Information Memorandum

Issuance of Contingent-Convertible, fully paid up, Non-Cumulative, Perpetual Bond of BDT 3,000,000,000 (Three Thousand Million Taka) of United Commercial Bank PLC (BDT 2,700,000,000 in Private Placement and BDT 300,000,000 in Public Issue)

Coupon Range: 6.00% p.a. - 10.00% p.a.

Issuer: United Commercial Bank PLC

Trustee to the Issue: Prime Bank Investment Limited

Type of Security: Unsecured, Contingent-Convertible, fully paid up, Non-Cumulative Perpetual Bond
Total Issue Amount: BDT 3,000,000,000 (BDT 2,700,000,000 in Private Placement and BDT 300,000,000 in Public Issue)

Credit Rating status of the Bond: A+s
Validity Date: 22 June 2022 to 21 June 2023

Lead Arranger:

UCB Investment Limited

Joint Issue Managers:
Prime Finance Capital Management Limited & Sonali Investment Limited

Prime Finance Capital Management Limited

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
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Head Office, Dhaka.

"If you have any query regarding this document, you may consult the issuer and the trustee"

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NOTICE & DISCLAIMER

United Commercial Bank PLC (previously known United Commercial Bank Limited) hereinafter referred as the **"Bank"** or the **"UCB"** or the **"Issuer"**) has authorized UCB Investment Limited (hereinafter referred as **"UCBIL"** or the **"Lead Arranger"** to distribute this Information Memorandum (IM) in connection with the proposed transaction outlined in it (the **"Transaction"**) and the bonds proposed to be issued in the Transaction (the **"Bonds"**)

This Information Memorandum is provided to prospective investors on a private and confidential basis for use solely in connection with the issue, offer, sale or invitation to subscribe or purchase Perpetual Bonds. This Information Memorandum shall not be, in whole or in part, reproduced or used for any other purpose without prior written consent of the Arranger.

The Issuer has prepared this information memorandum and is solely responsible for its contents. The issuer will comply with all rules, laws and regulations and is responsible for obtaining all regulatory, governmental and corporate approvals for the issuance of the Bonds. The Issuer, having made all reasonable inquiries, confirms that this Information Memorandum contains all the information with respect to itself and the Bonds to be issued by it, which is material in the context of the Bonds; that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading; that the opinions and intentions expressed in this Information Memorandum are honestly held and that there are no other facts the omission of which would make any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

The Arrangers has relied on the information provided by the Issuer and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or any affiliate of the Arranger for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information Memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions therefore. By accepting this Information Memorandum, investors agree that the Arranger will not have any such liability.

Neither this Information Memorandum nor any other information supplied in connection with the Issue is intended to provide the complete basis of any credit or other evaluation, nor should it be considered as a recommendation by the Arranger to the Issue that any recipient of this Information Memorandum (or any other information supplied in connection with the Issue) should purchase or subscribe for any Bonds. Each investor contemplating purchasing or subscribing for a Bond should make their own independent investigation of the financial condition and affairs, and their own appraisal of the creditworthiness of the Issuer. Investors are advised not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice. Investors are also advised to consult with their own advisors as to all legal, accounting, regulatory, tax, financial and related matters, concerning an investment in the Bonds.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR FINANCIAL, LEGAL AND OTHER ADVISERS BEFORE PURCHASING OR ACQUIRING OR INVESTING IN THE PERPETUAL BONDS.

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ISSUER'S DISCLAIMER

ALL THE FEATURES OF UCB 2nd Perpetual Bond ARE DRAFT ONLY AND FINALIZATION OF THESE FEATURES ARE SUBJECT TO THE APPROVALS OF COMPETENT REGULATORS. THESE FEATURES MAY BE MODIFIED AS PER THE DIRECTIONS OF BANGLADESH BANK AND BANGLADESH SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER COMPETENT REGULATORS.

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ABBREVIATIONS

ALCO	ASSET LIABILITY MANAGEMENT COMMITTEE
ATM	Automated Teller Machine
BDT	Bangladeshi Taka
BRMC	Board Risk Management Committee
BSEC	Bangladesh Securities and Exchange Commission
CAGR	Compound Annual Growth Rate
CRAR	Capital to Risk-weighted Asset Ratio
CRM	Credit Risk Management
CRR	Cash Reserve Requirement
FBP	Foreign Bill Purchase
FDBP	Foreign Documentary Bills for Purchase
FDR	Fixed Deposit Receipts
IBP	Inland Bill Purchase
IC	Investment Committee
LATR	Loan Against Trust Receipt
MAT	Management Action Triggers
MCR	Minimum Capital Requirement
NFCD	Non-Resident Foreign Currency Deposit
NII	Net Interest Income
NIM	Net Interest Margin
NPA	Non-performing Assets
NPL	Non-performing Loan
OBU	Off-shore Banking Unit
OD	Over Draft
PCB	Private Commercial Bank
POS	Point of Sale
RFCD	Resident Foreign Current Deposit
RMU	Risk Management Unit
RWA	Risk Weighted Assets
SLR	Statutory Liquidity Ratio

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SME	Small and Medium-sized Enterprises
SOD	Secured Over Draft
VAR	Value at Risk

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SECTION 1: REPORT TO THE ELIGIBLE INVESTOR

By investing in the Bonds, you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of the Arranger, as set out below:

High risk: You are fully aware that investment in the Bonds involves a high degree of risk.

Consultation with advisers: You have (i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bonds, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Arranger.

No reliance: You acknowledge and agree that you may not rely on any investigation that the Arranger or any of its affiliates or any person acting on their behalf may have conducted with respect to the Issuer or any of their affiliates, and neither the Arranger nor its affiliates, employees, officers, directors, legal advisers or representatives have made any representation to you, express or implied, with respect to your investment in the Bonds.

Informed decision: You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bonds, including without limitation, adequate information concerning the Issuer's business, financial condition, results of operations and prospects.

Knowledge and experience: You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bonds and are aware that you may be required to bear, and are able to bear, all risks including economic risk of an investment in the Bonds.

Information of the Company: You acknowledge that the information provided to you with regard to the Issuer and the Bonds in this Information Memorandum has been supplied to you by the Arranger only on behalf of the Issuer and that neither the Arranger nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.

Review of Information Memorandum: You have reviewed this Information Memorandum in its entirety, including the risks associated with investment in the Bonds, and you understand and acknowledge all of the risks described herein. By investing in the Bonds, you have determined that:

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i. the Bonds are a suitable investment for you and your investment in the Bonds does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and

ii. you have obtained all approvals and consents (whether internal or external) and have made all notifications necessary for you to invest in the Bonds as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment.

Own account: You are purchasing the Bonds for your own account and not with a view to any distribution thereof.

No representation or warranty: The Arranger has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Arranger shall not owe any duty whatsoever to you in connection with the Bonds.

No obligation to purchase: The Arranger shall have no obligation to purchase or acquire all or any part of the Bonds purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bonds, including the non-performance by the issuance, whether to you or otherwise.

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SECTION 2: RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT RISK

United Commercial Bank PLC (The Issuer) operates in banking industry which is cyclical and hence is exposed to several risk factors arising from external as well as internal matters. Moreover, any investment in debt securities carries risks. Hence, different debt securities carry different risks; an investment in Perpetual Bond has to be evaluated on its own merits. An investment in the Perpetual bonds is in that respect no different.

Potential investors of UCB 2nd Perpetual Bond are strongly encouraged to carefully evaluate all the information in this Information Memorandum, specially the risk factors both internal and external on their own merit and not by referent to any other debt securities whether of a comparable nature or otherwise before making any investment decision.

This section addresses the possible risks an investor might have to bear by investing in the bonds and each risk factor is followed by management's perception regarding the risk. If any of the risks described below materialize, it could have a serious impact on the Issuer's financial results, and the ability of the Issuer to fulfill its obligations under the Bonds to be issued. However, the list of risk factors is not meant to be a comprehensive description of all risks which may be relevant to a decision to invest in the Bonds. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

2.1 Interest Rate Risk

The banking book consists of assets and liabilities contracted basically on account of relationship or for steady income and statutory obligations and are generally held till maturity/payment by counter party. The earnings or changes in the economic value are the main focus in banking book. Interest rate risk is the risk that a bank will experience deterioration in its financial position as interest rates move over time. Interest rate risk in the banking book arises from a bank's core banking activities.

Management Perception

The Bank uses Duration Gap Analysis (DGA) for deriving value of capital requirement for interest rate risk. 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.

2.2 Foreign Exchange Rate Risk

Exchange rate risk is defined as the potential change in earnings due to change in foreign exchange rates. Exchange rate fluctuation may reduce the profitability of the bank because its trade commitments from various sources of foreign exchange like export proceeds and remittances.

Management's perception

Treasury Department conducts the Foreign Exchange Deals for the Bank as per Bangladesh Bank (BB) guideline and their own policies. Treasury Mid Office is responsible to monitor all related limits of Treasury and limits of its respective counterparties independently. In addition to Mid Office job is to ensure compliance, manage and escalate overall Risk issues of Treasury as and when required. Treasury Back

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Office is responsible for verification of all deals executed by Treasury, settling payments and passing of entries in the books of account. Back Office is also ensuring revaluation in the Core Banking at Mark-to-Market rate basis as determined by BB on daily basis, submitting Foreign Exchange Position report as per BB guideline daily, reconciling/reporting all NOSTRO accounts with its book of entries and submitting all related reports to Bangladesh Bank.

2.3 Non-repayment Risk

It arises mainly from lending, trade finance, settlement and other financial transactions. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counterparty or decline in his/her financial condition.

Management's perception

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 mitigates 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.

2.4 Prepayment, Call or Refunding Risk

Prepayment, call or refunding risks are the risks associated with the principal amount of a bond.

Management's Perception

This bond is perpetual in nature i.e. there is no maturity date and there are no set-ups or other incentives to redeem unless and until it is eligible for call option criteria depicted in the features (5.1) section.

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2.5 Security Risk

Security is the specific revenue sources or assets pledged by an issuer to the bondholder to secure repayment of the bond. Therefore, security risk is all about the process of recovering the investment by the bond holder by utilizing the charge against the collateral securities in case of Issuer's inability to repay the face value of the bond(s).

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Management's Perception

UCB 2nd Perpetual Bond is an unsecured bond. Specific revenue sources or assets are not being pledged against the issuance of the bonds. Investors will have the right on the UCB's cash flow to get repaid but rank of a bond holder is below than other loans (or securities) with regard to claims on assets or earnings.

2.6 Liquidity Risk

Liquidity risk is the risk to the bank's earnings and capital arising from its inability to timely meet obligations. Liquidity risk primarily arises due to the maturity mismatch associated with assets and liabilities of the bank. Although liquidity risk dynamics vary according to a bank's funding market, balance sheet, and inter-corporate structure, the most common signs of possible liquidity problems include rising funding costs, a rating downgrade, decreases in credit lines, or reductions in the availability of long-term funding.

Management's Perception

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 lies with Treasury Division under the supervision of ALCO, 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. 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 daily basis by appropriate coordination of funding activities and they are primarily responsible for management of liquidity in the Bank. A monthly projection of fund flows is reviewed in ALCO meeting regularly.

2.7 Management Risk

Management risk refers to the chance that bank managers' inefficiency or under performance which will finally affect the shareholders. The bondholders may suffer financial losses in such an event.

Management's Perception

The Bank has well established management structure with diverse knowledge, skills, experience and expertise in core area of banking operation in its bid to attain optimal utilization of available resources. The bank has also a well proven track record of having strong and effective leadership which already has shown an effect on the Bank's financial performances.

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2.8 Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may also arise from error and fraud due to lack of internal control and compliance across the bank.

Management's Perception

Operational Risk is inherent in every business organization and covers a wide spectrum of issues. In order to mitigate this, internal control and internal audit systems are used as the primary means. United Commercial Bank PLC manages this risk through a control based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the bank stays in line with industry best practice and takes account of lessons learned from publicized operational failures within the financial services industry. United Commercial Bank PLC has operational risk management process which explains how the bank manages its operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with Bangladesh Bank's requirements. Operational risk management responsibility is assigned to different level of management within the business operation. Information systems are used to record the identification and assessment of operational risks and to generate appropriate regular management reporting. Risk assessment incorporates a regular review of identified risks to monitor significant changes.

2.9 Business Risk

Business risk is the possibility that a company will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk is influenced by numerous factors, including business environment, economic situation and government regulations.

Management's Perception

The performance and the quality and growth of Bank's assets are necessarily dependent on the health of the Bangladesh economy as well as on global economic conditions. An economic slowdown could adversely affect the business, including inability to grow asset portfolio, to maintain the quality of the assets and to implement business strategy. The domestic economy could be adversely affected by a variety of domestic as well as global factors. To mitigate business risk management continuously pursue to execute dynamic strategy on growth and business diversification.

2.10 Industry Risk

Industry risk is the possibility that a specific industry will not perform up to the level or at par. When problems plague one industry, they affect the individual organization of that particular industry. They may also cross over into other industries. The issuer is operating in a highly competitive market as modern banking industry has brought greater business diversification. Some banks in the industrialized world are

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entering into investments, underwriting of securities and portfolio management. The entry of new competitors may also deteriorate the competitive environment and result in lower profitability of the bank.

Management's Perception

The Bank has an established broad-based presence and has been taking steps to enhance customer satisfaction by upgrading skills, systems and technology to meet such challenges. The Bank is attempting to add quality assets on competitive terms and also taking steps to broad base its product bouquet with a special emphasis on enhancement in the non-fund-based income. On the resource-raising front, the Bank is actively endeavoring to broaden its reach and raise resources through its wide distribution network of branches.

2.11 Market and Technology Related Risk

Market risk is the risk of potential losses in the on-balance sheet and off-balance sheet positions of a bank, steams from adverse movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices. Market risk exposure may be explicit in bank's trading book and banking book.

The financial industry of Bangladesh is currently one of the fastest growing in the country and is increasingly becoming competitive. Strong marketing and brand management would be required to increase the bank's customer base.

As the banking industry is becoming more and more technology dependent the risks deriving from technological use is increasing day by day. The bank might be exposed to risks such as cyber-attack, system collapse, system hacking, unauthorized electronic fund transfers, etc.

Management's Perception

The Board approves all policies related to market risk, sets limit and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transaction. 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. The duty of managing the market risk including liquidity, interest rate and foreign exchange risk lies with the Treasury Division under the supervision of ALCO committee. The ALCO committee is comprised of senior executives of the Bank, who meets at least once in a month. The committee evaluates the current position of the bank and gives direction to mitigate the market risk exposure to a minimum level.

There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risk. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.

Bank's business is highly dependent on ability to process a large number of transactions on a daily basis. Financial, accounting or other data processing systems may fail to operate adequately or may become disabled as a result of events that are wholly or partially beyond the control, including a disruption of

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electrical or communications services. These circumstances could affect bank's operations and may result in financial loss, disruption of businesses or may damage to bank's reputation. The Bank has set system and processes to protect its IT systems and network infrastructure from physical break-ins as well as security breaches and other disruptions caused by increased use of technology. Computer break-ins could affect the security of information stored in and transmitted through these computer systems and network infrastructure. The Bank continues to implement secured technology and establish operational procedures to prevent break-ins.

2.12 Risk Related to Potential or Existing Government Regulations

The company operates under, the Bank Companies Act-1991, Companies Act-1994, Income Tax Ordinance, 1984, Income Tax rules, 1984, Value Added Tax (VAT) Act, 1991, Value Added Tax (VAT) Rules, 1991, Customs Act, 1969, Bangladesh Securities and Exchange Rules, 1987 and other related regulations. The company also obtained license from Bangladesh Bank as a Bank under Bank Companies Act-1991. Any major changes in regulatory regime may cause the Bank to be a noncompliant one having adverse impact in the reputation of the Bank.

Management's Perception

The laws and regulations or the regulatory or enforcement environment in Bangladesh may change at any time and may have an adverse impact on the products or services bank offers. Central Bank from time to time has instituted changes in regulations applicable loan provisioning, rescheduling, and amended Bank Company Act-1991(amended2013). Unless any policy change that may negatively and materially affect the industry as a whole, the business of the bank is expected not to be affected significantly.

2.13 Risk Related to Potential Changes in Global and National Policies

Changes in existing global or national policies can have either positive or negative impacts for the Bank. The performance of the Bank will be hindered due to unavoidable circumstances both in Bangladesh and worldwide like political turmoil.

Management's Perception

A significant change in the global and national policies in the future, particularly in respect of the banking and financial sector could affect business and economic conditions in Bangladesh. This could also adversely affect the business, prospects, results of operations and financial condition. The management of the Bank transcribes the prevailing and upcoming future changes in the global or national policy and firms to response appropriately and timely management of the risk.

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SECTION 3: DETAILED DESCRIPTION AND INFORMATION

Detailed Description and Information

As per Schedule A (part I)

1. Particular of the Issuer:	
Name of the Issuer	United Commercial Bank PLC
Legal Status	A public limited company incorporated in Bangladesh on 26th June 1983 under the companies Act 1994 and listed in Dhaka Stock Exchange Limited on 30th November 1986 and Chittagong Stock Exchange Limited on 15th November 1995.
Registered Address and Telephone Number of the Issuer	**Registered address:** Bulus Center, Plot - CWS- (A)-1, Road No - 34, Gulshan avenue, Dhaka-1212. Phone: +88-02-55668070, +88-09610999999 Email: info@ucb.com.bd
Name, Address, Contact Number of the Contact Person	**Mr. Faruk Ahammad FCA** Senior Executive Vice President & CFO Finance Division (FD) Contact: +88-02-55668070, ex: 5101 Email: faruk.ahammad@ucb.com.bd **Golam Sadak Khondakar,ACA** Assistant Vice President Finance Division Contact: +88-02-55668070, ex: 5104 Email: golam.khondakar@ucb.com.bd
Date of Incorporation	26th June 1983
Date of Commencement of Business	27 June 1983
Authorized Capital	BDT 15,000 million (as of 31 December 2022)
Paid up Capital	BDT 14,062.37 million (as of 31 December 2022)
Total Equity of the Issuer	BDT 40,178.11 Million (as of 31 December 2022)
Total Liabilities	BDT 593,128.81 Million (as of 31 December 2022)
Total Financial Obligations	N/A
Total Assets	BDT 633,306.92 Million (as of 31 December 2022)
Net worth of the Issuer	BDT 40,178.11 Million (as of 31 December 2022)
Total Tangible Assets (Fixed assets including land, building, furniture and equipment)	BDT 18,377.36 Million (as of 31 December 2022)
2. Particular of Issue Manager(s):	
Name of the issue manager(s)	Prime Finance Capital Management Limited & Sonali Investment Limited
Legal status of the issue manager(s)	Public Limited Company
Details of contact information	**Md. Rajibul Islam** Head of Issue Management Prime Finance Capital Management Limited Mobile: + 88 01713335851 Email: islamrajibulmohammad@gmail.com

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	Md. Shawkat Jahan Khan Chief Executive Officer Sonali Investment Limited Mobile: +88 01713040537 Email: sonaliinvestmentlimited@gmail.com
3. **Particular of Underwriters:**	
Name of the underwriters	Prime Finance Capital Management Limited & Sonali Investment Limited
Legal status of the Underwriters	Public Limited Company
Details of contact information	**Md. Rajibul Islam** Head of Issue Management Prime Finance Capital Management Limited Mobile: + 88 01713335851 Email: islamrajibulmohammad@gmail.com **Md. Shawkat Jahan Khan** Chief Executive Officer Sonali Investment Limited Mobile: +88 01713040537 Email: sonaliinvestmentlimited@gmail.com
4. **Particular of the Issue:**	
Name of the Issue:	**UCB 2nd Perpetual Bond**
Type of instruments to be issued:	Unsecured, Contingent-Convertible, fully paid up, Non-Cumulative, BASEL III compliant, Perpetual Debt instrument for inclusion in Additional Tier I Capital
Purpose of the Issue:	To raise Additional Tier-1 Capital through issuance of UCB 2nd Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk-Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The funds being raised by the Bank through the mentioned Issue are not meant for financing any particular project. The Bank shall utilize the proceeds of the Issue for its regular business activities. The Bank shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the Bangladesh Bank and Bangladesh Security Exchange and Commission where applicable.
Number of Securities and total size of the issue to be offered	No. of Bonds to be issued: 540,000 under private placement and 60,000 under public offer. Issue Size: BDT 2,700,000,000 under private placement and BDT 300,000,000 under public issue
Face Value and Issue Price of securities	BDT 5,000/ (Five thousand taka only)
Coupon rate/ Rate of profit	Reference Rate + Coupon Margin
Rate of Return	Coupon Rate
Tenor:	Not Applicable. The Bonds shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
Details of conversion/exchange option features:	This Bond Contingent-Convertible in nature

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Mode of Redemption:	As per BASEL III guideline (Annex IV: Special Eligibility Criteria to qualify for additional Tier 1 Capital, a) this instrument is perpetual in nature i.e. there is no maturity date and there are no set-ups or other incentives to redeem unless and until it is eligible for call option criteria depicted in features section.
Mode of option (call or put) if any:	Call Option: can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank. Put Option: Not Applicable
Applicable Tax Rate:	According to the laws of Bangladesh
Default Protection Mechanism (details of credit enhancement) if any:	This Bond is Unsecured in nature. No credit enhancement is applicable.
Type of collateral securities being offered, if any:	Unsecured
Status of securities holders in case of priority of payment:	UCB 2nd Perpetual Bond is superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future and subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier I Capital (as defined in the Basel III Guidelines) of the Bank. It is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.
Period within which securities to be issued:	As per the Consent Letter from BSEC
Nature of tradability or listing in stock exchange(s):	As per the Consent Letter from BSEC
Others:	
Investors:	As per the NOC from Bangladesh Bank and Consent Letter from Bangladesh Securities and Exchange Commission
Mode of Placement:	90% of the issue size under Private Placement and 10% of the issue size under Public Offer
Face Value Per Lot	BDT 5,000/ (Five thousand taka only)
Bonds Per Lot	1 Bond
Minimum Subscription	01 lot for the public issue and 200 lots for private placement
Reference Rate:	20-year Treasury-Bond rate. (Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day)
Quotation Day	Five (05) days before the first day of any period for which a coupon rate is to be determined.
Coupon Margin:	2.00% p.a.
Range of Coupon Rate:	Floor: 6.00% p.a. - Celling: 10.00% p.a. at all times
Coupon Payment:	Semi-Annual • Coupon will be paid to the bondholders semi-annually. However, the first coupon payment period will be from the issue date/subscription closing date up to the ensuing either 30 June or 31 December of the respective year whichever is earlier of issue date/subscription closing date • Thereafter, coupon payment will be made semi-annually on June and December (i.e. Coupon Period will be from 01 January to 30 June and

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	01 July to 31 December or up to Issuer Call date, or regulatory call date, if exercised).
Late Payment	Issuer shall pay a late payment penalty of 2% (two percent) higher than the Coupon Rate and be payable on the amount not paid on the due date till the date of actual payment unless the exercise of coupon discretion is not in effect.
Business Day Convention/Effect of Holidays	• If any Coupon/ Profit Payment Date falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day. • If the Call Option Due Date (also being the last Coupon Payment Date, in case Call Option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with profit accrued on the Bonds until but excluding the date of such payment.
Late Redemption	Not Applicable. Since the instrument is perpetual in nature i.e. there is no maturity date; late redemption is not applicable unless and until it is eligible for call option criteria.
Put Date	Not Applicable
Put Price	Not Applicable
Call Option	Can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank
Call Option Eligibility	1. Replace this instrument with capital of the same or better quality that are sustainable for the income capacity of the Bank, or, 2. Capital position is above the minimum requirements after the call option is exercised
Claim Settlement in the event of Liquidation or Wind-up	1. Claims of the investors on the bond are: 2. Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future. 3. subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines) of the Bank; 4. Is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Loss Absorption in this terms and features.
Loss Absorption	Any losses will be absorbed in the following manner: Conversion to common shares at pre-specified trigger point as needed to reach the minimum consolidated CET-1 ratio as per Bangladesh Bank requirement (Currently of 4.50%).
Loss Absorption Methodology	CET-1 on Trigger Date will be considered to identify the shortfall percentage and it will be converted into common shares eventually. If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.
Trigger Point for Loss Absorption	If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters; then, the 3rd quarter-end date of consecutive

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	below-minimum CET-1 Ratio would be the Trigger-Point (date). Once the trigger point has been reached and exercised, the cycle will start again.
Conversion Strike Price	Average market price of the immediate 180 days or par value (currently BDT 10) whichever is higher.
Payment Suspension Methodology	In case of the event of exercise of loss absorption feature of the bond, any coupon payment in between the trigger date and publication date of audited financials will be hold. The bondholder will not be eligible for the coupon payment if the same situation prevails (CET-1 (Conso) remains below the regulatory requirement of 4.5%) after the publication of audited financials.
Conversion Notice	In time of conversion Trustee must notify the bondholders in accordance with not less than 2 business days prior to start of each conversion period of the commencement date and the final date of such conversion period. All notices are validly given if: • Mailed to bondholders at their respective address in the register, • Published for three consecutive days in one English newspaper and one Bengali newspaper; each having wide circulation in Bangladesh, • Emailed to bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the bondholders or published for three consecutive days in a leading newspaper as aforesaid. Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications.
Events of Default	Not Applicable. It is further clarified that cancellation of discretionary payments/coupon shall not be deemed to be an event of default. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.
Common Equity Holders' Dividend Stopper Clause	Dividend Stopper Clause will be applicable to these Bonds and it will stop common equity holders' dividend payments on common shares in the event the holders of the Bonds are not paid coupon. In the event the holders of the Bonds are not paid coupon, they shall not impede the full discretion that Issuer has at all times to cancel distributions/payments on the Bonds, nor will they impede / hinder: (i) The Re-Capitalization of the Issuer. (ii) The Issuer's right to make payments on other instruments, where the payments on this other instrument were not also fully discretionary The Issuer's right to making distributions to shareholders for a period that extends beyond the point in time that coupon on the Bonds are resumed. The normal operation of the Issuer or any restructuring activity (including acquisitions/ disposals).
Transferability/Liquidity:	Freely transferable by the provisions of the Trust Deed
Governing Law:	The Bonds are governed by and shall be construed by the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the jurisdiction of the courts of Bangladesh.
5. Particulars of Trustee:	
Name of Trustee	Prime Bank Investment Limited (PBIL)
Paid Up Capital	BDT 3,000,000,000 (As on 31 December 2022)
Net Worth of the Trustee	BDT 2,942,798,756 (As on 31 December 2022)

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Name of the Issues where performing as Trustee	i) North-West Power Generation Company Limited, ii) Aamra Networks Limited, iii) Midland Bank Limited, iv) United Payra Power Limited, v) City Auto Rice and Dal Mills Limited
6. Particulars of Credit Rating Company:	
Name of the Credit Rating Company	Emerging Credit Rating Limited
Credit rating status of the issuer	Long Term: AA Short Term: ST-2 Outlook: Stable Valid from: 07 May 2023 Valid to: 06 May 2024
Credit rating status of the issue	Long Term: A+B Outlook: Stable Valid from: 22 June 2022 Valid to: 21 June 2023
Latest default rate of the Credit Rating Company	0.00%
Average time to default of the rated Category	Not Applicable
Rating Trigger	"BBB" in long term and ST-3 in short time
Others	Risk Premium: In case of a downgrade of credit rating under surveillance rating, Risk Premium to be added as under:

Issue Rating	Risk Premium to be added
BB	0.25%
B	0.50%
C	0.75%
D	1.00%

Date of audited accounts, which is included in the IM	31 December 2022
7. Particulars of Originators (if Any):	Not Applicable
8. Particulars of other contractual parties:	Common Legal Counsel : Lex Juris

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SECTION 4: USE OF PROCEEDS

Purpose of Issuance of UCB 2nd Perpetual Bond

United Commercial Bank PLC (UCB) has decided to raise Additional Tier-1 Capital through the issuance of UCB 2nd Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk-Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The proposed bond issue will allow the bank to enhance its capital strength and continue to grow its balance sheet in the future years.

Plan Regarding Use of Proceeds from UCB 2nd Perpetual Bond

The proposed bond will qualify as part of UCB's Additional Tier-1 capital and will help maintain healthy capital adequacy ratios in the next few years. Besides, the BDT 3,000 million funds will be used for undertaking general business activities of the bank including strengthening of the loan portfolio and other securities. The proceeds will primarily be used for:

- Growing the bank's loan portfolio in SME, Cards, and Retail segments
- Investing in other high-yield instruments

SECTION 5: FEATURES OF UCB 2nd Perpetual Bond

UCB 2nd Perpetual Bond is a contingent-convertible and unsecured debt instrument. The major features of the UCB 2nd Perpetual Bond are presented below:

5.1 Basic Features of the Instrument

Table 1: *Basic Features of UCB 2nd Perpetual Bond*

Name of the Instrument	UCB 2nd Perpetual Bond
Issue Type	Unsecured, Contingent-Convertible, fully paid up, Non-Cumulative, BASEL III compliant, Perpetual Debt instrument for inclusion in Additional Tier I Capital
Issuer	United Commercial Bank PLC
Nature of Instrument	Unsecured
Purpose and Objectives	To raise Additional Tier-1 Capital through issuance of UCB 2nd Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk-Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The funds being raised by the Bank through the mentioned Issue are not meant for financing any particular project. The Bank shall utilize the proceeds of the Issue for its regular business activities. The Bank shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the Bangladesh Bank and Bangladesh Security Exchange and Commission where applicable.
Arranger	UCB Investment Limited
Issue Manager(s) for the public offer/issue	Prime Finance Capital Management Limited & Sonali Investment Limited

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Underwriter(s) for the public offer/issue	Prime Finance Capital Management Limited & Sonali Investment Limited
Trustee	Prime Bank Investment Limited
Rating Agency	Emerging Credit Rating Limited
Legal Advisor	Lex Juris
Mode of Issue	90% of the issue size under Private Placement and 10% of the issue size under Public Offer
Facility Size	BDT 3,000,000,000 (BDT 2,700,000,000 under private placement and BDT 300,000,000 under public issue)
No. of Bonds to be Issued	540,000 under private placement and 60,000 under public offer
Face Value Per Lot	BDT 5,000/ (Five thousand taka only)
Bonds Per Lot	01 Bond
Minimum Subscription	01 lot for public issue and 200 lots for private placement
Tenure	Not Applicable. The Bonds shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
Investors	As per the NOC from Bangladesh Bank and Consent Letter from Bangladesh Securities and Exchange Commission
Coupon Rate	Reference Rate + Coupon Margin
Reference Rate	20-year Treasury-Bond rate. (Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day)
Coupon Margin	2.00% p.a.
Quotation Day	Five (05) days before the first day of any period for which a coupon rate is to be determined.
Coupon Range	Coupon Ceiling: 10% p.a. Coupon Floor: 6% p.a. (subject to having available distributable profit)
Coupon Discretion	The bank will have full discretion at all times to cancel distributions/payments to the bondholder
Exercise of Coupon Discretion	Any coupon payment will be distributed subject to having available distributable profit of the issuer
Coupon Payment Frequency	Semi-Annual • Coupon will be paid to the bondholders semi-annually. However, the first coupon payment period will be from the issue date/subscription closing date up to the ensuing either 30 June or 31 December of the respective year whichever is earlier of issue date/subscription closing date • Thereafter, coupon payment will be made semi-annually on June and December (i.e. Coupon Period will be from 01 January to 30 June and 01 July to 31 December or up to Issuer Call date, or regulatory call date, if exercised).
Late Payment	Issuer shall pay a late payment penalty of 2% (two percent) higher than the Coupon Rate and be payable on the amount not paid on the due date till the date of actual payment unless the exercise of coupon discretion is not in effect.
Business Day Convention/Effect of Holidays	• If any Coupon/ Profit Payment Date falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day. • If the Call Option Due Date (also being the last Coupon Payment Date, in case Call Option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately

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	preceding Business Day along with profit accrued on the Bonds until but excluding the date of such payment.
Late Redemption	Not Applicable. Since the instrument is perpetual in nature i.e. there is no maturity date; late redemption is not applicable unless and until it is eligible for call option criteria.
Put Date	Not Applicable
Put Price	Not Applicable
Call Option	Can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank
Call Option Eligibility	1. Replace this instrument with capital of the same or better quality that are sustainable for the income capacity of the Bank, or, 2. Capital position is above the minimum requirements after the call option is exercised
Claim Settlement in the event of Liquidation or Wind-up	Claims of the investors on the bond are: • Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future. • subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines) of the Bank; • Is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors • Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Loss Absorption in this terms and features.
Loss Absorption	Any losses will be absorbed in the following manner: Conversion to common shares at pre-specified trigger point as needed to reach the minimum consolidated CET-1 ratio as per Bangladesh Bank requirement (Currently of 4.50%).
Loss Absorption Methodology	CET-1 on Trigger Date will be considered to identify the shortfall percentage and it will be converted into common shares eventually. If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.
Trigger Point for Loss Absorption	If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters; then, the 3rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger-Point (date). Once the trigger point has been reached and exercised, the cycle will start again.
Conversion Strike Price	Average market price of the immediate 180 days or par value (currently BDT 10) whichever is higher.
Payment Suspension Methodology	In case of the event of exercise of loss absorption feature of the bond, any coupon payment in between the trigger date and publication date of audited financials will be hold. The bondholder will not be eligible for the coupon payment if the same situation prevails (CET-1 (Conso) remains below the regulatory requirement of 4.5%) after the publication of audited financials.
Conversion Notice	In time of conversion Trustee must notify the bondholders in accordance with not less than 2 business days prior to start of each conversion period of the

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	commencement date and the final date of such conversion period. All notices are validly given if: • Mailed to bondholders at their respective address in the register, • Published for three consecutive days in one English newspaper and one Bengali newspaper; each having wide circulation in Bangladesh, • Emailed to bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the bondholders or published for three consecutive days in a leading newspaper as aforesaid. Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications.
Events of Default	Not Applicable. It is further clarified that cancellation of discretionary payments/coupon shall not be deemed to be an event of default. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.
Common Equity Holders' Dividend Stopper Clause	Dividend Stopper Clause will be applicable to these Bonds and it will stop common equity holders' dividend payments on common shares in the event the holders of the Bonds are not paid coupon. In the event the holders of the Bonds are not paid coupon, they shall not impede the full discretion that Issuer has at all times to cancel distributions/payments on the Bonds, nor will they impede / hinder: (iii) The Re-Capitalization of the Issuer. (iv) The Issuer's right to make payments on other instruments, where the payments on this other instrument were not also fully discretionary (i) The Issuer's right to making distributions to shareholders for a period that extends beyond the point in time that coupon on the Bonds are resumed. The normal operation of the Issuer or any restructuring activity (including acquisitions/ disposals).
Transferability/Liquidity	Freely transferable in accordance with the provisions of the Deed of Trust.
Governing Law	The Bonds are governed by and shall be construed in accordance with the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the jurisdiction of courts of Bangladesh.

5.2 Rate of Return, Yield to Maturity, Coupon/Discount Rate

Yield to Maturity: Reference Rate + Coupon Margin, Coupon Range: 6.00% p.a. to 10.00% p.a.

5.3 Transferability/Liquidity

Freely transferable in accordance with the provisions of the Trust Deed

5.4 Prepayment, Call, Refunding, Conversion Feature

The Bond is contingent-convertible, non-puttable, callable in Nature.

5.5 Tax Features

The Company and any income from the Bond for the investors will be according to the Laws of Bangladesh.

5.6 Credit Enhancement:

It is not applicable for the perpetual bond of United Commercial Bank PLC.

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5.7 Enforcement of Charges over securities

The Trustee shall enforce all payment obligations under the Bonds only by way of petitioning for the winding up or dissolution of the Issuer and/or by proving for the amount due and payable under the Bonds in the liquidation or administration of the Issuer. In the event of default by the Issuer in the performance or observance of any covenant, condition or provision contained in the Bond or the Trust Deed or any of the Issue Documents (save for failure to pay any amount of principal, coupon or expenses or in respect of any other payment obligation), (i) the Trustee or any Bondholder shall not be entitled to any remedy available to the Trustee or any Bondholder which in substance amounts to a remedy to recover any amounts under any payment obligation of the Issuer under the Bonds and (ii) any other remedy available.

5.8 Repayment Schedule:

As per BASEL III guideline (Annex IV: Special Eligibility Criteria to qualify for additional Tier 1 Capital, a) this instrument is perpetual in nature i.e. there is no maturity date and there are no set-ups or other incentives to redeem unless and until it is eligible for call option criteria depicted in features section.

SECTION 6: DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED

UCB 2nd Perpetual Bond is superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future and subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier I Capital (as defined in the Basel III Guidelines) of the Bank. It is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

SECTION 7: RIGHTS AND OBLIGATIONS OF THE ISSUER

Rights and Obligations of the Issuer have been incorporated from the Trust Deed executed between the Issuer (United Commercial Bank PLC**) and the Trustee (Prime Bank Investment Limited)**

Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of the coupon payment under the Bonds become due for payment or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in immediately available freely transferable funds, the coupon payments or any of them becoming due for payment, redemption or repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in Trust Deed or any of them outstanding from time to time as set out in the Conditions provided that:

- every payment of coupon in respect of the Bonds or any of them made to the Bondholders shall satisfy, to the extent of such payment;
- if any payment coupon in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders

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or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Trustee; and

- in case of the Issuer exercising the call option, where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused penalty shall accrue at applicable rate as per the reference rate for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date on which such principal amount due is paid to the Bondholders.
- The Trustee will hold the benefit of this covenant and the covenants in Clause 11.2 (Covenant to comply with Trust Deed and Conditions, Schedules, and applicable law) and Clause 11.3 (Covenants by the Issuer) on trust for the Bondholders.
- Covenant to comply with Trust Deed, Conditions, Schedules and applicable law
- The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed, the Conditions (including, without limitation, Condition 5 (Covenants)) and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.
- The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.
- The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

Covenants by the Issuer

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:

Books of account

At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

Corporate Governance

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Comply (and shall ensure that each member of the Group will) in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

Information

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;

Execution of further Documents

So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

Notices to Bondholders

Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

Notification of non-payment

Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;

Notification of late payment

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;

Notification of Call Exercise Date

Not less than 30 (thirty) days prior to the Call Exercise Date in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;

Authorized Signatories

Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same; and

Payments

Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by laws of the land.

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SECTION 8: RIGHTS AND OBLIGATION OF THE TRUSTEE

Rights and Obligations of the Trustee have been incorporated from the Trust Deed executed between the Issuer (United Commercial Bank PLC**) and the Trustee (Prime Bank Investment Limited).**

Trustee's Rights

Applicable Law: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021 together with all its amendment, modification or ratification thereof.

Advice: The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission. However, the trustee should also perform the standard due diligence process in case of receipt of any advice, whatever means the communication form either print or electronic, in relation to the issuance of the bond;

Resolution or direction of Bondholders: The Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;

Trustee not responsible for investigations: Save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;

Entry on the Register: The Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;

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Right to Deduct or Withhold: Notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall act to make such deduction or withholding as per the prevailing laws of the land.

Liability: Under no circumstance will the Trustee be liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of business, goodwill, opportunity or profit), whether or not foreseeable, even if the Trustee has been advised of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise. This Clause 6.1.8 shall survive the termination or expiry of this Trust Deed or the removal or termination of the Trustee.

Force Majeure: The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like of which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above.

Immunities: The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds.

Professional charges: Any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, in each case as agreed pursuant to the Fee Letter (including matters which might or

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should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person). In this connection prior approval from the Issuer should be obtained by the Trustee.

Expenditure by the Trustee: Nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it, subject to prior approval from the Issuer; and

Trustee Liability: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud.

Right to Sue: The Trustee may sue and may be sued on behalf of the Bondholders.

Trustee's powers and duties

Applicable Law: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such responsibility as set out in the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 and any subsequent amendments, modifications or ratifications thereof.

Act for Bondholders: Subject to applicable law and terms and conditions of this Trust Deed Trustee shall act on behalf and for the exclusive interest of the Bondholders;

Monitoring: Trustee shall ensure that Issuer is observing the applicable law for the Bonds and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach;

Report to BSEC: Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide copy to the Issuer and the Bondholders. However, in case of any non-compliance of the Issuer, the trustee shall first provide a copy of the report to the Issuer with details of such non-compliance and then submit to the BSEC;

Notification of call or repayment: Immediately upon receipt of notice from the Issuer regarding a Call Exercise Date in respect of any Bond, give to the respective Bondholders notice in writing of the amount of such redemption or purchase by the Issuer pursuant to the Conditions;

Grievances of the Bondholders: Upon receipt of a complaint from the Bondholders, Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of

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the complaints and he shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

Trustee's determination The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of this Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders;

Determination of questions: the Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders;

Trustee's discretion: the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non exercise thereof but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;

Trustee's consent: any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;
Application of proceeds: the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds;
Error of judgment: the Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;

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Agents: Subject to the provisions of the Trust Act 1882 and Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, the Trustee may, in the conduct of the trusts of this Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) with the consent of Issuer and provided the Trustee shall have exercised reasonable care in the selection of any such agent. the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;

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Confidential information: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other

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Corporate Office, Gulshan Avenue
Dhaka-1212

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Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

information made available to the Trustee by the Issuer in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.

Determination of Coupon Rate: the Trustee shall determine Applicable Coupon Rate in accordance with Condition of the Bond.

Exercise of Discretion

Notwithstanding anything in this Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 662/3percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of Bondholders.

The Trustee will not be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.

SECTION 9: RIGHTS AND OBLIGATION OF THE ELIGIBLE INVESTORS (BONDHOLDERS)

Rights and Obligations of the Issuer have been incorporated from the Trust Deed executed between the Issuer (United Commercial Bank PLC) and the Trustee (Prime Bank Investment Limited)

Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors, and which shall be an integral part of this Trust Deed.

The rights of the Bondholder are several and any debt or other obligation arising under the Subscription Agreement at any time from the Issuer to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently of any other Bondholder and it shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose.

Each Bondholder has the right to demand information from the Issuer as set out in this Trust Deed and the Condition attached in Schedule 1 (Terms and Conditions of the Bonds).

Each Bondholder has the right to receive coupon on the Bond on the Coupon Payment Date as set out in the Condition attached in Schedule 1 (Terms and Conditions of the Bonds).

Each Bondholder has the right to attend meeting of the Bondholders and vote therein in accordance with Condition 13 (Meetings of Bondholders, Modification, Waiver and Substitution).

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Faruk Ahammad, FCA
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The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur as per provisions of this Trust Deed in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.

SECTION 10: RIGHTS AND OBLIGATION OF THE ISSUE MANAGER(S)

Rights and Obligations of the Issue Manager have been incorporated from the Issue Management Agreement executed between the Issuer (United Commercial Bank PLC) and the Issue Managers (Prime Finance Capital Management Limited and Sonali Investment Limited).

The ISSUE MANAGER(S) warrants and represents to ISSUER that.

The ISSUE MANAGER(S) is a valid and legally constituted company and has obtained all necessary and requisite licenses, approvals, and permits (as the case may be) from the Bangladesh Securities and Exchange Commission (BSEC) and any other authorities/agencies concerned to carry on the business as Manager to Issue with regard to the Issue Management.

The ISSUE MANAGER(S) will provide all the Services in accordance with the requirement of the law, especially in strict compliance to the Bangladesh Securities and Exchange laws, regulations, notifications, and directions issued from time to time prior to and on the date of the PUBLIC OFFER, the Companies Act, the Listing Rules, etc.

The ISSUE MANAGER(S) shall issue a Due Diligence Certificate in favor of ISSUER to execute PUBLIC OFFER in compliance with the "Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021" only upon the ISSUE MANAGER's satisfaction on independent verification of different papers, reports, documents and other material facts and disclosures to evaluate authenticity and integrity of the Company through several discussions with the officials and Directors of ISSUER.

The ISSUE MANAGER(S) will take all possible precautions, care and exert the best of its expertise, skills, and services for the PUBLIC OFFER.

The ISSUE MANAGER(S) shall keep a record for the next 5 (five) years after PUBLIC OFFER approval for any inspection or queries by the Commission as per the guideline of "Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021".

The ISSUE MANAGER(S) shall have the power to engage/appoint any co-Issue Manager without any additional cost burden and with the written consent of ISSUER.

The ISSUE MANAGER(S) shall ensure its competence for approval but extent any guarantee from the regulator which is beyond its control.

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SECTION 11: RIGHTS AND OBLIGATION OF THE UNDERWRITER(S)

Rights and Obligations of the Underwriter have been incorporated from the Issue Management Agreement executed between the Issuer (United Commercial Bank PLC) and the Underwriters (Prime Finance Capital Management Limited and Sonali Investment Limited).

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As per guideline of Bangladesh Securities and Exchanges Commission (Debt Securities) Rules, 2021 at least twenty percent (20%) of the public issue of any securities made under these rules have to be underwritten on a firm commitment basis by the underwriter(s) i.e. BDT 60,000,000 in total shall have to be underwritten on a firm commitment basis by the underwriters; where Prime Finance Capital Management Limited will underwrite 6,000 numbers of Bonds aggregating an amount of BDT 30,000,000 (Taka Thirty Million) and Sonali Investment Limited will underwrite 6,000 numbers of Bonds aggregating an amount of BDT 30,000,000 (Taka Thirty Million) , subject to the terms stated below:

a. The underwriter(s) may also use best efforts for selling securities to any institutional investor or eligible investor;
b. The unsubscribed portion of securities up to the commitment shall be subscribed by the underwriter(s) itself or selling of any portion of unsubscribed securities to any institutional investor or eligible investor under best efforts to fulfil the commitment;
c. The IPO shall stand cancelled in case of under-subscription above fifty percent (50%).

SECTION 12: DESCRIPTION OF UNITED COMMERCIAL BANK PLC (THE ISSUER)

With a firm commitment of the economic and social development of Bangladesh, United Commercial Bank (UCB) started its journey in mid-1983 and has since been able to establish itself as one of the largest first generation banks in the country. With a vast network of branches, ATMs, Agent Kiosks, the Bank has already made a distinct mark in the realm of Private Sector Banking through personalized service, innovative practices, dynamic approach and efficient Management.

The Bank has expanded its arena in different and diverse segments of banking like Retail Banking, SME Banking, Corporate Banking, Off-shore Banking, and Remittance etc. Besides various deposit and loan products of Retail Banking, the Bank caters export and import loan to deserving candidates which in turn helps the overall economy of the country through increased earning of foreign exchange. Other consumer products like UCB Cards have been showing tremendous success and growth since its inception in 2006 and soon became the leader in local market with around 40000 card holders.

The Bank also provides its clients with both incoming and outgoing remittance services. Thus the expatriates find an easy way to send money through proper channel.

With a firm commitment to promote SME sector, the Bank is also assessing and monitoring business loans, managing business financing risks, pricing products and working for further development of SME. Its Corporate banking service consists of simple business of issuing loans to more complex matters, such as helping minimize taxes paid by overseas subsidiaries, managing changes in foreign exchange rates or working out the details of financing packages necessary for the construction of a new office, plant or other facility. Its area of expertise is in-depth knowledge in financial analysis with

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analytical capability of financing large project including RMG and infrastructure development projects.

The Bank, aiming to play a leading role in the economic activities of the country, is firmly engaged in the development of trade, commerce and industry by investing in network expansion and new technology adoption to have competitive advantage.

