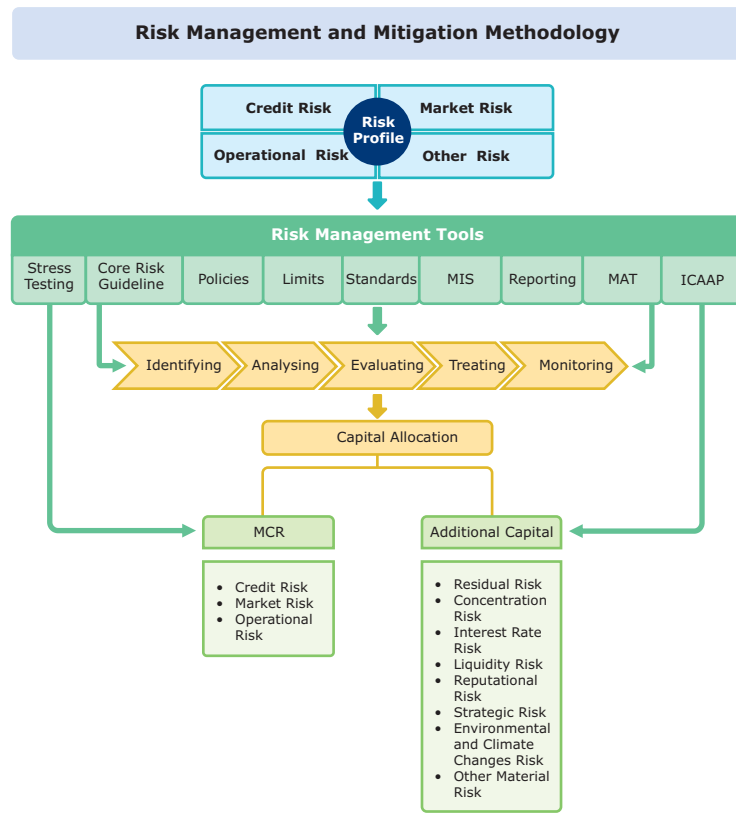
Risk Profile

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

1.3.0 Risk Management and Mitigation Strategies

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

management can have a significant impact on 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.

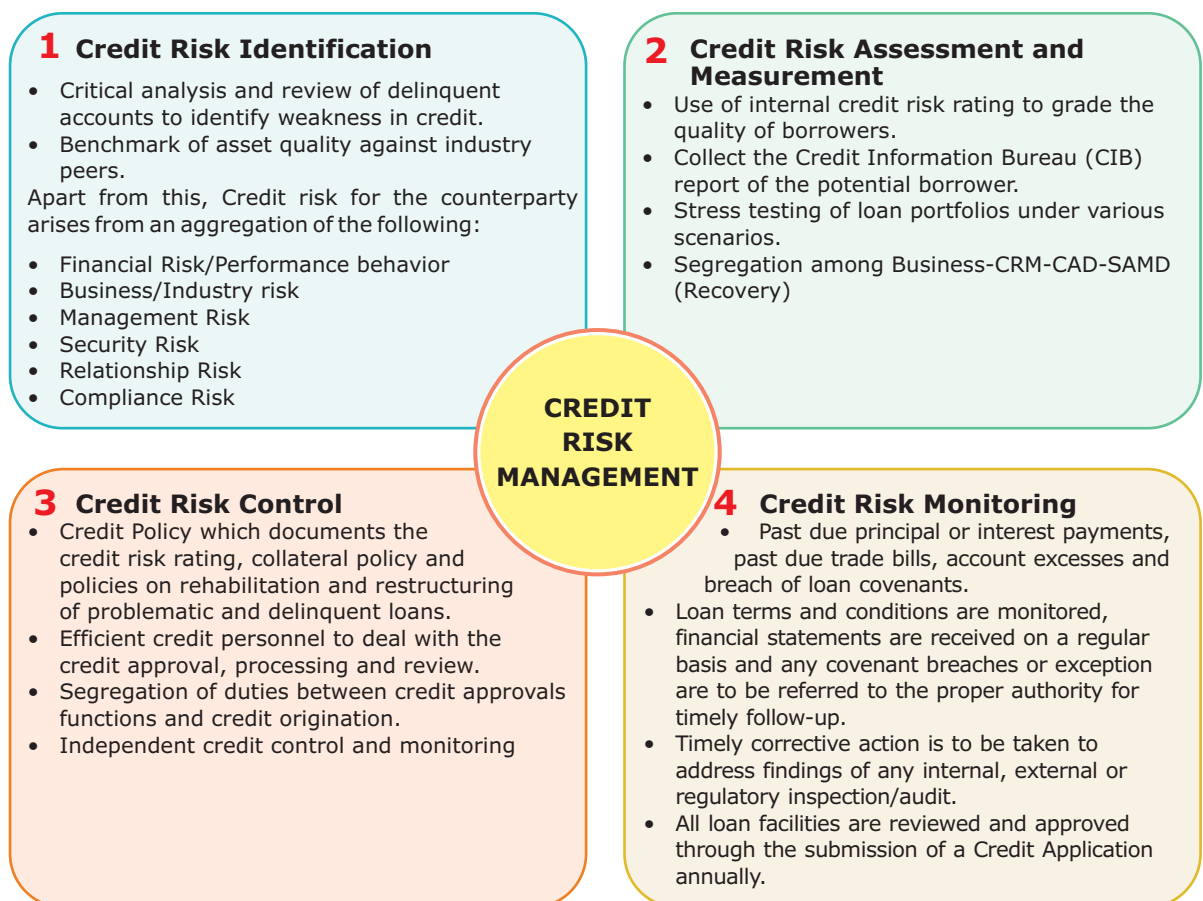
1.4.0 Credit Risk

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

contractual obligations as and when they fall due. These obligations arise from lending, trade financing and other activities undertaken by the Bank. So, Credit Risk is the potential loss of interest 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:



1.4.1 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

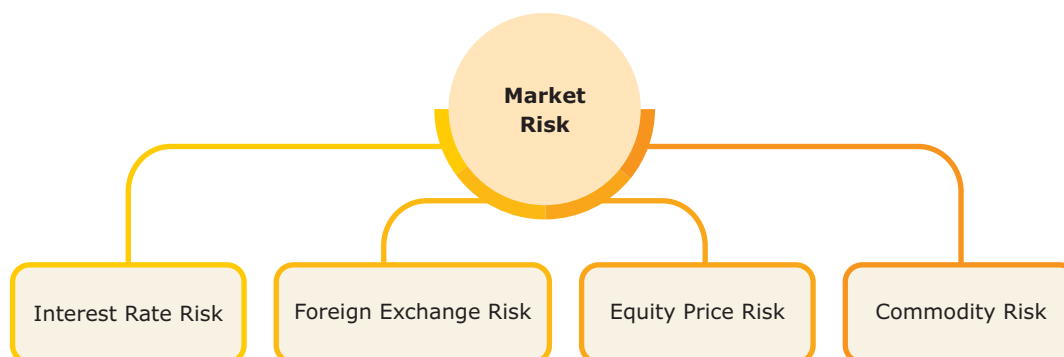
1.5.0 Market Risk

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. 98.46 million and capital requirement is Tk. 9.85 million in year ended 2023.

1.6.0 Approach to Managing Market Risk

1.6.1 Gap analysis

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

Based on the position of financial assets and liabilities gap as of 31 December 2023, the Bank measured that, with the 1% rise in interest rate for all its rate sensitive assets and the amount of rate sensitive liabilities, Bank's yearly Net Interest Income will be increased by Taka 602.84 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)	230,131.47	70,395.84	62,630.94
Rate Sensitive Liabilities (RSL)	151,540.83	60,226.03	91,107.81
Gap (RSA – RSL)	78,590.64	10,169.81	(28,476.87)
Cumulative Gap	78,590.64	88,760.45	60,283.58

Interest Income Impact:	(BDT in Million)		
Assumed Increase in Interest Rate	1%	2%	3%
<i>Increased in Net Interest Income (NII)</i>	<i>602.84</i>	<i>1,205.68</i>	<i>1,808.52</i>

1.6.2 Duration Analysis

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

1.6.3 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 2023, Total Risk Weighted Assets for Foreign Exchange Risk is BDT. 3,249.94 million and capital requirement is BDT.324.99 million.

1.6.4 Equity Risk

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

In the year ended 2023, Total Risk Weighted Assets for Equity Risk was BDT. 11,074.25 million and capital requirement was BDT. 1,107.43 million.

1.6.5 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 does not have any exposure in the Commodity Risk.

1.7.0 Market Risk Mitigation Measurement

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

1.8.0 LIQUIDITY RISK

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

United Commercial Bank 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.

1.8.1 Methods used to measure Liquidity risk

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

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

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

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

- 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.

1.8.2 Liquidity risk management system

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

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

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).

1.9.0 Liquidity Risk Mitigation Measurement

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

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

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

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

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.

1.8.3 Policies and processes for mitigating liquidity risk

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

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

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

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

1.10.0 OPERATIONAL RISK

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

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

Effective internal control leads an organization to be more sustainable. Ensuring efficiency and effectiveness in operational activities; reliability, completeness and timelines of financial disclosures

and compliance with applicable laws & regulations, there is no alternative to effective internal control system.

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

Common international practice for sound operational risk governance often relies on three lines of defense – (i) business line management, (ii) an independent 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.

1.10.1 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.

2.10.2 Requirement of capital charges for operational risk

(BDT in Million)

Basis	Operational Risk	2021	2022	2023	Capital Charge
Solo	Gross Income	26,765.99	30,144.10	33,156.50	4,503.33
Consolidated	Gross Income	28,216.17	31,868.75	34,949.17	4,751.62

1.11.0 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
No. of Complaint received from customers/through Bangladesh Bank, No. of complaint settled % of Complaint settled	Service Quality	CRMR, ICAAP	Half Yearly, Yearly	Management Action Trigger, Escalation to Senior Management, Capital Allocation
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	

1.12.0 Money Laundering Risk and Terrorist Financing Risk

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

1.13.0 Internal Control and Compliance Risk

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

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

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.

1.13.1 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	

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

1.14.0 Information Technology Risk

Now a day, 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 228 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
- 3G GSM MODEM installed to ensure seamless Branch Connectivity

1.15.4 Residual Risk Mitigation Measurement

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

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

- 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

1.15.0 Residual Risk

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

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:

1.15.1 Error in Documentation

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

1.15.2 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.

1.15.3 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 (Major, Moderate and Minor).
- Regularly monitor and control residual risk performance.
- Review the client-wise related audit reports and credit rating status of clients.

1.16.0 Concentration Risk

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

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

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

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

1.16.1 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.

1.16.2 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

1.17.0 Reputation Risk

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

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

1.17.1 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.

1.17.2 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	
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	

1.18.0 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.

1.18.1 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

1.18.2 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
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	Management and Board of Directors, Capital Allocation

1.19.0 Settlement Risk

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

1.19.1 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.

1.19.2 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

1.20.0 Environmental & Social Risk (ESR)

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

1.20.1 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) Checklist 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.

1.20.2 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

1.21.0 Other Material Risk

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

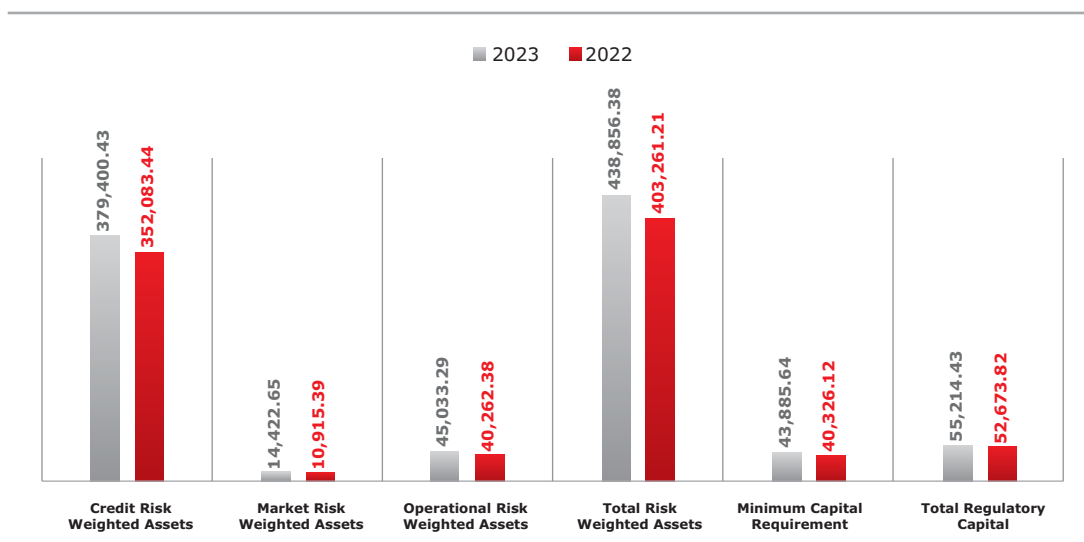
1.0 Risk Management Principles

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)	
	2023	2022
Credit Risk Weighted Assets	379,400.43	352,083.44
Market Risk Weighted Assets	14,422.65	10,915.39
Operational Risk Weighted Assets	45,033.29	40,262.38
Total Risk-Weighted Assets	438,856.38	403,261.21
Minimum Capital Requirement	43,885.64	40,326.12
Total Regulatory Capital	55,214.43	52,673.82



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

Credit Risk	Market Risk	Operational Risk
379,400.43	14,422.65	45,033.29

As per the risk profile, credit risk was accounted for 86.45% of total Risk Weighted Assets (RWA) where the Market Risk and Operational Risk were 3.29% and 10.26% respectively at the end of December, 2023.

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) (Solo Basis)

Particulars	2023	2022
Total Regulatory Capital	55,214.43	52,673.82
Risk-Weighted Assets	438,856.38	403,261.21
CRAR	12.58%	13.06%

At the end of 2023 and 2022 Capital to Risk Weighted Assets Ratio (CRAR) of United Commercial Bank PLC. stood at 12.58% and 13.06% respectively which indicate that Bank is above the required CRAR of 12.50% with buffer on solo basis.

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 2.50% of total RWAs from the year 2019.

(BDT in Million)

Particulars	2023	2022
Tier 1 Capital	39,148.52	36,328.23
Tier 2 Capital	16,065.90	16,345.58
Total Regulatory Capital	55,214.43	52,673.82
Minimum Capital Required @ 10% of RWAs	43,885.64	40,326.12
Buffer @ 2.50% of RWAs	10,971.40	10,081.53
Excess /Shortfall	357.39	2,266.17

At the end of 2023 and 2022, the total Regulatory Capital of United Commercial Bank PLC. was BDT. 55,214.43 million and BDT. 52,673.82 million respectively. The Bank has maintained BDT. 357.39 million and 2,266.17million excess capital after deducting the minimum requirement including buffer of 12.50% of RWAs in 2023 and 2022 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 SRP 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 a separate 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	2023			2022		
	Minor	Moderate	Major	Minor	Moderate	Major
Performing loan directly downgraded to B/L: Sectoral Concentration. 1	-0.30	-0.91	-1.53	-0.33	-1.00	-1.67
Performing loan directly downgraded to B/L: Sectoral Concentration. 2	-0.16	-0.48	-0.80	-0.05	-0.16	-0.26
Increase in NPLs due to default of top large loan borrowers	-2.04	-5.96	-7.10	-1.75	-5.30	-6.94
Negative shift in NPLs categories	-0.48	-1.36	-2.07	-0.38	-0.75	-1.49
Decrease in the FSV of collateral	-0.34	-0.68	-1.37	-0.36	-0.72	-1.46
Increase in NPLs	-1.26	-4.29	-9.38	-1.14	-4.09	-9.17
Interest Rate	-0.16	-0.33	-0.49	-0.24	-0.48	-0.72
FEX: Currency Appreciation	-0.03	-0.06	-0.10	-0.01	-0.03	-0.04
Equity price	-0.10	-0.20	-0.41	-0.10	-0.20	-0.41

5.0 Credit Risk

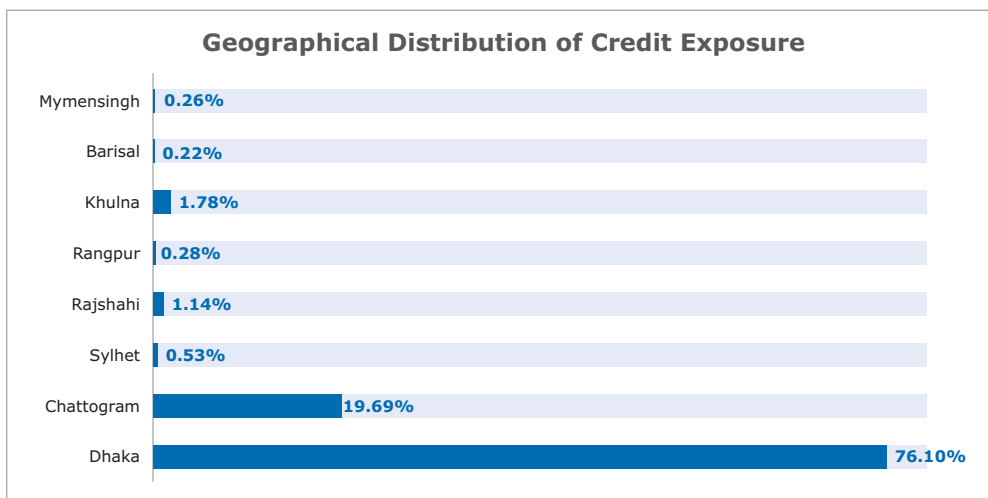
Credit risk arises from the potential that a bank's borrower will fail to meet its obligations in accordance with agreed terms and results in a negative effect on the profitability and capital of the bank. Measuring the credit risk of an entire bank is a complicated assessment, involving many quantitative 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.

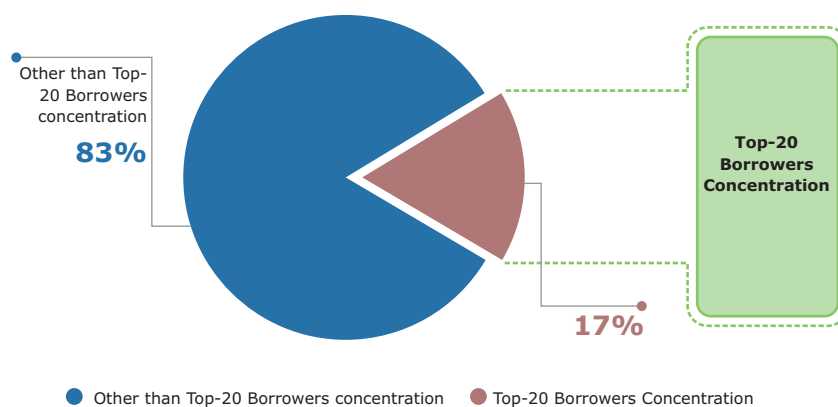
1.Area wise concentration:

Division	BDT in Million	In %
Dhaka	385,030.97	76.10%
Chattogram	99,634.57	19.69%
Sylhet	2,693.14	0.53%
Rajshahi	5,787.12	1.14%
Rangpur	1,398.64	0.28%
Khulna	8,991.20	1.78%
Barisal	1,137.50	0.22%
Mymensingh	1,296.36	0.26%
Total	505,969.49	100.00%



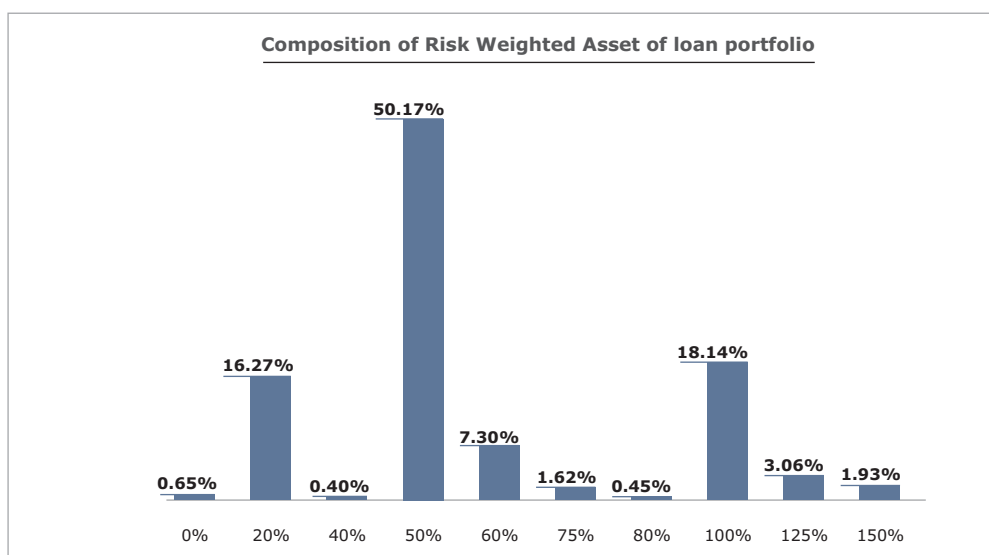
2. Top-20 Borrowers concentration

Particulars	BDT in Million
Total Loans and Advances	505,969.49
Top-20 Borrowers Concentration	107,238.10



3. Composition of RWA of loan portfolio

Category of Risk weight	BDT in Million	In %
0%	3,302.50	0.65%
20%	82,333.75	16.27%
40%	2,021.86	0.40%
50%	253,841.30	50.17%
60%	36,922.20	7.30%
75%	8,218.17	1.62%
80%	2,280.71	0.45%
100%	91,801.64	18.14%
125%	15,492.28	3.06%
150%	9,755.07	1.93%
Total	505,969.49	100.00%



4. Industry-wise loan concentration

Particulars	BDT in Million	In%
RMG & Accessories	69,949.00	13.82%
Textile Industries	28,704.39	5.67%
Agriculture	6,568.18	1.30%
Food Products & Processing	21,786.19	4.31%
Jute Industries	221.68	0.04%
Leather & Leather Products	1,500.97	0.30%
Paper & Paper Products Industries	6,204.25	1.23%
Wood & Wooden Products	2,371.12	0.47%
Chemical & Chemical Products	14,870.72	2.94%
Cement Industries	13,588.05	2.69%
Brick Field, Auto Bricks, Tiles	2,730.77	0.54%
Engineering, Basic Metal & Products	19,283.14	3.81%
Ship Re-cycling	13,079.72	2.59%
Ship Manufacturing	633.96	0.13%
Educational Institute, Hotel, Restaurant	7,261.10	1.44%
Telecommunication	2,748.32	0.54%
Transport & Communication	3,522.60	0.70%
Diagnostic/Medical/Clinic	3,739.66	0.74%
Housing Industry	27,680.73	5.47%
Construction (Other than Housing)	42,985.32	8.50%
Electronics Media	328.25	0.06%
Power & Energy	15,155.41	3.00%
Commercial Trade Financing	96,394.64	19.05%
Others	104,661.34	20.69%
Total	505,969.49	100%

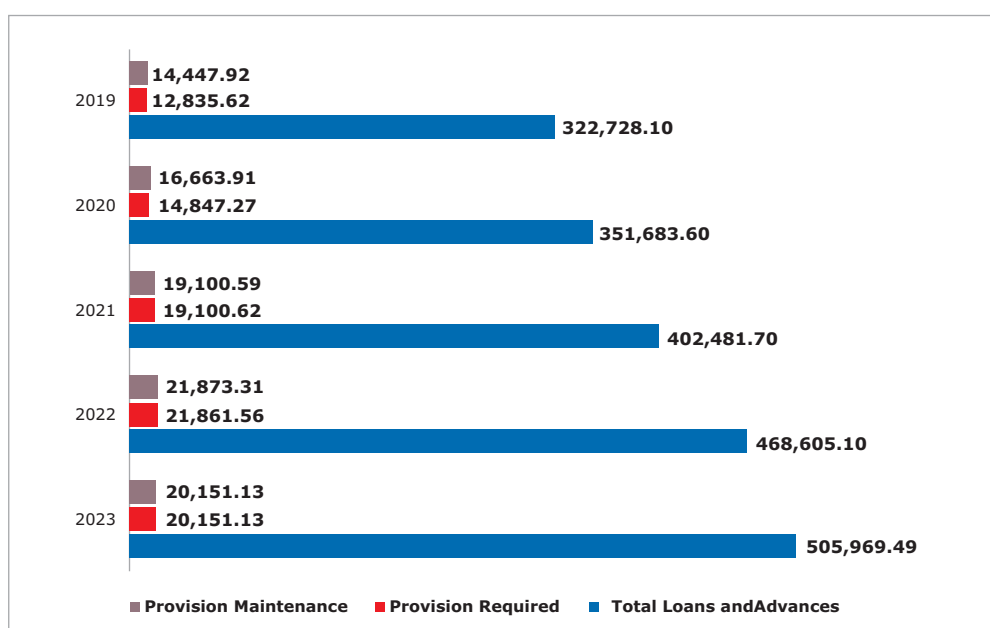
5.2 Assets quality

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, 2023, loans of UCB (including SMA) stood at 94.50% of total loans and advances, while NPL stood at 5.50% which indicates that the bank has mostly quality assets in its portfolio.

Composition of Loans and Advances

(BDT in Million)

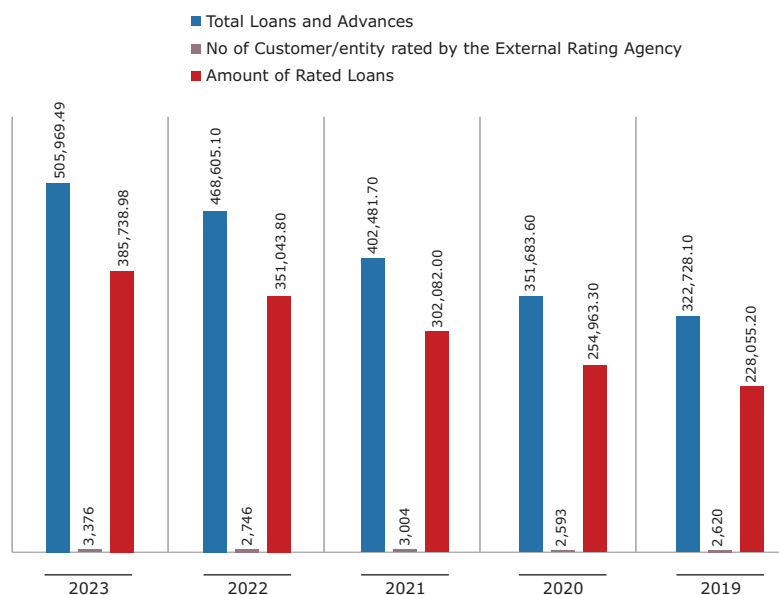
Particulars	2023	2022	2021	2020	2019
Total Loans and Advances	505,969.49	468,605.10	402,481.70	351,683.60	322,728.10
Provision Required	20,151.13	21,861.56	19,100.62	14,847.27	12,835.62
Provision Maintenance	20,151.13	21,873.31	19,100.59	16,663.91	14,447.92



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	2023	2022	2021	2020	2019
Total Loans and Advances	505,969.49	468,605.10	402,481.70	351,683.60	322,728.10
No of Customer/Entity Rated by the External Credit Rating Agency	3,376	2,746	3,004	2,593	2,620
Amount of Rated Loans	385,738.98	351,043.80	302,082.00	254,963.30	228,055.20



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	2023	2022	Change
RSA \leq 1 Year	363,158.25	345,132.99	18,025.26
RSL \leq 1 Year	302,874.67	275,431.65	27,443.02
Net Gap	60,283.58	69,701.34	(9,417.76)
Impact on NII (Rate Change by @1%)	602.83	697.01	(94.18)

The probable impact on net interest income of UCB at the end of December, 2023 was measured at BDT. 602.83 million, which was BDT. 697.01 million in 2022.

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	2023	2022
Net Open Position Limit	6,483.80	6,209.90
Net Open Position	3,244.10	1,354.10
Net Open Position to Regulatory Capital	5.88%	2.57%

At the end of 2023, the bank's open position was BDT. 3,244.10 million against the FEX holding limit equivalent to BDT. 6,483.80 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	2023	2022
Cash Reserve Requirement (CRR)	4.15%	4.10%
Statutory Liquidity Requirement (SLR)	15.78%	16.83%
Advance to Deposit Ratio (ADR)	86.57%	86.14%
Liquidity Coverage Ratio (LCR)	106.81%	105.00%
Net Stable Funding Ratio (NSFR)	118.77%	117.54%

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	2023	2022
No. of Branches Audited	209	150
No. of Major Non Compliances	Nil	Nil
Whether it is placed to audit committee	N/A	N/A

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	13785	80
Amount	597,642.00	567.30

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-2022 submitted to Bangladesh Bank in 2023, where the loans and advances of BDT. 7,860.10 million was assessed against residual risk. The base for capital charge was BDT. 5,569.00 million and an amount of 556.90 million in capital has been kept. The ICAAP Report-2023 will also be submitted in 2024 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:

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

The concentration risk of the bank has been measured and reported in the ICAAP-2022 submitted to Bangladesh Bank in 2023, where the capital charge was BDT. 403.26 million. The ICAAP Report-2023 will also be submitted in 2024, 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-2022 submitted to Bangladesh Bank in 2023, where 905.40 million capital was charged. ICAAP report-2023 will also be submitted in 2024, 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-2022 submitted to Bangladesh Bank in 2023, where BDT 2,213.90 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-2023 will also be submitted in 2024, 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-2022 submitted to Bangladesh Bank in 2023, where BDT 403.26 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-2023 will also be submitted in 2024, 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-2022 and submitted it to Bangladesh Bank in 2023, where BDT 107.60 million capital was charged. ICAAP Report -2023 will also be submitted in 2024 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-2022 and submitted to Bangladesh Bank in 2023, where no capital was charged. ICAAP Report-2023 will also be submitted in 2024 as per the time frame of Bangladesh Bank.

17.0 Policy development

UCB has made significant progress in transitioning to uniform central operations rather than silo operations based in customer touchpoints. 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 2023 which are as follows:

Core Risk Management Policies

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

Other 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 2023, the bank has arranged the meetings of ERM, 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 2023:

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

20.0 Building risk culture & awareness

In 2023, 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	1	2
2	Credit Risk Management	26	795
3	Foreign Exchange Risk Management	12	217
4	ICC Risk Management	7	126
5	AML Risk Management	9	6,083
6	ICT Risk Management	4	5,164
7	Comprehensive Risk Management	1	5
8	Basel Accord	0	0
9	Overview on Stress Testing	0	0
10	Others	195	8,430
	Total	255	20,822

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 to 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 in 2023.

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 roadmap. The bank's CRAR (Capital to Risk Weighted Assets Ratio) is 12.58% as of December 31, 2023 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.

DISCLOSURE ON RISK BASED CAPITAL (BASEL III)

Preamble

To strengthen global capital and liquidity rules with the goal of promoting a more resilient banking sector, the Basel Committee on Banking Supervision (BCBS) issued "Basel-III: A global regulatory framework for more resilient banks and banking systems" in December 2010. The objective of the reforms was to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thereby reducing the risk of spillover from the financial sector to the real economy. Through its reform package, BCBS also aims to improve risk management and governance as well as strengthen banks' transparency and disclosures. The Basel Committee's comprehensive reform package also addressed the lessons of the economic and financial crisis, which began in 2007, by holding insufficient liquidity buffers and building up excessive on and off-balance sheet leverage that resulted in a gradual erosion of the level and quality of the capital base.

To comply with international best practices and to make the bank's capital shock absorbent, Bangladesh Bank issued "Guidelines on Risk Based Capital Adequacy" (Revised Regulatory Capital Framework for Banks in Line with Basel-III) in December 2014 with the instructions to maintain the minimum capital requirement under pillar 1, an additional capital requirement under pillar 2 and a market disclosure requirement under pillar 3. United Commercial Bank PLC (UCBPLC) has given special attention to implement Basel-III inside the Bank. As per Bangladesh Bank guidelines, UCB has formed "Basel Implementation Unit (BIU)" which is under the supervision of a supervisory committee and includes senior management of the Bank. UCB has an exclusive body named the Supervisory Review Process (SRP) team constituted by the concerned departmental heads and headed by the Managing Director & CEO of the Bank.

Purpose

As part of Basel-III compliance, Market Discipline (pillar 3) is formulated with a view to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets.

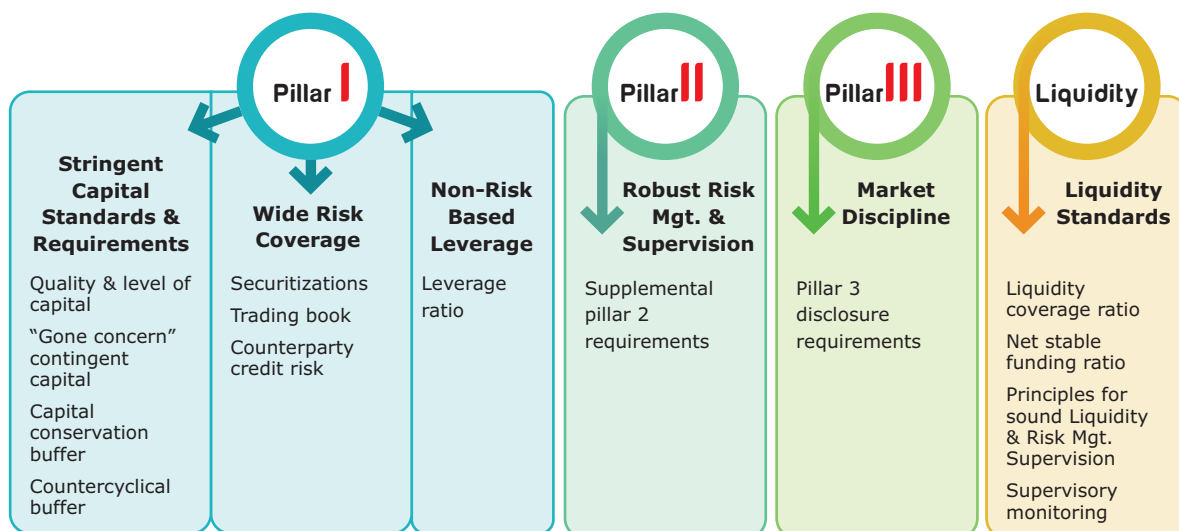
Disclosure Framework

United Commercial Bank PLC has adopted the Basel-III framework as part of its capital management strategy in line with the revised Guidelines of Bangladesh Bank and also developed a set of formal disclosure frameworks approved by the Board of Directors of the Bank which includes the 'Qualitative and Quantitative Disclosures' containing the components of Scope of Application, Capital Structure, Capital Adequacy, Credit Risk, Equities: Disclosures for Banking Book Positions, Interest Rate Risk in the Banking Book (IRRB), Market Risk, Operational Risk, Liquidity Ratio, Leverage Ratio and Remuneration of the Bank.

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 2023. 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).

Key information regarding capital position at a glance: (Solo basis)

(BDT in million)

Key Items	Particulars	2023	2022
Risk Weighted Assets (RWAs)	Credit Risk	379,400.43	352,083.44
	Market Risk	14,422.65	10,915.39
	Operational Risk	45,033.29	40,262.38
	Total RWAs	438,856.38	403,261.21
Capital	CET 1 Capital	33,748.52	32,328.23
	AT 1 Capital	5,400.00	4,000.00
	Tier 1 Capital	39,148.52	36,328.23
	Tier 2 Capital	16,065.90	16,345.59
	Total Regulatory Capital	55,214.43	52,673.82
Minimum Capital Requirement (MCR)	Tier-1 @6.00%	26,331.38	24,195.67
	Buffer @2.50%	10,971.40	10,081.53
	Tier-1 plus Buffer @8.50%	37,302.79	34,277.20
	MCR @10%	43,885.64	40,326.12
	MCR plus Buffer@12.50%	54,857.05	50,407.65
Surplus/ Shortfall of Capital	Tier-1 plus Buffer	1,845.73	2,051.03
	MCR plus Buffer	357.39	2,266.17
Leverage	Exposures	794,577.33	727,314.27
	Leverage (%)	4.93%	5.02%
	RWAs to Exposures (%)	55.23%	55.45%

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 five 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
 6. UCB Exchange (SG) PTE Ltd

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 228 (2022: 224) branches, 152 (2022: 141) sub branches, 672 (2022: 663) ATMs/CRMs and 850 (2022: 314) agent banking outlets as on 31 December 2023. Out of the above 228 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.

● **Off-shore Banking Unit (OBU)**

Off-shore Banking Unit (the Unit), a separate business unit of United Commercial Bank PLC, governed under the BRPD circular no. 02 dated 25 February 2019 and subsequent circulars and guidelines thereon issued by 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.

Islamic Banking

The Bank obtained permission for commencement of Islamic Banking operations from Bangladesh Bank vide, letter no. BRPD (P-3) 745 (17)/2020-1453 dated 6 February 2020. Through the Islamic Banking windows and branch, the Bank extends Shariah compliant Finances under different modes like Hire Purchase Under Shirkatul Melk (HPSM), Bai - Murabaha, Musharaka, Bai - Salam, etc. and collects different types of deposits through other modes like Al-wadeeah, and Mudaraba (SB/SND/TD/RD). Financial statements of Islamic Banking also presented separately.

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 1 February 2018. There are 850 agent outlets launched across the country till 31 December 2023 thus UCB hold 5th position in the industry in terms of number of agent outlet, acquired two lac accounts which is 10% of the bank's number of accounts.

The principal activities of agent banking channel are to provide services that includes - Account Opening, Cash deposit & withdrawal, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Fund transfer through RTGS & BEFTN, Payment of salaries, Generation and issuance of bank statements, SOD/SME/Agri. Loan file sourcing and repayment collection, Credit Card application sourcing, Balance inquiry, Internet Banking, SMS Banking, School Fee Collection, Bangla QR Merchant acquisition etc.

➤ **Subsidiaries of United Commercial Bank PLC**

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 International Financial Reporting Standard (IFRS) - 10; 'Consolidated Financial Statements'. Interest of the minority is shown as the non-controlling interest which includes share capital of the minority portion as well as profit earned that goes to the same. 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' license (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 PLC holds 499,999,999 nos. of shares of UCB Fintech Company Limited with face value of Taka 10 each which is equivalent to 99.99% of total shares of the Company.

● UCB Exchange (SG) PTE Ltd

UCB Exchange (SG) PTE Ltd., a wholly owned subsidiary of United Commercial Bank PLC, was incorporated in Singapore on 25 January 2023 as a private limited company by shares under the Companies Act 1967 in Singapore. After incorporation, UCB Exchange has submitted its application for remittance license to Monetary Authority of Singapore (MAS) and it is still under process.

The principal activities of the company are to carry out the remittance business and to undertake and participate in transactions, activities and operations commonly carried on or undertaken by remittance and exchange house. UCB PLC holds 1000 nos. of shares of UCB Exchange (SG) PTE Ltd, Singapore with face value of Singapore Dollar 1.00 each which is equivalent to 100% of total shares of the company.



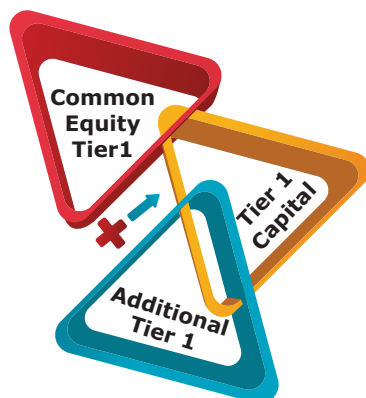
2. Capital Structure

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.

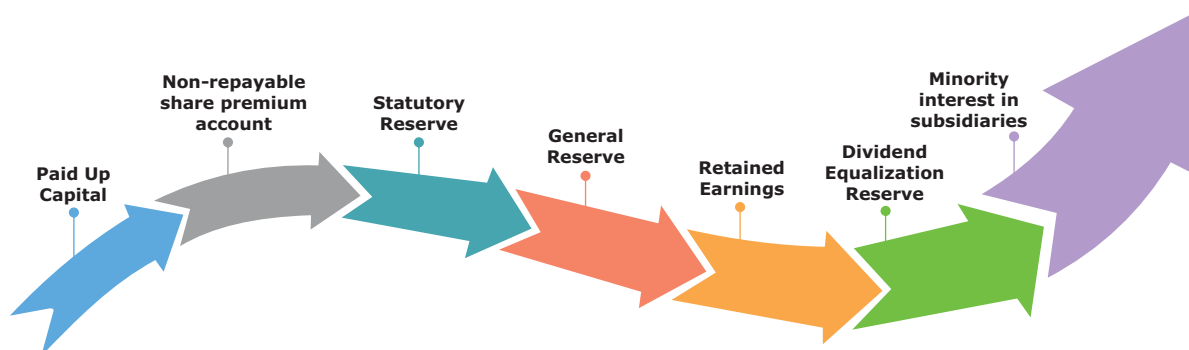
The capital structure of the Bank is categorized into two tiers – Tier I and Tier II capital; as per the Risk Based Capital Adequacy guidelines (December 2014) of Bangladesh Bank. The components of the total regulatory capital are enumerated as under:

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. 5,400.00 million as Perpetual Bond as on December 31, 2023.

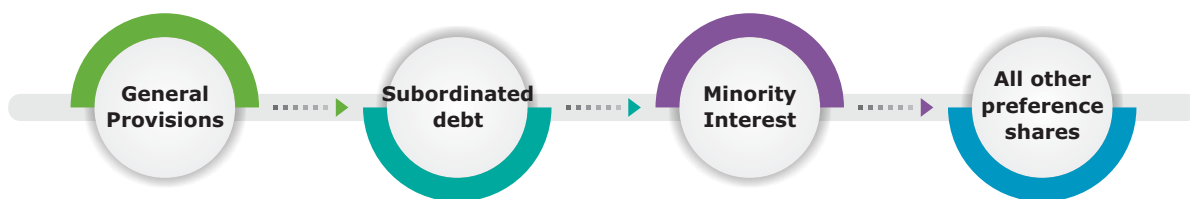
Tier 2 Capital: (Gone-Concern Capital)

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.



3. Capital Adequacy

Quantitative Disclosures

The amount of Regulatory capital of the Bank as on December 31, 2023 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	14,765.48	14,765.48
1.1.2	Non-repayable Share premium account	1,454.98	1,454.98
1.1.3	Statutory Reserve	15,730.18	15,802.73
1.1.4	General Reserve	26.58	26.58
1.1.5	Retained Earnings	7,769.98	6,431.47
1.1.6	Dividend Equalization Reserve	0.00	0.00
1.1.7	Minority Interest in subsidiaries	0.00	0.00
	Sub-Total:	39,747.20	38,481.24
1.1.8	Regulatory Adjustments:	5,998.68	6,231.40
1.1.8.01	Goodwill and all other Intangible Assets	332.49	563.82
1.1.8.02	Deferred Tax Assets (DTA) @ 95%	5,666.19	5,667.58
1.1.8.03	Reciprocal crossholdings	0.00	0.00
1.1.8.04	Others	0.00	0.00
	Sub-Total:	33,748.52	32,249.84
1.2	Additional Tier 1 (AT1)		
1.2.1	Non- cumulative Irredeemable Preference Shares	0.00	0.00
1.2.2	Instruments (Perpetual Bond)	5,400.00	5,400.00
1.2.3	Minority Interest; i.e., AT1 issued by consolidated subsidiaries	0.00	0.00
	Sub-Total:	5,400.00	5,400.00
1.3	Total Tier 1 Capital	39,148.52	37,649.84
2.0	Tier-2 (Gone-Concern Capital)		
2.1	General Provision	8,585.90	8,958.36
2.2	Subordinated debt	7,480.00	7,480.00
	Sub-Total:	16,065.90	16,438.36
2.4	Regulatory Adjustments:	00.00	00.00
2.4.1	Reciprocal crossholdings in the T-2 Capital Banking Financial and Insurance Entities	00.00	00.00
2.4.2	Others	0.00	0.00
2.5	Total Tier 2 Capital	16,065.90	16,438.36
3.0	Total Regulatory Capital (Sl. 1.3+2.5)	55,214.43	54,088.20

Methodology of Capital Adequacy Determination

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

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

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

measurement and Basic Indicator Approach for Operational Risk measurement.

The Bank focuses on strengthening risk management and control environment rather than increasing capital to cover up weak risk management and control practices. UCB has been generating most of its incremental capital from retention of profit (stock dividend and statutory reserve transfer etc.) and issuance of Perpetual and Subordinated Bond to support incremental growth of Risk Weighted Assets (RWA). Besides meeting regulatory capital requirement, the Bank maintains adequate capital to absorb material risks foreseen. Therefore, the Bank's Capital to Risk Weighted Asset Ratio (CRAR) remains consistently within the comfort zone. 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, 2023 are as under:

(BDT in million)

Particulars	Solo	Consolidated
Capital requirement for Credit Risk	37,940.04	37,710.12
Capital requirement for Market Risk	1,442.27	1,528.83
Capital requirement for Operational Risk	4,503.33	4,751.56
Total Capital Requirement under Pillar-I	43,885.64	43,990.51
Capital to Risk-weighted Asset Ratio (CRAR)	12.58%	12.30%
Requirement of Capital to Risk-weighted Asset Ratio (CRAR) with Capital Conservation Buffer	12.50%	12.50%
Common Equity Tier 1 Capital to Risk-weighted Asset Ratio	7.69%	7.33%
Requirement of Common Equity Tier 1 Capital Ratio	4.50%	4.50%
Tier 1 Capital to Risk-weighted Asset Ratio	8.92%	8.56%
Requirement of Tier 1 Capital Ratio with Capital Conservation Buffer	8.50%	8.50%
Tier 2 Capital to Risk-weighted Asset Ratio	3.66%	3.74%
Percentage of Capital Conservation Buffer	2.58%	2.30%

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.		1%	1%	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

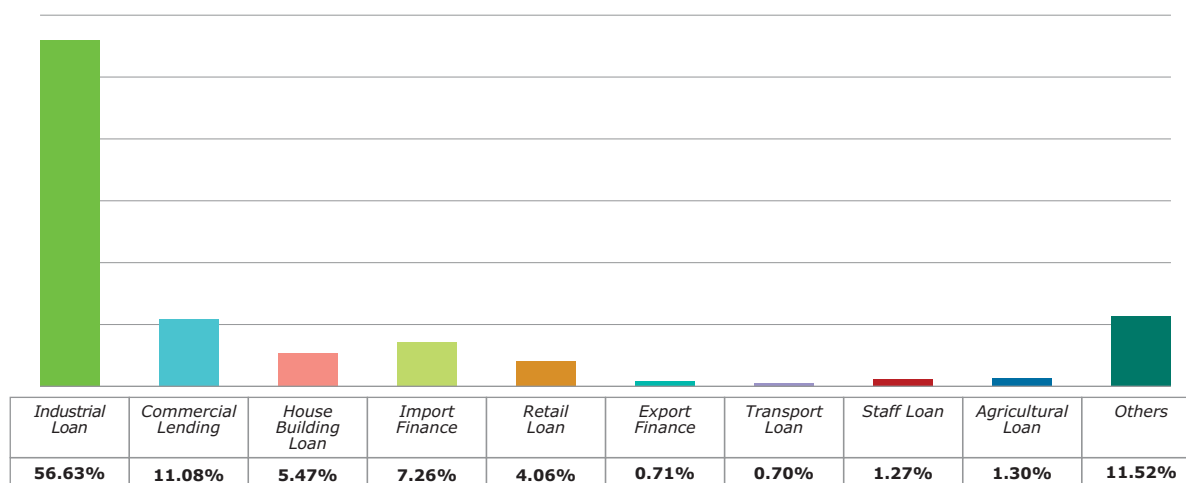
Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, insurance, and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, 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	286,535.41	56.63%
Commercial Lending	56,071.05	11.08%
House Building Loan	27,680.73	5.47%
Import Finance	36,741.43	7.26%
Retail Loan	20,560.39	4.06%
Export Finance	3,582.15	0.71%
Transport Loan	3,522.60	0.70%
Staff Loan	6,406.30	1.27%
Agricultural Loan	6,568.18	1.30%
Others	58,301.24	11.52%
Total	505,969.49	100.00

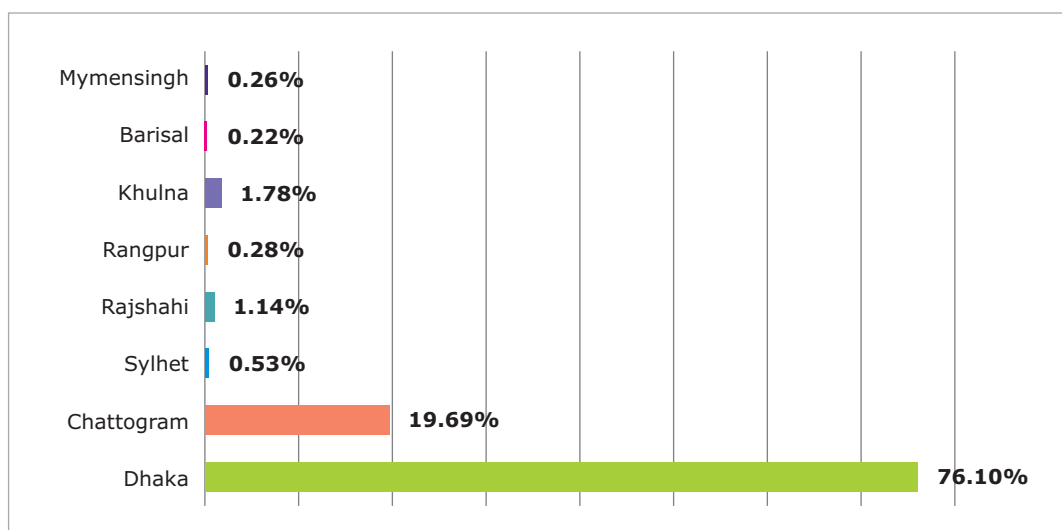
Distribution of Credit Exposure by Major Types



Geographical Location Wise Credit Exposure

Division	BDT in Million	In %
Dhaka	385,030.97	76.10%
Chattogram	99,634.57	19.69%
Sylhet	2,693.14	0.53%
Rajshahi	5,787.12	1.14%
Rangpur	1,398.64	0.28%
Khulna	8,991.20	1.78%
Barisal	1,137.50	0.22%
Mymensingh	1,296.36	0.26%
Total	505,969.49	100.00%

Geographical Distribution of Credit Exposure



Industry Type Distribution of Exposure

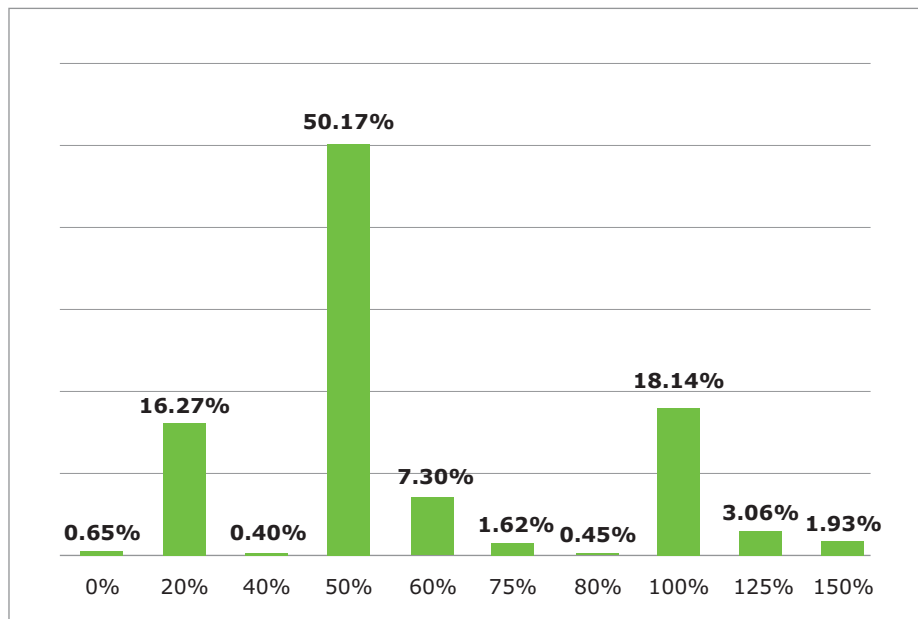
Types of Credit Exposure	BDT in Million	In %
RMG & Accessories	69,949.00	13.82%
Textile Industries	28,704.39	5.67%
Agriculture	6,568.18	1.30%
Food Products & Processing	21,786.19	4.31%
Jute Industries	221.68	0.04%
Leather & Leather Products	1,500.97	0.30%
Paper & Paper Products Industries	6,204.25	1.23%
Wood & Wooden Products	2,371.12	0.47%
Chemical & Chemical Products	14,870.72	2.94%
Cement Industries	13,588.05	2.69%
Brick Field, Auto Bricks, Tiles	2,730.77	0.54%
Engineering, Basic Metal & Products	19,283.14	3.81%
Ship Re-cycling	13,079.72	2.59%
Ship Manufacturing	633.96	0.13%
Educational Institute, Hotel, Restaurant	7,261.10	1.44%
Telecommunication	2,748.32	0.54%
Transport & Communication	3,522.60	0.70%
Diagnostic/Medical/Clinic	3,739.66	0.74%
Housing Industry	27,680.73	5.47%
Construction (Other than Housing)	42,985.32	8.50%
Electronics Media	328.25	0.06%
Power & Energy	15,155.41	3.00%
Commercial Trade Financing	96,394.64	19.05%
Others	104,661.34	20.69%
Total	505,969.49	100%

Residual Contractual Maturity Wise Distribution of Exposure

Particulars	BDT in Million	In %
On demand	3,149.45	0.62%
Not more than three months	140,382.44	27.75%
More than three months but less than one year	117,178.49	23.16%
More than one year but less than five years	172,768.78	34.15%
More than five years	72,490.33	14.33%
Total	505,969.49	100%

Composition of Risk Weighted Asset of loan portfolio

Category of Risk weight	Loan Amount BDT in Million	In %
0%	3,302.50	0.65%
20%	82,333.75	16.27%
40%	2,021.86	0.40%
50%	253,841.30	50.17%
60%	36,922.20	7.30%
75%	8,218.17	1.62%
80%	2,280.71	0.45%
100%	91,801.64	18.14%
125%	15,492.28	3.06%
150%	9,755.07	1.93%
Total	505,969.49	100.00%



Loans & Advances and Provision

Particulars	Loans & Advances	Provision against Loans & Advances
Total Loans and Advances	505,969.49	20,151.13
Performing Loans & Advances	478,150.10	11,294.83
Classified Loans and Advances	27,819.39	8,856.30
Substandard (SS)	5,483.84	611.17
Doubtful (DF)	627.72	68.67
Bad/Loss (BL)	21,707.84	8,176.46
Off-Balance Sheet Items	291,676.24	2,342.18

Gross Non-Performing Assets (NPAs)

Particulars	BDT in Million
Gross Non-Performing Assets (NPAs)	27,819.39
Total Loans and Advances	505,969.49
NPAs to outstanding Loans & Advances	5.50%

Movement of Non-Performing Assets (NPAs)

Particulars	BDT in Million
Opening Balance	28,077.69
Additions	9,620.17
Reductions	9,878.46
Closing Balance	27,819.39

Movement of Specific Provisions for NPLs

Particulars	BDT in Million
Opening Balance	13,206.71
Adjustment due to Write-off	(3,252.67)
Provisions made during the period	3,543.77
Recoveries of amounts previously written off	409.59
Write off transfer from interest suspense account	--
Closing Balance	13,907.40



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	6,241.54	5,537.13

Particulars	BDT in Million
Realized Gains	1,869.73
Unrealized Gains	(710.92)
Unrealized Losses	(956.63)
Net Unrealized Gains/(Loss)	252.22
Capital requirement for Equity Risk (Specific & General)	2,214.85
Supervisory Provision against Classified Equity Investment	673.29

Capital Requirement as per Grouping of Equity

(BDT in million)

Sector	Cost Price	Market price	Capital Charge		Total Capital Charge
			Specific Risk	General Market Risk	
Pharmaceuticals & Chemicals	672.11	715.04	71.50	71.50	143.01
Textile	147.31	83.64	8.36	8.36	16.73
Telecommunication	659.22	601.25	60.12	60.12	120.25
Fuel & power	67.03	58.87	5.89	5.89	11.77
Bank	1,220.13	1,125.71	112.57	112.57	225.14
Financial Institutions	1,589.34	1,691.52	169.15	169.15	338.30
Miscellaneous	1,886.39	1,261.10	126.11	126.11	252.22
Total	6,241.54	5,537.13	553.71	553.71	1,107.42



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)	230,131.47	70,395.84	62,630.94
Rate Sensitive Liabilities (RSL)	151,540.83	60,226.03	91,107.81
Gap (RSA – RSL)	78,590.64	10,169.81	(28,476.87)
Cumulative Gap	78,590.64	88,760.45	60,283.58

Interest Rate Shock on Capital:		(BDT in Million)	
Total Regulatory Capital		55,214.43	
Total Risk Weighted Assets (RWA)		438,856.38	
Capital to Risk-weighted Asset Ratio (CRAR)		12.58%	
Assumed Increase in Interest Rate	1%	2%	3%
Earnings Impact on Cumulative Gap	602.84	1,205.68	1,808.52
Capital After Shock	55,817.27	56,420.11	57,022.95
CRAR after Shock	12.72%	12.86%	12.99%
Increase in CRAR	0.14%	0.28%	0.41%



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	9.85
Equities	1,107.43
Foreign Exchange Position	324.99
Commodities	0.00
Total	1,442.27

 **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	2021	2022	2023	Capital Charge
Solo	Gross Income	26,765.99	30,144.10	33,156.50	4,503.33
Consolidated	Gross Income	28,216.17	31,868.75	34,949.17	4,751.62

9. Liquidity Ratio

As per the BRPD Circular no. 18 dated December 21, 2014, Bangladesh Bank has strengthened the liquidity framework by developing two minimum standards for liquidity. These standards have been developed to achieve two separate but complementary objectives.

The first objective is to promote short-term resilience of a bank’s liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for one month. Liquidity Coverage Ratio (LCR) addresses this objective.

The second objective is to promote resilience over a longer time horizon by creating additional incentives for a bank to fund its activities with more stable sources of funding on an ongoing structural basis. The Net Stable Funding Ratio (NSFR) has a time horizon of one year and has been developed to provide a sustainable maturity structure of assets and liabilities.

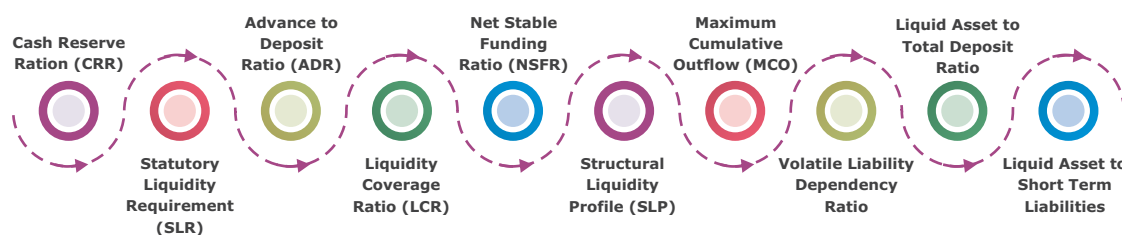
Views of BoD on system to reduce liquidity Risk

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

Methods used to measure Liquidity risk

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

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



Liquidity risk management system

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

The Asset Liability Committee (ALCO), which meets at least once in a month, is responsible for managing and controlling liquidity of the bank. Treasury Front Office closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities and they are primarily responsible for management of liquidity in the bank. A monthly projection of fund flows is reviewed in ALCO meeting regularly.

Policies and processes for mitigating liquidity risk

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

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

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

Maturity ladder of cash inflows and outflows are effective tool to determine the bank's cash position. A maturity ladder estimates a bank's cash inflows and outflows and thus net deficit or surplus (GAP) on a day to day basis and different buckets (e.g. call, 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years).

Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) refers to highly liquid assets held by financial institutions in order to meet short-term obligations. The liquidity coverage ratio is designed to ensure that financial institutions have the necessary assets on hand to ride out short-term liquidity disruptions. Banks are required to hold an amount of highly-liquid assets, such as cash, Balance with other Bank and financial institutions or Treasury bonds, equal to or greater than their net cash over a 30-day period (having at least 100% coverage).

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

The minimum standard for LCR is greater than or equal to 100. However, the bank's status as on 31 December 2023 in this ratio is as follows:

(BDT in million)		
Particulars	Regulatory Standard	Amount
Total Stock of High Quality Liquid Assets		10,557.08
Total Net cash outflows over the next 30 calendar days		9,883.98
Liquidity Coverage Ratio (LCR)	Greater than or equal to 100	106.81%

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, 2023 is as under:

(BDT in million)

Particulars	Regulatory Standard	Amount
Available amount of stable funding (ASF)		59,270.57
Required amount of stable funding (RSF)		49,901.83
Net Stable Funding Ratio (NSFR)	Greater than 100	118.77%



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:

Leverage Ratio = Tier-1 Capital (after related deductions) / Total Exposure (after related deductions)

The status of Leverage Ratio as on 31 December, 2023 is as under

(BDT in million)

Particulars	Solo Basis	Consolidated Basis
Tier 1 Capital*	39,148.52	37,649.84
On Balance Sheet Exposure*	671,105.00	673,651.27
Off-Balance Sheet Exposure*	129,471.00	129,471.00
Total Deductions	5,998.68	6,231.40
Total Exposure	794,577.33	796,890.87
Leverage Ratio	4.93%	4.72%

* Considering all regulatory adjustment

In addition of the above, UCB has been comfortably remaining in the right course of implementation of Leverage Ratio regulation under Basel III as per (Bangladesh Bank BRPD Circular no. 18 dated August 21 of 2021) the roadmap outlined by Bangladesh Bank. Bank's progression along the roadmap is depicted below:

Particulars	2021	2022	2023	2024	2025	2026
Leverage Ratio	3.00%	3.00%	3.25%	3.50%	3.75%	4.00%
UCB Status:						
Solo Basis	4.92%	5.00%	4.93%	--	--	--
Consolidated Basis	4.89%	4.86%	4.72%	--	--	--



11. Remuneration

Qualitative Disclosures:

a) Information relating to the bodies that oversee remuneration.

i. Name of the bodies that oversee remuneration	At the management level, primarily the Human Resources Management Division oversees the 'remuneration' in line with its Human Resources Management strategy/policy under direct supervision and guidance of the Senior Management Team 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 Team is the main body for overseeing the Bank's remuneration. The Senior Management Team 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 2023, 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 2023, 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 2023 that could the 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 and advances 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, 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 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 1340 1771"> <thead> <tr> <th>Particulars</th> <th>BDT in Million</th> </tr> </thead> <tbody> <tr> <td>Incentive Bonus</td> <td>939.35</td> </tr> <tr> <td>Ex-gratia</td> <td>70.64</td> </tr> <tr> <td>Total</td> <td>1,009.99</td> </tr> </tbody> </table>	Particulars	BDT in Million	Incentive Bonus	939.35	Ex-gratia	70.64	Total	1,009.99
Particulars	BDT in Million									
Incentive Bonus	939.35									
Ex-gratia	70.64									
Total	1,009.99									
	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 1340 1996"> <thead> <tr> <th>Particulars</th> <th>BDT in Million</th> </tr> </thead> <tbody> <tr> <td>Festival Bonus</td> <td>619.92</td> </tr> <tr> <td>Ex-gratia</td> <td>64.02</td> </tr> <tr> <td>Total</td> <td>683.94</td> </tr> </tbody> </table>	Particulars	BDT in Million	Festival Bonus	619.92	Ex-gratia	64.02	Total	683.94
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	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:320 Total amount of severance payments: BDT. 1,548.48 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 2023																
	ii. Total amount of deferred remuneration paid out in the financial year.	-																
	Breakdown of amount of remuneration awards for the financial year to show: - fixed and variable. - deferred and non-deferred. - different forms used (cash, shares and share linked instruments, other forms).	<p>Breakdown of Remuneration for the year-2023 is as under:</p> <table border="1"> <thead> <tr> <th colspan="2" style="text-align: right;">BDT in Million</th> </tr> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Basic salary</td> <td>3,749.57</td> </tr> <tr> <td>Allowances</td> <td>1,785.66</td> </tr> <tr> <td>Bonus</td> <td>1,614.08</td> </tr> <tr> <td>Provident fund contribution</td> <td>430.61</td> </tr> <tr> <td>Gratuity</td> <td>960.00</td> </tr> <tr> <td>Total</td> <td>8,539.92</td> </tr> </tbody> </table>	BDT in Million		Particulars	Amount	Basic salary	3,749.57	Allowances	1,785.66	Bonus	1,614.08	Provident fund contribution	430.61	Gratuity	960.00	Total	8,539.92
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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 2023 due to ex post explicit adjustments																
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**REPORT ON
SUSTAINABLE FINANCE**



Sustainable Finance Empowering a Sustainable Future

The repercussions of climate changes are catastrophic and inevitable, and it becomes a planetary imperative to adopt remedial measures in a concerted manner for ensuring sustainability in business and net-zero emissions across the globe. UCB is not an exception in this regard and is committed to remodelling the way it does its core business and internal operations to fast-track convergence toward sustainability. The traditional financing concepts lack the calibration for environmental, social, and governance aspects which are essential in securing the endurance of the projects or businesses being financed in the long run.

Role of Banks in Promoting Sustainable Finance

In spearheading the mission of promoting sustainability in every aspect of future development, the formation and implementation of Green and Sustainable initiatives are quintessential. The robust agenda of a country like Bangladesh encompasses comprehensively forming a sustainable framework and stimulating effective conduits for prolific implementation. Because of their calibre to influence production, supply chain, industrialization, and other economic ventures through allocating finances and advisory resources, banks have a pivotal role in the economy. As a result, they can contribute to channelling private investment toward the transition to a climate-neutral, climate-resilient, resource-efficient, and fair economy.

United Commercial Bank PLC is pledged to promote Sustainable Finance

United Commercial Bank PLC is committed to sustainable finance and promoting environmental sustainability. The bank has taken several steps to demonstrate its commitment to 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 has the active participation in approving eligible Green Finance and Sustainable Finance related credit facilities. At the 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).

In alignment with the Sustainable Development Goals (SDGs) of the United Nations (UN), Bangladesh Bank initiated a comprehensive Sustainable Finance Policy (SFP) in December 2020 that addresses both sustainable finance and green finance issues. Later, the policy was updated in October, 2023 and was adopted by the bank in December, 2023.

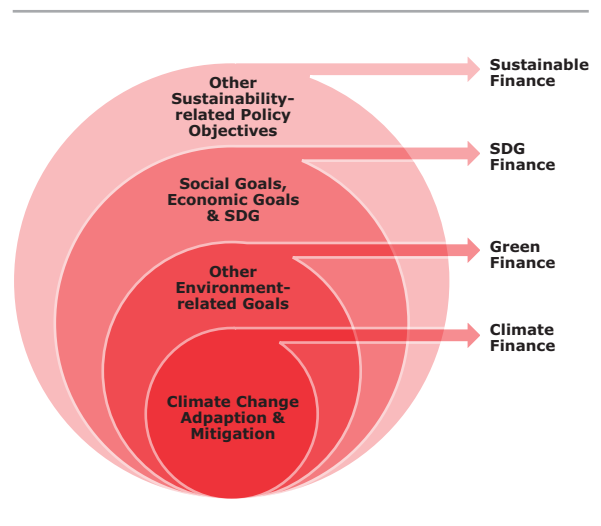
Furthermore, UCB has established an Environmental and Social Risk Management (ESRM) Policy which outlines the bank's approach to identifying, assessing, mitigating, and managing environmental and social risks associated with its lending activities. This policy aims to ensure that the bank's lending practices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

The bank also actively works to promote and fund energy efficiency and sustainable agriculture projects. UCB is also participatory of several Refinancing Schemes of Bangladesh Bank designed to support environment sustainable initiatives. Furthermore, UCB has adopted several environment-friendly measures, such as implementing green technology in its banking operations, and 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, sustainable agriculture initiatives, and other similar projects.



Recognized as one of the Top Banks in sustainable Rating by Bangladesh Bank:

For uncompromising commitment to implementing Sustainability in its credit portfolio and overall operations, UCB was awarded the "Sustainability Rating 2022" by Bangladesh Bank on August 29, 2023. The rating was based on core banking sustainability, sustainable finance indicators, Banking services coverage, CSR activities, and Green Refinance.

Bank's Financing in Sustainable and Green Projects

Sustainable finance is a need of time and entails a substantial quantum of investment on a continuous basis. As banks and financial institutions are the key players in 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 have been prioritized in the Sustainable Finance Policy of Bangladesh Bank encompass agriculture, cottage, micro, and SME (CMSME), Socially Responsible Finance (SRF), and green finance products/projects.



Mr. Arif Quadri, Managing Director & CEO, UCB receiving the award from the honourable Governor of Bangladesh Bank

Green Finance Disbursement Status during 2023:

The Bank's disbursement in Green products and initiatives during December, 2023 stood at 36.21% surpassing the regulatory requirement of 5% substantially.

(Fig. in Cr.)

DISBURSEMENT	Target 2023	Achievement 2023	Achievement 2022
Green Finance	5%	36.21%	16.69%
	(144.85)	(1,049.09)	(276.57)

Note: Disbursement target on Green Finance is determined against the Bank's total Term Loan disbursement.

Green Finance Outstanding at the end of 2023:

At the end of the December 2023, the Bank's outstanding of Green Finance was Tk. 2649.61 Crore (5.57%) surmounted the annual target of Tk.883.00 Crore (2.00% of outstanding) for the year 2023.

(Fig. in Cr.)

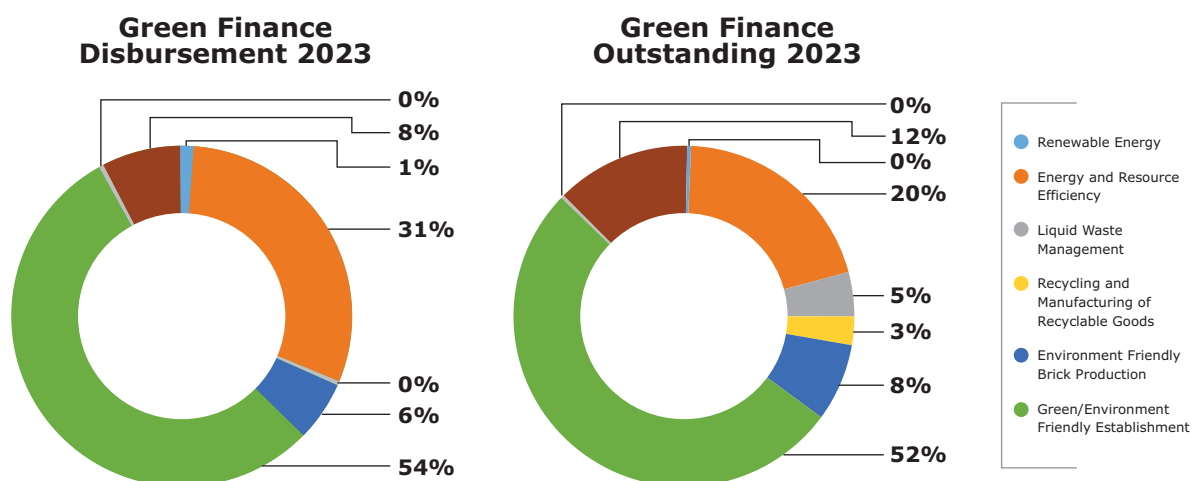
OUTSTANDING	Target 2023	Achievement 2023	Achievement 2022
Green Finance	2%	5.57%	2.15%
	(883.00)	(2,649.61)	(814.02)

Out of 14 categories, the Bank's Green Financing has coverage in the following 08 categories; Renewable Energy, Energy & Resource Efficiency, Liquid waste management, Circular Economy & Eco-Projects Financing, Environment-friendly Brick production, Green / Environment-Friendly Establishment, Green CMSME, and Green Socially Responsible Finance (SRF).

(Fig. in Cr.)

GREEN FINANCING AREAS	Disbursement 2023	Outstanding (as on 31.12.23)
Renewable Energy	10.00	10.01
Energy and Resource Efficiency	319.75	535.15
Liquid Waste Management	3.87	122.54
Circular Economy & Eco-Projects Financing	0.35	68.97

Environment Friendly Brick production	59.40	204.10
Green / Environment Friendly Establishment	569.83	1,384.70
Green CMSME	4.92	9.29
Green Socially Responsible Finance (SRF)	80.99	314.85
TOTAL	1,049.09	2,649.61



Sustainable Finance Disbursement Status during 2023

The Bank's disbursement during December, 2023 in Sustainable Financing, which also includes Green Finance, was 22.03% against the target of 20%.

(Fig. in Cr.)

DISBURSEMENT	Target 2023	Achievement 2023	Achievement 2022
Sustainable Finance	20%	22.03%	19.59%
	(5,422.82)	(5,973.04)	(4,875.26)

Note: The disbursement target on Sustainable Finance is determined against the Bank's Total Disbursement

Sustainable Finance Outstanding at the end of 2023

The Bank's outstanding of Sustainable Finance at the end of the December, 2023 was Tk. 13,652.32 crore (28.71%) exceeding the annual target of Tk. 6,620.00 crore (15.00% of outstanding).

(Fig. in Cr.)

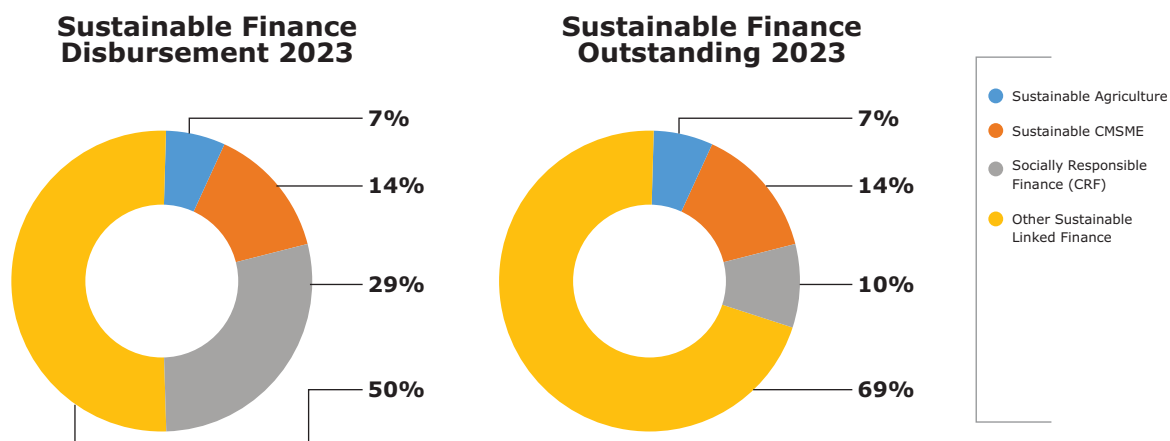
OUTSTANDING	Target 2023	Achievement 2023	Achievement 2022
Sustainable Finance	15%	28.71%	17.48%
	(6,620.00)	(13,652.32)	(6,613.17)

The Banks coverage on Sustainable Linked Finance under the four broad categories are

(Fig. in Cr.)

Sector	Disbursement 2023	Outstanding 31.12.2023
Sustainable Agriculture	392.67	829.11
Sustainable MSME	848.49	1,549.04
Sustainable Linked Socially Responsible Financing	1,729.02	1052.98
Other Sustainable Linked Finance	1,953.77	7571.58
GRAND TOTAL	4923.95*	11,002.71*

Note: Sustainable Finance = Green Finance + Sustainable Linkage Finance
 Sustainable Finance-Disbursement = 5,973.04 = 1,049.09 + 4,923.95*
 Sustainable Finance -Outstanding = 13,652.32 = 2,649.61 + 11,002.71*



Some of the obligors under UCB’s Green and/or Sustainable Finance

MAXCRETE produces Autoclaved Aerated Concrete (AAC) Blocks which are lightweight, prefabricated, and green building material that is well admired as the eco-friendliest substitution for toxic clay-based bricks. It has excellent thermal properties and insulation best suited for energy savings applications and does not produce CO₂ gas. The factory has a capacity of 300,000 m³ per year.



Fig: Maxcrete Limited



Fig: Dynamic Sun Energy Private Ltd.

Dynamic Sun Energy Private Ltd. (DSEPL) is building a 100-megawatt (MW) Grid-connected Solar Photovoltaic Power Plant in Pabna, a northwest district in Bangladesh. This solar power plant will generate 193.5 Gigawatt-hours of electricity annually and avoid 93,654 tons of carbon dioxide emissions annually.

Panam Cycle Industries Limited is a 100% export-oriented bicycle manufacturing factory of Panam Group. Panam Cycle started production in March 2023. This plant has been equipped with advanced technology machines as well as a skilled and highly experienced team to ensure the quality of products. They are committed to producing high-quality bicycles to meet customer's requirements.



Fig: Panam Cycle Industries Limited

Refinancing Schemes related to Green Finance

The Bank entered into an agreement with Bangladesh Bank for participation in Green Financing related Refinancing Schemes for accelerating the availing of low-cost fund, both for the banks and the customers, to protect and preserve 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

Agreement on GTF in Local Currency was signed on 16 March, 2023 and during the year 2023 we have received refinancing worth Tk. 111.92 Crore from Bangladesh Bank. In 2022, the Bank received refinancing of Tk.91.24 Crore under the Green Transformation Fund (GTF) in the Foreign Currency Refinancing Scheme of Bangladesh Bank.

LEED Certified Green Garments Factories financed

As of 31.12.2023, a total 21 nos. of customers of the Bank were LEED certified. Out of the total certified customers, 7 (seven) nos. of customers are in the Platinum category, 11 (eleven) nos. of customers are in the Gold category, 02 (two) nos. of customers are in Silver category and 1 (one) is in certified category.

These customers fall under the "Green / Environment-Friendly Establishment" category under Green Finance. In 2023, a total of Tk. 569.83 crore was disbursed under this category and the year-end outstanding stands at Tk. 1,384.70 crore.



Fig: LEED Certified Green Factories

Dedicated Sustainable Finance Help Desks (DSFHDs)

Being pledged to promote and implement Sustainable Finance, the Bank has set up 50 Dedicated Sustainable Finance Help Desks around the country covering both rural and urban domains. The core objectives of the DSFHDs are to proactively search out potential entrepreneurs afresh for the untrodden sectors/products of sustainable finance and at the same time explore the possibility amongst the existing obligors to assimilate them within the realm of sustainable finance. The officials of the DSFHDs are trained to provide one-stop service to the existing and potential obligors in the form of advisory service, and prompt processing of credit proposals related to sustainable finance.

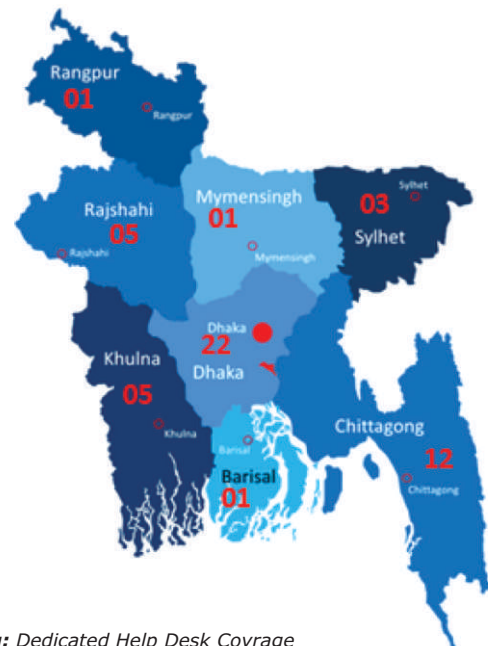


Fig: Dedicated Help Desk Coverage








Incorporation of Environment & Social Risk in 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 was issued in June, 2022 by Bangladesh Bank and was incorporated as an integral part of CRM Policy of the Bank in 2023. 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.

(Fig. in Cr.)

ESDD	2023							
	Q1		Q2		Q3		Q4	
	No. of A/c	Amt. Disbursed	No. of A/c	Amt. Disbursed	No. of A/c	Amt. Disbursed	No. of A/c	Amt. Disbursed
Low	4,143	4,176.18	4,526	4,026.78	4168	3,389.04	4,876	3,185.3
Medium	203	450.69	156	193.12	86	376.58	134	226.3
High	0	0.00	0	0.00	0	0.00	0	0

Alignment of sustainable finance with SDGs

SDGs (Sustainable Development Goals)	Initiatives of UCB
	UCB finance through MFI (MRA Regulated)/NGO (Govt. Approved) Linkage Mode for capacity building, education, employment generation including self-employment. In 2023, a total disbursement of Tk. 3,107.91 crore was disbursed through Sustainable Linkage finance.
	With a view to fulfilling the goal of zero hunger, UCB finances in sustainable agriculture covering areas like crops, pisciculture, Crop storage, irrigation tools, agriculture tools, and others.
	Various health and well-being awareness programs such a Breast Cancer awareness campaign are being organized by the bank. The female employees of UCB Dhaka zone participated in the event. Issues like Breast Cancer risks, cure, and prevention were discussed in the campaign. The Breast Cancer awareness campaign was organized as part of the CSR activities of the bank. Apart from this, UCB has extended its credit facilities worth Tk. 25.37 crore in the Health and Healthcare service.
	Out of its commitment to give back to the society for noble causes, UCB regularly takes up CSR initiatives for educational domain of the society. Apart from this, the bank also provides credit facilities to educational institutes.
	UCB is always aware of maintaining gender equality. In 2023, the bank's women employees are about 20% of the entire permanent employees.
	UCB has been extending financing in the installation of Water Treatment Plants for the treatment of water against various hazardous substances of the major industries of the country.
	As part of its pledge to sustainable finance, UCB has extended its credit facilities for the Energy and Resource efficiency realm. In 2023, total Tk. 319.72 crore was disbursed against this category. Apart from this Tk. 10.00 crore was disbursed during 2023 in Solar Grid under renewable energy category.

SGDs (Sustainable Development Goals)	Initiatives of UCB
	Being one of the leading private commercial banks of the country, UCB has been an employer of around 5,460 permanent employees. To ensure sustainable employment, the bank has devised and implemented a sound compensation, pension, and other policies including workplace safety. Apart from this, the bank has extended credit facilities to a large number of CMSME and Corporate clients creating thousands of employments in the economy.
	UCB promotes and provides funding for the production of environmentally friendly bricks and the establishment of green and eco-friendly establishments. In 2023, total of Tk. 59.39 crore was disbursed under environmentally friendly bricks and Tk. 569.81 crore in green and eco-friendly establishments.
	While appraising credit proposals, the bank reckons the environment, social and environmental factors in addition to the conventional credit risk assessment criteria. The assessment is conducted with ESDD check list. In case of high risk clients, the issue is escalated and an action plan is adopted.
	UCB creates awareness regarding climate change and environmental degradation and also actively engaged in events like tree plantation, seminars on ecological balance, disaster management initiative/ support, etc.

In-house Initiatives for the Year 2023

United Commercial Bank PLC is pledged to reduce its carbon footprint and actively spearheads innovative conduits to have a benign impact on the environment by reducing paper consumption, minimizing water wastage, bringing in efficiency in the diurnal operation. In the previous year the bank has introduced Robotic Process Automation, online collection of income tax return certificate, change management through UCB Home, CIB inquiry work flow system etc. This year the bank has again boarded the scope of such initiatives in the following areas:

Half-yearly Account (CASA & Loan) Statement through SMS:	Customers' half-yearly Account (A/C) statements are sent through couriers with no valid email ID every year. Since 2023, we have started sending half-yearly A/C statements through SMS. Customers receive an SMS with a link. After clicking on this link to provide some information and validate through OTP, the customer can view the A/C statement. This also brings a step ahead in checking the authenticity of the customer for the A/C statement. This significantly reduces the time & cost from the Bank's perspective.
Automated Customer Acknowledgment after Account Opening	Previously, after a successful Account (A/C) opening, the customer did not get any information instantly. Since 2023, we have started sending acknowledgements to customers through SMS for this purpose. Customers receive an SMS with a link. After clicking on this link and inputting information, the customer can download a file that contains basic information about the A/C holder.
Electronic Form C against Inward Remittance	To receive inward remittance, customers had to come to the Branch, fill out the form and hand over the necessary documents to relevant people. Now, for remittances equal to or above 20,000 USD, customers can fill out the form electronically and upload the required files through the online portal to process the matter. In this connection, Bangladesh Bank has circulated FE circular 01, Dated 01 February 2023, for permitting electronic Form C.
Uclick Phase 2 Deployment	Uclick is the e-KYC based Digital Customer On-boarding platform of UCB. Through Uclick, Customers can open a bank account with UCB online and update account information from anywhere and at any time without visiting any of UCB's Branches. Using uclick customers can now apply SME Loan and can open an SME account.

Collection & Recovery Software Implementation	Collections and Recovery software is a debt collection software for UCB. It works with payment collection for defaulted loans. Using this software, bank can collect its payments against its defaulted loans from customers.
Automated Notification Management System	The implementation of the Automated Notification Management System for monitoring SLAs and AMCs has ensured timely notifications for renewals, preventing service disruptions. This has led to a tremendous reduction in downtime, contributing to improved service quality. Additionally, the proactive approach has resulted in cost savings on emergency maintenance, positively impacting resource utilization.
Aggregated Access Control (Umbrella)	The introduction of Aggregated Access Control (Umbrella) for in-house applications has simplified user access management. This has led to a significant reduction in time spent on access-related issues, resulting in increased productivity. Additionally, a centralized access control system has resulted in a notable decrease in security incidents, ensuring a more secure IT environment.
Role-based MIS User Access Migration	The migration to role-based MIS user access has facilitated smoother access management and reduced the time spent on access assignments. It has increased human resource utilisation and has also decreased access-related delays.
Document Management System (DMS)	Implementing the Document Management System has significantly improved document organisation and retrieval. This has reduced the time required for document searches, leading to enhanced workflow efficiency. The streamlined document handling has also contributed to a decrease in document-related errors, positively impacting the overall quality of operations.
Loan Products' Supervision charge processing automation	As per the Bangladesh Bank Instruction Circular, UCB must collect supervision charges from existing all loans once a year and accordingly bank has completed the automation process for supervision charge realization on all loan products.
MIS report server upgradation and new report introduction	Report and database Migration from UCBRPT (Old ETL) to DWHDB (New ETL) Report server performance Extract, Transform, and Load (ETL) tuning. Automation of Cost Center and Profit Center (CCPC) Performance Report
Excise Duty Implementation at Loan Products	Earlier Excise Duty from each of the customer accounts (savings, current, loan, or other accounts) were realized manually not it is automated for all kinds of loan products.
SWIFT message integrated at Payoneer's payment platform	Two types of SWIFT messages MT940 & MT950 automation completed for PAYONEER INC. Payoneer's payment platform empowers banks to reach new markets, do business in multiple currencies, and comply with local regulations.
Training on Sustainable Finance and Green Finance	Two training sessions titled "Necessity of Green Banking" and "ESRM guidelines" are being regularly conducted every quarter. During 2023, the Unit has arranged several sessions on "Revised ESRM guidelines of Bangladesh Bank, 2022". This year total of 395 personnel participated from SME, Credit Risk Management, Corporate, and RMG. Nominated officials of the Dedicated Sustainable Finance Help Desks were also trained on the above issues and Green Finance.



Only we have the
widest network of **7** lounges across
the country!
Indulge in luxury at UCB Airport Lounges

Hazrat Shahjalal
International Airport, Dhaka
(International Lounge)

Hazrat Shahjalal
International Airport, Dhaka
(Domestic Lounge)

Osmani International
Airport, Sylhet
(Domestic Lounge)

Cox's Bazar Airport,
Cox's Bazar
(Domestic Lounge)

Shah Amanat International
Airport, Chattogram
(Domestic Lounge)

Saidpur Airport,
Saidpur
(Domestic Lounge)

Jashore Airport,
Jashore
(Domestic Lounge)



**CORPORATE
SOCIAL RESPONSIBILITY**

REPORT ON CORPORATE SOCIAL RESPONSIBILITY



United Commercial Bank PLC has been committed to the principles that are the underpinnings of strong corporate social responsibility. As a bank firmly rooted in community, corporate social responsibility has been at the heart of our existence since the beginning, and demonstrated in all that we do each and every day. We have a deep commitment to corporate social responsibility at UCB, and that commitment extends across our organization, from our associates to our Board of Directors. We have developed protocols and standards, and have dedicated resources to ensure we live up to the high bar of accountability that our stakeholders expect. United Commercial Bank PLC believes in the transformative power of Corporate Social Responsibility (CSR). In the spirit of living and working together for the common good, we at United Commercial Bank PLC take an approach to business that is both socially responsible and economically feasible.

The Bank recognizes that true success lies not only in financial profitability but also in positively impacting the lives of the less privileged. The Bank is committed to touching lives and making a meaningful difference in the lives of those in need.

This report documents UCB's CSR efforts and transparently displays our accountability to a broad base of stakeholders — including investors, clients, associates, suppliers and communities — and to our planet. In UCB, we have organized our activities in

some major areas which we consider as prime interventions with the spirit of Corporate Social Responsibility. In the year 2023, our total expenditure in CSR arena was BDT 383.99 Million.

Education

United Commercial Bank PLC has always schemed pivotal roles in projects for improvement in educational sector of Bangladesh. UCB has long been practising CSR intervention in the sector of education like grant for poor and brilliant students, education promotion scheme, education for underprivileged children, donation to educational institutions etc.

We contributed towards the infrastructural Development of the department of Banking & Insurance, University of Dhaka. Again, computer and printing machine has been handed over to Sheikh Fazilatunnesa Government Women's College, Dhaka. The college approached UCB for computer and printer to efficiently conduct educational activities and improve the students' IT literacy.

Financial Assistance has been made to the Department of English, University of Dhaka for conference on Mapping Gendered Spaces in language, literature and culture.

Honourable Prime Minister's Shikkha Sohayota Trust is a noble venture to assist the brilliant yet poor students.



We donated in this trust to get aligned with such a great cause to assist students who will further contribute to build a better country. Moreover, financial assistance has also been provided to Moshang Girls School and College, Uzirpur, Barishal.

Health

Long since, UCB has prioritized health sector as a major sector of corporate responsibility. We are eagerly assisting different health care institutions, providing financial assistance to underprivileged and poor people, raising health awareness etc. Year 2023 was not an exception. Round the year, UCB contributed to different projects for improvement of health sector in Bangladesh.

National Institute of Traumatology & Orthopaedic Rehabilitation (NITOR) is an orthopaedic hospital provide treatments to lots of patients. Since a huge number of people visit NITOR each day, they are in scarcity of adequate logistics and machineries. United Commercial Bank PLC donated patient carrying trolleys and diathermy machines to NITOR so that they can efficiently provide service to patients.

Mst. Shumi Khanam is a patient of acute renal failure. She required regular dialysis. But due to poverty, she cannot take treatment. In such a situation, UCB provided assistance for her treatment. Furthermore, we provided financial assistance to different poor patients for treatment for different diseases like bone marrow transplant, cancer, bilateral Avascular Necrosis, kidney problem etc.

Bangladesh National Society for the Blinds (BNSB), Moulvibazar is a non-profit charitable organization helps the visually handicapped people. United Commercial Bank PLC provided financial support to BNSB Eye Hospital to facilitate the retina unit of BNSB. Moreover, Enam Medical College Hospital, Savar, Dhaka arranged a breast cancer awareness campaign. UCB also assisted at the awareness campaign.

Center for the Rehabilitation of the Paralyzed (CRP) is a respected organization working for rehabilitation service and inclusion of persons with disabilities. They organized 22nd Asian Spinal Cord Network Conference and UCB assisted them.



Disaster Management

As a socially responsible corporate body, UCB always comes forward in response to disaster management whether a natural calamity or tragic accident. UCB distributed blankets among the deprived and unfortunate people to provide them warmth during the winter months. Blankets were distributed in those areas where people were more prone to the wrath of cold winter.

Sports

Sheikh Kamal 2nd Bangladesh Youth Games 2023 was organized by Bangladesh Olympic Association. United Commercial Bank PLC provide financial assistance to organize the event. Again, UCB contributed to organize the International Kabadi Tournament 2023. Moreover, Bangladesh Tennis Federation organized World Tennis Tour which was supported by United Commercial Bank PLC.

Suborno Nagorik Foundation organized a sports competition for the physically handicapped demographic of Bangladesh. UCB provided financial assistance to their event named "Suborno Nagorik Sports Competition". Assistance was also provided to Indo- Bangla Deaf cricket 2023 organized by Chittagong Divisional Deaf Cricket Association.

Others

Honourable Prime Minister of People's Republic of Bangladesh took initiative to provide housing facility of homeless people under Ashrayan Project - 2. UCB contributed to assist this project. Again, humanitarian assistance has been provided to Char Sajai Kalyan Trust. Donations has been made to construct Akhtaruzzaman Chowdhury Chottor.

In the coming years, we intend to expand CSR activities in more areas. On the whole, UCB will contribute to sustainable development through persistent and active CSR initiatives.



ভরষার নতুন জানালা

“**Bhoroshar Notun Janala**” is a specialized Agro-CSR project of United Commercial Bank PLC (UCB) as part of its commitment to corporate social responsibility. In accordance with directives from Bangladesh Bank, this initiative is designed to boost the agricultural sector in Bangladesh, with a special emphasis on developing and harnessing agro-entrepreneurship. The primary goal of this project is to contribute to the nation’s vision of a “Smart Bangladesh” by addressing several key areas within the agricultural domain.

The ‘Bhoroshar Notun Janala’ initiative is structured around four primary objectives:

- 1. Integrated Farmer Services:** Enhancing agricultural productivity through comprehensive support to farmers that includes awareness campaigns, information dissemination, and training programs. The provision of essential agricultural inputs such as seeds, seedlings, and organic fertilizers is also a major component of this effort.
- 2. Agricultural Mechanization:** Accelerating the adoption and development of locally produced agricultural machinery and technologies to modernize farming practices.
- 3. Research and Development:** Supporting scientific research to develop climate-resilient and nutritionally-rich food production. This includes promoting climate-smart agriculture and improving food conservation and accessibility.
- 4. Digital Agricultural Networks:** Establishing and enhancing digital supply chains in agriculture to minimize crop losses and enhance value addition in the agricultural processing industry.

Additionally, the project undertook several specific actions to further its mission:

Entrepreneurship Training for Agricultural Development: Over 10,247 agro-entrepreneurs across 46 districts and 375 Upazilas are receiving vocational training to boost their capabilities in diverse farming

activities, including fisheries, animal husbandry, crop and vegetable production.

“Tree Plantation” Initiative: The initiative includes a significant environmental component, where 55,000 trees have been planted across 650 institutions, 1600 homesteads, 80 kilometres of roads and community spaces to protect the environment and to foster a greener Bangladesh.

Health and Safety Measures: Implemented a total of 90 health camps and administered 22,344 livestock vaccinations across 42 districts and 50 upazilas in Bangladesh to ensure the well-being of the animal farming sector. Moreover, lightning protection systems has been installed to safeguard both human and animal lives.

Innovative Technology: This project introduced efficient AI-driven tools and devices, such as the “More-Fish” device to 8- selected fishermen group and weather forecasting services to over 3000 agro-entrepreneurs, to enhance productivity and sustainability in the agricultural sector.

Support for Food Preservation and Processing: Extended assistance to 8 different regions, collaborating with 12 different organizations to enhance food preservation and processing techniques.

Distribution of Agricultural Inputs: As a part of the commitment to resource provision, UCB has distributed various agricultural products to 3000 agro-entrepreneurs, including 60 tons of bio-fertilizers, 25.6 tons of quality seeds and 4,500 different modern machineries and equipment. This support is crucial for enhancing agricultural productivity and innovation.

Action Research initiatives were undertaken by the project that outlines various strategic approaches taken by multiple institutions to advance agricultural practices/technologies:

- 1. Char Development and Research Centre (CDRC):** The CDRC is actively engaging in special projects aimed at enhancing the dissemination of smart agricultural technologies in coastal areas. This includes the cultivation of wheat on 100 acres in Gaibandha's Sundarganj upazila, cultivation of wheat instead of tobacco on 100 acres of land in Kaunia, Lalmonirhat and cultivation of jute instead of tobacco on 50 acres in Rangpur Sadar upazila, replacing tobacco to promote more sustainable agricultural practices. Another significant effort of this organization is the installation of solar-powered irrigation pumps in the char areas of Sariakandi upazila, Bogura, which aids in promoting environmentally sustainable water usage.
- 2. Bangladesh Agricultural University (BAU):** Bangladesh Agricultural University has launched a pivotal research project titled 'Risk-Tolerant Rice Varieties and Cultivation of Saline-Tolerant Rice in the Sundarbans', focusing on the development of sugarcane-based crops that are well-suited to the saline-prone areas of Bangladesh.
- 3. Bogura Rural Development Academy (BRDA):** Bogura Rural Development Academy (BRDA) has also taken crucial initiatives to enhance and ensure rural safety. This involves identifying areas that are prone to lightning strikes and installing lightning protection devices. These measures are crucial for safeguarding the communities and their livelihoods

in these vulnerable regions, thereby ensuring a safer environment for agricultural activities and rural development.

- 4. Bangladesh Agricultural Research Institute (BARI):** BARI is undertaking research projects aimed at developing biotechnology-based pest management strategies to ensure the safe production of vegetables. In collaboration with the Bangladesh Red Crescent Society, BARI is also providing essential support to farmers affected by disasters. This includes the distribution of cash and vital agricultural inputs such as fertilizer and seeds, helping to stabilize the livelihoods of the impacted farming communities.

Institutions like CDRC, BAU and BARI are pivotal in this initiative, leading targeted research projects aimed at developing risk-tolerant crop varieties and biotechnology-based pest management solutions.

In conclusion, 'Bhoroshar Notun Janala' represents a comprehensive effort by United Commercial Bank PLC to support and transform Bangladesh's agricultural sector. By integrating advanced technology, fostering sustainable practices, and promoting agro-entrepreneurship, UCB is not just contributing to the agricultural sector but is also playing a crucial role in the nation's journey towards a smarter and more sustainable future. Bhoroshar Notun Janala exemplifies how corporate responsibility can align with national goals to yield substantial social, economic, and environmental benefits.



বিপন্ন পরিবেশ বিপন্ন ধরিত্রী

বৈশ্বিক উষ্ণায়ন ও তীব্র দাবদাহের
এই সংকটে আমাদেরও রয়েছে অঙ্গীকার

সামাজিক দায়িত্বের অংশ হিসেবে ইউসিবি গত মৌসুমে সারাদেশে **৫১টি** উপজেলায়
স্কুল, কলেজ, মাদ্রাসা, ইউনিয়ন পরিষদ, উপজেলা পরিষদ
আশ্রয়ণ প্রকল্পসহ **৬২৫টি** প্রতিষ্ঠানে, বাঁধসহ **প্রায় ৪০ কিলোমিটার** সড়কে
মোট ৫৫ হাজার বৃক্ষরোপণ করেছে

এ বছরও ইউসিবি বৃক্ষরোপণের উদ্যোগ গ্রহণ করেছে
বৃক্ষরোপণ উদ্যোগে আপনারাও शामिल হোন



ইউনাইটেড কমার্শিয়াল
ব্যাংক পিএলসি





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 Islamic financial industry has been growing over the last decades to become an integral and influential part of the global financial landscape. To grab the ever-increasing demand for a modern Shari'ah-compliant banking system in Bangladesh, UCB Taqwa, an Islamic Banking service of UCB, was launched with the wide variety of Shari'ah-compliant Personal and Corporate Banking products and services.

September 14, 2020 marks the inception of UCB Taqwa Islamic Banking with 10 (ten) Islamic Banking Windows. In the year 2021, a dedicated Islamic Banking Branch has also been introduced in Gulshan with a vision to strengthen the presence of Islamic Banking. UCB's Islamic Banking services are now available in all the distribution channels of the bank, through online as well as through its dedicated Islamic Banking Windows.

Although the Year 2023 was challenging for Bangladesh economy, the Islamic Banking country deposits reached at BDT 4,434 billion as of Dec 2023 which is higher by BDT 334.55 billion or 8.16 percent as compared to the same quarter of the last year. Investment also reached at BDT 4,449.74 billion which is also higher by BDT 397.72 billion or 9.82 percent as compared to the same quarter of the last year.

The year 2023 was dedicated to focus potential customer onboarding for UCB Taqwa Islamic Banking. Performance of UCB Islamic Banking has been remarkable despite challenging economic headwinds. The financial statements reveal an operating profit of BDT 65.28 Crore in 2023, increase of BDT 42.23 Crore in 2023 compared to previous year, resulting in a 183.21% increase.

2. Key Strengths of UCB Taqwa Islamic Banking

a) Diversified Shari'ah compliant products & Services

From the very beginning, UCB Islamic Banking has been engaged in all types of banking activities through its diversified products and services with utmost emphasis on ensuring the highest level of Shari'ah standards. All our Islamic banking activities and

products are strictly monitored by the Board of Directors and the Senior Management guided by the Shariah Supervisory Committee of the Bank.

b) 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 Mudaraba Term Deposits as well as Mudaraba schemes. UCB TAQWA profit-bearing accounts are operated under Shari'ah 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 Islamic Banking 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 from investment Income.

c) 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). After transaction SMS Alert service is also available. We have also introduced Visa Debit Card (Dual Currency), International Travel Prepaid Card (Hajj), Payroll Cards for Corporate Salary Account Holders.

3. Highlights of the Year 2023

Key achievements

Despite challenges in banking sector, UCB Taqwa Islamic banking has achieved phenomenon growth last year:

- a) Deposit book stood at **BDT 1722.67** Crore with a growth of **63.50%** from last year

TAQWA DEPOSIT PORTFOLIO (Fig in Core)

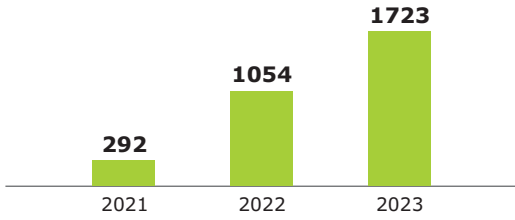
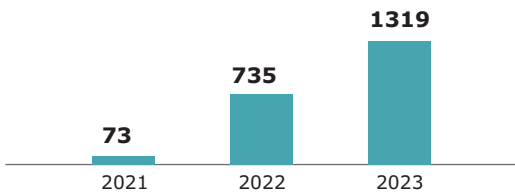


Figure: Year-to-year deposit growth

- b) Financing & Investment book stood at **BDT 1318.54** Crore with a growth of **79.42%** from last year

FINANCING PORTFOLIO (Fig in Core)



- c) Profit before the provision was recorded as **BDT 65.28** Crore as of 31st Dec, 2023

PROFIT GROQTH (Fig in Core)

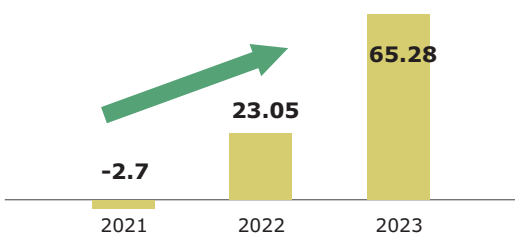


Figure: Year-to-year Profit

4. Key Initiative of the Year 2023

a) Inclusion of UCB Taqwa Islamic Banking with UClick

UClick is a digital banking solution of UCB through which UCB Taqwa Islamic Banking Customers can approach for retail financing facilities.

b) Customer Awareness Program

As part of our Islamic Banking awareness-building program, we took initiatives to meet customers at different branches and exchanged views with existing and prospective clients.

c) Knowledge Building Program

Training is a continuous process and we engaged employees of different branches this year in classroom sessions on Islamic Banking. Around 400 staff have been trained on Islamic Banking products and operations. More than 70 participants have been certified through the newly introduced certification program of LDC of the Bank titled 'Certified Islamic Banking Professional'.

5. UCB Taqwa Deposit and Financing Products

We have a wide range of deposit and financing schemes based on Shari'ah-approved modes Mudaraba, Musharaka, Murabaha, Bai-Salam, HPSM (Hire- Purchase under Shirkatul Melk) and Bai-As-Sarf 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 Al-Wadiah Freedom Current Account
4. UCB Taqwa Mudaraba Savings Account
5. UCB Taqwa Mudaraba Imperial Savings Account
6. UCB Taqwa Ayma Savings Account
7. UCB Taqwa Probashi Savings Account
8. UCB Taqwa Mudaraba SND Account
9. UCB Taqwa Mudaraba Term Deposits
10. UCB Taqwa Mudaraba CEP Savings Account
11. UCB Taqwa Mudaraba Young Star Savings Account,
12. UCB Taqwa Mudaraba Monthly Deposit Scheme Account
13. UCB Taqwa Mudaraba SND Plus Account
14. UCB Taqwa Mudaraba TD Plus Account
15. UCB Taqwa Prepaid Card
16. UCB Taqwa International Travel Prepaid Card (Hajj Card)
17. UCB Taqwa Monthly Hajj Deposit Account

List of Available Financing/Investment Products Retail

1. UCB Taqwa Personal Finance
2. UCB Taqwa Auto Finance
3. UCB Taqwa Home Finance

Corporate/SME

4. UCB Taqwa Murabaha Local Purchase (Working Capital)
5. UCB Taqwa Murabaha Trust Receipt Finance
6. UCB Taqwa Murabaha Import Bill Finance
7. UCB Taqwa Salam Packing Finance
8. UCB Taqwa Salam Working Capital
9. UCB Taqwa Musharaka Local Bill Finance
10. UCB Taqwa Bai-As-Sarf Foreign Bill Finance
11. UCB Taqwa HPSM Term Finance
12. UCB Taqwa EDF Finance

6. Report of Shari'ah Supervisory Committee

1. Formation of the Shari'ah Supervisory Committee

Shari'ah 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 Shari'ah values and to

ensure strict Shari'ah Compliance, UCB has a strong Shari'ah Supervisory Committee (SSC) with five (5) eminent Shari'ah scholars among other members having outstanding strength in the field of the Quran, Hadith & Fiqh Al-Muamalat. Shari'ah Supervisory Committee (SSC) ensures that all the processes and products meet strict Shari'ah adherence supported by local and international Shari'ah 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



Prof. Dr. Muhammad Abdur Rashid
Chairman



Prof. Dr. A. F. M. Akbar Hossain
Member



Prof. Dr. K M Saiful Islam Khan
Member



Prof. 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 in Shari'ah related issues;
- To advise the Board, and Management including the Bank's subsidiaries, and provide input to the Bank on Shari'ah matters to comply with Shari'ah principles;
- To endorse Shari'ah policies and procedures prepared by the Bank;
- To ensure the quality and consistency of the Shari'ah decisions;
- To provide Shari'ah 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 Shari'ah opinions in circumstances where the Bank submits applications to the Bank for new product approval.

4. A) Meeting and attendance of the Members of the Committee

Name and Designation	Total meetings held during the year	Total meeting held during their period	Total Attended	Total Absent	Remarks
Dr. Muhammad Abdur Rashid (Professor, Department of Islamic Studies, University of Dhaka)	4	4	4	0	
Dr. A.F.M. Akbar Hossain (Professor, Dept. of Al-Quran & Islamic Studies, Islamic University, Kushtia)	4	4	4	0	
Dr. K M Saiful Islam Khan (Professor, Dept. of Persian Language and Literature, University of Dhaka)	4	4	4	0	

Name and Designation	Total meetings held during the year	Total meeting held during their period	Total Attended	Total Absent	Remarks
Dr. Mohammed Nasir Uddin (Azhary) (Professor, Department of Al-Fiqh and Legal Studies, Faculty of Law and Shariah, Islamic University, Kushtia)	4	4	4	0	
Dr. Mohammad Manjurur Rahman (Associate Professor, Dept. of Islamic Studies, University of Chittagong, Chittagong)	4	4	4	0	

4. B) Attendance of the past members of the committee

Name	Total meetings held during the year	Total meeting held during their period	Total Attended	Total Absent	Remarks
Bazal Ahmed	4	3	3	0	3 Meetings were held during his tenure
Arif Quadri	4	3	3	0	3 Meetings were held during his tenure

5. Major Issues Reviewed by the Shari'ah Supervisory Committee in 2023

During the year 2023, the Committee met in 4 (four) meetings and gave its opinion on various Shari'ah- 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 2023 to 31st December 2023;
- Reviewed Shari'ah issues on some Mudaraba based specialized Savings accounts and Travel Prepaid Card (Hajj);
- Reviewed Shari'ah issues on SMART based Rate of Return calculation for UCB Taqwa Islamic Banking imposed by Bangladesh Bank;
- Reviewed distribution of profit mechanism to the Mudaraba depositors based on Income Sharing Ratio (ISR) in accordance with the Shari'ah rules and principles;
- Review the performance of the Islamic Banking business on a quarterly basis;
- Advise to take effective steps aiming at creating awareness among the employees and the customers about Shari'ah compliance;

- Reviewed the Shari'ah Audit Report presented by the Muraquib;
- Provided opinions and endorsements regarding new Financing products.

6. Acknowledgment

The Shari'ah Supervisory Committee expressed its gratitude and thanks to the Bank's Board of Directors, Management, and Islamic Banking Division for their co-operation while performing their duties and responsibilities.