The capital details of United Commercial Bank PLC are given below:

Authorized Capital: BDT 15,000 Million (as of 31 December 2022)
Paid-up Capital: BDT 14,062.37 Million (as of 31 December 2022)

(a) Capital Structure

Table 2: *Sources of Issuer's Capital Structure*

Particulars	As of 31 December 2022	
Liabilities:	(amount in BDT million)	% of Total Assets
Borrowings from other banks, financial institutions and agents	107,039.74	16.90
Deposits and other accounts	424,683.42	67.06
Current accounts & other accounts	92,967.52	14.68
Bills Payable	7,016.02	1.11
Savings Bank Deposits	85,798.09	13.55
Fixed Deposits	202,075.93	31.91
Bearer Certificates of Deposits	0.00	0.00
Other Deposits	36,825.86	5.81
Other Liabilities	61,405.65	9.70
Total Liabilities	593,128.81	93.66
Capital / Shareholders' Equity		
Paid up Capital	14,062.37	2.22
Share Premium	1,454.98	0.23
Statutory Reserve	15,764.31	2.49
General Reserve	26.58	0.00
Other Reserve	2,797.07	0.44
Retained Earnings	6,072.82	0.96
Total Shareholders' Equity	40,178.11	6.34
Non controlling interest	0.00017	0.00000002
Total Shareholders' Equity with non-controlling interest	40,178.11	6.34
Total Liabilities and Shareholders Equity	633,306.92	100.00

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Minimum Capital Requirement Capital adequacy Ratio:

Table 3: *Description of Issuer's Total Capital*

United Commercial Bank PLC		
	(amount in BDT million)	
Particulars	**31 Dec. 2022**	**31 Dec. 2021**
Capital to Risk Weighted Asset Ratio (CRAR)		
Common Equity Tier-1 capital (CET1):		
Paid-up Capital	14,062.37	12,783.97
Share Premium	1,454.98	1,454.98
Statutory Reserve	15,730.18	14,546.97
General Reserve	26.58	26.58
Retained Earnings	6,885.49	5,997.66
	38,159.59	**34,810.15**
Less: Regulatory Adjustments:		
Goodwill and all other Intangible Assets	634.68	340.44
Deferred Tax Assets (DTA)	5,196.67	4,017.42
Reciprocal crossholdings and excess investment above limit	0.00	87.77
Others	0.00	0.00
	5,831.35	**4,445.63**
Total Common Equity Tier-1 Capital	**32,328.23**	**30,364.53**
Additional Tier-1 Capital (AT-1)	**4,000.00**	4,000.00
Total Tier-1 Capital	**36,328.23**	**34,364.53**
Tier-II Capital:		
General Provision	7,945.58	8,869.28
Revaluation Reserve	0.00	0.00
Subordinated Bond	8,480.00	9,980.00
	16,425.58	**18,849.28**
Less: Regulatory Adjustments:		
Revaluation Reserve	0.00	0.00
Reciprocal crossholdings in the T-2 Capital of BNBFIs & Insurance Entities	80.00	80.00
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991 (50% of Investment)	0.00	0.00
Others	0.00	372.86
Total Admissible Tier-2 Capital	**16,345.58**	**18,396.42**
Total Regulatory Capital	**52,673.82**	**52,760.95**
Risk Weighted Assets	**403,261.21**	386,743.80
Minimum Capital Requirement with Capital Conservation Buffer (12.5% of Risk Weighted Assets)	**50,407.65**	48,342.97
Capital Surplus/(Shortfall)	**2,266.17**	**4,417.97**

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Composition of Capital	December, 2022	December, 2021
Common Equity Tier -I	8.02%	7.85%
Tier-I Capital	9.01%	8.89%
Tier-II Capital	4.05%	4.76%
Tier-I Capital with Buffer	8.02%	8.89%
Total CRAR	**13.06%**	**13.64%**

Shareholding Structure:

Table 4: Shareholding Structure of the Issuer

Shareholding position:	December 2022		December 2021	
Particulars	No. of Shares	Amount in BDT million	No. of Shares	Amount in BDT million
Sponsors/Directors	487,236,904	4,872.37	442,942,654	4,429,426,540
Institution(Financial & Others)	311,594,040	3,115.94	273,841,715	2,738,417,150
General Public	596,000,011	5,960.00	551,243,772	5,512,437,720
Govt. of Peoples Republic of BD	11,405,688	114.06	10,368,808	103,688,080
Total	**1,406,236,643**	**14,062.37**	**1,278,396,949**	**12,783,969,490**

(b) Business

The Bank & its activities

Status of the Bank

United Commercial Bank PLC (hereinafter called the 'Bank' or 'UCBL') 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. The Bank obtained permission from Bangladesh Bank on 13 November 1983 to commence its business. Currently, it has 217 (2021: 215) branches, 652 (2021: 628) ATMs and 190 (2021: 172) agent banking outlets as at 30 June 2022. Out of the above 217 Branches, 10 Branches provide both Islamic Banking and Commercial Banking facilities complying with the rules of Islamic Sharia'h and a new branch provided solely Islamic Banking facilities complying with the rules of Islamic Sharia'h. The Bank is listed with both Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited as a publicly traded Company.

Principal Activities and nature of operations of the Bank

The primary objective of the bank is to conduct all kinds of banking businesses in Bangladesh. The Bank offers services for all commercial banking and Islamic banking needs of the customers, which includes deposit/ banking, loans & advances, export import financing, inland and international remittance facility etc.

Off-shore Banking Unit

Off-shore Banking Unit (the "Unit"), a separate business unit of United Commercial Bank PLC, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide, letter no. BRPD (P-3) 744 (117)/2010-2577 dated 9th June 2010. The Bank commenced

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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 Islamic Banking Branch from Bangladesh Bank vide, letter no. BRPD (P-3) 745 (17)/2020-1453 dated 06 February 2020. Through the Islamic Banking wing and branch, the Bank extends all types of Islamic Shariah compliant finance like hire purchase shirkatul melk (HPSM), bai-Murabaha, Mushraka, Salam and agency, Ijarah Muntahia Bittamleek (Hire Purchase) etc. and di¬fferent types of deposits like al-wadeeah, Murabaha etc. Financial statements of Islamic Banking also presented separately.

Agent Banking

The Bank obtained permission from Bangladesh Bank on 07 February 2017 through letter no. BRPD (p-3)745(17)2017-677 to start the operation of Agent Banking and subsequently started its commercial operation on February 1, 2018. There are 190 agent banking outlets launched around the country till 30 June 2022. The principal activities of the unit are to provide services that includes - Account Opening (Savings), Cash deposit & withdrawal (Agent Banking A/C), Cash Deposit in Branch A/C, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Transfer of funds, Payment of salaries, Generation and issuance of Bank statements, SME Loan repayment collection, Balance inquiry, Internet Banking & SMS Banking, Corporate Bill/Distributor fee collection, Insurance Premium Collection etc.

Subsidiary Company

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

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 Limited and Chittagong Stock Exchange Limited.

UCBL holds 24,999,999 nos. of shares of UCB Stock Brokerage Limited with face value of Tk. 10/- each which is equivalent to 99.999996% of the total shares of the company.

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UCB Investment Limited

UCB Investment Limited was incorporated in Bangladesh as a private limited company with limited liability as on 03 August of 2011 under Companies Act 1994 also, the Company has obtained Merchant Banking license from the Bangladesh Securities and Exchange Commission on 05 October 2020. The principal objective of the company is to carry out full-fledged merchant banking activities in Bangladesh i.e. portfolio management, share transfer agency, fund management to issue in the capital and security market, underwriting, management and distribution of the issue of stock shares, bonds and other securities.

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

UCB Asset Management Limited

UCB Asset Management Limited (the Company) was incorporated in Bangladesh as a Private Limited Company with limited liability as on the 5th Day of February of 2019, under the Companies Act 1994 and registered with RJSC & F. The authorized capital of the company is BDT 100 Crore divided into 10 (Crore) Ordinary Shares of BDT 10 each. The registered office of the company located at Plot #CWS(A)-1, Road #34, Gulshan Avenue, Dhaka-1212.

The company was formed aiming to manage portfolio and fund of both individuals and institutions, underwrite the securities, invest pooled funds from clients into a variety of securities and assets, handle high-net-worth individual accounts, and attract large investment from companies sponsoring mutual funds. UCB holds 99,999,999 nos. of shares of UCB Asset Management Limited with face value of BDT 10 each which is equivalent to 99.9999990% of total shares of the Company.

UCB Fintech Company Limited

UCB Fintech Company Limited was incorporated in Bangladesh on 30 July 2020 as a private company limited by shares under the Companies Act, 1994.

Products and services of UCB Fintech Company Limited include mobile transactions (cash-in, cash-out, send money etc.), utility bill payment, in-store and e-commerce payment, inward remittance, salary disbursement, G2P and P2G transaction, airtime recharge and other value added financial services. UCB holds 299,999,999 nos. of shares of UCB Fintech Company Limited with face value of BDT.10 each which is equivalent to 99.999999% of total shares of the Company.

(c) Management and Board of Directors

SI	Name	Designation
1	Mrs. Rukhmila Zaman	Chairman
2	Mr. Basir Ahmed	Vice-Chairman
3	Mr. Anisuzzaman Chowdhury	Director Chairman,

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		Executive Committee
4	Mr. M. A. Sabur	Director & Chairman of Risk Management Committee
5	Mr. Bazal Ahmed	Director
6	Mr. Nurul Islam Chowdhury	Director
7	Mrs. Roxana Zaman	Director
8	Mr. Asifuzzaman Chowdhury	Director
9	Mrs. Afroza Zaman	Director
10	Mr. Syed Kamruzzaman	Director
11	Mr. Muhammed Shah Alam	Director
12	Mr. Kanak Kanti Sen	Director
13	Mr. Md. Aksed Ali Sarker	Director
14	Mrs. Masuma Parvin	Director
15	Dr. Aparup Chowdhury	Independent Director
16	Professor Dr. Iftekhar Uddin Chowdhury	Independent Director
17	Mr. Touhid Shipar Rafiquzzaman	Independent Director & Chairman of Audit Committee
18	Mr. Arif Quadri	Managing Director & CEO
19	Mr. ATM Tahmiduzzaman FCS	Company Secretary

Profile of the Directors

Mrs. Rukhmila Zaman

Chairman

Mrs. Rukhmila Zaman, a young woman entrepreneur of the Country, is the Chairman of United Commercial Bank PLC and also the Managing Director of Aramit Group, a leading manufacturing Conglomerate of the Country. She is the wife of Mr. Saifuzzaman Chowdhury, MP and Honourable Minister for land, GOB.

She is also involved with different Socio-Economic organizations and contributing for upbringing the young women in the mainstream of economy.

Mr. Basir Ahmed

Vice Chairman

Mr. Bashir Ahmed is a Vice-Chairman and current Member of Executive Committee of UCB. He is the son of Late Mr. M. A. Bari, one of the founder Sponsor Directors of UCB.

This innovative entrepreneur is also the Managing Director of Airmate Goodie Electrical Industries Ltd, Goodie Accessories (Pvt) Ltd, International Distribution Company Bangladesh (Pvt) Ltd, B&B Electronics, B&B Food & Beverage, B&B Electrical & Electronics, Dhaka Electrical & Electronics, Bard International Mettle Emporium, Petal Enterprise etc.

Mr. Ahmed was born on December 25, 1969 in a respectable Muslim family. He is allied with numerous social & educational organizations to accelerate the benefit of the community.

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Mr. Anisuzzaman Chowdhury

Director
Chairman, Executive Committee

Mr. Anisuzzaman Chowdhury, a young and dynamic industrialist of the country, is a Director and as well as the Chairman of the Executive Committee of United Commercial Bank PLC. He is also a member of Risk Management Committee of UCB.

Mr. Chowdhury is also a Director of Ronny Chemical Industries Limited and Bitucom Limited. He holds his graduation in Business Administration from Palm Beach Atlantic College of USA.

Anisuzzaman Chowdhury was born in a glorious & highly respectable Muslim Family of Anwara under Chittagong District of the country. With his brilliance and prudence, he has been contributing in UCB to reach its vision through providing best banking services in the country.

Mr. M.A. Sabur

Director
Chairman, Risk Management Committee

Mr. M. A. Sabur, a leading industrial entrepreneur, is the Director of the Board and as well as the Chairman of the Risk Management Committee of UCB. He is also the Chairman of Masco Group and Maxim Group, leading export houses in textile sector of the country.

An MBA, M. A. Sabur is the son of Late Alhaj Raham Ali. He belongs to a respectable Muslim family and hails from Kanchon of Narayanganj District. He is a member of IBA Alumni Association, Dhaka University Alumni Association & also a golfer, being lifetime member of Kurmitola Golf Club, Dhaka and Bhatiary Golf Club, Chittagong. M.A. Sabur is actively associated with various educational & socio-cultural organizations of Dhaka & Chittagong.

This illustrious personality is guiding the Bank in exploring new opportunities of business procurement in this competitive market.

Mr. Bazal Ahmed

Director

Mr. Bazal Ahmed is the Director of the Board of Directors and a member of Executive Committee of United Commercial Bank PLC.

He is the son of Late Mr. M. A. Bari, a Sponsor Director of the Bank. This spectacular entrepreneur is also the Managing Director of Taj Accessories (Pvt.) Ltd. and Saikat Textile Ind. Limited, one of the leading enterprises in the garment/textile sector of Bangladesh. At the same time, he is the proprietor of Taj Trading.

Mr. Ahmed was born in a respectable Muslim family of Sylhet. He is allied with lots of social & educational organizations to accelerate the benefit of the community.

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Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Mr. Nurul Islam Chowdhury

Director

Mr. Nurul Islam Chowdhury is one of the Directors of UCB and as well as the Member of Executive Committee. He is the son of Late Alhaj Sirajul islam Chowdhury, a sponsor of the Bank.

This distinguished businessman is the Chairman of Islam Steel Mills Limited and Director of Eastern Engineers (CTG.) Limited. Besides, he is the proprietor of NAMS Trading Corporation and NAMS Shipping Lines. He also maintains a strong rapport with many social & educational organizations in the country.

He belongs to an aristocratic family who are pioneer in Jute & Steel Industries of the country.

Mrs. Roxana Zaman

Director

Mrs. Roxana Zaman, a promising entrepreneur of the country is a Director of United Commercial Bank PLC (Representative of Volkart Trading Limited) and daughter of Bank's Promoter & former Chairman as well as esteemed politician of the country, Mr. Akhtaruzzaman Chowdhury. She is also a Member of Risk Management Committee of the Bank.

Mrs. Zaman is at the same time Vice Chairman of Janata Insurance Company. Besides this, she is involved with different business houses and organizations.

Mrs. Zaman is actively engaged in numerous women development program and philanthropic activities.

Mr. Asifuzzaman Chowdhury

Director

Mr. Asifuzzaman Chowdhury is one of the young & promising Directors of UCB and he is also a Member of Executive Committee. He comes of a very prestigious Muslim family of Anowara, Chittagong.

Mr. Chowdhury is also the Director of Synthetic Rezin Products (Pvt.) Ltd. and Ronny Chemicals Ltd. He attained his BBA from Atlantic University, Florida, USA. With innovative ideas this young entrepreneur is contributing to the nation.

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

Mrs. Afroza Zaman

Director

Mrs. 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 Bank's Promoter & former Chairman as well as esteemed politician of the country, Mr. Akhtaruzzaman Chowdhury. She is also an active Member of Risk Management Committee of the Bank. Mrs. Zaman, at the same time, is a Director of Janata Insurance Company.

Mrs. Zaman is actively associated with different socio-economic and philanthropic activities.

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tanmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
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Corporate Office, Gulshan Avenue
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Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Mr. Syed Kamruzzaman

Director

Mr. Syed Kamruzzaman (Representative of Aramit Thai Aluminium Limited) is a Nominee Director and also a Member of Audit Committee of UCB.

Mr. Syed Kamruzzaman, FCMA is an eminent professional Accountant who completed his graduation from University of Chittagong. He became a qualified Cost and Management Accountant from "The Institute of Cost and Management Accountants of Bangladesh" in 1995.

He started his career in a UK based Audit Firm in United Arab Emirates. After successful completion of overseas contract, he served in various MNC's and Local Companies in Bangladesh for the last 21 years' in financial management, accounts, audit, supply chain management, human resource and administration.

Throughout his career he maintained a passion for service management and has been involved in a key leadership role in many of the major pragmatic decision making for more than last two decades.

Mr. Muhammed Shah Alam

Director

Mr. Muhammed Shah Alam (Representative of Ardent Assets Management Limited) is a nominee Director of UCB and also a Member of Audit Committee of the Bank.

Mr. Alam has a wide experience in the field of Cost and Management Accounting. As a qualified Cost and Management Accountant he is associated with numerous reputed group of Companies including Aramit Group. Prior to joining this group, he was associated with Birds Bangladesh Agencies Limited Chittagong for a period of nearly 26 years.

He obtained his B.com (Hons) and M.com in Accounting from University of Chittagong.

Mr. Kanak Kanti Sen

Director

Mr. Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited), is a Nominee Director and also a Member of Risk Management Committee.

A FCMA, Mr. Sen completed his graduation and post-graduation from University of Chittagong. He became a qualified Cost and Management Accountant from "The Institute of Cost and Management Accountants of Bangladesh" in 1994.

He started his career at Sunman Group of Companies and after that he served several joint venture and local companies holding different leadership positions. Throughout his career he maintained an urge for service management and has been involved in a key leadership role in many of the major hard-headed decision making for more than last two decades. He also attended several Internationally and Locally organized Seminars, Workshops, CPD/CPE Programs etc. on various issues relating to the Professional Interest, Economics, International Trade, National and International Economic Development Issues.

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30 MAY 2023
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Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
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DMD & Company Secretary
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30 MAY 2023
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30 MAY 2023
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Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Mr. Md. Aksed Ali Sarker

Director

Mr. Md. Aksed Ali Sarker (Representative of Aromatic Properties Limited) is a nominee Director of UCB.

Mr. Sarker has a wide experience over 31 years covering in the field of Marketing, Finance and Administration. Throughout his professional career, he has been associated with reputed organizations in the country including Bangladesh Thai Aluminium Ltd (BTA).

He obtained his graduation and post-graduation in Mathematics and also completed MBA in Marketing. An extensively travelled personality, Mr. Sarker is a member of Rotary Club and involved with different socio-cultural organizations.

Mrs. Masuma Parvin

Director

Mrs. Masuma Parvin, an encouraging woman entrepreneur in the country, is a Director of United Commercial Bank PLC (Representative of Splendid Trading Limited). She is also a Director of Navana Pharmaceuticals Limited and Dhaka Evergreen Retirement Homes Limited. She has more than 12 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.

Dr. Aparup Chowdhury

Independent Director

Dr. Aparup Chowdhury is a Former Secretary to the Government of Bangladesh working consistently for 37 years with progressively increasing responsibilities in Field Administration, Policy Pool of different Ministries and Organizations as well as Corporate Bodies.

He holds important and sensitive positions like Deputy Commissioner, Chairman, Bangladesh Parjatan (Tourism) Corporation, Secretary, Ministry of Liberation War Affairs, Independent Director of United Commercial Bank Ltd, Member, Audit Committee and Chairman, Nomination & Remuneration committee. He is also an Independent Director of United Asset Ltd as well as Apex Weaving and Finishing Mills Ltd.

He worked for World Bank as Project Director of a regional cooperation project embracing Bangladesh, Bhutan, India and Nepal.

He is working as Executive Director in Bay Group having its own Private Economic Zone with domestic and several 100% export oriented foreign industries

His key competencies embrace Strategic Business Management to grow top and bottom line, Leadership and People Development, Establishing Processes and Systems, Supply Chain Management, Sales and Marketing, Shaping Businesses for Sustainability and Development.

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Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Somali Investment Limited
Head Office, Dhaka

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tajuddin Zaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
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Corporate Office, Gulshan Avenue
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Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

He is a team leader who is results focused, problem solver, analytical, people oriented and resilient in strategy development and implementation, with unquestionable ethics, sound communication skill with high moral and motivational capabilities.

He underwent training at Duke University, North Carolina, USA in Negotiation; University of Putra, Malaysia in Policy, Planning and Management; Civil Service College, Singapore in Managing at the Top. He obtained M.Sc. degree in Fresh Water Biology from Chittagong University, MBA in Human Resource Management from Stamford University, Dhaka with high distinction and PhD in Disaster Management.

He is a member of Bangladesh Administrative Service Association, Officers' Club Dhaka, Sandhany Club (Posthumous Eye Donor), Singapore Civil Service College Alumni, Duke University Alumni, North Carolina, USA, Lions Club of Dhaka Unique Green.

Professor 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. Iftekhar Uddin 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. Touhid Shipar Rafiquzzaman

Independent Director

Mr. Touhid Shipar Rafiquzzaman is one of the Independent Directors of United Commercial Bank PLC. He is also a member of Audit Committee. Mr. Rafiquzzaman is a highly experienced international banker with 36 years of professional experience in the entire gamut of banking, having worked in two multi-national banks across four geographies. He is a certified risk professional and has extensive experience of working in emerging markets.

Mr. Rafiquzzaman holds a B.A. Honors and a Master's degree from the University of Dhaka. He is a widely travelled person, sports fan and keen golfer. Married with a daughter.

Mr. Arif Quadri

Managing Director & CEO

Mr. Arif Quadri, prominent and professional Banker with years of rewarding multidimensional experience in banking and other fields of Management is the Managing Director & CEO of United Commercial Bank

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Managing Director
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Chief Executive Officer
Head Office, Dhaka.

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United Commercial Bank PLC

30 MAY 2023
ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

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Arif Quadri
Managing Director & CEO
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Corporate Office, Gulshan Avenue
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Head Office, Dhaka

PLC (UCB). Before that, he was serving the Bank as Additional Managing Director. Prior to joining in UCB, he was the Deputy Managing Director & Chief Operating Officer of Premier Bank Limited.

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

His major professional area comprises of Head of Human Resources Management Division in AB Bank Limited, Al Baraka Bank Limited, ONE Bank Limited and Meghna Bank Limited. During his long banking career with five different banks, Mr. Quadri played supervisory roles as CAMLCO, Chief Risk Officer, Head of Internal Control & Compliance Division, Head of Branch etc. He served as a director on the board of IIDFC (Non-Banking Financial Institution) in Bangladesh. He held the charges of the Office of the Managing Director on several instances in ONE Bank Limited. He was also the Secretary General of Association of Bankers, Bangladesh Limited (ABB). Along with the role of Managing Director of UCB, Mr. Arif Quadri is also contributing as Chairman of UCB Asset Management Limited. He attended different training programs and seminar at home and abroad.

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

Mr. ATM Tahmiduzzaman FCS

Company Secretary

Mr. ATM Tahmiduzzaman FCS, a qualified Chartered Secretary, is the Company Secretary of United Commercial Bank Ltd. He has started his Career with British flagship concern REA Consortium locally known as Deundi Tea & Shaw Wallace Tea. In the process of career progression, he capitalized the opportunities to work in launching team of Warid Telecom and played active role in the process of establishment of AIRTEL Bangladesh.

Mr. Tahmid, a faculty member of Institute of Chartered Secretaries of Bangladesh (ICSB), obtained his Master's Degree from University of Dhaka. Later on, he obtained MBA under the umbrella of Common Wealth of Learning, the education wing of Common Wealth. In addition, he is a Law Graduate. He has attended many training program and workshops. He is also involved with different socio-cultural organizations.

Management Profile

UCB's Top Management consists of the following officials:

Audit Committee:

Sl	Name	Designation
1	Touhid Shipar Rafiquzzaman	Independent Director & Chairman, Audit Committee
2	Mr. Syed Kamruzzaman	Director, Member of Audit Committee
3	Mr. Muhammed Shah Alam	Director, Member of Audit Committee
4	Dr. Aparup Chowdhury	Independent Director, Member of Audit Committee
5	Mr. Kanak Kanti Sen	Director, Member of Audit Committee

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6	Mr. ATM Tahmiduzzaman FCS	Company Secretary

Executive Committee:

Sl	Name	Designation
1	Mr. Anisuzzaman Chowdhury	Director & Chairman of Executive Committee
2	Mr. Basir Ahmed	Director & Member of Executive Committee
3	Mr. M.A. Sabur	Director & Member of Executive Committee
4	Mr. Bazal Ahmed	Director & Member of Executive Committee
5	Mrs. Roxana Zaman	Director & Member of Executive Committee
6	Mr. Asifuzzaman Chowdhury	Director & Member of Executive Committee
8	Mr. ATM Tahmiduzzaman FCS	Company Secretary

Risk Management Committee:

Sl	Name	Designation
1	Mr. M.A. Sabur	Director & Chairman of Risk Management Committee
2	Mr. Anisuzzaman Chowdhury	Director & Member of Risk Management Committee
3	Mr. Nurul Islam Chowdhury	Director & Member of Risk Management Committee
4	Mrs. Afroza Zaman	Director & Member of Risk Management Committee
5	Professor Dr. Iftekhar Uddin Chowdhury	Independent Director & Member of Risk Management Committee
6	Mr. ATM Tahmiduzzaman FCS	Company Secretary

Shariah Supervisory Committee:

Sl	Name	Designation
1	Mr. Bazal Ahmed	Chairman of Shariah Supervisory Committee
2	Mr. Arif Quadri	Managing Director & CEO, Member of Shariah Supervisory Committee
3	Professor Dr. A. F. M. Akbar Hossain	Member of Shariah Supervisory Committee
4	Professor Dr. Mohammad Abdur Rashid	Member of Shariah Supervisory Committee
5	Professor Dr. K M Saiful Islam Khan	Member of Shariah Supervisory Committee
6	Dr. Mohammed Nasir Uddin (Azhary)	Member of Shariah Supervisory Committee
7	Dr. Mohammad Manjurur Rahman	Member of Shariah Supervisory Committee

30 MAY 2023
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United Commercial Bank PLC
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30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Senior Management Committee:

Sl	Name	Designation
1	Mr. Arif Quadri	Managing Director & CEO
2	Mr. Syed Faridul Islam	Additional Managing Director
3	Mr. Nabil Mustafizur Rahman	Additional Managing Director
4	Mr. Abul Alam Ferdous	Additional Managing Director
5	Mr. N. Mustafa Tarek	Deputy Managing Director
6	Mr. Md. Abdullah Al Mamoon	Deputy Managing Director
7	Mr. Md. Shah Alam Bhuiyan	Deputy Managing Director
8	Mr. Mohammed Khorshed Alam	Deputy Managing Director
9	Mr. ATM Tahmiduzzaman FCS	Deputy Managing Director
10	Mr. Alamgir Kabir	Deputy Managing Director

(d) Description of Encumbered and Unencumbered Assets with Value thereof

Encumbered Assets:

As of 31 December 2022, there is no encumbered assets of United Commercial Bank PLC.

Unencumbered Assets:

As of 31 December 2022, total unencumbered assets of United Commercial Bank PLC. are 633,306.92 million

Description of Assets and Liabilities (Consolidated)

Description of Assets: (amount in BDT million)

Particulars	31.12.2022
	Taka
PROPERTIES & ASSETS	
Cash	**30,939.72**
Cash in hand (Including foreign currencies)	9,100.80
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)	21,838.93
Balance with other banks & financial institutions	17,975.93
In Bangladesh	4,509.39
Outside Bangladesh	13,466.55
Money at Call on short notice	-
Investments	79,010.19
Government	65,222.00
Others	13,788.19

30 MAY 2023
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United Commercial Bank PLC

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30 MAY 2023
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Managing Director & CEO
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Loans and Advances	474,639.75
Loans, Cash Credits, Overdrafts etc	451,148.36
Bills purchased and discounted	23,491.38
Fixed assets including premises, furniture & fixture	17,026.51
Other assets	13,714.81
Non-banking assets	-
Total Assets	633,306.92

Description of Liabilities: (amount in BDT million)

Particulars	**31.12.2022**
	Taka
LIABILITIES AND CAPITAL	-
Liabilities:	
Borrowings from other banks, financial institutions and agents	107,039.74
Deposits and other accounts	424,683.42
Current accounts & other accounts	92,967.52
Bills Payable	7,016.02
Savings Bank Deposits	85,798.09
Fixed Deposits	202,075.93
Bearer Certificates of Deposits	0.00
Other Deposits	36,825.86
Other Liabilities	61,405.65
Total Liabilities	593,128.81
Capital / Shareholders' Equity	
Paid up Capital	14,062.37
Share Premium	1,454.98
Statutory Reserve	15,764.31
General Reserve	26.58
Other Reserve	2,797.07
Retained Earnings	6,072.82
Total Shareholders' Equity	40,178.11
Non controlling interest	0.00017
Total Shareholders' Equity with non-controlling interest	40,178.11
Total Liabilities and Shareholders Equity	633,306.92

30 MAY 2023
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(e) Description of Previously Issued Debt Securities:

Year of Issue	Types of Issue	Redemption	Issue Size	Subscribers	Amount Invested (in BDT Crore)	Outstanding Amount as on 31.12.2022	Remarks/ Default (if any)
2013	UCBL 1st Subordinated Bond	In the year 2018 (30%), 2019 (30%) & 2020 (40%)	BDT 200 Crore	Agrani Bank Ltd	30	Fully Redeemed	N/A
				Bangladesh Development Bank Ltd	10		
				BRAC Bank Ltd	10		
				Central Depository Bangladesh Ltd	5		
				Delta Life Insurance Company Ltd	5		
				Janata Bank Ltd	50		
				LR Global Bangladesh Mutual Fund One	2		
				NCCBL Mutual Fund 1	1		
				National Life Insurance Co. Ltd	15		
				Pragati Life Insurance Ltd	12		
				Rupali Bank Ltd	50		
				Sadharan Bima Corporation	10		
2015	UCBL 2nd Subordinated Bond	By 20% in last five years	BDT 500 Crore	Sonali Bank Ltd	100	Fully Redeemed	N/A
				Janata Bank Ltd	50		
				Mercantile Bank Ltd	50		
				Rupali Bank Ltd	50		
				Eastern Bank Ltd	50		
				IDLC Finance Ltd	30		
				Bank Asia Ltd	30		
				Agrani Bank Ltd	20		
				Delta Life Insurance Company Ltd	20		
				NCC Bank Ltd	20		
				Jamuna Bank Ltd	20		
				Midland Bank Ltd	20		
				National Life Insurance Company Ltd	10		
				NRBC Bank Ltd	10		
				Uttara Bank Ltd	10		
				United Finance Ltd	10		
2017	UCBL 3rd Subordinate Bond	By 20 % in last five years	BDT 700 Crore	ONE Bank Ltd	75	BDT 350 (Three Hundred Fifty) Crore	N/A
				Pubali Bank Ltd	75		
				Janata Bank Ltd	50		
				Trust Bank Ltd	50		
				Agrani Bank Ltd	30		
				Rupali Bank Ltd	25		
				Mutual Trust Bank Ltd	25		
				Mercantile Bank Ltd	20		
				AB Bank Ltd	275		
				National Bank Ltd	75		
2018		By 20 % in last five		Sonali Bank Ltd	50	BDT 648	N/A
				Agrani Bank Ltd	250		

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	UCBL 4th Subordinate Bond	years (2021-2025)	BDT 800 Crore	BRAC Provident Fund	10	(Six Hundred Forty Eight) Crore	
				Eastern Bank Ltd	100		
				NRBC Bank Ltd	50		
				National Life Insurance Company Ltd	25		
				Shadharan Bima Corporation	10		
				Community Bank Bangladesh Limited	10		
				Central Depository Bangladesh Ltd (CDBL)	10		
				Trust Bank Ltd	100		
				NRB	30		
				Dhaka Bank	55		
				Bank Asia	100		
2021	UCBL Perpetual Bond	N/A	BDT 400 Crore	Bank Asia LTd	100	BDT 400 (Four Hundred) Crore	N/A
				Pubali Bank Ltd	50		
				IPDC Finance Ltd	20		
				Eastern Bank Ltd	100		
				Community Bank Bangladesh Ltd	20		
				NRBC Bank Ltd	45		
				Dhaka Bank Ltd	65		
				Total Amount (in BDT Crore)	**2600**	**1398**	

Description 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

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30 MAY 2023
Syed M Omar Tayub
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SECTION 13: AUDITORS' REPORT ALONG WITH AUDITED FINANCIAL STATEMENTS OF UCB

Auditor's Report along with audited financial statements of UCB is also annexed with this Information Memorandum. Kindly check **Annexure – 3**

Chartered Accountants

BSRS Riahan (Level-13 & 15)
12 Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh

Telephone: (+88-02) 489 20030 to 35 (Level-13)
(+88-02) 8189428 to 29 (Level-15)
Facsimile: (+88-02) 410 20036
E-mail: acnabin@bangla.net, Web: www.acnabin.com

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 2022 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note no. 2.1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), guidelines issued by Bangladesh Bank, and rules and regulations issued by Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

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30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
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Head Office, Dhaka

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Description of key audit matters	Our response to key audit matters
1. Measurement of provision for loans and advances	
Refer to note no. 7, 12.1, 12.2 and 35 to the consolidated and separate financial statements	
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: • 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. 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. As at 31 December 2022, the Group and the Bank reported total provision for loans and advances of BDT 19,208 million (December 2021: BDT 16,584 million) and BDT 19,208 million (December 2021: BDT 16,584 million) respectively.	We tested the design and operating effectiveness of key controls focusing on the following: • 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); Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the provision requirements; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and • Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
2. Recognition of interest income from loans and advances	
Refer to note no. 7 and 20 to the consolidated and separate financial statements	
Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income has involvement of complex IT environment. 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. At the year ended 2022, the Group and the Bank reported total gross interest income from loans and advances of BDT 31,464 million (January 2021 to December 2021: BDT 27,465 million)	We tested the design and operating effectiveness of key controls over recognition and measurement of interest from loans and advances. We have performed test of operating effectiveness on automated control in place to measure and recognize interest income. We have also performed substantive procedures to check whether interest income is recognized completely and accurately. We have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

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Chartered Accountants

Description of key audit matters	Our response to key audit matters
and BDT 30,868 million (January 2021 to December 2021: BDT 26,804 million) respectively.	
3. Loans and advances	
Refer to note no. 7 to the consolidated and separate financial statements	
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. 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. At the year ended 2022, the Group and the Bank reported total gross loans and advances of BDT 474,640 million (December 2021: BDT 408,310 million) and BDT 468,605 million (December 2021: BDT 402,482 million) respectively.	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. 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. Furthermore, we have assessed the appropriateness of disclosures against Bangladesh Bank guidelines.
4. Impairment assessment of unquoted shares	
Refer to note no. 6b to the consolidated and separate financial statements	
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. 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.	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. We have tested a sample of investment valuation as at 31 December 2022 and compared our results to the recorded value. Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
5. Valuation of treasury bills and treasury bonds	
Refer to note no. 6a and 6.1 to the consolidated and separate financial statements	
The classification and measurement of treasury bills (T-Bills) and treasury bonds (T-Bonds) require judgment and complex estimates.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and treasury bonds.

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Description of key audit matters	Our response to key audit matters
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.	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. 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. Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
6. Carrying value of investment in subsidiaries by the Bank Refer to note no. 9 and 9.6 to the consolidated and separate financial statements	
The Bank has invested in equity shares of its four subsidiaries namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, and UCB Fintech Company Limited. As at 31 December 2022 the carrying value of these investments is BDT 7,500 million (December 2021: BDT 5,500 million). At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in the above subsidiaries stated at cost. Further, the subsidiary UCB Fintech Company Limited continuing its operation having retained loss of Taka 2,281 million as at 31 December 2022. 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 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. Management has conducted impairment assessment and calculated recoverable value of its subsidiaries in accordance with IAS 36: Impairment of Assets.	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. 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. 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.

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Description of key audit matters	Our response to key audit matters
7. Deferred tax assets	
Refer to note no. 9.4 to the consolidated and separate financial statements	
As at 31 December 2022 the Group and the Bank reported net deferred tax assets of BDT 5,470 million (December 2021: BDT 4,226 million) and BDT 5,470 million (December 2021: BDT 4,229 million) respectively. 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.	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. We have assessed the completeness and accuracy of the data used for the estimations of future taxable income. We have involved tax specialist to assess key assumptions, controls, recognition and measurement of deferred tax assets. Finally, we have assessed the appropriateness and presentation of disclosures against IAS 12: *Income Taxes*.
8. Legal and regulatory matters	
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. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. 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.	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. We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters. 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. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Group and the Bank's provisions and contingent liabilities disclosure.
9. IT systems and controls	
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	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

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Description of key audit matters	Our response to key audit matters
locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application-based controls.	IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Group and the Bank's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.

Other Matter

The consolidated financial statements of the Group and also separate financial statements of the Bank as at and for the year ended 31 December 2021 were audited by MABS & J Partners, Chartered Accountants, who expressed an unmodified opinion on those statements on 30 March 2022.

Other Information

Management is responsible for the other information. The other information comprises all of the information but does not include the consolidated and separate financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note no. 2.1, and for such internal control as management determines is necessary to

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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

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Chartered Accountants

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 2020, the Bank Company Act, 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank, we also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

(a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;

(b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and the Bank;

(iii) consolidated financial statements of the Bank include 04 (four) subsidiaries, namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited which reflect total assets of BDT 9,972 million, BDT 1,334 million, BDT 1,102 million, BDT 1,666 million respectively as at 31 December 2022 and total revenue

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ACNABIN
Chartered Accountants

of BDT 1,279 million, BDT 123 million, BDT 56 million, BDT 202 million respectively for the year ended 2022.

(iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

(v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vii) the expenditures incurred were for the purpose of the Group's and the Bank's business for the period;

(viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as explained in notes 2.10.52 and 2.1.1 as well as related guidance issued by Bangladesh Bank;

(ix) adequate provisions have been made for loans and advances and other assets which are in our opinion, doubtful of recovery;

(x) the information and explanations required by us have been received and found satisfactory;

(xi) we have reviewed over 80% of the risk-weighted assets of the Bank and spent over 7,112 person hours; and

(xii) Capital to Risk-weighted Assets Ratio (CRAR) has been maintained adequately during the period based on provisions allowed by Bangladesh Bank against the requirement as explained in notes 12.1 and 13.6.

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

Dhaka,
25 APR 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC:2304260787AS109585

30 MAY 2023
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30 MAY 2023
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United Commercial Bank PLC & its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2022

	Notes	31.12.2022 Taka	31.12.2021 Taka
PROPERTIES & ASSETS			
Cash	3	**30,939,723,526**	**25,380,748,231**
Cash in hand (Including foreign currencies)		9,100,795,455	7,498,609,154
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		21,838,928,071	17,882,139,077
Balance with other banks & financial institutions	4	**17,975,933,601**	**20,633,128,821**
In Bangladesh		4,509,386,657	19,568,097,037
Outside Bangladesh		13,466,546,944	1,065,031,784
Money at Call on short notice	5	-	**3,200,000,000**
Investments	6	**79,010,194,462**	**83,046,995,094**
Government		65,222,002,585	73,662,987,344
Others		13,788,191,877	9,384,007,750
Loans and Advances	7	**474,639,746,248**	**408,309,815,648**
Loans, Cash Credits, Overdrafts etc		451,148,361,902	381,754,404,170
Bills purchased and discounted		23,491,384,346	26,555,411,478
Fixed assets including premises, furniture and fixture	8	**17,026,510,993**	**17,018,196,481**
Other assets	9	**13,714,813,337**	**12,835,963,574**
Non-banking assets		-	-
Total Assets		**633,306,922,167**	**570,424,847,849**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	**107,039,740,584**	**89,410,437,395**
Deposits and other accounts	11	**424,683,416,974**	**387,023,828,463**
Current accounts & other accounts		92,967,521,218	78,346,168,340
Bills Payable		7,016,021,483	8,845,268,369
Savings Bank Deposits		85,798,085,253	80,659,233,376
Fixed Deposits		202,075,933,429	181,860,356,177
Bearer Certificates of Deposits		-	-
Other Deposits		36,825,855,591	37,312,802,201
Other Liabilities	12	**61,405,650,473**	**56,601,754,666**
Total Liabilities		**593,128,808,031**	**533,036,020,524**
Capital / Shareholders' Equity		**40,178,113,962**	**37,388,827,060**
Paid up Capital	13	14,062,366,430	12,783,969,490
Share Premium	13.3	1,454,976,750	1,454,976,750
Statutory Reserve	14	15,764,308,439	14,555,968,681
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,797,068,995	2,631,853,888
Retained Earnings	17	6,072,815,387	5,935,480,290
Non controlling interest		174	265
Total Shareholders' Equity with non-controlling interest		**40,178,114,136**	**37,388,827,325**
Total Liabilities and Shareholders' Equity		**633,306,922,167**	**570,424,847,849**

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Head Office, Dhaka.

bakertilly

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Samiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Chartered Accountants

	Notes	31.12.2022 Taka	31.12.2021 Taka
Off Balance Sheet Items			
Contingent Liabilities			
		215,667,677,403	**260,413,159,150**
Acceptances & Endorsements	18.1	95,629,506,243	110,309,146,988
Letters of Guarantee	18.2	59,964,400,737	57,499,501,948
Irrevocable Letters of Credit	18.3	39,547,144,513	75,222,523,708
Bills for Collection	18.4	20,526,625,910	17,381,986,506
Other Contingent Liabilities		-	-
Other Commitments		**2,272,080,692**	**-**
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		2,272,080,692	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items		**217,939,758,095**	**260,413,159,150**

The annexed notes from 01 to 49 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Director**

This is the Consolidated Balance Sheet referred to in our separate report of even date.

Dhaka,
25 APR 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC:2304260787AS109585

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

bakertilly

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tanmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
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Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

ACNABIN
Chartered Accountants

United Commercial Bank PLC & its Subsidiaries
Consolidated Profit and Loss Account
For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
Interest Income	20	32,301,397,460	27,984,761,834
Interest paid on deposits and borrowings etc	21	17,087,467,705	14,166,778,473
Net Interest Income		**15,214,129,755**	**13,817,983,361**
Investment income	22	5,814,473,380	5,646,289,161
Commission, exchange and brokerage	23	8,899,008,606	6,466,823,421
Other Operating Income	24	319,785,244	394,237,274
Total Operating Income (A)		**30,247,396,985**	**26,325,332,217**
OPERATING EXPENSES			
Salary and allowances	25	8,421,749,115	7,736,214,129
Rent, taxes, insurance, electricity etc.	26	1,667,491,649	1,147,506,346
Legal expenses	27	107,724,456	136,054,809
Postage, stamps, telecommunications etc.	28	241,266,257	191,894,385
Stationery, printing, advertisements etc.	29	1,943,127,626	2,154,980,062
Chief Executive's salary and fees	30	14,098,442	13,450,900
Directors' fees	31	4,331,887	3,339,785
Auditors' fees	32	1,947,500	1,278,500
Depreciation and repair of banks assets	33	2,154,511,753	1,899,159,180
Other expenses	34	4,478,285,856	3,102,257,442
Total Operating Expenses (B)		**19,024,534,541**	**16,346,134,738**
Profit before provision (C) = (A-B)		**11,212,862,444**	**9,979,197,479**
Provision for Loans & Advances	35	5,515,505,953	4,391,175,429
Provision for diminution in value of investments	36	646,373,322	(244,586,028)
Other provisions	37	(482,028,218)	549,361,208
Total Provision (D)		**5,679,851,057**	**4,695,952,609**
Total Profit before income taxes (C - D)		**5,533,011,387**	**5,283,244,870**
Provision for Taxation	38	**2,234,364,259**	**2,776,130,772**
Current Tax		3,473,872,045	4,166,078,526
Deferred Tax		(1,239,507,786)	(1,389,947,755)
Net Profit after Taxation		**3,298,647,127**	**2,507,114,098**
Appropriations			
Statutory Reserve		1,186,282,643	1,130,980,783
Start-Up Fund		40,240,112	31,771,709
CSR Fund		245,965,311	-
Retained Surplus		1,826,159,062	1,344,361,606
Attributable to:			
Equity holders' of the Bank		1,826,159,153	1,344,361,561
Non controlling interest		(91)	45
		1,826,159,062	**1,344,361,606**
Earnings Per Share (EPS)	39	**2.35**	**1.78**

The annexed notes from 01 to 49 form an integral part of these financial statements.

Managing Director & CEO | **Director** | **Director** | **Director**

This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

Dhaka,
25 APR 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Monirzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC:2304260787AS109585

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

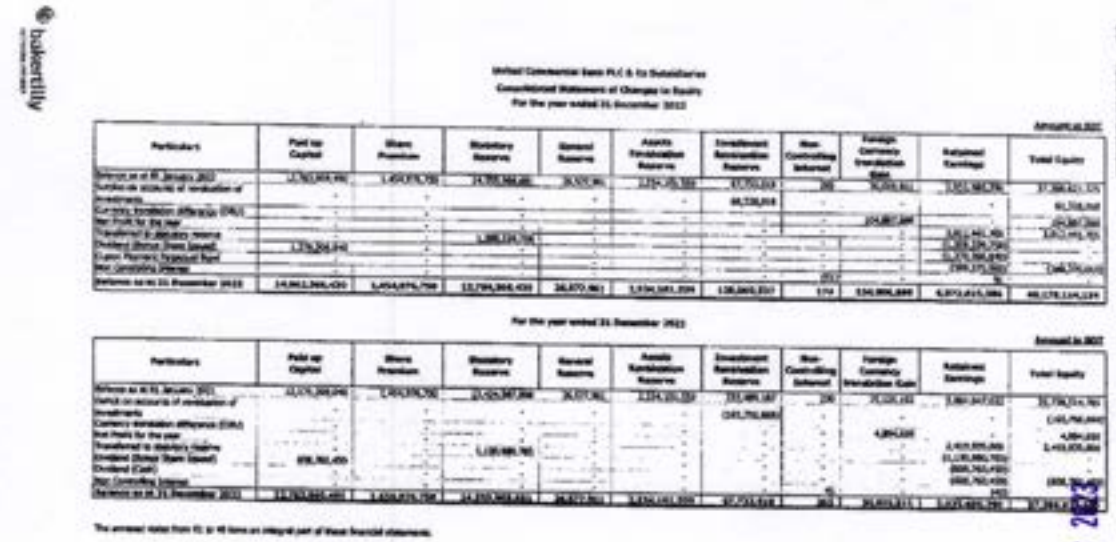
bakertilly

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka



30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sohali Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

[illegible]iduzzaman, FCS
[illegible]MD & Company Secretary
[illegible]ited Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Chartered Accountants

United Commercial Bank PLC & its Subsidiaries

Consolidated Cash Flow Statement
For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
A. Cash flows from operating activities			
Interest Receipts in cash		38,346,831,674	33,310,945,884
Interest Payments		(16,806,028,516)	(14,277,952,671)
Dividend Receipts		216,497,814	189,847,793
Fees & Commission Receipts in cash		5,176,708,919	4,871,999,226
Recoveries of loans Previously written off		236,944,194	102,577,518
Cash Payments to employees		(8,657,478,775)	(7,705,298,800)
Cash Payments to suppliers		(5,505,311,332)	(3,527,410,603)
Income taxes paid		(4,638,236,660)	(3,499,325,527)
Receipt from other operating activities		289,055,558	765,093,940
Payment for other operating activities		(4,044,131,737)	(2,987,399,969)
Operating profit before changes in operating asset and liabilities		**4,614,851,139**	**7,243,076,791**
Increase/Decrease in operating assets and liabilities			
Statutory Deposits		9,035,522,468	(16,679,987,307)
Purchase/Sales of trading Securities		(647,476,052)	57,866,937
Loans and advances to Customers		(66,327,928,377)	(51,717,458,833)
Other assets		(819,859,606)	383,014,186
Deposit from banks		798,799,900	3,495,509,363
Deposit from customers		36,887,680,866	31,061,611,148
Other Liabilities		(2,173,490,754)	2,461,013,816
		(23,246,553,555)	(30,938,430,690)
Net cash used in operating activities (A)		(18,631,702,416)	(23,695,353,899)
B. Cash flows from investing activities			
Proceeds from Sale of Securities		(1,175,370,413)	(142,500,930)
Purchase/Sale of property, plant & equipment		(1,635,032,727)	(3,495,479,680)
Net cash used in investing activities (B)		(2,810,403,140)	(3,637,980,610)
C. Cash flows from financing activities			
Receipts from borrowings		19,448,179,846	29,642,896,100
Sub-Ordinated Bond		(1,820,000,000)	(3,000,000,000)
Dividends paid		-	(608,760,452)
Net cash flow from financing activities (C)		17,628,179,846	26,034,135,648
D. Net Decrease in Cash and Cash Equivalents (A+B+C)		**(3,813,925,710)**	**(1,299,198,861)**
E. Effects of the changes of exchange rate on cash and cash equivalents		3,515,705,784	1,571,481,016
F. Cash and Cash Equivalents at beginning of the year		49,213,877,052	48,941,594,897
G. Cash and Cash Equivalents at the end of the year		48,915,657,127	49,213,877,052
Consolidated Cash and Cash Equivalents at end of the year			
Cash in hand (including foreign currencies)	3.1	9,100,795,455	7,498,609,154
Balance with Bangladesh bank and its agent bank	3.2	21,838,928,071	17,882,139,077
Balance with other banks & financial institution	4	17,975,933,601	20,633,128,821
Money at call on short notice	5	-	3,200,000,000
		48,915,657,127	49,213,877,052

The annexed notes from 01 to 49 form an integral part of these consolidated financial statements.

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Somali Investment Limited
Head Office, Dhaka.

30 MAY 2023

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Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tanmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Chartered Accountants

United Commercial Bank PLC
Balance Sheet
As at 31 December 2022

	Notes	31.12.2022 Taka	31.12.2021 Taka
PROPERTIES & ASSETS			
Cash	3	**30,939,034,586**	**25,380,179,538**
Cash in hand (Including foreign currencies)		9,100,106,515	7,498,040,461
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		21,838,928,071	17,882,139,077
Balance with other banks & financial institutions	4	**16,872,052,936**	**19,409,249,978**
In Bangladesh		3,405,505,992	18,344,218,194
Outside Bangladesh		13,466,546,944	1,065,031,784
Money at Call on short notice	5	-	**3,200,000,000**
Investments	6	**76,434,562,205**	**81,387,609,500**
Government		64,706,395,079	73,662,987,344
Others		11,728,167,126	7,724,622,156
Loans and Advances	7	**468,605,096,016**	**402,481,735,743**
Loans, Cash Credits, Overdrafts etc		445,113,711,670	375,926,324,265
Bills purchased and discounted		23,491,384,346	26,555,411,478
Fixed assets including premises, furniture and fixture	8	**14,579,410,074**	**14,721,191,566**
Other assets	9	**20,646,673,379**	**18,734,245,157**
Non-banking assets		-	-
Total Assets		**628,076,829,196**	**565,314,211,482**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	**103,891,893,400**	**85,803,634,252**
Deposits and other accounts	11	**426,028,440,768**	**389,900,723,984**
Current accounts & other accounts		94,312,545,012	81,223,063,861
Bills Payable		7,016,021,483	8,845,268,369
Savings Bank Deposits		85,798,085,253	80,659,233,376
Fixed Deposits		202,075,933,429	181,860,356,177
Bearer Certificates of Deposits		-	-
Other Deposits		36,825,855,591	37,312,802,201
Other Liabilities	12	**57,199,836,761**	**52,167,845,818**
Total Liabilities		**587,120,170,929**	**527,872,204,054**
Capital / Shareholders' Equity		**40,956,658,267**	**37,442,007,428**
Paid up Capital	13	14,062,366,430	12,783,969,490
Share Premium	13.3	1,454,976,750	1,454,976,750
Statutory Reserve	14	15,730,183,055	14,546,968,923
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,797,068,995	2,631,853,888
Retained Earnings	17	6,885,485,076	5,997,660,416
Total Liabilities and Shareholders' Equity		**628,076,829,196**	**565,314,211,482**

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

bakertilly

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

	Notes	31.12.2022 Taka	31.12.2021 Taka
Off Balance Sheet Items			
Contingent Liabilities			
		215,667,677,403	**260,413,159,150**
Acceptances & Endorsements	18.1	95,629,506,243	116,309,146,988
Letters of Guarantee	18.2	59,964,400,737	57,499,501,948
Irrevocable Letters of Credit	18.3	39,547,144,513	75,222,523,708
Bills for Collection	18.4	20,526,625,910	17,381,986,506
Other Contingent Liabilities			
Other Commitments		**2,272,080,692**	-
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		2,272,080,692	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items		**217,939,758,095**	**260,413,159,150**

The annexed notes from 01 to 49 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Director**

This is the Balance Sheet referred to in our separate report of even date.

Dhaka,
25 APR 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC:2304260787AS109665

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

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30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Chartered Accountants

United Commercial Bank PLC
Profit and Loss Account
For the year ended 31 December 2022

	Notes	31.12.2022 Taka	31.12.2021 Taka
Interest Income	20	31,684,836,835	27,323,646,852
Interest paid on deposits and borrowings etc	21	17,010,387,394	13,927,259,014
Net Interest Income		**14,674,449,441**	**13,396,387,838**
Investment income	22	5,685,113,776	5,463,607,877
Commission, exchange and brokerage	23	7,899,474,370	5,739,170,575
Other Operating Income	24	263,702,890	220,574,859
Total Operating Income (A)		**28,522,740,477**	**24,819,741,149**
OPERATING EXPENSES			
Salary and allowances	25	7,658,696,939	7,166,522,140
Rent, taxes, insurance, electricity etc.	26	1,623,559,944	1,122,448,908
Legal expenses	27	94,587,412	128,854,592
Postage, stamps, telecommunications etc.	28	219,090,942	184,561,969
Stationery, printing, advertisements etc.	29	1,694,262,239	1,249,146,112
Chief Executive's salary and fees	30	14,098,442	13,450,900
Directors' fees	31	3,544,387	2,590,290
Auditors' fees	32	1,725,000	1,150,000
Depreciation and repair of banks assets	33	2,073,607,674	1,822,185,672
Other expenses	34	3,670,796,436	2,945,319,029
Total Operating Expenses (B)		**17,053,969,415**	**14,636,029,612**
Profit before provision (C) = (A-B)		**11,468,771,062**	**10,183,711,537**
Provision for Loans & Advances	35	5,422,689,930	4,259,894,629
Provision for diminution in value of investments	36	612,038,691	(235,220,899)
Other provisions	37	(482,028,218)	549,132,684
Total Provision (D)		**5,552,700,403**	**4,573,806,414**
Total Profit before Income taxes (C - D)		**5,916,070,659**	**5,609,905,123**
Provision for Taxation	38	**1,892,059,505**	**2,432,734,220**
Current Tax		3,133,378,030	3,823,478,709
Deferred Tax		(1,241,318,525)	(1,390,744,489)
Net Profit after Taxation		**4,024,011,154**	**3,177,170,903**
Appropriations			
Statutory Reserve		1,183,214,132	1,121,981,625
Start-Up Fund		40,240,112	31,771,709
CSR Fund		245,965,311	-
Retained Surplus		2,554,591,600	2,023,418,169
		4,024,011,154	**3,177,170,903**
Earnings Per Share (EPS)	39	**2.85**	**2.76**

The annexed notes from 01 to 49 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Director**

This is the Profit and Loss Account referred to in our separate report of even date.

Dhaka,
25 APR 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC:2304260787AS109585

30 MAY 2023

Md. Rezaul Haque
Managing Director
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30 MAY 2023

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Head Office, Dhaka

30 MAY 2023 bakertilly

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30 MAY 2023

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30 MAY 2023

Arif Quadri
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United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

United Commercial Bank PLC

Statement of Changes in Equity

For the year ended 31 December 2022

Amount in BDT

Particulars	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	11,797,500,490	1,434,976,750	11,540,960,420	26,577,961	3,794,141,559	47,703,818	30,010,961	3,997,442,414	37,140,997,429
Surplus on account of revaluation of investments	-	-	-	-	-	80,128,018	-	-	80,128,018
Currency translation difference (CTD)	-	-	-	-	-	-	204,467,288	-	204,467,288
Net Profit for the period	-	-	-	-	-	-	-	3,137,903,731	3,137,903,731
Transferred to statutory reserve	-	-	1,183,211,173	-	-	-	-	(1,183,211,173)	-
Dividend (Bonus Share Issued)	1,179,750,049	-	-	-	-	-	-	(1,179,750,049)	-
Expert Perpetual Bond	-	-	-	-	-	-	-	(286,175,000)	(286,175,000)
Balance as at 31 December 2022	13,063,250,539	1,434,976,750	12,724,171,593	26,577,961	3,794,141,559	127,831,837	234,478,249	4,485,229,923	40,891,656,411

For the year ended 31 December 2021

Amount in BDT

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Foreign Currency Translation Gain	Retained Earnings	Total Equity
Balance as at 01 January 2021	11,270,250,240	1,434,976,750	11,414,247,894	26,577,961	3,794,141,559	332,466,557	25,535,122	3,141,785,534	32,440,381,617
Deficit on account of revaluation of investments	-	-	-	-	-	(283,756,800)	-	-	(283,756,800)
Currency translation difference (CTD)	-	-	-	-	-	-	4,475,166	-	4,475,166
Net Profit for the year	-	-	-	-	-	-	-	3,141,785,534	3,141,785,534
Transferred to statutory reserve	-	-	1,121,961,526	-	-	-	-	(1,121,961,526)	-
Dividend (Bonus Share Issued)	526,750,250	-	-	-	-	-	-	(526,750,250)	-
Dividend (Cash for 2020)	-	-	-	-	-	-	-	(293,323,375)	(293,323,375)
Issue of share capital	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	11,797,500,490	1,434,976,750	12,536,209,420	26,577,961	3,794,141,559	47,703,818	30,010,961	3,997,442,414	37,140,997,429

The annexed notes from 01 to 46 form an integral part of these financial statements.

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023

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United Commercial Bank PLC

30 MAY 2023

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30 MAY 2023

Arif Quadri
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United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Chartered Accountants

United Commercial Bank PLC

Cash Flow Statement
For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
A. Cash flows from operating activities			
Interest receipts		37,078,273,890	32,410,109,539
Interest payments		(16,574,786,563)	(14,078,145,160)
Dividend receipt		178,569,508	149,088,539
Fees & Commision receipt		4,383,768,584	4,167,689,559
Recoveries from previously written off advances		236,944,194	102,577,518
Payments to employees		(7,867,795,381)	(7,179,973,040)
Payments to suppliers		(4,192,355,163)	(3,200,235,642)
Payment for Advance Income Tax		(4,392,182,336)	(3,285,957,696)
Receipt from other operating activities		272,883,290	641,746,949
Payment for other activities		(3,962,642,308)	(2,895,277,427)
Operating profit before changes in operating assets and liabilities		**5,160,677,714**	**6,831,623,127**
Increase/Decrease in operating assets and liabilities			
Statutory Deposit		9,035,522,468	(16,679,987,307)
Purchase/Sale of trading securities		(390,644,970)	(118,378,810)
Loans and advances to customers		(66,123,360,271)	(50,798,176,340)
Other Assets		(1,900,245,802)	(2,326,620,575)
Deposit from Banks		798,799,900	3,495,509,353
Deposit from customers		35,328,916,894	32,247,232,604
Other liabilities		(1,668,991,486)	2,885,991,733
		(24,970,003,276)	(31,294,429,733)
Net cash used in operating activities (A)		**(19,759,325,562)**	**(24,462,806,605)**
B. Cash flows from investing activities			
Purchase/Sale of Securities		(532,900,000)	(10,400,000)
Purchase of Property,Plant & Equipments		(1,490,081,364)	(1,250,599,100)
Net cash used in investing activities (B)		**(2,022,981,364)**	**(1,260,999,100)**
C. Cash flows from financing activities			
Receipt from borrowing		19,908,259,148	29,404,508,263
Sub-Ordinated Bond		(1,820,000,000)	(3,000,000,000)
Cash dividend payment		-	(608,760,459)
Net cash flow from financing activities (C)		**18,088,259,148**	**25,795,747,804**
D. Net (Decrease)/Increase in cash and cash equivalents (A+B+C)		(3,694,047,778)	71,941,099
E. Effects of the changes of exchange rate on cash and cash equivalents		3,515,705,784	1,571,481,023
F. Cash and Cash Equivalents at beginning of the year		47,989,429,516	46,346,006,394
G. Cash and Cash Equivalents at the end of the year (D+E+F)		**47,811,087,522**	**47,989,429,516**
Cash and Cash Equivalents at the end of the year			
Cash in hand (including foreign currencies)	3.1	9,100,106,515	7,498,040,461
Balance with Bangladesh bank and its agent bank	3.2	21,838,928,071	17,882,139,077
Balance with other banks & financial institution	4	16,872,052,936	19,409,249,978
Money at call on short notice	5	-	3,200,000,000
		47,811,087,522	47,989,429,516

The annexed notes from 01 to 49 form an integral part of these financial statements.

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

bakertilly

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tanviduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

UNITED COMMERCIAL BANK PLC
Liquidity Statement
Asset and Liability Maturity Analysis
As at 31 December 2022

Amount in BDT

Particulars	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 years	Total
Assets						
Cash in hand	10,760,954,752	-	-	-	-	
Balance with other banks & financial institutions	14,832,352,936	245,000,000	250,000,000	1,554,800,000	29,176,760,324	30,956,034,580
Money at call on short notice	-				-	16,872,052,936
Investment	1,172,200,000	6,320,600,800	12,949,567,192	24,952,000,000	42,331,695,079	-
Loans and Advances	41,243,899,996	81,423,298,613	102,456,378,970	154,968,357,991	95,021,641,009	76,434,162,305
Bill Purchased & Discounted	8,316,200,000	5,899,630,800	8,080,584,340	-	-	445,113,751,679
Fixed assets including premises, furniture & fixture	190,500,000	381,000,800	1,714,500,000	9,144,800,000	3,140,410,075	23,491,384,340
Other Assets	562,517,498	1,867,004,967	1,117,834,475	9,673,421,533	7,569,454,396	14,579,410,874
Non Banking Assets	-	-	-	-	-	20,449,673,370
Total Assets (A)	78,088,604,682	97,334,453,819	234,477,865,516	199,893,324,414	136,396,100,973	636,075,829,195
Liabilities						
Borrowing from Bangladesh bank, other banks, financial institutions and agents	17,893,407,146	32,335,988,370	38,447,287,889	14,854,200,000	10,371,000,000	103,891,883,405
Deposits	53,938,455,534	61,979,247,595	79,153,815,290	124,148,643,909	106,788,177,324	426,028,449,708
Provisions and other liabilities	3,249,117,668	2,482,450,864	13,896,863,408	13,236,331,235	24,271,807,367	57,136,836,251
Total Liabilities (B)	75,080,980,349	96,797,686,829	131,498,966,587	152,238,175,144	141,430,984,691	587,056,169,364
Net Liquidity Gap (A-B)	3,007,624,333	(463,232,990)	102,978,898,929	47,655,149,270	(5,034,883,718)	49,019,659,831

30 MAY 2023

Md. Rezaul Haque
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Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
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Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Jamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

SECTION 14: COMPARATIVE FINANCIAL STATEMENTS OF UCB

Consolidated Balance Sheet of United Commercial Bank PLC

United Commercial Bank PLC					
Consolidated Balance Sheet					
As at 31 December 2022 to 31 December 2018					
					amount in BDT million
Particulars	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
	Taka	Taka	Taka	Taka	Taka
PROPERTIES & ASSETS					
Cash	**30,939.72**	**25,380.75**	**24,947.75**	**26,403.57**	**22,790.81**
Cash in hand (Including foreign currencies)	9,100.80	7,498.61	5,701.34	6,352.61	5,210.06
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)	21,838.93	17,882.14	19,246.41	20,050.96	17,580.74
Balance with other banks & financial institutions	**17,975.93**	**20,633.13**	**23,063.85**	**12,766.95**	**16,808.65**
In Bangladesh	4,509.39	19,568.10	19,948.28	11,090.67	15,878.99
Outside Bangladesh	13,466.55	1,065.03	3,115.57	1,676.28	929.66
Money at Call on short notice	-	**3,200.00**	**930.00**	**1,700.00**	**150.00**
Investments	**79,010.19**	**83,047.00**	**66,986.98**	**59,191.44**	**52,157.76**
Government	65,222.00	72,746.47	57,027.61	48,419.21	41,715.21
Others	13,788.19	10,300.52	9,959.37	10,772.22	10,442.56
Loans and Advances	**474,639.75**	**408,309.82**	**356,065.74**	**325,483.78**	**296,577.50**
Loans, Cash Credits, Overdrafts etc	451,148.36	381,754.40	340,985.34	306,814.01	277,089.61
Bills purchased and discounted	23,491.38	26,555.41	15,080.40	18,669.76	19,487.89
Fixed assets including premises, furniture & fixture	**17,026.51**	17,018.20	14,624.72	14,540.22	9,084.10
Other assets	**13,714.81**	12,835.96	11,959.69	9,427.82	7,065.65
Non-banking assets	-	-	-	-	-
Total Assets	**633,306.92**	**570,424.85**	**498,578.73**	**449,513.76**	**404,634.47**
LIABILITIES AND CAPITAL					
Liabilities:					
Borrowings from other banks, financial institutions and agents	**107,039.74**	**89,410.44**	**62,240.92**	**42,125.06**	**45,243.66**
Deposits and other accounts	**424,683.42**	**387,023.83**	**352,313.50**	**330,416.27**	**297,016.34**
Current accounts & other accounts	92,967.52	78,346.17	69,335.92	57,780.12	4[illegible]38.64
Bills Payable	7,016.02	8,845.27	8,280.26	9,414.29	7,520.07
Savings Bank Deposits	85,798.09	80,659.23	70,999.78	56,655.94	5[illegible]32.66
Fixed Deposits	202,075.93	219,173.16	203,697.54	206,565.91	18[illegible]24.97
Bearer Certificates of Deposits	0.00	0.00	0.00	0.00	0.00
Other Deposits	36,825.86	0.00	0.00	0.00	0.00
Other Liabilities	**61,405.65**	**56,601.75**	**48,285.79**	**43,608.79**	**31,979.34**
Total Liabilities	**593,128.81**	**533,036.02**	**462,840.21**	**416,150.11**	**374,239.34**
Capital / Shareholders' Equity					
Paid up Capital	14,062.37	12,783.97	12,175.21	11,595.44	10,541.31
Share Premium	1,454.98	1,454.98	1,454.98	1,454.98	1,454.98
Statutory Reserve	15,764.31	14,555.97	13,424.99	12,435.39	11,448.97
General Reserve	26.58	26.58	26.58	26.58	26.58
Other Reserve	2,797.07	2,631.85	2,792.72	2,758.36	2,647.61
Retained Earnings	6,072.82	5,935.48	5,864.05	5,092.92	4,275.98

30 MAY 2023
Farid Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tanmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
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Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shahriar Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

Total Shareholders' Equity	**40,178.11**	**37,388.83**	**35,738.51**	**33,363.65**	**30,395.13**
Non controlling interest	0.00017	0.00	0.00	0.00	0.00
Total Shareholders' Equity with non-controlling interest	**40,178.11**	**37,388.83**	**35,738.51**	**33,363.65**	**30,395.13**
Total Liabilities and Shareholders Equity	**633,306.92**	**570,424.85**	**498,578.73**	**449,513.76**	**404,634.47**

Consolidated Income Statement of United Commercial Bank PLC

United Commercial Bank PLC					
Consolidated Profit & Loss Account					
As at 31 December 2022 to 31 December 2018					
					amount in BDT million
Particulars	**2022**	**2021**	**2020**	**2019**	**2018**
	Taka	**Taka**	**Taka**	**Taka**	**Taka**
Interest Income	32,301.60	27,984.76	27,690.58	31,336.85	25,535.51
Interest paid on deposits and borrowings etc	17,087.47	14,166.78	17,891.66	20,269.08	16,058.88
Net Interest Income	**15,214.13**	**13,817.98**	**9,798.91**	**11,067.77**	**9,476.63**
Investment income	5,814.47	5,646.29	6,170.68	4,898.01	4,426.44
Commission, exchange and brokerage	8,899.01	6,466.82	4,970.12	5,109.88	4,618.60
Other Operating Income	319.79	338.83	150.86	139.14	139.42
Total Operating Income (A)	**30,247.40**	**26,269.92**	**21,090.57**	**21,214.81**	**18,661.10**
OPERATING EXPENSES					
Salary and allowances	8,421.75	7,736.21	6,560.47	6,047.64	6,579.67
Rent, taxes, insurance, electricity etc.	1,667.49	1,147.51	1,011.26	1,009.68	1,229.73
Legal expenses	107.72	136.05	94.66	67.37	63.28
Postage, stamps, telecommunications etc.	241.27	191.89	178.46	192.27	143.22
Stationery, printing, advertisements etc.	1,943.13	2,154.98	1,489.66	1,235.01	1,131.85
Chief Executive's salary and fees	14.10	13.45	15.02	13.74	9.91
Directors' fees	4.33	3.34	3.53	5.05	5.40
Auditors' fees	1.95	1.28	1.85	1.25	1.23
Depreciation and repair of banks assets	2,154.51	1,859.16	1,622.23	1,447.35	803.75
Other expenses	4,478.29	3,102.26	2,923.46	2,597.66	1,04[illegible]74
Total Operating Expenses (B)	**19,034.53**	**16,346.13**	**13,900.60**	**12,617.03**	**11,012.79**
Profit/(Loss) before provision (C) = (A-B)	**11,212.86**	**9,923.79**	**7,189.97**	**8,597.78**	**7,648.31**
Provision for Loans & Advances	5,515.51	4,391.18	2,148.19	2,674.17	3,158.04
Provision for diminution in value of investments	646.37	-244.59	-441.82	686.40	-272.11
Other provisions	-482.03	549.36	240.06	70.23	-379.32
Total Provision (D)	**5,679.85**	**4,695.95**	**1,946.44**	**3,430.80**	**2,506.62**
Total Profit/(Loss) before Income taxes (C - D)	**5,533.01**	**5,227.84**	**5,243.54**	**5,166.98**	**5,141.69**
Provision for Taxation	**2,234.36**	**2,776.13**	**2,294.69**	**2,309.18**	**2,639.38**
Current Tax	3,473.87	4,166.08	2,836.87	2,931.21	2,460.[illegible]
Deferred Tax	-1,239.51	-1,389.95	-542.18	-622.02	17[illegible]9
Net Profit after Taxation	**3,298.65**	**2,451.71**	**2,948.85**	**2,857.80**	**2,502.31**
Appropriations					
Statutory Reserve	1,186.28	1,130.98	989.60	986.42	981.55
Start-Up Fund	40.24	31.77	28.57	-	
CSR Fund	245.97				
Retained Surplus	1,826.16	1,288.95	1,930.68	1,871.38	1,520.76
Attributable to:					

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
OMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

Md. Rejaul Haque
Managing Director
Prime Finance Capital Management Limited

Md. Shawkat Jahan Khan
Chief Executive Officer
Soniat Investment Limited
Head Office, Dhaka.

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Equity holders' of the Bank	1,826.16	1,288.95	1,930.68	1,871.38	1,520.76
Non controlling interest	-0.00009	0.00	0.00	0.00	0.00
	1,826.16	**1,288.95**	**1,930.68**	**1,871.38**	**1,520.76**

Consolidated Cash Flow Statement of United Commercial Bank PLC

United Commercial Bank PLC					
Consolidated Cash Flow Statement					
For the period ended 31 December 2022 to 31 December 2018					
					amount in BDT million
Particulars	**2022**	**2021**	**2020**	**2019**	**2018**
	Taka	**Taka**	**Taka**	**Taka**	**Taka**
Cash flows from operating activities					
Interest Receipts in cash	38,346.83	33,310.95	33,166.88	35,528.36	28,992.69
Interest Payments	-16,806.03	-14,277.95	-21,449.96	-17,671.38	-13,432.69
Dividend Receipts	216.50	189.85	234.35	283.36	335.45
Fees & Commission Receipts in cash	5,176.71	4,872.00	3,657.96	3,327.81	2,949.86
Recoveries of loans Previously written off	236.94	102.58	103.35	169.29	267.64
Cash Payments to employees	-8,657.48	-7,705.30	-6,569.33	-7,278.38	-6,589.59
Cash Payments to suppliers	-5,505.31	-3,527.41	-3,324.31	-2,997.26	-2,504.80
Income taxes paid	-4,638.24	-3,499.33	-2,557.42	-2,428.42	-2,442.93
Receipt from other operating activities	289.06	765.09	562.48	325.09	546.11
Payment for other operating activities	-4,044.13	-2,987.40	-2,452.63	-1,582.37	-1,349.42
Operating profit before changes in operating assets and liabilities	**4,614.85**	**7,243.08**	**1,371.38**	**7,676.10**	**6,772.32**
Increase/Decrease in operating assets and liabilities:					
Statutory Deposits	9,035.52	-16,679.99	-8,713.15	-6,596.32	-2,734.25
Purchase/Sales of trading Securities	-647.48	57.87	210.85	-1,134.22	-621.43
Loans and advances to Customers	-66,327.93	-51,717.46	-30,402.34	-28,907.05	-35,525.98
Other assets	-819.86	383.01	-3,070.04	-1,589.62	-1,275.40
Deposit from banks	798.80	3,495.51	-2,001.25	-3,002.73	-4,978.77
Deposit from customers	36,887.88	31,061.61	25,386.60	36,557.99	4,032.54
Other Liabilities	-2,173.49	2,461.01	5,882.34	16.79	750.95
	-23,246.55	**-30,938.43**	**-12,706.99**	**-4,655.17**	**-17,844.00**
Net Cash from operating activities (A)	**-18,631.70**	**-23,695.35**	**-11,335.61**	**3,020.94**	**-11,071.68**
Cash flows from investing activities					
Proceeds from Sale of Securities	-1,175.37	-142.50	97.29	804.55	-974.67
Purchase/Sale of property, plant & equipment	-1,635.03	-3,495.48	-1,359.87	-1,423.28	-1,299.26
Net Cash from investing activities (B)	**-2,810.40**	**-3,637.98**	**-1,262.58**	**-618.72**	**-2,273.94**
Cash flows from financing activities					
Receipts from borrowings	19,448.18	29,642.90	19,036.96	-3,118.60	17,947.27
Sub-Ordinated Bond	-1,820.00	-3,000.00	900.00	0.00	3,500.00
Dividends paid	-	-608.76	-579.77	50.00	-1,054.53

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

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Chief Executive Officer
Southeast Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

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DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

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30 MAY 2023

Syed M Omar Ayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Cash received from Issuing of Right Shares	0.00	0.00	0.00	0.00	0.00
Net cash from financing activities (C)	**17,628.18**	**26,034.14**	**19,357.19**	**-3,068.60**	**6,493.13**
(D) Net Increase/(Decrease) in cash (A+B+C)	**-3,813.93**	**-1,299.20**	**6,759.00**	**-666.39**	**-6,852.48**
Effects of the changes of exchange rate on cash and cash equivalents*	3,515.71	1,571.48	1,312.07	1,787.45	1,668.75
Cash and Cash equivalents at beginning of the year (E)	49,213.88	48,941.59	40,870.52	39,749.46	44,933.20
Cash and cash equivalents at the end of the year (F)	**48,915.66**	**49,213.88**	**48,941.59**	**40,870.52**	**39,749.46**
Consolidated Cash and cash Equivalents at end of the year					
Cash in hand (including foreign currencies)	9,100.80	7,498.61	5,701.34	6,352.61	5,210.06
Balance with Bangladesh bank and its agent bank	21,838.93	17,882.14	19,246.41	20,050.96	17,580.74
Balance with other banks & financial institution	17,975.93	20,633.13	23,063.85	12,766.95	16,808.65
Money at call on short notice	-	3,200.00	930.00	1,700.00	150.00
	48,915.66	**49,213.88**	**48,941.59**	**40,870.52**	**39,749.46**

Balance Sheet of United Commercial Bank PLC

United Commercial Bank PLC					
Balance Sheet					
As at 31 December 2022 to 31 December 2018					
					amount in BDT million
Particulars	**31.12.2022**	**31.12.2021**	**31.12.2020**	**31.12.2019**	**31.12.2018**
	Taka	**Taka**	**Taka**	**Taka**	**Taka**
PROPERTIES & ASSETS					
Cash	**30,939.03**	**25,380.18**	**24,947.58**	**26,403.42**	**22,790.71**
Cash in hand (Including foreign currencies)	9,100.11	7,498.04	5,701.17	6,352.46	5,209.96
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)	21,838.93	17,882.14	19,246.41	20,050.96	17,580.74
Balance with other banks & financial institutions	**16,872.05**	**19,409.25**	**20,468.43**	**12,123.38**	**16,256.14**
In Bangladesh	3,405.51	18,344.22	17,352.86	10,447.10	15,326.48
Outside Bangladesh	13,466.55	1,065.03	3,115.57	1,676.28	929.66
Money at Call on short notice	-	**3,200.00**	**930.00**	1,700.00	150.00
Investments	**76,434.56**	**81,387.61**	**65,323.45**	**57,800.97**	**50,830.84**
Government	64,706.40	72,746.47	57,027.61	48,419.21	41,715.21
Others	11,728.17	8,641.14	8,295.84	9,381.75	9,115.63
Loans and Advances	**468,605.10**	**402,481.74**	**351,683.56**	**322,728.14**	**294,671.94**
Loans, Cash Credits, Overdrafts etc	445,113.71	375,926.32	336,603.16	304,058.38	27[illegible]84.05
Bills purchased and discounted	23,491.38	26,555.41	15,080.40	18,669.76	[illegible]487.89
Fixed assets including premises, furniture & fixture	**14,579.41**	**14,721.19**	**14,539.96**	**14,454.64**	[illegible]056.11
Other assets	**20,646.67**	**18,734.25**	**15,413.97**	**11,549.57**	8,993.36
Non-banking assets	-	-	-	-	-
Total Assets	**628,076.83**	**565,314.21**	**493,306.95**	**446,760.12**	**402,749.10**
LIABILITIES AND CAPITAL					
Liabilities:					
Borrowings from other banks, financial institutions and agents	**103,891.89**	**85,803.63**	**59,399.13**	**40,911.[illegible]**	44,694.[illegible]
Deposits and other accounts	**426,028.44**	**389,900.72**	**353,981.62**	**330,632.[illegible]**	**297,172.[illegible]**
Current accounts & other accounts	94,312.55	81,223.06	71,004.04	57,99[illegible].09	48,995.[illegible]

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Head Office, Dhaka

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Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

Managing Director
Prime Finance Capital Management Limited

Bills Payable	7,016.02	8,845.27	8,280.26	9,414.29	7,520.07
Savings Bank Deposits	85,798.09	80,659.23	70,999.78	56,655.94	52,032.66
Fixed Deposits	202,075.93	219,173.16	203,697.54	206,565.91	188,624.97
Bearer Certificates of Deposits	0.00	0.00	0.00	0.00	0.00
Other Deposits	36,825.86	0.00	0.00	0.00	0.00
Other Liabilities	**57,199.84**	**52,167.85**	**44,859.97**	**42,433.54**	30,981.77
Total Liabilities	**587,120.17**	**527,872.20**	**458,240.72**	**413,977.10**	**372,848.85**
Capital / Shareholders' Equity					
Paid up Capital	14,062.37	12,783.97	12,175.21	11,595.44	10,541.31
Share Premium	1,454.98	1,454.98	1,454.98	1,454.98	1,454.98
Statutory Reserve	15,730.18	14,546.97	13,424.99	12,435.39	11,448.97
General Reserve	26.58	26.58	26.58	26.58	26.58
Other Reserve	2,797.07	2,631.85	2,792.72	2,758.36	2,647.63
Retained Earnings	6,885.49	5,997.66	5,191.76	4,512.28	3,780.79
Total Shareholders' Equity	**40,956.66**	**37,442.01**	**35,066.23**	**32,783.02**	**29,900.25**
Total Liabilities and Shareholders Equity	**628,076.83**	**565,314.21**	**493,306.95**	**446,760.12**	**402,749.10**

Profit and Loss Account of United Commercial Bank PLC

United Commercial Bank PLC
Consolidated Profit & Loss Account
As at 31 December 2022 to 31 December 2018

amount in BDT million

Particulars	**2022**	**2021**	**2020**	**2019**	**2018**
	Taka	**Taka**	**Taka**	**Taka**	**Taka**
Interest Income	31,684.84	27,323.65	27,306.96	30,948.75	25,266.93
Interest paid on deposits and borrowings etc	17,010.39	13,927.26	17,796.18	20,150.94	16,024.50
Net Interest Income	**14,674.45**	**13,396.39**	**9,510.78**	**10,797.81**	**9,242.44**
Investment income	5,685.11	5,463.61	6,135.36	4,853.22	4,430.71
Commission, exchange and brokerage	7,899.47	5,739.17	4,693.98	4,920.06	4,480.62
Other Operating Income	263.70	220.57	148.09	137.80	13[illegible]76
Total Operating Income (A)	**28,522.74**	**24,819.74**	**20,488.21**	**20,708.89**	**18,29[illegible]62**
OPERATING EXPENSES					
Salary and allowances	7,658.70	7,166.52	6,354.17	5,912.08	6,4[illegible]61
Rent, taxes, insurance, electricity etc.	1,623.56	1,122.45	995.87	998.00	1,2[illegible]15
Legal expenses	94.59	128.65	94.18	67.21	63.15
Postage, stamps, telecommunications etc.	219.09	184.56	174.62	189.26	141.98
Stationery, printing, advertisements etc.	1,694.26	1,249.15	1,482.82	1,227.39	1,127.86
Chief Executive's salary and fees	14.10	13.45	15.02	13.74	9.9[illegible]
Directors' fees	3.54	2.59	2.71	3.46	5.4[illegible]
Auditors' fees	1.73	1.15	1.73	1.15	1.1[illegible]
Depreciation and repair of banks assets	2,073.61	1,822.19	1,609.94	1,437.61	799.9[illegible]
Other expenses	3,670.80	2,945.32	2,900.05	2,580.30	1,035.[illegible]
Total Operating Expenses (B)	**17,053.97**	**14,636.03**	**13,631.10**	**12,430.21**	**10,902.27**
Profit/(Loss) before provision (C) = (A-B)	**11,468.77**	**10,183.71**	**6,857.12**	**8,278.68**	**7,390.25**
Provision for Loans & Advances	5,422.69	4,259.89	2,107.29	2,626.56	3,154.64
Provision for diminution in value of investments	612.04	-235.22	-438.25	673.47	-292.84
Other provisions	-482.03	549.13	240.06	46.57	-379.32

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Total Provision (D)	**5,552.70**	**4,573.81**	**1,909.10**	**3,346.60**	**2,482.49**
Total Profit/(Loss) before Income taxes (C - D)	**5,916.07**	**5,609.91**	**4,948.01**	**4,932.09**	**4,907.76**
Provision for Taxation	**1,892.06**	**2,432.73**	**2,090.82**	**2,160.05**	**2,538.81**
Current Tax	3,133.38	3,823.48	2,632.95	2,783.08	2,360.05
Deferred Tax	-1,241.32	-1,390.74	-542.13	-623.03	178.77
Net Profit after Taxation	**4,024.01**	**3,177.17**	**2,857.20**	**2,772.04**	**2,368.95**
Appropriations					
Statutory Reserve	1,183.21	1,121.98	989.60	986.42	981.55
Start-Up Fund	40.24	31.77	28.57	-	-
CSR Fund	245.97	-	-	-	-
Retained Surplus	2,554.59	2,023.42	1,839.02	1,785.62	1,387.40
	4,024.01	**3,177.17**	**2,857.20**	**2,772.04**	**2,368.95**

30 MAY 2023

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Managing Director
Prime Finance Capital Management Limited

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Md. Sirajul Islam Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

Cash Flow Statement of United Commercial Bank PLC

United Commercial Bank PLC
Consolidated Cash Flow Statement
For the period ended 31 December 2022 to 31 December 2018

amount in BDT million

Particulars	**30.06.2022**	**2021**	**2020**	**2019**	**2018**
	Taka	**Taka**	**Taka**	**Taka**	**Taka**
Cash flows from operating activities					
Interest receipts	37,078.27	32,410.11	32,708.44	35,123.54	28,724.12
Interest payments	-16,574.79	-14,078.15	-21,279.66	-17,536.52	-13,398.31
Dividend receipt	178.57	149.09	206.57	260.05	303.13
Fees & Commision receipt	4,383.77	4,167.69	3,381.91	3,137.99	2,811.87
Recoveries from previously written off advances	236.94	102.58	103.35	169.29	267.64
Payments to employees	-7,867.80	-7,179.97	-6,369.19	-7,142.81	-6,501.52
Payments to suppliers	-4,192.36	-3,200.24	-3,290.80	-2,973.56	-2,495.99
Payment for Advance Income Tax	-4,392.18	-3,285.96	-2,392.31	-2,319.84	-2,361.32
Receipt from other operating activities	272.88	641.75	544.01	302.27	582.03
Payment for other activities	-3,962.64	-2,895.28	-2,426.33	-1,563.37	-1,339.57
Operating profit before changes in operating assets and liabilities	**5,160.68**	**6,831.62**	**1,185.98**	**7,457.04**	**6,592.08**
Increase/Decrease in operating assets and liabilities:					
Statutory Deposit	9,035.52	-16,679.99	-8,713.15	-6,596.32	-2,734.25
Purchase/Sale of trading securities	-390.64	-118.38	481.10	-1,070.68	-702.28
Loans and advances to customers	-66,123.36	-50,798.18	-28,955.42	-28,056.20	-35,199.86
Other Assets	-1,900.25	-2,326.62	-2,949.67	-1,797.49	-15.27
Deposit from Banks	798.80	3,495.51	-2,001.25	-3,002.73	4,978.77
Deposit from customers	35,328.92	32,247.23	25,372.57	36,616.58	13,998.56
Other liabilities	-1,668.99	2,885.99	3,728.53	29.54	2,603.20
	-24,920.00	**-31,294.43**	**-13,037.30**	**-3,877.30**	**-17,071.13**
Net Cash from operating activities (A)	**-19,759.33**	**-24,462.81**	**-11,851.32**	**3,579.74**	**-10,479.06**
Cash flows from investing activities					
Purchase/Sale of Securities	-532.90	-10.40	100.00	804.55	-982.55
Purchase of Property,Plant & Equipments	-1,490.08	-1,250.60	-1,349.58	-1,358.85	-1,277.20
Net Cash from investing activities (B)	**-2,022.98**	**-1,261.00**	**-1,249.58**	**-554.30**	**-2,259.75**

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Cash flows from financing activities					
Receipt from borrowing	19,908.26	29,404.51	17,587.80	-3,782.93	10,847.87
Sub-Ordinated Bond	-1,820.00	-3,000.00	900.00	0.00	-3,500.00
Cash received from issuing of Right shares	-	0.00	0.00	0.00	0.00
Cash dividend payment	-	-608.76	-579.77	0.00	-1,054.13
Net cash from financing activities (C)	**18,088.26**	**25,795.75**	**17,908.03**	**-3,782.93**	**6,293.73**
(D) Net Increase/(Decrease) in cash (A+B+C)	**-3,694.05**	**71.94**	**4,807.13**	**-757.50**	**-6,445.07**
Effects of the changes of exchange rate on cash and cash equivalents*	3,515.71	1,571.48	1,312.07	1,787.45	1,668.75
Cash and Cash equivalents at beginning of the year (E)	47,989.43	46,346.01	40,226.80	39,196.85	43,973.18
Cash and cash equivalents at the end of the year (F)	**47,811.09**	**47,989.43**	**46,346.01**	**40,226.80**	**39,196.85**
Cash and cash Equivalents at end of the year					
Cash in hand (including foreign currencies)	9,100.11	7,498.04	5,701.17	6,352.46	5,209.96
Balance with Bangladesh bank and its agent bank	21,838.93	17,882.14	19,246.41	20,050.96	17,580.74
Balance with other banks & financial institution	16,872.05	19,409.25	20,468.43	12,123.38	16,256.14
Money at call on short notice	-	3,200.00	930.00	1,700.00	150.00
	47,811.09	**47,989.43**	**46,346.01**	**40,226.80**	**39,196.85**

SECTION 15: COMPARATIVE FINANCIAL RATIOS OF UCB

Sl No.	Particulars	2022	2021	2020	2019	2018
1	Current ratio	N/A	N/A	N/A	N/A	N/A
2	Quick ratio	N/A	N/A	N/A	N/A	N/A
3	Break-Even Point (including financial costs)	N/A	N/A	N/A	N/A	N/A
4	Debt to Equity Ratio	12.94	12.71	11.79	11.34	11.43
5	Debt to total assets ratio	N/A	N/A	N/A	N/A	N/A
6	Accounts receivable turnover ratio	N/A	N/A	N/A	N/A	N/A
7	Gross Margin ratio	N/A	N/A	N/A	N/A	N/A
8	Operating Income ratio	N/A	N/A	N/A	N/A	N/A
9	Net Income ratio	N/A	N/A	N/A	N/A	N/A
10	Return on assets (annualized)	0.67	0.6	0.61	0.65	0.62
11	Return on equity (annualized)	10.27	8.76	8.42	8.84	8.4
12	Earnings per share (EPS) (annualized)	2.86	2.49	2.23	2.28	2.04
13	Net asset value (NAV) per share	29.13	29.29	28.8	28.27	28.36
14	Net operating cash flow to Net income	N/A	N/A	N/A	N/A	N/A
15	Total debt to tangible asset ratio	N/A	N/A	N/A	N/A	N/A
16	NPL	5.99	4.41	2.55	3.63	6.79
17	Capital Adequacy Ratio	13.06	13.64	14.92	14.68	12.9

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SECTION 16: CREDIT RATING REPORT OF THE ISSUE

Credit Rating of the Issue:

Date of Declaration	Valid Till	Rating Action	Long Term	Short Term	Rated By	Outlook
22 June 2022	21 June 2023	-	A+s	-	ECRL	Stable

Credit Rating Report of the Issuer:

Date of Declaration	Valid Till	Rating Action	Long Term	Short Term	Rated By	Outlo
07 May 2023	06 May 2024	Surveillance	AA	ST-2	ECRL	Stable

Credit Rating Report for UCB 2nd Perpetual Bond, issued by Emerging Credit Rating Limited (ECRL) is annexed to this Information Memorandum. Please check **Annexure – 2**.

SECTION 17: LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC

ECRL Default Studies 2021

Default Summary by Rating Category

Year	Issuers as of 31st December	Default count (High Grade)	Default count (High Yield)	High grade default rate	High yield default rate	All corporate default rate
2011	223	0	0	0.0%	0.0%	0.0%
2012	634	0	0	0.0%	0.2%	0.2%
2013	1136	0	2	0.0%	0.0%	0.0%
2014	1128	0	0	0.0%	0.0%	0.0%
2015	875	0	0	0.0%	0.0%	0.0%
2016	916	0	1	0.0%	0.1%	0.1%
2017	780	1	0	0.4%	0.0%	0.1%
2018	878	0	0	0.0%	0.0%	0.0%
2019	993	0	1	0.0%	0.1%	0.1%
2020	1010	0	1	0.0%	0.1%	0.1%
2021	1068	0	0	0.0%	0.0%	0.0%
Arithmetic Mean	n.a.	n.a.	n.a.	0.0%	0.1%	0.1%

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Cumulative Default Rate by Rating Band

Rating band	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
AAA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
BBB	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
BB	0.4%	0.5%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
B	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%	3.1%	3.1%	3.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
B & Lower	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
High Grade	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
High Yield	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
All Corporate	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

Rating Transition Matrix (2011 – 2021)

1-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	98.6%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	1.3%	98.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	1.6%	96.2%	2.1%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.0%	1.9%	96.6%	1.4%	0.0%	0.0%	0.0%
BB	0.0%	0.0%	0.0%	12.4%	86.4%	0.7%	0.0%	0.5%
B	0.0%	0.0%	0.0%	0.0%	14.3%	85.7%	0.0%	0.0%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

2-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	97.3%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	2.6%	96.9%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	3.2%	92.6%	4.0%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.1%	3.6%	93.6%	2.6%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.2%	22.7%	74.9%	1.2%	0.0%	1.0%
B	0.0%	0.0%	0.0%	1.8%	24.6%	73.6%	0.0%	0.1%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

3-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	96.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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AA	3.9%	95.4%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	4.6%	89.2%	5.8%	0.2%	0.0%	0.0%	0.2%
BBB	0.0%	0.1%	5.2%	90.8%	3.6%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.6%	31.2%	65.2%	1.5%	0.0%	1.3%
B	0.0%	0.0%	0.0%	4.8%	31.8%	63.2%	0.0%	0.2%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

4-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	94.7%	5.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	5.1%	93.9%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	6.0%	85.9%	7.5%	0.3%	0.0%	0.0%	0.2%
BBB	0.0%	0.2%	6.7%	88.3%	4.5%	0.2%	0.0%	0.0%
BB	0.0%	0.0%	1.2%	38.2%	57.0%	1.8%	0.0%	1.7%
B	0.0%	0.0%	0.1%	8.5%	36.6%	54.4%	0.0%	0.4%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

5-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	93.5%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	6.2%	92.5%	1.2%	0.1%	0.0%	0.0%	0.0%	0.0%
A	0.2%	7.3%	82.8%	9.0%	0.4%	0.0%	0.0%	0.3%
BBB	0.0%	0.4%	8.1%	86.0%	5.2%	0.2%	0.0%	0.1%
BB	0.0%	0.1%	1.9%	44.0%	50.1%	1.9%	0.0%	2.0%
B	0.0%	0.0%	0.3%	12.8%	39.5%	46.9%	0.0%	0.6%
C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tajuduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
South Investment Limited
Head Office, Dhaka.

SECTION 18: DESCRIPTION OF TRUSTEE

Prime Bank Investment Ltd (PBIL) a subsidiary of Prime Bank Ltd started its journey from April 28, 2010 vide certificate of incorporation no. C-84266/10. It is one of the leading investment banks of the country with a paid-up capital of BDT 3,000 million. The PBIL has been operating actively in the capital market since 2006 and its management has over one decade of experience. The Board of Directors consists of highly experienced scholars including economists and the people with entrepreneurial track records and business development.

The functions of investment banking were separated from Prime Bank Limited by forming a subsidiary company in terms of Bangladesh Bank's BRPD circular no. 12 dated 14 October 2009. Bangladesh Securities and Exchange Commission (SEC) thereafter issued a full-fledged merchant banking license in favor of Prime Bank Investment Limited, vide letter no. SEC/Reg/MB/SUB/2010/03/208 dated 02 June 2010 with effect from 01 June 2010.

Being one of the largest investment banks in the country, the PBIL offers various services such as mergers and acquisitions related services, business valuation, syndication and structured finance, issue management, corporate advisory, trustee, underwriting and portfolio management services to its clients. Considering its strong clientele base, expertise of its management and support from the parent company, the PBIL has the competitive advantage in providing investment banking-related services to its clients.

(as on December 31, 2022)

Authorized Capital	BDT 10,000,000,000
Paid-up-Capital	BDT 3,000,000,000
Net worth	BDT 2,942,798,756

Shareholding Position of the PBIL:

(as on December 31, 2022)

Sl.	Name of Shareholder's	Nos. of Shares	%
1	Prime Bank Limited	299,999,994	99.99
2	Others	06	0.01
Total		**300,000,000**	**100**

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

Business Activities of the PBIL:

vi) Portfolio Management Service
   a. Non-Discretionary Portfolio
      i. Margin Account
      ii. Non-Margin Account
   b. Discretionary Portfolio
      i. Nita
      ii. Dolonchapa

vii) Issue Management Service
   a. Initial Public Offering (IPO)
   b. Rights Issues (RI)

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tahmidzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

c. Repeat Public Offering (RPO)
d. Registrar to The Issue
e. Underwriting
f. Private Placement

viii) Corporate Advisory Service
a. Capital Raising & Restructuring
b. RJSC Related Services
c. Lead Arrangement
d. Corporate Governance Structuring

ix) Investment Banking Service
a. Local & Foreign Loan Syndication
b. Merger & Acquisitions
c. Issuance of Bond

(1) Board of Directors of the PBIL:

Sl.	Name of the Director	Position
1	Mr. C Q K Mustaq Ahmed	Chairman
2	Mr. Azam J Chowdhury	Director
3	Dr. G M Khurshid Alam	Director
4	Mr. Shamsuddin Ahmad Phd	Director
5	Mr. Hassan O. Rashid	Director

(2) Status of Debt Securities issued under the trusteeship of PBIL:

Sl.	Name of the Issuer	Name of the Issue	Maturity Period	IM Issue Date	Date of completion of the subscription	Value of debt (Million BDT)	Repayment amount	Outstanding	Remarks
1	North-West Power Generation Company Limited	Non-Convertible Redeemable Subordinated Bond	07 years	Nov 20, 2019	Nov 10, 2021	10,000	1,000	9,000	Payment on time
2	Aamra Networks Limited	Zero Coupon Bond	05 years	July 21, 2020	15 crore subscribed as on Dec 22, 2021	1,000	30	120	Partially subscribed
3	Midland Bank Limited	Fully Redeemable Non-Convertible Non-Listed Unsecured Zero-Coupon Bond	05 years	-	-	5,060	-	5,060	Not Approved yet by BSEC
4	United Payra Power Limited	Unsecured, Non-Convertible and Fully Redeemable, Fixed Rate Zero Coupon Bond	05 years	-	-	4,000	-	4,000	Not Approved yet by BSEC
5	City Auto Rice and Dal Mills Limited	Unsecured and Non-Convertible Zero Coupon Bond	03 years	-	-	3,500	-	3,000	Not Approved yet by BSEC

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Due Diligence Certificate by the Trustee

Due Diligence Certificate of the Trustee is annexed to this Information Memorandum. Please check **Annexure – II**.

SECTION 19: MODUS OPERANDI OF THE ISSUE

Modus Operandi of the Issue has been incorporated form the Trust Deed executed between the Issuer (United Commercial Bank PLC) and the Trustee (Prime Bank Investment Limited)

Application Procedure

The Bonds shall be distributed 90% through private placement and 10% under public issue. Each Investor (Bondholder) under private placement shall enter into a separate Subscription Agreement with respect to their investment with the Issuer and shall be bound by the terms and conditions set out in the Subscription Agreement and the Trust Deed containing in details of the rights and obligations of the Investor(s).

Allotment

On the Date of Allotment, the Issuer shall allot and issue the Bonds in favour of the respective Bondholder. The Bonds will be allotted according to the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021.

Refund

Not applicable at the time of Issuance. However, subject to receiving proper consent from the regulatory authorities Refund in relation to the subscription may be possible upon mutual agreement between the Issuer and each Bondholder.

Transfer

Bonds are transferable subject to the Terms and Conditions set out in this Trust Deed.

Trading or listing with the stock exchange:

The Bonds shall be listed with stock exchange(s) and the trading or listing procedure of the Bonds shall be allowed in accordance with and as per, instructions from the Bangladesh Securities and Exchange Commission (BSEC).

Repayment and Redemption features of the Bond

The coupon on the Bonds shall be paid on semi-annual basis on the Coupon Payment Dates, as set out in the Condition attached in Schedule 1 (*Terms and Conditions of the Bonds*) of this Trust Deed. The Bonds are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to repay them in accordance with the Condition 8 (*Exercise Of Call-Option By The Issuer*) by exercising its call option.