On behalf of the Committee



Prof. Dr. Muhammad Abdur Rashid
Chairman
Shari'ah Supervisory Committee

A SUCCESS STORY OF UCB IN SERVICE QUALITY

Customer satisfaction is essential for the success of a Bank. The quality of service has become an aspect of customer satisfaction. Day by day it has been proven that service quality is related to customer satisfaction.

In this competitive era, service quality has become prerequisite for the banking industry to understand and meet the customers' needs and demands to sustain in today's competitive market environment. Without satisfying the customers, banking business cannot stand alone. To satisfy customers, it is often recommended to provide better and quality banking service to the bank customers. Providing quality banking service has become a prime strategic tool for banking sector nowadays.

Improving the Service Quality is the best way to differentiate ourselves from the competition and improve the financial performance for our bank.

Since the establishment of Service Quality Department (SQD) on 14th October '2018, it is focusing 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 consider culture as respect for customers and this must be maintained at all levels. Customers should be considered as partners in the success of 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.

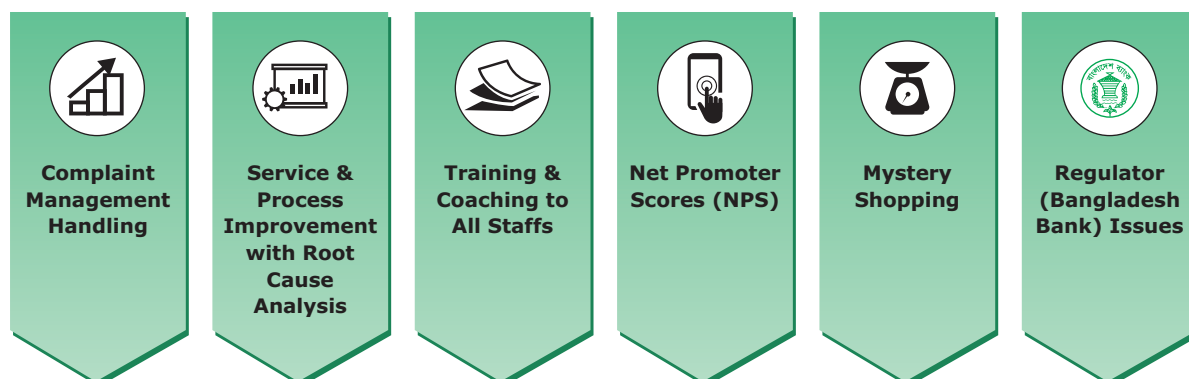
4) Emphasizing on Training - The message that is conveyed to customers must be consistent and the ability of frontline agents to resolve customer issues should be smart and fast enough to ensure comfort to the customers. These are possible through improved and effective training. Training at our Bank is becoming a collaborative effort where we talk about what's working and what isn't working.

Besides, Service Quality Department also aligned 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.

VISION of Service Quality Department:

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 2018, SQD is enormously working hard and taking different initiatives time to time for the improvement of Customer Experience and Customer Satisfaction.

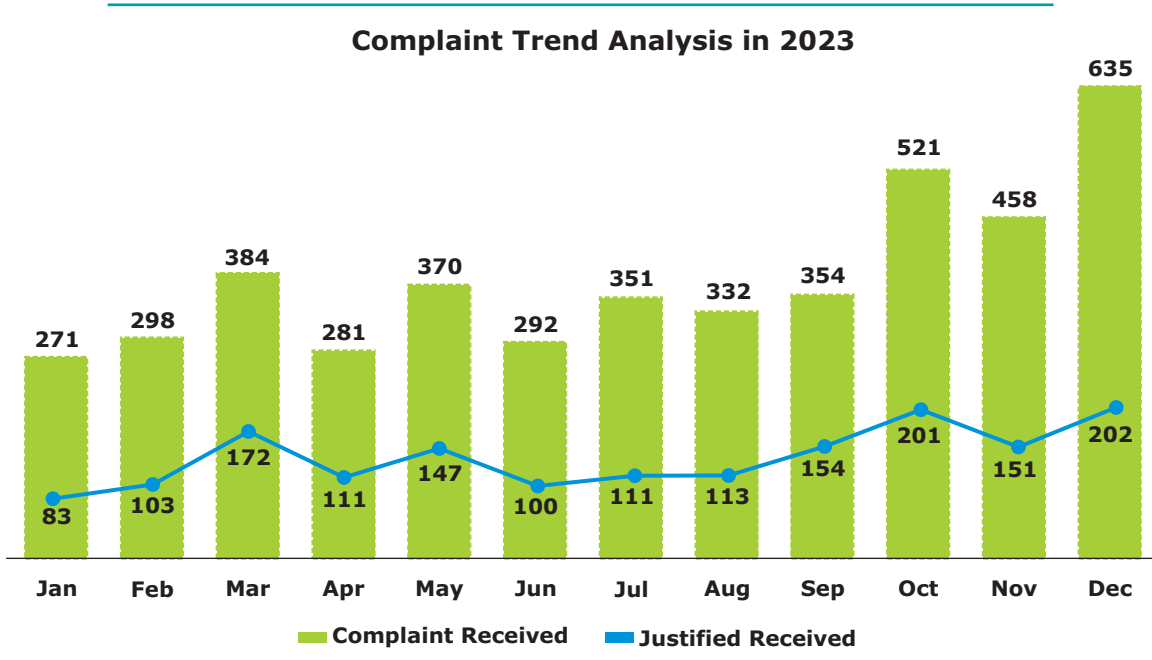
1. Customer Convenience at Touch Points –
 - a. **Direct Complaint Phone (Unique in Industry)**
 - b. Enhancement of Cash Limit for Cash Officers
 - c. Update Information through Digital Display TVs (96 Branches)
 - d. Credit Card Service Request Form
 - e. Floor Manager (Corporate Branches Only)
2. Latest Updates to Customers
 - a. Customer's Charter Digital Display (Initiative of 2023)
 - b. Bank Notes (Initiative of 2023)
 - c. Products Information
 - d. Financial Literacy Day/Program
 - e. Town Hall Meeting in liaison with Bangladesh Bank on Customer Awareness
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. Service Level Agreements (Intra Department - Upcoming)
 - f. Automation of Complaint Management System (MIS - Upcoming)
 - g. Follow up Account Activation end to end TAT
 - h. Implement Account Activation TAT (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 of Branch Staffs through E-Learning Portal
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
 - f. E-Learning for Branch Officials
 - g. Monthly Knowledge Bank (Upcoming)
6. Branch Performance Monitoring
 - a. Mystery Shopping by Independent body
 - b. Customer Satisfaction Survey (NPS) by 3rd party vendor

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) – Handled 597 e-mails in 2023
- 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 2023 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 –



Town Hall Meeting, Chattogram 2023 on Customer Awareness



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 year to provide one stop service which will enhance better customer experience. So far, below training was conducted by SQD in the year 2023-

Training Name	Number of Participants
Customer Centricity – 6 Nos.	297
BDE Skill Development – 3 Nos.	77
Regional Training – 1 No.	57
E-Learning on Service Quality for Branch Employees	711
Total	1,142



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
- Purpose of Service Quality
- Creating customer delight
- Managing customer expectations
- Proper approach of complaint handling

BDE Skill Development

- Review Sub-Branch complaint issues
- Strategies to serve customers better and reduce complaints
- Purpose of Service Quality
- Importance of customer experience

Regional Training

- Review Branch Complaint issues for Sylhet Region Branches
- Review Mystery Shopping & NPS Survey Results for Sylhet Region Branches
- Strategies to improve Service Quality and reduce complaints
- Customer Service Policy Guidelines for Complaint Management at Branches
- Awareness of Zonal Customer Service & Complaints Management Cell

E-Learning on Service Quality

- Common Complaint Issues & Root Causes
- Strategies to Serve Customer Better
- Service Quality Vs Service Recovery
- Importance of Knowledge on Products, Process and Fees
- Case Studies
- The Purpose of Service Quality

Mystery Shopping Management

Mystery shopping in the banking industry can strengthen brand promise, improve the customer journey and enhance employee knowledge & training and meet the regulator compliances while providing insights into competitive analysis and operational efficiency. It also leverages to bolster customer satisfaction, foster loyalty, and ultimately elevate their position in the ever-evolving marketplace of consumer banking.

In the year 2023, service quality conducted Mystery shopping through third party to conduct the operation for ensuring following key factors-

- To measure the real service standard of the Branch from a third eye
- To measure the basic product knowledge of the Branch officials
- To identify not meeting the regulator compliance

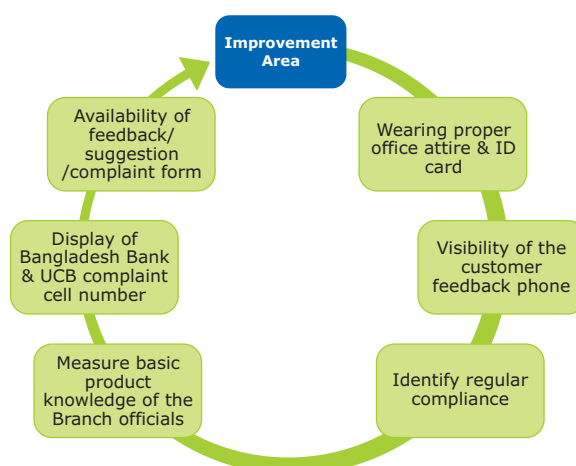
- To capture the actual scenario of the Branch from customer's point of view
- Evaluate Branch Performance appropriately

Through mystery shoppers, it can identify gaps in employee knowledge & training, identify not meeting the regulator compliances and collect valuable data to enhance the customer experience. Mystery shopping reveals the real customer experience, helps evaluate touchpoints in the customer journey and enables us to take targeted actions for improvement based on feedback and analysis.

This feedback and analysis helps our businesses to ensure that:

- Standards of service are maintained
- Relevant procedures are adhered to
- The quality of advice that is provided by staff is maintained at a high standard
- Appropriate compliance met
- 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 2023 the 3rd party independent body has completed mystery shopping for 170 branches (73 branches inside Dhaka and 97 branches outside Dhaka). After completion of the event, 130 branches successfully achieved the target score and other branches complied the requirements after circulating the reports separately to branches. Overall overview is as follows -



Net Promoter Score (NPS) Management

Net Promoter Score or NPS measures customer experience and predicts business growth. This proven metric transformed the business world and now provides the core measurement for customer experience management programs the world round. It is a market research metric that is based on a single survey question on a scale from 0 to 10 which measure used to gauge customer loyalty, satisfaction and enthusiasm with a company and Aggregate NPS Scores help businesses improve upon service, customer support, delivery etc. for increased customer loyalty.

SQD is doing NPS survey calls through 3rd party 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.

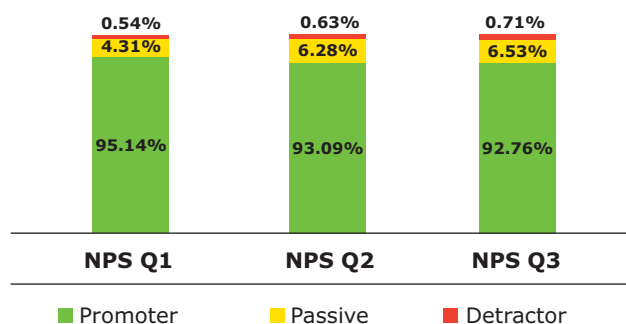
Below please find the 2023 NPS Scores conducted 3 times through 3rd party.

Year 2023	NPS Q1	NPS Q2	NPS Q3
NPS Scores	94.60%	92.46%	92.05%

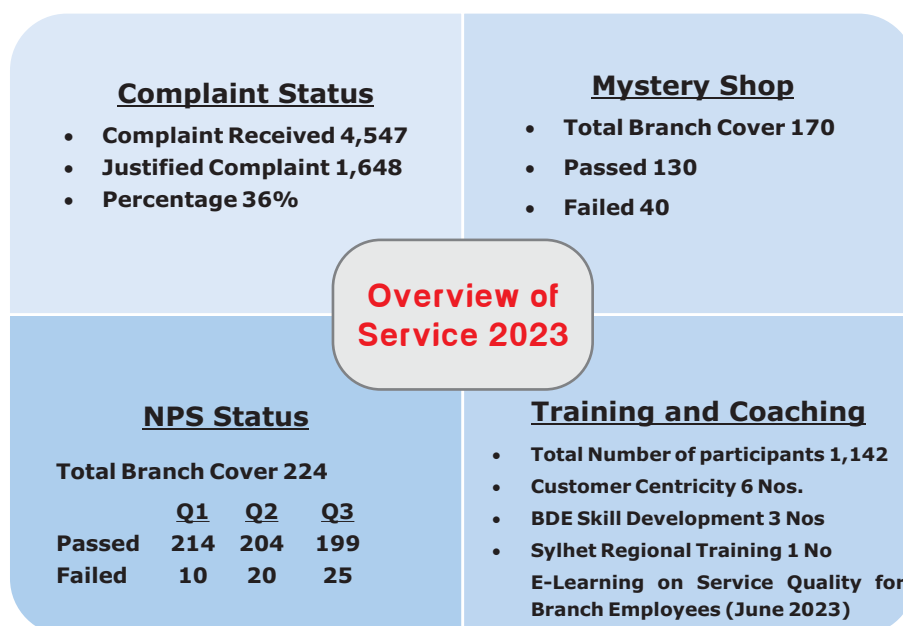
NPS Scores= %Promoter – %Detractors (Target for 2023 was 85%)

Following bar graph shows the 2023 management of total Net Promoters Scores (NPS).

Net Promoter Score (NPS) Management



The overview of the service in the year 2023 -



আপনার কমার্জিত টাকা সুরক্ষিত রাখুন
ইউসিবির ইসলামী ব্যাংকিং পরিষেবা
তাকওয়া-য়



16419 



ভালো থাকুক আপনার টাকা





FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's 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 2023 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 2023, 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, 13.1, 13.2 and 36 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 2023, the Group and the Bank reported total provision for loans and advances of BDT 20,151 million (December 2022: BDT 19,208 million) and BDT 20,151 million (December 2022: BDT 19,208 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 21 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 2023, the Group and the Bank reported total gross interest income from loans and advances of BDT 37,414 million (January 2022 to December 2022: BDT 31,484 million) and BDT 36,768 million (January 2022 to December 2022: BDT 30,868 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 2023, the Group and the Bank reported total gross loans and advances of BDT 510,710 million (December 2022: 474,640 BDT million) and BDT 505,970 million (December 2022: BDT 468,605 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. 6.3(C) 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 2023 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>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 five subsidiaries namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited and UCB Exchange (SG) PTE Ltd. As at 31 December 2023 the carrying value of these investments is BDT 9,500 million (December 2022: BDT 7,500 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 is continuing its operation having retained loss of Taka 3,134 million as at 31 December 2023.</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>	

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>
<p>7. Deferred tax assets</p>	
<p>Refer to note no. 9.2 to the consolidated and separate financial statements</p>	
<p>As at 31 December 2023 the Group and the Bank reported net deferred tax assets of BDT 5,965 million (December 2022: BDT 5,469 million) and BDT 5,964 million (December 2022: BDT 5,470 million) respectively.</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>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 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>
<p>8. Legal and regulatory matters</p>	
<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>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>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>We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters.</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 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>
<p>9. IT systems and controls</p>	
<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>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>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 Group and the Bank's periodic review of access rights. We also inspected requests of changes to</p>

Description of key audit matters	Our response to key audit matters
<p>changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application-based controls.</p>	<p>systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the consolidated and separate financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 05 (five) subsidiaries, namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited and UCB Exchange (SG) PTE Ltd. which reflect total assets of BDT 10,583 million, BDT 1,458 million, BDT 1,116 million, BDT 2,822 million and 0.09 million respectively as at 31 December 2023 and total revenue of BDT 1,114 million, BDT 129 million, BDT 51 million, BDT 433 million and nil respectively for the year ended 2023.
- (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 7,520 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 13.1 and 14.6.

Dhaka
29 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2404300787AS444921

United Commercial Bank PLC

Consolidated Balance Sheet

As at 31 December 2023

	Notes	31-Dec-2023 Taka	31-Dec-2022 Taka
PROPERTIES & ASSETS			
Cash	3	36,186,600,376	30,939,723,526
Cash in hand (including foreign currencies)		8,600,450,648	9,100,795,455
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		27,586,149,728	21,838,928,071
Balance with other banks & financial institutions	4	22,455,110,493	17,975,933,601
In Bangladesh		5,556,154,273	4,509,386,657
Outside Bangladesh		16,898,956,220	13,466,546,944
Money at Call on short notice	5	-	3,200,000,000
Investments	6	85,611,169,843	79,010,194,462
Government		70,067,335,372	65,222,002,585
Others		15,543,834,471	13,788,191,877
Loans and Advances	7	510,710,023,606	474,639,746,248
Loans, Cash Credits, Overdrafts etc.		500,982,069,097	451,148,361,902
Bills purchased and discounted		9,727,954,509	23,491,384,346
Fixed assets including premises, furniture & fixture	8	19,583,158,058	17,026,510,993
Other assets	9	13,012,610,508	13,714,813,337
Non-banking assets	10	-	-
Total Assets		687,558,672,884	633,306,922,167
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	66,590,306,142	107,039,740,584
Deposits and other accounts	12	511,392,706,168	424,683,416,974
Current accounts & other accounts		126,365,845,416	92,967,521,218
Bills Payable		8,344,605,942	7,016,021,483
Savings Bank Deposits		94,572,958,191	85,798,085,253
Fixed Deposits		243,315,320,401	202,075,933,429
Other Deposits		38,793,976,218	36,825,855,591
Other Liabilities	13	67,997,142,418	61,405,650,473
Total Liabilities		645,980,154,728	593,128,808,031
Capital / Shareholders' Equity		41,578,517,970	40,178,113,962
PPaid up Capital	14	14,765,484,750	14,062,366,430
Share Premium	14.3	1,454,976,750	1,454,976,750
Statutory Reserve	15	15,802,731,273	15,764,308,439
General Reserve	16	26,577,961	26,577,961
Other Reserve	17	3,097,273,897	2,797,068,995
Retained Earnings	18	6,431,473,339	6,072,815,387
Non controlling interest		186	174
Total Shareholders' Equity with non-controlling interest		41,578,518,156	40,178,114,136
Total Liabilities and Shareholders' Equity		687,558,672,884	633,306,922,167

	Notes	31-Dec-2023 Taka	31-Dec-2022 Taka
Off Balance Sheet Item			
Contingent Liabilities			
	19	281,952,312,043	215,667,677,403
AAcceptances & Endorsements	19.1	121,717,014,733	95,629,506,243
Letters of Guarantee	19.2	65,230,862,378	59,964,400,737
Irrevocable Letters of Credit	19.3	73,731,069,769	39,547,144,513
Bills for Collection	19.4	21,273,365,163	20,526,625,910
Other Contingent Liabilities		-	-
Other Commitments		9,723,925,200	2,272,080,692
DDocumentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		9,723,925,200	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 including contingent liabilities		291,676,237,243	217,939,758,095

The annexed notes from 01 to 50 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
29 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2404300787AS444921

United Commercial Bank PLC

Consolidated Profit and Loss Account For the year ended 31 December 2023

	Notes	2023 Taka	2022 Taka
Interest Income	21	38,527,432,247	32,301,597,460
Interest paid on deposits and borrowings etc	22	22,238,997,029	17,087,467,705
Net Interest Income		16,288,435,218	15,214,129,755
Investment income	23	6,004,840,458	5,814,473,380
Commission, exchange and brokerage	24	8,376,878,550	8,899,008,606
Other Operating Income	25	350,098,451	319,785,244
Total Operating Income (A)		31,020,252,677	30,247,396,985
Salary and allowances	26	9,280,023,731	8,421,749,115
Rent, taxes, insurance, electricity etc.	27	2,082,830,608	1,667,491,649
Legal expenses	28	99,486,632	107,724,456
Postage, stamps, telecommunications etc.	29	238,779,237	241,266,257
Stationery, printing, advertisements etc.	30	1,773,715,722	1,943,127,626
Chief Executive's salary and fees	31	16,435,484	14,098,442
Directors' fees	32	4,057,995	4,331,887
Auditor's fees	33	1,612,500	1,947,500
Depreciation and repair of banks assets	34	2,556,626,841	2,154,511,753
Other expenses	35	5,372,720,073	4,478,285,856
Total Operating Expenses (B)		21,426,288,823	19,034,534,541
Profit Before Provision (C) = (A-B)		9,593,963,854	11,212,862,444
Provision for Loans & Advances	36	3,792,688,396	5,515,505,953
Provision for diminution in value of investments	37	52,461,975	646,373,322
Other provisions	38	711,543,580	(482,028,218)
Total Provision (D)		4,556,693,951	5,679,851,057
Total Profit Before Income Taxes (C - D)		5,037,269,903	5,533,011,387
Provision For Taxation	39	2,839,601,616	2,234,364,259
Current Tax		3,339,864,344	3,473,872,045
Deferred tax expense/(income)		(500,262,728)	(1,239,507,786)
Net Profit After Taxation		2,197,668,288	3,298,647,127
Appropriations			
Statutory Reserve		38,422,834	1,208,339,758
Start-Up Fund		26,850,863	40,240,112
CSR Fund		-	245,965,311
Coupon/dividend on perpetual bond		367,500,000	388,370,000
Retained Surplus		1,764,894,591	1,415,731,947
		2,197,668,288	3,298,647,127
Attributable to			
Equity holders' of the Bank		1,764,894,405	1,415,732,038
Non controlling interest		186	(91)
		1,764,894,591	1,415,731,947
Earnings Per Share (EPS)	40	1.52	2.29

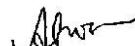
The annexed notes from 01 to 50 form an integral part of these financial statements.



Managing Director & CEO



Director



Director



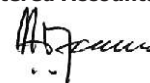
Director

This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

Dhaka

29 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2404300787AS444921

United Commercial Bank PLC
 Consolidated Statement of Changes in Equity
 For the year ended 31 December 2023

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 2023	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	40,178,114,135
Surplus on account of revaluation of investments	-	-	-	-	-	290,023,233	-	-	-	290,023,233
Currency translation difference (OBU)	-	-	-	-	-	-	-	10,181,669	-	10,181,669
Net Profit for the year	-	-	-	-	-	-	-	-	2,170,817,425	2,170,817,425
Transferred to statutory reserve	-	-	38,422,834	-	-	-	-	-	(38,422,834)	-
Cash Dividend	-	-	-	-	-	-	-	-	(703,118,308)	(703,118,308)
Stock Dividend	703,118,320	-	-	-	-	-	-	-	(703,118,320)	-
Coupon Payment for Perpetual Bond	-	-	-	-	-	-	-	-	(367,500,000)	(367,500,000)
Non Controlling Interest	-	-	-	-	-	-	12	-	(12)	-
Balance as at 31 December 2023	14,765,484,750	1,454,976,750	15,802,731,273	26,577,961	2,534,101,559	418,083,770	186	145,088,568	6,431,473,339	41,578,518,156

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 account 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)	-
Cash Dividend	-	-	-	-	-	-	-	-	-	-
Stock Dividend	1,278,396,940	-	-	-	-	-	-	-	(1,278,396,940)	-
Coupon Payment for 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	6,072,815,387	40,178,114,136

The annexed notes 01 to 50 form an integral part of these financial statements.

United Commercial Bank PLC

Consolidated Cash Flow Statement

For the year ended 31 December 2023

Notes	2023 Taka	2022 Taka
A. Cash flows from operating activities		
Receipts of Interest	44,338,215,812	38,346,831,674
Payments of Interest	(21,016,017,221)	(16,806,028,516)
Receipts of Dividend	231,790,122	216,497,814
Receipt of Fees & Commission	6,810,240,690	5,176,708,919
Recoveries from previously written off loans and advances	409,590,871	236,944,194
Payments to employees	(9,347,373,468)	(8,657,478,775)
Payments to suppliers	(5,597,917,983)	(5,505,311,332)
Payments for Advance Income Tax	(3,714,962,839)	(4,638,236,660)
Receipts from other operating activities	255,557,185	289,055,558
Payments for other activities	(5,132,664,650)	(4,044,131,737)
Operating profit before changes in operating assets and liabilities	7,236,458,519	4,614,851,139
Increase/Decrease in operating assets and liabilities		
Statutory Deposits	(4,389,002,114)	9,035,522,468
Purchase of Trading Securities	(467,176,700)	(647,478,052)
Loans and advances to Customers	(39,925,103,990)	(66,327,928,377)
Other assets	(182,765,341)	(819,859,606)
(Payment to)/ Deposit from banks	(1,312,414,303)	798,799,900
Deposit from customers	87,043,023,616	36,887,880,866
Other Liabilities	822,863,224	(2,173,490,754)
	41,589,424,392	(23,246,553,555)
Net Cash flow from/(used in) operating activities (A)	48,825,882,911	(18,631,702,416)
B. Cash flows from investing activities		
Sale/(Purchase) of Securities	409,051,366	(1,175,370,413)
Purchase of Property, Plant & Equipments	(3,811,226,174)	(1,635,032,727)
Net Cash used in investing activities (B)	(3,402,174,808)	(2,810,403,140)
C. Cash flows from financing activities		
(Payment to)/Receipts from borrowing	(35,582,719,004)	19,448,179,846
Payment of Sub-Ordinated Bond	(1,000,000,000)	(1,820,000,000)
Payment of cash dividend	(703,118,322)	-
Net cash (used in)/flow from financing activities (C)	(37,285,837,326)	17,628,179,846
D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	8,137,870,777	(3,813,925,710)
E. Effects of the changes of exchange rate on cash and cash equivalents	1,588,182,965	3,515,705,784
F. Cash and Cash equivalents at the beginning of the year	48,915,657,127	49,213,877,053
G. Cash and Cash Equivalents at the end of the year	58,641,710,869	48,915,657,127
Consolidated Cash and Cash Equivalents at the end of the year		
Cash in hand (including foreign currencies)	3.1 8,600,450,648	9,100,795,455
Balance with Bangladesh bank and its agent bank	3.2 27,586,149,728	21,838,928,071
Balance with other banks & financial institution	4 22,455,110,493	17,975,933,601
Money at call on short notice	5 -	-
	58,641,710,869	48,915,657,127

The annexed notes from 01 to 50 form an integral part of these financial statements.

United Commercial Bank PLC

Balance Sheet

As at 31 December 2023

	Notes	31-Dec-2023 Taka	31-Dec-2022 Taka
PROPERTIES & ASSETS			
Cash	3	36,186,305,779	30,939,034,586
Cash in hand (including foreign currencies)		8,600,156,051	9,100,106,515
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		27,586,149,728	21,838,928,071
Balance with other banks & financial institutions	4	21,177,381,033	16,872,052,936
In Bangladesh		4,278,424,813	3,405,505,992
Outside Bangladesh		16,898,956,220	13,466,546,944
Money at call on short notice	5	-	-
Investments	6	82,863,727,370	76,434,562,206
Government		69,384,568,462	64,706,395,079
Others		13,479,158,908	11,728,167,127
Loans and Advances	7	505,969,487,028	468,605,096,016
Loans, Cash Credits, Overdrafts etc.		496,241,532,519	445,113,711,670
Bills purchased and discounted		9,727,954,509	23,491,384,346
Fixed assets including premises, furniture & fixture	8	17,016,419,821	14,579,410,074
Other assets	9	21,799,089,941	20,646,673,379
Non-banking assets	10	-	-
Total Assets		685,012,410,972	628,076,829,196
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	65,271,763,944	103,891,893,400
Deposits and other accounts	12	513,394,683,785	426,028,440,768
Current accounts & other accounts		128,367,823,033	94,312,545,012
Bills Payable		8,344,605,942	7,016,021,483
Savings Bank Deposits		94,572,958,191	85,798,085,253
Fixed Deposits		243,315,320,401	202,075,933,429
Other Deposits		38,793,976,218	36,825,855,591
Other Liabilities	13	63,501,440,259	57,199,836,761
Total Liabilities		642,167,887,988	587,120,170,929
Capital / Shareholders' Equity		42,844,522,984	40,956,658,267
Paid up Capital	14	14,765,484,750	14,062,366,430
Share Premium	14.3	1,454,976,750	1,454,976,750
Statutory Reserve	15	15,730,183,055	15,730,183,055
General Reserve	16	26,577,961	26,577,961
Other Reserve	17	3,097,316,597	2,797,068,995
Retained Earnings	18	7,769,983,871	6,885,485,076
Total Liabilities and Shareholders' Equity		685,012,410,972	628,076,829,196

	Notes	31-Dec-2023 Taka	31-Dec-2022 Taka
Off Balance Sheet Items			
Contingent Liabilities	19	281,952,312,043	215,667,677,403
Acceptances & Endorsements	19.1	121,717,014,733	95,629,506,243
Letters of Guarantee	19.2	65,230,862,378	59,964,400,737
Irrevocable Letters of Credit	19.3	73,731,069,769	39,547,144,513
Bills for Collection	19.4	21,273,365,163	20,526,625,910
Other Contingent Liabilities		-	-
Other Commitments	19.5	9,723,925,200	2,272,080,692
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		9,723,925,200	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 including contingent liabilities		291,676,237,243	217,939,758,095

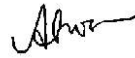
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Managing Director & CEO



Director



Director



Director

This is the Balance Sheet referred to in our separate report of even date.

Dhaka

29 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2404300787AS444921

United Commercial Bank PLC

Profit and Loss Account

For the year ended 31 December 2023

	Notes	2023 Taka	2022 Taka
Interest Income	21	37,881,518,594	31,684,836,835
Interest paid on deposits and borrowings etc	22	22,149,750,317	17,010,387,394
Net Interest Income		15,731,768,277	14,674,449,441
Investment income	23	5,871,930,074	5,685,113,776
Commission, exchange and brokerage	24	7,385,221,720	7,899,474,370
Other Operating Income	25	239,764,676	263,702,890
Total Operating Income (A)		29,228,684,747	28,522,740,477
Salary and allowances	26	8,539,916,432	7,658,696,939
Rent, taxes, insurance, electricity etc.	27	2,039,834,071	1,623,559,944
Legal expenses	28	90,864,365	94,587,412
Postage, stamps, telecommunications etc.	29	221,997,247	219,090,942
Stationery, printing, advertisements etc.	30	1,688,042,867	1,694,262,239
Chief Executive's salary and fees	31	16,435,484	14,098,442
Directors' fees	32	3,178,349	3,544,387
Auditor's fees	33	1,150,000	1,725,000
Depreciation and repair of banks assets	34	2,448,805,449	2,073,607,674
Other expenses	35	4,452,740,091	3,670,796,436
Total Operating Expenses (B)		19,502,964,355	17,053,969,415
Profit before provision (C) = (A-B)		9,725,720,392	11,468,771,062
Provision for Loans & Advances	36	3,775,539,844	5,422,689,930
Provision for diminution in value of investments	37	61,249,230	612,038,691
Other provisions	38	711,543,580	(482,028,218)
Total Provision (D)		4,548,332,654	5,552,700,403
Total Profit/(Loss) before Income taxes (C - D)		5,177,387,738	5,916,070,659
Provision for Taxation	39	2,492,301,451	1,892,059,504
Current tax expense		2,986,535,476	3,133,378,030
Deferred tax expense		(494,234,025)	(1,241,318,525)
Net Profit after Taxation		2,685,086,287	4,024,011,154
Appropriations			
Statutory Reserve		-	1,183,214,132
Start-Up Fund		26,850,863	40,240,112
CSR Fund		-	245,965,311
Coupon/dividend on perpetual bond		367,500,000	388,370,000
Retained Surplus		2,290,735,424	2,166,221,600
		2,685,086,287	4,024,011,154
Earnings Per Share (EPS)	40	1.86	2.79

The annexed notes 01 to 50 form an integral part of these financial statements.



Managing Director & CEO



Director



Director



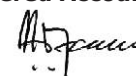
Director

This is the Profit and Loss Account referred to in our separate report of even date.

Dhaka

29 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner

ICAB Enrollment No. 787

DVC: 2404300787AS444921

United Commercial Bank PLC

Statement of Changes in Equity

For the year ended 31 December 2023

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 2023	14,062,366,430	1,454,976,750	15,730,183,055	26,577,961	2,534,101,559	128,060,537	3,134,906,900	6,885,485,076	40,956,658,267	
Surplus on account of revaluation of investments	-	-	-	-	-	290,023,233	-	-	290,023,233	
Currency translation differences	-	-	-	-	-	-	10,224,368	-	10,224,368	
Net profit for the year	-	-	-	-	-	-	-	2,658,235,424	2,658,235,424	
Cash Dividend	-	-	-	-	-	-	-	(703,118,322)	(703,118,322)	
Stock Dividend	703,118,320	-	-	-	-	-	-	(703,118,320)	-	
Coupon Payment of Perpetual Bond	-	-	-	-	-	-	-	(367,500,000)	(367,500,000)	
Balance as at 31 December 2023	14,765,484,750	1,454,976,750	15,730,183,055	26,577,961	2,534,101,559	418,083,770	145,131,268	7,769,983,871	42,844,522,984	

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 account of revaluation of investments	-	-	-	-	-	60,328,018	-	-	60,328,018	
Currency translation difference (OBU)	-	-	-	-	-	-	104,887,089	-	104,887,089	
Net Profit for the year	-	-	-	-	-	-	-	3,737,805,732	3,737,805,732	
Transferred to statutory reserve	-	-	1,183,214,132	-	-	-	-	(1,183,214,132)	-	
Stock Dividend	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	

The annexed notes from 01 to 50 form an integral part of these financial statements.

United Commercial Bank PLC

Cash Flow Statement

For the year ended 31 December 2023

	Notes	2023 Taka	2022 Taka
A. Cash flows from operating activities			
Receipts of Interest		43,430,460,627	37,078,273,890
Payments of Interest		(20,774,811,903)	(16,574,786,563)
Receipts of Dividend		206,590,018	178,569,508
Receipt of Fees & Commission		5,797,038,753	4,383,768,584
Recoveries from previously written off loans and advances		409,590,871	236,944,194
Payments to employees		(8,556,351,916)	(7,867,795,381)
Payments to suppliers		(4,564,996,427)	(4,192,355,163)
Payments for Advance Income Tax		(3,458,466,080)	(4,392,182,336)
Receipts from other operating activities	41	244,151,788	272,883,290
Payments for other activities		(5,039,493,776)	(3,962,642,308)
Operating profit before changes in operating assets and liabilities		7,693,711,954	5,160,677,714
Increase/Decrease in operating assets and liabilities			
Statutory Deposit		(4,388,150,150)	9,035,522,468
Purchase/Sale of trading securities		(365,191,782)	(390,644,970)
Loans and advances to customers		(37,364,391,015)	(66,123,360,271)
Other Assets	43	(2,102,732,449)	(1,900,245,802)
Deposit from Banks		(1,312,414,303)	798,799,900
Deposit from customers		87,678,657,321	35,328,916,884
Other liabilities	44	689,443,835	(1,668,991,486)
		42,835,221,457	(24,920,003,276)
Net Cash flow from/(used in) operating activities (A)		50,528,933,411	(19,759,325,562)
B. Cash flows from investing activities			
(Purchase)/Sale of Securities		444,200,000	(532,900,000)
(Purchase)/Sale of Property, Plant & Equipments		(3,685,469,312)	(1,490,081,364)
Net Cash used in investing activities (B)		(3,241,269,312)	(2,022,981,364)
C. Cash flows from financing activities			
(Payment to)/ Receipts from borrowing		(37,620,129,454)	19,908,259,148
Payment of Sub-Ordinated Bond		(1,000,000,000)	(1,820,000,000)
Payment of cash dividend		(703,118,322)	-
Net cash (used in)/flow from financing activities (C)		(39,323,247,776)	18,088,259,148
D. Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		7,964,416,323	(3,694,047,778)
E. Effects of the changes of exchange rate on cash and cash equivalents		1,588,182,967	3,515,705,784
F. Cash and Cash equivalents at the beginning of the year		47,811,087,522	47,989,429,516
G. Cash and cash equivalents at the end of the year		57,363,686,812	47,811,087,522
Cash and cash equivalents at the end of the year			
Cash in hand (including foreign currencies)	3.1	8,600,156,051	9,100,106,515
Balance with Bangladesh Bank and its agent bank	3.2	27,586,149,728	21,838,928,071
Balance with other banks & financial institution	4	21,177,381,033	16,872,052,936
		57,363,686,812	47,811,087,522

The annexed notes from 01 to 50 form an integral part of these financial statements.

United Commercial Bank PLC
Liquidity Statement
Asset and Liability Maturity Analysis
As at 31 December 2023

Annual Report 2023

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	13,906,091,958	-	-	-	22,280,213,821	36,186,305,779
Balance with other banks & financial institutions	19,177,581,033	445,000,000	-	1,554,800,000	-	21,177,381,033
Money at call on short notice	-	-	-	-	-	-
Investment	2,004,817,700	10,745,978,016	13,032,593,870	17,479,493,513	39,600,844,270	82,863,727,370
Loans and Advances	47,097,265,221	102,424,966,994	119,224,992,813	160,003,979,783	67,490,327,707	496,241,532,519
Bill Purchased & Discounted	3,795,954,510	2,978,500,000	2,953,500,000	-	-	9,727,954,509
Fixed assets including premises, furniture & fixture	154,311,160	298,913,598	1,401,812,486	9,106,843,036	6,054,539,540	17,016,419,821
Other Assets	2,275,270,454	949,335,037	1,059,774,133	6,590,371,644	10,924,338,674	21,799,089,941
Non banking assets	-	-	-	-	-	-
Total Assets (A)	88,411,292,036	117,842,693,646	137,672,673,302	194,735,487,976	146,350,264,012	685,012,410,972
Liabilities						
Borrowing from Bangladesh bank, other banks, financial institutions and agents	10,223,042,228	16,999,824,845	13,269,968,879	12,023,188,542	12,755,739,450	65,271,763,944
Deposits	71,395,772,414	98,209,134,075	95,725,897,745	133,989,484,730	114,074,394,822	513,394,683,785
Provisions and other liabilities	3,369,735,368	12,504,000	7,813,868,646	6,534,203,168	45,771,129,077	63,501,440,259
Total Liabilities (B)	84,988,550,010	115,221,462,920	116,809,735,270	152,546,876,440	172,601,263,349	642,167,887,988
Net Liquidity Surplus/Gap (A-B)	3,422,742,026	2,621,230,726	20,862,938,032	42,188,611,536	(26,250,999,337)	42,844,522,984

The annexed notes from 01 to 50 form an integral part of these financial statements.

United Commercial Bank PLC and its Subsidiaries

Notes to the Financial Statements

As at and for the year ended 31 December 2023

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 228 (2022: 224) branches, 152 (2022: 141) sub branches, 672 (2022: 663) ATMs/CRMs and 850 (2022: 314) agent banking outlets as on 31 December 2023. Out of the above 228 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 BRPD circular no. 02 dated 25 February 2019 and subsequent circulars and guidelines thereon issued by 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 commencement of Islamic Banking operations from Bangladesh Bank vide, letter no. BRPD (P-3) 745 (17)/2020-1453 dated 6 February 2020. Through the Islamic Banking windows and branch, the Bank extends Shariah compliant Finances under different modes like Hire Purchase Under Shirkatul Melk (HPSM), Bai - Murabaha, Musharaka, Bai - Salam, etc. and collects different types of deposits through other modes like- Al-wadeeah, and Mudaraba (SB/SND/TD/RD). 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 1 February 2018. There are 850 agent outlets launched across the country till 31 December 2023 thus UCB hold 5th position in the industry in terms of number of agent outlet, acquired two lac accounts which is 10% of the bank's number of accounts.

The principal activities of agent banking channel are to provide services that includes - Account Opening, Cash deposit & withdrawal, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Fund transfer through RTGS & BEFTN, Payment of salaries, Generation and issuance of bank statements, SOD/SME/Agri. Loan file sourcing and repayment collection, Credit Card application sourcing, Balance inquiry, Internet Banking, SMS Banking, School Fee Collection, Bangla QR Merchant acquisition 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 International Financial Reporting Standard (IFRS) - 10; 'Consolidated Financial Statements'. Interest of the minority is shown as the non-controlling interest which includes share capital of the minority portion as well as profit earned that goes to the same. 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 was reformed on 22 November 2020 by the former UCB Capital Management Limited (DSE TRECNo-181, CSE TREC No-015) which was incorporated in Bangladesh and registered with the Register of Joint Stock Companies vide its registration number C-69039(1551)/07 on 20 November 2007 as a Private Limited Company. The Company has commenced business in the name of UCB capital Management Limited on 19th June 2013. 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. The Company is also registered with the Bangladesh Securities and Exchange Commission (BSEC) to act as Stock Dealer for carrying its own investments in the capital market.

Name of authority	License/Registration No.	Purpose
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-181/2011/486	Stock Broker Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-181/2011/487	Stock Dealer Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE-015/2014/210	Stock Broker Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE-015/2014/211	Stock Dealer Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	BSEC/Registration/CDBL-DP-175	Depository Functions with Central Depository Bangladesh Limited (CDBL)
Dhaka Stock Exchange Limited (DSE)	TREC NO. 181	Trading with DSE
Chittagong Stock Exchange Limited (CSE)	TREC NO. 015	Trading with CSE

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 99.99% 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 2011 under the Companies Act 1994 with the Registrar of Joint Stock Companies and Firms (RJSC) vide registration no. C-94654/11. The Company has obtained Merchant Banking license (registration certificate no. MB-97/2020) from the Bangladesh Securities and Exchange Commission (BSEC) 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 incorporated in Bangladesh as a Private Limited Company with limited liability as on 05 February 2019, under the Companies Act 1994 and registered with RJSC. The Company has also obtained its license (BSEC/Asset Manager/2020/46) as an Asset Management Company from Bangladesh Securities & Exchange Commission on 03 February 2020. It 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 99.99% 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 499,999,999 nos. of shares of UCB Fintech Company Limited with face value of Taka 10 each which is equivalent to 99.99% of total shares of the Company.

1.6.5 UCB Exchange (SG) PTE. Ltd

UCB Exchange (SG) Pte Ltd, a wholly owned subsidiary of United Commercial Bank PLC, was incorporated in Singapore on 25 January 2023 as a private limited company by shares under the Companies Act 1967 in Singapore having Unique Entity Number (UEN) 202302830G. After incorporation, UCB Exchange has submitted its application for remittance licence to Monetary Authority of Singapore (MAS) and it is still under process.

The principal activities of the company are to carry on the remittance business and to undertake and participate in transactions, activities and operations commonly carried on or undertaken by remittance and exchange house. UCB PLC holds 1000 nos. of shares of UCB Exchange (SG) Pte Ltd, Singapore with face value of Singapore Dollar 1.00 each which is equivalent to 100% of total shares of the company.

1.6.6 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	
		2023	2022	2023	2022	2023	2022
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	500,000,000	300,000,000	499,999,999	299,999,999	99.99%	99.99%
UCB Exchange (SG) PTE. Ltd	S\$ 1.00	1,000	-	1,000	-	100%	-

1.6.7 UCB Foundation

UCB Foundation, a philanthropic organisation associated with United Commercial Bank PLC, was founded under the Societies Registration Act, 1860, to support and enhance the well-being of the people of the country towards sustainable development. The foundation focuses on various charitable initiatives ranging from education and healthcare to community development.

All the way through its existence, it has played a vibrant role in supporting educational programmes, scholarships, stipends, grants to educational institutions, and other initiatives aimed at empowering individuals through access to quality education.

Recognising the significance of healthcare access and quality, the foundation supports different healthcare facilities and projects, including funding for medical appliances to improve public health outcomes.

Moreover, the UCB Foundation actively engaged in community development efforts, partnering with local and not-for-profit organisations to address societal challenges and promote economic advancement, cultural preservation, and social cohesion within the communities it served.

The overall affairs of the Foundation are managed by an Executive Committee consisting of 9 (nine) members who are 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

The financial statements of the Bank have been prepared in accordance with the 'First schedule (section 38)' of the Bank Company Act 1991 (amended till date), BRPD circular no. 14 dated 25 June 2003, other Bangladesh Bank circulars, International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), the standards set by the Financial Reporting Council (FRC) as per the Financial Reporting Act 2015 (FRA) and other applicable laws and regulations.

Pursuant to Bangladesh Bank circular BRPD Circular No: 02, dated 25 February 2019, these financial statements for the year ended 31 December 2023 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 2023 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;
- Income Tax Act 2023 and related regulations;
- The Value Added Tax and Supplementary Duty Act, 2012 and Value Added Tax and Supplementary Duty Rules, 2016 and amendment thereon;
- Dhaka Stock Exchange PLC. (DSE), Chittagong Stock Exchange PLC. (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 only gains 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 letter no. 3 dated April 21, 2019, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020 and circulars issued till 2023, 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 and BRPD circular no 06 dated 25 April 2023. a general provision at 0.25% to 1% is required to be provided for all off-balance sheet exposures, along with extra provision of 1%-5% on remaining overdue. 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 21 April 2019 and BRPD Circular Letter No. 56 dated 10 December 2020, once a loan is classified, interest on such loans are not allowed to be recognized 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 dated 25 June 2003 which is strictly 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: There is no requirement for regulation of intangible assets in BRPD 14 dated 25 June 2003 under section 7 Fixed Asset. Hence it is shown in fixed assets including premises and furniture and fixtures.

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 are 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. 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.

xvi. 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.

xvii. 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.

xviii. 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: Provision on financial guarantees is booked as per BRPD Circular No. 06 dated 25 April 2023.

xix. 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 4.02 Crore (1% of net profit of FY 2022 BDT 393.28 Crore) and BDT 2.68 Crore (1% of net profit of FY 2023 BDT 268.50 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 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.

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 as per current Basel III 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.

Higher Common Equity Tier 1 (CET1) increased to 4.5% (including buffer 7%).

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 3.25% under Basel III.

Liquidity requirements

Basel III introduced two required liquidity ratios:

- a. **Liquidity Coverage Ratio (LCR)** ensures that sufficient levels of high-quality liquid assets are available for one-month survival in a severe stress scenario.
- b. **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/CMRRC/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', 'UCB Fintech Company Limited' and UCB Exchange (SG) PTE Ltd. 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 2023. 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, BRPD circular letter no. 3 dated April 21, 2019, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020 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 realizable 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 Income Tax Act 2023 and Finance Act 2023, although return will be submitted for tax based on the Finance Act 2024.

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: *Presentation of Financial Statements* and IAS-8: *Accounting Policies, Changes in Accounting Estimates and Errors*, 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 and average exchange rate during the year. 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.

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. On the other hand, 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, subsequent clarification DOS circular letter no. 5 dated 28 January 2009 and DOS circular letter no. 27 dated 04 December 2023.

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 amortized cost
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*, IFRS-3: *Business Combinations* and IFRS 10: *Consolidated Financial Statements*. 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 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 letter no. 3 dated April 21, 2019, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020 and circulars issued till 2023.

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.	1%
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	0.25%-5%

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 credit	5%
Doubtful cottage, micro credit and small credit	20%
Bad/Loss cottage, micro credit and small credit	100%

- 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 and BRPD circular letter no. 01 dated 05 January 2023).

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.

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.

Name of the assets	Rate of depreciation	Estimated useful lives (Years)
Land	NIL	Not applicable
Building	2.50%	40 years
Furniture & Fixtures	10%	10 years
Office Equipment	20%	5 years
Computer Equipment's	20%	5 years
Computer Software	25%	4 years
Vehicle	20%	5 years

- 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 comparative period of charging depreciation/ amortization of fixed assets are mentioned below:

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 and 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 2023.

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.

Subordinated Bond

Name of the Subordinated Bond	Issued Amount	Outstanding Amount As on 31 December 2023	Issue Date	Tenure	Interest Rate	Redemption of Principal
UCB 3rd Subordinated Bond (1st Tranche)	3,500.00	700.00	28-Dec-17	7 Years	Base Rate plus 2.5%	20% in each of last 5 years
UCB 3rd Subordinated Bond (2nd Tranche)	3,500.00	1,400.00	16-May-18	7 Years	Base Rate plus 2.5%	20% in each of last 5 years
UCB 4th Subordinated Bond (1st Tranche)	500.00	200.00	24-Dec-18	7 Years	Base Rate plus 2.0%	20% in each of last 5 years

(BDT in Million)

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:

(BDT in Million)

Name of the Subordinated Bond	Issued Amount	Outstanding Amount As on 31 December 2023	Issue Date	Tenure	Interest Rate	Redemption of Principal
UCB 4th Subordinated Bond (2nd Tranche)	2,500.00	1,000.00	26-Dec-18	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (3rd Tranche)	100.00	60.00	14-Aug-19	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (4th Tranche)	1,000.00	600.00	05-Nov-19	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (5th Tranche)	500.00	300.00	05-Dec-19	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (6th Tranche)	250.00	200.00	23-Mar-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (7th Tranche)	100.00	80.00	22-Jun-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (8th Tranche)	100.00	80.00	28-Jun-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (9th Tranche)	100.00	80.00	15-Sep-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (10th Tranche)	1,000.00	800.00	24-Sep-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (11th Tranche)	300.00	240.00	27-Sep-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (12th Tranche)	550.00	440.00	29-Sep-20	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 4th Subordinated Bond (13th Tranche)	1,000.00	800.00	30-Sep-20	7 Years	Base Rate plus 2.0%	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%	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%	20% in each of last 5 years
UCB 5th Subordinated Bond (3rd Tranche)	1,000.00	1,000.00	12-Jun-23	7 Years	Base Rate plus 2.0%	20% in each of last 5 years
UCB 5th Subordinated Bond (4th Tranche)	1,000.00	1,000.00	26-Dec-23	7 Years	Base Rate plus 3.0%	20% in each of last 5 years

Perpetual Bond

(BDT in Million)

Name of the Perpetual Bond	Issued Amount	Outstanding Amount As on 31 December	Issue Date	Interest Rate	Range of Interest Rate
UCB 1st Perpetual Bond	4,000.00	4,000.00	25-Apr-21	Base Rate plus 2.0%	6.00%-10.00%
UCB 2nd Perpetual Bond	3,000.00	1,400.00	28-Dec-23	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 2023 is 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. 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 letter no. 3 dated April 21, 2019, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020 and circulars issued till 2023.

Details are stated in Note 13.

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. 01 dated 24 May 2023 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. 06 dated 25 April 2023 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.

2.10.26 Provision for Nostro accounts

No provision was required to make for Nostro Accounts/Nostro un-reconciled entries in the accounting year 2023 as per BRPD Circular no. 04 dated 12 April 2022.

2.10.27 Provision for liabilities and accrued expenses

In compliance with IAS-37: *Provision, Contingent Liabilities and Contingent Assets*, 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 Employee benefits and 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 (IAS)-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 the letter of Banking and Financial Institution Division, Ministry of Finance, Government of People's Republic of Bangladesh (no.53.00.0000.311.22.002.17-130 dated 14 February 2017), no provision has been made by the Bank in the reporting period against Workers Profit Participation Fund (WPPF).

Performance bonus

The bank provides performance bonus to the eligible employees every year subject to management's discretion. The parameter for calculating bonus amount is determined based on the performance rating of employees and management decision. The bonus amount is paid annually, normally in the following year. However, the cost is accounted for in the period to which it is related.

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 Act 2023 and Finance Act 2023 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 Act 2023 and other applicable laws and regulations. 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 loans and advances is accrued on a daily product basis, and applied to customer accounts every month, quarter and at maturity depending on the product offerings. 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 therefrom credited to income as and when received as per instruction contained in BRPD circular no. 14 dated 23 September 2012 and its subsequent modifications through circulars/circular letters issued by Bangladesh Bank till 2023. 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

The Bank earns fees and commission from a diverse range of services provided to its customers. These include fees and commission income arising on financial and other services provided by the Bank including trade finance, credit cards, debit cards, passport endorsement, student file, loan processing, locker facilities etc. Fees and commission income on services rendered by the Bank are recognized on a realization basis. Commission charged to customers on letters of credit, letters of guarantee and acceptance are credited to income at the time of effecting the transactions.

2.10.40 Interest income from investments

Interest income from investments in Government and other securities, debentures and bonds are accounted for on accrual basis.

2.10.41 Income from exchange

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of Non-Monetary items.

2.10.42 Dividend income

Dividend income from investments is recognized at the

time when it is declared, ascertained and right to receive the payment is established.

2.10.43 Interest paid on borrowings and deposits

Interest paid and other expenses are recognized on accrual basis. Depending on the terms and conditions of different deposit products, interest expenses are recognized on accrual basis at the rate applicable for respective deposits and credited to depositor's account periodically.

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 40 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 2023 considering the bonus share issue within the same year.

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 and BSEC guidelines. Details of the related party transactions have been disclosed in note 48.

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 2023 in its meeting no. 491 held on 29 April 2024.

2.10.51 Credit rating

ECRL has rated the Bank based on 31 December 2022 with "AA" (pronounced as Double A) in the Long Term and ST-2 for the Short Term. The date of rating was 15 May 2023.

Valid from	Valid To	Base Financial Year	Long Term Rating	Short Term Rating	Outlook
07 May 2023	06 May 2024	2022	AA	ST-2	Stable
07 May 2022	06 May 2023	2021	AA	ST-2	Stable
07 May 2021	06 May 2022	2020	AA	ST-2	Stable

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 (FRA) 2015 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 IFRS	IFRS No.	Status
First time adoption of Bangladesh Financial Reporting Standards	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contract	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A

Name of the IFRS	IFRS No.	Status
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
Insurance Contracts	17	N/A

* 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 2023 and earlier application is permitted. However, the Bank did not apply earlier the following new standard in preparing these financial statements.

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.

Segments' Name	Description
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 through 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 and Terrorist Financing Risk
- Information & Communication Technology 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

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)

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.

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.

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

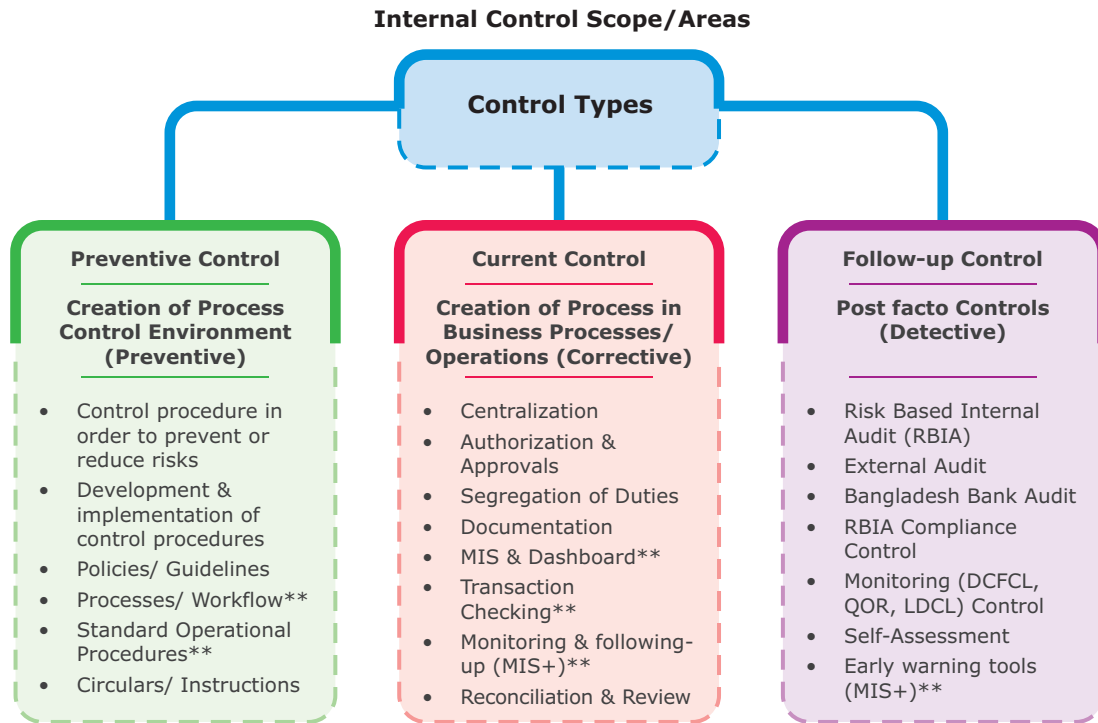
- Compliance with applicable laws, regulations, and internal policies.

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 Scope/Areas:



Internal Control & Compliance Division (ICCD) under guidance of Board & Senior Management has been working on the issue in light of Bangladesh Bank guidelines. Audit function is now totally independent with reporting line of 'Head of Audit' to Audit Committee of Board along with administrative reporting line to 'Head of ICCD'. Competent authority of the bank has taken various steps to strengthen internal audit as well as compliance activities for ensuring a standard compliance culture within the organization towards mitigating Internal Control & Compliance Risks.

The key issues that have been established for effective internal control of 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 & Terrorist Financing Risk Management

Money Laundering (ML) and Terrorist Financing (TF) have the tradition of eroding the financial institutions and weakening the financial sectors' role in the economic growth. So that Financial Institutions across the globe are working hard to fight against ML&TF related financial crime to protect assets and maintain regulatory compliance. Money laundering is the process of providing legitimate appearance to the illegally gained revenue and terrorist financing process involves collecting the funds intended to use in supporting the terrorist organization from a variety of sources to meet goals of terrorist organizations.

Regulators expect functions in the Bank to be global standard across business lines. The best ways to satisfy these expectations are to centralize functions of the bank, keep continuous monitoring of the activities performed by the bank and do meticulous compliance of regulatory requirements.

The years to come will undoubtedly be challenging to manage ML&TF risks. To mitigate such risks, the bank exerts continuous efforts to maintain and fine-tune its current policies and procedures and adopt new ones to meet future challenges.

UCB has already gone a long way in the path of centralization of its functions. In 2018, new Anti-Money Laundering and Anti-Terrorist Financing Division has been formed along with its organogram, which is updated in 2023. As instructed by BFIU, Deputy CAMLCO is heading this Division. The division is initiating new specialized trainings focusing risks such as cryptocurrencies, e-commerce, fintech, trade-based and credit-backed money laundering, etc. The division has taken various initiatives to develop better monitoring system though out the bank to mitigate ML&TF risks. To build a vigorous anti-money laundering and anti-terrorism program, UCB has deployed necessary resource and manpower. In addition, an

annual message from the Managing Director & CEO of the bank also acts as a guideline for all the employees in this regard.

AML & ATF Division has arranged a number of training programs on prevention of money laundering and terrorist financing for 2013 Executives/Officers of the Bank through-out 2023 to develop their professional skill and ensure better regulatory compliance. A total number of 6054 participants were covered through e-learning module arranged by the LDC in 2023.

In line with international initiatives and standards, the regulator has issued guidelines for preventing Trade Based Money Laundering (TBML). Based on that policy, UCB has also prepared the policy and reviewed the same in August, 2023.

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

Information Technology Division went through some re-structuration to improve the efficiency of overall ICT Operations and enhance ICT support to bank end user and its customer. At the same time bank undertaken some important information technology initiative for enhancing customer services as well as managing bank operations efficiently. 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 which has been approved by the board. The Business Continuity Plan, Disaster Recovery Plan have been republished after the revision. Moreover, UCB has developed ICT Risks Management Policy which covered all areas of IT risks in accordance with the industry best practices like ISO 27001 and in-line with Bangladesh Bank ICT guideline.

To comply with requirement of Bangladesh Bank and PCI Security Standard Council and to reduce the risks of Card Fraud and Cyber-Attacks, UCB achieved PCIDSS certificate for the 6th Consecutive Year.

UCBPLC has achieved the esteemed ISO 27001 certification. ISO 27001 is the leading international standard focused on information security. Implementing ISO Certification improves efficiency, productivity, customer satisfaction and trust of valuable stakeholder.

UCB has the following footprints on reducing ICT risks including fraud prevention which will eventually ensure our sustainable banking operation in the foreseeable future:

- Deployed Secured Next Generation Core Firewall with Advanced Threat Prevention, It provides faster detection of threats and offers flexible management options. deployment of Next-Generation Firewall can significantly enhance cybersecurity measures for businesses of all sizes.
- Robust Web Protection Solution with Comprehensive Threat Protection solution provides URL and Content Filtering for blocking malware.
- Impressive IP Telephony Implementation with Modern Video Conferencing & Collaboration Tools with voice recording & reporting facilities and offers integration of IP phones with higher call quality.
- 3DS Version 2 Implementation to comply with Payment Systems (VISA and MasterCard) requirement.
- UCBPLC has Renewed SWIFT Customer Security Program (CSP) Certification v2023.
- As per best practices and to provide more secure privileged access on critical assets and meet compliance requirements by managing and monitoring privileged accounts and access, PAM solution has been implemented.
- To identify the security vulnerabilities and risks of all major areas (Applications, Network, Server, Database, OS, ATM, Desktops) at UCBPLC ITD premises, VA/PT Licensed tools have been implemented.
- UCBPLC security operations centre (SOC) is to monitor, detect, analyse and investigate cyber threats around the clock. By using IBM QRadar SIEM, SOC team monitors IT infrastructure with IBM X-force intelligence, which helps to detect and prioritization of a cyber-threat.
- For proactive monitoring and real time detection of fraud, UCBPLC is in process of establishing new robust Fraud Management Solution with AI& ML capability.

- Introduction of the two-factor authenticator (2FA) mechanisms and OTP for Internet Banking Solution.
- National Identity Card (NID) Verification System Introduced for avoiding duplicated NID use in Customer Account Opening.
- Implementation of Two Factor Authentication (2FA), SMS, E-mail alerts for all Credit card transactions.
- Anti-Skimming devices have installed in all UCB ATM for protecting Card Counterfeit.
- EMV standard solution (Chip Based) have been implemented that can reduce optimum level of card fraudulent activities (Skimming, Duplicate card, etc).
- Dual control mechanism: Bank has introduced maker checker roles in all its financial and non-financial transactions namely Core banking system (FCUBS), card management system and others.
- 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.
- Upgraded the call center solution with latest chatbot and CRM 360-degree features to ensure better customer experiences also ensuring the compliance and security as well.
- Robust HRMS system has been implemented, to maintain and control HR related issues faster and accurately (Employee screening, recruitment, promotions, benefits, retirement, etc.) which also reduces the employee risks.
- Optimization of CORE Banking Software and Database.
- Update of ICT Risks Management Policy, Process as per the latest Bangladesh Bank ICT guideline, reducing the regulatory & compliance related risks.
- Regularly practicing simulated phishing campaign through an automated tool to train all the bank officials not to share sensitive information or perform an action that enables an attacker to compromise the system, as part of ICT Security Awareness.

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 defense, 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 2023 were impacted by a number of major global events such as continuation of Russia-Ukraine conflict, Middle east unrest, 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 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.

2.10.60 Standard issued but not yet effective

The following new standards and amendments to standards are effective for annual periods beginning after 01 January 2023 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).

2.10.62: Events after the Reporting Period

All material events after the reporting period have been considered and appropriate/disclosures have been made in the financial statement as per IAS-10: Events after the Reporting Period. One of the common event after the reporting period is recommendation regarding dividend payment by the Board of Directors which has been disclosed in note 2.10.21.

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 including narratives is disclosed in respect of the previous period where it is relevant to enhance the understanding of the current period's financial statements. Certain comparative amounts in the financial statements are reclassified and rearranged where relevant to conform to the current year's presentation.

Reporting period

These financial statements cover the period from 01 January 2023 to 31 December 2023.

Approval of financial statements

The financial statements have been approved by the Board of Directors of the bank in its meeting held on 29 April 2024.

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
3 Cash	36,186,600,376	30,939,723,526	36,186,305,779	30,939,034,586
3.1 Cash in hand				
Local currency				
In branches	6,553,635,258	7,282,632,080	6,553,425,857	7,281,943,140
In ATM & CRM	1,967,571,200	1,754,993,500	1,967,571,200	1,754,993,500
	8,521,206,458	9,037,625,580	8,520,997,057	9,036,936,640
Foreign currency				
In branch	79,244,190	63,169,875	79,158,994	63,169,875
	8,600,450,648	9,100,795,455	8,600,156,051	9,100,106,515
3.2 Balance with Bangladesh Bank and its agent Bank				
Local currency	22,280,256,425	20,178,794,329	22,280,256,425	20,178,794,329
Foreign currency	5,305,893,303	1,660,133,742	5,305,893,303	1,660,133,742
	27,586,149,728	21,838,928,071	27,586,149,728	21,838,928,071
Total Cash in hand including balance with Bangladesh Bank & its agent Bank	36,186,600,376	30,939,723,526	36,186,305,779	30,939,034,586
3.2.1 Balance with Bangladesh Bank				
Local currency	22,280,213,821	20,178,700,334	22,280,213,821	20,178,700,334
Foreign currency	5,305,893,303	1,660,133,742	5,305,893,303	1,660,133,742
	27,586,107,124	21,838,834,076	27,586,107,124	21,838,834,076

*The above balance represents amount as per Bank Book. In case of any differences, the differences are duly reconciled and subsequently adjusted.

3.2.2 Balance with Sonali Bank (as agent of Bangladesh Bank)				
Local currency	42,604	93,995	42,604	93,995
Foreign currency	-	-	-	-
	42,604	93,995	42,604	93,995

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and amendments thereon and of instructions contained in DOS Circular No. 01 & 26 dated 19 January 2014 & 19 August 2019 respectively, MPD circular No. 03 dated 09 April 2020 respectively and BRPD Circular letter No. 31 dated 18 June 2020 issued by Bangladesh Bank.

The Cash Reserve Requirement (CRR) of the Bank calculated by-weekly basis @ 4.00% on average demand and time liabilities (ATDTL) and maintained. 3.50% on daily minimum basis with Bangladesh Bank in current account. Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained @ 13.00% 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 2023 are as follows:

3.3.1 Cash Reserve Requirement (CRR) A. Conventional and Offshore Banking

Average total demand and time liabilities			
	DBU	500,527,548,750	436,816,139,250
	OBU	-	14,356,512,568
	Total ATDTL of Conventional and Offshore Banking	500,527,548,750	451,172,651,818
i) Daily basis			
	DBU (3.5% of ATDTL)	17,518,464,206	15,288,564,874
	OBU (1.5% of ATDTL)	-	215,347,689
	Required reserve	17,518,464,206	15,503,912,562
	Actual reserve maintained	21,740,088,658	18,485,340,914
	Surplus	4,221,624,452	2,981,428,352

	Consolidated		United Commercial Bank PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
ii) Bi-weekly average basis				
DBU (4% of ATDTL)			20,021,101,950	17,472,645,570
OBU (2% of ATDTL)			-	287,130,251
Required reserve			20,021,101,950	17,759,775,821
Actual reserve maintained			20,780,708,399	18,485,340,914
Surplus			759,606,449	725,565,093
B. Islamic Banking:				
Average total demand and time liabilities				
DBU			15,982,622,250	7,853,620,000
OBU			-	-
Total ATDTL of Islamic Banking			15,982,622,250	7,853,620,000
i) daily basis				
DBU (3.5% of ATDTL)			559,391,779	274,876,700
OBU (1.5% of ATDTL)			-	-
Required reserve			559,391,779	274,876,700
Actual reserve maintained			892,260,265	386,240,766
Surplus			332,868,486	111,364,066
ii) bi-weekly average basis				
DBU (4% of ATDTL)			639,304,890	314,144,800
OBU (2% of ATDTL)			-	-
Required reserve			639,304,890	314,144,800
Actual reserve maintained			890,922,030	386,240,766
Surplus			251,617,140	72,095,966
Excess Reserve of CRR (referred to note 3.3.3)			1,011,223,588	797,661,059
3.3.2 Statutory Liquidity Ratio (SLR)				
A. Conventional and Offshore Banking				
DBU (13% of ATDTL)			65,068,581,338	56,786,098,103
OBU (13% of ATDTL)			-	1,866,346,634
Required reserve			65,068,581,338	58,652,444,736
Actual reserve maintained			78,971,699,988	75,926,833,196
Surplus			13,903,118,650	17,274,388,460
B. Islamic Banking:				
DBU (5.5% of ATDTL)			879,044,224	431,949,100
OBU (5.5% of ATDTL)			-	-
Required reserve			879,044,224	431,949,100
Actual reserve maintained			985,009,212	653,057,892
Surplus			105,964,989	221,108,792
3.3.3 Held for Statutory Liquidity Ratio				
Cash in hand (note- 3.1)			8,600,156,051	9,100,106,515
Balance with Sonali Bank (agent Bank) (note- 3.2.2)			42,604	93,995
Govt. Securities (Treasury Bills) (note:6.a)			16,504,227,798	7,854,765,489
Govt. Treasury Bond (HTM) (note- 6.1)			52,045,125,998	56,191,625,790
Govt. Treasury Bond (HFT) (note- 6.1)			8,826,966	-
Reverse Repo with other Bank (note- 6.1)			-	-
Bangladesh Bank Bills (note- 6.a)			-	-
Bangladesh Bank - Sukuk Bond			819,160,000	651,290,000
Stock of Prize Bond (note- 6.1)			7,227,700	8,713,800
Excess Reserve of CRR (note- 3.3.1)			1,011,223,588	797,661,059
			78,995,990,705	74,604,256,648
4 Balance with other banks and financial institutions				
In Bangladesh (note - 4.1)	5,556,154,273	4,509,386,657	4,278,424,813	3,405,505,992
Outside Bangladesh (Annexure-A)	16,898,956,220	13,466,546,944	16,898,956,220	13,466,546,944
	22,455,110,493	17,975,933,601	21,177,381,033	16,872,052,936

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
4.1 In Bangladesh				
A. Current account and others				
Janata Bank PLC.			76,824,717	51,333,766
Agrani Bank PLC.			8,847,561	24,134,076
Rupali Bank PLC.			14,146,224	23,357
Sonali Bank PLC.			1,128,467,874	1,278,684,551
Standard Chartered Bank			277,520	1,427,545
			1,228,563,894	1,355,603,294
B. Fixed Deposits				
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
Uttara Finance & Investment Limited			220,000,000	250,000,000
Meridian Finance & Investment Limited			225,000,000	245,000,000
			1,999,800,000	2,049,800,000
Islamic Banking				
Premier Bank PLC.			1,000,000,000	-
NRB Bank PLC.			50,059,857	51,187
Shahjalal Islami Bank PLC.			1,062	51,511
			1,050,060,919	102,698
			3,049,860,919	2,049,902,698
Total (A+B)			4,278,424,813	3,405,505,992
4.2 Maturity grouping of balance with other banks & financial institutions				
On demand			1,228,563,894	1,355,603,294
Upto three months			18,394,017,139	13,711,649,642
More than three months but less than six months			-	250,000,000
More than six months but less than one year			-	-
More than one year but less then five years			1,554,800,000	1,554,800,000
			21,177,381,033	16,872,052,936
5 Money at call on short notice			-	-
6 Investments				
Government Securities	70,067,335,372	65,222,002,585	69,384,568,462	64,706,395,079
Other Investments	15,543,834,471	13,788,191,877	13,479,158,907	11,728,167,127
	85,611,169,843	79,010,194,462	82,863,727,369	76,434,562,206
a) Government Securities				
Treasury Bills				
28 days Treasury bills			-	-
91 days Treasury bills			8,834,589,915	5,914,696,000
182 days Treasury bills			-	-
364 days Treasury bills			7,669,637,883	1,940,069,489
Total Treasury Bills			16,504,227,798	7,854,765,489
Government Bonds				
Prize Bonds			7,227,700	8,713,800
Reverse Repo with other Bank			-	-
Government Bonds			52,873,112,964	56,842,915,790
Total Government Bonds			52,880,340,664	56,851,629,590
Total Government Securities			69,384,568,462	64,706,395,079

	Consolidated		United Commercial Bank PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
b) Other investments				
Shares in listed companies			6,011,537,354	5,116,345,610
Shares in non-listed companies			817,621,553	731,821,517
Sub-ordinated Bond			3,900,000,000	3,600,000,000
Perpetual Muadarba Bond (Islamic)			230,000,000	230,000,000
Perpetual Bond Investment			2,050,000,000	2,050,000,000
Private Sukuk Bond under SPV (Special Purpose Vehicle, Islamic Banking)			300,000,000	-
Investment in Alternative Investment Fund			170,000,000	-
Total other investments			13,479,158,907	11,728,167,127
Total Investments (a+b)			82,863,727,369	76,434,562,206

6.1 Government Securities are Classified as per Bangladesh Bank Circular

Treasury Bond - HTM	52,045,125,998	56,191,625,790
Treasury Bond - HFT	8,826,966	-
Treasury Bills - HTM	9,638,954,798	1,940,069,489
Treasury Bills - HFT	6,865,273,000	5,914,696,000
Bangladesh Bank Bills - HTM	-	-
Bangladesh Bank Bills - HFT	-	-
Bangladesh Bank - Sukuk Bond	819,160,000	651,290,000
Prize Bond	7,227,700	8,713,800
	69,384,568,462	64,706,395,079

6.2 Maturity grouping of investments

On demand	1,997,590,000	-
Up to three months	10,753,205,716	7,900,800,000
More than three months but less than one year	13,032,593,870	11,049,567,126
More than one year but less than five years	17,479,493,513	14,952,500,000
More than five years	39,600,844,270	42,531,695,079
	82,863,727,369	76,434,562,205

6.3 Other Investments

A) Shares in listed companies other than BB Scheme

Name of the Company	Market Price as on 31.12.2023	Cost Price as on 31.12.2023	Cost Price as on 31.12.2022
Square Pharmaceuticals Ltd.	240,544,295	235,660,090	-
Grameenphone Ltd.	300,628,210	336,823,490	310,611,136
Brac Bank PLC.	543,595,864	556,686,199	441,019,972
Marico	74,891,405	74,661,958	29,175,635
National Housing Fin. and Inv. Ltd.	235,569,083	44,648,231	44,648,231
Titas Gas Transmission & dist. Co. Ltd.	-	-	-
Unique Hotel & Resorts Limited	-	-	-
ACI Limited	-	-	-
Berger PBL	59,279,984	59,816,485	66,081,678
Square Textile Limited	-	-	-
Shasha Denims Limited	83,636,847	147,310,199	147,310,199
Eastern Bank PLC.	-	-	-
City Bank PLC.	293,609,648	350,553,455	350,553,352
United Power Generation & Distribution Company Limited	58,870,666	67,031,572	67,031,572
Navana CNG Limited	-	-	-
Singer Bangladesh Limited	-	-	-
IFAD Autos Limited	29,117,951	69,778,759	69,778,759
BATBC	453,743,718	465,345,631	397,313,219
Reneta	343,463,633	307,238,330	278,655,682
Genex Infosys Limited	464,265,444	1,051,524,317	1,051,524,110
Runner Automobiles	158,432,173	140,288,089	140,288,089
Delta Life Indurance Company Limited	1,225,951,818	1,314,688,276	902,261,664
Olympic	-	-	30,609,615
Perpetual Muadarba Bond (Islamic)	230,000,000	230,000,000	230,000,000
Sub Total (A)	4,795,600,737	5,452,055,079	4,556,862,912

United Commercial Bank PLC

31.12.2023

Taka

31.12.2022

Taka

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 31.12.2023	Cost Price as on 31.12.2023	Cost Price as on 31.12.2022
Grameenphone Ltd.	300,619,326	322,396,500	322,396,500
Brac Bank Ltd.	288,508,835	312,895,084	312,895,470
BATBC	21,367,328	24,975,148	24,975,148
Square Pharmaceuticals Ltd.	131,031,200	129,215,580	129,215,580
Sub Total (B)	741,526,689	789,482,312	789,482,698

C) Shares in non-listed companies

Name of the Company	Market Price as on 31.12.2023	Cost Price as on 31.12.2023	Cost Price as on 31.12.2022
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	19,600,000	19,600,000	58,800,000
Fiber Shine	10,000,000	10,000,000	10,000,000
ICB AMC L2ND NRBUF	30,415,000	40,985,125	40,985,125
SWIFT	8,258,622	8,258,622	8,258,622
UCB TAQWA GF	53,602,500	52,500,000	52,500,000
UCB AML FMF	30,330,000	30,000,000	30,000,000
UCBINCOMEPPF	77,629,500	75,000,000	-
SEMLPBSLFI	150,000,000	150,000,000	-
BBMLSAI	300,000,000	300,000,000	-
Fair Electronics Ltd	400,000,000	400,000,000	500,000,000
Sub total (C)	1,111,113,392	1,117,621,517	731,821,517
Total (A+B+C)	6,648,240,818	7,359,158,908	6,078,167,127

6.3 Cost and market value of investment as on 31 December 2023

Government securities	Cost Price Taka	Market Value/ Amortised Cost	Market Value/ Amortised Cost
Treasury Bills (Government Securities)	16,136,174,192	16,504,227,798	7,854,765,489
Treasury Bonds (Government Securities)	53,553,173,235	52,053,952,964	56,191,625,790
Others	-	-	-
Sukuk bond issued by Bangladesh Bank	819,160,000	819,160,000	651,290,000
Prize Bond	7,227,700	7,227,700	8,713,800
Total	70,515,735,127	69,384,568,462	64,706,395,079

Investment in Shares, Bond & Debenture	Market Value/ Amortised Cost	Cost Price	Cost Price
Quoted Shares	5,537,127,426	6,241,537,391	5,346,345,610
Un-Quoted Shares	1,111,113,392	1,117,621,517	731,821,517
Total	6,648,240,818	7,359,158,908	6,078,167,127

6.4 (a) Disclosure regarding outstanding Reverse Repo on 31 December 2023.

Sl.No	Counter party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1				
2				
Total				-

Consolidated		United Commercial Bank PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

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	1,989,366,000	2,987,296,000	2,131,927,429
2) With Bank & Financial Institutions	801,809,185	1,369,411,324	1,089,227,595
Securities Purchased under reverse repo			
1) From Bangladesh Bank	-	-	-
2) From Other Bank & Financial Institutions.	535,961,646	2,006,483,390	1,129,216,792
7 Loans and Advances	510,710,023,606	474,639,746,250	505,969,487,028
			468,605,096,016

7.1 Maturity grouping of Loans & Advances (including bills purchased and discounted)

On demand	3,149,449,235	6,139,100,000	3,149,449,235	6,139,100,000
Not more than three months	140,382,437,491	131,933,998,608	140,382,437,491	131,933,998,608
More than three months but less than one year	121,911,062,877	116,574,611,326	117,178,492,813	110,541,963,315
More than one year but less than five years	172,768,779,783	154,968,392,991	172,768,779,783	154,968,392,991
More than five years	72,498,294,221	65,023,643,322	72,490,327,707	65,021,641,101
	510,710,023,606	474,639,746,249	505,969,487,028	468,605,096,016

7.2 Loans & Advances

i) Loans/Investments, Cash credit & overdraft etc.

a) Within Bangladesh

Loans & Advances/ Investments	408,352,348,918	361,250,884,868	403,611,812,340	355,216,234,636
Cash credits	27,986,948,164	25,417,990,838	27,986,948,164	25,417,990,838
Overdrafts	64,642,772,015	64,479,486,196	64,642,772,015	64,479,486,196
	500,982,069,097	451,148,361,902	496,241,532,519	445,113,711,670

b) Outside Bangladesh

	-	-	-	-
	500,982,069,097	451,148,361,902	496,241,532,519	445,113,711,670

ii) Bills Purchased & Discounted (note : 7.13)

a) Payable Inside Bangladesh

Bills Purchased & discounted (Inland)	2,632,413,769	2,789,390,117	2,632,413,769	2,789,390,117
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b) Payable outside Bangladesh

Bills purchased & discounted (Foreign)	7,095,540,740	20,701,994,229	7,095,540,740	20,701,994,229
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	9,727,954,509	23,491,384,346	9,727,954,509	23,491,384,346
	510,710,023,606	474,639,746,249	505,969,487,028	468,605,096,016

7.3 Net Loans & Advances

Gross Loans & Advances (note- 7.2)			505,969,487,028	468,605,096,016
Less: Non Performing Loans & Advances (note- 7.10 b)			27,819,391,979	28,077,685,496
Interest suspense (note- 13.4)			19,090,019,324	15,162,207,211
Provision for Loans & Advances (note- 7.11)			20,151,133,575	19,208,242,209
			67,060,544,878	62,448,134,916
			438,908,942,150	406,156,961,100

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
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				
Agricultural Loan			6,568,180,940	6,272,720,919
Commercial Lending			56,071,048,857	49,826,309,073
Export Finance			3,582,154,965	2,960,249,215
House Building Loan			27,680,729,717	25,025,888,198
Import Finance			36,741,431,446	25,641,240,760
Industrial Loan			286,535,410,076	282,530,411,628
Personal Loan			20,560,392,863	17,628,933,616
Staff Loan			6,406,298,633	5,310,392,251
Transport Loan			3,522,602,819	3,766,590,422
Others			58,301,236,714	49,642,359,934
Total Loans & Advances			505,969,487,028	468,605,096,016
7.5 Industry wise Loans and Advances				
Agriculture			6,568,180,940	6,272,720,919
Brick Field, Auto Bricks, Tiles			2,730,773,581	2,330,461,103
Cement Industries			13,588,045,741	14,806,113,247
Chemical & Chemical Products			14,870,720,044	9,846,114,838
Commercial Trade Financing			96,394,635,268	78,427,799,048
Construction (Other than Housing)			42,985,316,478	38,105,193,198
Diagnostic/Medical/Clinic			3,739,662,149	3,849,136,870
Educational Institute, Hotel, Restaurant			7,261,101,989	5,839,267,577
Electronics Media			328,246,157	335,270,270
Engineering, Basic Metal & Products			19,283,136,633	16,818,759,987
Food Products & Processing			21,786,185,497	18,416,246,261
Glass & Glassware Product Industries			-	518,954,390
Housing Industry			27,680,729,717	25,025,888,198
Jute Industries			221,677,511	227,457,203
Leather & Leather Products			1,500,969,515	1,345,234,575
Paper & Paper Products Industries			6,204,249,171	6,880,541,819
Power & Energy			15,155,411,460	10,870,069,620
RMG & Accessories			69,949,004,085	84,079,761,237
Ship Manufacturing			633,955,157	1,850,623,547
Ship Re-cycling			13,079,720,630	11,943,009,041
Tea Manufacturing			-	421,550,403
Telecommunication			2,748,317,595	2,442,455,755
Textile Industries			28,704,388,106	32,456,282,644
Transport & Communication			3,522,602,819	3,766,590,422
Wood & Wooden Products			2,371,121,519	2,229,491,533
Others			104,661,335,267	89,500,102,311
			505,969,487,028	468,605,096,016
7.6 Geographical Location wise Loans & Advances				
Urban branches				
Barisal Division			1,058,013,442	746,470,338
Chattogram Division			97,217,385,440	86,437,455,603
Dhaka Division			376,533,633,423	350,084,446,298
Khulna Division			8,535,332,220	8,021,722,727
Mymensingh Division			839,897,193	691,967,067
Rajshahi Division			5,423,489,119	6,088,025,262
Rangpur Division			1,169,115,489	772,869,696
Sylhet Division			2,424,315,061	1,871,611,420
			493,201,181,387	454,714,568,411

United Commercial Bank PLC

	<u>31.12.2023</u>	<u>31.12.2022</u>
	Taka	Taka
Rural branches		
Barisal Division	79,482,793	54,696,361
Chattogram Division	2,417,185,109	3,231,316,216
Dhaka Division	8,497,336,591	9,312,581,425
Khulna Division	455,863,724	283,455,211
Mymensingh Division	456,463,066	201,447,753
Rajshahi Division	363,630,641	281,878,134
Rangpur Division	229,520,787	126,066,293
Sylhet Division	268,822,931	399,086,212
	12,768,305,642	13,890,527,605
	505,969,487,028	468,605,096,016

7.7 Sector - wise Loans and Advances

Private sector	505,655,238,199	468,487,418,146
Government & autonomous	98,481,506	95,465,147
Co-operative sector	215,767,324	22,212,723
	505,969,487,028	468,605,096,016

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	55,214,433,306	52,673,818,523
Outstanding Advances (note : 7.8.1)	290,870,219,358	242,979,104,422
Number of customers	35	40

7.8.1 Detail of information on Advances more than 10% of Bank's total Capital

Name of the Borrower	Outstanding as on 31 December 2023			31 December 2022
	Funded	Non-Funded	Total	Total Taka
Abul Khair group	1,006,998,815	7,520,184,329	8,527,183,144	6,669,972,187
Anwar Group	-	-	-	5,203,720,184
APS Group	1,839,083,880	2,001,169,207	3,840,253,087	3,783,910,222
AWR Group	6,401,138,163	514,490,676	6,915,628,838	5,225,701,769
B Trac Group	1,140,797,228	4,784,447,729	5,925,244,957	4,130,117,076
Baishakhi Group	3,372,450,899	4,350,045,915	7,722,496,814	4,428,988,751
Baraka Patenga Group	-	-	-	8,514,402,238
Baraka Shikalbaha Group	1,047,503,212	2,577,523,095	3,625,026,307	-
Bashundara Group	8,376,102,346	-	8,376,102,346	11,697,347,992
Bashundara Oil	2,700,922,966	6,035,349,020	8,736,271,986	2,569,308,386
Bashundhara Chemical Group	4,405,724,360	2,581,734,134	6,987,458,495	-
Bashundhara LP Group	3,397,704,191	7,482,474,893	10,880,179,084	-
Best Holdings Group	6,725,677,318	-	6,725,677,318	-
BSM Group	6,514,904,959	4,124,485,139	10,639,390,099	7,503,762,147
BSRM Group	427,798,763	5,110,567,286	5,538,366,049	3,153,833,637
Bulk Trade Group	-	-	-	5,421,505,016
City Group	3,053,149,905	10,116,767,144	13,169,917,049	8,411,099,517
Confidence Group	-	-	-	4,250,958,125
DIRD Group	6,464,543,137	1,220,730,322	7,685,273,459	6,832,674,388
Energypac Group	-	-	-	3,192,243,235
Four H group	8,901,985,664	4,837,536,450	13,739,522,114	15,040,353,234
GPH Group	4,703,814,808	11,066,588,327	15,770,403,135	8,637,400,000
Kabir Group	-	-	-	4,873,360,137
KDS Group	-	-	-	255,116,262
LIZ GROUP	3,387,987,252	2,583,684,060	5,971,671,311	5,801,599,033
M.M Knitwear Group	-	-	-	4,141,916,568
Max Group	-	-	-	4,950,900,000
Meghna Group	-	-	-	2,132,017,741
Metro (Panam) Group	2,711,537,799	3,752,895,694	6,464,433,493	6,997,081,720
Micro Fibre Group	2,585,850,814	8,601,584,585	11,187,435,399	9,430,641,575

	Consolidated		United Commercial Bank PLC	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	Taka	Taka	Taka	Taka
Mondol Group	4,144,661,340	7,980,467,932	12,125,129,271	16,013,212,349
Mostafa-Hakim Group	8,830,577,811	3,388,069,027	12,218,646,838	11,590,133,725
Multi Trading Group	6,403,338,667	6,145,024,600	12,548,363,267	4,550,950,633
N.R. Group	3,281,985,192	4,306,122,257	7,588,107,449	7,789,060,962
Orion Group	7,662,192,019	848,690,263	8,510,882,281	3,674,930,876
Paramount	2,388,813,798	5,136,819,741	7,525,633,539	-
Pran Group	3,725,954,411	2,176,111,237	5,902,065,648	7,513,961,780
Rupayan Group	7,964,280,680	44,558,500	8,008,839,180	6,111,700,000
Smart Group	2,369,667,516	1,374,529,117	3,744,196,633	-
Spectra Group	902,165,355	2,157,483,614	3,059,648,969	2,816,200,000
SS Trading Group	6,334,378,267	6,327,825,540	12,662,203,807	-
Summit Group	-	-	-	1,981,542,436
Thermax Group	2,649,403,061	1,856,621,366	4,506,024,428	4,840,287,899
Toma Group	4,828,693,016	5,411,500,000	10,240,193,016	11,787,500,000
Universal Denims Group	3,504,462,114	1,356,851,916	4,861,314,030	3,962,267,654
Walton Group	-	-	-	2,007,438,663
Western Engineering (pvt) Ltd.	6,709,562,614	2,231,473,902	8,941,036,516	5,089,986,305
Total	150,865,812,341	140,004,407,016	290,870,219,358	242,979,104,422

7.9 Disclosure of Particulars of Advances

i) Loans considered good in respect of which the banking company is fully & partly secured.	368,689,953,588	362,686,830,278
ii) Loans considered good against which the banking company holds no security than the debtors personal guarantee.	84,594,301,587	41,731,110,548
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor.	52,685,231,852	64,187,155,189
iv) Loans adversely classified, provision not maintained there against.	-	-
	505,969,487,028	468,605,096,016
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	58,301,236,714	5,310,392,251
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	58,301,236,714	5,310,392,251
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:	21,707,835,100	26,129,730,824
a) (Decrease)/ Increase in provision	942,891,366	2,623,860,070
b) Amount realized against loan previously written off	409,590,871	236,944,194
c) Amount of provision kept against loan classified as Bad /Loss on the balance sheet date	8,176,458,758	10,002,939,434
d) Interest credited to the interest suspense account.	8,644,732,800	5,960,421,558
xi) Cumulative amount of the written off loan	22,097,061,871	17,855,427,756
xii) Amount written off during the year	4,651,224,986	4,232,485,241
Principal Written off	3,252,371,300	3,079,326,167
Interest suspense written off	1,398,853,687	1,153,159,074
xiii) Amount of written-off of loans for which law suit filed	24,717,363,036	20,066,138,050

United Commercial Bank PLC

31.12.2023

Taka

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Taka

7.10 Classification of Loans & Advances

a) Unclassified

Standard

Standard (SMA)

SMA-Special RSDL (BRPD-5)

468,817,311,591	428,533,305,899
7,862,506,898	10,219,511,122
1,470,276,561	1,774,593,498

478,150,095,050 440,527,410,519

b) Classified

Sub - Standard

Doubtful

Bad & Loss

5,483,840,521	1,605,752,460
627,716,359	342,202,212
21,707,835,100	26,129,730,824

27,819,391,979 28,077,685,496

Total

505,969,487,028 468,605,096,016

*** Business segment-wise concentration of classified loans and advances (Non Performing)**

	Sub Standard	Doubtful	Bad & Loss		
Corporate	3,809,942,322	-	11,066,627,083	14,876,569,405	19,008,956,619
Retail	132,791,585	55,151,722	497,484,790	685,428,096	923,003,053
SME	1,541,106,614	572,564,637	10,143,723,227	12,257,394,478	8,145,725,824
Total	5,483,840,521	627,716,359	21,707,835,100	27,819,391,979	28,077,685,496

7.11 Particulars of required provision for Loans & Advances

Particulars	Base for Provision	Rate of Provision	Provision required	
General Provision (a)				
Special Mention Account	7,243,218,955	0.25% - 5%	84,399,489	56,229,837
Small & Medium Enterprise	121,465,138,259	0.25%	303,662,837	241,930,574
Consumer Fin.- Credit Card	3,989,315,638	2%	70,273,870	57,636,578
Consumer Fin-House Finance	7,295,738,297	1%	72,756,061	49,833,006
Consumer Fin - Professional	471,390,785	2%	9,427,825	8,159,351
Consumer Fin-Others	5,200,530,299	5%	103,961,277	106,714,025
Short Term Agri & Micro Credit	6,808,354,052	1%	68,083,576	82,208,766
Loan to BHs/MBs/SDs against share	2,483,346,718	2%	48,964,783	40,678,504
Standard loans & advances	321,103,497,543	1%	3,852,199,400	3,728,137,881
Special General Provision- COVID-19	-	1%	1,630,000,000	1,630,000,000
	476,060,530,546		6,243,729,118	6,001,528,522
Specific Provision (b)				
Sub - Standard	3,102,705,521	5% - 20%	611,172,094	174,653,880
Doubtful	268,670,119	5% - 50%	68,669,640	108,230,929
Bad & Loss	8,176,458,767	100%	8,176,458,758	10,002,939,434
Bangladesh Bank Directives	-		4,547,037,546	2,416,823,025
SMA-Special RSDL (BRPD-5)	1,031,593,898		504,066,419	504,066,419
Provision against special accounts	-		-	-
	12,579,428,305		13,907,404,457	13,206,713,687
Total provision required for Loans & Advances (A+B)	488,639,958,851		20,151,133,575	19,208,242,209
Total provision held for Loans & Advances			20,151,133,575	19,208,242,209
Excess/(Short) Provision			-	-

As per letter ref: DBI-4/7007/2024-536 dated 29 April 2024 by Bangladesh Bank the general provision was Taka 674.78 crore and specific provision was Taka 1,340.33 crore. But the Bank has been following BRPD circular letter no. 06 dated 19 May 2019 issued for loans reschedule under onetime exit for booking mandatory provision against SMA under general provision and remaining portion against SMA-Special RSDL (BRPD-5) under classified loans. Hence, Taka 50.41 Crore under SMA-Special RSDL (BRPD-5) was considered specific provision.

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
7.12 Suit filed by different branches against defaulted borrowers during the year (Branch wise details)				
Agrabad Branch	1,983,690,722		927,262,260	
Anwara Branch	-		8,858,802	
Bahaddarhat Branch	-		14,693,341	
Basundhara Branch	11,573,206		-	
Bijaynagar Branch	-		32,569,771	
Card Division	202,524,592			
Chapainababgonj Branch	10,045,001		-	
Chashara Branch	43,675,732		-	
Chaumuhani Branch	-		73,515,661	
Comilla Branch	2,251,774,267		-	
Corporate Branch	-		244,295,196	
Faridpur Branch	232,085,247		-	
Foreign Exchange Branch	-		149,250,108	
Gazipur Chowrasta Branch	-		16,118,474	
Gulshan Branch	721,136,739		35,304,614	
Islampur Branch	-		4,245,486	
Jessore Branch	289,237,609		-	
Jhawtala Branch	-		-	
Jubilee Road Branch	13,295,520		-	
Kadamtali Branch	209,628,228		-	
Kamarpara Branch	3,574,977		-	
Kamrangichar Branch	-		6,702,494	
Kanaipur Branch	-		2,782,916	
Kawran Bazar Branch	1,143,922,760		-	
Khatungonj Branch	171,538,660		860,463,168	
Lakshmipur Branch	317,672,897		-	
Mirpur Road Branch	-		738,716,180	
Moulvibazar (Sylhet)	1,159,827		-	
Moulvibazar Dhaka	601,320		5,067,670	
Mymensingh Branch	-		2,212,289	
Narsingdi Branch	54,029,534		46,523,143	
Nayabazar Branch	40,883,545		-	
New Eskaton Branch	42,792,274		-	
O.R Nizam Road branch	31,707,773		3,216,047	
Pabna Branch	59,206,454		-	
Paglabazar Branch	42,435,368		-	
Pahartali Branch	64,651,902		-	
Port Branch	89,383,955		-	
Pragati Sarani Branch	-		16,234,812	
Principal Branch	673,019,290		65,845,149	
Raozan SME-Krishi Branch	21,187,844		-	
Sarulia Bazar Branch	9,556,527		-	
Sitakunda Branch	178,682,091		-	
Station Road Branch	-		11,967,350	
Sylhet Branch	-		215,648,483	
Tongi Branch	27,440,546		-	
Zinzira Branch	3,536,258		-	
	8,945,650,661		3,481,493,416	
7.13 Bills purchased and discounted				
a) Payable in Bangladesh	2,632,413,768		2,789,390,117	
b) Payable in outside Bangladesh	7,095,540,742		20,701,994,229	
	9,727,954,510		23,491,384,346	
7.13.1 Maturity grouping of bills purchased and discounted				
Payable within one month	3,795,954,510		8,516,200,000	
More than one month but less than three months	2,978,500,000		6,889,600,000	
More than three months but less than six months	483,441,130		330,948,534	
More than six months	2,470,058,870		7,754,635,812	
	9,727,954,510		23,491,384,346	

Consolidated		United Commercial Bank PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

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 letter # 178/FRC/APR/2021/27(45) dated 09 December 2021 issued by the Financial Reporting Council (FRC) regarding the compliance of BRPD Circular Letter # 04 dated 04 January 2021 and BRPD Circular Letter # 35 dated 06 July 2021, the status for the year 2023 is as follows:

Particulars	Compliance of BRPD Circular Letter # 04*		Compliance of BRPD Circular Letter # 35**	
	No of Files	% of compliance	No of Files	% of compliance
Complied Files	627	94%	580	93%
Total Files	669		627	

* **BRPD Circular Letter # 04:** Regarding the collection of audited financial statements and statutory audit report for sanctioned/renewed investments.

** **BRPD Circular Letter # 35:** Regarding the verification of audited financial statements through Document Verification System (DVS) developed by ICAB.

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	2,663,726,008	2,623,253,671	2,623,253,671
Furniture and fixtures	2,856,307,366	2,792,390,685	2,757,849,217	2,693,736,543
Office equipments	3,098,745,902	2,764,213,030	3,047,543,911	2,713,986,040
Computer & equipments	3,079,264,233	2,506,826,435	2,714,907,951	2,190,846,756
Vehicles	652,831,737	642,675,822	621,278,877	610,872,113
Capital Expenditure Work in Progress	3,676,537,344	724,573,408	3,642,387,048	580,762,044
	22,310,368,768	18,377,361,567	19,802,274,959	15,808,511,450
Intangible assets				
Computer software	2,140,291,715	1,864,123,891	1,899,974,139	1,848,510,666
Lease Asset				
Right of Use (ROU) assets	5,646,657,491	5,590,566,138	5,590,566,138	5,590,566,138
	30,097,317,974	25,832,051,596	27,292,815,236	23,247,588,254
Less: Accumulated depreciation & amortization	10,514,159,915	8,805,540,602	10,276,395,415	8,668,178,180
Written down value at the end of the year	19,583,158,058	17,026,510,993	17,016,419,821	14,579,410,074

A schedule of Fixed assets is given in **Annexure-B**

9. Other assets

Account with Stock Broker	144,889,416	282,494,602	144,889,416	282,494,602
Advance Deposit	4,535,836	4,654,406	4,535,836	4,654,406
Advance Income Tax Paid (note - 9.1)	-	1,529,764,179	-	1,529,764,179
Advance Payment	2,687,827,043	2,659,369,280	1,974,507,977	2,091,229,330
Deferred Tax Asset (note - 9.2)	5,965,271,335	5,469,685,031	5,964,414,688	5,470,180,663
Head Office General Account (note - 9.3)	1,461,867	140,471	1,461,867	140,471
Income Receivable	39,695,639	16,984,457	39,695,639	16,984,457
Interest Receivable	1,893,534,274	1,973,706,061	1,893,534,274	1,973,706,061
Investment in share of subsidiary companies	-	-	9,500,085,066	7,499,999,870
Receivable from Subsidiary Company	-	-	570,067	110
Stock of Stationery & Stamps	106,250,750	72,649,049	106,250,750	72,649,049
Suspense Account (note - 9.4)	1,484,516,966	1,546,814,416	1,484,516,979	1,546,814,416
UBS Required Settlement Account	677,277,285	157,037,330	677,277,285	157,037,330
Others (note - 9.5)	7,350,097	1,514,055	7,350,097	1,018,435
	13,012,610,508	13,714,813,337	21,799,089,941	20,646,673,379

9.1 Advance income tax

Opening balance		1,529,764,179	1,118,597,021
Add: Advance Tax paid during the year		3,458,466,081	4,392,182,336
Less: Advance Tax adjustment with tax Provision		(4,988,230,260)	(3,981,015,178)
		-	1,529,764,179

United Commercial Bank PLC

31.12.2023	31.12.2022
Taka	Taka

9.2 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 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**

Balance as at 31 December 2023

Deferred Tax Asset (a)	5,964,414,688
Deferred Tax Liability (b)	-

Net Deferred Tax Asset as at 31 December 2023 (a+b) **5,964,414,688**

Particulars	Accounting Base	Tax Base	Deductible/ (Taxable) Temporary Difference	Applicable Rate	Deferred Tax Asset/ (Liability)
Provision Opening (Specific)	14,689,053,706	2,620,780,190	12,068,273,516	37.50%	4,525,602,569
Provision During the Year (Specific)	3,953,363,056	631,591,110	3,321,771,946	37.50%	1,245,664,480
Provision Opening (Dilution of Investment)	612,038,691	-	612,038,691	10.00%	61,203,869
Provision During the Year (Dilution of Investment)	61,249,230	-	61,249,230	10.00%	6,124,923
Property, Plant and Equipment's	5,679,186,070	6,014,702,997	335,516,927	37.50%	125,818,848
Deferred tax asset (a)					5,964,414,688
Deferred tax liabilities (b)					-

9.3 Head Office General Account

This is made up as follows:

Due from branches	207,317,874,095	178,644,215,303
Due to branches	(207,316,412,228)	(178,644,074,832)
	1,461,867	140,471

9.4 Suspense accounts

Advance deposit and prepayments	593,526,445	752,608,255
Advance against Foreign Remittance Settlement	2,736,698	85,289,523
Claims on Sanchaypatra	17,783,953	75,016,553
Interest on sanchaypatra	7,169,788	23,507,571
Protested bill	97,462,235	97,020,471
Sundry receivable ATM	614,930,296	404,741,922
Card settlement account	130,647,064	107,753,321
Others	20,260,500	876,800
	1,484,516,979	1,546,814,416

9.5 Others

UCB International School Project	949,554	949,554
Settlement Account - Binimoy and others	6,400,543	68,881
	7,350,097	1,018,435

9.6 Income generating other assets

Investment in share of subsidiary companies		
UCB Stock Brokerage Limited	2,499,999,900	2,499,999,900
UCB Investment Limited	999,999,990	999,999,990
UCB Asset Management Limited	999,999,990	999,999,990
UCB Fintech Company Limited	4,999,999,990	2,999,999,990
UCB Exchange (SG) PTE. Ltd.	85,196	-
	9,500,085,066	7,499,999,870

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
9.7 Non-income generating other assets				
Stock of Stationery & Stamps			106,250,750	72,649,049
Receivable from subsidiary companies			570,067	110
Account with Stock Broker			144,889,416	282,494,602
Advance Payment			1,974,507,977	2,091,229,330
Advance Deposit			4,535,836	4,654,406
Advance Income Tax			-	1,529,764,179
Suspense Account			1,484,516,979	1,546,814,416
UBS Required Settlement Account			677,277,285	157,037,330
Head Office General Account			1,461,867	140,471
Deferred Tax Asset			5,964,414,688	5,470,180,663
Interest receivable			1,893,534,274	1,973,706,061
Income receivable			39,695,639	16,984,457
Others			7,350,097	1,018,435
			12,299,004,874	13,146,673,510
10 Non-Banking Assets			-	-
As per schedule 01 under section 38 of Bank Company Act, 1991 and BRPD circular 14 dated 25 June 2003, a bank needs to present non-banking asset in its Balance Sheet statement. As per section 33(7) of Artha Rin Adalat Ain, 2003 and BRPD circular no. 22 dated 20 September 2021, after getting the ownership of any security/mortgaged property against bank loans, a bank has to take necessary actions to ensure registration, mutation and physical possession; and report non-banking asset in its financial statements.				
The bank has been awarded ownership u/s 33(7) of Artha Rin Adalat Ain, 2003 of 31 mortgaged properties as of 31 December 2023 as per the verdicts of learned court. However, mutation and physical possession of none of these properties has been completed as yet. Therefore, the Bank did not report any non-banking asset in its financial statements. Though the Bank is in process of receiving mutation and physical possession of some of these properties. The Bank will perform the valuation of those properties as per BRPD circular no. 22 dated 20 September 2021; and report in its financial statements upon fulfilment of these criteria of the said circular.				
11 Borrowings from other banks, financial institutions and agents				
In Bangladesh (note - 11.1)	61,377,181,142	97,248,832,136	60,058,638,944	94,100,984,952
Outside Bangladesh (note - 11.2)	5,213,125,000	9,790,908,448	5,213,125,000	9,790,908,448
	66,590,306,142	107,039,740,584	65,271,763,944	103,891,893,400
11.1 In Bangladesh				
UCBL Subordinated Bond (note - 11.1.1)			10,480,000,000	11,480,000,000
UCBL Perpetual Bond (note - 11.1.2)			5,400,000,000	4,000,000,000
Borrowings from Bangladesh Bank - IPFF Fund			5,972,589,070	5,548,003,952
Borrowings from Bangladesh Bank - EDF			18,326,727,563	50,131,431,273
Borrowing from Bangladesh Bank Refinancing scheme			8,616,847,311	12,145,037,187
Borrowings from Off-shore Banking Unit (note - 11.1.3)			1,327,975,000	1,053,585,540
Borrowing from Banks (note - 11.1.4)			5,225,500,000	6,032,927,000
Money at Call on Short Notice (note - 11.1.5)			4,709,000,000	3,710,000,000
			60,058,638,944	94,100,984,952
11.1.1 UCBL Subordinated Bond				
UCBL 3 rd Subordinated Bond			2,100,000,000	3,500,000,000
UCBL 4 th Subordinated Bond			4,880,000,000	6,480,000,000
UCBL 5 th Subordinated Bond			3,500,000,000	1,500,000,000
			10,480,000,000	11,480,000,000
Note: UCBL 1st and 2nd subordinated bonds were fully repaid.				
11.1.2 UCBL Perpetual Bond				
UCBL 1 st Perpetual Bond			4,000,000,000	4,000,000,000
UCBL 2 nd Perpetual Bond			1,400,000,000	-
			5,400,000,000	4,000,000,000
11.1.3 Borrowings from Off-shore Banking Unit				
Al Arafah Islami Bank PLC.			1,327,975,000	1,053,585,540

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
11.1.4 Borrowing from Banks				
Bank Asia PLC.			2,500,000,000	2,500,000,000
Commercial Bank of Ceylon PLC.			1,097,500,000	1,032,927,000
Jamuna Bank PLC.			878,000,000	-
NRB Commercial Bank PLC.			250,000,000	-
State Bank of India, Dhaka Branch			500,000,000	500,000,000
Southeast Bank PLC.			-	1,500,000,000
Uttara Bank PLC.			-	500,000,000
			5,225,500,000	6,032,927,000
11.1.5 Money at call on short notice				
Bangladesh Development Bank Limited			200,000,000	-
Commercial Bank of Ceylon PLC.			500,000,000	-
Eastern Bank PLC.			-	500,000,000
Jamuna Bank PLC.			439,000,000	-
Mutual Trust Bank PLC.			-	310,000,000
Megna Bank PLC.			-	400,000,000
One Bank PLC.			1,300,000,000	-
State Bank of India, Dhaka Branch			970,000,000	-
The Premier Bank PLC.			1,000,000,000	1,500,000,000
Uttara Bank PLC.			300,000,000	1,000,000,000
			4,709,000,000	3,710,000,000
11.2 Outside Bangladesh				
Bank Muscat International			-	1,342,805,100
Caixa Bank, Spain			2,304,750,000	1,611,366,120
Emirates Islamic Bank, UAE			1,262,125,000	663,139,134
Emirates NBD Bank PJSC, UAE			1,646,250,000	1,008,963,094
National Bank of Ras Al-Khaimah, UAE			-	4,235,000,700
State Bank of India, Hong Kong			-	206,585,400
United Bank Limited-UAE			-	723,048,900
			5,213,125,000	9,790,908,448
11.3 Security against borrowings from other banks, financial institutions and agents				
Secured			-	-
Unsecured			65,271,763,944	103,891,893,400
			65,271,763,944	103,891,893,400
11.4 Maturity Grouping of Borrowings from other banks, financial institutions & agent				
Payable on demand			2,579,673,338	3,710,000,000
Payable within one month			7,643,368,890	14,183,407,146
More than one month but within six months			28,936,399,845	56,390,590,639
More than six month but within one year			1,333,393,879	4,382,695,615
More than one year but within five years			12,023,188,542	14,854,200,000
More than five years*			12,755,739,450	10,371,000,000
			65,271,763,944	103,891,893,400
* Includes perpetual bond amounting to BDT 5,400,000,000.00 which do not have any maturity.				
12 Deposits and other accounts				
Inter Bank deposits	4,005,845,045	5,318,259,349	4,005,845,045	5,318,259,349
Deposit from customers and others	507,386,861,122	419,365,157,625	509,388,838,739	420,710,181,419
	511,392,706,167	424,683,416,974	513,394,683,784	426,028,440,768
a. Current accounts & other accounts				
Current deposits	57,353,703,311	52,518,987,419	59,355,680,928	53,864,011,213
Foreign currency deposits	5,734,188,626	3,725,788,414	5,734,188,626	3,725,788,414
Sundry deposits (note - 12.1)	63,277,953,479	36,722,745,385	63,277,953,479	36,722,745,385
	126,365,845,416	92,967,521,218	128,367,823,033	94,312,545,012

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
b. Bills Payable				
Pay order	8,338,544,188	7,009,297,398	8,338,544,188	7,009,297,398
Demand draft payable	6,061,754	6,724,085	6,061,754	6,724,085
	8,344,605,942	7,016,021,483	8,344,605,942	7,016,021,483
c. Savings Bank deposits				
Savings Bank deposits	94,572,958,191	85,798,085,253	94,572,958,191	85,798,085,253
d. Fixed deposits				
Fixed deposits	205,113,968,139	158,050,366,555	205,113,968,139	158,050,366,555
Scheme Deposits	38,201,352,262	44,025,566,874	38,201,352,262	44,025,566,874
	243,315,320,401	202,075,933,429	243,315,320,401	202,075,933,429
e. Special notice deposits	38,793,976,218	36,825,855,591	38,793,976,218	36,825,855,591
Total Deposits and other accounts (a+b+c+d+e)	511,392,706,168	424,683,416,974	513,394,683,785	426,028,440,768

*The Bank has BDT 14,095,499 unclaimed deposits of more than 10 years as of 31 December 2023 which will be deposited to Bangladesh Bank following section 35 of the Bank Company Act 1991.