Details of conversion or exchange option

Bonds are unsecured and contingent-convertible subject to the Terms and Conditions set out in the Trust Deed.

CALL-OPTION features

Each Bond shall be redeemed in accordance with Condition 8 (*Exercise of Call-Option by the Issuer*).

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Somali Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

TRANSFER OF BONDS

Bonds are transferable subject to the terms and conditions set out in the Bond Documents. Each Bond shall be transferred in accordance with Condition 4 (*Transfer of Bonds*) and the CDBL Bye Laws.

SECTION 20: DETAILS OF FEES STRUCTURE AND EXPENSES

Particulars	Basis of Calculation	Amount in BDT	
A. Bangladesh Securities & Exchange Commission (BSEC) Fees:			**3,000,000**
Application Fee	Fixed	10,000	10,000
Consent Fee	0.10% on the issue size	3,000,000	3,000,000
B. Fees related to listing with the Stock Exchange(s):			**3,100,000**
IM Scrutiny Fee to Stock Exchange(s)	Fixed	50,000	100,000
Initial Listing Fee to Stock Exchange(s)	0.25% up to BDT 10 crore of size of the issue	250,000	500,000
	0.15% on the rest of size of the issue (Fees will be minimum BDT 50,000 and maximum BDT 10,000,000 for each exchange)	600,000	1,200,000
Annual Listing Fee for Stock Exchange(s)	0.05% on BDT 100 Crore of size of the issue	150,000	300,000
ESS Fee for subscription process	Fixed	1,000,000	1,000,000
C. CDBL Fees and Expenses:			**978,500**
Security Fee	Fixed (Refundable)	500,000	500,000
Documentation Fee	Fixed	2,500	2,500
Annual Fee	BDT 5,000 up to BDT 5 Crore Issue Size	-	20,000
	BDT 10,000 up to BDT 20 Crore Issue Size	-	
	BDT 20,000 above BDT 20 Crore Issue Size	20,000	
Distribution Fee	0.00015 of the issue size	450,000	450,000
Connection Fee	Tk. 500 Per Month	6,000	6,000
D. Fees related to the Issue			**24,054,000**
Issue Management Fee	Initial	900,000	900,000
VAT on Issue Management Fee	15% of the Fund Arrangement Fee	135,000	135,000
Fund Arrangement Fee	0.4% of the issue size	18,000,000	18,000,000
VAT on Fund Arrangement Fee	15% of the Fund Arrangement Fee	2,700,000	2,700,000
Underwriting Commission	Commission 0.1% on underwritten amount	60,000	60,000
VAT on Underwriting Commission	15% on the total Underwriting Commission	9,000	9,000
Trustee Fee	Initial	300,000	300,000
Trustee Regulatory Fee	Application Fee: 50,000, Registration Fee: 100,000, Annual Fee: 50,000 (Not included in calculation, is payable yearly during the tenure of the bond)	200,000	200,000
Trust Deed Registration Fee	0.1% of the total issue size and maximum BDT 1,000,000	3,000,000	1,000,000
Credit Rating Fee	Initial	100,000	100,000

30 MAY 2023

Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
SVP & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Somali Investment Limited
Head Office, Dhaka.

Lawyer Fee	Initial	150,000	150,000
Miscellaneous	Certificates and others if applicable	500,000	500,000
Grand Total			**28,032,500**

NB:

- Listing expenses as Per Alternative Trading Board rules may be applicable as and when declared by the exchanges.
- Regulatory cost may be subject to amendments by the respective regulators.
- Actual costs may be varied if above mentioned estimates differ and will be adjusted accordingly.

SECTION 21: ADDITIONAL DISCLURSERS FOR IM UNDER PUBLIC ISSUE

i. Particulars of the Public Issue:

Issuer	United Commercial Bank PLC (the "Bank"/ the "Issuer")
Name of the Instrument	UCB 2nd Perpetual Bond
Issue Type	Unsecured, Contingent-Convertible, Fully paid up, Non-Cumulative, BASEL III compliant, Perpetual Debt instrument for inclusion in Additional Tier I Capital
Total Issue size	BDT 3,000,000,000/-
Mode of Issue	90% Private Placement and 10% Public Issue
Public Issue Size	BDT 300,000,000 (10% of the total issue)
Face Value/Issue Price	BDT 5,000/ (Five thousand taka only) per bond
Number of Public Issue Unit	60,000 under public offer
Bonds per lot	01 Bond
Market Lot	01 Unit
Maturity Period/Tenor	The Bond is perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
Major Terms and Features	As per Term Sheet disclosed in page no. 16 -19
Joint Issue Managers	Prime Finance Capital Management Limited & Sonali Investment Limited
Underwriters	Prime Finance Capital Management Limited & Sonali Investment Limited
Credit Rating Company for the Issue	Emerging Credit Rating Limited

ii. Particulars of the Issuer:

Name & Address	Contact	Contact Person
United Commercial Bank PLC Bulus Center (17th Floor), Plot: CWS (A)1, Road: 34, Gulshan Avenue, Dhaka- 1212	Phone: +88-02-55668070 Fax: +88-02-55668070-6000 e-mail: www.ucb.com.bd	**1. Faruk Ahammad FCA** SEVP & CFO Finance Division Cell: + 01713108770 Email: faruk.ahammad@ucb.com.bd **2. Golam Sadak Khondakar, ACA** Assistant Vice President Finance Division Cell: 01871006710

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

A. Tahmiduzzaman, FCS
MD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office Dhaka

		Email: golam.khondakar@ucb.com.bd

iii. Particulars of the Issue Manager(s):

Name & Address	Contact	Contact Person
Prime Finance Capital Management Limited PFI Tower (7th Floor) 56-57 Dilkusha C/A Dhaka-1000	Tel: 01713335851 E-mail: islamrajibulmohammad@gmail.com Website: https://www.primefincap.com/	**Md. Rajibul Islam** Head of Issue Management

Name & Address	Contact	Contact Person
Sonali Investment Limited Head Office, Borak Biz Centre (1st and 2nd Floor), 70, Dilkusha, Dhaka-1000	Tel: 01746286810 E-mail: sonaliinvestmnetlimited@gmail.com Website: https://sonaliinvestment.com.bd/	**Md. Shawkat Jahan Khan** Chief Executive Officer

iv. Particulars of the Underwriter(s):

Name & Address	Contact	Contact Person
Prime Finance Capital Management Limited PFI Tower (7th Floor) 56-57 Dilkusha C/A Dhaka-1000	Tel: 01713335851 E-mail: islamrajibulmohammad@gmail.com Website: https://www.primefincap.com/	**Md. Rajibul Islam** Head of Issue Management

Name & Address	Contact	Contact Person
Sonali Investment Limited Head Office, Borak Biz Centre (1st and 2nd Floor), 70, Dilkusha, Dhaka-1000	Tel: 01746286810 E-mail: sonaliinvestmnetlimited@gmail.com Website: https://sonaliinvestment.com.bd/	**Md. Shawkat Jahan Khan** Chief Executive Officer

v. Particulars of the Stock Exchanges/s in which the security to be listed:

Name & Address	Contact	Contact Person

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Dhaka Stock Exchange Limited DSE Tower, Road: 21, House: 46 Nikunja, Dhaka-1229	Tel: 88 02 9564601, 88 02 9576210-18	**Mrs. Souzia Afrin** Librarian
	Fax: 88 02 9564727 88 02 9569755	
	E-mail: research@dsebd.org	
	Website: www.dsebd.org	

Name & Address	Contact	Contact Person
Chittagong Stock Exchange Limited	Tel: 88 02 9564601, 88 02 9576210-18	**Mrs. Souzia Afrin** Librarian
	Fax: 88 02 9564727 88 02 9569755	
	E-mail: research@csebd.org	
	Website: www.csebd.org	

SECTION 22: CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

- As per the Consent Letter by Bangladesh Securities and Exchange Commission.

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tajmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quaderi
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023
Md. Anawkat Jahan Khan
Chief Executive Officer
Bangladesh Investment Limited
Head Office, Dhaka.

SECTION 23: DECLARATION AND DUE DILIGENCE CERTIFICATES AS PER ANNEXURE(S)- I, II, III & IV

Annexure- I

Declaration about the responsibility of the Managing Director & CEO of United Commercial Bank PLC in respect of the information memorandum

[Rule 4(2)(a)]

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

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

Sd/-

Managing Director & CEO
United Commercial Bank PLC
Place: Dhaka
Date:

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

Annexure-II

[Rule 3(1)(m), 4(1)(c) and 4(2) (a)]

Due diligence certificate of the Trustee

Prime Bank Investment Limited (PBIL)

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance of 540,000 numbers under private placement and 60,000 numbers under public offer of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of BDT 5000 each of United Commercial Bank PLC.

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

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and

2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

(a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;

(b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM – N/A

(c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;

(d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;

(e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and

(f) the above declarations are unequivocal and irrevocable.

For Trustee

Sd/-
Managing Director & CEO
Prime Bank Investment Limited (PBIL)
Date:

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Mayekat Jahan Khan
Chief Executive Officer
Prime Investment Limited
Head Office, Dhaka

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023

Feruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tanviduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

Annexure-III

Due diligence certificate by issue manager
Prime Finance Capital Management Limited
[Rule 4(2)(a)]

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance of 60,000 numbers under public offer of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of BDT 5000 each of United Commercial Bank PLC

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

(1) We have examined all the documents submitted with the application for the above-mentioned issue, visited the premises of the issuer or originator and interviewed the chairperson, directors and key management personnel of the issuer or originator in connection with the finalization of the information memorandum pertaining to the said issue;

(2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer or originator, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

(a) The information memorandum filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;

(b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the government have been duly complied with;

(c) The disclosures made in information memorandum are true, fair and adequate to enable the investors to take a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Trust Act, 1882, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and other applicable laws;

(d) Besides ourselves, all the intermediaries named in the information memorandum are registered with the Commission and till date such registrations are valid;

(e) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments;

(f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer or originator and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

(g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the information memorandum;

30 MAY 2023
Md. Kebirul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023
Hamit Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tanimduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

(h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;

(i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer or originator, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the issue of securities for any further inspection by the commission;

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 containing details such as the rule number, its text, the status of compliance, page numbers of the information memorandum where the rules have been complied with and our comments, if any;

(k) We also declare that we have managed issue of securities of the following issuers including originators in the last 05 (five) years as following:

Serial No	Issue	Month/ Year	Issue Price	Dividend Payment History				
				2022	2021	2020	2019	2018
1	Silva Pharmaceuticals Limited	2018	Tk. 10	3%C	5%C	5%C	6%C 5%B	-
2	Esquire Knit Composite Limited	2019	Tk. 40	10%C	15%C	15%C	15%C	-
3	No issue was managed	2020	N/A	N/A				
4	Desh General Insurance Company Limited	2021	Tk. 10	10%C	10%C	10%C	12%C	10%C
5	Islami Commercial Insurance Company Limited	2022	Tk. 10	N/A	10%C	7%C	3%B	[illegible]

For Issue Manager

Sd/-

Managing Director
Prime Finance Capital Management Limited
Place: Dhaka
Date:

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Social Investment Limited
Head Office, Dhaka.

30 MAY 2023
Feruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tanmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Annexure-III

Due diligence certificate by issue manager
Sonali Investment Limited
[Rule 4(2)(a)]

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance of 60,000 numbers under public offer of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of BDT 5000 each of United Commercial Bank PLC

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

(1) We have examined all the documents submitted with the application for the above-mentioned issue, visited the premises of the issuer or originator and interviewed the chairperson, directors and key management personnel of the issuer or originator in connection with the finalization of the information memorandum pertaining to the said issue;

(2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer or originator, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

(a) The information memorandum filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;

(b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the government have been duly complied with;

(c) The disclosures made in information memorandum are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Trust Act, 1882, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and other applicable laws;

(d) Besides ourselves, all the intermediaries named in the information memorandum are registered with the Commission and till date such registrations are valid;

(e) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments;

(f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer or originator and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

(g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the information memorandum;

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shivkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

(h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;

(i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer or originator, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the issue of securities for any further inspection by the commission;

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 containing details such as the rule number, its text, the status of compliance, page numbers of the information memorandum where the rules have been complied with and our comments, if any;

(k) We also declare that we have not managed issue of securities of the following issuers including originators in the last 05 (five) years as following:

For Issue Manager

Sd/-

Chief Executive Officer
Sonali Investment Limited
Place: Dhaka
Date:

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tajuduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

Annexure - IV

Due diligence certificate by the underwriter
Prime Finance Capital Management Limited
[Rule 4(2)(a)]

To
The Bangladesh Securities and Exchange Commission

Sub: Issuance of 60,000 numbers under public offer of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of BDT 5000 each of United Commercial Bank PLC.

Dear Sir,

We, the under-noted underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer or originator, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at BDT 2,032,800,000 (two billion thirty two million eight hundred thousand) only and we have the capacity to underwrite a total amount of Tk. 10,068,719,220 (Taka ten billion sixty eight million seven hundred nineteen thousand two hundred and twenty only) as per relevant legal requirements. We have committed to underwrite for up to **BDT 30,000,000** for the upcoming issue.

(b) At present, the underwriting obligations are pending for us:

Sl.	Name of Issue	Underwriting Amount (Taka)
1	Aman Tex Limited	40,000,000
2	Ratanpur Steel Re-Rolling Mills Limited	18,000,000
3	Omera Petroleum Limited	41,726,036
4	Mercantile Bank Bond	10,000,000
5	HR Textile Mills Limited	50,000,000
6	URO Agrovet Limited	12,500,000
7	Alliance Finance PLC	25,000,000

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

(c) All information as are relevant to our underwriting decision have been received by us and the draft IM forwarded to the Commission has been approved by us;
(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer or originator; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:
Sd/-
Managing Director
Prime Finance Capital Management Limited
Place: Dhaka
Date:

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

30 MAY 2023

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tanmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Annexure - IV

Due diligence certificate by the underwriter
Sonali Investment Limited
[Rule 4(2)(a)]

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance of 60,000 numbers under public offer of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of BDT 5000 each of United Commercial Bank PLC

Dear Sir,

We, the under-noted underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:
(1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision; and
(2) On the basis of such examination and the discussions with the issuer or originator, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.
WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at BDT 2180.00 Million and we have the capacity to underwrite a total amount of BDT 10,900,000,000 as per relevant legal requirements. We have committed to underwrite for up to **BDT 30,000,000** for the upcoming issue.

(b) At present, the underwriting obligations are pending for us:

1. First Securiy Islami Bank Limited: BDT 10 Crore
2. Islam Oxygen Limited: BDT 5 Crore
3. B. Brothers Garments Company Limited: 2.5 Crore
4. Best Holdings Limited: BDT 4 Crore
5. Eshana Non-Woven Fabrics (ind.) Ltd: BDT 2.635 Crore

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

(c) All information as are relevant to our underwriting decision have been received by us and the draft IM forwarded to the Commission has been approved by us;
(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer or originator; and
(e) This underwriting commitment is unequivocal and irrevocable.

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

For the Underwriter:

Sd/-

Chief Executive Officer
Sonali Investment Limited
Place: Dhaka, Date:

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

The Due Diligence Certificates are also annexed to this Information Memorandum as mentioned below:

a) Declaration of the Management of the Issuer as per **Rule 3 (1) (i)** of Bangladesh Securities and Exchange Commission (Debt Securities) Rule 2021. Kindly Check **Annexure-I**

b) Due Diligence Certificate of the Trustee **[Rule 3(1)(m), 4(1)(c) and 4(2) (a)],** is attached with this information memorandum. Kindly check **Annexure – II**

c) Due Diligence Certificate of the Issuer Manager as per **[Rule 4(2)(a)]** of Bangladesh Securities and Exchange Commission (Debt Securities) Rule 2021. Kindly Check **Annexure-III**

d) Due Diligence Certificate of the Underwriter as per **[Rule 4(2)(a)]** of Bangladesh Securities and Exchange Commission (Debt Securities) Rule 2021. Kindly Check **Annexure-IV**.

SECTION 24: PARTICULARS OF THE UNDERWRITERS AND UNDERWRITTEN AMOUNT

Name of the Underwriter	**Prime Finance Capital Management Limited**
Legal status of the Underwriter	Public Limited Company
Details of contact information of the Underwriter	**Md. Rajibul Islam** Head of Issue Management Prime Finance Capital Management Limited Mobile: + 88 01713335851 Email: islamrajibulmohammad@gmail.com
Name of the issue managed by the Underwriter	1. Aman Tex Limited: BDT 40,000,000.00/- 2. Ratanpur Steel Re-Rolling Mills Limited: BDT 18,000,000.00/ 3. Omera Petroleum Limited: BDT 41,726,036.00/- 4. HR Textile Mills Limited: BDT 50,000,000.00/- 5. URO Agrovet Limited: BDT 12,500,000.00/- 6. Alliance Finance PLC: BDT 25,000,000.00/-
Underwritten Amount	BDT 30,000,000

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

Name of the Underwriter	**Sonali Investment Limited**
Legal status of the Underwriter	Public Limited Company
Details of contact information of the Underwriter	**Md. Shawkat Jahan Khan** Chief Executive Officer Sonali Investment Limited Mobile: +88 01713040537 Email: sonaliinvestmentlimited@gmail.com
Name of the issue managed by the Underwriter	1. First Securiy Islami Bank Limited: BDT 10 Crore 2. Islam Oxygen Limited: BDT 5 Crore 3. B. Brothers Garments Company Limited: BDT 2.5 Crore 4. Best Holdings Limited: BDT 4 Crore 5. Eshana Non-Woven Fabrics (ind.) Ltd: BDT 2.635 Crore
Underwritten Amount	BDT 30,000,000

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Ayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

SECTION 25: PUBLIC ISSUE APPLICATION PROCEDURE

- As per the consent letter by the Commission

SECTION 26: RIGHT OPTION/ISSUE APPLICATION PROCEDURE

- As per the consent letter by the Commission

SECTION 27: PRIVATE OFFER APPLICATION PROCEDURE

- As per the consent letter by the Commission

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tajuddin Uzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023
Md. Bezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Soudi Investment Limited
Head Office, Dhaka

Annexure – 2

(Credit Rating of the Issue)

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Zamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Annexure – 3

(Auditor's Report along with Audited Financial Statements)

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tahiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office Dhaka

Annexure – I

(Declaration of the Management of the Issuer)

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Soudi Investment Limited
Head Office, Dhaka

Annexure – II

(Due Diligence Certificate of the Trustee)

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tajuduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Soheli Investment Limited
Head Office, Dhaka

Annexure – III

(Due Diligence Certificate of the Issue Managers)

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Nizamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office Dhaka

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Soudi Investment Limited
Head Office, Dhaka

Annexure – IV

(Due Diligence Certificate of the Underwriters)

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Soguli Investment Limited
Head Office, Dhaka

United Commercial Bank PLC and its Subsidiaries

Independent Auditor's Report and
Audited Consolidated and Separate Financial Statements
For the year ended 31 December 2022

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Soudi Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Chartered Accountants

80 (8), Bhuban (Level-13 & 15)
12 Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh.

Telephone: (+88-02) 410 2000-30 to 35 (Level-13)
(+88-02) 8189428 to 29 (Level-15)
Facsimile: (+88-02) 410 20036
E-mail: <acnabin@bangla.net>, Web: www.acnabin.com

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 2022 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note no. 2.1.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), guidelines issued by Bangladesh Bank, and rules and regulations issued by Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue

30 MAY 2023
ATM Tanmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

bakertilly

Description of key audit matters	Our response to key audit matters
1. Measurement of provision for loans and advances	
Refer to note no. 7, 12.1, 12.2 and 35 to the consolidated and separate financial statements	
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: • 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. 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. As at 31 December 2022, the Group and the Bank reported total provision for loans and advances of BDT 19,208 million (December 2021: BDT 16,584 million) and BDT 19,208 million (December 2021: BDT 16,584 million) respectively.	We tested the design and operating effectiveness of key controls focusing on the following: • 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); Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the provision requirements; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and • Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
2. Recognition of interest income from loans and advances	
Refer to note no. 7 and 20 to the consolidated and separate financial statements	
Recognition of interest income has significant and wide influence on financial statements. Recognition and measurement of interest income has involvement of complex IT environment. 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. At the year ended 2022, the Group and the Bank reported total gross interest income from loans and advances of BDT 31,484 million (January 2021 to December 2021: BDT 28,265 million)	We tested the design and operating effectiveness of key controls over recognition and measurement of interest from loans and advances. We have performed test of operating effectiveness on automated control in place to measure and recognize interest income. We have also performed substantive procedure to check whether interest income is recognized completely and accurately. We have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023

30 MAY 2023

30 MAY 2023

Tarik Ahammed, FCA
Chief Financial Officer
United Commercial Bank PLC

ATM Tahmiduzzaman, FCS
SVP & Company Secretary
United Commercial Bank PLC

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

Syed M Ghalib Hayat
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Description of key audit matters	Our response to key audit matters
and BDT 30,868 million (January 2021 to December 2021: BDT 26,804 million) respectively.	
3. Loans and advances	
Refer to note no. 7 to the consolidated and separate financial statements	
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. 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. At the year ended 2022, the Group and the Bank reported total gross loans and advances of BDT 474,640 million (December 2021: BDT 408,310 million) and BDT 468,605 million (December 2021: BDT 402,482 million) respectively.	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. 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. Furthermore, we have assessed the appropriateness of disclosures against Bangladesh Bank guidelines.
4. Impairment assessment of unquoted shares	
Refer to note no. 6b to the consolidated and separate financial statements	
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. 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.	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. We have tested a sample of investment valuation as at 31 December 2022 and compared our results to the recorded value. Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
5. Valuation of treasury bills and treasury bonds	
Refer to note no. 6a and 6.1 to the consolidated and separate financial statements	
The classification and measurement of treasury bills (T-Bills) and treasury bonds (T-Bonds) require judgment and complex estimates.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and treasury bonds.

30 MAY 2023

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Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
SVP & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

Syed M. Ghulam Rabb
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Description of key audit matters	Our response to key audit matters
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.	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. 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. Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
6. Carrying value of investment in subsidiaries by the Bank Refer to note no. 9 and 9.6 to the consolidated and separate financial statements	
The Bank has invested in equity shares of its four subsidiaries namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, and UCB Fintech Company Limited. As at 31 December 2022 the carrying value of these investments is BDT 7,500 million (December 2021: BDT 5,500 million). At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in the above subsidiaries stated at cost. Further, the subsidiary UCB Fintech Company Limited continuing its operation having retained loss of Taka 2,281 million as at 31 December 2022. 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 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. Management has conducted impairment assessment and calculated recoverable value of its subsidiaries in accordance with IAS 36: Impairment of Assets.	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. 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. 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.

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Chief Financial Officer
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United Commercial Bank PLC

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30 MAY 2023
Syed M [illegible] Tazul
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Head Office, Dhaka

Description of key audit matters	Our response to key audit matters
7. Deferred tax assets	
Refer to note no. 9.4 to the consolidated and separate financial statements	
As at 31 December 2022 the Group and the Bank reported net deferred tax assets of BDT 5,470 million (December 2021: BDT 4,226 million) and BDT 5,470 million (December 2021: BDT 4,229 million) respectively. 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.	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. We have assessed the completeness and accuracy of the data used for the estimations of future taxable income. We have involved tax specialist to assess key assumptions, controls, recognition and measurement of deferred tax assets. Finally, we have assessed the appropriateness and presentation of disclosures against IAS 12: *Income Taxes.*
8. Legal and regulatory matters	
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. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. 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.	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. We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters. 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. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Group and the Bank's provisions and contingent liabilities disclosure.
9. IT systems and controls	
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	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

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30 MAY 2023
Syed M [illegible]
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Head Office, Dhaka

Description of key audit matters	Our response to key audit matters
locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application-based controls.	IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Group and the Bank's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.

Other Matter

The consolidated financial statements of the Group and also separate financial statements of the Bank as at and for the year ended 31 December 2021 were audited by MABS & J Partners, Chartered Accountants, who expressed an unmodified opinion on those statements on 30 March 2022.

Other Information

Management is responsible for the other information. The other information comprises all of the information but does not include the consolidated and separate financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note no. 2.1, and for such internal control as management determines is necessary to

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30 MAY 2023
Syed M Omar Tayab
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Head Office, Dhaka

enable the preparation of consolidated and separate financial statements t
misstatement, whether due to fraud or error. The Bank Company Act, 199
and the Bangladesh Bank regulations require the Management to ensure effe
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

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Chief Financial Officer
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30 MAY 2023
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Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 2020, the Bank Company Act, 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank, we also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

(a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;

(b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and the Bank;

(iii) consolidated financial statements of the Bank include 04 (four) subsidiaries, namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited which reflect total assets of BDT 9,972 million, BDT 1,334 million, BDT 1,102 million, BDT 1,666 million respectively as at 31 December 2022 and total revenue

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Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

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Head Office, Dhaka.

30 MAY 2023

Faruk Ahamed
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tamiduzzaman, FCS
EVP & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
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30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

of BDT 1,279 million, BDT 123 million, BDT 56 million, BDT 202 million respectively for the year ended 2022.

(iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;

(v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(vii) the expenditures incurred were for the purpose of the Group's and the Bank's business for the period;

(viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as explained in notes 2.10.52 and 2.1.1 as well as related guidance issued by Bangladesh Bank;

(ix) adequate provisions have been made for loans and advances and other assets which are in our opinion, doubtful of recovery;

(x) the information and explanations required by us have been received and found satisfactory;

(xi) we have reviewed over 80% of the risk-weighted assets of the Bank and spent over 7,112 person hours; and

(xii) Capital to Risk-weighted Assets Ratio (CRAR) has been maintained adequately during the period based on provisions allowed by Bangladesh Bank against the requirement as explained in notes 12.1 and 13.6.

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

Dhaka,
25 APR 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Somali Investment Limited
Head Office, Dhaka.

Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 782
DVC:2304260787AS109585

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
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30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

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United Commercial Bank PLC & its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2022

	Notes	31.12.2022 Taka	31.12.2021 Taka
PROPERTIES & ASSETS			
Cash	3	**30,939,723,526**	**25,380,748,231**
Cash in hand (Including foreign currencies)		9,100,795,455	7,498,609,154
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		21,838,928,071	17,882,139,077
Balance with other banks & financial institutions	4	**17,975,933,601**	**20,633,128,821**
In Bangladesh		4,509,386,657	19,568,097,037
Outside Bangladesh		13,466,546,944	1,065,031,784
Money at Call on short notice	5	-	**3,200,000,000**
Investments	6	**79,010,194,462**	**83,046,995,094**
Government		65,222,002,585	73,662,987,344
Others		13,788,191,877	9,384,007,750
Loans and Advances	7	**474,639,746,248**	**408,309,815,648**
Loans, Cash Credits, Overdrafts etc		451,148,361,902	381,754,404,170
Bills purchased and discounted		23,491,384,346	26,555,411,478
Fixed assets including premises, furniture and fixture	8	**17,026,510,993**	**17,018,196,481**
Other assets	9	**13,714,813,337**	**12,835,963,574**
Non-banking assets		-	-
Total Assets		**633,306,922,167**	**570,424,847,849**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	**107,039,740,584**	**89,410,437,395**
Deposits and other accounts	11	**424,683,416,974**	**387,023,828,463**
Current accounts & other accounts		92,967,521,218	78,346,168,340
Bills Payable		7,016,021,483	8,845,268,369
Savings Bank Deposits		85,798,085,253	80,659,233,376
Fixed Deposits		202,075,933,429	181,860,356,177
Bearer Certificates of Deposits		-	-
Other Deposits		36,825,855,591	37,312,802,201
Other Liabilities	12	**61,405,650,473**	**56,601,754,666**
Total Liabilities		**593,128,808,031**	**533,036,020,524**
Capital / Shareholders' Equity		**40,178,113,962**	**37,388,827,060**
Paid up Capital	13	14,062,366,430	12,783,969,490
Share Premium	13.3	1,454,976,750	1,454,976,750
Statutory Reserve	14	15,764,308,439	14,555,968,681
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,797,068,995	2,631,853,888
Retained Earnings	17	6,072,815,387	5,935,480,290
Non controlling interest		174	265
Total Shareholders' Equity with non-controlling interest		**40,178,114,136**	**37,388,827,325**
Total Liabilities and Shareholders' Equity		**633,306,922,167**	**570,424,847,849**

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
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30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

	Notes	31.12.2022 Taka	31.12.2021 Taka
Off Balance Sheet Items			
Contingent Liabilities			
		215,667,677,403	**260,413,159,150**
Acceptances & Endorsements	18.1	95,629,505,243	110,309,146,988
Letters of Guarantee	18.2	59,964,400,737	57,499,501,948
Irrevocable Letters of Credit	18.3	39,547,144,513	75,222,523,708
Bills for Collection	18.4	20,526,625,910	17,381,986,506
Other Contingent Liabilities		-	-
Other Commitments		**2,272,080,692**	-
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		2,272,080,692	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items		**217,939,758,095**	**260,413,159,150**

The annexed notes from 01 to 49 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Director**

This is the Consolidated Balance Sheet referred to in our separate report of even date.

Dhaka,
25 APR 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniuzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC:2304260787AS109585

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Bondi Investment Limited
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30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tamiduzzaman, FCS
DMD & Company Secretary
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30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
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Head Office, Dhaka

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NETWORK MEMBER

ACNABIN
Chartered Accountants

United Commercial Bank PLC & its Subsidiaries
Consolidated Profit and Loss Account
For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
Interest Income	20	32,301,597,460	27,984,761,834
Interest paid on deposits and borrowings etc	21	17,087,467,705	14,166,778,473
Net Interest Income		**15,214,129,755**	**13,817,983,361**
Investment income	22	5,814,473,380	5,646,289,161
Commission, exchange and brokerage	23	8,899,008,606	6,466,823,421
Other Operating Income	24	319,785,244	394,237,274
Total Operating Income (A)		**30,247,396,985**	**26,325,332,217**
OPERATING EXPENSES			
Salary and allowances	25	8,421,749,115	7,736,214,129
Rent, taxes, insurance, electricity etc.	26	1,667,491,649	1,147,506,346
Legal expenses	27	107,724,456	136,854,009
Postage, stamps, telecommunications etc.	28	241,266,257	191,894,385
Stationery, printing, advertisements etc.	29	1,943,127,626	2,154,980,062
Chief Executive's salary and fees	30	14,098,442	13,450,900
Directors' fees	31	4,331,887	3,339,785
Auditors' fees	32	1,947,500	1,278,500
Depreciation and repair of banks assets	33	2,154,511,753	1,859,159,180
Other expenses	34	4,478,285,856	3,102,257,442
Total Operating Expenses (B)		**19,034,534,541**	**16,346,134,738**
Profit before provision (C) = (A-B)		**11,212,862,444**	**9,979,197,479**
Provision for Loans & Advances	35	5,515,505,953	4,391,175,429
Provision for diminution in value of investments	36	646,373,322	(244,586,028)
Other provisions	37	(482,028,218)	549,363,208
Total Provision (D)		**5,679,851,057**	**4,695,952,609**
Total Profit before Income taxes (C - D)		**5,533,011,387**	**5,283,244,870**
Provision for Taxation	38	**2,234,364,259**	**2,776,130,772**
Current Tax		3,473,872,045	4,166,078,526
Deferred Tax		(1,239,507,786)	(1,389,947,755)
Net Profit after Taxation		**3,298,647,127**	**2,507,114,098**
Appropriations			
Statutory Reserve		1,186,282,643	1,130,980,782
Start-Up Fund		40,240,112	31,771,709
CSR Fund		245,965,311	-
Retained Surplus		1,826,159,062	1,344,361,607
Attributable to:			
Equity holders' of the Bank		1,826,159,153	1,344,361,561
Non controlling interest		(91)	45
		1,826,159,062	**1,344,361,606**
Earnings Per Share (EPS)	39	**2.35**	**1.78**

The annexed notes from 01 to 49 form an integral part of these financial statements.

Managing Director & CEO | **Director** | **Director** | **Director**

This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

Dhaka,
25 APR 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Monaruzzaman, FCA
Partner
ICAB Enrollment No. 787

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Soneri Investment Limited
Head Office, Dhaka.

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

DVC: 2304260787AS125585

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

bakertilly
NETWORK MEMBER

United Commercial Bank PLC & its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

Amount in BDT

Particulars	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	20,019,811	5,935,480,390	37,388,827,325
Surplus on accounts of revaluation of investments	-	-	-	-	-	60,328,018	-	-	-	60,328,018
Currency translation difference (OBU)	-	-	-	-	-	-	-	104,887,088	-	104,887,088
Net Profit for the year	-	-	-	-	-	-	-	-	3,012,441,705	3,012,441,705
Transferred to statutory reserve	-	-	1,209,339,758	-	-	-	-	-	(1,209,339,758)	-
Dividend (Bonus Share Issued)	1,278,396,940	-	-	-	-	-	-	-	(1,278,396,940)	-
Cupon Payment Perpetual Bond	-	-	-	-	-	-	-	-	(388,370,000)	(388,370,000)
Non Controlling Interest	-	-	-	-	-	-	(91)	-	91	-
Balance as at 31 December 2022	**14,062,366,430**	**1,454,976,750**	**15,764,308,439**	**26,577,961**	**2,534,101,559**	**128,060,537**	**174**	**124,906,899**	**6,072,815,386**	**40,178,114,134**

For the year ended 31 December 2021

Amount in BDT

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Non-Controlling Interest	Foreign Currency translation Gain	Retained Earnings	Total Equity
Balance as at 01 January 2021	12,175,209,040	1,454,976,750	13,424,987,898	26,577,961	2,534,101,559	233,489,187	230	25,125,152	5,864,047,022	35,738,514,789
Deficit on accounts of revaluation of investments	-	-	-	-	-	(165,756,668)	-	-	-	(165,756,668)
Currency translation difference (OBU)	-	-	-	-	-	-	-	4,894,659	-	4,894,659
Net Profit for the year	-	-	-	-	-	-	-	-	2,419,935,006	2,419,935,006
Transferred to statutory reserve	-	-	1,130,980,783	-	-	-	-	-	(1,130,980,783)	-
Dividend (Bonus Share Issued)	608,760,450	-	-	-	-	-	-	-	(608,760,450)	-
Dividend (Cash)	-	-	-	-	-	-	-	-	(608,760,459)	(608,760,459)
Non Controlling Interest	-	-	-	-	-	-	45	-	(45)	-
Balance as at 31 December 2021	**12,783,969,490**	**1,454,976,750**	**14,555,968,681**	**26,577,961**	**2,534,101,559**	**67,732,519**	**265**	**30,019,811**	**5,935,480,390**	**37,388,827,325**

The annexed notes from 01 to 49 form an integral part of these financial statements.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

Chartered Accountants

United Commercial Bank PLC & its Subsidiaries

Consolidated Cash Flow Statement
For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
A. Cash flows from operating activities			
Interest Receipts in cash		38,346,831,674	33,310,945,884
Interest Payments		(16,806,028,516)	(14,277,952,671)
Dividend Receipts		216,497,814	189,847,793
Fees & Commission Receipts in cash		5,176,708,919	4,871,999,226
Recoveries of loans Previously written off		236,944,194	102,577,518
Cash Payments to employees		(8,657,478,775)	(7,705,298,800)
Cash Payments to suppliers		(5,505,311,332)	(3,527,410,603)
Income taxes paid		(4,638,236,660)	(3,499,325,527)
Receipt from other operating activities		289,055,558	765,093,940
Payment for other operating activities		(4,044,131,737)	(2,967,399,969)
Operating profit before changes in operating asset and liabilities		**4,614,851,139**	**7,243,076,791**
Increase/Decrease in operating assets and liabilities			
Statutory Deposits		9,035,522,468	(16,679,987,307)
Purchase/Sales of trading Securities		(647,478,052)	57,866,937
Loans and advances to Customers		(66,327,928,377)	(51,717,458,833)
Other assets		(819,859,606)	383,014,186
Deposit from banks		798,799,900	3,495,509,363
Deposit from customers		36,887,680,866	31,061,611,148
Other Liabilities		(2,173,490,754)	2,461,013,816
		(23,246,553,555)	(30,938,430,690)
Net cash used in operating activities (A)		(18,631,702,416)	(23,695,353,899)
B. Cash flows from investing activities			
Proceeds from Sale of Securities		(1,175,370,413)	(142,500,930)
Purchase/Sale of property, plant & equipment		(1,635,032,727)	(3,495,479,680)
Net cash used in investing activities (B)		(2,810,403,140)	(3,637,980,610)
C. Cash flows from financing activities			
Receipts from borrowings		19,448,179,846	29,642,896,100
Sub-Ordinated Bond		(1,820,000,000)	(3,000,000,000)
Dividends paid		-	(608,760,452)
Net cash flow from financing activities (C)		17,628,179,846	26,034,135,648
D. Net Decrease in Cash and Cash Equivalents (A+B+C)		**(3,813,925,710)**	**(1,299,198,861)**
E. Effects of the changes of exchange rate on cash and cash equivalents		3,515,705,784	1,571,481,016
F. Cash and Cash Equivalents at beginning of the year		49,213,877,052	48,941,594,697
G. Cash and Cash Equivalents at the end of the year		48,915,657,127	49,213,877,052
Consolidated Cash and Cash Equivalents at end of the year			
Cash in hand (including foreign currencies)	3.1	9,100,795,455	7,498,609,154
Balance with Bangladesh bank and its agent bank	3.2	21,838,928,071	17,882,139,077
Balance with other banks & financial institution	4	17,975,933,601	20,633,128,821
Money at call on short notice	5	-	3,200,000,000
		48,915,657,127	49,213,877,052

The annexed notes from 01 to 49 form an integral part of these consolidated financial statements.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadir
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

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Chartered Accountants

United Commercial Bank PLC
Balance Sheet
As at 31 December 2022

	Notes	31.12.2022 Taka	31.12.2021 Taka
PROPERTIES & ASSETS			
Cash	3	**30,939,034,586**	**25,380,179,538**
Cash in hand (Including foreign currencies)		9,100,106,515	7,498,040,461
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		21,838,928,071	17,882,139,077
Balance with other banks & financial institutions	4	**16,872,052,936**	**19,409,249,978**
In Bangladesh		3,405,505,992	18,344,218,194
Outside Bangladesh		13,466,546,944	1,065,031,784
Money at Call on short notice	5	-	**3,200,000,000**
Investments	6	**76,434,562,205**	**81,387,609,500**
Government		64,706,395,079	73,662,987,344
Others		11,728,167,126	7,724,622,156
Loans and Advances	7	**468,605,096,016**	**402,481,735,743**
Loans, Cash Credits, Overdrafts etc		445,113,711,670	375,926,324,265
Bills purchased and discounted		23,491,384,346	26,555,411,478
Fixed assets including premises, furniture and fixture	8	**14,579,410,074**	**14,721,191,566**
Other assets	9	**20,646,673,379**	**18,734,245,157**
Non-banking assets		-	-
Total Assets		**628,076,829,196**	**565,314,211,482**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	**103,891,893,400**	**85,803,634,252**
Deposits and other accounts	11	**426,028,440,768**	**389,900,723,984**
Current accounts & other accounts		94,312,545,012	81,223,063,861
Bills Payable		7,016,021,483	8,845,268,369
Savings Bank Deposits		85,798,085,253	80,659,233,376
Fixed Deposits		202,075,933,429	181,860,356,177
Bearer Certificates of Deposits		-	-
Other Deposits		36,825,855,591	37,312,802,201
Other Liabilities	12	**57,199,836,761**	**52,167,845,818**
Total Liabilities		**587,120,170,929**	**527,872,204,054**
Capital / Shareholders' Equity		**40,956,658,267**	**37,442,007,428**
Paid up Capital	13	14,062,366,430	12,783,969,490
Share Premium	13.3	1,454,976,750	1,454,976,750
Statutory Reserve	14	15,730,183,055	14,546,968,923
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,797,068,995	2,631,853,888
Retained Earnings	17	6,885,485,076	5,997,660,416
Total Liabilities and Shareholders' Equity		**628,076,829,196**	**565,314,211,482**

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Jamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

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	Notes	31.12.2022 Taka	31.12.2021 Taka
Off Balance Sheet Items			
Contingent Liabilities			
		215,667,677,403	**260,413,159,150**
Acceptances & Endorsements	18.1	95,629,506,243	110,309,146,988
Letters of Guarantee	18.2	59,964,400,737	57,499,501,948
Irrevocable Letters of Credit	18.3	39,547,144,513	75,222,523,708
Bills for Collection	18.4	20,526,625,910	17,381,986,506
Other Contingent Liabilities			
Other Commitments		**2,272,080,692**	-
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		2,272,080,692	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items		**217,939,758,095**	**260,413,159,150**

The annexed notes from 01 to 49 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Director**

This is the Balance Sheet referred to in our separate report of even date.

Dhaka,
25 APR 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC:2304260787AS109585

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Soanar Investment Limited
Head Office, Dhaka.

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tahmidzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Chartered Accountants

United Commercial Bank PLC
Profit and Loss Account
For the year ended 31 December 2022

	Notes	31.12.2022 Taka	31.12.2021 Taka
Interest Income	20	31,684,836,835	27,323,646,852
Interest paid on deposits and borrowings etc	21	17,010,387,394	13,927,259,014
Net Interest Income		**14,674,449,441**	**13,396,387,838**
Investment income	22	5,685,113,776	5,463,607,877
Commission, exchange and brokerage	23	7,899,474,370	5,739,170,575
Other Operating Income	24	263,702,890	220,574,859
Total Operating Income (A)		**28,522,740,477**	**24,819,741,149**
OPERATING EXPENSES			
Salary and allowances	25	7,658,696,939	7,166,522,140
Rent, taxes, insurance, electricity etc.	26	1,623,559,944	1,122,448,908
Legal expenses	27	94,587,412	128,654,592
Postage, stamps, telecommunications etc.	28	219,090,942	184,561,969
Stationery, printing, advertisements etc.	29	1,694,262,239	1,249,146,112
Chief Executive's salary and fees	30	14,098,442	13,450,900
Directors' fees	31	3,544,387	2,590,290
Auditors' fees	32	1,725,000	1,150,000
Depreciation and repair of banks assets	33	2,073,607,674	1,822,185,672
Other expenses	34	3,670,796,436	2,945,319,029
Total Operating Expenses (B)		**17,053,969,415**	**14,636,029,612**
Profit before provision (C) = (A-B)		**11,468,771,062**	**10,183,711,537**
Provision for Loans & Advances	35	5,422,689,930	4,259,894,889
Provision for diminution in value of investments	36	612,038,691	(235,220,822)
Other provisions	37	(482,028,218)	549,132,684
Total Provision (D)		**5,552,700,403**	**4,573,806,749**
Total Profit before Income taxes (C - D)		**5,916,070,659**	**5,609,905,123**
Provision for Taxation	38	**1,892,059,505**	**2,432,734,220**
Current Tax		3,133,378,030	3,823,478,709
Deferred Tax		(1,241,318,525)	(1,390,744,489)
Net Profit after Taxation		**4,024,011,154**	**3,177,170,903**
Appropriations			
Statutory Reserve		1,183,214,132	1,121,981,025
Start-Up Fund		40,240,112	31,771,709
CSR Fund		245,965,311	-
Retained Surplus		2,554,591,600	2,023,418,169
		4,024,011,154	**3,177,170,903**
Earnings Per Share (EPS)	39	**2.86**	**2.26**

The annexed notes from 01 to 49 form an integral part of these financial statements.

Md. Rezaul Haque
Managing Director
Prime Finance Capital Mangment Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

Managing Director & CEO | **Director** | **Director** | **Director**

This is the Profit and Loss Account referred to in our separate report of even date.

Dhaka,
25 APR 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants

30 MAY 2023

Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787
DVC: 2304260787AS109585

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

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United Commercial Bank PLC

Statement of Changes in Equity
For the year ended 31 December 2022

Amount in BDT

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Foreign Currency Translation Gain	Retained Earnings	Total Equity
Balance as at 01 January 2022	12,783,969,490	1,454,976,750	14,546,968,923	26,577,961	2,534,101,559	67,732,519	30,019,811	5,997,660,416	37,442,007,428
Surplus on accounts of revaluation of investments	-	-	-	-	-	60,328,018	-	-	60,328,018
Currency translation difference (OBU)	-	-	-	-	-	-	104,887,089	-	104,887,089
Net Profit for the period	-	-	-	-	-	-	-	3,737,805,732	3,737,805,732
Transferred to statutory reserve	-	-	1,183,214,132	-	-	-	-	(1,183,214,132)	-
Dividend (Bonus Share Issued)	1,278,396,940	-	-	-	-	-	-	(1,278,396,940)	-
Cupon 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	40,956,658,247

For the year ended 31 December 2021

Amount in BDT

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investmeat Revaluation Reserve	Foreign Currency translation Gain	Retainad Surplus	Total Equity
Balance as at 01 January 2021	12,175,209,040	1,454,976,750	13,424,987,898	26,577,961	2,534,101,559	233,469,187	25,125,152	5,191,763,156	35,066,230,703
Deficit on accounts of revaluation of investments	-	-	-	-	-	(165,736,668)	-	-	(165,736,668)
Currency translation difference (OBU)	-	-	-	-	-	-	4,894,659	-	4,894,659
Net Profit for the year	-	-	-	-	-	-	-	3,345,399,194	3,345,399,194
Transferred to statutory reserve	-	-	1,121,981,025	-	-	-	-	(1,121,981,025)	-
Dividend (Bonus Share Issued)	608,760,450	-	-	-	-	-	-	(608,760,450)	-
Dividend (Cash for 2020)	-	-	-	-	-	-	-	(608,760,459)	(608,760,459)
Issue of share capital	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	12,783,969,490	1,454,976,750	14,546,968,923	26,577,961	2,534,101,559	67,732,519	30,019,811	5,997,660,416	37,442,007,428

The annexed notes from 01 to 49 form an integral part of these financial statements.

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
A T M Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Oman Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

United Commercial Bank PLC

Cash Flow Statement
For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
A. Cash flows from operating activities			
Interest receipts		37,078,273,890	32,410,109,539
Interest payments		(16,574,786,563)	(14,078,145,160)
Dividend receipt		178,569,508	149,088,539
Fees & Commision receipt		4,383,768,584	4,167,689,559
Recoveries from previously written off advances		236,944,194	102,577,518
Payments to employees		(7,867,795,381)	(7,179,973,040)
Payments to suppliers		(4,192,355,163)	(3,200,235,642)
Payment for Advance Income Tax		(4,392,182,336)	(3,285,957,698)
Receipt from other operating activities		272,883,290	641,746,940
Payment for other activities		(3,962,642,308)	(2,895,277,427)
Operating profit before changes in operating assets and liabilities		**5,160,677,714**	**6,831,623,127**
Increase/Decrease in operating assets and liabilities			
Statutory Deposit		9,035,522,468	(16,679,987,307)
Purchase/Sale of trading securities		(390,644,970)	(118,378,810)
Loans and advances to customers		(66,123,360,271)	(50,798,176,340)
Other Assets		(1,900,245,802)	(2,326,620,975)
Deposit from Banks		798,799,900	3,495,509,363
Deposit from customers		35,328,916,884	32,247,232,604
Other liabilities		(1,668,991,486)	2,885,991,733
		(24,920,003,276)	(31,294,429,733)
Net cash used in operating activities (A)		(19,759,325,562)	(24,462,806,605)
B. Cash flows from investing activities			
Purchase/Sale of Securities		(532,900,000)	(10,400,000)
Purchase of Property,Plant & Equipments		(1,490,081,364)	(1,250,599,100)
Net cash used in investing activities (B)		**(2,022,981,364)**	**(1,260,999,100)**
C. Cash flows from financing activities			
Receipt from borrowing		19,908,259,148	29,404,508,263
Sub-Ordinated Bond		(1,820,000,000)	(3,000,000,000)
Cash dividend payment		-	(608,760,459)
Net cash flow from financing activities (C)		**18,088,259,148**	**25,795,747,804**
D. Net (Decrease)/Increase in cash and cash equivalents (A+B+C)		(3,694,047,778)	71,942,099
E. Effects of the changes of exchange rate on cash and cash equivalents		3,515,705,784	1,571,481,023
F. Cash and Cash Equivalents at beginning of the year		47,989,429,516	46,346,006,394
G. Cash and Cash Equivalents at the end of the year (D+E+F)		**47,811,087,522**	**47,989,429,516**
Cash and Cash Equivalents at the end of the year			
Cash in hand (including foreign currencies)	3.1	9,100,106,515	7,498,040,461
Balance with Bangladesh bank and its agent bank	3.2	21,838,928,071	17,882,139,077
Balance with other banks & financial institution	4	16,872,052,936	19,409,249,978
Money at call on short notice	5	-	3,200,000,000
		47,811,087,522	47,989,429,516

The annexed notes from 01 to 49 form an integral part of these financial statements.