12.1 Sundry deposits

Sundry creditors	208,272,702	968,107,698
Security deposits	13,347,050	10,981,550
Debit & Credit card	24,043,552	14,466,010
FC held against deemed export LC	3,228,297,525	2,388,400,621
FC held against BTB LC	24,870,941,803	20,989,948,246
Others*	96,299,504	25,892,671
Margin		
Letter of guarantees	3,021,658,843	2,539,085,022
Letter of credit	31,702,291,565	9,693,391,305
SME Loan	11,144,730	19,734,377
Export Proceed	101,656,205	72,737,885
	63,277,953,479	36,722,745,385

12.2 Maturity analysis of deposits & other accounts

Inter- Bank Deposits		
Payable on demand	349,172,279	1,761,946,896
Payable within one month	1,356,672,765	56,312,453
More than one month but within six months	2,300,000,000.00	-
More than six month but within one year	-	3,500,000,000
More than one year but within five years	-	-
More than five years but within ten years	-	-
	4,005,845,045	5,318,259,349
Deposit from customers and others		
Payable on demand	5,734,785,016	7,125,614,954
Payable within one month	63,955,142,353	41,648,081,630
More than one month but within six months	143,772,082,947	101,422,205,945
More than six month but within one year	47,862,948,873	39,576,457,649
More than one year but within five years	133,989,484,730	124,148,643,905
More than five years but within ten years	114,074,394,822	106,789,177,335
	509,388,838,740	420,710,181,419
	513,394,683,785	426,028,440,768

12.3 Sector-wise deposits

Foreign Currency Deposits	5,734,188,626	3,725,788,414
Government	7,426,467,140	2,274,838,902
Private	465,897,088,309	394,387,957,347
Public	29,011,308,965	21,836,228,253
Semi-Government	5,325,630,745	3,803,627,852
	513,394,683,785	426,028,440,768

		Consolidated		United Commercial Bank PLC	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		Taka	Taka	Taka	Taka
13 Other Liabilities					
Provision for loans & advances	note-13.1	18,521,133,575	17,578,242,209	18,521,133,575	17,578,242,209
Provision for special general-COVID_19	note-13.2	1,630,000,000	1,630,000,000	1,630,000,000	1,630,000,000
Provision for diminution in value of investment	note-13.3	673,287,921	612,038,691	673,287,921	612,038,691
Provision for off-balance sheet exposure	note-13.4	2,342,179,465	1,944,055,532	2,342,179,465	1,944,055,532
Provision for classified fixed assets	note-13.5	3,972,000	3,972,000	3,972,000	3,972,000
Provision for classified other assets	note-13.6	425,356,588	105,000,000	425,356,588	105,000,000
Provision for current tax	note-13.7	3,888,618,764	5,697,991,322	3,094,286,636	5,095,981,421
Interest suspense account	note-13.8	19,090,019,324	15,162,207,211	19,090,019,324	15,162,207,211
Payable to UCB foundation	note-13.9	57,504,000	87,000,000	57,504,000	87,000,000
Unclaimed Dividend*		91,126,207	62,654,264	91,126,207	62,654,264
Interest/profit payable		6,603,552,218	5,187,716,314	6,603,552,218	5,187,716,314
Lease Liabilities as per IFRS 16		3,922,902,223	4,282,470,913	3,922,902,223	4,282,470,913
Sundry liabilities	note-13.10	10,508,543,861	8,705,752,899	6,807,173,833	5,101,949,096
Start-Up Fund	note-13.11	127,434,662	100,583,799	127,434,662	100,583,799
CSR Fund	note-13.12	111,511,610	245,965,311	111,511,610	245,965,311
		67,997,142,418	61,405,650,465	63,501,440,259	57,199,836,761

*Unclaimed dividend is the residual amount of approved dividend in AGM which has not yet been paid to or claimed by the shareholders.

13.1 Provision for loans & advances

General provision	note-13.1.1	4,613,729,118	4,371,528,522
Specific Provision	note-13.1.2	13,907,404,457	13,206,713,687
		18,521,133,575	17,578,242,209

13.1.1 General provision

Opening balance	4,371,528,522	4,922,039,998
Add: Provision made during the year	231,767,659	(593,928,633)
Add: Exchange Difference	10,432,937	43,417,157
	4,613,729,118	4,371,528,522

13.1.2 Specific Provision

Opening balance	13,206,713,687	10,122,342,140
Less: Adjustment due to written off	(3,252,672,286)	(3,079,191,210)
Add: Provision made during the year	3,543,772,185	5,926,618,563
Add: Recoveries of amounts previously written off	409,590,871	236,944,194
	13,907,404,457	13,206,713,687

13.2 Special General Provision for COVID_19

Opening balance	1,630,000,000	1,540,000,000
Add: Provision made during the year	-	90,000,000
	1,630,000,000	1,630,000,000

13.3 Provision for diminution in value of investment

Opening balance	612,038,691	-
Add: Provision made/(reversed) during the year	61,249,230	612,038,691
	673,287,921	612,038,691

13.4 Provision for off-balance sheet exposure

Opening balance	1,944,055,532	2,407,237,923
Add: Provision made during the year	391,186,992	(482,028,218)
Add: Exchange Difference	6,936,941	18,845,827
	2,342,179,465	1,944,055,532

Provision against Off-Balance Sheet Exposure made as per BRPD Circular No. 06 dated 25 April 2023.

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
13.5 Provision for classified fixed assets				
Opening balance			3,972,000	3,972,000
Add: Provision made during the year			-	-
			3,972,000	3,972,000
13.6 Provision for classified other assets				
Opening balance			105,000,000	105,000,000
Add: Provision made during the year			320,356,588	-
			425,356,588	105,000,000
13.7 Provision for current tax				
Opening balance			5,095,981,421	5,943,618,568
Add: Addition during the year			2,986,535,476	3,133,378,030
Add: Adjustment with previous year			(5,433,266,576)	-
Less: Adjustment with advance Tax			445,036,315	(3,981,015,177)
			3,094,286,636	5,095,981,421
13.8 Interest suspense account				
Opening balance			15,162,207,211	13,540,853,401
Add: Amount transferred to interest suspense account during the year			8,644,732,800	5,960,421,558
Less: Amount recovered from interest suspense account during the year			(3,257,615,199)	(3,120,709,566)
Less: Interest waiver/remission allowed			(60,451,801)	(65,199,108)
Less: Amount written off during the year			(1,398,853,687)	(1,153,159,074)
			19,090,019,324	15,162,207,211
13.9 Payable to UCB foundation				
Opening balance			87,000,000	81,500,000
Add: contribution during the year			75,000,000	85,000,000
Less: Fund transfer to UCB Foundation			(104,496,000)	(79,500,000)
			57,504,000	87,000,000
13.10 Sundry liabilities				
UCB Employees' Funds			360,000,000	-
Sundry Payable			1,166,534,998	515,671,188
Other Payable to Employee (Welfare Fund)			100,307,400	-
Compensation Suspense Account (Islamic Banking)			1,127,097	-
Unearned Income (Islamic Banking)			414,621,620	116,023,710
Payable_Tax VAT Excise Duty			1,825,664,782	1,500,719,943
Payable_Debit & Credit Card			341,235,673	243,798,027
Other Sundry Liabilities			2,318,248,246	2,545,188,602
ATM Payable			248,514,579	180,547,626
Compensation Realisable Account (Islamic Banking)			28,004,600	-
Settlement Accounts Payable (Cards)			2,914,840	-
			6,807,173,835	5,101,949,096
13.11 Start Up Fund				
Opening balance			100,583,799	60,343,687
Add: Provision made during the year			26,850,863	40,240,112
			127,434,662	100,583,799
Utilization of proceeds from the start up fund is BDT 25,000,000 as of 31 December 2023.				
13.12 Corporate Social Responsibility (CSR) Fund				
Opening balance			245,965,311	-
Provision made during the year			-	245,965,311
Less: Expenses incurred from UCB CSR Fund			(134,453,701)	-
			111,511,610	245,965,311

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
14 Share Capital				
Opening balance			14,062,366,430	12,783,969,490
Add: Bonus shares issued			703,118,320	1,278,396,940
			14,765,484,750	14,062,366,430

14.1 Authorized Capital

1,500,000,000 ordinary shares of Tk. 10.00 each	15,000,000,000	15,000,000,000
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14.2 Issued, subscribed and paid up Capital

1,278,396,949 ordinary shares @ Taka 10.00 each	14,062,366,430	12,783,969,490
127,839,694 ordinary shares @ Taka 10.00 each issued as bonus share in the year 2022	-	1,278,396,940
7,03,11,832 ordinary shares @ Taka 10.00 each issued as bonus share in the year 2023	703,118,320	-
	14,765,484,750	14,062,366,430

Shareholding position

Particulars	31 December 2023		31 December 2022	
	No. of Shares	Taka	No. of Shares	Taka
Sponsors/Directors	529,748,133	5,297,481,330	487,236,904	4,872,369,040
Government of People's Republic of Bangladesh	11,975,972	119,759,720	11,405,688	114,056,880
General Public	615,085,527	6,150,855,270	596,000,011	5,960,000,110
Institution(Financial & Others)	319,738,843	3,197,388,430	311,594,040	3,115,940,400
Total	1,476,548,475	14,765,484,750	1,406,236,643	14,062,366,430

14.3 Share Premium

29,09,95,350 ordinary shares of Taka 5 each per share	1,454,976,750	1,454,976,750
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Rights share (1:1; 1 share for each share held) has been issued in the year 2011 @ Tk. 15 each including share premium of Tk. 5 each.

14.4 Classification of Shareholders by holding as at 31 December 2023

Shareholding Range	Number of Shareholders	Number of Shares	Value of Shares in BDT	31 Dec 2023 Total Holdings %	31 Dec 2022 Total Holdings %
Upto 500 Shares	17,389	2,445,059	24,450,590	0.17%	0.22%
501 to 5000 Shares	19,826	34,370,057	343,700,570	2.33%	2.48%
5001 to 10,000 Shares	3,093	20,919,903	209,199,030	1.42%	1.41%
10,001 to 20,000 Shares	1,880	25,684,321	256,843,210	1.74%	1.74%
20,001 to 30,000 Shares	656	15,872,276	158,722,760	1.07%	1.05%
30,001 to 40,000 Shares	257	8,722,969	87,229,690	0.59%	0.60%
40,001 to 50,000 Shares	157	6,938,133	69,381,330	0.47%	0.48%
50,001 to 100,000 Shares	311	20,978,411	209,784,110	1.42%	1.43%
100,001 to 10,00,000 Shares	342	92,666,489	926,664,890	6.28%	6.35%
10,00,001 & above	152	1,247,950,857	12,479,508,570	84.52%	84.23%
Total	44,063	1,476,548,475	14,765,484,750	100.00%	100.00%

Consolidated		United Commercial Bank PLC	
31.12.2023	31.12.2022	31.12.2023	31.12.2022
Taka	Taka	Taka	Taka

14.5 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
2023	70,311,832	703,118,320	14,765,484,750

14.6 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 21 December 2014. Required Capital with Capital Conservation Buffer of the bank at the close of business on 31 December 2023 was Taka 54,857,046,944 as against available Tier-1 Capital of Taka 39,148,524,723 and Tier-2 Capital of Taka 16,065,908,583 making a Total Regulatory Capital of Taka 55,214,433,306 thereby an excess of capital of Taka 357,386,362 at that date.

Details are shown below:

Tier-I Capital:

Common Equity Tier-1 capital (CET1)

Paid-up Capital (note: 14.2)	14,765,484,750	14,062,366,430
Share Premium (note: 14.3)	1,454,976,750	1,454,976,750
Statutory Reserve (note: 15)	15,730,183,055	15,730,183,055
General Reserve (note: 16)	26,577,961	26,577,961
Retained Earnings (note: 18)	7,769,983,871	6,885,485,076
	39,747,206,387	38,159,589,272

Less: Regulatory Adjustments

Goodwill and all other Intangible Assets	332,487,711	634,683,173
Deferred Tax Assets (DTA)	5,666,193,954	5,196,671,630
Reciprocal crossholdings and excess investment above limit	-	-
Others	-	-
	5,998,681,664	5,831,354,803

Total Common Equity Tier-1 Capital

33,748,524,723 **32,328,234,469**

Additional Tier-1 Capital (AT-1)

5,400,000,000 **4,000,000,000**

Less: Others

- -

Total Tier-1 Capital

39,148,524,723 **36,328,234,469**

Tier-II Capital:

General Provision	8,585,908,583	7,945,584,054
Revaluation Reserve	-	-
Subordinated Bond	7,480,000,000	8,480,000,000
	16,065,908,583	16,425,584,054

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
Less: Regulatory Adjustments				
Revaluation Reserve			-	-
Reciprocal crossholdings in the T-2 Capital of BNBFI's & Insurance Entities			-	80,000,000
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991 (50% of Investment)			-	-
Others			-	-
Total Admissible Tier-2 Capital			16,065,908,583	16,345,584,054
Total Regulatory Capital			55,214,433,306	52,673,818,523
Risk Weighted Assets (note-14.8)			438,856,375,554	403,261,209,410
Minimum Capital Requirement with Capital Conservation Buffer (12.5% of Risk Weighted Assets)			54,857,046,944	50,407,651,176
Capital Surplus/(Shortfall)			357,386,362	2,266,167,347

14.7	Composition of Capital	31 December 2023		31 December 2022	
		Required	Held	Required	Held
	Common Equity Tier -I	6.00%	7.69%	6.00%	8.02%
	Tier-I Capital	6.00%	8.92%	6.00%	9.01%
	Tier-II Capital	0.00%	3.66%	0.00%	4.05%
	Tier-I Capital with Buffer	8.50%	8.92%	8.50%	9.01%
	Total CRAR	12.50%	12.58%	12.50%	13.06%

14.8 Computation of Risk weighted assets

On- Balance Sheet	328,645,730,693	299,071,325,136
Off-Balance sheet	50,754,703,774	53,012,116,206
Credit Risk (A)	379,400,434,467	352,083,441,342
Market Risk (B)	14,422,652,539	10,915,390,905
Operational risk (C)	45,033,288,548	40,262,377,163
Total Risk Weighted assets (A+B+C)	438,856,375,554	403,261,209,410

15 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	15,730,183,055	14,555,968,681	15,730,183,055	14,546,968,923
Add: Transferred during the year	72,548,218	1,208,339,758	-	1,183,214,132
	15,802,731,273	15,764,308,439	15,730,183,055	15,730,183,055

As per section 24(1) of Bank Company Act 1991 and as amended till date, a bank needs to transfer 20% of profit before any money is transferred to Government or any dividend is declared (i.e. profit before tax) to statutory reserve if the amount in such fund together with the amount in the share premium account is less than its paid-up capital. The Bank has fulfilled the above criteria as of 31 December 2022. Hence, no transfer is required to be made in 2023.

16 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

17 Other Reserve

Asset Revaluation Reserve (notes: 17.1)	2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559
Foreign currency translation gain/(loss)	145,088,568	134,906,899	145,131,268	134,906,899
Revaluation Reserve on HTM Securities (notes: 17.2.1)	410,585,991	128,060,537	410,585,991	128,060,537
Revaluation Reserve on HFT Securities (notes: 17.2.2)	7,497,779	-	7,497,779	-
	3,097,273,897	2,797,068,995	3,097,316,597	2,797,068,995

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
17.1 Asset Revaluation Reserve				
As per International Accounting Standard (IAS) 16 - 'Property, Plant & Equipment', and 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 based on market survey by Padma Techno Consult & Survey Ltd., an independent professionally qualified valuation firm of the country. Accordingly, revaluation surplus of BDT 2,534,101,559.00 for land & building was recorded as asset revaluation reserve. Movement of the same at the reporting date is 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
17.2 Revaluation Reserve				
HTM Securities (notes 17.2.1)			410,585,991	128,060,537
HFT Securities (notes 17.2.2)			7,497,779	-
			418,083,770	128,060,537
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.				
17.2.1 Revaluation Reserve on HTM Securities				
Opening Balance			128,060,537	49,130,334
Net Revaluation gain/adjustment during the year			282,525,454	78,930,203
			410,585,991	128,060,537
17.2.2 Revaluation Reserve on HFT Securities				
Opening Balance			-	18,602,185
Net Revaluation gain/adjustment during the year			7,497,779	(18,602,185)
			7,497,779	-
18 Retained Earnings				
Opening Balance			6,885,485,076	5,997,660,416
Add: Retained surplus transferred during for the year			2,290,735,424	2,166,221,600
Add: Adjustment for Deferred Tax Asset			-	-
Less: Issuance of Stock Dividend			(703,118,308)	(1,278,396,940)
Less: Issuance of Cash Dividend			(703,118,322)	-
			7,769,983,871	6,885,485,076
18(a) Consolidated Retained Earnings				
United Commercial Bank PLC	7,769,983,872	6,885,485,076		
UCB Stock Brokerage Ltd.	1,490,864,391	1,230,784,395		
UCB Investment Ltd.	233,434,837	173,067,142		
UCB Asset Management Ltd.	73,184,149	64,058,534		
UCB Fintech Company Limited	(3,134,906,250)	(2,280,579,586)		
UCB Exchange(SG) PTE Ltd.	(1,087,474) -			
	6,431,473,525	6,072,815,561		
Less: Non controlling Interest	186	174		
Total balance of retained earnings attributable to the ordinary Share holders	6,431,473,339	6,072,815,387		
Non controlling interest	186	174		
19 Contingent liabilities & commitment				
Acceptances & endorsement (note- 19.1)			121,717,014,733	95,629,506,243
Letters of guarantee (note- 19.2)			65,230,862,378	59,964,400,737
Irrecoverable letters of credit (note- 19.3)			73,731,069,769	39,547,144,513
Bills for collection (note-19.4)			21,273,365,163	20,526,625,910
Other Commitments (note-19.5)			9,723,925,200	2,272,080,692
			291,676,237,243	217,939,758,095

	Consolidated		United Commercial Bank PLC	
	31.12.2023 Taka	31.12.2022 Taka	31.12.2023 Taka	31.12.2022 Taka
19.1 Acceptances & endorsements				
Bankers liabilities for accepted against usance LC			88,653,907,826	72,908,541,938
Bankers liabilities for accepted against BB usance			33,063,106,907	22,720,964,305
			121,717,014,733	95,629,506,243
19.2 Letters of guarantee				
Bankers liabilities for letters of guarantee (Inland)			40,981,884,381	38,598,505,618
Bankers liabilities for letters of guarantee (Foreign)			24,248,977,997	21,365,895,119
			65,230,862,378	59,964,400,737
19.3 Irrecoverable letters of credit				
Letters of credit (Inland)			616,078,492	324,008,071
Letters of credit (Foreign)			50,745,308,457	21,116,691,665
Back to back L/C			21,447,284,505	17,229,036,221
Letters of credit EDF			912,497,339	870,777,061
Letters of credit EPZ			9,900,976	6,631,495
			73,731,069,769	39,547,144,513
19.4 Bills for collection				
Bills for collection			13,125,385,296	13,574,675,495
Foreign Bills for collection			8,147,979,867	6,951,950,415
			21,273,365,163	20,526,625,910
19.5 Other Commitments				
Documentary credit and short term trade related transactions			-	-
Forward assets purchased and forward deposits placed			9,723,925,200	2,272,080,692
Undrawn note issuance and revolving underwriting facilities			-	-
Undrawn formal standby facilities, credit lines and other commitments			-	-
			9,723,925,200	2,272,080,692
			2023	2022
			Taka	Taka
20 Income Statement				
Income				
Interest, discount and similar income (note - 20.1)			43,542,471,539	37,182,200,704
Dividend income			206,590,018	178,569,508
Fees, commission and brokerage			5,797,038,753	4,383,768,586
Gains less losses arising from dealing in securities			-	-
Gains less losses arising from investment securities			4,337,111	9,040,399
Gain less losses arising from dealing in foreign currencies			1,588,182,967	3,515,705,784
Income from non-banking asset			-	-
Other operating income			239,814,676	263,842,890
			51,378,435,064	45,533,127,871
Expenses				
Interest paid on deposits and borrowings etc			22,149,750,317	17,010,387,394
Administrative expenses (note - 20.2)			13,321,945,005	11,751,310,123
Other operating expenses			4,452,740,091	3,670,796,436
Depreciation on banks assets			1,728,279,259	1,631,862,856
			41,652,714,672	34,064,356,809
			9,725,720,392	11,468,771,062
20.1 Interest, discount and similar income				
Interest Income			37,881,518,594	31,684,836,835
Interest income from investments			5,660,952,945	5,497,363,869
			43,542,471,539	37,182,200,704

UCB PLC has Islamic Banking Unit (Taqwa). Profit (income) and profit (paid) are included in Interest, discount and similar income and Interest paid on deposits and borrowings etc. respectively. Please see the relevant notes in the Financial Statements of UCB Islamic Banking.

	2023 Taka	2022 Taka
20.2 Administrative expenses		
Salary and allowances	8,539,916,432	7,658,696,939
Rent, taxes, insurance, electricity etc.	2,039,834,071	1,623,559,944
Legal expenses	90,864,365	94,587,412
Postage, stamps, telecommunications etc.	221,997,247	219,090,942
Stationery, printing, advertisements etc.	1,688,042,867	1,694,262,239
Chief Executive's salary and fees	16,435,484	14,098,442
Directors' fees	3,178,349	3,544,387
Auditor's fees	1,150,000	1,725,000
Repair of banks assets	720,526,190	441,744,818
	13,321,945,005	11,751,310,123

	Consolidated		United Commercial Bank PLC	
	2023 Taka	2022 Taka	2023 Taka	2022 Taka
21 Interest Income				
Interest on loans and advances	37,413,938,804	31,484,421,785	36,768,025,151	30,867,661,160
Interest on balances with other banks & Financial Institutions	297,848,512	368,936,066	297,848,512	368,936,066
Interest on money at call on short notice	342,515,030	398,855,195	342,515,030	398,855,195
Interest on balance with foreign Bank	473,129,901	49,384,414	473,129,901	49,384,414
	38,527,432,247	32,301,597,460	37,881,518,594	31,684,836,835

UCB PLC has Islamic Banking Unit (Taqwa). Profit (income) from Islamic Banking unit includes in Interest on loans and advances. Please see the relevant notes in the Financial Statements of UCB Islamic Banking.

22 Interests Paid on deposits and borrowings etc.				
Interest paid on deposits (note - 22.1)	18,930,537,162	14,426,156,234	18,930,537,162	14,426,156,234
Interest paid on borrowings (note - 22.2)	3,308,459,867	2,661,311,471	3,219,213,155	2,584,231,160
	22,238,997,029	17,087,467,705	22,149,750,317	17,010,387,394

UCB PLC has Islamic Banking Unit (Taqwa). Profit paid on deposits, borrowings, etc. related to Islamic Banking unit includes in Interest paid on deposits and Interest paid on borrowings respectively. Please see the relevant notes in the Financial Statements of UCB Islamic Banking.

22.1 Interest paid on deposits				
Savings Deposits	2,433,605,303	1,772,777,520		
Special Notice Deposits	1,506,041,363	1,163,025,470		
Fixed Term Deposits	11,891,187,434	8,027,114,747		
Scheme Term Deposits	3,099,703,062	3,463,238,497		
	18,930,537,162	14,426,156,234		

22.2 Interest paid on borrowings				
Borrowing from Bangladesh Bank	522,425,378	525,574,451		
Borrowing from other Bank & financial institution	519,594,454	156,835,705		
Borrowings from Bangladesh Bank - EDF	755,250,913	569,800,431		
Subordinated Bond	908,617,842	911,605,115		
Foreign currency borrowings	405,559,130	433,060,700		
Other bank repo	3,504,667	(21,806,978)		
Money at call on short notice	104,260,771	9,161,736		
Re-issued/Buy Bonds	-	-		
	3,219,213,155	2,584,231,160		

23 Investment income				
Interest income from investments (note-23.1)	5,793,863,329	5,626,723,473	5,660,952,945	5,497,363,869
Non interest income from investments (note-23.2)	210,977,129	187,749,907	210,977,129	187,749,907
	6,004,840,458	5,814,473,380	5,871,930,074	5,685,113,776

	Consolidated		United Commercial Bank PLC	
	2023 Taka	2022 Taka	2023 Taka	2022 Taka
23.1 Interest income from investments				
Government treasury bills/bonds			4,817,208,560	4,793,289,866
Sub-ordinated bonds			250,517,630	187,504,397
Term Placement (Islamic Banking Unit)			90,377,639	4,002,431
Short Notice Deposit Accounts (Islamic Banking Unit)			971,656	7,553,327
Perpetual Mudaraba Bond (Islamic Banking Unit)			19,659,795	14,322,106
Perpetual bonds			206,874,999	50,527,778
Reverse Repo with Other Bank			5,128,088	110,216,313
SUKUK Bond (note - 23.1.1)			51,705,093	26,765,787
Gain/(Loss) on revaluation on government securities (note - 23.1.2)			218,509,485	303,181,865
			5,660,952,945	5,497,363,869
23.1.1 SUKUK Bond				
Bangladesh Government Investment in SUKUK			4,855,807	4,856,026
Bangladesh Government Investment in SUKUK (Islamic Banking Unit)			33,679,943	21,909,761
Private Sukuk Bond Under SPV (Islamic Banking Unit)			13,169,342	-
			51,705,093	26,765,787
23.1.2 Gain/(Loss) on revaluation on government securities				
Gain on revaluation on government securities			221,975,431	306,364,223
Less : Loss on revaluation on government securities			(3,465,946)	(3,182,358)
			218,509,485	303,181,865
23.2 Non interest income from investments				
Dividend on shares			206,590,018	178,569,508
Gain/(Loss) on sale of share (note - 23.2.1)			4,337,111	9,040,399
Prize money on prize bond			50,000	140,000
			210,977,129	187,749,907

	Consolidated		United Commercial Bank PLC	
	2023 Taka	2022 Taka	2023 Taka	2022 Taka
23.2.1 Gain/(Loss) on sale of shares				
Gain on sale of shares			4,599,382	81,080,581
Less: Loss on sale of shares			(262,271)	(72,040,182)
			4,337,111	9,040,399
24 Commission, Fees, Exchange & Brokerage				
Commission (note - 24.1)	4,159,194,471	3,349,547,255	3,167,537,641	2,350,013,019
Fees (note - 24.2)	2,629,501,112	2,033,755,567	2,629,501,112	2,033,755,567
Exchange earning (note - 24.3)	1,588,182,967	3,515,705,784	1,588,182,967	3,515,705,784
	8,376,878,550	8,899,008,606	7,385,221,720	7,899,474,370
24.1 Commission				
Remittance Inland			8,426,066	8,817,440
Remittance Foreign			7,991,393	9,649,895
Letters of guarantee			582,291,330	484,879,716
Letters of credit			573,812,833	445,180,075
Letters of credit (back to back)			639,354,301	369,675,197
Bangladesh Sanchaypatra/Paribarik Sanchaypatra			10,362,758	34,360,256
Acceptance			1,068,465,233	717,311,772
Exchange commission & rebate			209,737,173	232,395,419
Outward clearance			1,906,091	1,952,807
Merchant commission (Cards)			24,681,653	23,918,606
Others			40,508,810	21,871,836
			3,167,537,641	2,350,013,019

	Consolidated		United Commercial Bank PLC	
	2023 Taka	2022 Taka	2023 Taka	2022 Taka
24.2 Fees				
Bills for collection			49,205,737	46,958,718
Account maintenance			189,266,529	155,155,460
Appraisal or processing			211,686,269	52,904,194
Online transaction			74,980,894	75,962,096
Cash incentive			24,736,000	21,525,050
FC endorsement			1,087,500	5,508,000
LC, BC & BG (others)			811,815,926	757,546,148
Debit card			425,108,816	273,941,586
Credit card			646,143,029	438,945,303
Arrangement			13,930,415	1,568,828
Agent Banking Systems			2,383,190	12,091,983
SMS banking			147,922,575	142,854,901
Miscellaneous			31,234,232	48,793,300
			2,629,501,112	2,033,755,567
24.3 Exchange				
Exchange earning (general)			1,760,195,275	2,640,443,665
Revaluation gain/(Loss) on foreign currency			(70,593,598)	518,152,899
FX Deal Discount Income			(101,418,710)	357,109,220
			1,588,182,967	3,515,705,784
25 Other Operating Income				
Income from locker rent	17,460,300	15,520,100	17,460,300	15,520,100
Premises rent	526,168	536,280	526,168	536,280
Swift charges	61,286,854	64,928,919	61,286,854	64,928,919
Recoveries from Operational Loss	-	6,050,000	-	6,050,000
Cheque Book Issuance	81,323,532	80,632,338	81,323,532	80,632,338
Gain on Sale of Fixed Assets	7,091,502	-	7,091,502	-
Corporate Income from Others	2,432,983	110,906	2,432,983	110,906
SME Income from Others	31,754,920	51,589,376	31,754,920	51,589,376
Retail Income from Others	37,061,933	44,286,993	37,061,933	44,286,993
Miscellaneous earning	111,160,259	56,130,333	826,484	47,979
	350,098,451	319,785,244	239,764,676	263,702,890
26 Salaries and allowances				
Basic salary	4,489,673,356	3,989,479,777	3,749,566,057	3,226,427,601
Allowances	1,785,658,376	1,439,238,533	1,785,658,376	1,439,238,533
Bonus	1,614,082,303	1,654,527,321	1,614,082,303	1,654,527,321
Provident fund and Welfare fund	430,609,696	378,503,484	430,609,696	378,503,484
Gratuity fund	960,000,000	960,000,000	960,000,000	960,000,000
	9,280,023,731	8,421,749,115	8,539,916,432	7,658,696,939
27 Rent, taxes, insurance, electricity etc.				
Rent premises	1,029,395,988	816,950,386	986,399,451	773,018,681
Rates & taxes	209,159,942	80,760,651	209,159,942	80,760,651
Rental charges	181,427,610	183,272,621	181,427,610	183,272,621
Insurance premium	344,317,026	316,345,378	344,317,026	316,345,378
Electricity, Water & Gas *	318,530,042	270,162,612	318,530,042	270,162,612
	2,082,830,608	1,667,491,649	2,039,834,071	1,623,559,944

* **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 1st half of 2023 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. Despite increase in unit price and expansion of business unit overall electricity cost for the 1st half of 2023 shows decrease compared to the budgeted expenses for the 1st half of 2023. The progressive status has been summarised below:

	Consolidated		United Commercial Bank PLC	
	2023	2022	2023	2022
	Taka	Taka	Taka	Taka
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 2023.				
33 Auditors fees	1,612,500	1,947,500	1,150,000	1,725,000
34 Depreciation and repair of bank's assets	2,556,626,841	2,154,511,753	2,448,805,449	2,073,607,674
34.1 Depreciation				
Furniture/fixtures	223,267,448	212,125,077	213,924,698	207,214,604
Vehicles	51,119,858	39,533,464	45,420,010	34,260,962
Office equipments	385,762,767	379,863,455	376,194,478	375,093,224
Computer equipments	380,089,875	287,708,355	308,614,922	227,827,812
Computer software	242,168,331	245,593,261	238,724,118	243,521,689
Immovable property (Building)	66,593,150	64,991,872	65,581,342	64,124,872
Right of Use(ROU) assets	479,819,691	479,819,692	479,819,691	479,819,692
	1,828,821,120	1,709,635,177	1,728,279,259	1,631,862,856
34.2 Repair & maintenance				
Furniture /fixtures (note - 34.2.1)	6,159,970	3,756,061	6,159,970	3,756,061
Vehicles	18,744,142	15,947,219	18,744,142	15,947,219
Office equipments	168,330,156	117,165,747	162,868,721	114,033,989
Computer equipments	9,215,238	567,798	7,397,143	567,798
Computer Software	484,336,567	276,647,153	484,336,567	276,647,153
Building & Premises	41,019,647	30,777,398	41,019,647	30,792,598
Repair building	-	15,200	-	-
	727,805,721	444,876,576	720,526,190	441,744,818
34.2.1 Furniture /fixtures				
Furniture/Fixture	5,412,813	3,754,451	5,412,813	3,754,451
Interior	747,157	1,610	747,157	1,610
	6,159,970	3,756,061	6,159,970	3,756,061
35 Other expenses				
Entertainment	91,608,612	72,068,171	81,717,663	72,068,171
Petrol, oil & lubricant	293,432,719	199,464,498	275,143,494	199,464,498
Subscription	27,431,967	20,800,668	26,544,318	20,800,668
Donation	352,923,319	235,424,820	352,893,319	235,424,820
Traveling	268,801,460	259,533,556	245,909,639	259,533,556
Cartage and freight	22,333,607	17,069,571	20,442,132	17,069,571
Hon. general	7,472,000	2,357,350	7,472,000	2,357,350
Fees commission & charges	742,217,199	957,489,197	176,355,037	149,999,777
Meeting Seminar and staff training	47,434,970	44,627,202	41,698,621	44,627,202
Fees Commission and Charges Debit Card	95,477,136	43,978,934	95,477,136	43,978,934
Fees Commission and Charges Credit Card Local	397,974,040	255,802,643	397,974,040	255,802,643
Liveries & uniforms	4,146,347	1,001,663	1,351,374	1,001,663
Operational Loss	-	-	-	-
Medical expenses	250,378,491	217,977,292	247,081,778	217,977,292
Car expenses	191,201,786	149,549,493	174,650,524	149,549,493
Loss on sale of assets	10,836	2,302,827	-	2,302,827
BATCH/BEFTN Charges	533,474	606,526	533,474	606,526
UCB Foundation	75,000,000	85,000,000	75,000,000	85,000,000
Interest expense for lease liabilities	228,965,220	249,755,744	228,965,220	249,755,744
Outsource Staff Expenses	1,974,997,445	1,629,343,193	1,968,016,574	1,629,343,193
Other Expenses	300,379,445	34,132,507	35,513,748	34,132,507
	5,372,720,073	4,478,285,856	4,452,740,091	3,670,796,436

	Consolidated		United Commercial Bank PLC	
	2023 Taka	2022 Taka	2023 Taka	2022 Taka
36 Provision for Loans & Advances				
Unclassified Loans & advances	238,536,233	(593,928,633)	231,767,659	(593,928,633)
Classified loans & advances	3,963,743,034	6,256,378,780	3,953,363,056	6,163,562,757
Special General Provision for COVID_19	-	90,000,000	-	90,000,000
Recoveries from previously written off loan	(409,590,871)	(236,944,194)	(409,590,871)	(236,944,194)
	3,792,688,396	5,515,505,953	3,775,539,844	5,422,689,930
37 Provision for diminution in value of investments				
Provision required during the year	52,461,975	646,373,322	61,249,230	612,038,691
38 Other Provision				
Provision for other assets	320,356,588	-	320,356,588	-
Provision for off-balance sheet exposures	391,186,992	(482,028,218)	391,186,992	(482,028,218)
	711,543,580	(482,028,218)	711,543,580	(482,028,218)
Provision for Off-Balance Sheet Exposure				
Provision against Off-Balance Sheet Exposure made as per BRPD Circular No. 06 dated 25 April 2023.				
39 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 Act 2023.				
Current Tax	3,339,864,344	3,473,872,045	2,986,535,476	3,133,378,030
Deferred tax expense/(income)	(500,262,728)	(1,239,507,786)	(494,234,025)	(1,241,318,525)
	2,839,601,616	2,234,364,259	2,492,301,451	1,892,059,504
40 Earnings per Share (EPS)				
Earnings per share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)".				
Net Profit after Tax (Numerator)	2,197,668,287	3,298,647,127	2,685,086,287	4,024,011,154
Number of Ordinary shares outstanding (Denominator)	1,443,415,229	1,443,415,229	1,443,415,229	1,443,415,229
	1.52	2.29	1.86	2.79
EPS decreased due to increase in operating expense.				
41 Receipt from other operating activities				
Exchange earning & brokerage	1,588,182,967	3,515,705,784	1,588,182,967	3,515,705,784
Other operating income	255,557,182	289,055,558	244,151,788	272,883,290
	1,843,740,149	3,804,761,342	1,832,334,755	3,788,589,074
42 Payment for other operating activities				
Legal expenses	90,864,365	94,587,412	90,864,365	94,587,412
Directors' fees & other expenses	3,178,349	3,544,387	3,178,349	3,544,387
Auditor's fees	1,150,000	1,725,000	1,150,000	1,725,000
Repair of fixed assets	720,526,191	441,744,818	720,526,191	441,744,818
Other expenditures	4,315,815,572	3,502,530,120	4,223,774,871	3,421,040,691
	5,131,534,477	4,044,131,737	5,039,493,776	3,962,642,308
43 Increase/(decrease) of other assets				
Investment in share of subsidiary companies.			(2,000,000,000)	(2,000,000,000)
Receivable from Subsidiary Company			(569,957)	3,288,579
Stock of Stationery & Stamps			(33,601,702)	(27,074,209)
Account with Stock Broker			137,605,186	424,697,106
Advance Payment			143,224,487	188,820,165
Advance Deposit			118,570	1,593,324
Suspense Account			(464,344,601)	1,034,755,800
Head Office General Account			(1,321,396)	2,518,715
Others			116,156,963	(1,528,845,283)
Increase /Decrease for the year			(2,102,732,449)	(1,900,245,802)

	Consolidated		United Commercial Bank PLC	
	2023 Taka	2022 Taka	2023 Taka	2022 Taka
44 Increase/Decrease of other liabilities				
Write-off of loans			(4,651,224,986)	(4,232,485,242)
Interest suspense account			3,928,939,210	1,621,353,810
Dividend payable			28,471,943	(17,420,886)
Sundry liabilities			1,383,257,668	959,560,832
Increase /Decrease for the year			689,443,836	(1,668,991,486)

45 Net Operating Cash Flows Per Share (NOCFPS)				
Net Cash from operating activities	48,831,722,227	(18,631,702,416)	50,528,933,411	(19,759,325,562)
Number of Ordinary shares outstanding (Denominator)	1,443,415,229	1,443,415,229	1,443,415,229	1,443,415,229
Net Operating Cash Flows Per Share (NOCFPS)	33.83	(12.91)	35.01	(13.69)

NOCFPS increased due to the positive impact in operating assets and liabilities.

46 Net Asset Value Per Share (NAVPS)				
Net Asset Value	41,578,518,156	40,178,114,136	42,844,522,984	40,956,658,267
Number of Ordinary shares outstanding (Denominator)	1,443,415,229	1,443,415,229	1,443,415,229	1,443,415,229
Net Asset Value Per Share (NAVPS)	28.81	27.84	29.68	28.37

NAVPS increased due to increase in investment revaluation reserve and gain on foreign exchange.

47 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		2,685,086,287	4,024,011,155
Provision for taxation		2,492,301,451	1,892,059,504
Provision for investment, shares & contingent liabilities		4,548,332,654	5,552,700,403
(Increase)/decrease interest receivable		80,171,787	297,933,621
Increase/(decrease) interest payable on deposits		796,598,694	(566,945,898)
Depreciation & amortization of fixed assets		1,728,279,258	1,631,862,855
Recoveries on loans & advances previously written-off		409,590,871	236,944,194
Income tax paid		(3,458,466,081)	(4,392,182,336)
Effect of exchange rate changes on cash and cash equivalents		(1,588,182,967)	(3,515,705,784)
Operating profit before changes in operating assets and liabilities		7,693,711,954	5,160,677,714
Operating profit before changes in operating assets and liabilities- as per cash flow statement		7,693,711,954	5,160,677,714

b. Reconciliation of effective tax rate

Particulars	Effective Rate	31-Dec-2023	Effective Rate	31-Dec-2022
Profit before income taxes as per	-	5,177,387,738	-	5,916,070,659
Income taxes as per applicable tax rate	37.50%	1,941,520,402	37.50%	2,218,526,497

Factors affecting the tax charge in current year

Inadmissible expenses	38.10%	1,972,634,692	33.59%	1,987,425,015
Admissible expenses in the current year	-18.71%	(968,861,441)	-19.52%	(1,154,696,704)
Tax from reduced tax rates for dividend	0.80%	41,318,004	0.60%	35,713,902
Tax from reduced tax rates for capital gain	0.00%	(86,181)	0.78	46,381,320
Tax from reduced tax rates for prize bond	0.00%	10,000	0.00%	28,000
Effect of deferred tax income	-9.55%	(494,234,025)	-20.98%	(1,241,318,526)
Total income tax expenses	48.14%	2,492,301,451	31.98%	1,892,059,505

48 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 **5 (Five)** members of the Board as on 31 December 2023.

Name of the Members	Status with the Bank	Status in the Committee	Educational Qualification
Mr.Touhid Shipar Rafiqzaman	Independent Director	Chairman	Master of Arts
Mr. Syed Kamruzzaman, FCMA	Director	Member	B. Com (Hons) in Accounting, FCMA
Mr. Muhammed Shah Alam, FCMA	Director	Member	M. Com in Accounting, FCMA
Dr. Aparup Chowdhury	Independent Director	Member	M.Sc. (Zoology), MBA (Human Resources Management), Ph.D (USA)
Mr. Kanak Kanti Sen, FCMA	Director	Member	M. Com in Management, FCMA

During the year 2023, the Audit Committee has conducted **6 (Six)** meetings. Details of the meeting are shown below by date-wise.

Details of the Audit Committee Meeting in the year 2023

Sl. No	Meeting No.	Held on
1	128	25-Apr-2023
2	129	14-May-2023
3	130	30-May-2023
4	131	24-Jul-2023
5	132	1-Oct-2023
6	133	23-Oct-2023

The Audit Committee discussed the following issues during the year 2023

1. Audited Financial Statements of the Bank for the year ended 31 December 2022 and the Auditor's Report thereon;
2. Appointment of external auditors and fixation of their remuneration;
3. Approval of the report of the Audit Committee for the annual report 2022;
4. Review of un-audited financial statements of the Bank for the 1st Quarter (Q1) ended 31 March 2023;
5. Discussion on compliance status of the recommendations by the Audit Committee of the Board (ACB) in its 127th meeting held on 21 December 2022 of Risk Based Internal Audit Findings (high risk issues);
6. Discussion on un-rectified compliance status of RBIA report as of March 2023;
7. Self-assessment of anti-fraud internal controls for the period from July to December 2022;
8. Approval of Internal Audit Strategic Plan (RBIA) for the year 2023;
9. Summary of Risk-Based Internal Audit Findings (high risk issues) of 07 branches
10. Un-audited financial statements of the Bank for the 2nd Quarter (Q2) ended 30 June 2023;
11. Annual Health Report' as of 31 December 2022;
12. Compliance status of the recommendations of the Audit Committee of the Board (ACB) in its 130th meeting held on 30 May 2023 of Risk Based Internal Audit Findings (high-risk issues) of 05 (Five) branches;
13. Effectiveness of Internal Control Policy, Practice & Procedure for the year 2022;
14. Self-assessment of anti-fraud internal controls for the period from January to June 2023;
15. Internal audit strategic plan (RBIA) for the year 2023;
16. Information system security Audit (IT Audit) strategic plan for the year 2023;
17. Updated summary of Risk Based Internal Audit findings (high risk issues) of 07 branches;
18. Un-audited financial statements of the Bank for the 3rd Quarter (Q3) ended 30 September 2023.

B. Board of Directors Meetings

During the year 2023, the Board of Directors has conducted **10 (Ten)** meetings. Details of the meeting are shown below by datewise.,

Name of the Members	Status with the Bank
Rukhmila Zaman	Chairman
Bashir Ahmed	Vice Chairman
Anisuzzaman Chowdhury	Chairman, Executive Committee
Touhid Shipar Rafiquzzaman	Chairman, Audit Committee
M. A. Sabur	Chairman, Risk Management Committee
Bazal Ahmed	Director
Nurul Islam Chowdhury	Director
Roxana Zaman (Representative of Volkart Trading Limited)	Director
Asifuzzaman Chowdhury	Director
Afroza Zaman (Representative of Legendary Assets Management Limited)	Director
Md. Nasim Kalam	Director
Masuma Parvin (Representative of Splendid Trading Limited)	Director
Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited)	Director
Muhammed Shah Alam, FCMA (Representative of Ardent Assets Management Limited)	Director
Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited)	Director
Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited)	Director
Dr. Aparup Chowdhury	Independent Director
Professor Dr. Iftekhar Uddin Chowdhury	Independent Director
Md. Abdul Hannan	Independent Director
Arif Quadri	Managing Director & CEO

Details of the Board Meeting in the year 2023

Sl. No	Meeting No	Held on
1	479	25-Jan-2023
2	480	15-Mar-2023
3	481	25-Apr-2023
4	482	14-May-2023
5	483 (special)	30-May-2023
6	484	22-Jun-2023
7	485	24-Jul-2023
8	486	23-Aug-2023
9	487	23-Oct-2023
10	488	24-Dec-2023

C. Executive Committee Meeting

During the year 2023, the Executive Committee has conducted **10 (Ten)** meetings. Details of the meeting are shown below by datewise.

Name of the Members	Status in the Committee
Anisuzzaman Chowdhury	Chairman
Bashir Ahmed	Member
M. A. Sabur	Member
Bazal Ahmed	Member
Nurul Islam Chowdhury	Member
Roxana Zaman	Member
Asifuzzaman Chowdhury	Member

Details of the Executive Committee Meeting in the year 2023

Sl. No	Meeting No	Held on
1	457	25-Jan-2023
2	458	15-Mar-2023
3	459	17-Apr-2023
4	460	31-May-2023
5	461	22-Jun-2023
6	462	31-Jul-2023
7	463	31-Aug-2023
8	464	27-Sep-2023
9	465	30-Oct-2023
10	466	24-Dec-2023

D. Risk Management Committee Meeting

During the year 2023, the Risk Management Committee has conducted **4 (Four)** meetings. Details of the meeting are shown below by datewise.

Name of the Members	Status in the Committee
M. A. Sabur	Chairman
Anisuzzaman Chowdhury	Member
Nurul Islam Chowdhury	Member
Afroza Zaman	Member
Prof. Dr. Iftekhar Uddin Chowdhury	Member

Details of the Risk Management Committee Meeting in the year 2023

Sl. No	Meeting No	Held on
1	38	15-Mar-2023
2	39	22-Jun-2023
3	40	15-Nov-2023
4	41	24-Dec-2023

E. Shariah Supervisory Committee Meeting

During the year 2023, the Shariah Supervisory Committee has conducted **4 (Four)** meetings. Details of the meeting are shown below by datewise.

Name of the Members	Status in the Committee
Prof. Dr. Muhammad Abdur Rashid	Chairman
Prof. Dr. A. F. M. Akbar Hossain	Member
Prof. Dr. K M Saiful Islam Khan	Member
Prof. Dr. Mohammed Nasir Uddin (Azhary)	Member
Dr. Mohammad Manjurur Rahman	Member

Details of the Shariah Supervisory Committee Meeting in the year 2023

Sl. No	Meeting No	Held on
1	8	6-Apr-2023
2	9	9-Jul-2023
3	10	31-Oct-2023
4	11	28-Dec-2023

49 Related Party Disclosers

49.1 (a): Name of the Directors and their shareholding in the Bank.

Name	Status in the Board	Opening Shareholding position as on 01 January 2023	Percentage	Closing Share holding position as on 31 December 2023	Percentage
Rukhmila Zaman	Chairman	28,126,358	2.00%	29,532,675	2.00%
Bashir Ahmed	Vice Chairman	28,284,349	2.01%	29,698,564	2.01%
Anisuzzaman Chowdhury	Director	39,355,771	2.80%	41,323,559	2.80%
Touhid Shipar Rafiqzaman	Independent Director	-	-	-	-

Name	Status in the Board	Opening Shareholding position as on 01 January 2023	Percentage	Closing Share holding position as on 31 December 2023	Percentage
M. A. Sabur	Director	30,540,602	2.17%	32,067,629	2.17%
Bazal Ahmed	Director	28,181,894	2.00%	29,590,986	2.00%
Nurul Islam Chowdhury	Director	28,130,412	2.00%	29,536,931	2.00%
Roxana Zaman (Representative of Volkart Trading Limited)	Director	28,147,927	2.00%	29,555,323	2.00%
Asifuzzaman Chowdhury	Director	39,667,545	2.82%	41,650,921	2.82%
Afroza Zaman (Representative of Legendary Assets Management Limited)	Director	28,147,927	2.00%	29,555,323	2.00%
Md. Nasim Kalam	Director	3,930,018	0.28%	29,649,401	2.01%
Masuma Parvin (Representative of Splendid Trading Limited)	Director	28,147,927	2.00%	29,555,323	2.00%
Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited)	Director	28,829,612	2.05%	30,271,092	2.05%
Muhammed Shah Alam, FCMA (Representative of Ardent Assets Management Limited)	Director	28,147,927	2.00%	29,555,323	2.00%
Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited)	Director	28,125,248	2.00%	29,531,510	2.00%
Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited)	Director	28,135,800	2.00%	29,542,590	2.00%
Dr. Aparup Chowdhury	Independent Director	-	-	-	-
Professor Dr. Iftekhar Uddin Chowdhury	Independent Director	-	-	-	-
Md. Abdul Hannan	Independent Director	-	-	-	-
Arif Quadri	Managing Director	-	-	-	-

49.1 (b): Name of the Directors and the entities in which they had interest as at 31 December 2023

Name	Designation in Bank	Name of the Entities
Rukhmila Zaman	Chairman	Aramit PLC. Aramit Cement PLC. Aramit Thai Aluminum Limited. Aramit Power Limited. Aramit Alu Composite Panels Limited. Aramit Steel Pipes Limited. Aramit Footwear Limited North West Securities Limited
Bashir Ahmed	Vice Chairman	Airmate Goodie Electrical Industries Limited Goodie Accessories (Pvt.) Ltd. International Distribution Company Bangladesh PLC. B & B Electronics. B & B Food & Beverage. B & B Electrical & Electronics. Dhaka Electrical & Electronics. Bard International. Petal Enterprise. Airmate Lighting & Electrical Solutaional Pvt. Ltd. Ariston Enterprise Mettle Emporium Yaman Impex Mega Trading Ltd. Future Distribution and Network Limited Beg Shipping Agency
Anisuzzaman Chowdhury	Director	Asif Steels Ltd. Javed Steel Mills Ltd. Vanguard Steel Ltd. Afroza Oil Ltd. Asif Synthetic Fibres Ltd.

Name	Designation in Bank	Name of the Entities
		Holi Crescent Hospital Ltd. Ronny Chemical Industries Limited Navana Pharmaceuticals PLC.
Touhid Shipar Rafiquzzaman	Independent Director	None
M. A. Sabur	Director	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 Shakib Cricket Academy Limited Masco Trims Limited Concept Knitting Limited Masco Properties Limited Masco Shares & Securities Limited Masco Poultry Limited Masco Services Limited Masco Cotspin Limited MAXIM Limited Masco Dairy Enterprise
Bazal Ahmed	Director	M/s Taj Accessories (PVT) Limited. M/s Saikat Textile Industries Limited M/s Deen Fashions Limited
Nurul Islam Chowdhury	Director	Islam Steel Mills Ltd. Eastern Engineers (CTG.) Ltd. NAMS Trading Corporation NAMS Consulting & Sourcing Ltd. Bosphorus Fashion Ltd.
Roxana Zaman	Director	Asif Steels Ltd. Javed Steels Ltd. Vanguard Steels Ltd. Afroza Oil Ltd Asif Cotton Mills Ltd. Asif Synthetic Fibers Ltd Volkart Trading Limited
Asifuzzaman Chowdhury	Director	Asif Steels Ltd. Javed Steel Mills Ltd. Vanguard Steel Ltd. Afroza Oil Ltd. Bhatiary Fruits & Vegetable Products (Pvt) Ltd. Bangladesh Fertilizer Ltd. Asif Cotton Mills Ltd. Asif Synthetic Fibres Ltd. JASA Corporation Ltd. Ronny Chemical Industries Limited
Afroza Zaman	Director	Asif Steels Ltd. Javed Steel Mills Ltd. Vanguard Steel Ltd. Afroza Oil Ltd. Bangladesh Fertilizer Ltd. Asif Cotton Mills Ltd. Asif Synthetic Fibres Ltd. Ronny Chemical Industries Limited Volkart Trading Ltd.
Md. Nasim Kalam	Director	M.A Kalam Ltd. United Overseas Ltd.
Masuma Parvin	Director	Navana Pharmaceuticals PLC Japan Bangladesh Friendship Hospital Pvt. Ltd Dhaka Evergreen Retirement Homes Pvt. Ltd.

Name	Designation in Bank	Name of the Entities
Syed Kamruzzaman, FCMA	Director	North West Securities Limited
Muhammed Shah Alam, FCMA	Director	None
Kanak Kanti Sen, FCMA	Director	None
Md. Aksed Ali Sarker	Director	None
Dr. Aparup Chowdhury	Independent Director	None
Professor Dr. Iftekhar Uddin Chowdhury	Independent Director	None
Md. Abdul Hannan	Independent Director	None
Arif Quadri	Managing Director & CEO	None

49.2 Significant Contracts where Bank is a party and wherein Directors have interest: **Nil**

49.3 Shares issued to Directors & Executives without consideration or exercisable at a discount: **Nil**

9.4 Related Party Transactions: Nil

49.5 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**

49.6 Loans and advances to concern related to directors: **Nil**

49.7 Business other than banking business with any related concern of the Directors as per section 18(2) of the Bank company Act 1991: **Nil**

49.8 Investment in securities of Directors and their related concern: **Nil**

50 Events after Balance Sheet date

a. The Board of Directors recommended to increase the authorised capital of the Bank from BDT 15,000,000,000 (Fifteen Hundred Crore) to BDT 25,000,000,000 (Twenty-Five Hundred Crore) in its meeting no. 490 held on 13 March 2024. This is subject to approval of regulatory authorities and approval of the shareholders in the 41st Annual General Meeting (AGM) of the Bank.

b. The Board of Directors recommended 10% dividend (5% stock dividend and 5% cash dividend) for the year 2023 in its meeting no. 491 held on 29 April 2024.

General

50.1 Banks share capital has not been utilized for acquiring any other direct or indirect business.

50.2 No amount was spent by the bank for compensating any members of the board for special services rendered during the period.

50.3 During the period under report, United Commercial Bank PLC did not place any of its assets under pledge as security to obtain any liabilities.

United Commercial Bank PLC

Balance with Nostro Accounts [Balance with Foreign Bank]

As on 31 December 2023

(Annexure-A)

Nostro Bank	Name of the Country	Currency	2023			2022		
			Amount in FC	Rate	Amount in BDT	Amount in FC	Rate	Amount in BDT
AB Bank PLC	India	ACU	556,794.08	109.75	61,108,150.28	857,943.88	103.29	88,619,339.81
Bank AL Bilad	Saudi Arabia	SAR	17,366.04	29.27	508,246.10	95,526.10	27.49	2,625,638.29
Bank of Bhutan	Bhutan	ACU	129,184.14	109.75	14,177,959.37	4,645.70	103.29	479,866.90
Commerz Bank AG	Germany	USD	827,583.62	109.75	90,827,302.30	9,179,200.97	103.29	948,144,452.03
Commerz Bank AG	Germany	EUR	177,942.79	122.03	21,714,541.49	4,680,979.63	109.74	513,682,112.03
Habib American Bank	USA	USD	18,225,695.47	109.75	2,000,270,077.83	7,406,675.00	103.29	765,055,458.77
Habib Metropolitan Bank Limited	Pakistan	ACU	138,295.22	109.75	15,177,900.40	203.57	103.29	21,027.29
HDFC Bank Limited	India	ACU	587,813.19	109.75	64,512,497.60	481,082.38	103.29	49,692,297.95
ICICI Bank Limited, Hong Kong	Hong Kong	USD	93,299.14	109.75	10,239,580.62	500,238.75	103.29	51,671,011.13
ICICI Bank Limited	India	ACU	285,339.26	109.75	31,315,983.79	2,149,905.55	103.29	222,069,549.00
JP Morgan NY	USA	USD	28,881,816.06	109.75	3,169,779,312.59	(3,237,033.56)	103.29	(334,361,936.40)
Mashreq Bank Psc	India	ACU	488,610.48	109.75	53,625,000.18	1,236,924.96	103.29	127,765,318.82
Mashreq Bank Psc	USA	USD	26,791,101.92	109.75	2,940,323,435.72	15,142,144.30	103.29	1,564,072,968.54
Nepal Bangladesh Bank	Nepal	ACU	-	-	-	746.80	103.29	77,138.99
Peoples Bank Colombo	Sri Lanka	ACU	90.00	109.75	9,877.50	1,899.71	103.29	196,226.18
Sonali Bank PLC	India	ACU	152,451.51	109.75	16,731,553.22	122,336.33	103.29	12,636,449.83
Standard Chartered Bank Limited	India	ACU	613,761.35	109.75	67,360,308.16	1,854,940.24	103.29	191,601,785.73
Standard Chartered Bank Limited	USA	USD	34,554,388.73	109.75	3,792,344,163.12	59,967,987.65	103.29	6,194,255,357.94
State Bank of India	India	ACU	180,090.15	109.75	19,764,893.96	2,456.17	103.29	253,704.43
Meezan Bank Limited	Pakistan	ACU	131,743.87	109.75	14,458,889.73	69,678.86	103.29	7,197,317.58
Bank of Tokyo Mitsubishi	Japan	JPY	1,805,941.56	0.78	1,402,207.90	19,840,210.15	0.77	15,319,943.75
Wells Fargo Bank N.A	USA	USD	8,248,972.98	109.75	905,324,784.56	5,219,383.31	103.29	539,124,194.42
Mashreq Bank PSC	UAE	AED	20,635,945.60	29.89	616,723,859.51	6,062,706.83	28.13	170,533,565.08
KOOKMIN Bank	Korea	USD	8,967.41	109.75	984,173.25	254,537.17	103.29	26,291,831.54
Axis Bank Limited	India	ACU	217,360.84	109.75	23,855,352.19	-	-	-
Yes Bank Limited	India	ACU	-	-	-	945,372.01	103.29	97,650,027.42
Citi Bank N.A.New York, USA	USA	USD	15,567,999.62	109.75	1,708,587,958.30	546,150.39	103.29	56,413,348.39
Mashreq Bank Psc NY (OBU)	USA	USD	222,956.40	109.75	24,469,464.90	376,225.80	103.29	38,861,378.69
Habib American Bank, NY, (OBU)	USA	USD	9,674,840.89	109.75	1,061,813,787.68	20,036,231.14	103.29	2,069,596,412.27
ICICI Bank Limited	India	USD	409,444.33	109.75	44,936,515.22	683,562.16	103.29	70,606,981.12
Standard Chartered Bank Germany	Germany	EUR	269,807.80	122.03	32,924,922.96	89,155.80	109.74	9,783,793.92
Punjab National Bank Limited	Pakistan	ACU	146,961.93	109.75	16,129,071.82	125,505.97	103.29	12,963,850.51
Standard Chartered Bank, United Kingdom	United Kingdom	GBP	52,916.39	140.66	7,442,986.59	(474,025.23)	124.30	(58,922,489.91)
Zhejiang Chouzhou Commercial Bank	China	USD	169,093.63	109.75	18,558,025.89	89,905.83	103.29	9,286,615.93
Zhejiang Chouzhou Commercial Bank	China	CNY	11,747.30	15.42	181,140.31	218,238.99	14.81	3,232,825.81
Emirates NBD Bank (P.J.S.C)	India	ACU	430,441.87	109.75	47,240,995.23	-	-	-
Nabil Bank Limited, Nepal	Nepal	ACU	746.80	109.75	81,961.30	-	-	-
ICICI Bank Ltd, Hong Kong	Hong Kong	CNY	116,093.70	15.42	1,790,134.65	-	-	-
Indusind Bank Limited, India	India	ACU	20,585.00	109.75	2,259,203.75	480.00	103.29	49,580.50
					16,898,956,220			13,466,546,944

Particulars	Cost			Rate	Depreciation			Balance as at 31 December 2023	Written down value as at 31 December 2023
	Balance as at 01 January 2023	Addition during the year	Adjustment during the year		Balance as at 31 December 2023	Adjustment during the year	Charged during the year		
Land	4,395,054,283	-	-	-	4,395,054,283	-	-	-	4,395,054,283
Building	2,623,253,671	-	-	2.5%	2,623,253,671	-	65,581,342	631,307,435	1,991,946,237
Furniture & Fixtures	2,693,736,543	108,263,953	44,151,279	10.0%	2,757,849,217	44,151,279	213,924,697	1,650,001,578	1,107,847,639
Office Equipment	2,713,986,040	374,254,248	40,696,377	20.0%	3,047,543,911	40,696,377	376,194,478	2,185,177,231	862,366,680
Computer Equipment	2,190,846,756	542,699,957	18,638,762	20.0%	2,714,907,951	18,638,762	308,614,922	1,567,486,428	1,147,421,524
Vehicles	610,872,113	29,895,000	19,488,236	20.0%	621,278,877	19,488,236	45,420,010	499,097,415	122,181,462
Computer Software	1,848,510,667	51,463,472	-	25.0%	1,899,974,139	-	238,724,118	1,452,551,611	447,422,528
Right of use assets (ROU)	5,590,566,138	-	-	-	5,590,566,138	-	479,819,691	2,290,773,718	3,299,792,420
Capital Expenditure Work In Progress	580,762,044	4,168,201,634	1,106,576,630	-	3,642,387,048	-	-	-	3,642,387,048
Total as on 31 Dec 2023	23,247,588,255	5,274,776,264	1,229,551,283		27,292,815,236	1,229,551,283	1,728,279,258	10,276,395,415	17,016,419,821

As at 31 December 2022

Particulars	Cost			Rate	Depreciation			Balance as at 31 December 2022	Written down value as on 31 December 2022
	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		
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	28,514,430	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	81,199,805	375,093,224	1,849,611,257	864,374,783
Computer Equipment	1,687,141,874	553,392,024	49,687,142	20.0%	2,190,846,756	49,687,142	227,827,812	1,277,492,966	913,353,790
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	-	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 Dec 2022	21,910,771,496	3,170,786,063	1,833,969,304		23,247,588,255	1,833,969,304	1,631,862,855	8,668,178,180	14,579,410,074

List of Non-Banking Assets

SL No.	Branch Name	Name of the account & Key Person	Catagories	Land Area	Mutation	Possession
1	Banani Branch	M/s Anacon Overseas	33(7)	Land Aera:31.4 Decimals, Mouza:Sreekhandia, Savar, Dhaka	No	Yes
2	Banani Branch	M/s Nadira Rahman and Nahinur Rahman	33(7)	1700 sft flat being no. A/7 at , Nekation, Gulshan-1	Yes	No
3	Elephant Road Branch	M/s. Maruf Sharee Fashion	33(7)	19.75 decimal Land at Diabari, PS-Mirpur, Dist- Dhaka.	No	No
4	Elephant Road Branch	M/s. Dolly Resort	33(7)	R.M of 438.50 dec land. Acquisition by RHD-220.81 dec land=rest 217.61 dec land value Tk.870.47 lac	No	No
5	Goalabazar Branch Sylhet	M/S Ratul Enterprise	33(7)	Land Area:2 Decimlas, Mouza: Bramogram, Osmananigar, Sylhet	Yes	No
6	Islampur Branch	M/s. Faridpur Medicine Store	33(7)	Land Aera:6 Decimals, Mouza;Badda, Gulshan, Dhaka	No	No
7	Islampur Branch	M/s. A. N. Enterprise	33(7)	Land Aera: 4.12 Decimals Mouza; Ramna, Dhaka.	No	No
8	Khatungonj	M/s. Albia Trading	33(7)	Equitable Mortgage of 7.50 decimal land Mouza-Bakalia.Ctg	No	No
9	Nayabazar Br.	M/s. Haque Steel Complex Ltd.	33(7)	104.25 decimal land situated within Dist- Narayangonj, Mouza- Dpa Idrakpur, PS & Sub- registry office: Fatullah	No	No
10	Principal Branch	M/s. Himalaya Marble	33(7)	01) Quantum of Land: 1) 1.60 katha land, Hatirpool, Dhaka. 2) 6.32 khata land 3) 6.06 katha land 4) 7.67 khatha land 5) 5 katha land Situated at Zoarshahara, Dhaka. 6) 13.63 khatha Paritra,Dhaka	No	No
11	Principal Branch	M/s. Jenesis Fashions	33(7)	Land Aera:25.68, 44, 50.00, decimals, Mouza; Faridpur Teghoria Teghoria, Faridpur Dhaka	No	No
12	Uttara Branch	Md.Farhad Hossain	33(7)	Land Aera:910Stf & 0495 Ajutangsha, Mouza:Bailjuri, Dhaka Rajuk.	No	No
13	Elephant Road Branch	M/s. Vision Corporation	33(7)	41.00 decimals Land at Nandipara, Sabujbagh, Dhaka.	No	No
14	Elephant Road Branch	M/s. Bengal Jutex Ltd.	33(7)	18.864 bigha Land at Mouza-Bawnia, PS-Pollabi, Dist-Dhaka	No	No
15	Elephant Road Branch	M/s. Samiya Enterprise	33(7)	20.21 decimal & 46.00 dec. 02. at Mouza-Ibrahim Pur, PS-Kafrul & Mouza-Ulon, PS-Gulshan, Dist- Dhaka.	No	No
16	Elephant Road Branch	M/s. Shipu Enterprise.	33(7)	4.50 katha Land at Mouza-Choto sayek, PS-Mirpur, Dist- Dhaka.	No	No
17	New Eskaton	M/s Catena Computers.	33(7)	1550 sft. Flat (along with undivided and un-demarcated 0.44 decimal land)	No	Yes
18	Principal Branch	M/s. Business Mart. Prop: Ayub Hassain.	33(7)	29.50 dec land, at Nandipara, Shobujbagh, Dhaka.	No	No
19	Principal Branch	M/s. Crystal Trading	33(7)	i) 12 Dec. of Land at Bakalia, Chittagong ii) 98 Dec. of Land at Kachkura, Uttara, Dhaka	No	No
20	Gulshan Branch	M/s Shah Alam & Nasrin Alam	33(7)	0087.50 Ajutangsha of land along with Flat no.6/C on the 6th floor of the 10th storied building constructed thereon measuring 1,025 sft, Dhaka city corporation Holding No. 33/6/C, Chamelibagh, 1st lane,	No	No
21	Noapara (Jessore) Branch	M/s. Mayur Enterprise.	33(7)	16.60 decimal land with building	No	No

SL No.	Branch Name	Name of the account & Key Person	Catagories	Land Area	Mutation	Possession
22	Khatungonj	Solaiman & Brothers. Prop: Md. Solaiman	33(7)	8.00 dec and 10.00 dec at Mouza-West Solasahar,P.s-Panchlaish, Dist-Chittagong	No	No
23	Faridpur Branch	M/s National Electric	33(7)	16.04 Dec at North Alipur, PO- Ambikapur, Faridpur	Yes	No
24	O.R. Nizam Road	M/s Monowara Corporation	33(7)	0.10 acre of Land and 0.53 acre of Land at East Nasirabad, Panchlaish, Chittagong and Fultoli, Anowara, Chittagong.	Yes	Yes
25	O.R. Nizam Road	M/s. R.S.N. Fabric House	33(7)	I) RM of 8.75 Dec land at Nasirabad Housing Society owned by Rubaiyet-E- Hasnath II) RM of 8 decimal land at jalalabad	Yes	Yes
26	Dinajpur	M/s D.D Auto Rice Mill	33(7)	Land Area: 155 Decimal, Mouza: Vhuipara Dinaj pur	Yes	No
27	Elephant Road Branch	Awake Sons	33(7)	Land Aera 28 decimals	Yes	No
28	Principal Branch	M/s Rahima Composite,	33(7)	District- Dhaka , Mouza- Turag 8.25	No	No
29	Nabigonj	Tonmoy Traders	33(7)	Land area: 28 Decimal	No	No
30	Kanaipur	Tushar Electronics	33(7)	Land area: 50 Decimal	Yes	Yes
31	Kanaipur	Tapan Store	33(7)	Land area: 227.38 Decimal	Yes	Yes

United Commercial Bank PLC

Highlights on Overall Activities

Particulars	Amount in BDT	
	2023	2022
Paid-up Capital	14,765,484,750	14,062,366,430
Total Capital	55,214,433,306	52,673,818,523
Capital Surplus	357,386,362	2,266,167,347
Total Assets	685,012,410,972	628,076,829,196
Total Deposits	513,394,683,785	426,028,440,768
Total Loans & Advances	505,969,487,028	468,605,096,016
Total Contingent Liabilities & Commitments	291,676,237,243.0	217,939,758,095
Credit Deposit Ratio (%)	86.57	86.14
Percentage of Classified Loans against Total Loans and Advances	5.50	5.99
Operating Profit	9,725,720,392.0	11,468,771,062
Profit after Tax & Provision	2,685,086,287.0	4,024,011,154
Amount of Classified Loans during the year	(258,293,517.0)	10,340,395,101
Classified Loans and advance at the end of the year	27,819,391,979.0	28,077,685,496
Provision kept against Classified Loans	13,907,404,457.0	13,206,713,687
Provision Surplus/(Deficit)	-	-
Cost of Fund (%)	7.06	6.38
Interest Earning Assets	606,721,538,234	549,827,967,981
Non-interest earning Assets	78,290,872,738	78,248,861,215
Return on Investment (ROI) (%)	7.37	7.20
Return on Assets (ROA) (%)	0.41	0.67
Net Asset value per share	29.68	29.13
Income from Investments	5,871,930,074.0	5,685,113,776
Earning per share (Taka) (Restated 2022)	1.86	2.79
Net Income per share (Taka) (Restated 2022)	1.86	2.79
Price earning ratio (Times)	6.67	4.54

United Commercial Bank PLC

Off-shore Banking Unit

Balance Sheet

As at 31 December 2023

	Notes	31 December 2023		31 December 2022
		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	10,307,242	1,131,219,768	2,179,064,772
In Bangladesh		-	-	-
Outside Bangladesh		10,307,242	1,131,219,768	2,179,064,772
Loans and advances	4	56,285,344	6,177,316,486	21,740,049,093
Loans, cash credits, overdrafts, etc.		12,829,977	1,408,089,994	1,815,165,437
Bills purchased and discounted		43,455,367	4,769,226,492	19,924,883,656
Fixed assets including premises, furniture and fixtures	5	3	234	1,385
Other assets	6	-	-	-
Non - banking assets		-	-	-
Total assets		66,592,588	7,308,536,488	23,919,115,250
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	7	59,600,000	6,541,100,000	22,310,847,518
Deposits and other accounts		-	-	-
Other liabilities	8	2,179,825	239,235,778	516,288,456
Total liabilities		61,779,825	6,780,335,778	22,827,135,974
Capital / Shareholders' equity		4,812,764	528,200,710	1,091,979,276
Paid up capital		-	-	-
Statutory reserve		-	-	-
Foreign currency gain		-	-	-
Other reserve		-	10,178,461	104,872,957
Surplus in profit and loss account / Retained earnings	9	4,812,764	518,022,249	987,106,319
Total liabilities and Shareholders' equity		66,592,588	7,308,536,488	2,319,115,250

United Commercial Bank PLC

Off-shore Banking Unit

Off Balance Sheet Items

As at 31 December 2023

Notes	31 December 2023		31 December 2022
	USD	BDT	BDT
Off Balance Sheet Items			
Contingent liabilities	100,354,121	11,013,864,787	2,975,622,399
Acceptances and endorsements	-	-	-
Letters of guarantee	100,354,121	11,013,864,787	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	100,354,121	11,013,864,787	2,975,622,399

The annexed notes from 01 to 15 form integral part of these financial statements.

United Commercial Bank PLC

Off-shore Banking Unit

Profit and Loss Account

For the Year ended 31 December 2023

	Notes	2023		2022
		USD	BDT	BDT
Interest income	10	9,052,228	974,336,542	1,423,391,038
Interest paid on deposits, borrowings, etc.	11	6,061,200	652,397,290	559,503,012
Net interest Income		2,991,028	321,939,252	863,888,026
Investment Income		-	-	-
Commission, exchange, brokerage, etc.	12	176,224	18,967,826	54,623,298
Other operating income	13	-	-	-
Total operating income (A)		3,167,251	340,907,078	918,511,324
Salaries and allowances	14	14,567	1,567,903	1,211,050
Rent, taxes, insurance, electricity, etc.		-	-	-
Legal expenses		-	-	-
Postage, stamp, telecommunication, etc.		-	-	-
Stationery, printing, advertisements, etc.		-	-	-
Auditor's fees		-	-	-
Depreciation and repair of Bank's assets	15	15	1,151	138,921
Other expenditure		2,143	230,667	170,223
Total operating expenses (B)		16,725	1,799,721	1,520,194
Profit before provision (C=A-B)		3,150,526	339,107,357	916,991,130
Provision for loans and advances / investments				
Specific provision		-	-	-
General provision		(1,555,000)	(167,372,425)	(77,030,168)
Provision for Off Balance Sheet Exposure		(107,237)	(11,542,467)	6,914,979
Total provision (D)		(1,662,237)	(178,914,892)	(70,115,189)
Total profit before taxes (C-D)		4,812,764	518,022,249	987,106,319
Provision for taxation		-	-	-
Current tax		-	-	-
Deferred tax		-	-	-
Net profit after taxation		4,812,764	518,022,249	987,106,319

The annexed notes from 01 to 15 form integral part of these financial statements.

United Commercial Bank PLC

Off-shore Banking Unit

Cash Flows Statement

For the year ended 31 December 2023

Notes	2023		2022
	USD	BDT	BDT
A) Cash flows from operating activities			
Interest receipts in cash	9,052,228	974,336,542	1,423,391,038
Interest payments	(6,061,200)	(652,397,290)	(559,503,012)
Fees and commission receipts in cash	176,224	18,967,826	54,623,298
Cash payments to employees	(14,567)	(1,567,903)	(1,211,050)
Cash payments to suppliers	-	-	-
Receipts from other operating activities	-	-	-
Payments for other operating activities	(2,143)	(230,667)	(170,223)
Cash generated from operating activities before changes in operating assets and liabilities	3,150,541	339,108,508	917,130,051
Increase / (decrease) in operating assets and liabilities			
Loans and advances to other banks	-	-	-
Loans and advances to customers	154,184,990	16,921,802,696	8,620,483,252
Other assets	-	-	-
Deposits from other banks / borrowings	(156,396,363)	(17,164,500,833)	(7,866,947,072)
Deposits from customers	-	-	-
Other liabilities	(1,156,243)	(126,897,712)	(44,747,912)
	(3,367,616)	(369,595,849)	708,788,268
Net cash from operating activities	(217,075)	(30,487,341)	1,625,918,319
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)	(1,027,536,124)	(987,106,319)
Net Cash from financing activities	(10,571,703)	(1,027,536,124)	(987,106,319)
D) Net (decrease)/increase in cash and cash equivalents (A+B+C)	(10,788,777)	(1,058,023,465)	638,812,000
E) Effects of exchange rate changes on cash and cash equivalents	-	10,178,461	104,872,957
F) Cash and cash equivalents at beginning of the year	21,096,019	2,179,064,772	1,435,379,815
G) Cash and cash equivalents at end of the year (D+E+F)	10,307,242	1,131,219,768	2,179,064,772
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	10,307,242	1,131,219,768	2,179,064,772
	10,307,242	1,131,219,768	2,179,064,772

The annexed notes from 01 to 15 form integral part of these financial statements.

United Commercial Bank PLC

Off-shore Banking Unit

Notes to the Financial Statements

For the year ended 31 December 2023

1.1 Status of the units

Off-shore Banking Units of United Commercial Bank PLC, 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 (amendment 2023), 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 currency 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 (ISA)-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

1.2.5 Reporting period

These financial statements cover from January 01 to December 31, 2023.

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 109.7500 (closing rate as at 31 December 2023) and Tk. 107.6350 (average rate).

Notes	2023		2022
	USD	BDT	BDT
3 Balance with other banks and financial institutions			
In Bangladesh	-	-	-
Outside Bangladesh	10,307,242	1,131,219,768	2,179,064,772
	10,307,242	1,131,219,768	2,179,064,772
4 Loans and advances			
i) Loans, cash credits, overdrafts, etc.			
Loan (General)	-	-	-
Hire purchase	-	-	-
Lease finance	-	-	-
Term Loan	12,829,977	1,408,089,994	1,815,165,437
	12,829,977	1,408,089,994	1,815,165,437
ii) Bills purchased and discounted			
Payable Inside Bangladesh			
Inland bills purchased	-	-	-
Payable Outside Bangladesh			
Foreign bills purchased and discounted	43,455,367	4,769,226,492	19,924,883,656
	43,455,367	4,769,226,492	19,924,883,656
	56,285,344	6,177,316,486	21,740,049,093
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	18,984	1,479,779	1,478,628
Computer and equipments	808	62,949	62,949
	19,791	1,542,728	1,541,577
Written down value (WDV)	3	234	1,385
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	-	-	11,466,353,531
Al Arafah Islami Bank PLC	12,100,000	1,327,975,000	1,053,585,540
CAIXA Bank Spain	21,000,000	2,304,750,000	1,611,366,120
Emirates Islamic Bank	11,500,000	1,262,125,000	663,139,134
Emirates NBD Bank PJSC (UAE)	15,000,000	1,646,250,000	1,008,963,094
National Bank of Ras Al-Khaimah (UAE)	-	-	4,235,000,700
Bank Muscat International	-	-	1,342,805,100
United Bank Limited-UAE	-	-	723,048,900
State Bank of India (Hong Kong)	-	-	206,585,400
	59,600,000	6,541,100,000	22,310,847,518
8 Other liabilities			
Interest payable	607,659	66,690,570	182,198,235
Provision for Loans & Advances	570,000	62,557,500	219,496,988
Provision for Off Balance Sheet Exposure	1,002,166	109,987,708	114,593,233
	2,179,825	239,235,778	516,288,456
9 Retained earnings			
BOpening Balance	-	-	-
Current year profit	4,812,764	518,022,249	987,106,319
Retained earnings transferred to central operation	(4,812,764)	(518,021,853)	(987,078,834)
Effect of changes in exchange rate	-	10,178,461.00	104,872,957
	-	10,178,857	104,900,442

Notes	31 December 2023		31 December 2022
	USD	BDT	BDT
10 Interest income			
Term Loan	1,342,103	144,457,250	103,551,615
Bills purchased & Discount	7,071,110	761,098,914	1,288,837,306
Others	-	-	-
Interest on loans and advances	8,413,213	905,556,164	1,392,388,921
Interest on balance with other banks and financial institutions	336,083	36,174,329	18,458,712
Interest received from foreign banks	302,932	32,606,049	12,543,405
Total Interest income	9,052,228	974,336,542	1,423,391,038
11 Interest on deposits, borrowings, etc.			
Interest paid on deposits	-	-	-
Interest paid on local bank accounts	-	-	-
Interest paid on Borrowings	6,061,200	652,397,290	559,503,012
	6,061,200	652,397,290	559,503,012
12 Commission, exchange and brokerage			
LC,BC & BG (Others) Fees and Charges	142,517	15,339,786	35,510,558
Exchange Gain/(Loss)	31,562	3,397,163	16,496,982
Income from Nostro	2,145	230,877	2,615,758
Revaluation Gain/(Loss) on foreign currency	-	-	-
	176,224	18,967,826	54,623,298
13 Other operating income			
Reimbursement Charge	-	-	-
Miscellaneous earnings	-	-	-
	-	-	-
14 Salaries and allowances			
Basic pay	7,084	762,485	597,368
Allowances	3,969	427,207	329,332
Bonus	2,805	301,961	224,612
Contribution to fund	708	76,250	59,738
	14,567	1,567,903	1,211,050
15 Other expenditure			
Foreign bank correspondence charges	-	-	-
Miscellaneous Expenses	2,143	230,667	170,223
Revaluation loss on foreign currency	-	-	-
	2,143	230,667	170,223

United Commercial Bank PLC

Islamic Banking Unit

Balance Sheet

As at 31 December 2023

	Notes	31-Dec-2023 BDT	31-Dec-2022 BDT
PROPERTY AND ASSETS			
Cash	3	918,812,281	419,436,691
In hand (including foreign currencies)		16,433,837	17,914,893
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-
		902,378,444	401,521,798
Balance with other Banks and Financial Institutions	4	1,050,060,919	102,698
In Bangladesh		1,050,060,919	102,698
Outside Bangladesh		-	-
Placement with other banks and financial institutions		-	-
Investments in shares and securities	5	1,298,120,000	830,266,000
Government		715,620,000	830,266,000
Others		582,500,000	-
Investments	6	13,185,442,170	7,348,924,335
General Investment		12,890,561,304	7,348,924,335
Bills purchased and discounted		294,880,866	-
Fixed assets including premises, furniture and fixtures	7	22,711,109	39,890,081
Other assets	8	2,367,723,377	2,371,683,267
Non - banking assets		-	-
Total assets		18,842,869,856	11,010,303,072
LIABILITIES AND CAPITAL			
Liabilities			
Placement from other banks, financial institutions and agents	9	322,536,839	56,951,294
Deposits and other accounts	10	17,226,699,084	10,536,515,298
Al-wadeeah current and other deposits accounts, etc.		2,249,773,362	1,562,754,577
Bills Payable		22,027,021	802,030
Mudaraba Savings Deposits		4,943,935,234	3,585,250,124
Mudaraba term Deposits		10,010,963,467	5,387,708,567
Other liabilities	11	1,293,633,933	416,836,480
Total liabilities		18,842,869,856	11,010,303,072
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		18,842,869,856	11,010,303,072
Off Balance Sheet Items			
Contingent liabilities		9,295,750,089	3,429,548,298
Acceptances and endorsements		4,707,264,615	1,963,805,460
Letters of guarantee		209,122,107	55,292,199
Irrevocable letters of credit		3,074,843,896	1,393,989,622
Bills for collection		1,304,519,471	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		9,295,750,089	3,429,548,298

The annexed notes from 01 to 21 form integral part of these financial statements.

United Commercial Bank PLC

Islamic Banking Unit

Profit and Loss Account

For the Year ended 31 December 2023

	Notes	31-Dec-2023 BDT	31-Dec-2022 BDT
Investment income	13	888,359,123	339,127,988
Profit paid on deposits, borrowings, etc	14	481,295,192	153,945,242
Net investment Income		407,063,931	185,182,746
Profit on Investment with bank and financial institutions		157,858,376	47,787,625
Commission, exchange, brokerage	15	196,994,878	76,211,694
Other operating income	16	10,609,857	277,350
Total operating income (A)		772,527,042	309,459,415
Salaries and allowances	17	41,945,173	31,043,390
Rent, taxes, insurance, electricity, etc.		8,906,852	4,438,567
Legal expenses		-	502,550
Postage, stamp, telecommunication, etc.		270,217	237,947
Stationery, printing, advertisements, etc.		33,969,191	7,642,983
Depreciation and repair of Bank's assets	18	18,788,049	21,069,138
Other expenditure	19	15,822,129	14,028,885
Total operating expenses (B)		119,701,611	78,963,460
Profit before provision (C=A-B)		652,825,431	230,495,955
Provision for investments	20	89,440,941	60,365,962
Other Provision	21	92,957,501	34,130,873
Total provision (D)		182,398,442	94,496,835
Total profit after taxes (C-D)		470,426,989	135,999,120

The annexed notes from 01 to 21 form integral part of these financial statements.

United Commercial Bank PLC

Islamic Banking Unit

Cash Flows Statement

For the year ended 31 December 2023

Notes	2023 Taka	2022 Taka
A) Cash flows from operating activities		
Profit receipts	1,024,648,402	373,898,036
Profit payments	(481,295,192)	(99,683,268)
Dividend receipt	-	-
Fees & Commission receipt	171,218,719	70,215,687
Recoveries from previously written off advances	-	-
Payments to employees	(41,945,173)	(31,043,390)
Payments to suppliers	(43,146,260)	(12,319,497)
Payment for Advance Income Tax	976,266	(1,508,802)
Receipt from other operating activities	10,609,857	4,438,540
Payment for other activities	(16,263,807)	(17,479,917)
Operating profit before changes in operating assets and Liabilities	624,802,812	286,517,389
Increase /Decrease in operating assets and liabilities		
Statutory Deposit	16,000	(16,000)
Purchase/Sale of trading securities	(767,870,000)	-
Loans and advances to customers	(5,836,517,835)	(6,623,348,791)
Other Assets	3,885,551	(1,470,457,789)
Deposit from Banks	295,574,781	50,201,507
Deposit from customers	6,394,609,005	7,571,327,476
Other liabilities	545,805,262	295,181,010
	635,502,764	(177,112,587)
B) Net Cash from operating activities (A)	1,260,305,576	109,404,802
Cash flows from investing activities		
Purchase/Sale of Securities	-	-
Purchase of Property,Plant & Equipments	(2,333,469)	(7,701,878)
Cash flows from investing activities (B)	(2,333,469)	(7,701,878)
C) Cash flows from financing activities		
Receipt from borrowing	265,585,545	(103,537,741)
Sub-Ordinated Bond	-	-
Cash received from issuing of Right shares	-	-
Cash dividend payment	-	-
Net cash flows from financing activities (C)	265,585,545	(103,537,741)
D) Net cash increase/decrease (A+B+C)	1,523,557,652	(1,834,817)
E) Effects of the changes of exchange rate on cash and cash equivalents	25,776,159	1,834,817
F) Cash and cash equivalent at beginning of the year	419,539,389	1,114,508,201
G) Closing cash and cash equivalent at the end of the period	1,968,873,200	1,114,508,201

The annexed notes from 01 to 21 form integral part of these financial statements.

United Commercial Bank PLC

Islamic Banking Unit

Notes to the Financial Statements

For the year ended 31 December 2023

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 Shariah's (Islamic rulings) and its practical application through the development of Islamic economics. Shariah'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 2023), Bangladesh Bank's Directives and directives of other regulatory authorities and the principles of the Islamic Shari'ah.

1.2 Deposits Principles

1.2.1 Shariah principles for receiving deposits

Islamic banks receive deposits under two principles:

- i) Al-Wadeeah principle.
- ii) Mudaraba principle.

1.2.1.1 Al-Wadeeah:

Fund which is deposited with Banks by the depositors with clear permission to utilize /invest the same is called Al-Wadeeah. Islamic banks receive deposits in Current Accounts on the basis of this Al-Wadeeah Principle. Islamic banks obtain permission from the AlWadeeah depositors to utilise the Funds at its own responsibility and the depositors would not share any profit or loss earned/incurred out of using of this funds by the bank. The banks have to pay back the deposits received on the principle of Al-Wadeeah on demand of the holders. The depositors have to pay government taxes and other charges, if any.

1.2.1.2 Mudaraba:

Mudaraba is a partnership of labour and capital, where one partner provides full capital and the other one manages the business. The capital provider is called Sahib-Al-Maal and the user of the capital is called Mudarib. As per Shariah principles, the Mudarib will conduct the business independently following Shariah principles. The Sahib-Al-Maal may provide advices, if he deems fit but he can not impose any decision over the Mudarib. Profit, if any, is divisible between the Sahib-Al-Maal and the Mudarib at a predetermined ratio, while loss, if any, is borne by the Sahib-Al-Maal. The deposits, received by Islamic banks under this principle are called Mudaraba Deposits. Here, the depositors invest as Sahib-Al-Maal and the bank

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 (as amended) 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 31 December 2023.

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.

	31.12.2023 Taka	31.12.2022 Taka
3 Cash	918,812,281	419,436,691
Cash in hand		
Local currency	15,408,772	16,175,444
Cash in ATM	-	-
Foreign currency	1,025,065	1,739,449
	16,433,837	17,914,893
Balance with Bangladesh Bank and its agent Bank(s)		
Local currency	902,378,444	401,521,798
Foreign currency	-	-
	902,378,444	401,521,798
4 Balance with other banks and financial institutions		
In Bangladesh	1,050,060,919	102,698
Outside Bangladesh	-	-
	1,050,060,919	102,698
5 Investments in Shares and Securities		
Perpetual Mudaraba Bond Investment	230,000,000	230,000,000
Investment in Un-Quoted Securities	52,500,000	52,500,000
Bangladesh Government Investment Sukuk	715,620,000	547,750,000
Private Sukuk Bond	300,000,000	-
Prize Bond	-	16,000
	1,298,120,000	830,266,000
6 Investments		
i) General Investments		
General Investment	12,890,561,304	7,348,924,335
	12,890,561,304	7,348,924,335
ii) Bills purchased and discounted		
Payable Inside Bangladesh		
Inland bills purchased	14,990,928	-
Payable Outside Bangladesh		
Foreign bills purchased and discounted	279,889,938	-
	294,880,866	-
	13,185,442,170	7,348,924,335
7 Fixed assets		
Cost		
Furniture and Fixture	6,272,107	6,272,107
Office equipments	2,227,420	1,558,420
Computer and equipments	2,345,983	1,847,583
Computer software	67,944,879	67,944,879
	78,790,389	77,622,989
Less: Accumulated Depreciation		
Furniture and Fixture	1,110,080	482,880
Office equipments	635,894	313,069
Computer and equipments	950,617	540,489
Computer software	53,382,689	36,396,470
	56,079,280	37,732,908
Written down value (WDV)	22,711,109	39,890,081
8 Other assets		
Advance deposits and advance rent	-	-
Advance Income Tax Paid	532,536	1,508,802
Income & Compensation Receivable	39,695,639	16,984,457
Stock of Stationery & Stamps	325,070	152,300
Head Office General Account	2,327,170,132	2,353,037,708
	2,367,723,377	2,371,683,267

	31.12.2023 Taka	31.12.2022 Taka
9 Placement from other banks, financial institutions and agents		
Borrowings from Head office	-	-
EDF Borrowing from Bangladesh Bank	282,803,506	56,951,294
Bangladesh Bank Pre-Financing Scheme	39,733,333	-
	322,536,839	56,951,294
10 Deposits and other accounts		
Inter Bank deposits	345,776,288	50,201,507
Other deposits	16,880,922,796	10,536,515,298
	17,226,699,084	10,586,716,805
a. Al-Wadeeah Current and Other Deposits		
Current deposits	788,330,303	566,336,240
Foreign currency deposits	125,069,632	84,892,252
Sundry deposits	1,336,373,427	911,526,085
	2,249,773,362	1,562,754,577
b. Bills Payable		
Pay order	22,027,021	802,030
Demand draft payable	-	-
Others Payable	-	-
	22,027,021	802,030
c. Mudaraba Savings Deposits		
Savings Bank deposits	4,943,935,234	3,585,250,124
	4,943,935,234	3,585,250,124
d. Mudaraba Term Deposits		
Fixed deposits	7,879,410,949	4,655,601,033
Special notice deposits	2,037,962,514	731,425,534
Scheme Deposits	93,590,004	682,000
	10,010,963,467	5,387,708,567
Total Deposits and other accounts (a+b+c+d)	17,226,699,084	10,536,515,298
11 Other liabilities		
Provision for Investment (Notes-11.1)	89,440,941	60,365,962
Provision for off-balance sheet exposure	92,957,501	34,130,873
Profit payable	619,206,263	190,460,199
Payable Tax, VAT and Excise Duty	46,870,767	15,760,926
Unearned Income	414,621,620	112,583,532
Compensation Realisable Account	28,004,600	3,435,678
Other Sundry Liabilities	300,799	99,310
Profit Suspense Account	1,104,345	-
Compensation Suspense Account	1,127,097	-
Head Office General Account	-	-
	1,293,633,933	416,836,480
11.1 Provision for Investments		
General Provision	89,440,941	60,365,962
Specific Provision	-	-
	89,440,941	60,365,962
12 Retained Earnings		
Opening Balance	-	-
Add: Transferred during for the year	-	-
Retained earnings transferred to central operation	-	-
Effect of changes in exchange rate	-	-
	-	-

	2023 Taka	2022 Taka
13 Investment Income		
Term Investment	887,046,6238	339,127,988
Bills purchased & Discount	-	-
Others	-	-
Interest on Investment	887,046,623	339,127,988
Income on balance with other banks and financial institutions	1,312,500	-
Islamic Bond _Islami Banking	-	-
Income received from foreign banks	-	-
Total Interest income	888,359,123	339,127,988
14 Profit paid on deposits, borrowings, etc.		
Profit paid on deposits	474,749,528	151,199,689
Profit paid on local bank accounts	-	-
Profit paid on Borrowings	6,545,664	2,745,553
	481,295,192	153,945,242
15 Commission, exchange and brokerage		
Exchange Gain/(Loss)	25,776,159	1,834,817
Income from Commission	113,548,401	43,964,134
Income from Fees	57,670,318	30,412,743
Income from Brokerage	-	-
	196,994,878	76,211,694
16 Other operating income		
Income from Others	10,609,857	277,350
17 Salaries and allowances		
Basic pay	26,265,073	20,009,223
Allowances	10,059,369	6,387,158
Bonus	2,975,554	2,311,037
Provident Fund and Welfare Fund	2,645,177	2,335,972
	41,945,173	31,043,390
18 Depreciation and repair of Bank's assets		
Depreciation		
Computer Equipment	410,128	360,677
Computer Software	16,986,219	16,986,219
Furniture and Fixture	627,199	482,880
Office Equipment	322,825	290,880
	18,346,371	18,120,656
Repair and Renovation		
Premises	1,200	-
Repair and Renovation Expense Supply Items	199,136	1,244,532
Vehicles	138,482	42,475
Repair Office Equipment	98,860	87,975
Software Maintenance Charge	4,000	1,573,500
	441,678	2,948,482
	18,788,049	21,069,138
19 Other Expenditure		
Fees, Commission and Charges	67,778	376,862
Car Expense	2,003,890	3,732,718
Medical Expense	1,289,991	1,099,007
Other expense	12,460,470	8,820,298
	15,822,129	14,028,885

	2023 Taka	2022 Taka
20 Provision for Investments		
Provision for Classified Investments	-	-
Provision for Unclassified Investments	89,440,941	60,365,962
	89,440,941	60,365,962
21 Other Provision		
Provision for Off Balance Sheet Exposure	92,957,501	34,130,873

Easy Foreign Currency Banking with your **UCB RFCD Account!**

Any amount
can be deposited

FC amount from all of your
Previous Travels can be deposited

Currency: USD, GBP, Euro & Japanese Yen

Free Access to
Airport Lounge

Entire Balance with profit
can be spent abroad

Balance with profit is freely
transferable anywhere in the world

Apart from these,
can spend locally

Enjoy International Credit Cards for
self and family members

Account is free from all kinds of charges
if opened within 30th June 2024

Earn Lucrative Interest on every month - Currently 6.80% P.A.



**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). It ranked #1 among all the brokers in 2021 after only eight years of operation. It then solidified its position by being the #1 broker in in the subsequent years. 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 four-member Research team including three CFA charterholders. The team serves US-based investors under a chaperone

agreement. 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 has already implemented cloud-based data management system. The company has unveiled a bespoke research portal on its website, elevating the dissemination of research reports and extending its reach to a diverse array of customers.

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 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. Last year the company launched 'Ziksa', a dedicated portal designed to streamline and monitor employee training and coaching initiatives.

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 MISSION, VISION & CORE VALUES



CORE VALUES

- Trust: We build trust through our every action
- Accountability: Ensuring responsibility and conformity
- Respect: Treat everyone with respect and courtesy
- Integrity: We are honest, open, ethical and fair
- Quality: Whatever we do, we ensure quality



MISSION

- Exceed investors' expectations
- Be the leading source of Capital Market Research
- Operate state of the art technologies for efficient operations and superior customer service
- Be the most ethical and compliant Capital Market player
- Develop human capital for organized growth and constructive customer relationship
- Promote gender diversity, environmental consciousness and care for the community.



VISION

To be the preferred Brand for Stock Broking in Bangladesh Capital Market.

BOARD OF DIRECTORS



Arif Quadri
Chairman



Touhid Shipar Rafiquzzaman
Independent Director



Prof. Dr. Iftekhar Uddin Chowdhury
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, 2023.

Resilient Amidst Economic Headwinds

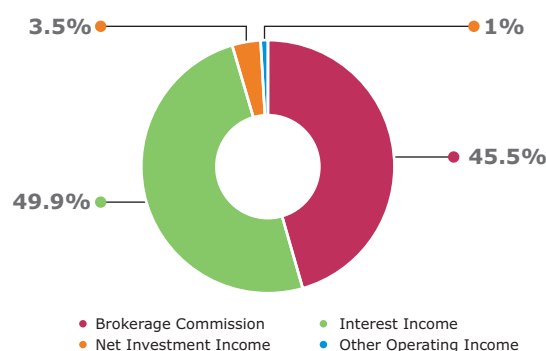
Despite the formidable challenges that beset Bangladesh's economy in 2023—soaring inflation, interest rate hikes, shrinking market liquidity, and an expanding trade deficit—UCB Stock Brokerage Limited exhibited remarkable resilience. Navigating these headwinds with strength, the company capitalized on growth opportunities, retaining its coveted 1st position in total turnover for 2023.

Throughout 2023, Bangladesh's capital market faced stagnation, with the DSEX index barely increasing. Liquidity challenges persisted due to the floor price mechanism, while regulatory initiatives aimed at enhancing market participation through Alternative Trading Board (ATB) and Bond market yielded limited results. However, our unwavering commitment to delivering high-quality services to our customers remained steadfast. Our specialized departments, tailored to specific customer segments such as retail, high net worth individuals, and local and foreign institutions, empowered us to provide bespoke services that catered to diverse needs. Despite the economic slowdown and bleak market scenario, our efforts bore fruit, with 3,235 new Beneficiary Owners (BO) accounts opened, bringing the total number of active BO accounts to 17,122. Furthermore, our proactive customer portfolio expansion strategy yielded positive results, with our market share increasing to 7.8% in 2023 from 5.9% in 2022.

Expanding beyond our domestic operations, we have focused on tapping into the foreign client segment, a strategic move to broaden our market reach. Hosting analyst roadshow meetings with US investors keen on frontier markets reflects our proactive approach in attracting international interest. We believe that these interactions will pave the way for establishing fruitful relationships with foreign clients, especially as market conditions stabilize.

Despite encountering macroeconomic headwinds and sector-specific challenges, our company remained steadfast and resilient in its operations. We remained agile in responding to sector-specific challenges by providing immersive customer services, new customer acquisition and exploring new opportunities for growth. Our ability to weather these challenges speaks about the strength of our business model and the dedication of our team.

Revenue Breakdown



Key Financials

Particulars	2019	2020	2021	2022	2023
Shareholders' Equity	2,514,301,973	2,604,299,552	3,355,555,814	3,764,909,779	4,063,412,608
Total Assets	5,043,651,437	9,355,783,150	10,381,991,032	9,972,452,795	10,583,012,077
Total Liabilities	2,529,349,463	6,751,483,598	7,026,435,217	6,207,543,016	6,519,599,469
Net Revenue from Brokerage	189,821,875	275,731,395	644,240,676	699,035,845	507,612,217
Net Interest Income	269,963,261	285,776,209	408,878,704	539,680,311	556,666,941
Net Profit After Tax	66,472,767	89,997,578	251,256,262	409,353,965	298,502,829
Return on Assets	1.46%	1.25%	2.42%	4.10%	2.82%
Return on Equity	2.68%	3.52%	7.49%	10.87%	7.35%
No. of Shares	5,135,000	20,000,000	25,000,000	25,000,000	25,000,000
Adjusted EPS* (BDT)	2.66	3.60	10.05	16.37	11.94

*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, 2023

Nature	Amount (BDT)
Overdraft Loan– General	1,608,613,396
Overdraft Loan– BB Scheme	321,782,064
Cash at Bank	114,243,794

Shareholding Structure of UCB Stock Brokerage Limited

Name of the Owner	Amount (BDT)
United Commercial Bank PLC	2,499,999,900
Mr. ATM Tahmiduzzaman, FCS	100

World Economy

Global Gross Domestic Product (GDP) growth, the metric used to measure economic activity, fell short of expectations, likely landing around 2.6%. This sluggish growth represented a continuation of the slow recovery trend that began in 2022.

One of the most pressing concerns in 2023 was inflation. The rising cost of goods and services continued to put a strain on households and businesses around the world. While some signs of easing emerged towards the latter half of the year, inflation remained a significant drag on economic activity. This persistent inflation forced central banks in many countries to raise interest rates. Global headline inflation is anticipated to decrease from 8.7% in 2022 to 6.8% in 2023 and 5.2% in 2024.

The recovery process in 2023 was unevenly distributed across the globe. Developed economies, which had experienced a more robust recovery initially, faced a sharper slowdown as the year progressed. This slowdown was partly attributed to the tightening of monetary policies, as central banks raised interest rates to combat inflation. Emerging markets, on the other hand, continued to show some momentum, although their growth trajectories were also revised downwards compared to earlier projections.

As we enter 2024, the global economic outlook remains shrouded in uncertainty. Experts predict continued sluggish growth, with the World Bank forecasting a further deceleration to 2.4%. This projected slowdown is a cause for concern, particularly when compared to the historical average of 3.8% growth experienced over the past two decades.

GDP Growth Projection	2021	2022	2023E*	2024F**	2025F**
World	6.2%	3.0%	2.6%	2.4%	2.7%
Advanced Economies	5.5%	2.5%	1.5%	1.2%	1.6%
EMDE	7.0%	3.7%	4.0%	3.9%	4.0%

*Estimated

**Forecasted

Source: World Bank

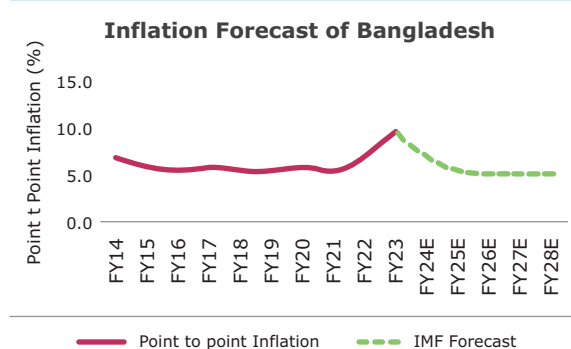
Bangladesh Economy

Bangladesh's economic performance in FY23 presented a mixed picture. While real GDP growth remained resilient at 6.0%, a significant decline in foreign exchange reserves emerged as a major concern. However, ongoing reforms and support from the IMF are paving the way for a more stable future.

Initially, high import driven by price spike in commodity prices (later Bangladesh authorities controlled import) and then a high financial account deficit, driven by net repayments of short-term foreign loans, took a toll on Bangladesh's Balance of Payments (BoP). This stemmed from:

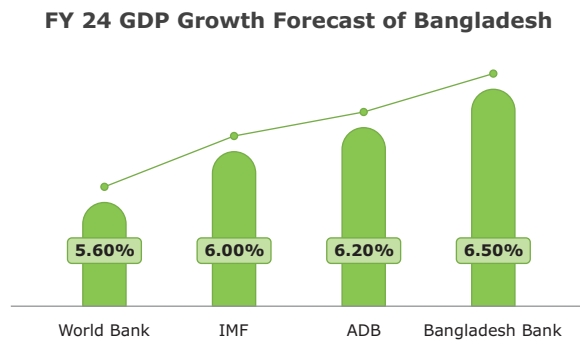
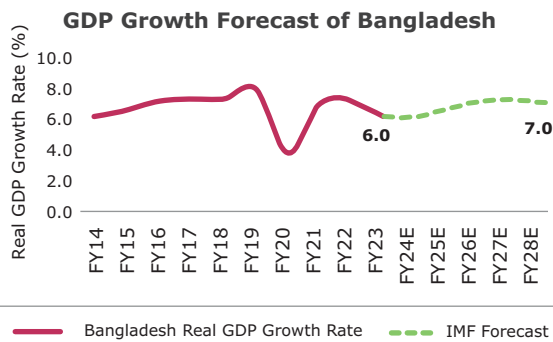
- Loan rollover challenges: Many private institutions, having borrowed short-term foreign loans during low-interest-rate periods, found it unattractive to rollover those loans due to a rise in SOFR rate + margin, exceeding the previous 9.0% lending rate cap.
- Currency depreciation: As the BDT weakened, the cost of repaying foreign loans in Taka increased for private borrowers, discouraging rollovers.

Bangladesh Bank (BB) implemented a contractionary monetary policy to address these challenges. BB raised



the policy rate by a significant 300 basis points (bps) from 4.75% to 7.75%. This discourages borrowing and encourages saving, aiming to control money supply and stabilize the currency. Furthermore, BB is planning to implement a mechanism to maintain the exchange rate at fair value based on the Real Effective Exchange Rate (REER).

These central bank actions are yielding positive results. The amount of outstanding short-term foreign loans is



stabilizing, nearing its historical average, indicating less pressure on the financial account. Exchange rate volatility has declined, with the current REER of BDT at 104.31 as of December 2023, indicating the currency is approximately 4.0% overvalued, compared to its peak of 115.65 in March 2022.

Inflation appears to be the biggest challenge for Bangladesh in 2024. Inflation reached 9.7% (point to point) by the end of FY23, exceeding the 10-year historical average of 6.5%. Approximately half of this inflation is attributed to local currency depreciation, according to IMF estimates. However, IMF anticipates inflation to moderate in the coming years due to reduced pressure on the exchange rate and the contractionary monetary policies implemented by Bangladesh Bank.

Bangladesh continues to be in the IMF program by meeting most of the IMF's targets. These measures are gradually impacting the economy by curbing inflation and slowing down the erosion of forex reserves. Bangladesh has been largely on track with the IMF program and second instalment (USD 681 million approved in Dec'23) of the USD 4.7bn loan program solidified the progress.

Despite ongoing challenges, Bangladesh's economic fundamentals show promise. With continued reforms

and the IMF's support, the country is well-positioned for a more stable and prosperous future. Real GDP growth is projected to reach 6.5% by FY24. As forex reserves recover in the second half of 2024, we expect improved liquidity and a gradual decline in interest rates.

We anticipate forex reserve to recover and volatilities to mitigate following IMF prescriptions and BB's contractionary monetary policy including policy rate hike, pause in purchase of treasury securities, and lifting of 9.0% interest lending rate cap. IMF expects the reserve to reach USD 24.3 billion by end of FY24 from 21.0 billion in Dec'23.

Repayment of private short term foreign loan has been one of the key factors behind declining forex reserve. However, private short term foreign loan outstanding is nearing last 8-year historical average and net sell in foreign portfolio investment has exhausted. We also anticipate that exchange rate volatility to cool down as REER is now at 104.31 as of Dec'23 suggesting the currency is near its fair value which was as high as 115.65 in Mar'22.

We view that Bangladesh's economic fundamentals remain intact which will keep the real GDP growth stable which stood at 6.0% in FY23 amid challenges.

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.

Category	Risk Title	Risk Statement
Operational Risk	People Risk	The risk of loss intentionally or unintentionally caused by employees. The risk arises from employee error, employee defection, internal fraud, etc.
	Process Risk	Related to the execution and maintenance of transactions and the various aspects of running a business. The risk arises from incomplete / inadequate legal documentation, collateral management failures, data entry failures, etc.
	System Risk	The risk of loss caused by piracy, theft, failure, breakdown or disruption in technology, data or information. The risk arises from hardware and software failures, telecommunication problems and utility outages.
	External Risk	The risk of loss on account of damage to physical property or assets from natural or unnatural causes. Sources of the risk are natural disasters, political unrest, regulatory change and external fraud.
Strategic Risk	Strategic Positioning Risk	Risk of losing business volumes and margins due to improper positioning. The risk may arise from changing demographics, economic factors, organizational structure, competition and changes in regulation.
	Strategy Implementation Risk	Risk of losing business volumes and margins due to improper implementation of the strategies considered. The risk can arise from work processes, procedures and lack of proper / adequate human resources and IT infrastructure.
Technology Risks	System Failure Risk	Unavailability of business critical systems. The sources are: Infrastructure, Platform, Software, Malicious Intrusion, Human Error and Cyber Attack.
	Information Security Risk	Leak / disclosure of business critical sensitive Information. The sources are: People, Process, Third Party Vendor, Malicious Intrusion, Human Error, and Cyber Attack.
	Business Continuity Risk	Interruption/unavailability of business critical systems which can occur from Natural disasters, Hazards (e.g. Fire), Vendor, Technology Obsolesces, Malicious Intrusion, Cyber Attack.
Legal Risk	Compliance Risk	Risk of legal sanction and material financial loss suffered. The risk arises from violations or non-compliance, lack of or inadequate compliance with contractual obligations and other legal documentation and pending litigations.
Other Risks	Environmental and Social Risk	The probability that operational activities of a particular client/ industry would negatively affect the environment and the community of the operational zone as well as neighboring area. We might face loss if client has to stop operation due to regulatory intervention.
	Reputation Risk	The risk of potential or actual damage to the company's image which may impair profitability and/ or sustainability of its business. Arises from actions and word-of-mouth of internal and external stakeholders, various media platforms operational hindrances and technological disruptions

Capital Market

Throughout the year, the capital market of Bangladesh faced significant challenges, characterized by a stagnant performance and minimal growth. The Dhaka bourse's broad index, DSEX, remained largely unchanged, fluctuating between 6,178 and 6,367 points, ultimately closing at 6,246 points, indicating a marginal 0.6% increase. The continuation of the floor price mechanism hindered liquidity and fund flow into the market, with approximately 60% of the total market capitalization trapped at floor prices, leading to illiquidity throughout the year. This was reflected in a substantial decline of 39.8% in daily average turnover, dropping from BDT 9.6 billion to BDT 5.8 billion compared to the previous year.