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

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Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

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Managing Director & CEO
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30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

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UNITED COMMERCIAL BANK PLC
Liquidity Statement
Asset and Liability Maturity Analysis
As at 31 December 2022

Amount in BDT

Particulars	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 years	Total
Assets						
Cash in hand	10,760,334,252	-	-	-	20,178,700,334	30,939,034,586
Balance with other banks & financial institutions	14,822,252,936	245,000,000	250,000,000	1,554,800,000	-	16,872,052,936
Money at call on short notice	-					-
Investment	1,572,200,000	6,328,600,000	11,049,567,126	14,952,500,000	42,531,695,079	76,434,562,205
Loans and Advances	41,243,899,996	81,423,398,613	102,456,378,970	154,968,392,991	65,021,641,099	445,113,711,670
Bill Purchased & Discounted	8,516,200,000	6,889,600,000	8,085,584,345	-	-	23,491,384,346
Fixed assets including premises, furniture & fixture	190,500,000	381,000,000	1,714,500,000	9,144,000,000	3,149,410,075	14,579,410,074
Other Assets	983,517,498	1,967,034,997	1,117,834,875	9,073,631,623	7,504,654,386	20,646,673,379
Non banking assets	-	-	-	-	-	-
Total Assets (A)	**78,088,904,682**	**97,234,633,610**	**124,673,865,316**	**189,693,324,614**	**138,386,100,973**	**628,076,829,196**
Liabilities						
Borrowing from Bangladesh bank, other banks, financial institutions and agents	17,893,407,146	32,325,988,370	28,447,297,884	14,854,200,000	10,371,000,000	103,891,893,400
Deposits	53,958,456,634	61,979,247,595	79,152,915,299	124,148,643,905	106,789,177,334	426,028,440,768
Provisions and other liabilities	2,249,117,668	3,406,527,068	13,898,003,408	11,270,331,235	26,375,857,382	57,199,836,761
Total Liabilities (B)	**74,100,981,449**	**97,711,763,033**	**121,498,216,591**	**150,273,175,140**	**143,536,034,716**	**587,120,170,929**
Net Liquidity Gap (A-B)	**3,987,923,233**	**(477,129,423)**	**3,175,648,725**	**39,420,149,474**	**(5,149,933,743)**	**40,956,658,267**

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DMD & Company Secretary
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30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
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Head Office, Dhaka

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
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Head Office, Dhaka

Chartered Accountants

United Commercial Bank PLC and its Subsidiaries
Notes to the Financial Statements
As at and for the year ended 31 December 2022

1. The Bank & its activities

1.1 Status of the Bank

United Commercial Bank PLC ('UCB' or the 'Bank') was incorporated in Bangladesh as a public limited company with limited liability on 26 June 1983 under the Companies Act 1913 to carry on banking business in Bangladesh. It obtained permission from Bangladesh Bank on 13 November 1983 to commence its business. The Bank has 224 (2021: 215) branches, 141 (2021: 135) sub branches and 663 (2021: 628) ATMs/CRMs and 314 (2021: 177) agent banking outlets as on 31 December 2022. Out of the above 224 branches, 10 branches provided both Islamic Banking and Conventional Banking facilities complying with the rules of Islamic Shariah and a new branch provided solely Islamic Banking facilities complying with the rules of Islamic Shariah. The Bank is listed with Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited as a publicly traded Company.

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

1.2 Nature of Business

The primary objective of the bank is to conduct all kinds of banking businesses in Bangladesh. The Bank offers services for all commercial banking and Islamic banking needs of the customers. The Bank also provides a comprehensive range of financial services including treasury management, transaction services, foreign exchange and structured finance to corporate clients, inland and international remittance facility, governments and financial institutions. In 2020, the Bank started to offer Direct Custody and Clearing (DCC) services to its offshore clients.

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Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

1.3 Off-shore Banking Unit

Off-shore Banking Unit (the Unit), a separate business unit of United Commercial Bank PLC, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide, letter no. BRPD (P-3) 744 (117)/2010-2577 dated 9th June 2010. The Bank commenced the operation of its Off-shore Banking Unit from November 10, 2010. At present there is one unit of off-shore banking operating in Dhaka under the Rules and guidelines of Bangladesh Bank. The principal activities of the unit are to provide all kinds of commercial Banking services to its customers in foreign currencies. Financial Statements of Off-shore Banking also presented separately.

30 MAY 2023
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Chief Executive Officer
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Head Office, Dhaka.

1.4 Islamic Banking

The Bank obtained permission for Islamic Banking Branch from Bangladesh Bank vide, letter no. BRPD (P-3) 745 (17)/2020-1453 dated 6 February 2020. Through the Islamic Banking wing and branch, the Bank extends all types of Islamic Shariah compliant finance like hire purchase shirkatul melk (HPSM), bai- Murabaha, Mushraka, Salam and agency, Ijarah Muntahia Bittamleek (Hire Purchase) etc. and different types of deposits like al-wadeeah, Murabaha etc. Financial statements of Islamic Banking also presented separately.

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

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Managing Director & CEO
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30 MAY 2023
Syed M. Ayub
Managing Director & CEO
Prime Finance Capital Management Limited
Head Office, Dhaka

1.5 Agent Banking

The Bank obtained permission from Bangladesh Bank on 07.02.2017 through letter no. BRPD (p-3)745(17)2017-677 to start the operation of Agent Banking and subsequently started its commercial operation on February 1, 2018. There are 314 agent outlets launched around the country till 31 December 2022. The principal activities of the unit are to provide services that includes - Account Opening (Savings), Cash deposit & withdrawal (Agent Banking A/C),Cash Deposit in Branch A/C, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Transfer of funds, Payment of salaries, Generation and issuance of Bank statements, SME Loan repayment collection, Balance inquiry, Internet Banking & SMS Banking, Corporate Bill/Distributor fee collection, Insurance Premium Collection etc.

1.6 Subsidiary Company

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

1.6.1 UCB Stock Brokerage Limited

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

UCB PLC holds 24,999,999 nos. of shares of UCB Stock Brokerage Limited with face value of Tk. 100 each which is equivalent to 99.999996% of the total shares of the company.

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Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

1.6.2 UCB Investment Limited

UCB Investment Limited was incorporated in Bangladesh as a private limited company with limited liability as on 3 August of 2011 under the Companies Act 1994 also, the Company has obtained Merchant Banking license from the Bangladesh Securities and Exchange Commission on 05 October 2020. The principal objective of the company is to carry out full-fledged merchant banking activities in Bangladesh i.e. portfolio management, share transfer agency, fund management to issue in the capital and security market, underwriting, management and distribution of the issue of stock shares, bonds and other securities.

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Soneli Investment Limited

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.

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Chief Financial Officer
United Commercial Bank PLC
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Syed M Omar Tayub
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Head Office, Dhaka

1.6.3 UCB Asset Management Limited

UCB Asset Management Limited (the Company) was incorporated in Bangladesh as a Private Limited Company with limited liability as on the 5th Day of February of 2019, under the Companies Act 1994 and registered with RJSC & F. The authorized capital of the company is BDT 100 Crore divided into 10 (Crore) Ordinary Shares of BDT 10 each. The company is a wholly owned subsidiary of United Commercial Bank PLC (UCB PLC) and has obtained its' licence (BSEC/Asset Manager/2020/46) as an Asset Management Company from Bangladesh Securities & Exchange Commission on February 03, 2020. The registered office of the company located at Plot #CWS(A)-1, Road #34, Gulshan Avenue, Dhaka-1212.

The company was formed aiming to manage portfolio and fund of both individuals and institutions, underwrite the securities, invest pooled funds from clients into a variety of securities and assets, handle high-net-worth individual accounts, and attract large investment from companies sponsoring mutual funds.

UCB PLC holds 99,999,999 nos. of shares of UCB Asset Management Limited with face value of Taka 10 each which is equivalent to 99.9999990% of total shares of the Company.

1.6.4 UCB Fintech Company Limited

UCB Fintech Company Limited (hereinafter referred to as "the Company", a subsidiary of United Commercial Bank PLC, was incorporated in Bangladesh on 30 July 2020 as a private company limited by shares under the Companies Act, 1994.
Product and services of UCB Fintech include mobile transactions (cash-in, cash-out, send money etc.), utility bill payment, in-store and e-commerce payment, inward remittance, salary disbursement, G2P and P2G transaction, airtime recharge and other value added financial services.

UCB PLC holds 299,999,999 nos. of shares of UCB Fintech Company Limited with face value of Taka 10 each which is equivalent to 99.9999996% of total shares of the Company.

1.6.5 Summary of shareholding in subsidiaries and associates

Shareholding position in all of its subsidiaries and associates is summarized below:

Name of subsidiaries	Face value per share	Total no. of ordinary shares		No. of ordinary shares held by UCB		Percentage of shareholding by UCB	
		2022	2021	2022	2021	2022	2021
UCB Stock Brokerage Limited	100	25,000,000	25,000,000	24,999,999	24,999,999	99.99%	99.99%
UCB Investment Limited	10	100,000,000	100,000,000	99,999,999	99,999,999	99.99%	99.99%
UCB Asset Management Limited	10	100,000,000	100,000,000	99,999,999	99,999,999	99.99%	99.99%

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30 MAY 2023

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Managing Director & CEO
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UCB Fintech Company Limited	10	300,000,000	200,000,000	299,999,999	199,999,999	99.99%	99.99%

1.6.6 UCB Foundation

UCB is a not for profit, non-political, voluntary and charitable Foundation. Environment pollution free through "Go Green Campaign" civil society awareness and other benevolent and CSR activities towards the promotion of the objective of this Foundation. UCB Foundation has been registered under Societies Registration Act, 1860. The registered office of the Foundation shall be situated at South Breeze, plot #08, Gulshan Avenue, Gulshan-1, Gulshan, Dhaka-1212.

The overall affairs of the Foundation shall be managed by an Executive Committee consisting of at least 9 (nine) members but not more than 19 (nineteen) members including ex-officio Executive members and Executive Secretary, who will be designated as follows:

i) Chairman
ii) Treasurer
iii) Executive Member
iv) Executive Secretary

2. Summary of significant accounting policies and basis of preparation of the financial statements

2.1 Basis of preparation

Pursuant to Bangladesh Bank circular BRPD Circular No: 02, dated 25 February 2019, these financial statements for the year ended 31 December 2022 comprise the operations of both the Domestic Banking Unit (DBU) and the Offshore Banking Unit (OBU) and the consolidated financial statements of the group as at and for the year ended 31 December 2022 comprise those of 'the Bank' (parent company) and its subsidiaries.

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Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

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:

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- 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

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Commission (Public Issue) Rules 2015, Bangladesh Securities And Exchange Commission (Debt Securities) Rules 2021;

- The Income Tax ordinance, 1984 and Income Tax Rules 1984 and amendment thereon;
- The Value Added Tax and Supplementary Duty Act, 2012 and Value Added Tax and Supplementary Duty Rules, 2016 and amendment thereon;
- Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
- Financial Reporting Act, 2015.

In case of any requirement of the Bank Company Act 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank (BB) differing with those of IFRSs, the requirements of the Bank Company Act 1991 (as amended up to date), and provisions and circulars issued by BB shall prevail. Material departures from the requirements of IFRS are as follows:

i. Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and noncurrent classification separately in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the "First Schedule" (section 38) of The Bank Company Act, 1991 (amendment up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

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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.

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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.

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iii. Subsequent measurement of Government securities

IFRS: Debt instruments include both bonds and bills. As per requirements of IFRS 9 Financial Instruments, bonds can be categorised as "Amortised Cost (AC)", "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Bonds designated as Amortised Cost are measured at amortised cost method and interest income is recognised through profit and loss account. Any changes in fair value of bonds designated as FVTPL is recognised in profit and loss account while changes in fair value of bonds designated as FVOCI is recognised in other reserve as a part of equity. As per requirements of IFRS 9, bills can be categorised either as "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Any change in fair value of bills is recognised in profit and loss or other reserve as a part of equity respectively.

Bangladesh Bank: As per DOS Circular no. 05 (26 May 2008) and subsequent clarification in DOS Circular no 05 (28 January 2009), Government securities/bills are classified either into Held for Trading (HFT) or Held to Maturity (HTM). HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

iv. Repo and Reverse Repo transactions

IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no.2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

However, as per DMD circular letter no.7 dated 29 July 2012, non-primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) program, whereby such banks may enter collateralised repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognise the asset.

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v. Provision on loans and advances

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 12 dated 20 August 2017, BRPD circular no. 15 dated 27 September 2017, BRPD circular no. 16 dated 21 July 2020 and BRPD circular letter no. 52 dated 20 October 2020 and circulars issued till 2022, a general provision at 0.25% to 2% under different categories of unclassified loans (standard/SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad/losses loans has to be provided at 5% to 20%, 5% to 50% and 100%, respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, a general provision at 0% to 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by International Financial Reporting Standards (IFRS) 9: Financial Instruments.

vi. Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently becomes credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, BRPD circular No.03 dated April 21 2019 and BRPD Circular Letter No. 56 (December 10 2020), once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

vii. Other comprehensive income

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements through BRPD circular no. 14 (25 May 2003) which will strictly be followed by all banks. The templates

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30 MAY 2023
Syed M Omar Jamil
Managing Director & CEO
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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.

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xii. Presentation of intangible asset

IFRS: Intangible assets must be identified and recognised, and the disclosure must be given as per IAS 38: Intangible Assets.

Bangladesh Bank: Intangible assets are shown in fixed assets, including premises and furniture and fixtures, as there is no specific regulation for intangible assets in BRPD circular no. 14, dated 25 June 2003.

xiii. Cash flow statement

IFRS: Cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flows is the mixture of direct and indirect method.

xiv. Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for the use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xv. Presentation of intangible asset

IFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD 14 dated 25 June 2003, hence it is shown in fixed assets.

xvi. Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement of disclosure of off-balance sheet items.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of balance sheet.

xvii. Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

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xviii. Loans and advance net of provision

IFRS: As per IFRS 9, Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

xix. Provision on Financial Guarantees

IFRS: As per IFRS 9 bank shall recognise credit losses on undrawn loan commitments such as Letter of Credit (L/C), Letter of Guarantee (L/G) etc. as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that bank expects to receive.

Bangladesh Bank: As per BRPD Circular no. 07 dated (21 June 2018) and BRPD Circular no.14 dated (23 September 2012), the Bank is required to maintain provision at 1% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

xx. Provision for Startup Fund

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: In compliance with SMESPD circular 04 dated March 29, 2021 and SMESPD circular letter 05 dated April 26, 2021, the Bank has created Start-up Fund in first quarter 2021 appropriating BDT 3.17 Crore (1% of net profit of FY 2021 BDT 317.71 Crore). As a continuation of creating Start-up Fund, the bank has also contributed BDT 3.93 Crore (1% of net profit of FY 2022 BDT 393.28 Crore). The objective of this fund is to provide loan facilities to the start up entrepreneurs for their business and projects.

2.1.2 Going Concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation for the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to show a healthy trend for couple of years. The rating outlook of the Bank as reported by all the rating agencies is "Stable". Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.1.3 Disclosure on BASEL III

The Basel III accord (an extension of the existing Basel II Framework) is a set of financial reforms that was developed by the Basel Committee on Banking Supervision (BCBS), with the aim of strengthening regulation, supervision, and risk management within the banking industry. Due to the impact of the 2008 Global Financial Crisis on banks, Basel III was introduced to improve the banks' ability to handle

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shocks from financial stress and to strengthen their transparency and disclosures as well as liquidity standards.

It was agreed upon by the members of the Basel Committee on Banking Supervision in 2010–2011, and was scheduled to be introduced from 2013 until 2015. However, changes made from April 2013 extended implementation until March 31, 2018. The Basel III requirements were in response to the deficiencies in financial regulation that is revealed by the 2000's financial crisis. Basel III was intended to strengthen bank capital requirements by increasing bank liquidity and decreasing bank leverage. The global capital framework and new capital buffers require financial institutions to hold more capital and higher quality of capital than under current Basel II rules. The new leverage ratio introduces a non-risk-based measure to supplement the risk-based minimum capital requirements. The new liquidity ratios ensure that adequate funding is maintained in case there are other severe banking crises.

Key Principles of Basel III

Capital Conservation Buffer is designed to absorb losses during periods of financial and economic stress. Financial institutions will be required to hold a capital conservation buffer of 2.5% to withstand future periods of stress, bringing the total common equity requirement to 7% (4.5% common equity requirement and the 2.5% capital conservation buffer). The capital conservation buffer must be met exclusively with common equity. Financial institutions that do not maintain the capital conservation buffer faces restrictions on pay-outs of dividends, share buybacks, and bonuses.

Countercyclical Capital Buffer is a countercyclical buffer within a range of 0% and 2.5% of common equity or other fully loss absorbing capital is implemented according to national circumstances. This buffer serves as an extension to the capital conservation buffer.

Higher Common Equity Tier 1 (CET1) constitutes an increase from 2% to 4.5%.

Minimum Total Capital Ratio is 10%. Tier 2 capital instruments are harmonized and tier 3 capital is abolished in the Basel III regime. With buffer Banks have to maintain 12.50% capital of Total Risk Weighted Asset of the banks.

Leverage ratio: Basel III introduced a minimum "leverage ratio". The leverage ratio was calculated by dividing Tier 1 capital by the bank's average total consolidated assets; the banks were expected to maintain a leverage ratio in excess of 3% under Basel III.

Liquidity requirements
Basel III introduced two required liquidity ratios:

Liquidity Coverage Ratio (LCR) ensures that sufficient levels of high-quality liquid assets are available for one-month survival in a severe stress scenario.

Net Stable Funding Ratio (NSFR) promotes resilience over long-term time horizons by creating more incentives for financial institutions to fund their activities with more stable sources of funding on an ongoing structural basis.

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2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using 'mark to market' concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- Land is recognized at cost at the time of acquisition and subsequently measured at fair value as per IAS-16 *Property Plant & Equipment* and BSEC notification SEC/CMRRCD/2009-193/150/Admin dated 18 August 2013.
- Investment in shares of listed companies are valued at market price and unlisted companies at cost or book value of last audited balance sheet, whichever is lower.
- Net asset/(liability) of defined benefit scheme is net of present value of defined benefit obligations, total plan assets and other related items as required by IAS 19.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of United Commercial Bank PLC and its subsidiaries 'UCB Stock Brokerage Limited', 'UCB Investment Ltd', 'UCB Asset Management Limited' and 'UCB Fintech Company Limited'. The Separate (solo) financial statements and consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) - 27: *Separate Financial Statements* and IFRS-10; *Consolidated financial statements*. The consolidated financial statements are prepared to a common financial year Ended 31 December 2022. Basis of consolidation are as follows:

- The consolidated financial statements incorporate the financial statements of the bank and the financial statements of the subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the parent (bank) are eliminated against the corresponding share capital of group entities (subsidiaries) in the consolidated financial statements.
- Subsidiaries (investees) are entities controlled by the parent (investor). Control exists when the investor has the power over the investee that gives right to direct relevant activities, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.
- All financial assets and financial liabilities are offset and the net amount reported in the consolidated financial statements only when there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. Items are not offset in the consolidated financial statements unless required or permitted by accounting standards and regulators.
- Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.
- Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income is

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attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- Loss of control: Upon the loss of control of a subsidiary the group derecognizes the assets (including any goodwill) and liabilities of the subsidiary at carrying amount, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit and loss account. If the group retains any interest in the former/previous/ex subsidiary, such interest is measured at fair value at the date that the control is lost.

2.4 Use of estimates and judgments

The preparation of the financial statements requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

i) Provision for loans and advance

The Bank assesses its loans and advances for objective evidence of impairment on a regular basis and particularly at year end. Whilst the primary criteria set out in BRPD circular no. 14 dated 23 September 2012 for determining whether a loan is impaired is objective, being based on borrower's ability to make timely repayments, loans and advances may also be classified based on qualitative judgment. This involves making assessments regarding the economic environment in which borrowers operate in addition to making judgments about a borrower's financial situation and net realisable value of any underlying collateral.

ii) Taxation

The estimation of current tax provision involves making judgments regarding admissibility of certain expenses, estimating the amount of other expenses for tax purposes and applicability of provision of the Finance Act 2022, although return will be submitted for tax based on the Finance Act 2023.

In addition, the recognition of deferred tax assets requires the Bank to estimate the extent to which it is probable that future taxable profits will be available against which the deferred tax assets may be utilized

iii) Post-employment benefits-asset/(liability) from gratuity

The determination of Bank's asset/(liability) from gratuity involves the use of estimates regarding demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will influence the cost of the benefit.

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iv) Depreciation

Depreciation is provided on a straight line basis over the estimated useful life of each item of fixed asset. The determination of useful life involves the use of estimates regarding expected use of the assets, expected physical wear and tear, technical or commercial obsolescence and legal or similar limits on the use of the assets.

v) Provisions for expenses

A provision is recognised in the balance sheet when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation in compliance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

vi) Lease Liabilities

The lease liability is initially measured at the present value of the lease payments, discounted at the Bank's incremental borrowing rate. The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the rental assets leased. The lease liability is remeasured when there is a change in future lease payments or the changes in discount rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets and lease liabilities.

2.5 Consistency

In accordance with IFRS framework for the presentation of financial statements together with IAS-1 and IAS-8, United Commercial Bank PLC discloses its information consistently from one period to the next. When selecting and applying new accounting policies, changes in accounting policies and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, for changes in the accounting estimates the related amount is recognized prospectively in the current period and in the next period or periods.

2.6 Foreign Currency Transactions and Translations

Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is the Bank's functional currency. The functional currency of OBU is US Dollar (USD). The financial statements of OBU have been translated to presentation currency (Taka/Tk/BDT) using the exchange rate prevailing at balance sheet date. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

Foreign currency transactions

Transactions/Day End Balances in foreign currencies are converted into respective functional currencies at the rate of exchange ruling at the date of transactions as per IAS 21, 'The Effects of Changes in Foreign Exchange Rates'. Effects of Exchange rate differences (rates at which transactions were initially

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recorded and the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the bank are recorded in the Profit and Loss Account.

Foreign currency translations

Assets and liabilities of OBU have been presented in Taka (which is functional currency of the Bank) using year end standard mid rate of exchange of the Bank and incomes and expenses are translated using monthly average of standard mid rate of exchange. The foreign currency translation difference is a net result of exchange difference of year end standard mid rate and monthly average of standard mid rate arising from translation of functional currency to presentation currency.

Foreign currency differences arising on translation are recognised in the profit and loss account except for exchange rate differences on fund deposited with Bangladesh Bank as capital, which is recognised directly in equity.

2.7 Cash flow statement

Cash flow statement has been prepared in accordance with International Accounting Standard (IAS) 7 "Statement of Cash Flows" and under the guideline of Bangladesh Bank BRPD Circular no.14 dated 25 June 2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

2.8 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth. The statement also shows item-wise movement along with the description of changes from the end of last year to the end of current year.

2.9 Statement of liquidity

The liquldity 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

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2.10 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by the Central Bank as prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

Accounting policies of subsidiaries

The financial statements of subsidiaries have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature where applicable. The financial statements of subsidiaries have been prepared using the calendar year ended 31 December which is also same for the Bank.

A. ASSETS AND THE BASIS OF THEIR VALUATION

2.10.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balance held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short-term commitments.

2.10.2 Investments

All investment securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discounts are accredited. Accounting treatment for government treasury securities (HFT and HTM) is made as per Bangladesh Bank Circular Ref. BRPD Circular no. 5 dated 26 May 2008 and subsequent clarification DOS circular letter no. 5 dated 28 January 2009.

2.10.3 Held to Maturity (HTM)

Investments which have "fixed or determinable payments" and are intended to be held to maturity are classified as "Held to Maturity". Initially these investments are recorded at cost. Subsequently at each year end, these investments are measured at amortized cost. Any increase or decrease in the value of such investment is recognized in shareholders' equity and profit and loss account respectively.

2.10.4 Held for Trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition at cost, investments are revalued at Mark to Market (MTM) on weekly basis and any increase on such valuation is recognized as revaluation gain under the shareholders' equity and any loss is recognized in the profit and loss account.

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2.10.5 REPO and Reverse REPO

Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The difference between purchase price and re-sale price is treated as interest received and accrued evenly over the life of Repo agreement.

Since 01 September 2010 transactions of REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank. Securities under repo will be excluded from the investment portfolio and hence will not be eligible for SLR purpose. Securities acquired under reverse repo will be eligible for SLR purpose initially at its clean price (in case of coupon bearing security) or at its market value (in case of non-coupon bearing security).

2.10.6 Investment in listed/quoted securities

These securities are bought and held primarily for the purpose of selling them in the future or holding for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is recognized in the profit and loss account.

2.10.7 Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of Net Assets Value (NAV) over cost in the Profit & Loss Account, but there is no unrealized gain booking.

Revaluation

Government Treasury Bills and Bonds (HFT)	At Market value (using marking to market concept)
Government Treasury Bills and Bonds (HTM)	At present value (using marking to market concept)
Prize Bond	At cost
Unquoted Shares	At cost or book value of the last audited balance sheet whichever is lower

2.10.8 Investment in subsidiaries

Investment in subsidiaries are accounted for under the cost method of accounting in the Bank's financial statements in accordance with IAS 27 "Separate Financial Statements" and IFRS 3 "Business Combination". Impairment of investment in subsidiaries is made as per the provision of IAS 36 "Impairment of Assets".

2.10.9 Loans, Advances and provisions

a) Loans and advances are stated at gross amount.
b) Loans and advances are broadly classified under the heads of Continuous, Demand, Long Term and Short Term, Agriculture and Micro Credit. Continuous and Demand Loans are accounted

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under Capitalized method where interest accrues monthly and applied to loan account quarterly. Term loans are accounted under amortized method where repayments consist of no. of EMIs.

c) Interest on unclassified loans & advances and SMA loans are credited to Interest Income. Interest on Sub- standard and Doubtful Loans and advances are not credited to interest income, it is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest accrual is kept stopped for all Bad & Loss Loans.

d) Commission and discounts on bills purchased and discounted are recognized at the time of realization.

e) General provisions on unclassified loans and off balance sheet items, specific provisions for classified loans and interest suspense thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December 2012, BRPD Circular no.16 dated 18 November 2014, BRPD Circular no. 12 dated 20 August 2017, BRPD Circular no. 15 dated 27 September 2017 and BRPD Circular no. 01 dated 20 February 2018, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 13 dated 18 October 2018, BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 17 (September 28, 2020) and BRPD Circular Letter No. 56 (December 10, 2020), BRPD Circular Letter No. 59 (December 30, 2020), BRPD Circular Letter No. 05 (March 24, 2021), BRPD Circular Letter No. 13 (June 27, 2021), BRPD Circular Letter No. 19 (August 26, 2021), BRPD Circular Letter No. 45 (October 04, 2021), BRPD Circular Letter No. 50 (December 14, 2021 and circulars till 2022).

Particulars	Rates
General Provision on	
Unclassified general loans and advances	1%
Unclassified small and medium enterprise	0.25%
Unclassified loans to BHs/MBs/SDs against shares etc.	2%
Unclassified loans consumer financing –Housing finance	1%
Unclassified loans consumer financing –Loans for professionals	2%
Unclassified loans consumer financing –Credit card	2%
Unclassified consumer financing others	2%
Unclassified short-term Agricultural and Micro-Credits	1%
Special Mention Account	0.25%-2%
Off-balance sheet exposures	1%
Special general provision-COVID-19	1.5-2%
Specific Provisions on	
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/Loss loans and advances	100%
Substandard short term agri credit and, cottage, micro credit & small	5%
Doubtful short term agri credit and micro credit	5%
Doubtful cottage, micro credit & small	20%

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f) Loans and advances are written off to the extent that
   i. there is no realistic prospect of recovery and
   ii. against which legal cases are filed and pending for more than 03 (three) years as per guidelines of Bangladesh Bank (BRPD circular No.01 dated 06 February 2019).

However, the write off will not reduce the claim against the borrower. Detailed memorandum records for all such write off accounts are maintained carefully and followed up. Write-off loans and advances are reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

As per BRPD circular no. 14 dated 23 September 2012, BRPD Circular No. 05 dated 29 May 2013, BRPD circular No. 03 dated 21 April 2019 and BRPD Circular Letter No. 56 dated 10 December 2020, for additional special general provision-COVID-19 at 1% also, a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) have to be maintained.

2.10.10 Property, Plant and Equipment and Depreciation

Recognition

The cost of an item of fixed assets is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Initial Measurement

Items of property, plant and equipment that qualify for recognition as an asset is measured initially at its cost. The cost of an item of PPE comprises:

a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
b) 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.
c) 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

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with the item will flow to the bank due to the subsequent expenditure. However, expenditures incurred after the assets have been put into operation, such as, repairs and maintenance is recognized as revenue expenditure in the period in which it is incurred.

Depreciation

Depreciation is charged at the rates stated below on all fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated using the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases at the month when the assets are disposed. No depreciation has been charged on land. Rate and method of charging depreciation/ amortization of fixed assets are mentioned below:

Name of the assets	Rate of depreciation	Method of charging depreciation/ amortization
Land	NIL	Not applicable
Building	2.50%	Straight Line Method
Furniture & Fixtures	10%	Straight Line Method
Office Equipment	20%	Straight Line Method
Computer Equipment's	20%	Straight Line Method
Computer Software	25%	Straight Line Method
Vehicle	20%	Straight Line Method

Changes in useful life and method of depreciation of the property, plant and equipment

Both changes in useful life of the property, plant and equipment and method of depreciation, i.e. consumption pattern of the assets shall be accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Capital work in progress

Property, plant and equipment under construction is recognized and reported under Fixed Assets as per IAS 16 *'Property, Plant & Equipment'* as Capital work in progress until the construction work is completed and the asset is ready for the intended use. This asset is stated at cost, and depreciation of the asset will be charged from the date of its intended use.

De-recognition of fixed assets

The carrying amount of an item of fixed assets is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de recognition of an item of fixed assets is recorded in profit or loss when the item is de-recognized.

Revaluation of Property, Plant and Equipment

An item of Property, Plant and Equipment is revalued when fair value of the asset differs materially from its carrying amount. Such revaluation is normally carried out by professionally qualified valuers. Last revaluation of Bank's land property and Building were carried as at 28 December 2012 by Banks

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Techno Consult & Survey Ltd. Accordingly, revaluation surplus is included in fixed assets and assets revaluation reserve is recognized under shareholder's equity as per guidelines of IAS-16; Property, Plant and Equipment. Such revaluation reserve will be disposed off upon retirement/de-recognition of the assets.

2.10.11 Accounting under lease operations:

Assets obtained under Lease Agreements

International Financial Reporting Standard (IFRS) 16: Leases come into force on 1 January 2019, as adopted by institute of Chartered Accountants of Bangladesh (ICAB). As per IFRS 16 a lease is a contract (or part of a contract) that conveys the right to use an asset for a period of time in exchange for consideration. A contract contains a lease if fulfilment depends on an identified asset and it conveys the right to control the use of that identified asset throughout the period of use. Each lease component should be identified and accounted for separately.

As a lessee

The Bank recognises a right-of-use (ROU) asset and a lease liability from the initial application date i.e. 01 January 2019 or the commencement date of a lease contract. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the initial application date or commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Bank by the end of the lease term or the cost of the right-of-use asset reflects that the Bank will exercise a purchase option. In that case the right-of-use assets will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the initial application date or commencement date, discounted at the Bank's weighted average rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Bank determines whether the arrangement is or contains a lease. At inception or reassessment of an arrangement that contains a lease, the Bank separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair value. If the Bank concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Bank's incremental borrowing rate.

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ii) Leased Asset

Leases of property, plant and equipment that transfer to the Bank substantially all of the risks and the rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to the asset.

Assets held under other leases are classified as operating leases and are not recognised in the Bank's statement of financial position.

iii) Lease Payment

Payments made under operating lease are charged to profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2.10.12 Intangible asset

An intangible asset is to be recognized only if it is probable that future economic benefits attributable to the assets will flow to the bank and the cost of the asset can be measured reliably. Recognition & measurement of Intangible Assets are guided by International Accounting Standard (IAS) 38; *'Intangible Asset'*. Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use. Gain or loss arising from derecognition of an Intangible asset is measured as the difference between the net disposal proceed and the carrying amount of that intangibly asset is recognised in profit and loss account. Due to following BRPD circular no. 14 dated 25 June 2003, Intangible assets are not disclosed in a separate line rather reported under Fixed Assets. However, separate line item along with the rate of amortization is identifiable in the detail schedule of Fixed Asset.

2.10.13 Impairment of assets

The carrying amounts of bank's assets are reviewed when as required to determine whether there is any indication of impairment. Any impairment loss is recognized in the profit and loss account if the carrying amount of an asset exceeds its recoverable amount [IAS 36 *Impairment of Assets*]. No such impairment loss has arisen and been recognized during the year ended 31 December 2022.

2.10.14 Other Assets

Other assets include mainly advance office rent, payment of advance income tax for which assessment of tax has not yet been finalized, investment in subsidiaries, fees and other unrealized income receivable, advance for operating and capital expenditure, stocks of stationery & stamps etc. As per

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BRPD Circular No. 14 dated 25 June 2003, Income & Non-income-generating other assets item(s) have been shown separately in the relevant notes to the financial statements.

2.10.15 Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity or person.

2.10.16 Non-banking assets

Bangladesh Bank vide BRPD circular no. 14 dated 25 June 2003 required that Non-banking assets should be shown separately in the books of accounts. Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgaged property.

Recognition of non-banking assets

Although there is no indication of non-banking assets found in any International Financial Reporting Standards (IFRS), non-banking assets are to be recorded in the books of accounts when all formalities regarding confirmation of ownership have been completed in accordance with the BRPD Circular No. 22 dated 20 September 2021. It means that asset to be recognized during controlling over economic benefits flowing from the asset to the bank is established and its associated cost/value is reliably measured. Therefore, considering practical grounds, non-banking assets are recorded in the books of accounts of UCB PLC when all of the following conditions have been met:

a) Certification of ownership u/s 33(7) of the 'Artharin Adalat Act 2003' obtained
b) Registration from the Sub Registry Office completed
c) DCR & Mutation form the concerned AC Land office completed
d) Land Rent tax and Municipal tax (If any) Paid
e) Valuation of the property done
f) 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.

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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

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framework namely Basel III. With the view to strengthening capital base of the bank and subsequently to meet up the capital adequacy ratio as per Bangladesh Bank's instruction in line with BASEL-III Accord, UCB issued the following Subordinated and Perpetual bonds with key features as listed below:

Subordinated Bond

Name of the Subordinated Bond	Issued Amount (BDT in Million)	Outstanding Amount As on 31 December 2022 (BDT in Million)	Issue Date	Tenure	Interest Rate	Range of Interest Rate	Redemption of Principal
UCB 3rd Subordinated Bond (1st Tranche)	3,500.00	1,400.00	28-Dec-17	7 Years	Base Rate plus 2.5%	7.00%-10.50%	20% in each of last 5 years
UCB 3rd Subordinated Bond (2nd Tranche)	3,500.00	2,100.00	16-May-18	7 Years	Base Rate plus 2.5%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (1st Tranche)	500.00	300.00	24-Dec-18	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (2nd Tranche)	2,500.00	1,500.00	26-Dec-18	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (3rd Tranche)	100.00	80.00	14-Aug-19	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (4th Tranche)	1,000.00	800.00	05-Nov-19	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (5th Tranche)	500.00	400.00	05-Dec-19	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (6th Tranche)	250.00	250.00	23-Mar-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years

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UCB 4th Subordinated Bond (7th Tranche)	100.00	100.00	22-Jun-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (8th Tranche)	100.00	100.00	28-Jun-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (9th Tranche)	100.00	100.00	15-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (10th Tranche)	1,000.00	1000.00	24-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (11th Tranche)	300.00	300.00	27-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (12th Tranche)	550.00	550.00	29-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (13th Tranche)	1,000.00	1,000.00	30-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 5th Subordinated Bond (1st Tranche)	500.00	500.00	29-Dec-22	7 Years	Base Rate plus 2.0%	7.00%-10.00%	20% in each of last 5 years
UCB 5th Subordinated Bond (2nd Tranche)	1,000.00	1,000.00	29-Dec-22	7 Years	Base Rate plus 2.0%	7.00%-10.00%	20% in each of last 5 years

Perpetual Bond

Name of the Perpetual Bond	Issued Amount (BDT in Million)	Issue Date	Interest Rate	Range of Interest Rate
UCB 1st Perpetual Bond	4,000.00	25-Apr-21	Base Rate plus 2.0%	6.00%-10.00%

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2.10.19 Deposits and other accounts

Deposits and other accounts include current deposits redeemable at call, short term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counter parties.

2.10.20 Other liabilities

Other liabilities comprise items such as provision for loans and advances/ investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and International Financial Reporting Standards (IFRSs).

2.10.21 Dividend payments

Interim dividend is recognized when it is paid to the shareholders. Final dividend is recognized when it is approved by the shareholders in AGM. The proposed dividend for the year 2022 is 10% (5% cash dividend and 5% stock dividend), therefore, has not been recognized as a liability in the balance sheet in accordance with IAS 10 '*Events after the Reporting Period*'. Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive the payment is established.

2.10.22 Provision for loans and advances

Provision for classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December 2012, BRPD Circular no.16 dated 18 November 2014, BRPD Circular No. 08 dated 2 August 2015, BRPD Circular no. 12 dated 20 August 2017, BRPD Circular no. 15 dated 27 September 2017, BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 17 (September 28 2020) and BRPD Circular Letter No. 56 (December 10 2020 and circulars issued till 2022).

Details are stated in Note 12.

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2.10.23 Provision for investment in capital market

For recognition of loss suffered from investment in capital market, provision is to be provided unrealized loss (gain net off) according to DOS Circular No. 04 dated 24 November 2011 on portfolio basis.

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2.10.24 Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines, contingent liabilities have been disclosed under off-balance sheet items. As per BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, the Bank has been maintaining provision as per the Bangladesh Bank guideline/Circulars against off-balance sheet exposures.

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2.10.25 Provision for other assets

Provision for other assets is made as per the guidelines mentioned in the BRPD Circular No. 04 dated 12 April 2022 i.e. 100% provision is required on other assets which are outstanding for one year or more.

2.10.26 Provision for Nostro accounts

Provision for unsettled transactions on nostro accounts is made in accordance with the guideline of Foreign Exchange Policy Department of Bangladesh Bank, FEPD Circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005. On the reporting date, UCB PLC has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

2.10.27 Provision for liabilities and accrued expenses

In compliance with IAS 37, provisions for other liabilities and accrued expenses are recognized in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.10.28 Retirement Benefit Schemes

The retirement benefits accrued for the employees of the Bank as on reporting date has been accounted for in accordance with the provision of International Accounting Standard-19, "*Employees Benefits*". Various types retirement benefit schemes of the bank are as follows:

Provident fund

Provident fund benefits are given to the employees of the Bank in accordance with the registered provident fund rules. The Commissioner of Income Tax, Dhaka (North) has approved the provident fund as a recognized provident fund within the meaning of section 2 (52) read with the provision of part – B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from November 30, 1988. The Fund is operated by a Board of Trustee consisting 03 (three) members of the Bank. All confirmed employees of the Bank are contributing 10-20% of their basic salary as subscription to the fund. The bank also contributes equal amount of the employees' contribution (maximum 10%). Interest earned from the investments is credited to the members' account on half yearly basis.

Gratuity fund

Gratuity benefits are given to the employees of the bank in accordance with the approved gratuity fund rules. The National Board of Revenue has approved the gratuity fund as a recognized gratuity fund on December 27, 1995. The fund is operated by a Board of Trustee consisting 3 (Three) members of the bank. Employees are entitled to gratuity benefit after completion of minimum 5 (five) years of service in the bank. The Gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service. Gratuity fund is a "Defined Benefit Plan" and contribution to Gratuity Fund is measured through the result of actuarial valuation of the fund.

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The Bank's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Net interest expense, current service cost and other expenses related to defined benefit plans are recognised as salaries and allowances in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

Welfare fund

Employees' Welfare fund was established in June 18, 2009. The UCB PLC policy on Employees' Welfare Fund, 2009, governs the fund and the day-to-day affairs are run by a duly constituted Board of Trustee. The fund is held and administered by a Board of Trustee and invested according to the rules of the Fund framed as per applicable laws of Bangladesh.

Workers' Profit Participation Fund (WPPF)

Consistent with widely accepted industry practice and in accordance with section 11(1) of the Bank Company Act, 1991 (as amended up to date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers Profit Participation Fund (WPPF).

2.10.29 Taxation

Income tax represented the sum of the current Tax and deferred tax payable for the year under reporting.

i. **Current Tax**

Current tax is the amount of income taxes payable (recoverable) in respect to the taxable profit (tax loss) for a period. Provision for current income tax has been made as per the prescribed rate in the Income Tax Ordinance 1984 on the accounting profit made by the bank after considering some of the add-backs to income and disallowances of expenditure as per income tax laws with IAS-12, "*Income Taxes*". Tax Assets under the group head of other assets are recognized for payment of advance income tax, tax deducted at source and tax paid at the time of IT Return for the year/years for which assessment has not yet been finalized. On the other hand, the tax provision (as estimated as per IAS-12; Income Taxes, provision of latest Finance Act, related SROs/guidelines etc.) are recognized as tax liability under the group head of other liability for the year/years for which assessment has not yet been finalized.

ii. **Deferred Tax**

Deferred tax liabilities are the amount of income taxes payable in future periods in respect to taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets & liabilities are measured using tax rate & tax laws enacted or at the balance

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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.

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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.

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1. The embedded derivative would meet the definition of a derivative if separated from the host contract.
2. The hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in profit and loss.

D. REVENUE RECOGNITION

2.10.38 Interest income

Interest on unclassified (Standard and SMA) loans and advances is accounted for as income on accrual basis, interest on classified loans and advances (SS and DF only) is credited to interest suspense account, with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD 14 dated 23 September 2012, BRPD 19 dated 27 December 2012, BRPD 16 dated 18 November 2014 and BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 56 dated December 10, 2020 and BRPD Circular Letter No. 53 dated December 30, 2021 and circulars till 2022 of Bangladesh Bank. Interest is accrued on a daily basis and applied to customer accounts every month, quarter and at maturity depending on the product offerings. In accordance with BRPD circular no. 14 dated 23 September 2012, interest accrued on sub-standard loans and doubtful loans are credited to Interest Suspense Account which is included within Other liabilities. Interest from loans and advances ceases to be accrued when they are classified as bad / loss.

2.10.39 Fees and commission income

Fees and commission income arises on services provided by the Bank and recognized on accrual basis. Commission charged to customers on letters of credit, letters of guarantee and acceptance are credited to income at the time of effecting the transactions.

2.10.40 Interest income from investments

Interest income from investments in Government and other securities, debentures and bonds are accounted for on accrual basis. Investment income includes interest income, capital gain, and revaluation loss on government securities.

2.10.41 Income from exchange

Exchange income includes all gain and losses from foreign currency day to day transactions conversions and revaluation of Non-Monetary items.

2.10.42 Dividend income

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established.

2.10.43 Interest paid on borrowings and deposits

Interest expenses are recognized on accrual basis taking into account daily balance outstanding at the rate applicable for respective deposits and interest on savings and SND accounts is credited to depositors account on half yearly basis. No interest is applicable on the balance lying in current deposit

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account. Interest on FDR accrued but not due to clients A/c was credited to 'Other Liability A/c - Interest Payable'.

Other expenses are also recognized and recorded on accrual basis.

2.10.44 Management and other expenses

Expenses incurred by the Bank are recognized on actual and accrual basis.

E. OTHERS

2.10.45 Materiality and aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature have also been presented separately unless they are immaterial in accordance with IAS 1 'Presentation of Financial Statements'.

2.10.46 Offsetting

The balance sheet presents the net amount of financial assets and liabilities when there is a legally enforceable right to offset the recognized amounts and the intention is to settle them on a net basis or simultaneously realize the asset and settle the liability. The Bank presents its advance tax paid and provision for tax on a net basis under liability since the tax liability amount is higher than the advance tax. Similarly, the Bank presents its Deferred Tax (DT) assets and liabilities on a net basis under the asset section, as the DT asset amount is higher than the DT liability. The net defined benefit obligation is shown under the liability section because the defined benefit obligation is higher than the fair value of plan assets. Finally, card revenues and expenses earned and incurred on a shared basis that are directly attributable are presented on a net off basis.

2.10.47 Earnings Per Share (EPS)

The company calculates Earnings Per Share (EPS) in accordance with IAS 33, "*Earnings Per Share*" which has been shown on the face of the Profit and Loss Account. Earnings per share (EPS) has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the year. Details are shown in note 39 to the financial statements.

Basic Earnings Per Share

Basic earnings per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year. The total number of shares issued in current reporting period has been determined by

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a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the year.

Diluted Earnings Per Share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. However, diluted earnings per share calculated during the financial year 2022.

2.10.48 Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services, or obligations among related parties, regardless of whether a price is charged as per IAS 24 '*Related Party Disclosures*', Bangladesh Bank & BSEC guidelines. Details of the related party transactions have been disclosed in notes 47.1 to 47.8.

2.10.49 Reconciliation of books and account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the unreconciled balances within non-material level.

2.10.50 Events after the reporting period

Where necessary, all the material events after the balance sheet date have been considered and appropriate adjustment/ disclosures have been made in the financial statements as per IAS 10 '*Events after the Reporting Period*'.

Only material event after the balance sheet date is: The Board of Directors recommended 10% dividend (5% cash dividend and 5% stock dividend) for the year 2022 in its meeting no. 481 held on 25 April 2023.

2.10.51 Credit rating

ECRL has rated the Bank based on December 31, 2021 with "AA"(pronounced as Double A) in the long Term and ST-2 for the Short Term. The date of rating was April 24, 2022.

Year	Long Term Rating	Short Term Rating
2022	AA	ST-2
2021	AA	ST-2
2022	AA	ST-2

The outlook of the rating is Stable. The rating reflects the strengths of the company which is backed by its strong management, good liquidity position and satisfactory capital base as well as branch coverage throughout the country.

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2.10.52 Compliance report on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks. Consequently, the consolidated and separate financial statements of the Group and the Bank respectively have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by FRC. While preparing the financial statements, UCB applied all the applicable IASs and IFRSs as adopted by FRC. Details are given below:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the reporting period	10	Applied
Income Taxes	12	Applied
Property Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A **
Separate Financial Statements	27	Applied
Investments in Associates and Joint Ventures	28	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied ***
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the 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

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Financial Instruments: Disclosure	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied *
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in other entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory deferral accounts	14	N/A
Revenue from contracts with customers	15	Applied
Leases	16	Applied

* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to IAS/IFRS, some of the requirements specified in these IAS/IFRSs are not applied. Refer below for such recognition and measurement differences that are most relevant and material to the Bank and the Group.

** This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

*** The objective of IAS 34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, the Bank being a listed entity in Dhaka and Chittagong Stock Exchanges regularly publishes Interim Financial Report complying with IAS 34.

N/A= Not Applicable

New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out in Note 2 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards have been considered. However, these amendments have no material impact on the financial statements of the Bank.

A number of standards and amendments to standards are effective for annual periods beginning after 01 January 2022 and earlier application is permitted. However, the Bank did not apply earlier the following new standard in preparing these financial statements.

IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 and to be applied to annual reporting periods beginning on or after 1 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed the potential impact of IFRS 17 on its financial statements. There are no other

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standards that are not yet effective and that would be expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

2.10.53 Operating segments

Business segments report consists of products and services whose risks and returns are different from those of other business segments. The Bank has Nine reportable segments, as described below, which are the Bank's strategic business units. The strategic business units offer different products and services, and are managed separately based on the Bank's management and internal reporting structure. Each of the strategic business units of the Bank are periodically reviewed by the Management Committee. The following summary describes the operations in each of the Bank's reportable segments:

Segments' Name	Description
Corporate Banking	This unit focuses on large corporate groups including structured/syndicated finance with a variety of advances & deposit products and other transactions.
SME Banking	Includes loans, deposits and other transactions and balances with SME customers.
Consumer Banking	Includes loans, deposits and other transactions and balances with retail customers.
Treasury	Treasury unit undertakes the Bank's funding and maintenance of SLR, Asset-liability management through money market operation, Fx. market dealings, investing in derivatives including forwards, futures and swaps.
Investment Banking	Includes the Bank's trading, investment in equities and other capital market activities.
Offshore Banking	This unit aims to provide all kinds of commercial banking services to its customers in freely convertible currencies. Presently the Bank has one unit in Dhaka.
Card and Alternate Delivery Channel	This includes offering a variety of debit card and credit card to the customers according to their needs.
Mobile Financial Services	Mobile Financial Services came up with the aim to cover a large number of people under banking channel though mobile network facilitating convenient cash in/out, bill payment, POS purchase etc.
Agent Banking	UCB Agent Banking aims to promote full-fledged banking services to geographically dispersed and financially excluded areas. It's looking forward to offer cashless transaction to all class of people in near future.