Monetary tightening initiatives by the Bangladesh Bank to combat inflation led to rising interest rates in the money market, hindering the flow of funds into the

capital market. However, foreign loan support from the IMF alleviated pressure on the country's dwindling foreign exchange reserves, offering some relief amidst challenging economic conditions.

The depreciation of the local currency and persistent inflationary pressure further impacted corporate profitability, particularly affecting listed manufacturing companies and exacerbating the market's downturn. Stagnant trading activities impeded the listing of new securities, with only two companies being listed on the main board through IPOs compared to 10 in the previous year. Despite efforts by the stock market regulator to introduce new platforms and initiatives, such as the Alternative Trading Board (ATB) platform and primary auction participation in T-Bond for BO accountholders, significant investor participation remained elusive.

BSEC (Bangladesh Securities and Exchange Commission) has removed floor price restrictions which will uplift the turnover and enforce market dynamics making the market more vibrant.

We anticipate better vibrancy in the market in 2024 following reform measures and floor price removal in the stock market.

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-23	1,411	7,808	6,246	0.64%	1,364	0.37%	2,094	-4.60%
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 stock broker 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, Chattogram, and Sylhet the three 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
Mr. Arif Quadri	Chairman	Managing Director
Mr. Touhid Shipar Rafiquzzaman	Independent Director	Independent Director
Mr. Professor Dr. Iftekhar Uddin Chowdhury	Independent Director	Independent Director
Mr. Syed Faridul Islam	Director	Additional Managing Director
Mr. ATM Tahmiduzzaman FCS	Director	Additional Managing Director
Mr. Faruk Ahammad, FCA	Director	Chief Financial Officer

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	Current	Previous
Long-Term	A+	A
Short-Term	ST-2	ST-3
Publishing date	25 May, 2023	19 April, 2022

Operating Performance

Particulars	2019	2020	2021	2022	2023
Income	469,500,494	585,541,580	1,161,936,989	1,279,289,420	1,114,684,283
Expenditure	186,747,949	255,199,017	480,700,966	468,036,667	524,388,927
Operating Profit	282,752,544	330,342,564	681,236,023	811,252,753	590,295,356

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 2023 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 2023 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. Our success is a testament to our resilience and adaptability in the face of adversity.

Thriving in Turbulent Times

In 2023, Bangladesh's capital market faced tough times with little growth. The main index, DSEX, didn't change much, ending at 6,246 points, just 0.6% higher than the start. The market struggled due to the floor price rule, which trapped about 60% of the total capital at fixed prices, making it hard to buy and sell. Hence, daily trading dropped significantly, down by 39.8% from BDT 9.6 billion to BDT 5.8 billion compared to the year before.

Amidst the trials of the market, our unwavering commitment to excellence in client service remained steadfast. Our diligence bore fruit as we welcomed 3,235 new Beneficiary Owners (BO) accounts, bolstering our active BO accounts to 17,122. Furthermore, our proactive approach to broadening our customer base yielded significant results, reflected in our increased market share, climbing from 5.9% in 2022 to an impressive 7.8% in 2023. Thus, we proudly maintained our position as #1 broker in 2023.

We have conducted an analyst roadshow in 2023 where we have met with US clients with substantial exposure in frontier markets. We foresee these interactions as pivotal in fostering fruitful relationships with foreign clients, particularly as market conditions stabilize and opportunities arise.

Inspiring Excellence

We are embarking on a journey of technological advancement to revolutionize our products and services. Introducing innovative digital platforms such as the Order Management System (OMS) and Research Web Portal, alongside integrating other digital services across all touchpoints, aims to enhance client comfort and convenience. We firmly believe that embracing digital technologies will significantly enhance our scalability by allowing us to reach a broader customer base without incurring additional costs. Furthermore, our dedication to providing innovative services will not only boost customer retention but also attract new clients, thereby solidifying our position as a leader in the market.

Our commitment to enhancing our human resources remains steadfast, with a heightened focus on development. I am pleased to announce the successful implementation of the second phase of our Human Resource Information System (HRIS), a milestone that has notably boosted our organizational efficiency.

Moving forward, we are excited to embark on the third and final phase, which will introduce an analytical module to track employee performance, development needs, and other crucial human resource data. This gradual implementation throughout 2023 reflects our dedication to fostering a culture of continuous improvement and ensuring the optimal utilization of our human capital.

Our dedication to addressing the skilled human resource shortage in the capital market is unwavering, as we continue to acquire, train, and develop talent. Throughout 2023, we conducted eight external training sessions in USA Singapore and India, with the participation of 48 employees. These sessions focused on enhancing both technical skills and various core competencies, ensuring that our workforce is equipped with the knowledge and capabilities necessary to excel in their roles. Besides external training programs, employees participated in 28 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.

I am delighted to share that we have launched a groundbreaking initiative at our organization—the Financial Advisor program. Following rigorous evaluation, seven individuals have been honoured with this prestigious title. Notably, this marks the first instance in Bangladesh of a broker introducing such a program. In an era dominated by advancements in artificial intelligence (AI), the role of Financial Advisors is poised to become increasingly vital. By pioneering this program, we are not only meeting current demands but also positioning ourselves to thrive in the evolving landscape of the financial industry.

In addition to our traditional marketing efforts, we are intensifying our focus on digital marketing strategies. Throughout 2023, we witnessed substantial growth in social media engagement, particularly on platforms like LinkedIn and Facebook. At UCB Stock Brokerage Limited, we prioritize connecting with diverse communities, which is why members of our team actively volunteered in various nationwide student development programs. We believe that by fostering these connections and contributing to such initiatives, we not only strengthen our brand presence but also demonstrate our commitment to supporting education and professional development within our community.

I am thrilled to announce that UCB Stock Brokerage Limited has received prestigious accolades and certifications in the past year, highlighting our commitment to excellence and leadership in the industry. Firstly, we are honoured to have been awarded the Top Charterholder Employer Award by the CFA Society Bangladesh, recognizing our dedication to hiring the highest number of CFA Charterholders in

Bangladesh. Moreover, our success story has garnered attention on the international stage, as evidenced by the esteemed recognition from International Finance for being the "Fastest Growing Stock Broker". Additionally, Global Business & Finance Magazine has featured us as the "Best Stock Broker in Bangladesh", further solidifying our position as a leading player in the market. Furthermore, I am proud to announce that UCB Stock Brokerage Limited has received ISO 9001:2015 certification for Quality Management System Excellence, underscoring our commitment to delivering high-quality services and maintaining rigorous standards of operational excellence. These

accolades and certifications serve as a testament to the dedication and hard work of our team, and we remain committed to upholding our reputation for excellence in the years to come.

In conclusion, the year 2023 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	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ranking in DSE	63	45	13	7	4	2	1	1	1
Market share in DSE turnover	0.6%	0.7%	1.3%	2.4%	3.8%	4.4%	4.5%	5.9%	7.8%
Number of clients	988	1,521	2,740	3,890	5,599	7,829	14,383	16,160	17,122
Growth	28.6%	53.9%	80.1%	42.0%	43.9%	39.8%	83.7%	12.4%	6.0%
Avg. Daily turnover by UCB STOCK (BDT Crore)	4.7	6.6	25.4	25.1	37.7	60.7	134.04	113.6	87.5
Growth	0.0%	40.4%	284.8%	-1.2%	50.2%	61.0%	120.8%	-15.1%	-23.0%
Profit Before Tax (BDT Crore)	4	4.7	30.1	30.3	28.3	28.9	55.0	71.8	57.3
Growth	-2.4%	17.5%	540.4%	0.7%	-6.6%	2.1%	90.3%	30.5%	-20.2%

Acknowledgements and Appreciation

Despite the challenges we faced in 2023, 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 Auditor's 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 2023, 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 2023, 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 Information

Management is responsible for the other information. The other information comprise 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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,

08 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC:2404090787AS207776

UCB Stock Brokerage Limited

Statement of Financial Position

As at 31 December 2023

	'31.12.2023 Taka	'31.12.2022 Taka
ASSETS		
Non-Current Assets	1,678,241,513	1,646,544,987
Property, plant and equipment	1,115,243,822	1,120,585,505
Intangible asset	2,480,761	3,894,212
Right of Use (RoU) assets	56,091,353	-
Capital work-in-progress	11,777,819	14,183,755
Investments	491,804,021	507,881,516
Deferred tax asset	843,738	-
Current Assets	8,904,770,564	8,325,907,808
Advances, deposits and prepayments	308,272,920	307,544,209
Loan to customers	6,662,965,525	6,032,648,011
Investment in marketable securities	599,552,349	545,184,750
Accounts receivable	142,283,083	64,331,689
Cash and Bank balances	1,191,696,686	1,376,199,149
TOTAL ASSETS	10,583,012,077	9,972,452,795
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	2,500,000,000	2,500,000,000
Retained earnings	1,490,864,390	1,230,784,395
Capital reserve	72,548,218	34,125,384
Shareholders equity	4,063,412,608	3,764,909,779
Non Current Liabilities	41,878,691	-
Lease liabilities	41,878,691	-
Current Liabilities	6,477,720,778	6,207,543,016
Short term loan	3,248,937,659	3,147,847,184
Accounts payable	2,186,320,756	2,086,329,132
Provisions	379,732,127	371,356,800
Provision for taxation	662,730,235	602,009,901
Total Liabilities	6,519,599,469	6,207,543,016
TOTAL EQUITY AND LIABILITIES	10,583,012,077	9,972,452,795
Net Asset Value (NAV) per share	162.54	150.60



Managing Director



Director



Chairman

This is the statement of financial position referred to in our separate report of even date.

Dhaka,
08 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC:2404090787AS207776

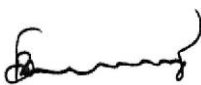
UCB Stock Brokerage Limited

Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December 2023

	2023 Taka	2022 Taka
Operating Income		
Brokerage commission	507,612,217	699,035,845
Interest income	556,666,941	539,680,311
Net investment income	39,190,932	37,109,412
Other operating income	11,214,193	3,463,852
Total operating income	1,114,684,283	1,279,289,420
Operating Expenses		
Operating expenses	479,058,090	431,052,106
Other expenses	45,330,837	36,984,561
Total operating expenses	524,388,927	468,036,667
Profit before provision	590,295,356	811,252,753
Provision for negative equity on margin loans and investment	10,400,000	90,750,000
Provision for margin loan (1% general provision)	6,768,573	2,046,000
Operating profit before taxation	573,126,783	718,456,753
Provision for taxation	274,623,953	309,102,788
Current tax	279,538,000	307,400,000
Deferred tax	(4,914,047)	1,702,788
Net profit after tax	298,502,829	409,353,965
Appropriations		
Capital reserve	38,422,834	25,125,626
Retained earnings	260,079,995	384,228,339
	298,502,829	409,353,965
Earnings per share (EPS)	11.94	16.37



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,
08 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC:2404090787AS207776

UCB Stock Brokerage Limited

Statement of Changes in Equity

For the year ended 31 December 2023

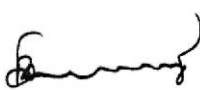
Particulars	Share Capital	Retained Earnings	Capital Reserve	Total Shareholders' Equity
Balance as at 01 January 2023	2,500,000,000	1,230,784,395	34,125,384	3,764,909,779
Net Profit during the year	-	260,079,995	-	260,079,995
10% of last year Net Profit transferred to Capital Reserve	-	-	38,422,834	38,422,834
Total as at 31 December 2023	2,500,000,000	1,490,864,390	72,548,218	4,063,412,608

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	-	-	25,125,626	25,125,626
Total as at 31 December 2022	2,500,000,000	1,230,784,395	34,125,384	3,764,909,779



Managing Director



Director



Chairman

Dhaka,

08 APR 2024

UCB Stock Brokerage Limited

Statement of Cash Flows

For the year ended 31 December 2023

	2023 Taka	2022 Taka
A. Cash Flow from Operating Activities		
Net Profit before taxation, and extra ordinary item.	590,295,356	811,252,753
Adjustment for:		
Depreciation and amortization	29,145,388	18,789,183
Cash generated/ utilised from operating activities before changes in working capital	619,440,745	830,041,936
Changes in working capital:		
(Increase)/Decrease of other assets	(73,055,625)	55,441,795
Increase/(Decrease) of other liability	91,198,378	(502,603,749)
Income tax paid	(220,371,837)	(214,747,357)
Net cash flow from operating activities	417,211,661	168,132,625
B. Cash Flow from Investing Activities		
Acquisition of Property, Plant & Equipment	(12,240,500)	(58,574,705)
Addition in RoU Assets	(56,091,353)	-
Acquisition of intangible assets	-	(2,493,570)
Capital work-in-progress	(7,743,819)	(10,149,755)
(Purchase)/Sale of Securities	(54,367,599)	(210,203,149)
Sale/(Investment) in equity	16,077,495	(30,000,000)
Margin loan to customer	(630,317,514)	(204,568,106)
Net cash used in investing activities	(744,683,289)	(515,989,285)
C. Cash Flow from Financing Activities		
Increase of Paid up capital	-	-
Lease liabilities	41,878,691	-
Receipt/(repayment) of short term loan	101,090,476	(458,955,960)
Net cash flow from/(used in) Financing activities	142,969,167	(458,955,960)
D. Net decrease in cash and bank balances (A+B+C)	(184,502,463)	(806,812,619)
E. Unrealized foreign exchange gain/(loss)	-	-
F. Cash and bank balances at the beginning of the year	1,376,199,149	2,183,011,768
G. Cash and bank balances at the end of the year (D+E+F)	1,191,696,686	1,376,199,149



Managing Director



Director



Chairman

Dhaka,
08 APR 2024

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BRANCHES ALL OVER BANGLADESH





UCB  **ASSET**
Management Limited

Company Profile

UCB Asset Management Limited, the second capital market subsidiary of United Commercial Bank PLC, was established in February 2020 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 its Shariah-compliant open-end fund, UCB Taqwa Growth Fund, with an initial size of BDT 35 Crore in April 2022. In July 2023, UCB Asset Management launched its first stable income open-end fund, UCB Income Plus Fund, with an initial size of BDT 50 Crore. The fund caters to the investment needs of clients who are specifically seeking stable income investment opportunities through a wide range of fixed-income and debt securities.

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 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



Dr. Aparup Chowdhury
Independent Director



Md. Abdul Hannan
Independent Director



Mohammed Khorshed Alam
Director



Champak Barua
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 key to achieving superior investment results, and we adhere to a strict set of investment guidelines and procedures.

Directors' Report

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 2023.

We are pleased to highlight a milestone achievement in 2023 with the successful launch of the **UCB Income Plus Fund** with an initial fund size of BDT 50.0 crore. This strategic initiative marked our entry into the fixed-income fund market and demonstrated our commitment to diversifying our financial product offerings.

The UCB Income Plus Fund is distinguished by several unique features that cater to the evolving needs of our clients. These include favorable conditions, such as no exit loads post-100 days, a minimum 30% investment in fixed income securities, and a flexible dividend policy designed to maximize investor returns. Such features not only enhance the fund's appeal but also align with our goal of offering tailored investment solutions.

During the year, a pivotal clarification from the National Board of Revenue, further supported by Bangladesh Bank, greatly enhanced the business landscape for mutual funds. Additionally, the UCB Income Plus Fund has established itself as a top performer in its category, offering one of the highest annualized yields. These two developments led to a notable increase in the asset under management (AUM) of the UCB Income Plus Fund, effectively doubling its size by the end of the year.

UCB Asset Management has made notable strides in enhancing our customer experience throughout 2023. Our commitment to improving client interactions and operational efficiency has been demonstrated through various strategic initiatives and technological advancements.

In our ongoing effort on expanding our sales channels, UCB Asset Management introduced **UCB Stock Brokerage** as our first selling agent, broadening our reach and accessibility. A new sales commission structure was designed and implemented to motivate and monitor performance effectively, marking a pivotal shift in our approach to incentivization.

On the technological front, our comprehensive IT migration was a major highlight of the year. We transitioned to a new domain, upgraded our network infrastructure, and implemented advanced server solutions.

These efforts reflect our ongoing commitment to providing superior service and maintaining a competitive edge in the asset management industry. Looking ahead, we will continue to innovate and improve our offerings to meet and exceed the expectations of our clients.

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 three open-end mutual funds; a conventional equity-oriented scheme, UCB AML First Mutual Fund; a Shariah-compliant investment vehicle, UCB Taqwa Growth Fund; and a fixed-income solution, UCB Income Plus Fund. Furthermore, UCB Asset Management provides separately managed investment accounts for institutions seeking customized investment solutions.

Risks and Concerns

1. Equity Market Risk: In 2023, rising interest rates in the latter half of the year increased the risk premiums of publicly listed companies, leading to a drop in their valuations. The removal of long-imposed floor prices in early 2024 was a positive regulatory change and the initial price correction after the removal of floor price was expected. Persistent high inflation could further impact corporate earnings, as passing these costs onto customers will lead to reduced business volumes for most companies. Nonetheless, the core companies within our portfolio remain industry leaders with solid fundamentals, poised to withstand market fluctuations.

2. Macroeconomic Risk: The external sector will continue to remain under stress, particularly due to financial obligations as the government continues repaying foreign loans. Although inflationary pressures are anticipated to ease in the latter half of 2024, any unexpected spikes in global commodity prices could exacerbate macroeconomic instability.

3. Interest Rate Risk: Interest rates have trended upward since the third quarter of 2023. While we anticipate this trend to stabilize and potentially reverse when the inflation cools down, any abrupt increases could negatively impact our investment portfolios. We are closely monitoring the money market to adapt promptly to interest rate fluctuations, thereby minimizing potential adverse effects on our investments.

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 2023, 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%
UCB Foundation	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.

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
Dr. Aparup Chowdhury	Independent Director
Md. Abdul Hannan	Independent Director
Mohammed Khorshed Alam	Director, representing United Commercial Bank
Champak Barua	Director, representing United Commercial Bank
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 in controlling expenses and delivering satisfactory financial results in 2023 by posting a net profit of BDT 91 lac against a net profit of BDT 32 lac in 2022.

The retained earnings of the Company as of 31 December 2023 stood at BDT 7.3 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 2023.

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 2023 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 Auditor's 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 2023, 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 2023, 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 2020 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,
08 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2404240787AS501759

UCB Asset Management Limited

Statement of Financial Position

As at 31 December 2023

	Notes	31-Dec-2023 Taka	31-Dec-2022 Taka
ASSETS			
Current Assets			
Cash and Bank Balance	4	1,543,448	11,290,234
Investments	5	593,607,706	578,492,137
Advances, Deposits & Prepayments	6	24,430,001	20,867,868
Receivables	7	18,690,463	14,600,912
Total Current Assets		638,271,618	625,251,151
Non-Current Assets			
Property, Plant and Equipment	8	477,569,562	476,776,368
Deferred Tax Asset	11	12,904	-
Total Non-Current Assets		477,582,466	476,776,368
TOTAL ASSETS		1,115,854,084	1,102,027,519
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Current Liabilities			
Other Liabilities	9	27,263,088	19,360,231
Provision for Diminution in Value of Investment	10	15,406,847	18,369,392
Total Current Liabilities		42,669,935	37,729,623
Non-Current Liabilities			
Deferred Tax Liability	11	-	239,362
Total Non-Current Liabilities		-	239,362
Shareholders' Equity			
Share Capital	12	1,000,000,000	1,000,000,000
Retained Earnings	13	73,184,149	64,058,534
Total Shareholders' Equity		1,073,184,149	1,064,058,534
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,115,854,084	1,102,027,519

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chairman



Director



Managing Director & CEO

This is the statement of financial position referred to in our separate report of even date.

Dhaka,
08 April 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2404240787AS501759

UCB Asset Management Limited

Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December 2023

	Notes	2023 Taka	2022 Taka
Income			
Investment Income	14	28,607,249	31,537,221
Fee Income	15	22,411,223	22,484,432
Interest Income	16	478,923	1,954,496
Total Income		51,497,395	55,976,149
Expenses			
Operating Expenses	17	37,317,014	31,503,888
Other Expenses	18	1,772,095	619,667
Total Expenses		39,089,109	32,123,555
Profit before Provision		12,408,286	23,852,594
Recovery in Provision made for diminution in value of investment		2,962,545	(18,369,392)
Net Profit after provision		15,370,831	5,483,202
Current tax	19	6,497,482	2,360,676
Deferred tax	11	(252,266)	(61,344)
Net Profit after Tax		9,125,615	3,183,870
Other Comprehensive Income		-	-
Total Comprehensive Income		9,125,615	3,183,870

The annexed notes from 1 to 20 form an integral part of these financial statements.



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,
08 April 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2404240787AS501759

UCB Asset Management Limited

Statement of Changes in Equity

For the year ended 31 December 2023

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total Shareholders' Equity
Balance as on 01 January 2023	1,000,000,000	64,058,534	1,064,058,534
Net Profit after tax during the Year	-	9,125,615	9,125,615
Balance as on 31 December 2023	1,000,000,000	73,184,149	1,073,184,149

For the year ended 31 December 2022

(Amount in Taka)

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

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chairman



Director



Managing Director & CEO

Dhaka,

08 April 2024

UCB Asset Management Limited

Statement of Cash Flows

For the year ended 31 December 2023

Notes	2023 Taka	2022 Taka
(A) Cash Flows from Operating Activities		
Interest Receipts in Cash	18,513,081	17,103,519
Dividend Receipts	4,190,000	6,189,490
Fees & Commission Receipts in Cash	19,931,937	22,962,990
Receipt from Operating Activities	4,772,827	2,594,003
Payment for Operating Activities	(38,439,133)	(39,388,439)
Operating Profit before Changes in Operating Assets and Liabilities	8,968,712	9,461,564
(Increase)/Decrease in Operating Assets and Liabilities		
Increase in Investment	(15,115,569)	(85,287,643)
(Increase)/Decrease in Other Assets	(1,452,461)	21,371,930
Net Cash Used in Operating Activities	(7,599,318)	(54,454,149)
(B) Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(2,147,468)	(3,833,849)
Net Cash Used in Investing Activities	(2,147,468)	(3,833,849)
(C) Cash Flows from Financing Activities		
Issuance of Share Capital	-	-
Net Cash Flow from Financing Activities	-	-
(D) Net Decrease in Cash and Bank Balance(A+B+C)	(9,746,786)	(58,287,998)
(E) Unrealized Foreign Exchange Gain/(Loss)	-	-
(F) Cash and Bank Balances at the beginning of the year	11,290,234	69,578,232
(G) Cash and Bank Balances at the End of the Year (D+E+F)	1,543,448	11,290,234

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chairman



Director

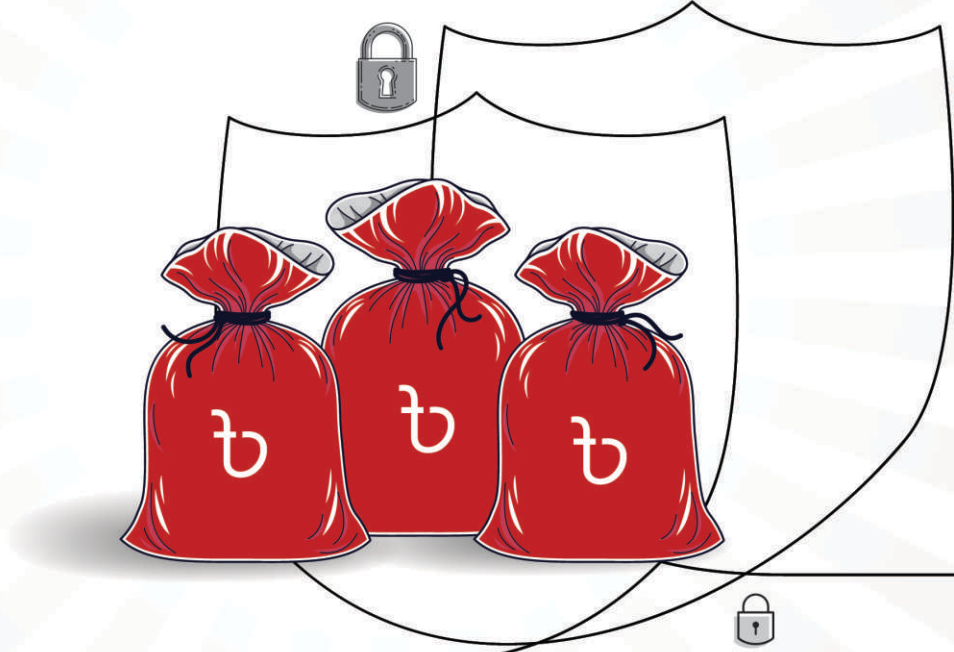


Managing Director & CEO

Dhaka,

08 April 2024

ইউসিবি ইনকাম প্লাস ফান্ডে
আপনার বিনিয়োগ
সম্পূর্ণ নিরাপদ



শুধুমাত্র সরকারি
ট্রেজারি সিকিউরিটিজে
বিনিয়োগ করা হয়



UCB  **INVESTMENT**
L i m i t e d

Company Profile

Comprehensive Hub for All Financial Needs

UCB Investment Limited takes pride on its top-tier investment bankers who attentively address all the clients' financing and investment needs, delivering tailor-made solutions with unwavering integrity. Our comprehensive services encompass Issue Management (IPO, RPO, Rights), Portfolio Management, Merger & Acquisition Advisory, Private Equity Advisory, Fixed Income Securities (Bond) Advisory, Local and Foreign Loan Syndication, Business Valuation, Corporate Advisory and Trustee & Agency Services. Our commitment is to establish enduring partnerships with our clients to foster sustainable economic growth and financial prosperity.

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. Since inception, a commitment to conducting business in a socially responsible manner has been upheld by UCBIL. UCB Investment was incepted on 5th October 2020, under the adept leadership of its founding Managing Director and CEO, Mr. Tanzim Alamgir.

On 29th November 2020, UCBIL commenced operations as a fully-fledged merchant bank during a profoundly exceptional period in human history. The unparalleled challenges posed by the COVID-19 crisis reshaped global economic landscapes. However, amidst these adversities, we persevered, steadily advancing and garnering the trust of prominent banks, financial institutions, and corporate entities in the country.

In the dynamic landscape of the financial industry, UCBIL has consistently demonstrated its excellence. With a commitment to delivering exceptional services and solutions, UCBIL has garnered prestigious international awards, marking yet another year of outstanding performance and unwavering dedication. UCBIL's pursuit of excellence has been acknowledged through a series of esteemed awards in 2023, reaffirming its position as a leader in the industry. The awards are (Best Investment Bank in Bangladesh) EuroMoney, AsiaMoney, FinanceAsia and (Best Bond Advisor in Bangladesh) Asset AAA. These accolades

serve as testaments to UCBIL's unwavering commitment to delivering exceptional value to its clients, stakeholders, and the global community. Looking ahead, UCBIL remains steadfast in its mission to drive growth, foster innovation, and exceed expectations in the ever-evolving landscape of finance.

Investing in Society (IIS)

Embracing our responsibility towards society, we have launched the "Investing in Society (IIS)" initiative, embodying our wholehearted commitment to champion three pivotal social causes: Child Education and Well-Being, Women Entrepreneurship, and Senior Citizen support.

In our sincere dedication to fostering positive change, we take immense pride in announcing that a significant portion of our profits will be directed towards funding this meaningful endeavor. With this initiative, we aim not only to make a tangible difference in the lives of individuals but also to catalyze transformative social impact.

Together, with our stakeholders and partners, we believe that Investing in Society (IIS) will not only create a more equitable and inclusive society but also inspire others to join us in building a brighter future for generations to come.

Decode Investment Banking (DIB)

Alongside our "Investing in Society" (IIS) program, dedicated to societal improvement through donations, another initiative is "Decode Investment Banking" (DIB). With DIB, our aim is threefold: to enhance financial literacy, foster intellectual development within communities, and demystify the intricacies of investment banking. Through:

- Spreading financial literacy,
- Sharing our investment banking expertise, and
- Inspiring future generations,

We seek to empower individuals, promote informed decision-making, and ignite a passion for financial education and success.



Vision Statement

Aspires to be the leading investment bank channeling wealth towards a sustainable future, guided by the motto "Consistency is the Key".



Mission

Building a strong financial foundation for the economy by offering worthy, innovative, and structured investment options for our customers;

Supporting clients in issuance of securities and funding projects that benefit the country sustainably;

Drive growth, foster innovation, and exceed expectations in the ever-changing economy;

Giving back to our communities through Investing in Society (IIS);

Striving to embed the Sustainable Development Goals (SDGs) into our company's culture to speed up progress toward important objectives.



Core Values

Doing business for the sustainable growth of our stakeholders;

Fulfilling commitments;

Pursuing excellence;

Acting with integrity;

Ensuring equal participation of people in the workplace irrespective of gender, race, and religion;

Upholding social and corporate responsibilities.

BOARD OF DIRECTORS



Alamgir Kabir
Chairman



Touhid Shipar Rafiquzzaman
Independent Director



Prof. Dr. Iftekhar Uddin Chowdhury
Independent Director



Md. Shah Alam Bhuiyan
Director



Md. Abdullah Al Mamoon
Director



Tanzim Alamgir
Managing Director & CEO

Leadership

The Trailblazing Dreamers and Leaders



Mr. Alamgir Kabir
Chairman

Mr. Alamgir Kabir is the Chairman of UCB Investment Limited. Prominent Banker Alamgir Kabir has recently been promoted as Deputy Managing Director of United Commercial Bank PLC. Prior to that, he was serving the Bank as Senior Executive Vice President.

Alamgir Kabir has been in the financial industry for over 22 years out of which 8 years' experience as Branch Manager. He started his career in 1999 with First Security Islami Bank PLC. Mr. Kabir managed a number of functional areas covering Business, Operations, Trade Finance, Foreign Exchange, Correspondence Banking, Customer Services, Cash Management, Compliance etc.

In his immediate past banking role, Alamgir Kabir has been the Senior Executive Vice President and Head of Corporate Banking Division of UCB. He held various other senior roles at UCB including Head of Credit Risk Management Division and Head of different branches. He also held numerous other senior management positions in Jamuna Bank PLC and ICB Islami Bank PLC.

His glamorous educational background covers his MBA & BBA from the University of Chittagong. He was born in a well reputed Muslim family in Chittagong and proud father of two sons and two daughters.

Alamgir Kabir has been extensively trained on various technical and leadership skills through trainings, workshops, and seminars.



Mr. Touhid Shipar Rafiquzzaman
Independent Director

Mr. Touhid Shipar Rafiquzzaman is the Independent Director of UCB Investment Limited.

Mr. Rafiquzzaman is a highly experienced international banker with 36 years of professional experience in the entire gamut of banking, having worked in two multi-national banks across four geographies. He is a certified risk professional and has extensive experience 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. Married with a daughter.



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.



Mr. Md. Shah Alam Bhuiyan
Director

Mr. Md. Shah Alam Bhuiyan is one of the directors of UCB Investment Limited (nominated Director of United Commercial Bank PLC). He is a distinguished banking professional with 32 years of experience of which over 27 years covering experience in the financial service industry with both foreign and local Banks. He is the Deputy Managing Director of United Commercial Bank PLC.

Mr. Bhuiyan joined the service of United Commercial Bank PLC in the rank and capacity of Senior Executive Vice President (SEVP) & Head of Special Asset Management Division (SAMM) of the Bank in 2017.

Prior to taking the helm of United Commercial Bank PLC, he served BRAC Bank PLC in different key roles including Centralization of Banking Operation, Head of Financial Administration, Special Asset Management, Project Management, Asset & Liability Operation, Financial Analysis and Credit Appraisal as well as Legal & Compliance issues.

Mr. Md. Shah Alam Bhuiyan started his Banking career with the Muslim Commercial Bank (MCB) Ltd., Dhaka in 1990 and served there as Resident Auditor, Credit In-Charge, as well as Manager of Human Resources Department & Legal Wing in the MCB.

During his glorified career expedition, Mr. Bhuiyan underwent extensive Trainings & Seminars in both home and abroad. He successfully attended trainings on Banking & Development in United Kingdom (UK); Executive Program on Quality Management, Japan; Leadership Thinking Sphere, Singapore; Basel-II Implementation and Capital Planning of Bank, Dubai, UAE; Risk Management and Basel-II, Belgium & Bangladesh; International Trade, IFC & SEDF, India; Core Banking Software Migration, India; Kastle Universal Lending Solution, India; Credit Risk Management, Bangladesh; Asset Classification & Provisioning, Bangladesh Bank and Legal Framework for Loan Recovery, BIBM for further professional excellence.

He obtained graduation in Management, Accounting & Costing from the University of Dhaka and Executive MBA from NIBM, India.



Mr. Md. Abdullah Al Mamoon
Director

Mr. Md. Abdullah Al Mamoon is one of the directors of UCB Investment Limited (nominated Director of United Commercial Bank PLC). He is the Deputy Managing Director and Chief Operating Officer (COO) of United Commercial Bank PLC.

Mr. Mamoon joined United Commercial Bank PLC on 01 March 2017 as Senior Executive Vice President with over 30 years of multi-disciplinary experience in diversified professional domains with Government and Financial Institutions.

Prior to joining United Commercial Bank PLC, Mr. Mamoon served in AB Bank PLC and BRAC Bank PLC in different capacities including Head of Core Business Team, Head of Operational Risk Management, Head of Program Management, etc. He also served in bKash Limited, Kayfin Consultants Limited, and Bangladesh Army, Government of Bangladesh. He served in the United Nations 'Peace Keeping' mission in United Nations Mission in Sierra Leone (UNAMSIL).

Mr. Mamoon obtained his MBA degree from Royal Roads University, British Columbia, Canada and won the 'Chancellor's Award'. He is a globally certified Project Management Professional (PMP) from Project Management Institute (PMI), USA, and a Green Belt in Six Sigma from Benchmark Six Sigma, India.

He attended various training and participated in seminars and workshops at home and abroad.



Mr. Tanzim Alamgir
Managing Director & CEO

Mr. Tanzim Alamgir is the founding Managing Director and Chief Executive Officer (CEO) of UCB Investment Limited, a wholly owned subsidiary of United Commercial Bank PLC. As an actively engaged leader with ambition, Mr. Alamgir leverages his firm-specific industry knowledge to lead the company and its people towards success and growth. Prior to joining UCB Investment Limited, he was the Chief Operating Officer (COO) of City Bank Capital and supervised the overall operations of the company. There he completed numerous first of its kind deals such as perpetual bonds, bank guarantee backed bonds, preference share of the first private LNG terminal in Bangladesh, first subordinated bond for a state-owned bank- Agrani Bank Limited, and many more which led the investment banking division to reach its highest peak. His tremendous efforts for City Bank Capital paved the way for winning many international awards for the bank, mentionable that it has also led City Bank Capital to win the prestigious Finance Asia 2020 Best Investment Bank in Bangladesh Award.

Mr. Alamgir's astute guidance has not only steered UCB Investment to secure the esteemed "Euromoney" and "FinanceAsia" Awards in 2023 but has also cemented the organization's standing by clinching the "ASIAMONEY" and "Asset Triple A" Awards for both 2022 and 2023. Further enhancing their reputation, the Bangladesh Securities & Exchange Commission (BSEC) bestowed the Best Merchant Bank award upon UCB Investment Ltd. in 2021. Additionally, Mr. Alamgir has adeptly represented UCB Investment Limited on various international platforms and during road shows organized by the Bangladesh Securities and Exchange Commission (BSEC).

With deep business and industry expertise, Mr. Alamgir puts special focus on fund raising for large, local, and multinational corporate houses in the country. He is a seasoned professional having diversified exposure in finance, operations and strategy for more than 16 years, which in turn developed great relationships with banks, NBFIs and corporates in different industries. He has worked with the Financing Strategy and Operations team in Grameenphone and Structured Finance team in IIDFC prior to City Bank Capital. He has also been associated with a number of reputed banks and financial institutions like Mutual Trust Bank PLC, ICB Islamic Bank Limited, City Bank PLC and BRAC Bank PLC.

Under the firm guidance of Mr. Tanzim Alamgir, UCB Investment Limited has made tremendous strides within a very short period of time. With his support and visionary leadership, the company aspires to make more outstanding progress in the future and mark itself as the leader in the investment banking industry of the country.

Mr. Alamgir has completed Master of Business Administration from American International University-Bangladesh (AIUB) in 2008 and B.Sc. in Computer Science and Engineering from Independent University, Bangladesh (IUB) in 2005.

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, 2023.

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 has been 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 advisory services in the country and between investors and optimum 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, Merger & Acquisition, Advisory of Fixed Income Securities, Syndicate Loans, Issue (IPO, RPO & Rights) Management, Portfolio Management and many more. UCBIL aims at delivering top-class, customized investment advisory solutions to its clients to cater to their specific needs and be their sustainable growth partner.

UCB Investment fetched many international recognitions like "Euromoney", "FinanceAsia", "ASIAMONEY" (all three as "Best Investment Bank in Bangladesh") and "Asset Triple A" ("Best Bond Advisor in Bangladesh") awards 2023 for its outstanding business excellence in 2022.

The key strength of UCBIL comes from its people, who are highly talented investment managers with vast and versatile experience in the investment banking landscape, both locally and globally. Utilizing this

knowledge and expertise, UCBIL intends to provide and promote unique financial solutions for the nation's most successful institutions and corporations. Keeping innovation and sustainable growth at the core of its operations, UCBIL intends to lead its clients and the country to a brighter and wealthier future.

2. World Economy

In the ever-evolving landscape of the global economy, 2023 stands as a year marked by continued resilience in the face of enduring challenges. The world has witnessed a significant deceleration in economic growth, with the World Bank revising its forecast to a modest 1.70% expansion, a stark contrast to the 2.90% growth rate projected for the previous year. This slowdown is a reflection of the complex interplay of factors that have shaped the economic narrative.

The persistent inflationary pressures, although showing signs of a peak, continue to hover at elevated levels. The International Monetary Fund estimates the global inflation rate to be 6.60% for the year, a slight retreat from the 8.80% peak of 2022. In response, central banks, including the Federal Reserve, have maintained a firm stance on monetary policy, with interest rate hikes reaching between 5.00 to 5.25 percent, aimed at tempering the inflationary tide.

The banking sector has not been immune to the tremors of economic stress. Notable bank failures have underscored the vulnerabilities within the financial system, adding layers of uncertainty to an already complex economic environment. These developments have cast a shadow on the path to recovery, with normalization of the global economic situation remaining an elusive goal amidst the ongoing geopolitical tensions and financial market fluctuations. As we look ahead, the world economy treads cautiously, navigating through the uncertainties with a watchful eye on the unfolding events that continue to shape our collective economic future.

3. Bangladesh Economy

In 2023, Bangladesh's economy has navigated through a web of economic volatilities with a steadfast approach. The nation's central financial institution, Bangladesh Bank, has projected a robust growth rate of 6.5%, reflecting a resilient economic structure

poised for expansion. Despite this optimistic forecast, the economy has grappled with formidable challenges, including the depletion of foreign exchange reserves, the depreciation of the local currency against a backdrop of global uncertainties, and a tightening liquidity scenario within the domestic financial sphere.

The government's response to these adversities has been marked by a series of austerity measures aimed at fortifying the economy's defences against external shocks. A strategic recalibration of fuel and electricity tariffs has been instrumental in mitigating fiscal pressures. However, these adjustments have also contributed to an uptick in cost-push inflation, with the inflation rate reaching a peak of 9.94% in May 2023, a notable surge from the 7.42% recorded in the same month of the preceding year. Despite this inflationary spike, the absence of significant demand-side pressures offers a silver lining, suggesting a potential moderation of inflation in the forthcoming periods.

The financial landscape has witnessed an apparent shift, with interest rates on an upward trajectory, as evidenced by the movements in government treasury yields and the call money market. This trend is largely attributable to the contraction in liquidity, primarily driven by a downturn in net foreign assets, which has exerted upward pressure on both treasury and call money rates. At the end of 2023, surplus liquidity stood at BDT 1.63tn declining from BDT 2.03tn in June 2022.

In the face of these multifaceted challenges, Bangladesh Bank has adopted a contractionary monetary stance. In its latest policy directive for the latter half of FY23-24, the central bank has incrementally adjusted the repo and reverse repo rates upwards by 25bps and 75bps, respectively, setting them at 8.00% and 6.50%, respectively.

Additionally, the infusion of USD 4.7 billion in financial assistance from the IMF is poised to reinforce Bangladesh's foreign exchange reserves, thereby contributing to the nation's economic fortification. Accompanying this financial aid are a series of IMF-mandated conditions designed to initiate comprehensive reforms within the nation's fiscal and monetary frameworks. The Government of Bangladesh is diligently implementing these measures, in accordance with the IMF's directives, to bolster the country's economic trajectory and ensure the release of future financial instalments.

Recent months have borne witness to a gradual improvement of the economic environment. The balance of payments deficit has shown signs of easing, thanks in part to the government's fiscal prudence and an uptick in export and remittance inflows. Additionally, a correction in international commodity prices is poised to deliver economic relief by curtailing import costs and alleviating inflationary pressures. These developments, coupled with ongoing reforms in monetary and fiscal policies, are expected to further bolster the economy's resilience, equipping it to surmount the prevailing challenges and capitalize on emerging opportunities. The trajectory of Bangladesh's economy, while marked by short-term distresses, remains firmly on a path of sustainable growth and development.

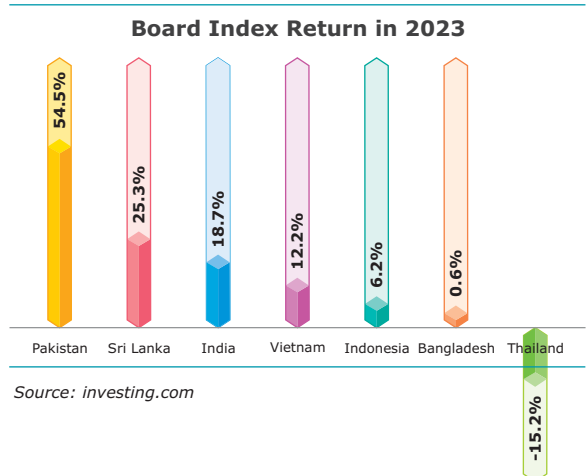
4. Capital Market

Throughout 2023, the Bangladesh stock market's broad index (DSEX) experienced a marginal year-over-year gain of 0.6%, a stark contrast to the 8.1% decline witnessed in the previous year. Despite this slight uptick, the market's average daily turnover saw a significant decrease of 39.8% year over year, continuing the downward trend from a 34.9% fall in 2022.

The financial sector faced a series of macroeconomic headwinds, including a persistent liquidity shortfall in the banking sector, diminishing corporate profitability, and escalating cost-driven inflation. These issues were compounded by political uncertainties surrounding the elections and an increment in interest rates, which collectively dampened market performance. The Bangladesh Securities and Exchange Commission's decision to implement fixed floor prices in March 2023, coupled with widespread investor concerns about stock market liquidity, further contributed to the subdued DSEX index performance and the decline in daily turnover.

The year 2023 also saw new entrants in the Dhaka Stock Exchange, with six companies being listed, of which three made their debut in the main equity market. Additionally, the exchange welcomed three new bonds to its trading platform.

Comparatively, the performance of emerging and frontier markets in 2023 was predominantly positive, apart from Thailand. Pakistan led the group with an impressive return of 54.5%, followed by Sri Lanka and India, which posted returns of 25.3% and 18.7%, respectively. In contrast, Thailand's market downturn of 15.2% reflects a broader trend of regional variability,



5. Investment Banking Services

Fixed Income Securities

As an Arranger and Issue Manager, UCB Investment Limited 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 of securities, arrangement and disbursement of funds.

Our team has expertise on assisting issuance of variety number of fixed income securities like: Islamic Financing Solutions, Capital and Corporate 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 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 Offer (IPO), Rights Offer, Repeat Public Offer (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 advancement in its economy and industries which require additional financing locally and globally. Different financial instruments have been continuously used to meet this financial need. As a result, the importance of the presence of Trustee and Agency in the transaction has emerged to ensure investors or lenders' rights and compliance requirements.

At UCB Investment Limited (UCBIL), our experienced team provides the service of a Trustee, Facility and Security Agent, and Issuing and Paying Agent to ease financial transactions by ensuring different compliance requirements.

As a Trustee or Agency, we conduct due diligence on the financial and transactional documents as and when required as per relevant law of the country, act in the best interest of the Investors and Lenders as per relevant trust deeds and Agency Agreements, monitor and administrate the trust, act as a point of contact between Issuer/Borrower and Investors/Lenders group, ensure timely and seamless transactional supports, coordinate legal procedures on behalf of the Investors and Lenders within the scope of relevant law and agreements.

Placement and Transfer Agent Services

The dynamic team of UCB Investment Limited 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 our employees are set out in ethical principles. The objective of the policy is to maintain our reputation for exceptional client service and ethical business dealings.

8. Role & Responsibility of the Board

The Board is devoted to the Company and enthusiastic about achieving sustainable long-term prosperity by meeting stakeholders' expectations. The Board is determined to ensure the best practices in accordance with statutory requirements.

Board of Directors	Status in Board
Mr. Alamgir Kabir	Chairman, Representing UCB
Mr. Touhid Shipar Rafiquzzaman	Independent Director
Prof. Dr. Iftekhar Uddin Chowdhury	Independent Director
Mr. Md. Shah Alam Bhuiyan	Director, Representing UCB
Mr. Md. Abdullah Al Mamoon	Director, Representing UCB
Mr. Tanzim Alamgir	Managing Director & CEO

9. Financial Highlights:

UCB investment Limited was formed back in 2012 and has received the license to operate as a fully-fledged merchant bank last year. 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	2023	2022	2021	2020
Total Assets	1,458,339,957	1,334,163,761	1,225,376,903	370,404,705
Total Liabilities	224,905,120	161,096,619	92,882,925	58,210,620
Operating Revenue	128,505,062	123,268,064	136,962,759	(1,746,958)
Operating Expense	53,567,072	43,292,520	40,581,588	(4,571,721)
Net Profit Before Tax	80,782,722	63,990,283	105,746,300	(2,750,320)
Net Profit After Tax	60,367,695	40,573,164	70,299,893	(4,172,236)
Paid-up Capital	1,000,000,000	1,000,000,000	1,000,000,000	250,000,000
Shareholders' Equity	1,233,434,837	1,173,067,142	1,132,493,978	312,194,085
Return on Assets	4.14%	3.04%	5.74%	-1.13%
Return on Equity	4.89%	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
UCB Foundation	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 2023.

15. Auditor's Report

The Board of Directors reviewed the Auditor's 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 auditor's 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 re-appointed as the independent auditor of the Company for the year 2023 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)



Alamgir Kabir
Chairman
UCB Investment Limited

MANAGEMENT DISCUSSION & ANALYSIS

Dear stakeholders,

As we reflect on the year 2023, it stands as a testament to the strategic acumen of UCB Investment Limited. Amidst a global economic landscape packed with challenges, our institution not only persevered but also achieved commendable milestones that underscore our commitment to excellence and innovation in the investment banking arena.

Towards sustainable growth

The year 2023 was marked by a series of global and local economic headwinds that tested the mettle of financial institutions worldwide. Despite these conditions, UCB Investment Limited emerged with multiple international accolades, affirming our position as a beacon of business excellence. This recognition is a tribute to our unwavering spirit and our ability to adapt and thrive even during turbulent times.

UCB Investment Limited has adeptly navigated the financial landscape, tailoring solutions to meet the unique requirements of its clients. The firm has successfully executed a variety of transactions, including Initial Public Offering (IPO), Additional Tier-I and Tier-II bond, Rights Share, Syndicated loan and Zero-Coupon Bond (ZCBs), among others. In 2023, UCB Investment successfully raised BDT 5,298 Mn and completed 14 distinct deals. Demonstrating its expertise in the perpetual bonds market, the company served as the arranger for 6 and the issue manager for 7 out of the 15 perpetual bonds listed at DSE in CY2023.

The dynamic team at UCB Investment Limited has been at the forefront of capital market development, working in close collaboration with regulators and stakeholders to invigorate the debt market and introduce innovative financial instruments. Our dedication and hard work have enabled us to fulfil our commitments to clients and earn their trust, reinforcing our reputation as a trusted partner in the financial sector.

Mission to Stay Ahead of the Curve

The accolade of "Best Investment Bank" bestowed upon us carries significant responsibilities, and we are

fully committed to upholding the standards that this title demands. In 2023, our guiding principles of Strategy and Service (2S) have served as the cornerstone of our long-term development plan. We have continued to invest in the professional growth of our team, ensuring they are equipped with cutting-edge knowledge and expertise to provide holistic solutions to our clients.

Our engagement extended beyond traditional platforms, with an active presence on LinkedIn and Facebook, enhancing our interaction with the community. We also amplified our commitment to social responsibility through the launch of two impactful campaigns: "Investing in Society (IIS)" and "Decode Investment Banking (DIB)" in 2023. These initiatives are designed to contribute to social development both financially and intellectually.

As we bid farewell to the year 2023, we offer our sincere thanks to our valued customers, dedicated employees, and loyal stakeholders for their constant support. We are also eager to welcome the new opportunities that await us, armed with a clear vision and a dedication to excellence that will perpetuate UCB Investment Limited's reputation as the foremost investment bank in the country.

Best wishes,



Tanzim Alamgir
Managing Director and CEO
UCB Investment Limited

Independent Auditor's 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 Stock Brokerage Limited, which comprise the statement of financial position as at 31 December 2023, 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 2023, 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 Information

Management is responsible for the other information. The other information comprise 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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,
08 April 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC:2404240787AS196856

UCB Investment Limited

Statement of Financial Position

As at 31 December 2023


	31.12.2023 Taka	31.12.2022 Taka
ASSETS		
Current Assets		
Cash and Bank Balances	86,911,319	57,050,226
Investments	776,512,936	708,310,100
Advances, Deposits and Prepayments	7,966,514	6,759,767
Margin Loan to Portfolio Client	-	2,002,221
Other Assets	110,873,015	83,718,553
Total Current Assets	982,263,784	857,840,867
Non-Current Assets		
Property, Plant and Equipment	475,470,052	476,322,894
Deferred Tax Asset	606,121	-
Total Non-Current Assets	476,076,173	476,322,893
TOTAL ASSETS	1,458,339,957	1,334,163,761
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current Liabilities		
Other Liabilities	214,764,591	144,855,087
Provision for Margin Loan	-	20,022
Provision for Diminution in Value of Investment	10,140,529	15,965,239
Total Current Liabilities	224,905,120	160,840,349
Non-Current Liabilities		
Deferred Tax Liability	-	256,270
Total Non-Current Liabilities	-	256,270
Shareholders' Equity		
Share Capital	1,000,000,000	1,000,000,000
Retained Earnings	233,434,837	173,067,142
Total Shareholders' Equity	1,233,434,837	1,173,067,142
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,458,339,957	1,334,163,761



Director



Director



Managing Director & CEO

Dhaka,
08 April 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner

ICAB Enrollment No. 787
DVC: 2404240787AS196856

UCB Investment Limited

Statement of Profit or Loss and other Comprehensive Income
For the year ended 31 December 2023

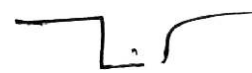
	2023 Taka	2022 Taka
Income		
Fee Income	74,872,250	75,562,500
Investment Income	43,591,857	27,861,193
Income from Portfolio Operations	2,275,017	3,148,172
Interest Income	7,765,937	16,696,199
Total Income	128,505,062	123,268,064
Expenses		
Operating Expense	34,746,204	29,678,027
Finance Expense	-	1,123,342
Other Expense	18,820,868	12,491,151
Total Expenses	53,567,072	43,292,520
Profit before Provision	74,937,990	79,975,544
Provision for Diminution in Value of Investment	(5,824,710)	15,965,239
Provision for Margin Loan	(20,022)	20,022
Net Profit after provision	80,782,722	63,990,283
Current Tax	21,277,418	23,247,823
Deferred Tax	(862,391)	169,296
Net Profit after Tax	60,367,695	40,573,164
Other Comprehensive Income	-	-
Total Comprehensive Income	60,367,695	40,573,164



Director



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,
08 April 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC:2404240787AS196856

UCB Investment Limited

Statement of Changes in Equity

For the year ended 31 December 2023

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total Shareholders' Equity
Balance as at 01 January 2023	1,000,000,000	173,067,142	1,173,067,142
Net Profit after tax for the year	-	60,367,695	60,367,695
Balance as at 31 December 2023	1,000,000,000	233,434,837	1,233,434,837

For the year ended 31 December 2022

Amount in Taka

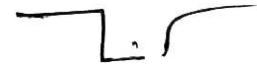
Particulars	Share Capital	Retained Earnings	Total Shareholders' Equity
Balance as at 01 January 2022	1,000,000,000	132,493,978	1,132,493,978
Net Profit after tax for the year	-	40,573,164	40,573,164
Balance as at 31 December 2022	1,000,000,000	173,067,142	1,173,067,142



Director



Director



Managing Director & CEO

Dhaka,

08 April 2024

UCB Investment Limited

Statement of Cash Flows

For the year ended 31 December 2023

	2023 Taka	2022 Taka
(A) Cash Flows from Operating Activities		
Interest Receipts in cash	21,244,955	21,249,334
Dividend Receipts	2,080,000	4,738,600
Fees & Commission Receipts	76,114,258	70,941,500
Income taxes paid	(4,890,012)	(16,952,572)
Paid to other operating activities	(24,842,452)	(15,248,147)
Paid to employees	(25,332,889)	(18,622,317)
Operating profit before changes in current assets and liabilities	44,373,861	46,106,398
Increase/Decrease in current assets and liabilities:	(12,506,938)	67,426,916
(Purchases)/Sales of trading Securities	(32,501,750)	38,657,710
Client Deposit, withdrawal, IPO & Dividend	(8,222,140)	12,253,536
Receipt from UCB Stock Brokerage Ltd	29,542,258	14,838,719
(Increase)/Decrease of Other Assets	(1,325,306)	3,572,472
Decrease of Other Liabilities	-	(1,895,520)
Net cash flow from operating activities	31,866,923	113,533,314
B. Cash flows from investing activities		
Purchase of Mutual Fund, Bond	(160,952,933)	(565,318,346)
Proceeds from sale of Property, Plant and Equipment	-	49,660
Acquisition of Property, Plant and Equipment	(298,401)	(1,964,900)
Encashment of FDR	3,587,622	52,755,767
Encashment of Bond	155,657,882	-
Net Cash used in investing activities	(2,005,830)	(514,477,820)
C. Cash flows from financing activities		
Receipts from Short Term Loan	-	147,369,347
Paid to Short Term Loan	-	(148,492,689)
Net cash used in financing activities	-	(1,123,342)
D. Net (Decrease)/Increase in cash and Bank Balance (A+B+C)	29,861,093	(402,067,848)
E. Unrealised Foreign Exchange Gain/(Loss)	-	-
F. Cash and Bank Balance at beginning of the year	57,050,226	459,118,073
G. Cash and Bank Balance at the end of the year (D+E+F)	86,911,319	57,050,226
Cash in hand	4,120	5,364
Cash at Bank	86,907,199	57,044,862
	86,911,319	57,050,226

Director

Director

Managing Director & CEO

Dhaka,

08 April 2024

Investing in Society (IIS)



Empowering Women, Building Futures: IIS Makes a Difference

As part of our initiative, Investing in Society (IIS), we have just donated four sewing machines to deserving women in need. We believe these sewing machines will provide them with an opportunity to earn a livelihood and support their families. We want to extend our heartfelt gratitude to all our clients as none of this would have been possible without their support.