2.10.54 Risk Management

In banking organization, risk is the possible outcome of an action or event which could bring up an adverse impact. Such outcome could either result in a direct loss of earnings/capital or may result in imposition of constraints on banks' ability to meet their business objectives. Risk is the outcome of losses due to sudden downturn in economy or falling interest rates. Banks have to rely on their capital as a buffer to absorb such losses. The types and degree of risks of an organization may be exposed depending upon a number of factors such as its size, complexity in business activities, volume etc. Initially Bangladesh Bank had issued guidelines on six core risk areas and accordingly scheduled banks operating in Bangladesh has implemented the guidelines for better risk management practice.

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Implementation of core risk management guidelines by United Commercial Bank PLC and its status are discussed below.

BRPD circulars no.17 dated 07 October 2003, BRPD circular no. 04 dated 05 March 2007 and DOS circular no. 2 dated 15 February 2012 require banks to put in place an effective risk management system. The risk management system of the Bank covers the following six broad risk areas:

- Credit Risk
- Foreign exchange risk
- Asset Liability Management Risk
- Internal Control & Compliance Risk
- Money Laundering Risk
- Information & Communication Risk
- Technology Security Risk

Credit Risk Management

Credit risk is most simply defined as the potential risk where a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximize a bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Banks need to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions. Banks should also consider the relationships between credit risk and other risks. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long term success of any banking organization.

Both on-balance sheet and off-balance sheet activities like guarantee has impact on credit risk. It may arise from either an inability or an unwillingness to perform in the pre-committed contracted manner. Credit risk comes from a bank's dealing with households, small or medium-sized enterprises (SMEs), corporate clients, other banks and financial institutions, or a sovereign. The assessment of credit risk involves evaluating both the probability of default by the borrower and the exposure or financial impact on the bank in the event of default.

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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.

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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.

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NETWORK MEMBER

Foreign Exchange Risk Management

Foreign exchange risk is the risk that changes an investment's value due to changes in currency exchange rates. This risk usually affects businesses that export and/or import but also affect investors making international investments. Financial risk management is the practice of creating economic value in a firm by using financial instruments to manage exposure to risk. The most common cause of foreign exchange (FX) risk arises from making overseas payments for imports that are priced in a foreign currency and receiving foreign currency as payment against exports. Exposure to foreign exchange risk can also arise from foreign currency borrowing and deposits, overseas subsidiaries, assets located overseas.

UCB has developed a Foreign Exchange Risk Management policy in line with the Bangladesh Bank foreign exchange guidelines to minimize different types of risks associated with foreign exchange transactions. In this guideline treasury functions are clearly demarcated between treasury front office, mid office and back office. The front office is involved only in dealing activities and the back office is responsible for all related support and monitoring functions on the other hand, mid Office will be responsible to monitor market risk, liquidity risk and operational risks at treasury. Treasury Front Office' 'Treasury Mid Office and 'Treasury Back Office' have separate and independent reporting lines to ensure segregation of duties and accountabilities.

The Bank has also developed different strategies to handle the foreign exchange risk by setting different types of limits and risk parameters to measure and monitor foreign exchange risk exposure of the Bank. Treasury department is vested with the responsibility to measure and minimize the foreign exchange risk associated with bank. To assess the degree of the risk associates with foreign exchange position bank computes VaR (Value at Risk) on its foreign exchange position on daily basis. To deal smoothly the dealers have various limits with triggers such as counterparty limit, stop loss limit, intraday limit, per deal limit etc.

Dealing room is equipped with Reuter's information and dealing system, a voice recorder for recording deals taking place over the telephone, television with financial news channels. Before entering into any deal with a counter party, a dealer ensures that they have knowledge about the counter party's dealing style, product mix and assess whether the customer is dealing in an appropriate manner.

Asset Liability Management Risk

ALM is an integral part of the financial management process of any bank. It is concerned with strategic balance sheet management involving risks caused by changes in the interest rates, exchange rates and the liquidity position of the bank.

The Asset Liability Management Committee (ALCO) of UCB headed by the Managing Director of the Bank meets at least once in every month to look after the financial market activities, manage liquidity risk, interest rate risk and FX or currency risk. Asset Liability Management (ALM) desk of the Treasury is primarily responsible for management of liquidity risk on a daily basis by appropriate coordination of funding activities. Asset liability Committee (ALCO) reviews the country's overall economic position, market outlook (local and global) and Bank's liquidity position. A quarterly projection of fund flows is reviewed in ALCO meeting regularly. ALCO also examines key ratios such as Maximum Cumulative Outflow, Advance Deposit Ratio, Capital Adequacy Ratio, Liquidity Coverage Ratio (LCR), Net Stable

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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	• Structural liquidity profile • Dynamic liquidity profile • Key Management Ratios • Cash flow projection
Interest Rate Risk	• Traditional Gap Analysis (up to 1 Year) • Traditional Gap Analysis (Total A-L) • Duration Gap Analysis • Balance Sheet VaR • Stress Testing
Currency Risk	• Currency wise Exposure • Value at Risk (VaR)

Internal Control and Compliance Risk

Internal Control is a process, effected by a bank's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. An organization deploy many layers of defense. In order to ensure, there are enough controls to manage the adverse risk of any major setback. The first layer of defense is the operational management. The second layer of defense is the control function such as internal control, risk management and compliance. The third layer of defense is the internal and external audit function.

A system of strong internal controls can help ensure that the goals and objectives of a banking organization will be met, that the bank will achieve long –term profitability target, and maintain reliable financial and managerial reporting. Such a system is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations,
- Reliability of financial reporting and
- Compliance with applicable laws, regulations, and internal policies.

UCB PLC develops and maintains a robust internal control framework comprising the following internal control features:

- Management oversight and the control culture
- Risk recognition and assessment

Control activities and segregation of duties

- Information and communication
- Monitoring activities and correcting deficiencies

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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:

i. ICCD of UCB is working in light of guideline on Internal Control & Compliance Guideline of UCB.
ii. ICCD arranges awareness Building workshop regarding compliance culture in different zone.
iii. 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.
iv. Compliance inspection team of ICCD carried out compliance inspection regarding authenticity/accuracy of RBIA compliance and miss reporting.
v. 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.
vi. ICCD prepare Health Report of UCB on Annual basis.
vii. 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 a

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responsibilities outlined in the ERM Framework and supporting suite of policy documents in order to manage Citi's risks in a consistent and effective manner.

Money Laundering Risk

Financial institutions across the globe are working hard to fight financial crime driven by demands to protect assets and maintain regulatory compliance. The areas of specific focus are those of Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF). Money laundering is the process of providing legitimate appearance to the illegally gained revenue. And terrorist financing process involves collecting the funds intended for use in supporting the terrorist organization from a variety of sources and using the funds as needed to further the terrorist organization's goals. Both Money Laundering and Terrorist Financing have the tradition of eroding the financial institutions and weakening the financial sectors' role in the economic growth.

Regulators expect functions in the Bank to be standardized on a global level and across business lines. The businesses themselves need consistency and efficiency. One of the best ways to satisfy these expectations is to centralize functions. This is an important first step in sharing and harmonizing skills throughout the organization.

UCB has already gone a long way in the path of centralizations of its functions. In 2018, new Anti-Money Laundering and Anti-Terrorist Financing Division has been formed. As instructed by BFIU, Deputy CAMLCO is heading this Division. The Division has been manned with qualified resources to ensure high level of AML and ATF compliance across the Bank.

AML & ATF Division has arranged a number of training programs on prevention of money laundering and terrorist financing for the Executives/Officers of the Bank through-out 2022 to develop their professional skill and ensure better compliance.

A total number of 21,317 participants were covered through e-learning & Training programme). Total 257 sessions were arranged by the LDC through eLearning module and Training facilities.

In line with international initiatives and standards, the Regulator has issued guidelines for preventing Trade Based Money Laundering (TBML). UCB has also prepared its own policy on "Prevention of Trade Based Money Laundering" on September 29, 2020 based on the BFIU guidelines on the same.

As part of Alternative Learning Channel, in 2022 LDC has partnered with LinkedIn & ensured upskilling of 50 officials to be equipped with the international business and leadership practices, refined critical thinking skills, improved virtual communication, flexibility and self-efficacy learning to maximize self-efficacy. Likewise, licenses for the UCB SMT of a Premium Learning Solution Harvard Manage Mentor was attained.

Fraud and Forgeries Risk

Fraud is deliberate deception to secure unfair or unlawful gain. UCB has been relentlessly striving for effective anti-fraud control mechanism to be in place and are working properly so that attempts to make fraud and forgeries can be identified at the initiation, escalated to the appropriate level of management and necessary corrective measures are undertaken accordingly. Moreover, as a part of

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practicing compliant culture, the Bank reported all instances of fraud and forgeries detected to the central bank on timely manner.

Information Communication Technology Risk

In the recent years, banking industry has been reshaped significantly in terms of its operational processes, service delivery channels, market strategies including targeting, segmenting, positioning / penetrating and with the wide varieties of product & services catered for individual customer needs mostly. Among all other pivotal factors, 'Information and Communication Technology' (ICT) has been regarded as the core to bring such momentous transformation into successful reality. Consequently, the importance of information security for the banks has gained much importance, and it is of the critical essence for us to ensure that the ICT risks are being properly identified and measured, and adequate mitigation strategies are in place.

ICT Risk management is a systematic approach for the identification, assessment and management of information security related risks in Bank. It encompasses not only the negative impacts of operations and service delivery which can bring destruction or reduction of the value of the Bank, but also the risk associated with opportunities losses to explore the technological benefits with adverse business impact.

UCB regarded 'Effective Risk Management Process' as a vital constituent of a thriving IT security program. Therefore, we developed our ICT risk management process in a way to aid the bank in achieving the new-fangled business changes, potential investment in information technology system, mitigating existing and imminent ICT threats.

The ICT Policy of the Bank has recently been revised and restructured to comply with the recent technology, risk management trends and Bangladesh Bank latest ICT guideline. The Business Continuity Plan, Disaster Recovery Plan and Information Security Management Policy have been republished after the revision. Moreover, UCB has developed ICT Risks Management Policy and approved by board, which covered all areas of IT risks according to Bangladesh Bank risks grading guideline.

UCB has the following footprints on reducing ICT risks including fraud prevention which will eventually ensure our sustainable banking operation in the foreseeable future:

- Vulnerability Assessment and Penetration Testing (VA/PT) Solution Introduced.
- Optimization of SWIFT System has been successfully completed.
- Internet Banking Solution with two factor authenticator (2FA) mechanisms and OTP.
- Anti-Money Laundering (AML) Solution Implemented.
- National Identity Card (NID) Verification System Introduced for avoiding duplicated NID use in Customer Account Opening.
- Two Factor Authentication (2FA), SMS, E-mail alerts for Credit card transactions.
- Anti-Skimming devices have installed in all UCB ATM for protecting Card Counterfeit.
- EMV standard solution (Chip Based) have been implemented that can reduce optimum level of card fraudulent activities (Skimming, Duplicate card, etc).
- Duel control mechanism: Bank has introduced maker checker roles in FCUBS & card management software which results internal user cannot process any CBS and credit card related tasks by one person.
- Real Time Automated Fraud Management Solution: IT has the capability to monitor fraudulent transaction based on defined rules. This solution can identify and manage risks properly.

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- Call Centre Solution has been implemented as a result: Customers who are calling UCB call center for any emergency help (card activation, deactivation, lost, transactions details etc) will be served accordingly which helps to reduce risk and improve customer services.
- Human Resource Management Information System (HRMIS) Solution has been implemented. So to maintain and control HR related issues faster and accurately (Employee screening, recruitment, promotions, benefits, retirement, etc) which also reduce the employee risks.
- Optimization of CORE Banking Software and Database.
- ICT Risks Management Policy, Process up gradation as per the latest Bangladesh Bank ICT guideline. It can reduce Regularity & Compliance related risks.
- Improvement in ICT Awareness Risk: ITD has continuously conducting ICT awareness related training for employee which are aligned with Learning and Development Center.

2.10.55 Internal Audit

The Bank has established an independent internal audit function for conducting risk based internal audit on various business and operation areas of the Bank on continuous basis.

2.10.56 Interest rate Risk

Interest rate risk may arise either from trading portfolio or from non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities as far as Interest rate risk is concern. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis and the Bank's Markets Treasury team actively manages the Balance Sheet gap to reduce the risk.

2.10.57 Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. Operational risk is inherent in the Bank's activities and as with other risk types is managed through an overall framework with checks and balances that include implementation of three line of defence, recognised ownership of the risk by the businesses and independent risk management oversight. The operational risk policy codifies the core governing principles for operational risk management and provides a framework for operational risk. In accordance with the policy, each business area is responsible to identify its key operational risks as well as the controls established to mitigate those risks and to ensure compliance with laws, regulations, regulatory administrative actions and the Bank's policies. The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the reputation of the Bank with overall cost effectiveness and innovation. In all cases, the bank's policy requires compliance with all applicable legal and regulatory requirements.

2.10.58 Operating Environment

The Bank's operating environment during the year ended 2022 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, start of Russia-Ukraine conflict, increase in fuel and commodity price, strengthening of USD, etc. Most of these events also had significant impact in the local economic environment affecting the Bank's operation. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various

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directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macroeconomic situation and factor these issues into the decision making process. However, the long-term effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from the actual results.

2.10.59 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

2.10.60 Audit Committee

According to BRPD Circular No. 12 (23 December 2002), all banks are advised to constitute an audit committee comprising of member of the board. The audit committee will assist the board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plan set by board for the effective functioning of the Bank. The committee will review the financial reporting process, the system of internal control and management of the financial risk, the audit process and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

The Bank, being a branch of a foreign bank, does not have a local board of directors from whom to select an Audit Committee but there is a Business Risk, Compliance and Control Committee (BRCC) where all risk issues are discussed, action points set to mitigate risks identified and documented. However, the Bank obtained formal dispensation from the Banking Regulation and Policy Department of Bangladesh Bank as regards to the formation of the committee as suggested in the BRPD Circular No 12 dated 23 December 2002.

2.10.61 Standard issued but not yet effective

The following new standards and amendments to standards are effective for annual periods beginning after 01 January 2022 and earlier application is permitted, but the Bank has not early adopted. However, none of these new and amended standards are expected to have a significant impact on the Bank's financial statements.

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Lease liability in a Sale and Leaseback (Amendments to IFRS 16).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).

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2.11 General

Functional and presentation currency

The financial statements are presented in Bangladeshi Taka, which is the Bank's functional currency. Financial information's has been rounded to the nearest Taka.

Comparative information

Comparative information in respect of the previous year has been presented from the audited financial statements for the year ended 31 December 2022. Figures of previous year have been rearranged whenever necessary to confirm the current year/period presentation.

Reporting period

These financial statements cover the period from 01 January 2022 to 31 December 2022.

Approval of financial statements

The financial statements have been approved by the Board of Directors of the bank in its meeting held on 25 April 2023.

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ACNABIN Chartered Accountants

Chartered Accountants

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
3 Cash	30,939,723,526	25,380,748,231	30,939,034,586	25,380,179,538
3.1 Cash in hand				
Local currency	7,282,632,080	5,754,712,719	7,281,943,140	5,754,144,026
Cash in ATM	1,754,993,500	1,694,618,000	1,754,993,500	1,694,618,000
Foreign currency	63,169,875	49,278,435	63,169,875	49,278,435
	9,100,795,455	7,498,609,154	9,100,106,515	7,498,040,461
3.2 Balance with Bangladesh Bank and its agent Bank(s)				
Local currency	20,178,794,329	16,938,530,397	20,178,794,329	16,938,530,397
Foreign currency	1,660,133,742	943,608,680	1,660,133,742	943,608,680
	21,838,928,071	17,882,139,077	21,838,928,071	17,882,139,077
Total Cash in hand including balance with Bangladesh Bank & its agent Bank's	30,939,723,526	25,380,748,231	30,939,034,586	25,380,179,538
3.2.1 Balance with Bangladesh Bank				
Local currency	20,178,700,334	16,938,487,415	20,178,700,334	16,938,487,415
Foreign currency	1,660,133,742	943,608,680	1,660,133,742	943,608,680
	21,838,834,076	17,882,096,096	21,838,834,076	17,882,096,096

* The above balance represents amount as per Bank Book. The differences due to reconciling items with Bangladesh Bank are subsequently adjusted.

3.2.2 Balance with Sonali Bank (as agent of Bangladesh Bank)				
Local currency	93,995	42,982	93,995	42,982
Foreign currency	-	-	-	-
	93,995	42,982	93,995	42,982

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Company Act, 1991 and amendments thereon and of instructions contained in DOS Circular No. 01 & 26 dated 19 January 2014 & 19 August 2019 respectively, MPD circular No. 03 dated 09 April 2020 respectively and SMPD Circular letter No. 31 dated 18 June 2020 issued by Bangladesh Bank.

The Cash Reserve Requirement (CRR) of the Bank calculated by-weeklybasis @ 4.00% on average demand and time liabilities (ATDTL) and maintained 3.50% on daily minimum basis with Bangladesh Bank in current account and @ 13.00% Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained in the form of Cash in Hand, balance with Sonali Bank (as agent Bank), Treasury Bills, Treasury Bonds, Bangladesh Govt. Sukuk Bond, Prize Bond & excess of CRR held. In year end position of CRR & SLR maintained by UCB clearly reflects that, both the reserve are excess over the requirement. Details of reserves maintained by the bank as at 31 December 2022 are as follows:

3.3.1 Cash Reserve Requirement (CRR)

A. Conventional and Offshore Banking		
Average total demand and time liabilities		
DBU	436,816,139,250	389,701,9[illegible]000
OBU	14,356,512,568	6,818,[illegible]369
Total ATDTL of Conventional and Offshore Banking	451,172,651,818	396,520,[illegible]369
i) CRR maintenance on daily minimum basis		
DBU (3.5% of ATDTL)	15,288,564,874	13,639,567,445
OBU (1.5% of ATDTL)	215,347,689	102,[illegible]911
Required reserve	15,503,912,563	13,741,[illegible]356
Actual reserve maintained	18,485,340,914	17,160,492,479
Surplus	2,981,428,352	3,418,451,023
ii) CRR maintenance on bi-weekly average basis		
DBU (4% of ATDTL)	17,472,645,570	15,588,077,080
OBU (2% of ATDTL)	287,130,251.37	136,365,347
Required reserve	17,759,775,821	15,724,442,427
Actual reserve maintained	18,485,340,914	17,160,492,479
Surplus	725,565,093	1,436,050,051
B. Islamic Banking		
Average total demand and time liabilities		
DBU	7,853,620,000	1,68[illegible]07,000
OBU	-	-
Total ATDTL of Islamic Banking	7,853,620,000	1,68[illegible]07,000
i) CRR maintenance on daily minimum basis		
DBU (3.5% of ATDTL)	274,876,700	58,838,745
OBU (1.5% of ATDTL)	-	-
Required reserve	274,876,700	58,838,745
Actual reserve maintained	386,240,766	153,614,954
Surplus	111,364,066	94,776,209
ii) CRR maintenance on bi-weekly average basis		
DBU (4% of ATDTL)	314,144,800	67,244,280
OBU (2% of ATDTL)	-	-
Required reserve	314,144,800	67,244,280
Actual reserve maintained	386,240,766	153,614,954
Surplus	72,095,966	86,370,674

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	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
3.3.2 Statutory Liquidity Ratio (SLR)				
A. Conventional and Offshore Banking:				
DBU (13% of ATDTL)			56,786,098,803	50,661,250,510
OBU (13% of ATDTL)			1,866,346,634	886,374,758
Required reserve			58,652,444,736	51,547,625,268
Actual reserve maintained			75,926,833,196	81,995,501,653
Surplus			17,274,388,460	30,447,876,385
B. Islamic Banking:				
DBU (5.5% of ATDTL)			431,949,100	92,460,885
OBU (5.5% of ATDTL)			-	-
Required reserve			431,949,100	92,460,885
Actual reserve maintained			653,057,892	385,013,921
Surplus			221,108,792	292,553,036
3.3.3 Held for Statutory Liquidity Ratio				
Cash in hand (note- 3.1)			9,100,106,515	7,498,040,461
Balance with Sonali Bank (agent Bank) (note-3.2.2)			93,995	42,982
Govt. Securities (Treasury Bills) (note:6.a)			7,854,765,489	18,454,437,834
Govt. Treasury Bond (HTM) (note : 6.1)			56,191,625,790	56,180,698,409
Govt. Treasury Bond (HFT) (note : 6.1)			-	-
Reverse Repo with other Bank (note : 6.1)			-	986,517,100
Bangladesh Bank Bills (note : 6.a)			-	986,517,100
Stock of Prize Bond (note : 6.1)			660,003,800	111,334,001
Excess Reserve of CRR (note : 3.3.1)			797,661,059	1,096,897,440
			74,604,256,648	83,174,485,327
4 Balance with other banks and financial institutions				
In Bangladesh (note - 4.1)	4,509,386,657	19,568,097,037	3,405,505,992	18,344,218,194
Outside Bangladesh (Annexure-A)	13,466,546,944	1,065,031,784	13,466,546,944	1,065,031,784
	17,975,933,601	20,633,128,821	16,872,052,936	19,409,249,978
4.1 In Bangladesh				
A. Current account and others				
Janata Bank Limited.			51,333,766	48,214,344
Agrani Bank Limited.			24,134,076	591,456
Rupali Bank Limited.			23,357	25,715
Sonali Bank Limited.			1,278,684,551	1,612,325,609
Standard Chartered Bank			1,427,545	6,061,070
NRB Bank Limited (Islamic Banking)			51,187	450,000,000
Shahjalal Islami Bank Limited (Islamic Banking)			51,511	-
			1,355,705,992	2,117,218,194
B. Fixed Deposits				
Bank				
MCC Bank Limited			-	1,500,000,000
Dhaka Bank Limited			-	1,900,000,000
Modhumati Bank Limited			-	600,000,000
Southeast Bank Limited			-	1,000,000,000
Mercantile Bank Limited			-	1,600,000,000
Mutual Trust Bank Limited			-	1,100,000,000
Shahlalal Islami Bank Limited			-	343,000,000
Midland Bank Limited			-	750,000,000
Premier Bank Limited			-	1,200,000,000
Pubali Bank Limited			-	429,000,000
Bank al Falah Limited			-	300,000,000
Jamuna Bank Limited			-	1,300,000,000
NRB Commercial Bank Limited			-	450,000,000
			-	13,072,000,000
NBFI				
International Leasing			400,000,000	400,000,000
Peoples Leasing & Finance Services			4,800,000	4,800,000
Aviva Finance Limited			650,000,000	650,000,000
Phoenix Finance and Investment Limited			500,000,000	500,000,000
ICB			-	450,000,000
Lanka Bangla Finance Limited			-	150,000,000
Uttara Finance & Investment Limited			250,000,000	250,000,000
Meridian Finance & Investment Limited			245,000,000	250,000,000
			2,049,800,000	2,654,800,000
Islamic Banking				
Exim Bank Limited			-	500,000,000
Total Fixed Deposits			2,049,800,000	16,227,000,000
Total (A+B)			3,405,505,992	18,344,218,194

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	Conselidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
4.2 Maturity grouping of balance with other banks & financial institutions				
On demand			1,355,603,294	1,667,218,194
Upto three months			13,711,649,842	15,637,231,784
More than three months but less than six months			250,000,000	650,000,000
More than six months but less than one year			-	650,000,000
More than one year but less then five years			1,554,800,000	804,800,000
			16,872,053,936	19,409,249,978
5 Money at call on short notice				
Modhumoti Bank Limited			-	250,000,000
Industrial Promotion & Development			-	290,000,000
IDLC Finance Limited			-	600,000,000
Lanka Bangla Finance Limited			-	220,000,000
Delta Brac Housing Finance Corporate			-	500,000,000
South Bangla Agriculture & Commerce Bank Ltd			-	890,000,000
ICB Bank Limited			-	450,000,000
			-	3,200,000,000
6 Investments				
Government Securities	65,222,002,585	73,662,987,344	64,706,395,079	73,662,987,344
Other Investments	13,788,191,877	9,384,007,790	11,728,167,126	7,724,622,156
	79,010,194,462	83,046,995,094	76,434,562,205	81,387,609,500
a) Government Securities				
Treasury Bills				
28 days Treasury bills			5,914,696,000	-
91 days Treasury bills			-	-
182 days Treasury bills			1,940,069,489	16,454,437,834
364 days Treasury bills			7,854,765,489	16,454,437,834
Government Bonds				
Prize Bonds			8,713,800	7,794,000
Reverse Repo with other Bank			-	916,517,100
Government Bonds			56,842,915,790	56,284,238,410
Total Government Securities			56,851,629,590	57,208,549,510
			64,706,395,079	73,662,987,344
b) Other Investments				
Shares in listed companies			5,116,345,610	4,725,700,603
Shares in non-listed companies			731,821,517	198,921,553
Sub-ordinated Bond			3,600,000,000	2,800,000,000
Perpetual Muaderba Bond (Islamic)			230,000,000	-
Perpetual Bond Investment			2,050,000,000	-
Total other investments			11,728,167,126	7,724,622,156
Total Investments (a+b)			76,434,562,205	81,387,609,500
6.1 Government Securities are Classified as per Bangladesh Bank Circular				
Treasury Bond - HTM			56,191,625,790	56,180,608,400
Treasury Bond - HFT			-	-
Treasury Bills - HTM			1,940,069,489	16,454,437,834
Treasury Bills - HFT			5,914,696,000	-
Bangladesh Bank Bills - HTM			-	-
Bangladesh Bank Bills - HFT			-	-
Reverse Repo with other Bank			-	916,517,100
Other Securities (Sukuk Bond & Prize Bond)			660,003,800	111,334,001
			64,706,395,079	73,662,987,344
6.2 Maturity grouping of investments				
On demand			-	103,540,000
Up to three months			7,900,800,000	17,878,727,893
More than three months but less then one year			11,049,567,126	7,258,238,668
More than one year but less then five years			14,952,500,000	17,238,083,760
Over five years			42,531,695,079	38,909,019,178
			76,434,562,205	81,387,609,500

6.3 Other Investments

A) Shares in listed companies other than BB Scheme

Name of the Company	Market Price as on 31.12.2022	Cost Price as on 31.12.2022	Cost Price as on 31.12.2021
Square Pharmaceuticals Ltd.	-	-	300,411,074
Grameenphone Ltd.	271,968,210	310,611,136	233,275,524
Brac Bank Ltd.	416,845,122	441,049,572	351,581,509
MARICO	29,058,000	29,175,635	93,583,768
National Housing Fin. and Inv. Ltd.	235,569,083	44,648,231	44,648,491
Titas Gas Transmission & dist. Co. Ltd.	-	-	38,233,177
Unique Hotel & Resorts Limited	-	-	79,999,580
ACI Limited	-	-	149,200,926
Berger PBL	63,591,502	66,081,678	42,557,144

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

bakertilly

30 MAY 2023

ATM Tajuzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
[illegible]212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka

Name of the Company	Market Price as on 31.12.2022	Cost Price as on 31.12.2022	Cost Price as on 31.12.2021
Square Textile Limited	-	-	95,713,543
Shasha Denims Limited	83,636,847	147,310,199	147,310,426
Eastern Bank Ltd.	-	-	87,147,710
The City Bank Limited	293,233,021	350,553,352	343,341,231
United Power Generation & Distribution Company Limited	58,870,666	67,031,572	93,508,162
Mawna CNG Limited	-	-	25,508,613
Singer Bangladesh Limited	-	-	-
IFAD Autos Limited	29,117,951	69,778,759	69,778,710
BATBC	380,342,481	397,313,219	289,967,315
Renata	313,036,837	278,655,882	248,681,224
Genex Infosys Limited	552,891,967	1,051,524,110	1,051,524,336
Runner Automobiles	158,432,173	140,288,089	145,800,000
Delta Life Insurance Company Limited	834,791,549	902,261,664	-
OLYMPIC	28,807,432	30,809,615	-
Perpetual Muadarba Bond (Islamic)	230,000,000	230,000,000	-
Sub Total (A)	3,090,192,861	4,556,862,912	3,931,773,863

B) Shares in listed companies as per BB Scheme (Dos circular No. 01 dated 10 February 2020)

Name of the Company	Market Price as on 31.12.2022	Cost Price as on 31.12.2022	Cost Price as on 31.12.2021
Grameenphone Ltd.	300,619,326	322,396,500	322,396,500
Brac Bank Ltd.	288,621,295	312,895,470	310,435,023
BATBC	21,367,328	24,975,148	-
Square Pharmaceuticals Ltd.	130,719,666	129,215,580	94,154,610
Singer Bangladesh Limited	-	-	66,941,608
Sub Total (B)	741,327,614	789,482,698	793,927,740

C) Shares in non-listed companies

Name of the Company	Market Price as on 31.12.2022	Cost Price as on 31.12.2022	Cost Price as on 31.12.2021
Karnafuli Tea Company	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
Eneroles Power Corporation	58,800,000	58,800,000	78,400,000
Fiber shine	10,000,000	10,000,000	10,000,000
UCB Asset Management Limited Mutual Fund	-	-	30,000,000
ICB AMC L2ND NRBUF	30,415,000	40,985,125	40,985,161
SWIFT	8,258,622	8,258,622	8,258,622
UCB TAOWA GF	52,447,500	52,500,000	-
UCB AML FMF	32,340,000	30,000,000	-
Fair electronics Ltd	500,000,000	500,000,000	-
Sub total (C)	723,538,892	731,821,517	198,921,553
Total (A +B + C)	5,445,059,367	6,078,167,127	4,924,622,156

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

6.3 (a) Cost and market value of investment as on 31 December 2022

Government securities:

Name of the Securities	Cost Price	Market Value/ Amortised Cost	Market Value/ Amortised Cost
Treasury Bills (Govt. Securities)	7,777,106,500	7,854,765,489	46,454,437,454
Govt. Treasury Bond (HTM)	57,462,967,049	56,191,625,790	56,180,69[illegible]
Others	-	-	996,517,100
Bangladesh Govt Investment Sukuk	651,290,000	651,290,000	103,540,000
Stock of Prize Bond	8,713,800	8,713,800	7,29[illegible]
	65,900,077,349	64,706,395,079	103,662,987,554

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Soudi Investment Limited
Head Office, Dhaka

Investment in Shares, Bond & Debenture:

Name of the Securities	Market Value/ Amortised Cost	Cost Price	Cost Price
Quoted Shares	4,721,320,475	5,346,345,609	4,725,700,603
Un-Quoted Shares	723,538,892	731,821,517	198,921,553
	5,445,059,367	6,078,167,127	4,924,622,156

6.4 (a) Disclosure regarding outstanding Reverse Repo on 31 December 2022.

Sl. No	Counter party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1				
2				
Total				-

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

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DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tarek
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

bakertilly

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 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	-	-	-
2) With Bank & FIs	420,137,624	701,075,615	565,106,624
Securities Purchased under reverse repo			
1) from Bangladesh Bank	-	-	-
2) from Other Bank & Financial ins.	393,512,000	10,280,317,419	2,606,213,639

7 Loans and Advances	474,639,746,248	408,309,815,649	468,605,096,016	402,481,735,743
7.1 Maturity grouping of Loans & Advances (including bills purchased and discounted)				
On demand	6,139,100,000	36,153,280,974	6,139,100,000	36,153,280,974
Not more than three months	131,933,998,608	60,933,570,614	131,933,998,608	60,933,570,614
More than three months but less than one year	116,574,681,326	116,137,456,288	110,541,963,315	110,309,376,383
More than one year but less than five years	154,968,392,991	140,170,671,641	154,968,392,991	140,170,671,641
More than five years	65,023,643,322	54,914,836,132	65,021,641,101	54,914,836,131
	474,639,746,248	408,309,815,649	468,605,096,016	402,481,735,743
7.2 Loans & Advances				
i) Loans, Cash credit & overdraft etc				
a) Within Bangladesh				
Loan	351,250,884,868	297,246,966,037	355,216,234,636	291,418,886,132
Cash credits	25,417,990,838	24,756,450,792	25,417,990,838	24,756,450,792
Overdrafts	64,479,486,196	59,750,987,341	64,479,486,196	59,750,987,341
b) Outside Bangladesh	451,148,361,902	381,754,404,170	445,113,711,670	375,926,324,265
	451,148,361,902	381,754,404,170	445,113,711,670	375,926,324,265
ii) Bills Purchased & Discounted (note : 7.13)				
a) Payable Inside Bangladesh				
Inland Bills Purchased	2,789,390,117	2,595,591,213	2,789,390,117	2,595,591,213
b) Payable outside Bangladesh				
Foreign bills purchased & discounted	20,701,994,229	23,959,820,265	20,701,994,229	23,959,820,265
	23,491,384,346	26,555,411,478	23,491,384,346	26,555,411,478
	474,639,746,248	408,309,815,648	468,605,096,016	402,481,735,743
7.3 Net Loans & Advances				
Gross Loans & Advances (note- 7.2)			468,605,096,016	402,481,735,743
Less : Non Performing Loans & Advances (note- 7.10 b)			28,077,685,496	17,737,290,[illegible]
Interest suspense (note- 12.4)			15,162,207,211	13,540,85[illegible]
Provision for Loans & Advances (note- 7.11)			19,208,241,209	16,584,382,[illegible]
			62,448,134,916	47,862,525,935
			406,156,961,100	354,619,209,[illegible]
7.4 Loans & Advances according to significant concentration				
a) Advances to the companies or firms in which the Directors of the Bank are interested			-	-
b) Advances to Chief Executive and other senior executives				
c) Advances to customers group				
Commercial Lending			49,826,309,073	45,575,816,391
Import Finance			25,641,240,760	24,235,864,805
Export Finance			2,960,249,215	3,358,[illegible]
House Building Loan			25,025,888,198	23,753,[illegible]
Transport Loan			3,766,590,422	3,715,012,679
Retail Loan			17,628,933,646	15,388,[illegible]
Staff Loan			5,310,392,251	4,672,[illegible]
Industrial Loan			282,530,411,628	234,010,[illegible]
Agricultural Loan			6,272,720,919	4,766,[illegible]
Others			49,642,259,934	43,004,[illegible]
Total Loans & Advances			468,605,096,016	402,481,735,743
7.5 Industry wise Loans and Advances				
RMG & Accessories			84,079,761,237	85,745,065,804
Textile Industries			32,456,282,644	24,789,611,096
Agriculture			6,272,720,919	4,766,106,487
Food Products & Processing			18,416,248,261	15,604,952,054
Jute Industries			227,457,203	219,726,904
Leather & Leather Products			1,345,234,575	1,283,409,627
Paper & Paper Products Industries			6,880,541,819	7,443,876,678
Wood & Wooden Products			2,229,491,533	2,822,102,309
Chemical & Chemical Products			9,846,114,838	6,543,225,452

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Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

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A M Tanbiruzzaman, FCS
GMD & Company Secretary
United Commercial Bank PLC

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Managing Director & CEO
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30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

Md. Shawkat Jahan Khan
Chief Executive Officer
Bonali Investment Limited

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

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	Consolidated		United Commercial Bank PLC	
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Cement Industries			14,806,113,247	10,458,041,616
Brick Field, Auto Bricks, Tiles			2,330,461,103	1,503,664,468
Engineering, Basic Metal & Products			16,818,799,987	11,599,966,845
Ship Re-cycling			11,943,009,041	7,011,565,533
Ship Manufacturing			1,850,623,547	2,320,056,667
Educational Institute, Hotel, Restaurant			5,839,267,577	3,109,071,431
Telecommunication			2,442,455,755	2,441,694,716
Transport & Communication			3,766,590,422	3,715,012,679
Diagnostic/Medical/Clinic			3,849,136,870	3,641,814,854
Housing Industry			25,025,888,198	23,753,409,182
Construction (Other than Housing)			38,105,193,198	34,831,450,370
Electronics Media			335,270,270	342,143,301
Power & Energy			10,870,069,620	9,960,279,417
Commercial Trade Financing			78,427,799,048	73,169,869,658
Glass & Glassware Product Industries			518,954,390	273,075,916
Tea Manufacturing			421,550,403	702,871,809
Others			89,500,102,311	64,411,660,672
			468,605,096,016	402,481,735,743

7.5.1 Cluster base CMSME Financing

In compliance with Bangladesh Bank SMESPD circular no. 05 dated 14 August 2022, the bank has already adopted cluster financing policy for CMSME loan. As per policy defined cluster wise outstanding as on 31 December 2022 was;

Classification	Amount in Taka
High priority cluster financing	
Ready Made Garments (RMG), Knitwear, Designe & Personal Wear Clusters	673,100,000
Others	
Powerloom	249,468,000

7.6 Geographical Location wise Loans & Advances

Urban branches		
Dhaka	350,084,446,298	292,940,857,981
Chattogram	86,437,455,603	80,077,067,434
Sylhet	1,871,611,420	1,594,613,324
Rajshahi	6,088,025,362	5,989,399,541
Rangpur	772,869,696	735,352,710
Khulna	8,021,722,727	7,875,736,669
Barisal	746,470,338	617,874,890
Mymensingh	691,967,067	-
	454,714,568,411	389,830,902,548
Rural branches		
Dhaka	9,312,581,425	8,977,936,326
Chattogram	3,231,316,216	2,950,685,129
Sylhet	399,086,212	299,178,794
Rajshahi	281,878,134	262,744,920
Rangpur	126,066,293	90,127,920
Khulna	283,455,211	84,870,835
Barisal	54,696,361	11,401,072
Mymensingh	201,447,253	-
	13,890,527,685	12,650,833,196
	468,605,096,016	402,481,735,743

7.7 Sector - wise Loans and Advances

Government & autonomous	95,465,147	86,090,433
Co-operative sector	22,212,723	-
Other public sector	-	-
Private sector	468,487,418,146	402,395,675,310
	468,605,096,016	402,481,735,743

7.8 Details of large Loans and Advances

Number of clients which sanctioned amount of loans exceeding 10% of total capital of the Bank with outstanding and classified amount.

Total Capital of the Bank (Taka in Crore)	5,367	4,276
Outstanding Advances (note : 7.8.1)	24,298	18,499
Number of customers	40	41
Classified amount	-	-
Measures taken for recovery		

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shafiqul Islam Khan
Chief Executive Officer
Somoy Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
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Arif Quadri
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30 MAY 2023

Syed M Omar Ayub
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Consolidated		United Commercial Bank PLC	
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7.8.1 Detail of information on Advances more than 10% of Bank's total Capital as on 31 December 2022

(Figure in crore)

Name of the Borrower	Outstanding as on 31 December 2022			31 December 2021
	Funded	Non-Funded	Total	Total Taka
Four H group	1,164.49	339.54	1,504.04	1,971.82
Mondol Group	679.00	922.32	1,601.32	1,806.91
Micro Fibre Group	479.61	463.45	943.06	1,552.40
Mostafa-Hakim Group	688.55	470.46	1,159.01	1,179.06
Bashundara Group	1,117.88	51.85	1,169.73	1,124.45
Toma Group	515.53	663.22	1,178.75	926.71
BSM Group	565.13	185.24	750.38	913.07
GPH Group	350.71	513.03	863.74	880.85
Metro (Panam) Group	332.43	367.28	699.71	802.08
Abul Khair group	41.69	625.31	667.00	737.63
N.R. Group	570.97	207.93	778.91	699.80
DIRD Group	614.86	68.40	683.27	620.00
Pran Group	389.63	361.77	751.40	576.01
B Trac Group	131.34	281.67	413.01	568.07
City Group	244.51	596.60	841.11	556.87
Habib Group	-	-	-	554.11
Kabir Group	338.62	148.72	487.34	532.55
AWR Group	495.94	26.63	522.57	526.99
AJZ GROUP	436.27	143.89	580.16	503.48
Confidence Group	136.56	288.53	425.10	483.61
Baraka Patenga Group	172.72	678.72	851.44	481.60
New Asia Group	-	-	-	476.37
Hulti Trading Group	144.46	310.63	455.10	470.76
Tahseen Group	-	-	-	429.00
Wahid Group	-	-	-	397.45
APS Group	283.37	95.02	378.39	393.71
Max Group	269.25	225.84	495.09	387.65
Mir Akhter Hossain	-	-	-	386.19
Thermax Group	250.38	233.65	484.03	385.53
M.M Knitwear Group	272.38	141.81	414.19	383.91
Anwar Group	380.32	140.06	520.37	377.43
BSRM Group	0.13	315.25	315.38	361.26
Orion Group	366.60	0.89	367.49	344.20
Fair Group	-	-	-	340.19
Bakshakhi Group	321.02	121.88	442.90	323.97
Energypac Group	213.76	105.46	319.22	283.66
Bashundara Oil	256.93	-	256.93	249.21
Ideal Electrical Group	-	-	-	213.27
Medhna Group	53.94	159.26	213.20	126.88
Spectra Group	122.31	159.31	281.62	110.08
Summit Group	35.78	162.37	198.15	60.[illegible]
Walton Group	152.35	48.39	200.74	
Rupayan Group	611.17	-	611.17	
Bulk Trade Group	99.39	442.76	542.15	
Western Engineering (pvt) Ltd.	496.99	62.01	509.00	
KDS Group	0.09	25.43	25.51	
Universal Denims Group Total	129.46	267.26	396.23	
Total	13,475.53	10,422.39	24,297.91	24,429.44

7.9 Disclosure of Particulars of Advances

i) Loans considered good in respect of which the banking company is fully & partly secured.	362,696,830,278	312,160,979,738
ii) Loans considered good against which the banking company holds no security than the debtors personal guarantee.	41,731,110,548	50,116,384,546
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor.	64,187,155,189	40,204,371,460
iv) Loans adversely classified, provision not maintained there against.	-	-
	468,615,096,016	402,481,735,744
vi) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	5,310,392,251	4,672,954,406
vii) 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	-	-
viii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any	5,310,392,251	4,672,954,406
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members	-	-
ix) Due from banking companies	-	-

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30 MAY 2023

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		31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
x)	Amount of classified loans on which interest has not been charged:			26,129,730,824	15,091,406,571
a)	(Decrease)/ Increase in provision			2,623,860,070	3,038,483,126
b)	Amount realized against loan previously written off			236,944,194	102,577,518
c)	Amount of provision kept against loan classified as Bad /Loss on the balance sheet date			10,002,939,434	6,081,831,019
d)	Interest credited to the interest suspense account.			5,960,421,558	4,342,188,321
xi)	Cumulative amount of the written off loan			17,855,427,756	13,859,886,709
xii)	Amount written off during the year			4,232,485,241	533,992,311
	Principal Written off			3,079,326,167	426,893,663
	Interest suspense written off			1,153,159,074	107,098,648
xiii)	Amount of written off loan for which law suit filed			20,066,138,050	15,833,652,809

7.10 Classification of Loans & Advances

a) Unclassified

Standard (SMA)	10,219,511,122	14,047,422,407
Standard	428,533,306,899	366,080,880,748
SMA-Special RSDL (BRPD-5)	1,774,593,498	4,616,142,194
	440,527,410,518	384,744,445,349

b) Classified

Sub - Standard	1,605,752,460	283,803,106
Doubtful	342,202,212	125,419,718
Bad & Loss	26,129,730,824	17,328,367,571
	28,077,685,496	17,737,590,395
	468,605,096,014	402,481,735,743

*** Segment-wise Non Performing Loans & Advances**

	Sub Standard	Doubtful	Bad & Loss		
Corporate	740,526,657	47,094,338	18,221,335,624	19,008,956,619	10,318,078,253
Retail	195,004,579	192,893,639	535,104,834	923,003,053	571,643,882
SME	670,221,224	102,214,234	7,373,290,366	8,145,725,824	6,847,568,260
	1,605,752,460	342,202,212	26,129,730,824	28,077,685,496	17,737,290,395

7.11 Particulars of required provision for Loans & Advances

Particulars	Base for Provision	Rate of Provision	Provision required	
General Provision (a)				
Special Mention Account	9,523,815,500	0.25% - 5%	56,229,837	128,058,149
Small & Medium Enterprise	96,772,202,082	0.25%	241,930,574	222,816,699
Consumer Fin.- Credit Card	3,301,271,244	2%	57,636,578	50,987,223
Consumer Fin-House Finance	4,996,859,370	1%	49,833,006	31,830,300	
Consumer Fin - Professional	407,966,921	2%	8,159,351	7,[illegible],032
Consumer Fin-Others	5,335,630,234	5%	106,714,025	102,[illegible],852
Short Term Agri & Micro Credit	8,720,867,134	1%	82,208,766	39,509,401
Loan to Brk/MBs/SDs against share	2,069,286,260	2%	40,678,504	40,[illegible],100
Standard loans & advances	307,440,683,110	1%	3,728,137,881	4,29[illegible],244
Special General Provision- COVID-19	-	1%	1,630,000,000	1,540,000,000
	438,958,601,856		6,001,528,522	6,463,[illegible],000

Particulars	Base for Provision	Rate of Provision	Provision required	
Specific Provision (b)				
Sub - Standard	1,065,316,939	20% & 5%	74,653,880	47,923,031
Doubtful	247,568,943	50% & 5%	108,230,929	9,736,950
Bad & Loss	10,002,939,432	100%	10,002,939,434	6,081,831,019
SMA-Special RSDL (BRPD-5)	1,319,882,198		504,066,419	1,411,704,980
Bangaldesh Bank Directives	-		2,416,823,025	2,415,465,663
Provision against special accounts	-		-	155,680,496
	12,635,707,512		13,206,713,687	10,122,342,139
Total provision required for Loans & Advances (A+B)			19,208,242,209	16,585,982,139
Total provision held for Loans & Advances			19,208,242,209	16,585,982,139
Excess/(Short) Provision			-	-

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

Md. Shawkat Jahan Khan
Chief Executive Officer
Socuti Investment Limited
Head Office, Dhaka

30 MAY 2023

[illegible]ruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmidzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
73 [illegible]rate Office, Gulshan Avenue

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
7.12 Suit filed by different branches against defaulted borrowers during the year				
(Branch wise details)				
Agrabad branch			927,262,260	314,868,306
Feni branch			-	7,379,576
Jessore branch			-	771,279
Naogaon branch			-	2,150,728
Comilla branch			-	42,122,885
Sylhet branch			215,648,483	-
Brahmanbaria branch			-	15,664,140
Gazipur Chowrasta branch			16,118,474	-
Gulshan Branch			35,304,614	-
Kamrangirchar branch			6,702,494	-
Kanaipur branch			2,782,916	45,394,599
Mirpur Road branch			738,716,180	-
Narayangonj			-	13,357,560
Rajshahi Branch			-	65,564,918
Chittagong Medical Collage Br			-	25,394,446
Dinajpur Branch			-	64,662,680
Hymensingh branch			2,212,289	4,799,538
Station Road branch			11,967,390	67,555,552
Jhawtala Branch			-	23,627,440
O.R Nizam Road branch			3,216,047	540,865,121
Principal branch			65,845,149	42,831,306
Mohammadpur branch			-	602,407
Corporate Branch			244,295,196	-
Chaumuhani			73,515,661	-
Anwara Br.			8,858,802	-
Kadamtoli branch			-	664,510,887
Islampur Branch			4,245,486	-
Pragati Sarani Branch			16,234,812	-
Sherpur (Mymensingh)			-	6,192,548
Khatungonj Br.			860,463,168	-
Bahaddarhat			14,693,341	-
Moulvibazar Dhaka			5,067,670	-
Anderkilla branch			-	37,022,858
Bijoynagar branch			32,569,771	-
Foreign Exchange			149,250,108	-
Narsingdi Br.			46,523,142	-
Chapainababgonj			-	52,97[illegible]
			3,681,693,416	2,038,376[illegible]
7.13 Bills purchased and discounted				
a) Payable in Bangladesh			2,786,390,117	2,595,591[illegible]
b) Payable outside Bangladesh			20,701,994,229	23,959,820[illegible]
			23,491,384,346	26,555,411,[illegible]
7.13.1 Maturity grouping of bills purchased and discounted				
Payable within one month			-	-
Over one month but less than three months			8,516,200,000	1,320,231,986
Over three months but less than six months			6,889,600,000	1,456,612,954
Six months or more			330,948,534	481,775,440
			7,754,635,812	23,296,791,098
			23,491,384,346	26,555,411,478

7.14 Compliance status of BRPD circular no. 04 dated 04 January 2021 and BRPD circular letter no. 35 dated 06 July 2021

As per BRPD circular no. 04 dated 04 January 2021 and BRPD circular letter no. 35 dated 06 July 2021, in order to validate financial statements for credit approval/renewal for the clients under relationship of Corporate Banking, the Bank has verified DVC mentioned in audited financials with DVS (Document Verification System) developed by ICAB (Institute of Chartered Accountants of Bangladesh) for all the possible cases and has preserved with [illegible] accordingly.