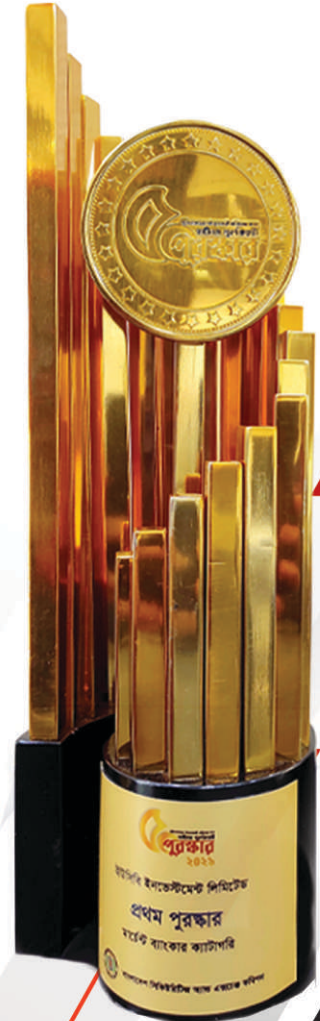
Decode Investment Banking (DIB)

Career Counseling at American International University of Bangladesh

On October 18, 2023, Tanzim Alamgir, the esteemed Managing Director & CEO of UCB Investment Limited, graced the American International University-Bangladesh (AIUB) with his presence. He delivered an insightful presentation on "Career Planning and Opportunities for Accounting and Finance Graduates," imparting valuable knowledge to the students.



Towards Sustainable Growth



OUR VALUED CLIENTS







একটি UCB প্রতিষ্ঠান

Leadership

The Trailblazing Dreamers and Leaders



Anisuzzaman Chowdhury
Chairman



Bashir Ahmed
Director



Asifuzzaman Chowdhury
Director



Arif Quadri
Director



Syed Faridul Islam
Director



ATM Tahmiduzzaman, FCS
Director



Ashraf Bin Taj
Independent Director



Dr. Aparup Chowdhury
Independent 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, উপায় (upay) was founded to become a companion that makes customer journey simple, secure, and convenient, while availing financial services.

উপায় (upay) is the digital financial service brand of UCB Fintech Company Limited, a subsidiary of the United Commercial Bank. Upon receiving the license from Bangladesh Bank, উপায় (upay) started its journey in early 2021, offering a broad range of mobile financial services to people from all walks of life.

উপায় (upay) products and services include mobile transactions, utility bill payment, in-store, and e-commerce payment, inward remittance, salary disbursement, airtime recharge, and other value-added financial services. Customers can avail of the

services from our nationwide agent and merchant network at an affordable charge.

Driven by the 'Smart Bangladesh' vision, উপায় (upay) aims to actively contribute to transforming the financial landscape of the country. উপায় (upay) offers easy access to the seamless digital financial solution, touching the lives of millions of people, and thus driving financial inclusion in the country.

Embracing empathy as a core pillar of our value system, উপায় (upay) aims to usher in a new era in the digital financial service industry by keeping the customer's needs at the front and center of everything we do. No matter what challenges our customers face, as a companion, we promise to be their reliable problem solver, offering a delightful customer experience, complete security, and meaningful innovations.



Directors' Report

The Board of Directors of UCB Fintech Company Limited is pleased to present before you the Directors' Report along with the Auditor's Report and the Audited Financial Statements as at and for the year ended 31 December 2023 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 উপায় (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.

In spite of stiff competition, উপায় (upay) achieved a remarkable performance in the year 2023. Total transaction value increased to around BDT 9,826.07 crore in 2023, an 87% growth over 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 8.5 million at the end of 2023. The number of retail agents was around 154 thousand and the number of merchants was 14,519 at the end of the year.

Revenue increased to BDT 433 million in 2023 from 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 854 million in 2023. However, monthly operating expenditure decreased in 2023 compared to that in 2022 due to the effect of operational excellence initiatives.

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 2023.

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 Auditor's 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 2023, 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 2023, 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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,
21 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2404250787AS617010

UCB Fintech Company Limited

Statement of financial position

As at 31 December 2023

In BDT	Note	As at	
		31 December 2023	31 December 2022
Assets			
Property, plant and equipment	4.	199,253,056	219,886,726
Intangible assets	5.	228,851,814	135,451,460
Pre-operating costs	6.	1,875,437	2,813,156
Non-current assets		429,980,307	358,151,342
Inventory and consumable items	7.	32,023,582	26,895,367
Advances, deposits and prepayments	8.	45,119,082	39,551,841
Account receivables	9.	46,371,219	5,088,620
Advance income tax	10.	-	11,722,958
Trust cum settlement accounts and investments	11.	850,045,208	797,461,675
Cash and cash equivalent	12.	1,419,247,280	427,600,879
Current assets		2,392,806,372	1,308,321,340
Total assets		2,822,786,679	1,666,472,682
Equity and liabilities			
Equity			
Share capital	13.	5,000,000,000	3,000,000,000
Retained earnings		(3,134,906,250)	(2,280,529,586)
Total equity		1,865,093,750	719,470,414
Liabilities			
Customer and other deposits	14.	771,153,027	747,024,140
Provision for income tax	15.	4,522,593	1,589,492
Operational payables	16.	63,242,742	62,636,092
Other payables	17.	11,631,622	13,948,477
Provision for Expenses	18.	107,142,946	121,804,068
Current liabilities		957,692,930	947,002,268
Total liabilities		957,692,930	947,002,268
Total equity and liabilities		2,822,786,679	1,666,472,682

The annexed notes from 1 to 25 form an integral part of these financial statements.



Chief Financial Officer



Director



Director

This is the statement of financial position referred to in our separate report of even date.

Dhaka,
21 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2404250787AS617010

UCB Fintech Company Limited

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

In BDT	Note	As at	
		01 January to 31 December 2023	01 January to 31 December 2022
Revenue	19.	433,286,306	202,451,459
Cost of services	20.	396,076,100	211,536,074
Gross profit/(loss)		37,210,206	(9,084,615)
Administrative and other operating expenses	21.	514,757,060	588,126,966
Commercial expenses	22.	394,397,891	637,389,856
Operating loss		(871,944,745)	(1,234,601,437)
Non operating income	23.	63,584,048	63,661,927
Net loss before tax		(808,360,696)	(1,170,939,510)
Income tax expense	24.	46,015,968	7,485,517
Net loss after tax		(854,376,664)	(1,178,425,027)
Other comprehensive income/(expense)		-	-
Total comprehensive income/(expense)		(854,376,664)	(1,178,425,027)

The annexed notes from 1 to 25 form an integral part of these financial statements.



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,
21 APR 2024

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2404250787AS617010

UCB Fintech Company Limited

Statement of changes in equity

For the year ended 31 December 2023

In BDT	Attributable to the owners of the Company		
	Share Capital	Retained earnings	Total Equity
Balance as at 1 January 2023	3,000,000,000	(2,280,529,586)	719,470,414
Transactions with owners of the Company			
Contributions and distributions:			
Issue of ordinary shares	2,000,000,000	-	2,000,000,000
Total comprehensive income for the year ended 31 December 2023			
Net loss for the year	-	(854,376,664)	(854,376,664)
Balance as at 31 December 2023	5,000,000,000	(3,134,906,250)	1,865,093,750

In BDT	Attributable to owners of the Company		
	Ordinary shares	Retained earnings	Total Equity
Balance as at 1 January 2022	2,000,000,000	(1,102,104,559)	897,895,441
Transactions with owners of the Company			
Contributions and distributions:			
Issue of ordinary shares	1,000,000,000	-	1,000,000,000
Total comprehensive income for the year ended 31 December 2022			
Net loss for the year	-	(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

The annexed notes from 1 to 25 form an integral part of these financial statements.



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.


UCB Fintech Company Limited

Statement of cash flows

For the year ended 31 December 2023

<u>In BDT</u>	<u>1 January to 31 December 2023</u>	<u>1 January to 31 December 2022</u>
Cash flows from operating activities		
Cash receipt from customers	385,401,467	202,577,223
Interest received	70,124,889	58,964,189
Receipt from scrap sales	13,171	5,220
Cash receipt against wallets	24,128,887	197,741,254
Cash generated from operating activities	479,668,414	459,287,886
Payment to suppliers and others	(955,803,470)	(1,215,436,843)
Payment to employees	(401,164,778)	(446,185,763)
Income tax paid	(31,234,910)	(14,354,396)
Cash used in operating activities	(1,388,203,158)	(1,675,977,002)
Net cash used in operating activities	(908,534,744)	(1,216,689,116)
Cash flows from Investing activities		
Investment in treasury bonds	(49,518,700)	(67,984,244)
Acquisition of property, plant and equipment	(47,235,323)	(99,907,834)
Net cash used in investing activities	(96,754,023)	(167,892,078)
Cash flows from Financing activities		
Cash receipt from issue of shares	2,000,000,000	1,000,000,000
Net cash from financing activities	2,000,000,000	1,000,000,000
Net increase in cash and cash equivalent	994,711,234	(384,581,194)
Cash and cash equivalent as at 01 January	1,005,053,791	1,389,634,985
Cash and Bank Balances including trust cum settlement account as at 31 December	1,999,765,025	1,005,053,791
Less: Trust cum settlement account	580,517,745	577,452,911
Cash and Bank Balances at the end of the year	1,419,247,280	427,600,879

The annexed notes from 1 to 25 form an integral part of these financial statements.



Chief Financial Officer



Director



Director

UCB Fintech Company Limited

Notes to the financial statements

As at and for the year ended 31 December 2023

1. Corporate Information

1.1 Legal status of the Company

"UCB Fintech Company Limited (hereinafter referred to as "the Company" or "Upay") a subsidiary of United Commercial Bank PLC, was incorporated in Bangladesh on 30 July 2020 vide registration no. C-162182 as a private company limited by shares under the Companies Act, 1994 having its registered office in Plot -CWS- (A)-1, Road - 34, Gulshan Avenue, Dhaka - 1212.

The Company has obtained permission from Bangladesh Bank to commence its' commercial activity via letter reference no# PSD(MFS)/33/2020-1886 dated 28 December 2020 under "Bangladesh Mobile Financial Services (MFS) Regulations, 2018."

1.2 Nature of the Business Activities

UCB Fintech Company Limited is a subsidiary of the United Commercial Bank PLC. Upon receiving the license from Bangladesh Bank, UCB Fintech Company Limited started its journey in March 2021 under the brand name ("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.

1.3 Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) which also cover International Accounting Standards (IASs), the Companies Act 1994 and other applicable laws and regulations.

The titles and format of these Financial Statements follow the requirements of IFRSs which are to some extent different from the requirements of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS titles and format gives a better presentation to its intended users.

1.4 Basis of measurement

The Financial Statements are prepared on historical cost basis.

1.5 Date of authorisation

The Financial Statements for the year ended 31 December 2023 were authorized by the Board of Directors on 21 April 2024

1.6 Components of Financial Statements

Followings are the components of these Financial Statements:

- (i) Statement of Financial Position as at 31 December 2023;
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended at 31 December 2023;
- (iii) Statement of Changes in Equity for the year ended at 31 December 2023;
- (iv) Statement of Cash Flows for the year ended at 31 December 2023;
- (v) Explanatory notes to the above Financial Statements which also describe the accounting policies adopted and followed by the company.

1.7 Functional and presentational currency

The Financial Statements are presented in Bangladeshi Taka (BDT), which is the functional and presentational currency of the company and rounded off to the nearest integer.

1.8 Use of estimates and judgements

The preparation of Financial Statements in conformity with IASs, IFRSs requires the use of certain critical accounting estimates. It also requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the Period in which the estimates are revised and in any future Periods affected.

2. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Set out below is an index of the significant accounting policies:

- A. Revenue
- B. Employee benefits
- C. Interest income
- D. Income tax
- E. Property, plant and equipment

- F. Intangible assets
- G. Financial instruments
- H. Provisions
- I. Going concern
- J. Statement of cash flows
- K. Events after the reporting period
- L. Materiality and aggregation
- M. Pre-operating Expenses
- N. Trust Cum Settlement Account and Investment

A. Revenue recognition

"Revenue has been recognized based on the consideration specified in a contract with a customer in compliance with IFRS 15: "Revenue from Contracts with customers". The Company recognises revenue when it transfers control over a good or service to a customer. The Company's principal business of the Company is Mobile Financial Services (MFS)."

To determine the transaction price, the Company considers the terms of the contract and its regular business practice. The transaction price excludes the amount collected on behalf of third parties.

Nature of goods and services

The following is a description of the principal activities from which the Company generates its revenue.

- (a) **Cash out and others:** Revenue from cash out and others include service charge received from cash out/e-money settlement, Person to Person (P2P) balance transfer, bill payment by customer, salary disbursement etc. The Company charges its customers a fixed rate of cash out/settlement fee at the time the customer redeems cash at agent point, ATM booth or through transfer to bank by surrendering e-money from his/her wallet.
- (b) **Airtime commission:** Upfront commission is received from Mobile Network Operators (MNOs) at the time of purchase of airtime. Airtime commission revenue is recognised when a customer purchases mobile airtime using UPAY wallet. Upfront commission received against unsold airtime top-up is recognised as unearned revenue.
- (c) **Interest on trust cum settlement account and investment:** This represents revenue/earnings generated from utilisation of real money raised from customers against issuance of e-money. A statutory portion of such real money is invested in various forms through trust cum settlement account in line with the provisions of Bangladesh Mobile Financial Services (MFS) Regulations 2022 and PSP license issued by Bangladesh Bank. Revenue from this investment is recognised over a period of time based on effective rate of return.

B. Employee benefits

Defined contribution plans - provident fund

Under a defined contribution plan, the entity pays fixed contributions into a fund managed by separate

trustees but has no legal or constructive obligation to make further payments if the fund does not have sufficient assets to pay all of the employees' entitlements to post-employment benefits. The entity's obligation is therefore effectively limited to the amount it agrees to contribute to the fund.

Defined benefit - gratuity fund

These are post-employment benefit plans other than a defined contribution plans measured by separate trustees. These plans create an obligation on the entity to provide agreed benefits to current and past employees and effectively places actuarial and investment risk on the entity.

C. Non operating income

Non operating income includes mainly interest from balance of SND account (Operational) and Fixed Deposit Receipt (FDR). Interest income is recognised on accrual basis.

D. Income tax

Current Tax

Income tax expense is recognised in the statement of profit or loss and other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted at the reporting date, and any adjustment to tax payable in respect of previous Period. Current tax has been calculated on the basis of Income Tax Act, 2023 (Replaced from Income Tax Ordinance, 1984).

Deferred Tax

Deferred tax is the tax on temporary difference between the accounting base and tax base. The Company didn't recognise the deferred tax due to continuous loss on its business operation. The company will implement the deferred tax whenever there is scope of absorption of deferred tax on its financial statements.

E. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of assets. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner. Work in progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the

component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated to write down the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

For addition of property, plant and equipment, depreciation is charged for full month in the month of addition and no depreciation is charged in the month of disposal.

The estimated rate of property, plant and equipment are as follows:

Name of Assets	Depreciation Rate	
Office equipment	20%	
IT Equipment	Core Network	20%
	Computers	25%
Furniture & fixtures	10%	
Vehicles	20%	

Retirement and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset in profit or loss.

F. Intangible assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Work-in-progress represents the cost incurred for acquisition and/or construction of items of intangible assets that are not ready for use which is measured at cost.

Expenditure on the research phase of projects to develop new customised software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Company intends to and has sufficient resources to complete the project
- the Company has the ability to use or sell the software

- the software will generate probable future economic benefits.

The Company capitalised IT staff costs directly attributable to implement of the DFS software that meet the recognition criteria of IAS 38 Intangible Assets.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write down the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, from the date that they are available for use, and is generally recognised in profit or loss.

The estimated useful life of software is 4 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Amortization and Impairment of Core Digital Financial System

Considering para 107 and 108 of IAS 38 Intangible Assets "the intangible asset with an indefinite useful life shall not be amortised. In accordance with IAS 36, an entity is required to test an intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount". The Company recognises its Cost to Core DFS with an indefinite lifetime and reviews its impairment accordingly.

G. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise operational and other receivables, cash at banks, government securities, and fixed deposits etc.

Financial liabilities

The Company initially recognises financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

The Company's financial liabilities comprise Customers and channel partners' deposits, operational and other payables, other non-current liabilities and accrued expenses.

H. Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in compliance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

I. Going Concern

The accompanying Financial Statements have been prepared on a going concern assumption that the Company will continue in operation for the foreseeable future. The Company has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The Company is facing continuous loss since its commercial operation but it is hopeful to generate profit having long term strategic business plan, accordingly the Company is working on and continuous financial support from its Parent to continue as going concern.

J. Statement of cash flows

Statement of cash flows have been prepared in accordance with the IAS 7 Statement of Cash Flows under direct method.

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

Investing activities relate to the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

K. Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

L. Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

M. Pre-operating Expenses

Pre-operating expenses include incorporation expenses of the Company. The pre-operating expense will be amortized in 5 equal installments and over a period of 5 years commencing from the Period in which the company commences its operations. As the operation of the company commences this Period, therefore amortization expense for this Period has been charged to the Statement of Profit or Loss and Other Comprehensive Income.

N. Trust Cum Settlement Account and Investment

Trust cum settlement account represents balances with different commercial banks in the form of cash and investment in government securities against e-money issued to customers, channel partners, merchants etc.

As per Bangladesh Mobile Financial Services (MFS) Regulations, 2022 issued by Bangladesh Bank, aggregate of virtual balances (e-money) in all MFS accounts must at the end of each day be in agreement with or be less than the total real cash balances in nominated trust cum settlement account of the MFS provider and invested amount in government securities (which shall represent no less than 25% of total trust cum settlement account balance).

Reporting Period

This Financial Statements of the Company cover 12 month period from 01 January 2023 to 31 December 2023.

General

- i) Figures have been rounded off to the nearest integer.
- ii) Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

Notes to the financial statements(Continued)

	31 December 2023 In BDT	31 December 2022 In BDT
4. Property, plant and equipment		
Cost	342,676,669	296,235,553
Less: Accumulated depreciation	143,423,613	76,348,827
	199,253,056	219,886,726

Details are in Annexure-A

5. Intangible assets		
Cost	231,215,106	136,138,365
Less: Accumulated Amortization	2,363,292	686,905
	228,851,814	135,451,460

Details are in Annexure-B

See accounting policy in Note 2F

6. Pre-operating costs		
Opening Balance	2,813,156	3,750,874
Less: Amortisation during the year	937,719	937,719
	1,875,437	2,813,156

7. Inventory and consumable items		
POS Materials	4,491,664	8,079,450
Airtime Balances	27,531,918	18,815,917
	32,023,582	26,895,367

Airtime balance represents unsold amount of mobile airtime purchased from different Mobile Network Operators (MNOs) and airtime proceeds in transit. It is recorded at face value and has no expiry date.

8. Advances, deposits and prepayments		
Advance to suppliers	946,246	3,156,500
VAT current account	17,555,342	33,190,281
Advance to employees	406,394	267,700
Prepayment for NID verification	89,910	89,149
Advance commission charge on bank guarantee	2,105,915	1,534,866
Prepaid IT expenses	12,467,747	-
Prepayment to BREB	11,547,528	1,313,345
	45,119,082	39,551,841

9. Account receivables		
Interest receivables	44,673,160	4,702,005
Other receivables*	1,698,059	386,614
	46,371,219	5,088,620

*This represents reimbursable campaign cost with banks and MNOs

10. Advance income tax	Note		
Opening balance		11,722,958	4,534,673
Add: Advance tax paid during the year	10.1	12,012,030	11,722,958
Less: Adjustment on submission of previous year return		11,722,958	4,534,673
Less: Adjustment with provision for income tax	15	12,012,030	
		-	11,722,958

Advance income tax balance comprises of tax deducted at source on interest income and airtime commission. The Company presents current tax assets/(liabilities) as net off balance of advance income tax and provision for income tax in the year 2023.

10.1 Year wise balances of Advance Income Tax		
Income year 2023-24	12,012,030	-
Income year 2022-23	-	11,722,958
	12,012,030	11,722,958

The Company charged off advance income tax of previous year on submission of income tax return of the said year though the assessment is yet to be completed.

	31 December 2023	31 December 2022
	In BDT	In BDT
11. Trust cum settlement accounts and investments		
Trust cum settlement accounts (TCSA)	580,517,745	577,452,911
5 year treasury bond	231,744,424	182,225,724
10 year treasury bond	37,783,040	37,783,040
	850,045,208	797,461,675

Trust cum settlement accounts (TCSA) and investments represent balances with different commercial banks in the form of cash and investment in government securities (no less than 25% of balance in TCSA) against e-money issued to customers, channel partners, merchants etc. as per Bangladesh Mobile Financial Services (MFS) Regulations, 2022 issued by Bangladesh Bank.

11.1 Trust cum settlement accounts (TCSA)

Agrani Bank PLC	5,067,379	7,419,679
Al-Arafah Islami Bank PLC	7,796,639	-
Brac Bank PLC	4,392,042	21,081,864
Dhaka Bank PLC	15,529,508	1,367,665
IFIC Bank PLC.	82,678,011	43,456,564
Islami Bank Bangladesh PLC	22,065,861	14,451,373
Jamuna Bank PLC	4,399,937	4,460,478
Mutual Trust Bank PLC	3,142,127	5,653,918
National Bank Limited	6,077,752	6,119,086
NCC Bank PLC	4,341,028	978,710
Prime Bank PLC	2,291,648	15,565
Sonali Bank PLC	696,220	2,239,314
Shahjalal Islami Bank PLC	1,101,862	1,552,980
The City Bank PLC	29,704,655	13,698,907
Mercantile Bank PLC	3,979,150	8,671,625
Midland Bank Ltd.	1,180	1,074,163
Padma Bank PLC	119,297	-
Standard Bank Ltd.	511,491	68,812
NRBC Bank PLC	564,962	300
Rajshahi Krishi Unnayan Bank	360,081	633,246
SBAC Bank PLC	438,588	348,717
United Commercial Bank PLC	385,258,330	444,159,947
	580,517,745	577,452,911

12. Cash and cash equivalent

Cash at banks	419,247,280	427,600,879
Investment in FDR	1,000,000,000	-
	1,419,247,280	427,600,879

12.1 Cash at banks

United Commercial Bank PLC	412,092,201	427,600,879
Prime Bank PLC	6,889	-
The City Bank PLC	163,535	-
Sonali Bank PLC	2,000,000	-
Southeast Bank PLC	4,984,655	-
	419,247,280	427,600,879

13. Share capital

	No. of shares	31 December 2023	31 December 2022
Authorised			
Authorised (par value of Taka 10 each)	500,000,000	5,000,000,000	5,000,000,000
Paid up			
Ordinary shares (par value of Taka 10 each)	500,000,000	5,000,000,000	3,000,000,000

Percentage of shareholdings

	No. of shares	%	31 December 2023	31 December 2022
United Commercial Bank PLC	499,999,999	99.9999997	4,999,999,990	2,999,999,990
UCB Stock Brokerage Limited	1	0.0000003	10	10
	500,000,000	100%	5,000,000,000	3,000,000,000

14. Customer and other deposits

Balance in e-wallets*	757,803,027	747,024,140
Security deposit from distributors	13,350,000	-
	771,153,027	747,024,140

*Balance in e-wallets represents the balance maintained by customers, agents, distributors and merchants in their e-wallets in the form of e-money.

	31 December 2023	31 December 2022
	In BDT	In BDT
15. Provision for income tax		
Opening balance	1,589,492	1,270,087
Add: Addition during the period	14,945,130	1,589,492
Less: Adjustment with previous period	-	(1,270,087)
Less: Adjustment with advance income tax	12,012,030	-
	4,522,593	1,589,492
16. Operational payables		
Vendors payable	48,215,203	52,518,461
Commission and charges payable	12,141,436	6,755,511
Unearned revenue	410,790	459,017
Payable to provident fund	2,475,313	2,903,103
	63,242,742	62,636,092
17. Other payables		
Tax Deducted at Source (TDS) payable	10,884,637	12,484,361
VAT Deducted at Source (VDS) payable	746,985	1,464,116
	11,631,622	13,948,477
18. Provision for operational expense		
Advertisement expenses	5,546,000	40,106,728
Distribution channel expenses	19,367,614	10,150,448
Trade engagement and campaign	5,031,433	2,888,435
Customer service	12,914,000	18,165,969
Customer Acquisition expense	4,375,575	8,351,978
Employee benefits	47,612,926	34,721,068
Audit fee	50,000	50,000
Software and other maintenance charge	7,897,915	1,110,256
Others	4,347,483	6,259,186
	107,142,946	121,804,068
	01 January to	01 January to
	31 December 2023	31 December 2022
	In BDT	In BDT
19. Revenue		
Cash out and others	382,454,384	198,758,430
Airtime commission	4,306,756	3,693,029
Interest on TCSA and government securities*	46,525,167	-
	433,286,306	202,451,459
*The Company presents interest on TCSA and government securities in revenue to provide reliable and more relevant information about Company's financial position and financial performance.		
Interest on TCSA and government securities has been shown under revenue in financial year 2023 and the same was shown under non-operating income in financial year 2022 (See note 23).		
20. Cost of services		
Transaction commission	389,526,395	204,200,362
MNO service charges	6,198,785	7,335,712
Bank charges of TCSA	350,920	-
	396,076,100	211,536,074
21. Administrative and other operating expenses		
Salary and allowances	319,081,530	391,287,323
Training and workshop	16,368	33,368
Directors' fee	495,000	638,000
Bank charges	897,402	571,598
Utility charges	3,056,102	2,929,807
Meeting expenses	938,721	529,865
Call center expenses	10,165,335	21,831,537
Audit fee	50,000	50,000
Postage, stamps, telecommunication etc.	8,614,322	7,562,622
Software maintenance charge	37,829,348	26,903,246
Vehicle repair and maintenance	19,792,520	29,970,496
Office maintenance	10,227,297	7,864,243

	01 January to 31 December 2023 In BDT	01 January to 31 December 2022 In BDT
Professional and consultancy fees	1,647,225	7,067,668
Printing and stationery	2,741,507	3,696,652
Employee welfare expenses	12,138,681	13,663,154
Local conveyance	17,237,027	16,092,487
Amortization of pre-operating expense	937,719	937,719
Depreciation	67,214,569	55,828,233
Amortisation	1,676,387	668,948
	514,757,060	588,126,966

22. Commercial expenses

Subscriber acquisition charges	76,581,839	222,778,366
Consumer engagement	5,325,873	13,705,830
Trade marketing expenses	49,001,267	102,362,376
Advertisement expenses	34,528,294	160,189,547
Distribution channel expenses	228,960,618	138,353,737
	394,397,891	637,389,856

23. Non-operating income

Interest on SND Accounts	27,529,211	30,814,415
Interest on TCSA and government securities*	-	32,851,779
Interest on FDR	36,041,667	-
Other income/(loss)	13,171	(4,267)
	63,584,048	63,661,927

*The Company presents interest on TCSA and government securities in revenue to provide reliable and more relevant information about Company's financial position and financial performance.

Interest on TCSA and government securities has been shown under non-operating income in financial year 2022 and the same was shown under revenue in financial year 2023 (See note 19).

24. Income tax expense

Current tax provision	14,945,130	1,589,492
Additional income tax on submission of prior year return*	31,070,838	5,896,025
	46,015,968	7,485,517

* The Company charged additional income tax expense during the year on the basis of return for the year 2022-23. The said amount comprises of advance income tax and payment to government treasury as per section 173 of Income Tax Act 2023.

25. Related Party Transaction

During the year 2023, the company entered into a number of transactions with related parties in the normal course of business which includes utility cost sharing and maintaining bank accounts and interest thereof. The following disclosure and nature of relationship have been considered as per the provisions of IAS-24: Related Party Disclosures.

Related party transactions during the year

Name of Related Party and Nature of transaction	Transaction value for the year		Balance	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Parent and ultimate controlling party United Commercial Bank PLC				
- Utility bills	2,801,610	2,774,696	-	-
Parent and ultimate controlling party United Commercial Bank PLC				
- Interest income	87,052,658	52,157,962	-	-
Parent and ultimate controlling party United Commercial Bank PLC				
- Cash at banks	-	-	412,092,201	427,600,879
- Investment in FDR	-	-	1,000,000,000	-
- Trust cum settlement accounts (TCSA)	-	-	385,258,330	444,159,947

UCB Fintech Company Limited

Schedule of Property, plant and equipment

As at 31 December 2023

Name of assets	Cost			Accumulated depreciation			Carrying amount as at 31 December 2023		
	Opening Balance as at 01 January 2023	Addition during the year	Adjustments/Transfer/Disposal during the year	Closing Balance as at 31 December 2023	Opening Balance as at 01 January 2023	Addition during the period		Adjustments/Disposal during the year	Closing Balance as at 31 December 2023
Furniture & fixtures	976,647	113,054	-	1,089,700	154,808	66,258	-	221,066	868,634
Office equipment	3,317,512	430,834	-	3,748,346	438,051	804,927	-	1,242,977	2,505,368
IT Equipment	281,105,395	46,394,701	(372,473)	327,127,623	74,485,300	64,169,817	(139,783)	138,515,334	188,612,289
Vehicles	10,836,000	-	(125,000)	10,711,000	1,270,669	2,173,567	-	3,444,236	7,266,764
Total Fixed Assets	296,235,553	46,938,588	(497,473)	342,676,669	76,348,827	67,214,569	(139,783)	143,423,613	199,253,056

(Annexure-A)

As at 31 December 2022

Name of assets	Cost			Accumulated depreciation			Carrying amount as at 31 December 2022		
	Opening Balance as at 01 January 2022	Addition during the year	Disposal during the year	Balance as at 31.12.2022	Opening Balance as at 01 January 2022	Addition during the period		Adjustments/Disposal during the year	Closing Balance as at 31 December 2022
Office equipment	3,244,292	73,220	-	3,317,512	38,895	399,155	-	438,051	2,879,461
IT Equipment	217,001,270	64,155,050	-50,925	281,105,395	20,478,963	54,024,440	(18,103)	74,485,300	206,620,095
Furniture & fixtures	179,475	797,172	-	976,647	20,838	133,970	-	154,808	821,839
Vehicles	-	10,836,000	-	10,836,000	-	1,270,669	-	1,270,669	9,565,331
Total Fixed Assets	220,425,037	75,861,441	(50,925)	296,235,553	20,538,696	55,828,234	(18,103)	76,348,827	219,886,726

UCBFintech Company Limited

Schedule of Intangible Assets

As at 31 December 2023

(Annexure-B)

Name of assets	Cost			Accumulated amortisation			Carrying amount as at 31 December 2023	
	Opening Balance as at 01 January 2023	Addition during the period	Adjustments/ Disposal during the period	Closing Balance as at 31 December 2023	Opening Balance as at 01 January 2023	Addition during the year		Adjustments/ Disposal during the year
Computer software	6,510,755	529,425	-	7,040,179	686,905	1,676,387	-	2,363,292
Core Digital Financial System	129,627,610	94,547,316	-	224,174,926	-	-	-	224,174,926
Total Intangible Assets	136,138,365	95,076,741	-	231,215,106	686,905	1,676,387	-	2,363,292

As at 31 December 2022

Name of assets	Cost			Accumulated amortisation			Carrying amount as at 31 December 2022	
	Opening Balance as at 01 January 2022	Addition during the period	Adjustments/ Disposal during the period	Closing Balance as at 31 December 2022	Opening Balance as at 01 January 2022	Addition during the year		Adjustments/ Disposal during the year
Computer software	1,057,145	5,453,610	-	6,510,755	17,957	668,948	-	686,905
Core Digital Financial System	45,196,577	84,431,033	-	129,627,610	-	-	-	129,627,610
Total Intangible Assets	46,253,722	89,884,643	-	136,138,365	17,957	668,948	-	686,905



ক্যাশ আউট চার্জ

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টাকা প্রতি হাজারে

কোন শর্ত প্রযোজ্য নয়

ডায়াল *২৬৮# অথবা ডাউনলোড



*বাটন ফোন (USSD)-তে সর্বনিম্ন

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Director



Gea Ban Peng
Secretary and Director



Islam Mohammad Aminul
Chief Executive Officer and Director

Company Profile

UCB Exchange (SG) Pte Ltd, a wholly owned subsidiary of United Commercial Bank PLC, was incorporated in Singapore on 25 January 2023 as a private limited company by shares under the Companies Act 1967 in Singapore under Unique Entity Number (UEN) 202302830G. After incorporation, UCB Exchange has submitted its application for remittance licence to Monetary Authority of Singapore (MAS) and it is still under process.

Our goal is to be the first choice for remitters in Singapore for sending remittances and to become a global market leader in money transfer industry. By ensuring a competitive service and exchange rates, flexible settlement rates and dates, and excellent operational and business support that keeps pace with current technology, we aim to surpass our clients' needs in Singapore. We aim to provide a quick, secure and cost-effective money transfer experience for all our customers. We will achieve this by innovating and bettering our services for the needs of our customers.

UCB Exchange (SG) Pte Ltd will be a one-stop-shop for most of remitters to remit hard-earned money to their desired beneficiaries. They will choose UCB Exchange due to-



Safe and Secure

At UCB Exchange, we will make money transfer easy, safe, and secure. We will protect your money and provide you with the surety that your hard-earned money reaches your intended recipient securely. We will provide high-end technology that ensures the security of your information and protects your transfers against piracy and theft.

Because we care

We understand that sending money is sending happiness to the people you love and care about. At UCB Exchange, we will hold ourselves to a very high standard to ensure we are a reliable partner in an ordinary, extra ordinary, or urgent situation.

Competitive Exchange Rates & Lowest fees

We will guarantee to provide the best exchange rates and transfer your money with the lowest fees compared to other money transfer services.

Directors' Report

For the Financial Year Ended 31 December 2023

1. Introduction

The Board of Directors is pleased to present the Directors' Report of UCB Exchange (SG) Pte Ltd for the financial year ended 31 December 2023. This report provides an overview of our business operations, financial performance, and strategic initiatives during the year. It also includes the Management Discussion and Analysis (MD&A) to offer deeper insights into the company's performance and future prospects.

2. Company Overview

UCB Exchange (SG) Pte Ltd, a wholly owned subsidiary of United Commercial Bank PLC, was incorporated in Singapore on 25 January 2023 under the Companies Act 1967, with Unique Entity Number (UEN) 202302830G. Our primary business focus is to provide remittance services, with a vision to become the first choice for remitters in Singapore and a global leader in the money transfer industry.

3. Business Objectives

Our mission is to deliver quick, secure, and cost-effective money transfer services. We aim to achieve this by offering competitive service and exchange rates, flexible settlement rates and dates, and excellent operational and business support that leverages the latest technology.

4. Business Activities and Development

Since our incorporation, UCB Exchange (SG) Pte Ltd has been actively working on establishing its presence in the remittance market. We submitted our application for a remittance license to the Monetary Authority of Singapore (MAS), and it is currently under process. Obtaining this license is a critical step in commencing our operations and providing services to our customers.

5. Financial Performance

As this is our first financial year, there are no historical financial comparisons. However, we have laid a strong foundation by securing the necessary initial capital and investing in infrastructure and technology to support our future operations.

6. Strategic Initiatives

In our inaugural year, we focused on:

- Establishing robust operational frameworks and compliance protocols.
- Developing a user-friendly remittance platform.
- Building partnerships with banks and financial institutions to facilitate smooth transactions.
- Setting up customer support services to ensure high levels of customer satisfaction.

7. Directors

The Board of Directors comprises individuals with extensive experience and expertise in the financial services and remittance industry. The Directors are committed to ensuring high standards of corporate governance and operational excellence.

Directors as of the date of this report:

- Anisuzzaman Chowdhury, Director
- Asifuzzaman Chowdhury, Director
- Arif Quadri, Director
- ATM Tahmiduzzaman, FCS, Director
- Gea Ban Peng, Secretary and Director
- Islam Mohammad Aminul, Chief Executive Officer and Director

8. Directors' Interests:

The Directors have no direct or indirect interest in shares, debentures, or share options of the company.

9. Management Discussion and Analysis (MD&A)

9.1 Industry Overview

The global remittance industry continues to grow, driven by increasing international migration and the rising need for cross-border money transfers. The industry is becoming more competitive, with new technologies and digital platforms changing the traditional remittance landscape.

9.2 Operational Highlights

- **Licensing and Compliance:** We have made significant progress in our licensing process with MAS and are hopeful of receiving approval soon.
- **Technology and Innovation:** Investments have been made in developing a secure and efficient remittance platform that meets the needs of our customers. Our platform incorporates advanced security measures to protect customer data and transaction integrity.
- **Customer Service:** Establishing a responsive and knowledgeable customer support team has been a priority. We aim to provide exceptional service that ensures customer satisfaction and loyalty.

9.3 Financial Highlights

- **Revenue:** As operations are yet to commence, the company did not generate revenue in this financial year.
- **Expenditure:** Initial expenditures were primarily related to setting up the business, including technology development, regulatory compliance, and administrative costs.

9.4 Risks and Opportunities

- **Regulatory Risks:** The approval of our remittance license by MAS is crucial. We are closely monitoring the process and maintaining compliance with all regulatory requirements.
- **Market Opportunities:** The growing demand for remittance services presents significant opportunities. By offering competitive rates and superior service, we aim to capture a significant market share in Singapore and beyond.

9.5 Future Outlook

The upcoming year will be pivotal for UCB Exchange (SG) Pte Ltd as we anticipate the approval of our

remittance license and the commencement of operations. Our focus will be on:

- Launching and scaling our remittance services.
- Expanding our customer base through targeted marketing and partnerships.
- Continuously enhancing our technology and service offerings to stay ahead of market trends and customer expectations.

10. Directors and Key Management Personnel

The Board of Directors comprises experienced professionals who bring a wealth of knowledge and expertise to the company. Their guidance and strategic oversight are invaluable to our growth and success.

11. Acknowledgements

We would like to thank our shareholders, regulatory bodies, partners, and the dedicated team at UCB Exchange (SG) Pte Ltd for their support and contributions during our inaugural year. We are committed to achieving our vision and delivering exceptional value to our customers and stakeholders.

12. Conclusion

We are excited about the future and confident in our ability to build a leading remittance service provider in Singapore. The foundation laid this year positions us well for future growth and success.



Anisuzzaman Chowdhury
Chairman
UCB Exchange (SG) Pte Ltd
Date: 29 April 2024

Independent Auditor's Report

To the Member of UCB Exchange (SG) Pte. Ltd.

(Incorporated in the Republic of Singapore)

Co.Reg.No.202302830G

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UCB Exchange (SG) Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

The directors' responsibilities include 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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 SSAs, 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



C. C. YANG & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

SINGAPORE
29 APR 2024

UCB EXCHANGE (SG) PTE. LTD.
(Incorporated in the Republic of Singapore)
Co. Reg. No. 202302830G

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE PERIOD SINCE INCORPORATION ON
25 JANUARY 2023 TO 31 DECEMBER 2023**
(Expressed in Singapore Dollars)

	\$
Revenue	-
<u>Other Items of Expense</u>	
Other Expenses	(13,266)
Loss Before Tax from Continuing Operations	(13,266)
Income Tax Expense	-
Loss from Continuing Operations, Net of Tax	(13,266)
<u>Other Comprehensive Income</u>	
Other Comprehensive Income. Net of Tax	-
Total Comprehensive Income	\$(13,266)

UCB EXCHANGE (SG) PTE. LTD.
(Incorporated in the Republic of Singapore)
Co. Reg. No. 202302830G

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023
(Expressed in Singapore Dollars)

	\$
<u>ASSETS</u>	
<u>Current Assets</u>	
Other Receivables	60,000
Prepayments	292
Cash and Cash Equivalents	1,000
Total Current Assets	61,292
Total Assets	\$ 61,292
<u>EQUITY AND LIABILITIES</u>	
<u>Equity</u>	
Share Capital	1,000
Accumulated Losses	(13,266)
Total Equity	(12,266)
<u>Current Liabilities</u>	
Other Payables	73,558
Total Current Liabilities	73,558
Total Liabilities	73,558
Total Equity and Liabilities	\$ 61,292

UCB EXCHANGE (SG) PTE. LTD.

(Incorporated in the Republic of Singapore)

Co. Reg. No. 202302830G

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD SINCE INCORPORATION ON
25 JANUARY 2023 TO 31 DECEMBER 2023**

(Expressed in Singapore Dollars)

	Total Equity	Share Capital	Accumulated Losses
	\$	\$	\$
Opening Balance at 25/1/2023	1,000	1,000	-
Total Comprehensive Income for the Period	(13,266)	-	(13,266)
Closing Balance at 31/12/2023	<u>\$(12,266)</u>	<u>\$ 1,000</u>	<u>\$(13,266)</u>

UCB EXCHANGE (SG) PTE. LTD.
(Incorporated in the Republic of Singapore)
Co. Reg. No. 202302830G

**STATEMENT OF CASH FLOWS
FOR THE PERIOD SINCE INCORPORATION ON
25 JANUARY 2023 TO 31 DECEMBER 2023**
(Expressed in Singapore Dollars)

	\$
<u>Operating Activities</u>	
Loss Before Tax from Continuing Operations	(13,266)
	(13,266)
Operating Cash Flows Before Changes In Working Capital	(13,266)
Total Changes In Working Capital	(56,274)
Increase in Other Receivables	(60,000)
Increase in Prepayments	(292)
Increase in Other Payables	4,018
	(69,540)
Net Cash Flows Used In Operating Activities	(69,540)
<u>Financing Activities</u>	
Proceeds from Issue of Share Capital	1,000
Increase in Amount Due to Ilolding Company	69,540
	70,540
Net Cash Flows From Financing Activities	70,540
Net Increase in Cash and Cash Equivalents	1,000
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	-
	\$ 1,000
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	\$ 1,000

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BANK PLC



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**SUPPLEMENTARY
INFORMATION**

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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

Bijoynagar 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 : Abdul Jabbar Nayema Tower, Holding
no: 16, Bir Muktijoddha SM Mozammel
hoque Road, Ward No:50, Dhaka
North City Corporation, Police Station:
Dakshinkhan, District: Dhaka.
Email : dkn@ucb.com.bd
Routing no : 245260913
Contact : 01787670976 (HOB), 01915479179 (OM)

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: Araihaizer, Narayanganj
Email : gpl@ucb.com.bd
Routing no : 245670608
SWIFT Code : UCBLBDDH
Contact : 01915479053

Gopalgonj Branch

Address : 127, College Road, Chowronggi Ward
No-4, Gopalgonj Paurasava
Dist: Gopalgonj
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: Kapasia, 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

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 : mh@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 : UCBLBDDHMDB
Contact : 01711881047

Muksudpur Branch

Address : R R Plaza, Holding no: 618, College
Road, Ward No: 04, Pouroshova:
Muksudpur, Police Station: Muksudpur,
District: Gopalganj
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, P.O: Savar Cantonment
P.S: Ashulia Upazilla: Savar, District:
Dhaka
Email : nbs@ucb.com.bd
Routing no : 245263415
SWIFT Code : UCBLBDDH
Contact : 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 (1st 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
P.S.: 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: Wary, DCC (S) Dhaka 1100,
Bangladesh.
Email : nwp@ucb.com.bd
Routing no : 245274725
SWIFT Code : UCBLBDDHNWP
Contact : +88-02-47116387,
47113750, 9580596

Pagla Bazar Branch

Address : D.N. Road, Paglabazar, P.S: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, District: 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, District: 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, District: 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 District:
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,
District: 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 (1st 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
District: Dhaka
Email : UKB@UCB.COM.BD
Routing no : 245264601
SWIFT Code : UCBLBDDH
Contact : 01714167438

Zinzira Branch

Address : Tinpatty (1st Floor), Zinzira Bazar
Zinzira 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

Baroipara Branch

Address : Fajar Ali Complex, Area: Baroipara,
Union 1 No. Shimulia, Police Station:
Ashulia, District: Dhaka
Email : bpb@ucb.com.bd
Routing no : 245261712
Contact : 01329738837(HOB), 01844491079 (OM)

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 Pourasava, 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 Pourashava, P.S.:
Bandarban Sadar District: 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-Chattogram
Highway, Ward No-02, Pourasava-
Baroiarhat, P.O-Bisumeer, P.S-
Jorargonj (Ex-Mirsarai)
Dist: Chattogram.
Email : brh@ucb.com.bd
Routing no : 245151093
Contact : 01713436186 (HOB), 01847092000(OM)

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,
District: 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 Floor) 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, (1st
Floor) 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,
District: 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, District: 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
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, District: 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, District: 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 District:
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, District: 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

Lakshampur Branch

Address : 63, Bancha Nagar Masjid Road,
Lakshampur
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

Maizdee Court Branch

Address : 1175-1176, Maizdee Court Main Rd.
Noakhali
Email : mdc@ucb.com.bd
Routing no : 245751572
Contact : 01711-883748

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 Floor.)
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
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, District: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 District: 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 : A.G Tower, Holding No. 1541, 1542, Daulatganj Bazar Road, Ward No: 04, Pouroshova: Laksam, Cumilla

Email : str@ucb.com.bd

Routing no : 245157518

SWIFT Code : UCBLBDDHAGB

Contact : 01811481291

Laksam Branch

Address : A.G Tower , Holding No. 1541, 1542 Daulatganj Bazar Road , Ward No: 04 Pouroshova: Laksam, District: Cumilla

Email : lsb@ucb.com.bd

Routing no : 245192715

Contact : 01321124385 (HOB), 01844491075 (OM)

Matlab Uttar Branch

Address : Zamzam Tower, Holding No. 1258-00, Kalakanda Road, Ward No: 01, Pouroshova: Chengarchar, Police Station: Matlab Uttar, Dist. Chandpur

Email : mub@ucb.com.bd

Routing no : 245130306

Contact : 01321124386(BM), 01844491076(OM)

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, District: 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 District: Moulvibazar

Email : brl@ucb.com.bd

Routing no : 245580101

SWIFT Code : UCBLBDDHSHYL

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, District: 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)
District: Sylhet.
Email : srp@ucb.com.bd
Routing no : 245913310
SWIFT Code : UCBLBDDH
Contact : +88 01966602235; 01711922479

Shibgonj Branch

Address : Union: Tuitikar, Sadar Thana Sylhet
District: 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 : UCBLBDDH
Contact : +8801711881066

Chapainawabgonj 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 floor)
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 Floor) Shaheb
Bazar, Natore Maha Sarak,
Rajshahi- 6100
Email : rjh@ucb.com.bd
Routing no : 245811933
SWIFT Code : UCBLBDDHRJH
Contact : +88025-88853367

Sirajgonj Branch

Address : 720, S.S.Road P.O: Sirajgonj
District: Sirajgonj
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, Sirajganj
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 : 36, M.K Road, Jashore
Email : jsr@ucb.com.bd
Routing no : 245410947
Contact : 01711-883758

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 (Jashore) Branch

Address : Noapara Bazar P.S: Avoy nagor, Jashore
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
District: 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
District: Panchagarh
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, Holding No: 4895,
Hazi Mohsin Sarak, Paurashava:
Nilphamari, District: 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 District: 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: Kandiuara, Ward No: 08, PS: Kandua, District: 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

Master Bari Branch

Address : Master Bari Plaza, Area: Jamirdia, Union: 10 No. Hobirbari, Police Station: Bhaluka District : Mymensingh
Email : mbb@ucb.com.bd
Routing no : 245610150
Contact : 01329738836(HOB) 01844491078 (OM)

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 41ST ANNUAL GENERAL MEETING

Notice is hereby given to the Members of the Bank that the 41st Annual General Meeting (AGM) of United Commercial Bank PLC will be held on Sunday, June 30, 2024, at 3.00 PM virtually by using Digital Platform through the link <https://ucbplc41.agm.watch/> in accordance with the BSEC's Order no. BSEC/ICAD/SRIC/2024/318/87 dated March 27, 2024 to transact the following businesses:

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditor's Report along with the Audited Financial Statements of the Bank for the year ended December 31, 2023.
2. To declare Dividend for the year ended December 31, 2023 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 2024.
6. To appoint a Corporate Governance Compliance Auditor for the year 2024 and fix their remuneration.

SPECIAL BUSINESS

1. To increase the Authorized Capital of United Commercial Bank PLC from Tk. 1500,00,00,000 (Fifteen Hundred Crore) divided into 150,00,00,000 (One Hundred Fifty Crore) ordinary shares of Taka 10.00 (Taka Ten) each to BDT 2500,00,00,000 (Twenty-Five Hundred Crore) divided into 250,00,00,000 (Two Hundred Fifty Crore) ordinary shares of Taka 10.00 (Taka Ten) each and accordingly the amendments in the Memorandum and Articles of Association of the Bank subject to the approval of the shareholders and the regulatory bodies.

Proposed Special Resolution:

Resolved that the Authorized Capital of United Commercial Bank PLC be increased from Tk. 1500,00,00,000 (Fifteen Hundred Crore) divided into 150,00,00,000 (One Hundred Fifty Crore) ordinary shares of Taka 10.00 (Taka Ten) each to BDT 2500,00,00,000 (Twenty-Five Hundred Crore) divided into 250,00,00,000 (Two Hundred Fifty Crore) ordinary shares of Taka 10.00 (Taka Ten) each and accordingly the following amendments in the relevant clauses be made in the Memorandum and Articles of Association of the Bank.

(i) Amendment of Clause 'VI' of the Memorandum of Association:

Existing Clause

VI. The authorized capital of the Company is Tk. 1500,00,00,000/- (Taka Fifteen Hundred Crore) divided into 150,00,00,000/- (One Hundred Fifty Crore) ordinary shares of Tk. 10/- (Taka Ten) each with the rights and privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being, with power to increase and reduce the capital of the Company in accordance with the Articles of Association of the Company and the law for the time being in force.

Proposed Clause

VI. The authorized capital of the Company is BDT 2500,00,00,000 (Twenty-Five Hundred Crore) divided into 250,00,00,000 (Two Hundred Fifty Crore) ordinary shares of Taka 10.00 (Taka Ten) each with the rights and privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being, with power to increase and reduce the capital of the Company in accordance with the Articles of Association of the Company and the law for the time being in force.

(ii) Amendment of Article '4' under the head of CAPITAL of the Articles of Association

4. (i) The Authorized Share Capital of the Company shall comprise Ordinary Shares of Tk. 1500,00,00,000/- (Taka Fifteen Hundred Crore) divided into 150,00,00,000/- (One Hundred Fifty crore) Ordinary Shares of Tk. 10/- (Taka Ten) each.
The shares in the Company shall be held by the following groups of shareholders:
 - (a) GROUP 'A' SPONSOR/DIRECTOR 50%
 - (b) GROUP 'B' Government of Bangladesh and Public Sector Financial Institutions 5%
 - (c) GROUP 'C' General Public 45%
- (ii) Any issue of further or new shares at any time shall be made in such manner so as to preserve and maintain the respective percentage shareholdings set out in Sub-Article (i) above.
4. The Authorized Share Capital of the Company shall comprise Ordinary Shares of Tk. 2500,00,00,000/- (Taka Twenty-Five Hundred Crore) divided into 250,00,00,000/- (Two Hundred Fifty crore) Ordinary Shares of Tk. 10/- (Taka Ten) each with the rights and privileges and conditions thereto as are provided by the Articles of Association of the Bank for the time being with the power to increase or reduce the capital of the Bank. The shares of the Bank may be subscribed by Bangladeshi or foreign nationals or institutions or foreign institutions or by the Government of Bangladesh.

- (iii) The unsubscribed portion of the public issue from Group 'C' shall be subscribed by the Sponsor/Directors (i.e. Group 'A' shareholders) in proportion to his/her present shareholding.

By order of the Board of Directors,



ATM Tahmiduzzaman, FCS
Company Secretary

Dated: Dhaka
June 06, 2024

Notes:

- a) The 'Record Date' in lieu of Book Closure was fixed on Thursday, May 23, 2024, for the entitlement of 5% Cash Dividend.
- b) The 'Record Date' in lieu of Book Closure was fixed on Monday, June 03, 2024, for the entitlement of 5% Stock Dividend in accordance with the direction of BSEC/CI/ CPLC(Public)-1108/2024/147 dated May 23, 2024 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. 23.05.2024 (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://ucbplc41.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 (amended up to 2023):
 - 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 2023 or can download the same by scanning the QR Code given.
 - III. Members, who want to collect the printed copy of the Annual Report-2023 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 which is linked with the websites of both Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC.
- 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 30, 2024.



To Join in AGM



To Download
Annual Report



United Commercial Bank PLC

Corporate Head Office
CWS (A)-1, Road No-34, Gulshan Avenue
Dhaka-1212

PROXY FORM

I/We.....

of.....

..... being a member of United Commercial Bank PLC do hereby appoint Mr. /Ms. as my/our PROXY to attend and vote for me/us and on my/our behalf at the 41st AGM of the Bank to be held on June 30, 2024 (Sunday) at 3.00 P.M. through Digital Platform (Virtual) and at any adjournment thereof.

As witness my/our hand this..... day of 2024.

Signature of Shareholder(s)

No. of Shares held.....

Folio No.

or

BO ID No.

Signature of PROXY

Revenue
Stamp of
BDT 100

Note: A member entitled to attend at the General Meeting may appoint a PROXY to attend on his/her behalf. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Bank at least 72 hours before the time for the meeting.

Signature Verified

Authorized Signatory



United Commercial Bank PLC

Corporate Head Office
CWS (A)-1, Road No-34, Gulshan Avenue
Dhaka-1212

SHAREHOLDER / PROXY ATTENDANCE SLIP

I hereby record my attendance at the 41st AGM of the Bank to be held on June 30, 2024 (Sunday) at 3.00 P.M. through Digital Platform (Virtual).

Name of the Shareholder	<input type="text"/>
No. of Shares	<input type="text"/>
Folio No.	<input type="text"/>
BO ID No.	<input type="text"/>
Name of the Proxy (if any)	<input type="text"/>

Signature of Shareholder/Proxy

Signature verified by

Notes: Please present this Slip at the Reception Desk. Children and non-Shareholders will not be allowed at the meeting.



**GLIMPSE OF
LAST AGM**

GLIMPSE OF UCB 40TH ANNUAL GENERAL MEETING







UNITED COMMERCIAL
BANK PLC



Plot-CWS (A)-1, Road No-34, Gulshan Avenue, Dhaka-1212
Phone: +88-02-55668070, Call center: 16419