8. Fixed assets including premises, furniture & fixture

Land	6,282,956,179	6,282,956,179	4,395,054,283	4,395,054,283
Building	2,663,726,008	2,590,073,665	2,623,253,671	2,559,698,420
Furniture and fixtures	2,792,390,685	2,416,633,155	2,693,736,543	2,373,267,[illegible]
Office equipments	2,764,213,030	2,627,977,340	2,713,986,040	2,605,760,758
Computer & equipments	2,506,826,435	1,932,157,232	2,190,846,756	1,687,141,874
Vehicles	642,675,822	513,876,623	610,872,113	500,450,963
Capital Expenditure Work in Progress	724,573,408	864,787,580	586,762,044	759,111,835
	18,377,361,567	17,228,461,974	15,808,511,450	14,880,485,569
Intangible assets				
Computer software	1,864,123,891	1,447,385,833	1,848,510,666	1,439,719,788
Lease Asset				
Right of Use assets (ROU) as per IFRS 16	5,990,566,138	5,990,566,138	5,990,566,138	5,990,566,138
	26,232,051,596	24,266,413,945	23,247,588,254	22,310,771,495
Less: Accumulated depreciation and amortization	9,805,540,602	7,248,217,464	8,668,178,180	8,089,575,929
Written down value at the end of the year	17,026,510,993	17,018,196,481	14,579,410,074	14,221,195,566

The schedule of Fixed assets is given in Annexure- B

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Fahimuzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Somali Investment Limited
Head Office, Dhaka

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	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
9. Other assets				
Investment in share of subsidiary companies.	-	-	7,499,999,870	5,499,599,980
Receivable from Subsidiary Company	-	-	110	3,288,579
Stock of Stationery & Stamps	72,649,049	45,574,840	72,649,049	45,574,840
Account with Stock Broker	282,494,602	707,191,708	282,494,602	707,191,708
Advance Payment	2,659,369,280	2,860,412,586	2,091,729,330	2,252,650,397
Advance Deposit	4,654,406	6,247,730	4,654,406	6,247,730
Suspense Account (note - 9.1)	1,703,851,746	1,581,570,216	1,703,851,746	2,581,570,216
Advance Income Tax Paid (note - 9.2)	1,529,764,179	1,118,597,021	1,529,764,179	1,118,597,021
Interest Receivable	1,973,706,064	2,271,639,682	1,973,706,061	2,271,639,682
Income Receivable	16,984,457	15,014,126	16,984,457	15,014,126
Head Office General Account (note - 9.3)	140,471	2,659,186	140,471	2,659,186
Deferred Tax Asset (note - 9.4)	5,469,685,031	4,226,106,925	5,470,180,663	4,228,862,157
Others (note - 9.5)	1,514,055	949,554	1,018,435	949,554
	13,714,813,337	12,835,963,574	20,646,671,379	18,734,245,157
9.1 Suspense accounts				
Advance against expenses			752,608,255	1,852,123,400
Advance against Foreign Remittance Settlement			85,289,523	13,036,099
Claims on Sanchaypatra			75,016,553	255,271,070
Interest on sanchaypatra			23,507,571	42,284,507
Excise duty			-	1,650,900
Protested bill			97,030,471	97,013,874
Sundry receivable ATM			404,741,922	241,741,913
Card suspense			107,753,321	77,855,953
UBS Required Suspense Account			157,037,330	-
Cash in Excess/(Short) ATM			876,800	592,500
			1,703,851,746	2,581,570,216
9.2 Advance income tax				
Opening balance			1,118,597,021	1,293,168,266
Add: Advance Tax paid during the year			4,392,182,336	3,285,957,698
Less: Advance Tax adjustment with tax Provision			(3,981,015,178)	(3,460,528,944)
			1,529,764,179	1,118,597,021
9.2.1 Advance income tax paid				
A) Assessment year wise break up is as follows:				
2012-2013			2,300,895,593	2,300,895,593
2013-2014			1,801,862,346	1,801,862,346
2017-2018			2,912,485,430	2,52[illegible]
2018-2019			2,381,403,375	2,381,[illegible]
2020-2021			2,127,302,249	2,077,302,249
2021-2022			2,274,983,810	2,248,[illegible]
2022-2023			3,516,381,057	1,118,[illegible]
2023-2024			1,529,764,181	-
			18,845,078,041	14,452,895,707
Less: Advance Tax Adjusted with tax provision up to the year 2022			(17,315,313,862)	(13,334,298,686)
			1,529,764,179	1,118,597,021
9.3 Head Office General Account				
This is made up as follows:				
Due from branches			178,644,215,303	171,732,[illegible]
Due to branches			178,644,074,832	171,729,[illegible]
			140,471	2,659,186

9.4 Deferred Tax Asset

Deferred tax assets and liabilities have been recognised and measured in accordance with the provisions of IAS 12: Income Taxes. Deferred tax assets and liabilities for financial statements are attributable to the following:

Balance as at 31 December 2021	
Deferred Tax Asset (a)	4,375,162,627
Deferred Tax Liability (b)	(146,300,490)
Net Deferred Tax Asset as at 31 December	**4,228,862,157**
Balance as at 31 December 2022	
Deferred Tax Asset (a)	5,569,999,009
Deferred Tax Liability (b)	(99,418,346)
Net Deferred Tax Asset as at 31 December	**5,470,180,663**

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

Md. Shawkat Jahan Khan
Chief Executive Officer
Soneli Investment Limited
Head Office, Dhaka.

30 MAY 2023

Aruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tabe[illegible]duzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
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30 MAY 2023

Syed M Omar Tayuti
Managing Director & CEO
Prime Soneli Investment Limited
Head Office, Dhaka

United Commercial Bank PLC

Particulars	Accounting Base	Tax Base	Deductible/ (Taxable) Temporary Difference	Applicable Rate	31.12.2022 Taka Deferred Tax Asset/(Liability)	31.12.2021 Taka Deferred Tax Asset/(Liability)
Opening provision(Specific)	11,604,682,158	-	11,604,682,158	37.50%		4,351,755,809
Provision made during the year (Specific)	6,163,562,757	3,079,191,210	3,084,371,547	37.50%		1,156,639,330
Opening provision (Dilution of Investment)	-	-	-	10.00%		-
Provision made during the year (Dilution of Deferred tax asset (a)	612,038,691	-	612,038,691	10.00%		61,203,869
						5,569,599,009
Property, Plant and Equipme Deferred tax liabilities (b)	5,823,981,638	5,558,866,050	(265,115,588)	37.50%		(99,418,346)
						(99,418,346)

9.5 Others

Other Receivable	1,018,435	949,554
	1,018,435	949,554

9.6 Income generating other assets

Investment in share of subsidiary companies

UCB Stock Brokerage Limited	2,499,999,900	2,500,000,000
UCB Investment Limited	999,999,990	999,999,990
UCB Asset Management Limited	999,999,990	999,999,990
UCB Fintech Company Limited	2,999,999,990	1,000,000,000
	7,499,999,870	5,499,999,980

9.7 Non-income generating other assets

Stock of Stationery & Stamps	72,649,049	45,574,840
Receivable from subsidiary companies	110	3,288,579
Account with Stock Broker	282,494,602	707,191,708
Advance Payment	2,091,229,330	2,252,650,397
Advance Deposit	4,654,406	6,247,736
Advance Income Tax Paid	1,529,764,179	1,13[illegible]
Suspense Account	1,703,851,346	2,5[illegible]
Head Office General Account	140,471	[illegible]
Deferred Tax Asset	5,470,180,663	4,2[illegible]
Interest receivable	1,973,706,061	2,2[illegible]
Income receivable	16,984,457	[illegible]
Others	1,018,435	[illegible]
	13,166,623,509	11,2[illegible]

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Shyamoli Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tajmuzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
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30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

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	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
10 Borrowings from other banks, financial institutions and agents				
In Bangladesh (note - 10.1)	97,248,832,136	79,486,038,324	94,100,984,952	75,879,235,181
Out Side Bangladesh (note - 10.2)	9,790,908,448	9,924,399,071	9,790,908,448	9,924,399,071
	107,039,740,584	89,410,437,395	103,891,893,400	85,803,634,252
10.1 In Bangladesh				
UCBL Subordinated Bond (note - 10.1.1)			11,480,000,000	13,300,000,000
UCBL Perpetual Bond			4,000,000,000	4,000,000,000
Bangladesh Bank IPFF Fund			5,548,003,952	4,780,948,537
EDF Borrowings from Bangladesh Bank			50,131,431,273	43,048,570,624
Borrowing from Bangladesh Bank Refinancing scheme			12,145,037,187	10,320,716,020
OBU Term Borrowing_Bank			1,053,585,540	429,000,000
Borrowing from Bank & NBFI(Short Term Borrowing)			6,032,927,000	-
Money at Call on Short Notice			3,710,000,000	-
			94,100,984,952	75,879,235,181
10.1.1 UCBL Subordinated Bond				
UCBL 2nd Subordinated Bond			-	1,000,000,000
UCBL 3rd Subordinated Bond			3,500,000,000	4,900,000,000
UCBL 4th Subordinated Bond			6,480,000,000	7,400,000,000
UCBL 5th Subordinated Bond			1,500,000,000	-
			11,480,000,000	13,300,000,000
10.2 Out Side Bangladesh				
PROPARCO			-	122,571,425
DBS Bank Limited			-	1,715,800,000
Standard Chartered Bank			-	858,000,000
National Bank of Ras Al-Khaimah, UA			4,235,000,700	2,337,227,648
Emirates Islamic Bank			663,139,134	343,200,000
Commercial Bank of Qatar			-	-
Abu Dhabi Commercial Bank			-	2,574,000,000
CAIXA BANK SPAIN			1,611,366,120	-
STATE BANK OF INDIA HONG KONG			206,585,400	-
United Bank Limited-UAE			723,048,900	-
ICICI Bank Ltd., India			-	429,000,000
Bank Muscat International			1,342,805,100	1,544,400,000
Emirates NBD Bank PJSC-UAE			1,008,963,094	
			9,790,908,448	9,924,399,071
10.3 Security against borrowings from other banks, financial institutions and agents				
Secured			-	-
Unsecured			103,891,893,400	85,803,634,252
			103,891,893,400	85,803,634,252
10.4 Maturity Grouping of Borrowings from other banks, financial institutions & agent				
Payable on demand			3,710,000,000	-
Payable within one month			14,183,407,146	4,497,599,586
Over one month but within six months			56,390,590,639	45,826,743,129
Over six month but within one year			4,382,695,615	8,599,580,697
Over one year but within five years			14,854,200,000	15,179,871,980
Over five years but within ten years			10,371,000,000	7,700,028,860
			103,891,893,400	85,803,634,252
11 Deposits and other accounts				
Inter Bank deposits	5,318,259,349	3,519,459,448	5,318,259,349	3,519,459,448
Other deposits	419,365,157,625	383,504,369,015	420,710,181,419	385,581,264,536
	424,683,416,974	387,023,828,463	426,028,440,768	389,100,723,984
a. Current accounts & other accounts				
Current deposits	52,518,987,419	48,827,732,278	53,864,011,213	51,304,617,799
Foreign currency deposits	3,725,788,414	2,389,606,375	3,725,788,414	2,389,606,375
Sundry deposits (note - 11.1)	36,722,745,385	27,128,769,687	36,722,745,385	27,128,769,687
	92,967,521,218	78,346,169,340	94,312,545,012	81,822,993,861
b. Bills Payable				
Pay order	7,009,297,398	8,838,542,084	7,009,297,398	8,838,542,084
Demand draft payable	6,724,085	6,726,285	6,724,085	6,726,285
	7,016,021,483	8,845,268,369	7,016,021,483	8,845,268,369
c. Savings Bank deposits				
Savings Bank deposits	85,798,085,253	80,659,233,376	85,798,085,253	80,659,233,376
	85,798,085,253	80,659,233,376	85,798,085,253	80,659,233,376
d. Fixed deposits				
Fixed deposits	158,050,366,555	139,395,911,610	158,050,366,555	139,395,911,610
Scheme Deposits	44,025,566,874	42,464,444,567	44,025,566,874	42,464,444,567
	202,075,933,429	181,860,356,177	202,075,933,429	181,860,356,177
e. Special notice deposits	36,825,855,591	37,312,802,201	36,825,855,591	37,312,802,201
Total Deposits and other accounts (a+b+c+d+e)	424,683,416,974	387,023,828,463	426,028,440,768	389,100,723,984

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Corporate Office, Gulshan Avenue
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30 MAY 2023

Syed M. Tawfiq Tayjub
Managing Director & CEO
South Investment Limited
Head Office, Dhaka

Chartered Accountants

		Consolidated		United Commercial Bank PLC	
		31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
11.1	**Sundry deposits**				
	Sundry creditors			968,107,698	283,174,918
	Security deposits			10,981,550	9,432,100
	Debit & Credit card			14,466,010	12,206,642
	Others*			25,892,671	16,035,934
	FC held against deemed export LC			2,388,400,621	1,752,810,210
	FC held against BTB LC			20,589,945,246	16,877,138,845
	Margin				
	Letter of guarantees			2,539,085,022	2,464,156,924
	Letter of credit			9,693,391,305	5,608,773,719
	SME Time Loan			19,774,377	6,193,459
	Export Proceed			72,237,885	99,946,536
				36,722,745,382	27,128,739,487

*The Bank deposited its balances of unclaimed deposits of more than 10 years to Bangladesh Bank on 26 April 2022 following section 35 of the Bank Company Act 1991.

11.2 **Maturity analysis of deposits & other accounts**

	Inter- Bank Deposits			
	Payable on demand		1,761,946,896	14,192,579
	Payable within one month		56,312,453	5,266,869
	Over one month but within six months		-	-
	Over six month but within one year		3,500,000,000	3,500,000,000
	Over one year but within five years		-	-
	Over five years but within ten years		-	-
			5,318,259,349	3,519,459,448
	Other Deposits			
	Payable on demand		7,125,614,954	5,285,531,770
	Payable within one month		41,648,081,630	42,149,846,699
	Over one month but within six months		101,422,205,945	93,382,406,402
	Over six month but within one year		39,576,457,649	36,028,943,486
	Over one year but within five years		124,148,643,905	120,081,483,924
	Over five years but within ten years		106,789,177,335	89,443,052,205
			420,710,181,419	386,371,264,536
			426,028,440,768	389,890,723,984

11.3 **Sector-wise deposits**

	Government		2,274,838,902	1,678,480,364
	Semi-Government		3,803,627,852	2,476,620,336
	Public		21,836,228,253	21,985,285,046
	Private		394,387,957,347	361,370,671,942
	Foreign Currency Deposits		3,725,788,414	379,666,375
			426,028,440,768	389,890,723,983

12 **Other Liabilities**

Provision for loans & advances (note - 12.1)	17,578,242,209	15,044,382,138	17,578,242,209	15,044,382,138
Special General Provision for COVID-19 (note - 12.2)	1,630,000,000	1,540,000,000	1,630,000,000	1,540,000,000
Provision for off-balance sheet exposure (note - 12.3)	1,944,055,532	2,407,237,923	1,944,055,532	2,407,237,923
Interest suspense account (note - 12.4)	15,162,207,211	13,540,853,401	15,162,207,211	13,540,853,401
Provision for diminution in value of investment (note - 12.5)	612,038,691	-	612,038,691	-
Provision for classified fixed assets (note - 12.6)	3,972,000	3,972,000	3,972,000	3,972,000
Provision for classified other assets (note - 12.7)	105,000,000	105,000,000	105,000,000	105,000,000
Provision for current tax (note - 12.8)	5,697,991,322	6,570,722,950	5,095,981,421	5,943,618,568
Provision for UCB foundation (note - 12.9)	87,000,000	81,500,000	87,000,000	81,500,000
Unclaimed Dividend	62,654,264	80,075,149	62,654,264	80,075,149
Interest payable	5,187,716,314	4,847,407,733	5,187,716,314	4,847,407,733
Lease Liabilities as per IFRS 16	4,282,470,913	4,660,758,809	4,282,470,913	4,660,758,809
Sundry liabilities	8,705,752,899	7,659,501,576	5,101,949,096	3,[illegible]697,110
Start-Up Fund (note - 12.10)	100,583,799	60,343,687	100,583,799	60,343,687
CSR Fund (note - 12.11)	245,965,311	-	245,965,311	-
	61,609,650,465	56,601,754,646	57,199,836,761	52,[illegible]845,816

Unclaimed dividend is the residual amount of declared dividend which has not yet been paid to or claimed by the shareholders. As per therekevant BSEC direction, the bank has deposited unclaimed/undistributed/ unsettled dividend amount to the Capital Market Stabilization Fund (CMSF).

12.1 **Provision for loans & advances**

General provision (note- 12.1.1)	4,371,528,522	4,922,033,998
Specific Provision (note- 12.1.2)	13,206,713,687	10,122,348,140
	17,578,242,209	15,044,382,138

12.1.1 **General provision**

Opening balance	4,922,033,998	4,566,041,128
Provision made during the year	(593,928,633)	353,378,491
Transferred from surplus of other provision heads	-	-
Exchange Difference	43,417,157	2,614,379
	4,371,528,522	4,922,033,998

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NETWORK MEMBER

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Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
12.1.2 Specific Provision				
Opening balance			10,122,342,140	7,239,857,885
Less: Adjustment due to written off			(3,079,191,210)	[illegible]
Add: Provision made during the year			5,926,668,569	3,206,516,128
Add: Recoveries of amounts previously written off			235,894,194	102,527,518
			13,204,713,693	10,122,342,140
12.2 Special General Provision for COVID_19				
Opening balance			1,540,000,000	840,000,000
Provision made during the year			90,000,000	700,000,000
			1,630,000,000	1,540,000,000
12.3 Provision for off-balance sheet exposure				
Opening balance			2,407,237,923	1,857,239,989
Provision made during the year			(482,028,218)	549,132,684
Exchange Difference			18,845,827	865,250
			1,944,055,532	2,407,237,923

Provision against Off-Balance Sheet Exposure made as per BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 07 dated 21 June 2018 and BRPD Circular No. 13 dated 18 October 2018. Required provision against off-balance sheet exposure as at 31 December 2022 is BDT 1,944,055,532 against which available provision is BDT 1,544,055,532.

12.4 Interest suspense account				
Opening balance			13,540,853,401	11,594,608,601
Add: Amount transferred to interest suspense account during the year			5,960,421,558	4,342,188,321
Less: Amount recovered from interest suspense account during the year			(3,120,709,566)	(2,080,445,188)
Less: Interest waiver/remission allowed			(65,199,108)	(208,399,685)
Less: Amount written off during the year			(1,153,159,074)	(107,098,648)
			15,162,207,211	13,540,853,401
12.5 Provision for diminution in value of investment				
Opening balance			-	235,220,899
Provision made/(reversed) during the year			612,038,691	(235,220,899)
			612,038,691	-
12.6 Provision for classified fixed assets				
Opening balance			3,972,000	3,972,000
Provision made during the year			-	-
			3,972,000	3,972,000
12.7 Provision for classified other assets				
Opening balance			105,000,000	105,000,000
Provision made during the year			-	-
			105,000,000	105,000,000
12.8 Provision for current tax				
Opening balance			5,943,618,568	5,580,668,803
Add: Addition during the year			3,133,378,030	3,960,296,853
Add: Adjustment with previous year			-	(136,818,144)
Less: Adjustment with advance Tax			(3,981,015,177)	(3,460,528,944)
			5,095,981,421	5,943,618,568
12.8.1 Provision for Current Tax				
Assessment year wise breakup is as follows:				
2012-2013			2,183,460,319	2,183,460,319
2013-2014			2,152,935,623	2,152,935,623
2017-2018			2,561,251,694	2,561,251,694
2018-2019			3,027,500,000	3,027,500,000
2020-2021			2,783,077,663	2,783,077,663
2021-2022			2,609,395,100	2,609,395,100
2022-2023			3,960,296,854	3,960,296,854
2023-2024			3,133,378,030	-
			22,411,295,283	19,277,917,253
Adjustment of Current Tax Provision with advance Tax up to the year 2022			(17,315,313,862)	(13,334,298,685)
			5,095,981,421	5,943,618,568
12.9 Provision for UCB foundation				
Opening balance			81,500,000	75,000,000
Addition during the year			85,000,000	78,000,000
Fund transfer to UCB Foundation			(79,500,000)	(71,500,000)
			87,000,000	81,500,000

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Arif Quadri
Managing Director & CEO
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Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Shanti Investment Limited
Head Office, Dhaka

Chartered Accountants

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
12.10 Start Up Fund				
Opening balance			60,343,687	28,571,978
Provision made during the year			40,240,112	31,771,709
			100,583,799	60,343,687
12.11 Corporate Social Responsibility (CSR) Fund				
Opening balance			-	-
Provision made during the year			245,065,311	-
			245,065,311	-
13 Share Capital				
Opening balance			12,783,969,490	12,175,209,040
Add: Bonus shares issue			1,278,396,940	608,760,450
			14,062,366,430	12,783,969,490
13.1 Authorized Capital				
1,500,000,000 ordinary shares of Tk. 10.00 each			15,000,000,000	15,000,000,000
13.2 Issued subscribed and paid up Capital				
1,278,396,949 ordinary shares @ Taka 10.00 each			12,783,969,490	12,175,209,040
60,876,045 ordinary shares @ Taka 10.00 each issued as bonus share				608,760,450
127,839,694 ordinary shares @ Taka 10.00 each issued as bonus share			1,278,396,940	
			14,062,366,430	12,783,969,490

Shareholding position

Particulars	31 December 2022		31 December 2021	
	No. of Shares	Taka	No. of Shares	Taka
Sponsors/Directors	487,236,904	4,872,369,040	442,942,654	4,429,426,540
Institution(Financial & Others)	311,594,040	3,115,940,400	273,841,715	2,738,417,150
General Public	596,000,011	5,960,000,110	551,243,772	5,512,437,720
Government of Peoples' Republic of Bangladesh	11,405,688	114,056,880	10,368,808	103,688,080
Total	1,406,236,643	14,062,366,430	1,278,396,949	12,783,969,490

13.3 Share Premium

29,09,95,350 ordinary shares of Taka 5 each per share	1,454,976,750	1,454,976,750

Right share 1:1 (1 share for each share held) has been issued in the year 2011 @ Tk. 15 each including share premium of Tk. 5 each.

13.4 Classification of Shareholders by holding as at 31 December 2022

Shareholding Range	Number of Shareholders	Number of Shares	Value of Shares in BDT	Total Holdings %
Upto 500 Shares	19,016	3,126,344	31,263,440	0.22%
501 to 5000 Shares	18,857	34,894,848	348,948,480	2.48%
5001 to 10,000 Shares	2,820	19,897,251	198,972,510	1.41%
10,001 to 20,000 Shares	1,734	24,421,747	244,217,470	1.74%
20,001 to 30,000 Shares	603	14,739,618	147,396,180	1.05%
30,001 to 40,000 Shares	244	8,398,787	83,987,820	0.60%
40,001 to 50,000 Shares	152	6,789,617	67,896,170	0.48%
50,001 to 100,000 Shares	297	20,865,878	201,658,780	1.43%
100,001 to 10,00,000 Shares	332	89,274,385	892,743,850	6.35%
10,00,001 & above	154	1,184,527,573	11,845,275,730	84.23%
Total	44,229	1,406,236,643	14,062,366,430	100.00%

13.5 History of Paid Up Capital

Year	Number of Shares Issued	Amount in BDT	Cumulative Paid up Capital
1983	355,000	35,500,000	35,500,000
1984	85,000	8,500,000	44,000,000
1986	360,000	36,000,000	80,000,000
1988	400,000	40,000,000	120,000,000
1991	171,428	17,142,800	137,142,800
1994	397,963	39,796,300	176,939,100
1995	176,939	17,693,900	194,633,000
1996	291,949	29,194,900	223,827,900
1997	63,296	6,329,600	230,157,500
2007	690,473	69,047,300	299,204,800
2010	26,107,487	2,610,748,700	2,909,953,500
2011	436,493,025	4,364,930,250	7,274,883,750
2012	109,123,256	1,091,232,560	8,366,116,310
2013	-	-	8,366,116,310
2014	-	-	8,366,116,310
2015	167,322,326	1,673,223,260	10,039,339,570
2016	50,196,697	501,966,970	10,541,306,540
2017	-	-	10,541,306,540
2018	-	-	10,541,306,540
2019	105,413,065	1,054,130,650	11,595,437,190
2020	57,977,185	579,771,850	12,175,209,040
2021	60,876,045	608,760,450	12,783,969,490
2022	127,839,694	1,278,396,940	14,062,366,430

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	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka

13.6 Capital to Risk Weighted Asset Ratio (CRAR)

The calculation of CRAR has been done as per Guidelines on Risk Based Capital Adequacy - Revised regulatory Capital Framework for Banks in line with BASEL-III vide BRPD circular no.18 dated December 21, 2014. Required Capital with Capital Conservation Buffer of the bank at the close of business on 31 December 2022 was Taka 50,407,651,176 as against available Tier-1 Capital of Taka 36,328,234,469 and Tier-2 Capital of Taka 16,345,584,054 making a Total Regulatory Capital of Taka 52,673,818,523 thereby an excess of capital of Taka 2,266,167,347 at that date.

Details are shown below :

Tier-1 Capital :				
Common Equity Tier-1 capital (CET1)				
Paid-up Capital (note: 13.2)			14,262,366,430	12,783,969,490
Share Premium (note: 13.3)			1,454,976,750	1,454,976,750
Statutory Reserve (note: 14)			15,730,183,055	14,546,968,923
General Reserve (note : 15)			26,577,961	26,577,961
Retained Earnings (note : 17)			6,885,485,076	5,997,660,416
			38,159,589,272	34,810,153,540
Less: Regulatory Adjustments				
Goodwill and all other Intangible Assets			634,683,173	342,439,879
Deferred Tax Assets (DTA)			5,196,671,630	4,017,419,030
Reciprocal crossholdings and excess investment above limit			-	87,767,516
Others			-	-
			5,831,354,803	4,445,626,425
Total Common Equity Tier-1 Capital			32,328,234,469	30,364,527,115
Additional Tier-1 Capital (AT-1)			4,000,000,000	4,000,000,000
Less: Others			-	-
Total Tier-1 Capital			36,328,234,469	34,364,527,115
Tier-II Capital:				
General Provision			7,945,584,054	8,869,277,921
Revaluation Reserve (note: a)			-	-
Subordinated Bond			8,480,000,000	9,980,000,000
			16,425,584,054	18,849,277,921
Less: Regulatory Adjustments				
Revaluation Reserve			-	-
Reciprocal crossholdings in the T-2 Capital of BNBFIs & Insurance Entities			80,000,000	80,000,000
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991 (50% of investment)			-	-
Others			-	376,878,476
Total Admissible Tier-2 Capital			16,345,584,054	18,392,399,445
Total Regulatory Capital			52,673,818,523	52,756,926,560
Risk Weighted Assets (note-13.8)			403,261,209,410	386,741,535,473
Minimum Capital Requirement with Capital Conservation Buffer (12.5% of Risk Weighted Assets)			50,407,651,176	48,342,691,934
Capital Surplus			2,266,167,347	4,414,234,626

13.7

Composition of Capital	Required	Held	Required	Held
Common Equity Tier -I	4.50%	8.02%	4.50%	7.85%
Tier-I Capital	6.00%	9.01%	6.00%	8.89%
Tier-II Capital	0.00%	4.05%		4.75%
Tier-I Capital with Buffer	8.50%	8.02%	8.50%	8.89%
Total CRAR	**12.50%**	**13.06%**	**12.50%**	**13.64%**

13.8 Computation of Risk weighted assets

On- Balance Sheet			299,071,325,136	271,721,577,080
Off-Balance sheet			53,012,116,206	67,469,002,582
Credit Risk (A)			352,083,441,341	339,190,579,662
Market Risk (B)			10,915,390,965	10,960,857,767
Operational risk (C)			40,262,377,103	36,590,098,044
Total: Risk Weighted assets (A+B+C)			403,261,209,410	386,741,535,473

14 Statutory Reserve

As per section 24(1) of the Bank company Act, 1991 and amendments thereon, an amount equivalent to 20% of the profit before taxes for the year has been transferred to the statutory reserve fund as under:

Opening Balance	14,555,968,681	13,424,987,898	14,546,968,923	13,424,987,898
Add: Transferred during the year	1,208,339,758	1,130,980,783	1,183,214,132	1,121,981,025
	15,764,308,439	14,555,968,681	15,730,183,055	14,546,968,923

15 General Reserve

Opening Balance	26,577,961	26,577,961	26,577,961	26,577,961
Add: Transferred during for the year	-	-	-	-
	26,577,961	26,577,961	26,577,961	26,577,961

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	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
16 Other Reserve				
Asset Revaluation Reserve (notes: 16.1)	2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559
Foreign currency translation gain/(loss)	134,906,899	30,019,810	134,906,899	30,019,810
Revaluation Reserve on HTM Securities (notes: 16.2.1)	128,060,537	49,130,334	128,060,537	49,130,334
Revaluation Reserve on HFT Securities (notes: 16.2.2)	-	18,602,185	-	18,602,185
	2,797,068,995	2,631,853,888	2,797,068,995	2,631,853,888

16.1 Asset Revaluation Reserve

In terms of International Accounting Standard (IAS) 16, 'Property, Plant & Equipment' and instruction contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, all the immovable properties of the Bank were revalued as at 27.12.2012 by Padma Techno Consult & Survey Ltd. an independent professionally qualified valuation firm of the country based on market survey. Accordingly, revaluation surplus of Tk. 2,534,101,559/- for land & building has been included as asset revaluation reserve at reporting date as follows:

Opening Balance	2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559
Reserve made for the year	-	-	-	-
	2,534,101,559	2,534,101,559	2,534,101,559	2,534,101,559

16.2 Revaluation Reserve

HTM Securities (notes 16.2.1)	128,060,537	49,130,334
HFT Securities (notes 16.2.2)	-	18,602,185
	128,060,537	67,732,519

As per the DOS Circular Letter # 05 dated 26 May 2008, HFT securities are revalued on weekly basis and HTM securities are amortized on yearly basis.

16.2.1 Revaluation Reserve on HTM Securities

Opening Balance	49,130,334	93,738,160
Net Revaluation gain/adjustment during the year	78,930,203	(44,607,826)
	128,060,537	49,130,334

16.2.2 Revaluation Reserve on HFT Securities

Opening Balance	18,602,185	139,751,027
Net Revaluation gain/adjustment during the year	(18,602,185)	(121,148,842)
	-	18,602,185

17 Retained Earnings

Opening Balance	5,997,660,416	5,191,263,156
Add: Retained surplus transferred during for the year	2,554,593,600	2,0[illegible]18,159
Less: Issuance of Stock Dividend	(1,278,396,940)	(6[illegible]760,450)
Less: Issuance of Cash Dividend	-	(6[illegible]760,459)
Less: Cupon Payment Perpetual Bond	(388,370,000)	-
	6,885,485,076	5,99[illegible]0,416

17(a) Consolidated Retained Earnings

United Commercial Bank Ltd.	6,885,485,076	5,997,660,417
UCBStock Brokerage Ltd.	1,230,784,395	846,556,056
UCB Investment Ltd.	173,067,142	132,493,978
UCB Asset Management Ltd.	64,058,534	60,874,664
UCB Fintech Company Limited	(2,280,579,586)	(1,102,104,556)
	6,072,815,561	5,935,480,556
Less: Non controlling Interest	174	265
Total balance of retained earnings attributable to the ordinary Share holders	6,072,815,387	5,935,480,290
Non controlling Interest	174	265

18 Contingent liabilities & commitment

Acceptances & endorsement (note- 18.1)	95,629,506,243	110,309,146,988
Letters of guarantee (note- 18.2)	59,964,400,737	57,499,501,948
Irrecoverable letters of credit (note- 18.3)	39,547,144,513	75,222,523,708
Bills for collection (note-18.4)	20,526,625,910	17,381,986,406
Other Commitments	2,272,080,692	-
	217,939,758,095	260,413,159,150

18.1 Acceptances & endorsements

Bankers liabilities for accepted against usance LC	72,908,541,938	86,824,956,767
Bankers liabilities for accepted against BD usance	22,720,964,305	23,484,190,221
	95,629,506,243	110,309,146,988

18.2 Letters of guarantee

Bankers liabilities for letters of guarantee (Inland)	38,598,505,618	40,358,914,710
Bankers liabilities for letters of guarantee (Foreign)	21,365,895,119	17,140,587,238
	59,964,400,737	57,499,501,948

30 MAY 2023
Mohammad Shaiful Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Mahbubul Alam
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023
Tariq Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

bakertilly

	Consolidated		United Commercial Bank PLC	
	31.12.2022 Taka	31.12.2021 Taka	31.12.2022 Taka	31.12.2021 Taka
18.3 Irrecoverable letters of credit				
Letters of credit (Inland)			324,008,071	699,415,743
Letters of credit (Foreign)			21,116,691,665	42,851,416,389
Back to back L/C			17,229,036,221	27,002,330,832
Letters of credit EDF			870,777,061	4,633,089,470
Letters of credit EPZ			6,831,495	36,271,274
			39,547,144,513	75,222,523,708
18.4 Bills for collection				
Bills for collection			13,574,675,495	10,838,943,348
Foreign Bills for collection			6,951,950,415	6,543,043,158
			20,526,625,910	17,381,986,506

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Mowlat Jahan Khan
Chief Executive Officer
Prime Bank Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

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30 MAY 2023

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Head Office, Dhaka

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	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
19 Income Statement				
Income				
Interest, discount and similar income (note - 19.1)			37,182,200,704	32,216,994,109
Dividend income			178,569,508	149,088,539
Fees, commission and brokerage			4,283,768,586	4,167,689,559
Net gain arising from dealing in securities			-	-
Net gain arising from investment securities			9,040,399	421,132,081
Net gain arising from dealing in foreign currencies			3,515,705,784	1,571,481,016
Income from non-banking asset			-	-
Other operating income			263,842,890	220,614,859
			45,533,127,871	38,747,000,163
Expenses				
Interest paid on deposits and borrowings etc			17,010,387,394	13,927,259,014
Administrative expenses (note - 19.2)			11,751,310,123	10,234,359,002
Other operating expenses			3,670,796,436	2,945,319,029
Depreciation on banks assets			1,631,862,856	1,456,351,581
			34,064,356,809	28,563,288,626
			11,468,771,062	10,183,711,537
19.1 Interest, discount and similar income				
Interest Income			31,684,836,835	27,323,646,852
Interest income from investments			5,497,363,869	4,893,347,257
			37,182,200,704	32,216,994,109
19.2 Administrative expenses				
Salary and allowances			7,658,696,939	7,166,532,140
Rent, taxes, insurance, electricity etc.			1,623,559,944	1,122,448,908
Legal expenses			94,587,412	128,654,592
Postage, stamps, telecommunications etc.			219,060,942	184,561,865
Stationery, printing, advertisements etc.			1,694,262,239	1,249,146,812
Chief Executive's salary and fees			14,098,442	13,450,000
Directors' fees			3,544,387	2,590,200
Auditors' fees			1,725,000	1,150,000
Repair of banks assets			441,744,818	365,834,485
			11,751,310,123	10,234,359,002
20 Interest Income				
Interest on loans and advances	31,494,421,785	27,465,323,347	30,867,661,160	26,804,207,785
Interest on balances with other banks & Fin Ins.	368,936,066	447,909,025	368,936,066	447,909,025
Interest on money at call on short notice	398,855,195	46,399,514	398,855,195	46,399,514
Interest on balance with foreign Bank	39,384,414	25,129,948	39,384,414	25,129,948
	32,301,597,460	27,984,761,834	31,684,836,835	27,323,646,852
21 Interests Paid on deposits and borrowings etc.				
Interest paid on deposits (note - 21.1)	14,426,156,234	11,605,438,993	14,426,156,234	11,605,438,993
Interest paid on borrowings (note - 21.2)	2,661,311,471	2,561,339,480	2,584,231,160	2,321,820,021
	17,087,467,705	14,166,778,473	17,010,387,394	13,927,259,014
21.1 Interest paid on deposits				
Savings Deposit			1,772,777,520	1,648,877,290
Special Notice Deposit			1,103,025,470	1,025,972,790
Fixed Term Deposit			8,027,114,747	5,672,668,047
Scheme Term Deposit			3,453,238,497	3,258,420,866
			14,426,156,234	11,605,438,993
21.2 Interest paid on borrowings				
Borrowing from Bangladesh Bank			525,574,451	344,611,385
Borrowing from other Bank & financial institution			156,835,705	103,815,059
Interest Paid on Subordinated Bond			911,605,115	1,131,615,194
F.C borrowings			433,060,700	91,440,509
Interest Exp. On Other Bank repo borrowings			(21,806,978)	214,118,953
Interest on money at call on short notice			9,161,736	1,398,819
Interest on EDF borrowings from Bangladesh Bank			569,800,431	334,820,162
			2,584,231,160	2,321,820,021

Md. Mizzaul Haque
Managing Director
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Chief Executive Officer
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30 MAY 2023

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30 MAY 2023

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30 MAY 2023

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Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
22 Investment income				
Interest income from investments (note - 22.1)	5,626,723,473	5,076,027,541	5,497,363,869	4,893,347,257
Non interest income from investments (note - 22.2)	187,749,907	570,260,620	187,749,907	570,260,620
	5,814,473,380	5,646,288,161	5,685,113,776	5,463,607,877
22.1 Interest income from investments				
Government treasury bill/bond			4,793,280,866	4,527,908,064
Bangladesh Bank Bill			-	61,473,500
Sub-ordinated Bond			187,504,387	217,270,418
Bangladesh Government Investment in SUKUK			4,856,026	4,906,048
Perpetual Bond			50,527,778	-
Reverse Repo with Other Bank			130,216,313	2,758,304
Income from Investment			47,787,625	13,837,792
Gain/(Loss) on revaluation on govt. securities (note - 22.1.1)			303,181,865	63,203,131
			5,497,363,869	4,893,347,257
22.1.1 Gain/(Loss) on revaluation on govt. securities				
Gain on revaluation on govt. securities			306,364,223	-
Less : Loss on revaluation on govt. securities			(3,182,358)	63,203,131
			303,181,865	63,203,131
22.2 Non Interest Income from investments				
Dividend on shares			178,568,508	149,088,539
Gain on sale of share (note - 22.2.1)			9,040,399	421,132,081
Prize money on prize bond			140,000	40,000
			187,749,907	570,260,620
22.2.1 Gain on sale of shares				
Gain on sale of shares			81,080,581	569,698,545
Less : Loss on sale of shares			(72,040,182)	(148,566,464)
			9,040,399	421,132,081
23 Commission, Fees, Exchange & Brokerage				
Commission (note - 23.1)	3,349,547,255	3,186,063,101	2,350,013,019	2,458,410,255
Fees (note - 23.2)	2,033,755,567	1,709,279,304	2,033,755,567	1,709,279,304
Exchange earning (note - 23.3)	3,515,705,784	1,571,481,016	3,515,705,784	1,571,481,016
	8,899,008,606	6,466,823,421	7,899,474,370	5,739,170,575
23.1 Commission				
Remittance Inland			8,817,440	5,404,569
Remittance Foreign			9,649,895	9,848,975
Commission on Letters of guarantee			484,879,716	450,806,064
Commission on Letters of credit			445,180,075	480,062,262
Letters of credit (back to back)			369,675,197	454,128,557
Commission on BSP / PSP			34,360,256	24,494,106
Commission on acceptance			717,311,772	750,340,945
Exchange comm. & rebate			232,395,419	231,[illegible]90
Clearance			1,962,807	1,[illegible]153
Commission (Card)			23,918,606	16,[illegible]055
MFS Commission			-	-
Others			21,871,836	13,[illegible]879
			2,350,013,019	2,458,410,255
23.2 Fees				
Bills for collection			46,958,718	39,775,786
Account maintenance fees			155,155,460	116,750,033
Appraisal/processing fees			52,904,194	53,082,460
Online transaction fees			75,962,096	75,146,529
BACH/BEFTN charges			30	-
Cash incentive charges			21,525,050	16,117,005
Standing instruction charges			-	28,660
FC Endorsement charges			5,508,000	196,925
LC,DC,& BG (Others) Fees & Charges			757,546,148	656,512,828

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Soyabi Investment Limited
Head Office, Dhaka

Md. Nazrul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
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30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023

[illegible]nik Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
[illegible]MP & Company Secretary
[illegible]ited Commercial Bank PLC

Chartered Accountants

	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
Debit card			273,941,586	239,518,168
Credit card			438,945,303	353,504,649
Arrangement Fees			1,568,828	-
ABS fees & charges			12,091,983	23,138,953
SMS Banking charges			142,854,901	121,049,600
Misc. fees			48,793,270	13,657,707
			2,033,755,567	1,709,279,304
23.3 Exchange				
Exchange earning (general)			2,640,443,665	1,644,144,243
Revaluation gain/(Loss) on foreign currency			518,152,899	(8,882,983)
FX Deal Discount Income			357,109,220	(63,780,244)
Less : Exchange loss (general)			3,515,705,784	1,571,481,016
Less : Exchange loss (dealing room)			-	-
			3,515,705,784	1,571,481,016
24 Other Operating Income				
Locker	15,520,100	15,261,155	15,520,100	15,261,155
Premises rent	536,280	-	536,280	-
Swift charges	64,928,919	75,011,059	64,928,919	75,011,059
Recoveries from Operational Loss	6,050,000	-	6,050,000	-
Cheque Book Issuance	80,632,338	55,407,383	80,632,338	55,407,383
Miscellaneous earning	152,117,607	248,557,677	96,035,253	74,895,262
	319,785,244	394,237,274	263,702,890	220,574,859
25 Salaries and allowances				
Basic salary	3,989,479,777	3,494,275,247	3,226,427,601	2,924,583,258
Allowances	1,439,238,533	1,302,112,058	1,439,238,533	1,302,112,058
Bonus	1,654,527,321	1,578,679,339	1,654,527,321	1,578,679,839
Provident fund and Welfare fund	378,503,484	426,147,485	378,503,484	426,147,485
Gratuity	960,000,000	935,000,000	960,000,000	935,000,000
	8,421,749,115	7,736,214,129	7,658,696,939	7,166,522,140
26 Rent, taxes, insurance, electricity etc.				
Rent premises	816,950,396	386,771,887	773,018,681	361,716,449
Rent, rates & taxes	80,760,651	72,453,309	80,760,651	72,453,309
Other rental charges	183,272,621	157,408,534	183,272,621	157,408,534
Insurance charge	316,345,378	286,413,476	316,345,378	286,413,476
Electricity, Water & Gas *	270,162,612	244,457,140	270,162,612	244,457,140
	1,667,491,849	1,147,506,346	1,623,559,944	1,122,448,908

* **Compliance status of BRPD Circular No 28 Dated 26 July 2022:**
Bangladesh bank, vide BRPD circular letter no 28 dated 26 July 2022 and subsequest clarification, instructed all the commercial banks to bring down fuel expenses by 10% and electricity expenses by 12.5% from the budgeted amount in 2nd half of 2022 considering the global economic crisis arising from Covid-19 and Russia-Ukraine war. The bank has taken various initiatives i.e. Daylight saving, AC use optimization, timely closure of office etc. to bring down the fuel and electricity cost. The progressive status has been summarised below:

	Actual, 2022 (July-Dec)	Budget, 2022 (July-Dec)	Variance (July-Dec)	% in change (July-Dec)
Pool Car Generator Etc.	120,649,318	134,649,320	(14,000,002)	-10.40%
Electricity Water Gas etc.	148,575,723	170,580,720	(22,004,997)	-12.90%
27 Legal expenses				
Professional fees	98,232,077	121,454,796	85,095,033	122,055,129
Other legal charges	9,291,403	6,508,054	9,291,403	6,508,054
Stamp, power of attorney & notary public	200,976	91,162	200,976	91,162
	107,724,456	136,054,009	94,587,412	128,654,592
28 Postage, stamps, telecommunications etc.				
Postage	42,298,483	45,033,855	42,298,483	45,033,855
Telecommunication charges	45,624,120	46,398,716	45,624,120	46,398,716
Reuter	4,699,201	4,073,690	4,699,201	4,073,690
Internet	3,713,400	2,580,200	3,713,400	2,580,200
Online connectivity charge	144,931,053	93,807,923	122,755,738	86,475,507
	241,266,257	191,894,385	219,090,942	184,561,969

30 MAY 2023
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	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
29 Stationery, printing & advertisements etc.				
29.1 Stationery and printing:				
Security Stationery	21,108,124	20,040,172	21,108,124	20,040,172
Petty Stationery	52,209,372	35,280,360	52,209,372	35,280,360
Office Stationery	167,837,089	120,763,669	167,837,089	120,763,669
	241,154,585	176,084,200	241,154,585	176,084,200
29.2 Advertisement:				
News paper	23,291,119	43,429,738	23,291,119	43,429,738
Magazine	1,276,434	2,214,729	1,276,434	2,214,729
Sponsorship	332,000,035	142,216,249	332,000,035	142,216,249
Business Development	84,014,298	30,644,815	84,014,298	30,644,815
Branding exponses	1,069,112,036	1,555,099,250	820,246,649	649,265,301
Promotional Material	129,589,454	120,688,341	129,589,454	120,688,241
Bill board & neon sign	2,270	-	2,270	-
Television	16,696,850	24,945,800	16,696,850	24,945,800
Radio	1,304,100	2,007,148	1,304,100	2,007,148
Misc. advertisement	44,686,445	57,650,291	44,686,445	57,650,291
	1,703,973,041	1,978,895,862	1,453,107,654	1,673,061,812
	1,943,127,626	2,154,980,062	1,694,262,239	1,849,146,012
30 Chief Executive's salary and fees				
Basic salary	12,098,442	10,272,900	12,098,442	10,272,900
Festival Bonus	2,000,000	2,178,000	2,000,000	2,178,000
Incentive Bonus	-	1,000,000	-	1,000,000
Provident fund	-	-	-	-
	14,098,442	13,450,900	14,098,442	13,450,900
31 Directors fees				
Meeting fees	3,392,300	2,923,095	2,604,800	2,173,600
Other meeting fee (travelling expenses)	939,587	416,690	939,587	416,690
	4,331,887	3,339,785	3,544,387	2,590,290

Each director of the Bank is paid for BDT 8,000 as per BRPD circular letter no. 11 dated 4 October 2015 per board or board committee meeting attended in 2022.

32 Auditors fees	1,947,500	1,278,500	1,725,800	1,[illegible],000
33 Depreciation and repair of bank's assets				
33.1 Depreciation				
Furniture/fixtures	212,125,077	207,260,045	207,214,604	201,148,071
Vehicles	39,533,464	32,396,434	34,260,962	30,199,971
Office equipments	379,863,455	356,402,799	375,093,224	352,308,262
Computer equipments	287,708,355	181,962,149	227,827,812	180,869,195
Computer software	245,593,261	192,718,490	243,521,689	191,941,304
Immovable property (Building)	64,091,872	64,751,840	64,124,872	63,992,465
Right of Use assets (ROU) as per IFRS 16	479,819,692	455,552,313	479,819,692	455,552,313
	1,708,635,177	1,491,037,030	1,631,862,856	1,476,051,581
33.2 Repair renovation & maintenance				
Furniture /fixtures	3,756,061	15,589,888	3,756,061	15,589,888
Vehicles	15,947,219	15,657,776	15,947,219	15,657,776
Office equipments	63,983,955	73,835,779	63,983,955	73,835,779
Computer equipments	567,796	89,327	567,796	89,327
Renovation & maintenance	329,828,945	225,494,997	326,697,187	223,[illegible],037
Premises	30,777,398	37,454,383	30,777,398	37,454,383
Repair building	15,200	-	15,200	-
	445,876,576	368,122,150	441,744,816	365,[illegible],191
	2,154,511,753	1,859,159,180	2,073,607,674	1,841,[illegible],772
34 Other expenses				
Entertainment	72,068,171	54,487,851	72,068,171	54,487,851
Petrol, oil & lubricant	199,464,498	137,148,476	199,464,498	137,148,496
Subscription	20,800,668	34,832,328	20,800,668	34,832,328
Donation	235,424,820	199,393,247	235,424,820	199,393,247
Traveling	259,533,556	112,753,012	259,533,556	112,753,012
Cartage and freight	17,069,571	13,201,305	17,069,571	13,201,305
Hon. general	2,357,350	1,735,253	2,357,350	1,735,253
Fees commission & charges	557,489,197	273,862,725	149,999,777	116,924,311
Meeting Seminar and staff training	44,627,202	14,362,733	44,627,202	14,362,733
Fees Commission and Charges Debit Card	43,978,934	21,528,218	43,978,934	21,528,218
Fees Commission and Charges Visa Card Local	255,802,643	138,480,056	255,802,643	138,480,056
Uneies & uniforms	1,001,663	1,486,744	1,001,663	1,486,744
Medical expenses	217,977,292	202,856,713	217,977,292	202,856,713

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United Commercial Bank PLC

	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
Car expenses	149,549,493	130,292,757	149,549,493	130,292,757
Loss on sale of assets	2,302,827	5,115,792	2,302,827	5,115,792
Write off of assets	59,374	103,852	59,374	103,852
BATCH/BEFTN Charges	606,526	666,755	606,526	666,755
UCB Foundation	85,000,000	78,000,000	85,000,000	78,000,000
Interest expense for leased liability as per IFRS 16	249,755,744	280,010,047	249,755,744	280,010,047
Outsource Staff Expenses	1,629,343,193	1,373,214,048	1,629,343,193	1,373,214,048
Other Expenses	34,073,132	28,725,530	34,073,132	28,725,530
	4,478,285,856	3,103,357,442	2,670,796,424	2,945,319,029
35 Provision for Loans & Advances				
Classified loans & advances	6,256,378,779	3,440,374,456	6,163,562,757	3,309,093,656
Unclassified Loans & advances	(593,928,633)	353,378,491	(593,928,633)	353,378,491
Special General Provision for COVID_19	90,000,000	700,000,000	90,000,000	700,000,000
Recoveries from previously written off loan	(236,944,194)	(102,577,518)	(236,944,194)	(102,577,518)
	5,515,505,953	4,391,175,429	5,422,689,930	4,259,894,629
36 Provision for diminution in value of investments				
Provision required during the year	646,373,322	(244,586,028)	612,038,691	(235,720,899)
37 Other Provision				
Provision for other assets	-	-	-	-
Provision for nostro account	-	-	-	-
Provision for branch adjustment account	-	-	-	-
Provision for other assets	-	-	-	-
Provision for off-balance sheet exposures	(482,028,216)	549,363,208	(482,028,216)	549,132,684
	(482,028,216)	549,363,208	(482,028,216)	549,132,684

Provision for Off-Balance Sheet Exposure

Provision against Off-Balance Sheet Exposure made as per BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 07 dated 21 June 2018 and BRPD Circular No. 13 dated 18 October 2018.

38 Provision for Taxation

Provision for current tax has been calculated based on the profit before provision considering admissible & inadmissible expenses as per provision of the Income Tax Ordinance 1984.

Current Tax Provision	3,473,872,045	4,166,078,526	3,133,378,030	3,823,478,709
Deferred Tax Provision	(1,239,507,796)	(1,389,947,755)	(1,241,318,525)	(1,390,744,489)
	2,234,364,249	2,776,130,772	1,892,059,505	2,432,734,220

39 Earnings per Share (EPS)

Earnings per share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)".

Net Profit after Tax (Numerator)	3,298,647,127	2,507,114,098	4,024,011,154	3,177,170,900
Number of Ordinary shares outstanding (Denominator)	1,406,736,643	1,406,736,643	1,406,736,643	1,406,736,643
Earning Per Share (EPS)	2.35	1.78	2.86	2.26

Earning per share (EPS) has been increase due to increase in operating income, consequently net profit after taxes.

40 Receipt from other operating activities

Exchange earning & brokerage	3,515,705,784	1,571,481,016	3,515,705,784	1,571,481,016
Other operating income	289,055,558	289,055,558	222,883,290	641,746,940
	3,804,761,342	1,860,536,574	3,788,589,074	2,213,227,956

41 Payment for other operating activities

Legal expenses	94,587,412	128,654,592	94,587,412	128,654,592
Directors fees & other expenses	3,544,387	2,590,290	3,544,387	2,590,290
Auditors fees	1,725,000	1,150,000	1,725,000	1,150,000
Repair to fixed assets	441,744,818	365,834,091	441,744,818	365,834,091
Other expenditure	3,502,530,120	2,489,170,996	3,421,040,691	2,207,048,454
	4,044,131,737	2,987,398,969	3,963,642,308	2,895,277,427

42 Increase / Decrease of other assets

Investment in share of subsidiary companies.	(2,000,000,000)	(1,745,907,133)
Receivable from Subsidiary Company	3,288,579	18,877,262
Stock of Stationery & Stamps	(27,074,209)	17,933,614
Account with Stock Broker	424,697,306	1,224,950,176
Advance Payment	188,820,165	43,162,685
Advance Deposit	1,593,324	1,999,000
Suspense Account	1,034,755,800	(1,132,592,311)
Head Office General Account	2,516,715	(2,588,156)
Others	(1,526,845,283)	(752,456,062)
Increase /Decrease for the year	(1,900,245,802)	(2,326,620,975)

43 Increase / Decrease of other liabilities

Write off loan	(4,232,485,242)	(426,609,390)
Interest suspense account	1,621,353,810	1,946,244,800
Dividend payable	(17,420,800)	80,075,149
Sundry liabilities	959,560,832	1,286,281,184
Increase /Decrease for the year	(1,668,991,486)	2,885,991,743

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

bakertilly

30 MAY 2023

ATM Samiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shahidul Islam Khan
Chief Executive Officer
Soneri Investment Limited
Head Office, Dhaka.

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

	Consolidated		United Commercial Bank PLC	
	2022 Taka	2021 Taka	2022 Taka	2021 Taka
44 Net Operating Cash Flows Per Share (NOCFPS)				
Net Cash from operating activities	(18,631,702,416)	(23,695,353,899)	(19,759,325,562)	(24,462,806,605)
Number of Ordinary shares outstanding (Denominator)	1,406,236,643	1,406,236,643	1,406,236,643	1,406,236,643
Net Operating Cash Flows Per Share (NOCFPS)	(13.25)	(16.85)	(14.05)	(17.40)
45 Net Asset Value Per Share (NAVPS)				
Net Asset Value	40,178,113,962	37,388,827,060	40,956,658,267	37,442,007,428
Number of Ordinary shares outstanding (Denominator)	1,406,236,643	1,406,236,643	1,406,236,643	1,406,236,643
Net Asset Value Per Share (NAVPS)	28.57	26.59	29.13	26.63

Net operating cash flow per share (NOCFPS) has been changed due to the positive impact in operating assets and liabilities.

Net asset value per share (NAVPS) has been increased due to increase in net profit after taxes, gain on foreign exchange and investment revaluation reserve.

46 a) Reconciliation of Net Profit after Taxes and Operating profit before changes in operating assets and liabilities of the bank

Cash flows from operating activities		
Net profit after taxes	4,024,011,155	3,177,170,003
Provision for taxation	1,892,059,504	2,432,734,220
Provision for investment, shares & contingent liabilities	5,552,700,403	4,573,806,414
Decrease interest receivable	297,933,621	157,313,883
Decrease interest payable on deposits	(566,945,898)	(210,662,973)
Depreciation & amortization of fixed assets	1,631,862,855	1,456,121,884
Recoveries on loans & advances previously written-off	236,944,194	102,577,518
Income tax paid	(4,392,182,336)	(3,285,957,698)
Effect of exchange rate changes on cash and cash equivalents	(3,515,705,784)	(1,571,481,024)
Operating profit before changes in operating assets and liabilities	**5,160,677,714**	**6,831,623,127**

b) Reconciliation of effective tax rate

Particulars	Effective Rate	31-Dec-2022	Effective Rate	31-Dec-2021
Profit before income taxes as per profit & loss account	-	5,986,070,659	-	5,609,[illegible],127
Income taxes as per applicable tax rate	37.50%	2,244,526,497	37.50%	2,103,264,423
Factors affecting the tax charge in current year				
Inadmissible expenses	33.59%	1,987,425,015	32.23%	1,807,919,167
admissible expenses in the current year	-19.52%	(1,154,696,704)	-2.85%	(160,023,797)
Tax from reduced tax rates for dividend	0.60%	35,713,902	0.53%	29,817,708
Tax from reduced tax rates for capital gain	0.78%	46,381,220	0.75%	42,113,208
Tax from reduced tax rates for prize bond	0.00%	28,000	0.00%	8,000
Effect of deferred tax income	-20.98%	(1,241,318,526)	-24.79%	(1,390,744,488)
Total income tax expenses	**31.98%**	**1,892,059,505**	**43.36%**	**2,432,734,220**

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

Md. Barkat Haque
Managing Director
Prime Finance Capital Management Limited

47 A. Audit Committee Meeting

The 1st Audit Committee of the Board was constituted by the Board of Directors of the Bank in its emergent meeting held on 03 April 2004. Subsequently the Committee was reconstituted in its Board meeting from time to time. The Audit Committee of the Board of Director consisted of the following 05 (Five) members of the Board as on 31 December 2022.

Name of the Members	Status with the Bank	Status in the Committee	Educational Qualification
Mr. Touhid Shipar Rafiquzzaman	Independent Director	Chairman	MA
Mr. Syed Kamruzzaman, FCMA	Director	Member	B.Com (Honours) in Accounting, FCMA
Mr. Muhammed Shah Alam, FCMA	Director	Member	M.Com.in Accounting, FCMA
Dr. Aparup Chowdhury	Independent Director	Member	MSC, MBA, PHD
Mr. Kanak Kanti Sen, FCMA	Director	Member	M.Com & FCMA

During the year 2022, the Audit Committee has conducted **07 (Seven)** meetings. Details of the meeting are shown below by datewise.

Details of the Audit Committee Meeting in the year 2022

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

The Audit Committee discussed the following issues during the year 2022

a) To review the Audited and Un-Audited Financial Statements and Auditors Report of the Bank;
b) To review the Risk Based Internal Audit Findings;
c) To review the Internal Audit Strategic Pain-2022;
d) To review the Self-Assessment on Anti-Fraud Internal Controls;
e) To review the Annual Health Report of the Bank;
f) To review the Information System Security Audit (IT Audit) Strategic Plan-2022
g) To review the appointment of Auditors and Fixation of Remuneration;
h) To review the 'Management Letter 2021' submitted by the External Auditors

30 MAY 2023
Md. Kejaul Haque
Managing Director
Prime Finance Capital Management Limited

B. Board of Directors Meetings

During the year 2022, the Audit Committee has conducted **12 (Twelve)** meetings. Details of the meeting are shown below by datewise.,

Details of the Board Meeting in the year 2022

Sl. No	Meeting No	Held on
1	467	24.01.2022
2	468	20.02.2022
3	469	30.03.2022
4	470	19.04.2022
5	471	12.05.2022
6	472	06.07.2022
7	473	28.07.2022
8	474	28.07.2022
9	475	24.08.2022
10	476	08.09.2022
11	477	23.10.2022
12	478	28.12.2022

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

C. Executive Committee Meeting

During the year 2022, the Executive Committee has conducted **08 (Eight)** meetings. Details of the meeting are shown below by datewise.

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tamiduzzaman, FCS
OMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Chartered Accountants

Details of the Executive Committee Meeting in the year 2022

Sl. No	Meeting No	Held on
1	449	27.01.2022
2	450	23.03.2022
3	451	27.04.2022
4	452	31.07.2022
5	453	24.08.2022
6	454	25.09.2022
7	455	23.10.2022
8	456	28.12.2022

D. Shariah Supervisory Committee Meeting

During the year 2022, the Shariah Supervisory Committee has conducted **04 (Four)** meetings. Details of the meeting are shown below by datewise.

Details of the Shariah Supervisory Committee Meeting in the year 2022

Sl. No	Meeting No	Held on
1	4	27.03.2022
2	5	27.07.2022
3	6	21.11.2022
4	7	27.12.2022

48 Related Party Disclosers

48.1 (a): Name of the Directors and their shareholding in the Bank.

Name of the Directors	Status in the Board	Opening Share holding position as on 01 January 2022	Closing Share holding position as on 31 December 2022
Mrs. Rukhmila Zaman	Chairman	25,569,417	28,126,358
Mr. Bashir Ahmed	Vice Chairman	25,713,046	28,284,3[illegible]
Mr. Anisuzzaman Chowdhury	Director	35,777,974	39,355,7[illegible]
Mr. Touhid Shipar Rafiquzzaman	Independent Director	-	-
Mr. M. A. Sabur	Sponsor Director	27,764,187	30,540,602
Mr. Bazal Ahmed	Director	25,619,905	28,181,894
Mr. Nurul Islam Chowdhury	Director	25,573,103	28,130,412
Hajee Yunus Ahmed	Sponsor Director	27,611,439	30,372,582
Hajee M.A. Kalam	Sponsor Director	25,570,605	28,127,665
Mrs. Roxana Zaman (Representative of Volkart Trading Limited)	Director	25,589,025	28,147,927
Mr. Asifuzzaman Chowdhury	Director	36,061,405	39,667,545
Mrs. Afroza Zaman (Representative of Legendary Assets Management Limited)	Director	25,589,025	28,147,927
Mr. Syed Kamruzzaman, FCMA (Representative of Aramit Thai Aluminium Limited)	Director	26,208,739	28,829,612
Mr. Muhammed Shah Alam, FCMA (Representative of Ardent Assets Management Limited)	Director	25,589,025	28,147,927
Mr. Kanak Kanti Sen, FCMA (Representative of Nahar Metals Limited)	Director	25,568,408	28,125,248
Mr. Aksed Ali Sarker (Representative of Aromatic Properties Limited)	Director	25,578,000	28,135,800
Mrs. Masuma Parvin (Representative of Splendid Trading Limited)	Director	25,589,025	28,147,927
Dr. Aperup Chowdhury	Independent Director	-	-
Professor Dr. Iftekhar Uddin Chowdhury	Independent Director	-	-
Arif Quadri	Managing Director & CEO	-	-

30 MAY 2023
Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023
Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

30 MAY 2023
Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
ATM Tamiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023
Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

30 MAY 2023
Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

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48.1 (b): Name of the Directors and the entities in which they had interest as at 31 December 2022

Name of Directors	Status	Entities where they have interest.
Mrs. Rukhmila Zaman	Chairman	1. Aramit Limited. 2. Aramit Cement Limited. 3. Aramit Thai Aluminum Limited. 4. Aramit Power Limited. 5. Aramit Alu Composite Panels Limited. 6. Aramit Steel Pipes Limited. 7. Aramit Footwear Limited. 8. North West Securities Limited.
Mr. Bashir Ahmed	Vice Chairman	1. Airmate Goodie Electrical Industries Limited 2. Goodie Accessories (Pvt) Limited 3. International Distribution Company Bangladesh (Pvt) Limited 4. B & B Electronics. 5. B & B Food & Beverage. 6. B & B Electrical & Electronics. 7. Dhaka Electrical & Electronics. 8. Bard International . 9. Petal Enterprise. 10. Airmate Lighting & Electrical Solutaional Pvt. Ltd. 11. Pioneer Electronics 12. Mettle Emporium
Mr. Anisuzzaman Chowdhury	Chairman, Executive Committee	1. Asif Steels Ltd. 2. Javed Steel Mills Ltd. 3. Vanguard Steel Ltd. 4. Afroza Oil Ltd. 5. Asif Synthetic Fibres Ltd. 6. Holi Cresent Hospital Ltd. 7.Ronny Chemical Industries Limited 8.Nayana Pharmaceuticals Ltd
Mr. Touhid Shipar Rafiquzzaman	Chairman, Audit Committee	None
Mr. M. A. Sabur	Chairman, Risk Management Committee	1. Masco Industries Limited 2. Masco Cottons Limited 3. Mascotex Limited 4. Masco Printing & Embroidery Limited 5. Masco Picasso Limited 6. Tasnlah Fabrics Limited 7. Shanta Expressions Limited 8. Masco Properties Limited 9. Concept Knitting Limited 10. Masco Shares & Securities Limited 11. Masminu Energy Limited 12. Masminu Footspree Limited 13. Masco Poultry Limited 14. Masco Services Limited 15. Masco Energy Limited 16. Masco Superknits Limited 17. Masco Bazar Limited 18. Masco Shakib Cricket Academy Limited 19. Masco Trims Limited 20. Masco Cotspin Limited 21. Maxim Limited 22. Masco Dairy Enterprise
Mr. Bezal Ahmed	Chairman, Shariah Supervisory Committee	1. M/S Taj Accessories (Pvt.) Ltd. 2. M/S Salkat Textile Ind. Ltd. 3. M/S DEEN Fashions Limited.
Mr. Nurul Islam Chowdhury	Director	1. Islam Steel Mills Ltd. 2. Eastern Engineers (CTG.) Ltd. 3. NAMS Trading Corporation. 4. NAMS Shipping Lines.

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shahnawaz Jahan Khan
Chief Executive Officer
Somali Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

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30 MAY 2023

ATM Tanveduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
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30 MAY 2023

Syed M Omar Tayab
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Chartered Accountants

Hajee Yunus Ahmed	Director	1. Yunusco T&A (BD) Limited. 2. Yunusco K. Textiles Limited 3. Adapt ID Bangladesh Limited 4. Yunusco Stone & Engineering Limited 5. Yunusco Properties Limited 6. Yunusco Limited 7. Ynunusco (BD) Limited. 8. Yunusco Global Sourcing Limited 9. YK Limited. 10. Best Eat (Pvt) Limited 11. Nine 2 Nine Intimates Limited 12. Wonder Gas Limited 13. Consolidated Agencies 14. SSI Yunusco (BD) Ltd. 15. Centra Transportation Services Limited 16. Contrade Shipping Lines Limited 17. Bangladesh Media Services Limited
Hajee M. A. Kalam	Director	1. M/s. M. A. Kalam Limited 2. M/s. United Overseas (BD) Limited 3. Arab Plantation Limited 4. Modern Bricks Limited
Mrs. Roxana Zaman	Director	1. Asif Steels Ltd. 2. Javed Steels Ltd. 3. Vanguard Steels Ltd. 4. Afroza Oil Ltd. 5. Asif Cotton Mills Ltd. 6. Asif Synthetic Fibers Ltd. 7. Volkart Trading Limited
Mr. Asifuzzaman Chowdhury	Director	1. Asif Steels Ltd. 2. Javed Steel Mills Ltd. 3. Vanguard Steel Ltd. 4. Afroza Oil Ltd. 5. Bhatiary Fruits & Vegetable Products (Pvt) Ltd. 6. Bangladesh Fertilizer Ltd. 7. Asif Cotton Mills Ltd. 8. Asif Synthetic Fibres Ltd. 9. Jasa Corporation Ltd. 10. Ronny Chemical Industries Ltd.
Mrs. Afroza Zaman	Director	1. Asif Steels Ltd. 2. Javed Steel Mills Ltd. 3. Vanguard Steel Ltd. 4. Afroza Oil Ltd. 5. Bangladesh Fertilizer Ltd. 6. Asif Cotton Mills Ltd. 7. Asif Synthetic Fibres Ltd. 8. Ronny Chemical Industries Ltd. 9. Volkart Trading Ltd.
Mrs. Masuma Parvin	Director	1. Navana Pharmaceuticals Ltd 2. Japan Bangladesh Friendship Hospital Pvt. Ltd 3. Dhaka Evergreen Retirement Homes Pvt. Ltd.
Mr. Syed Kamruzzaman, FCMA	Director	1. North West Securities Limited
Mr. Muhammed Shah Alam, FCMA	Director	None
Mr. Kanak Kanti Sen, FCMA	Director	None
Mr. Aksad Ali Sarker	Director	None
Dr. Aparup Chowdhury	Independent Director	None
Professor Dr. Iftekhar Uddin Chowdhury	Independent Director	None

30 MAY 2023

Md Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Somati Investment Limited
Head Office, Dhaka.

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue

30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office Dhaka

48.2	Significant Contracts where Bank is a party and wherein Directors have interest:	**Nil**
48.3	Shares issued to Directors & Executives without consideration or exercisable at a discount:	**Nil**
48.4	Related Party Transactions:	**Nil**
48.5	Lending policies to related parties: Lending to related parties is affected as per requirement of section 27 (1) of the Bank company Act 1991.	**Nil**
48.6	Loans and advances to concern related to directors:	**Nil**
48.7	Business other than banking business with any related concern of the Directors as per section 18(2) of the Bank company Act 1991:	**Nil**
48.8	Investment in securities of Directors and their related concern:	**Nil**

49 Events after Balance Sheet date:

The Board of Directors recommended 10% dividend (Cash dividend 5% & Stock dividend 5%) for the year 2022 in its meeting no. 481 held on 25 April 2023.

General:

49.1 Banks share capital has not been utilized for acquiring any other direct or indirect business.

49.2 No amount was spent by the bank for compensating any members of the board for special services rendered during the period.

49.3 During the period under report, United Commercial Bank PLC did not place any of its assets under pledge as security to obtain any liabilities.

The annexed notes from 01 to 49 form an integral part of these financial statements.

Managing Director & CEO **Director** **Director** **Director**

30 MAY 2023

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

Dhaka,
25 APR 2023

30 MAY 2023

Md. Shahidul Islam
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka

30 MAY 2023

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023

ATM Tahmiduzzaman, FCS
DMD & Company Secretary
United Commercial Bank PLC

30 MAY 2023

Arif Quadri
Managing Director & CEO
United Commercial Bank PLC
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30 MAY 2023

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

AGNANI
Chartered Accountants

United Commercial Bank PLC

Balance with Nostro Accounts (Balance with Foreign Bank)
As at 31 December 2022

(Annexure-A)

Nostro Bank	Name of the Country	Currency	2022			2021		
			Amount in FC	Rate	Amount in BDT	Amount in FC	Rate	Amount in BDT
AB Bank Ltd	India	ACU	857,944	103.29	88,619,340	623,263.98	85.80	53,476,049
Bank AL Bilad	Saudi Arabia	SAR	95,526	27.49	2,625,638	555,533.54	22.86	12,700,441
Bank of Bhutan	Bhutan	ACU	4,646	103.29	479,867	92,204.10	85.80	7,911,112
Commerz Bank AG	Germany	USD	9,179,201	103.29	948,144,452	198.04	85.80	16,992
Commerz Bank AG	Germany	EUR	4,680,980	109.74	513,682,112	(274,598.38)	97.27	(26,710,596)
Habib American Bank	USA	USD	7,406,675	103.29	765,055,459	2,049,071.79	85.80	175,810,360
Habib Metropolitan Bank Limited	Pakistan	ACU	204	103.29	21,027	112,040.97	85.80	9,613,115
HDFC Bank Limited	India	ACU	481,082	103.29	49,692,298	675,316.49	85.80	57,942,155
ICICI Bank Limited, Hong Kong (USD)	Hong Kong	USD	500,239	103.29	51,671,011	139,648.11	85.80	11,981,808
ICICI Bank Ltd	India	ACU	2,149,906	103.29	222,069,549	1,233,510.27	85.80	105,835,181
JP Morgan NY	USA	USD	(3,237,034)	103.29	(334,361,936)	(10,808,168.09)	85.80	(927,340,822)
Mashreq Bank Psc	India	ACU	1,236,925	103.29	127,765,319	570,401.62	85.80	48,940,459
Mashreq Bank Psc	USA	USD	15,142,144	103.29	1,564,072,969	(1,626,366.17)	85.80	(139,542,217)
Nepal Bangladesh Bank	Nepal	ACU	747	103.29	77,139	354.80	85.80	30,442
Peoples Bank Colombo	Sri Lanka	ACU	1,900	103.29	196,226	452,182.70	85.80	38,797,276
Sonali Bank Ltd	India	ACU	122,336	103.29	12,636,450	109,842.04	85.80	9,424,447
Standard Chartered Bank Ltd	India	ACU	1,854,940	103.29	191,601,786	933,423.00	85.80	80,087,693
Standard Chartered Bank Ltd	USA	USD	59,967,988	103.29	6,194,255,358	2,693,028.21	85.80	231,061,820
State Bank of India	India	ACU	2,456	103.29	253,704	2,456.17	85.80	210,739
Meezan Bank Ltd	Pakistan	ACU	69,679	103.29	7,197,318	216,090.57	85.80	18,540,571
Bank of Tokyo Mitsubishi	Japan	JPY	19,840,210	0.77	15,319,944	2,559,257.00	0.75	1,908,950
Wells Fargo Bank N.A	USA	USD	5,219,383	103.29	539,124,194	661,527.52	85.80	56,759,061
Mashreq Bank PSC	UAE	AED	6,062,707	28.13	170,533,565	385,703.50	23.36	9,010,882
KOOKMIN BANK	Korea	USD	254,537	103.29	26,291,832	15,423.38	85.80	1,323,326
Axis Bank Limited	India	ACU			-	1,353,818.56	85.80	116,157,632
Yes Bank Limited	India	ACU	945,372	103.29	97,650,027	28.79	85.80	2,470
Citi Bank N.A.New York, USA	USA	USD	546,150	103.29	56,413,348	(233,466.93)	85.80	(20,031,463)
Mashreq Bank NY (OBU)	USA	USD	376,226	103.29	38,861,379	483,620.00	85.80	41,494,596
Habib American Bank, NY, (OBU)	USA	USD	20,036,231	103.29	2,069,596,412	9,433,207.19	85.80	809,369,174
ICICI Bank Limited	India	USD	683,562	103.29	70,606,981	1,231,390.06	85.80	105,653,267
SCB Germany (EUR)	Germany	EUR	89,156	109.74	9,783,794	1,619,138.85	97.27	157,496,065
Punjab National Bank Ltd	Pakistan	ACU	125,506	103.29	12,963,851	143,351.86	85.80	12,299,590
Standard Chartered Bank, United Kingdom (GBP)	United Kingdom	GBP	(474,025)	124.30	(58,922,490)	41,487.34	115.73	4,801,205
Zhejiang Chouzhou Commercial Bank	China	USD	89,906	103.29	9,286,616	-	-	-
Zhejiang Chouzhou Commercial Bank	China	CNY	218,239	14.81	3,232,826	-	-	-
IndusInd Bank Limited, India (ACU)	India	ACU	480	103.29	49,581			
					12,466,546,944			1,065,034,284

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Chief Executive Officer
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Head Office, Dhaka.

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

United Commercial Bank PLC
Schedule of Fixed Assets
As at 31 December 2022

Annexure - B

Amount in BDT

Particulars	Cost					Depreciation				Written down value as at 31 December 2022
	Balance as at 01 January 2022	Addition during the year	Adjustment during the year	Balance as at 31 December 2022	Rate	Balance as at 01 January 2022	Adjustment during the year	Charged during the year	Balance as at 31 December 2022	
Land	4,295,054,283	-	-	4,295,054,283	0.0%	-	-	-	-	4,295,054,283
Building	2,559,698,620	63,555,051	-	2,623,253,671	2.5%	501,601,221	-	64,134,872	565,736,093	2,057,517,578
Furniture & Fixtures	2,373,267,736	348,083,737	28,514,430	2,693,736,543	10.0%	1,294,317,579	24,131,465	207,214,604	1,477,400,718	1,216,335,825
Office Equipment	2,605,760,758	189,425,087	81,199,805	2,713,986,040	20.0%	1,554,036,419	79,518,386	375,093,224	1,849,611,457	864,374,582.84
Computer Equipment	1,687,141,674	553,397,024	49,687,142	2,190,846,796	20.0%	1,099,279,909	49,614,735	227,827,812	1,277,492,986	913,353,790.09
Vehicles	500,450,963	110,421,150	-	610,872,113	20.0%	438,904,664	-	34,260,962	473,165,626	137,706,487
Computer Software	1,439,719,789	408,790,878	-	1,848,510,667	25.0%	970,305,804	-	243,521,689	1,213,827,493	634,683,174
Right of use assets (ROU)	5,590,566,138	-	-	5,590,566,138	0.0%	1,331,134,235	-	479,819,692	1,810,954,027	3,779,612,111
Capital Expenditure Work In Progress	759,111,835	1,406,218,136	1,674,567,927	580,762,044	0.0%	-	-	-	-	580,762,044
Total as on 31 December 2022	21,910,771,496	3,170,786,063	1,833,969,304	23,247,588,254		7,189,579,831	153,264,606	1,631,862,856	8,668,178,180	14,579,410,074

As at 31 December 2021

Amount in BDT

Particulars	Cost					Depreciation				Written down value as on 31 December 2021
	Balance as at 01 January 2021	Addition during the year	Adjustment during the year	Balance as at 31 December 2021	Rate	Balance as at 01 January 2021	Adjustment during the year	Charged during the year	Balance as at 31 December 2021	
Land	4,295,054,283	-	-	4,295,054,283		-	-	-	-	4,295,054,283
Building	2,559,698,620	-	-	2,559,698,620	2.5%	437,608,755	-	63,992,466	501,601,221	2,058,097,400
Furniture & Fixtures	2,107,660,250	320,329,246	54,722,260	2,373,267,236	10.0%	1,132,691,046	38,888,282	203,148,071	1,296,950,835	1,076,316,401
Office Equipment	2,483,921,697	233,490,953	111,651,892	2,605,760,758	20.0%	1,328,752,693	129,984,336	355,308,262	1,552,076,619	1,053,684,139
Computer Equipment	1,457,701,213	252,411,407	22,970,746	1,687,141,874	20.0%	961,129,445	20,552,498	158,329,195	1,099,836,150	588,305,724
Vehicles	496,004,412	9,907,000	5,460,450	500,450,963	20.0%	414,215,142	5,460,449	30,149,971	438,904,664	61,546,299
Computer Software	1,214,706,002	225,013,787	-	1,439,719,789	25.0%	778,364,499	-	191,941,304	970,305,803	469,413,985
Right of use assets (ROU)	5,203,540,012	386,986,126	-	5,590,566,138	0.0%	875,582,021	-	455,552,213	1,331,134,234	4,259,431,904
Capital Expenditure Work In Progress	549,975,033	1,265,221,292	1,056,084,500	759,111,835	0.0%	-	-	-	-	759,111,835
Total as on 31 December 2021	20,468,301,524	2,713,359,820	1,270,889,847	21,910,771,497		5,928,343,603	194,885,557	1,456,351,581	7,189,809,677	14,720,961,870

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Chief Executive Officer
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Head Office, Dhaka.

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

Chartered Accountants

UNITED COMMERCIAL BANK PLC
Highlights on Overall Activities

Particulars	Amount in BDT	
	31.12.2022	31.12.2021
Paid-up Capital	14,062,366,430	12,783,969,490
Total Capital	52,673,818,523	52,756,926,560
Capital Surplus	2,266,167,347	4,414,234,626
Total Assets	628,076,829,196	565,314,211,482
Total Deposits	426,028,440,768	389,900,723,984
Total Loans & Advances	468,605,096,016	402,481,735,743
Total Contingent Liabilities & Commitments	217,939,758,095	260,413,159,150
Credit Deposit Ratio (%)	86.14	83.73
Percentage of Classified Loans against Total Loans and Advances	5.99	4.11
Operating Profit	11,468,771,062	10,183,711,537
Profit after Tax & Provision	4,024,011,154	3,177,170,903
Amount of Classified Loans during the year	10,340,395,101	9,974,087,030
Classified Loans and advance at the end of the year	28,077,685,496	17,737,290,395
Provision kept against Classified Loans	13,206,713,687	10,122,3[illegible],140
Provision Surplus/(Deficit)	-	-
Cost of Fund (%)	6.38	6.01
Interest Earning Assets	549,827,967,981	497,572,[illegible],551
Non-interest earning Assets	78,248,861,215	67,741,[illegible],931
Return on Investment (ROI) (%)	7.20	7.45
Return on Assets (ROA) (%)	0.67	0.60
Net Asset value per share	29.13	26.63
Income from Investments	5,685,113,776	5,463,607,877
Earning per share (Taka)	2.86	2.26
Net Income per share (Taka)	2.86	2.26
Price earning ratio (Times)	4.54	6.16

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Nakcrtilly

Credit Rating Report

Of

UCB 2nd Perpetual Bond

30 MAY 2023

Md. Rezaul Haque
Managing Director
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30 MAY 2023

Md. Shawkat Jahan Khan
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EMERGING
Credit Rating Ltd

UCB 2nd Perpetual Bond

Corporate Bond Rating

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
June 22, 2022	June 21, 2023	Initial	$A+_B$	Stable

** B denotes bond*

Date of Incorporation : June 26, 1983

Managing Director & CEO : Mr. Arif Quadri

Issue : UCB 2nd Perpetual Bond of BDT **3,000.00** million in face value

Program Tenure : Not Applicable (The Bond shall be perpetual)

Issuer : United Commercial Bank Limited

Lead Arranger : UCB Investment Limited

Trustee : Prime Bank Investment Limited

Contact Analysts : **Md. Rajiur Rahman**
rajiur@emergingrating.com
Md. Harun Chowdhury
harun@emergingrating.com

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Credit Analysis

Credit Bond

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Emerging Credit Rating Ltd

CREDIT ANALYSIS

Corporate Bond

2022 Initial Review

UCB 2nd Perpetual Bond

Major Rating Factors

Strengths

1. Experience in issuing bonds.
2. Good growth in credit and deposit.
3. Experienced management team.
4. Good growth in post-tax profit.

Challenge/ Risks

1. High level of large loan.
2. Notable increase in NPL.
3. High concentration of bad loan in NPL.

Rationale

Emerging Credit Rating Limited (ECRL) has assigned **A+$_B$** (Pronounced as Single A Plus Bond) long term credit rating to UCB 2nd Perpetual Bond (hereinafter referred to as "Perpetual Bond" or "The Bond" or "The Issue") issuance of BDT 3,000.00 million in face value. The outlook on the rating is **Stable.** The rating is consistent with ECRL's methodology for this type of Bond rating.

The assigned rating reflects the strengths of the bank which is backed by UCBL's previous experience in issuing bonds, experienced top-level management, Good growth in credit and deposit as well as good growth in post-tax profit. However, ECRL is concerned about the high level of large loan, notable increase in NPL and high concentration of bad loans in NPL. **The rating was assigned on the basis of draft information memorandum and other information. The rating may significantly change if the covenants in the document are altered.**

The Bond has been issued to raise Tier-I capital to strengthen the capital base of United Commercial Bank Limited. The Bank shall utilize the proceeds of the issue for its regular business activities.

The key feature of the bond includes unsecured, contingent-convertible, fully paid up, non-cumulative, BASEL III compliant, perpetual debt instrument for inclusion in additional tier I capital. The Bond is perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem. However, there is a call option which could be exercised by the issuer only after 10 (ten) years of issuance, with prior approval from the Bangladesh Bank and subject to meeting some conditions. Out of BDT 3,000.00 million of bond, BDT 2,700.00 million will be issued under private placement and BDT 300.00 million will be issued publicly.

Analyzing the BRPD (BS) 661/14B(P)/2022/12400 NOC from Bangladesh Bank dated December 12, 2022, ECRL has reviewed the rating and affirmed the rating till June 21, 2023. However, ECRL is concerned that according to the NOC, the bond cannot be issued to any banks or financial institutions. This raises a concern, as historically, majority of bonds of banks are primarily subscribed by other banks or FI and the issue in discussion may face challenge to fully issue all the bonds.

In terms of performance of the issuer, in FY 2021, the CRAR of the bank remained 13.64% and tier-I ratio remained 8.89% which are well above the regulatory requirement. In this period, the CRAR fell from earlier year due to principal repayment of subordinated bonds of the bank. However, the bank is in a process of

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Chief Financial Officer
United Commercial Bank PLC

30 MAY 2023
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issuing its Fifth Subordinated Bond worth of BDT 10,000.00 million (subject to approval of the regulatory bodies) and further issuance of this perpetual bond (BDT 3,000.00 million) would create a good caution from the capital adequacy perspective.

The growth rate of gross loans and advances portfolio of UCBL has gradually reduced over the previous years and in FY2021, loans and advances of the bank grew by 14.44% as opposed to 8.97% in FY2020. The COVID-19 pandemic as well as interest rate cap has lowered the growth on loans and advances in FY2020; however, the situation is improving gradually as the economy is rebounding. In FY2021, the bank's loans and advances portfolio reached BDT 402,481.74 from BDT 351,683.56 million in FY2020. Besides, non-performing loans (NPL) of the bank has significantly increased by 97.44% and reached 17,737.29 million as opposed to BDT 8,983.56 million in FY2020 indicating the deterioration of asset quality of UCBL. This is also concerning that 97.69% of the NPL holds bad loss status in FY2021 as compared to 91.75% in FY2020; as a result the NPL quality was further lowered.

The bank's provision coverage ratio has suddenly fallen in FY2021 due to the remarkable increase in NPL. Loan loss reserve of the bank declined to 93.50% of the total NPL in FY2021 whereas this was much better in FY2020 (140.77% of NPL) indicating relatively weaker safety against potential losses arising from the NPLs in future. As per audited financial statements of 2021, UCBL has kept general provision and specific provision as per the requirement of Bangladesh Bank and there is no surplus or deficit at the year end.

Furthermore, in FY2021, the bank had rescheduled a total of BDT 5,387.91 million under 51 accounts compared to BDT 3,975.16 million under 61 accounts in FY2020. The rescheduled loans represent 1.34% of the total loan portfolio while it was 1.13% in the previous year. UCBL has written off BDT 533.99 million amount of non-performing loans in the FY2021 whereas no written off took place in FY2020. At the end of the year, the NPLs, rescheduled loans and written-off loans together represented only 5.88% of the loan book of the bank, up from 3.68% in the previous year.

UCBL has high exposure to its large loan portfolio. The bank's exposure to large loans (funded and non-funded together exceeding 10% of bank's capital) has increased by the end of FY2021 from a year ago. The number of such large loans was 45 groups with total outstanding amounting to BDT 244,994.40 million in FY2021 in contrast to 37 groups with total outstanding amounting to BDT 204,255.70 million in FY2020. UCBL's large loan accounts 60.87% of total loans and advances in FY2021 slightly higher from 58.08% in FY2020 signifying the colossal dependency on few borrowers.

The net interest income of UCBL grew by 40.85% in FY2021 after a fall of 11.92% in FY2020. The growth in FY2021 was backed by lower deposit rate as there was massive liquidity surplus in the market. In that period, interest income remained almost similar as last year, however, interest expense reduced by 21.74%. On the other hand, the bank enjoyed an increased in non-interest income by 4.06% mostly consists of government treasury bill/bond. Cumulatively, the total operating income of the bank had improved by 21.14% in FY2021 after a slight fall in FY2020.

UCBL's operating expenses increased by 7.37% in 2021 to stand at BDT 14,656.03 million due to the banks increased expenditure on salary, rent, legal expenses etc. The cost to income ratio of the bank fell due to overall income growth as opposed to cost control which played a major role in achieving 48.51% growth in profit before provision as opposed to FY2020. In contrast, provision expense increased significantly by 139.58% from BDT 1,909.10 in FY2020 million to BDT 4,573.81 million in FY2021 resulting 13.38% and 11.20% overall growth in profit before tax and profit after tax respectively.

The bank has rearranged its deposit mix after the implementation of lending rate cap. In FY2021 and FY2020 the bank put more attention on low cost/no cost deposit like CASA (current and saving deposit) and reduced its dependence on term deposit

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EMERGING Credit Rating Limited

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which is relatedly high cost in nature. In FY2021, CASA represents 41.52% of total deposit whereas in FY2019 this was only 34.68%. Fixed deposit reduced to 56.21% in FY2021 from 62.48% of total deposit in FY2019. Consequence of these, deposit and borrowing expense has fallen by 21.74% though deposit of the bank has grown by 10.15% in FY2021. The bank has kept its ADR ratio within the regulatory requirement of Bangladesh Bank at 87% during FY2021 and scored 83.73% in the loan to deposit ratio.

The **Stable** rating outlook reflects ECRL's expectations that UCBL is likely to maintain its business growth and consistency in matching maturities of assets and liabilities, and the bank will adopt stricter policies and actions to improve asset quality.

Exhibit 1: *Financial Highlights: United Commercial Bank Limited*

FY 31 December	2021	2020	2019	2018
Total Assets (BDT million)	565,314.21	493,306.95	446,760.12	402,749.10
Total Assets Growth (%)	14.60	10.42	10.93	10.85
Gross Loans (BDT Million)	402,481.74	351,683.56	322,728.14	294,671.94
Gross Loans Growth (%)	14.44	8.97	9.52	12.90
Deposits (BDT Million)	389,900.72	353,981.62	330,632.23	297,172.82
Deposit Growth (%)	10.15	7.06	11.26	6.82
Gross NPL Ratio (%)	4.41	2.55	3.63	6.79
Loan to Deposit Ratio (%)	83.73	81.18	83.79	79.64
Net Interest Income (BDT million)	13,396.39	9,510.78	10,797.81	9,242.44
Net Interest Income Growth (%)	40.85	(11.92)	16.83	3.30
Non-Interest Income (BDT million)	11,423.35	10,977.44	9,911.08	9,050.08
Non-Interest Income Growth (%)	4.06	10.76	9.51	7.29
Pre-Tax Profit (BDT million)	5,609.91	4,948.01	4,932.09	4,907.23
Post-Tax Profit (BDT million)	3,177.17	2,857.20	2,772.04	2,368.99
Post-Tax Profit Growth (%)	11.20	3.07	17.02	(2.6)
Post-Tax ROAE (%)	8.76	8.42	8.84	8.4
CRAR (%)	13.64	14.92	14.68	12.9

FY2018-2021 data extracted from Audited Financial Statements

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A. BUSINESS DESCRIPTION

A.1. Company Background

United Commercial Bank Limited (UCBL) was incorporated as a public limited company in Bangladesh on June 26, 1983 under the companies Act 1913 and was given permission by Bangladesh Bank on June 28, 1983 to commence its banking business. The bank got listed with Dhaka Stock Exchange Limited on 30th November 1986 and Chittagong Stock Exchange Limited on 15th November 1995. It started its journey with an initial paid up capital of BDT 35.50 million which subsequently rose to BDT 12,783.97 million at the end of 2021. Its vision is to be the bank of first choice through maximizing value for its clients, shareholders & employees and contributing to the national economy with social commitments and its mission is to offer financial solutions that create, manage and increase its clients' wealth while improving the quality of life in the communities it serves. The bank offers services for all commercial banking needs of the customers, which include deposit banking, loans & advances, export & import financing, inland & international remittance facility etc. In addition, the bank has commenced operation of its offshore banking unit from 2010 and currently the bank has 1 offshore banking unit operating in Dhaka. With the view to bringing the unbanked people into the banking facilities, UCBL has started Mobile Banking Services under the title of UCash in 2013. The Bank obtained permission for Islamic Banking Branch from Bangladesh Bank on 6 February 2020 and offering all types of Islamic Shariah compliant finances. The bank has four subsidiaries, (i) UCB Stock Brokerage Limited which provides brokerage service, margin loan etc., (ii) UCB Investment Limited which carries out full-fledged merchant banking activities in Bangladesh, (iii) UCB Asset Management Limited which aims to manage portfolio and fund of both individuals and institutions and (iv) UCB Fintech Company Limited that offers mobile transactions, utility bill payment, in-store and e-commerce payment and other value added financial services.

A.2. Operational Network

United Commercial Bank Limited has a country-wide network of 215 (2020: 204) branches and 628 (2020: 556) ATMs and 172 (2020: 177) agent banking outlets as on 31 December 2021. Out of the above 215 branches, 10 branches provide both Islamic Banking and Commercial Banking facilities complying with the rules of Islamic Shariah and a new branch provided solely Islamic Banking facilities complying with the rules of Islamic Shariah.

A.3. Market Share

UCBL's loans & advances and deposit position were BDT 402,481.74 million and BDT 389,900.72 million respectively at the end December 2021. Considering the banking industry as a whole, all scheduled banks' total loans & advances and deposit were BDT 12,360,817.00 million and 14,093,426.00 million respectively at the end of December 2021. UCBL contributed 3.26% of market share in terms of loans and advances and 2.77% of market share in terms of deposit at the end of December 2021.

Figure 1: *UCBL's market share by deposits*



Figure 2: *UCBL's market share by loans & advances*



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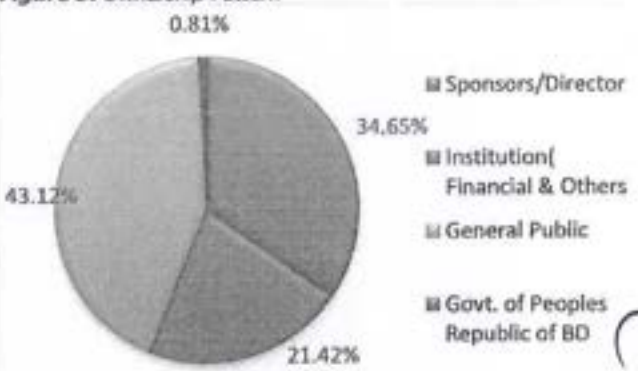
A.4. Products and Services

As an integral part of its commitment to Excellence in Banking, UCBL offers a full range of commercial banking products and services under Retail Banking, NRB Banking, SME Banking, Corporate Banking and Agent Banking. Under retail banking the products and services include various types of savings accounts, current account, fixed deposit, DPSs, various personal, auto and home loan, credit and debit card, locker services, SMS banking etc. Under SME banking, the bank offers UCB SME Installment Loan (USIL) and various other loans as well as SME deposit accounts such as current accounts, easy account, monthly deposit and fixed deposit. For Corporate customers, the bank offers export and import finance, house building finance, industrial loan, letter of credit, project finance, syndicated/structured finance, working capital finance and other corporate banking loans. Moreover, the bank offers various savings, DPSs, remittance services under its NRB banking service. Besides the above-mentioned products and services, UCBL also offers Agent Banking with a vision to deliver banking services to the unbanked population across Bangladesh. Recently the bank also started to offer Islamic banking products such as Taqwa deposit, Taqwa investment etc.

A.5. Shareholding Structure

United Commercial Bank Limited started its journey with paid-up capital of BDT 35.50 million. Presently it has authorized capital of BDT 15,000.00 million and paid-up capital of BDT 12,783.97 million. As on December 31, 2021, the four broad categories, Sponsors/Directors, Institution (Financial & Others), General Public and Govt. of Peoples Republic of Bangladesh represented 34.65%, 21.42%, 43.12% and 0.81% of the total paid-up capital of the bank respectively as shown in the chart.

Figure 3: *Ownership Pattern*



A.6. UCB 2nd Perpetual Bond Issuance Objective

The Bond has been issued to raise additional Tier-I capital to strengthen the capital base of United Commercial Bank Limited. The bond would facilitate the bank to enhance its capital strength and continue to grow its financial strength in the future years. The bond would qualify as Additional Tier-1 capital and help to maintain healthy capital adequacy ratio. Moreover, the fund will be used for undertaking general business activities of the bank including strengthening of the investment portfolio and other securities.

A.7. Structure of UCB 2nd Perpetual Bond and Terms

Exhibit 2: *Structure of UCB 2nd Perpetual Bond and Terms*

Name of the Instrument	UCB 2nd Perpetual Bond
Issue Type	Unsecured, Contingent-Convertible, fully paid up, Non-Cumulative, BASEL III compliant, Perpetual Debt Instrument for inclusion in Additional Tier I Capital
Issuer	United Commercial Bank Limited
Nature of Instrument	Unsecured
Purpose and Objectives	To raise Additional Tier-1 Capital through issuance of UCB 2nd Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk-Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The funds being raised by the Bank through the mentioned Issue are not meant for financing any particular project. The Bank shall utilize the proceeds of the Issue for its regular business activities. The Bank shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the

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	Bangladesh Bank and Bangladesh Security Exchange and Commission where applicable.
Arranger	UCB Investment Limited
Issue Manager for the public offer/issue	Prime Finance Capital Management Limited & Sonali Investment Limited
Underwriter for the public offer/issue	Prime Finance Capital Management Limited & Sonali Investment Limited
Trustee	Prime Bank Investment Limited
Paying Agent, Register, Transfer Agent	Prime Bank Investment Limited
Rating Agency	Emerging Credit Rating Limited
Legal Advisor	Lex Juris
Mode of Issue	90% of the issue size under Private Placement and 10% of the issue size under Public Offer
Facility Size	BDT 3,000,000,000 (BDT 2,700,000,000 under private placement and BDT 300,000,000 under public issue)
No. of Bonds to be Issued	540,000 under private placement and 60,000 under public offer.
Face Value Per Lot	BDT 5,000/ (Five thousand taka only)
Minimum Subscription	01 lot for public issue and 200 lots for private placement
Tenure	Not Applicable. The Bonds shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
Investors	As per the BRPD(BS)661/14B(P)/2022/12400 dated December 12, 2022 NOC from Bangladesh Bank and Consent Letter from Bangladesh Securities and Exchange Commission
Coupon Rate	Reference Rate + Coupon Margin
Reference Rate	20-year Treasury-Bond rate. (Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day)
Coupon Margin	2.00%
Quotation Day	Five (05) days before the first day of any period for which a coupon rate is to be determined.
Coupon Range	Coupon Ceiling: 10% Coupon Floor: 6% (subject to having available distributable profit)
Coupon Discretion	The bank will have full discretion at all times to cancel distributions/payments to the bondholder
Exercise of Coupon Discretion	Any coupon payment will be distributed subject to having available distributable profit of the issuer
Coupon Payment Frequency	Semi-Annual • Coupon will be paid to the bondholders semi-annually. However, the first coupon payment period will be from the issue date/subscription closing date up to the ensuing either 30 June or 31 December of the respective year whichever is earlier of issue date/subscription closing date • Thereafter, coupon payment will be made semi-annually on June and December (i.e. Coupon Period will be from 01 January to 30 June and 01 July to 31 December or up to Issuer Call date, or regulatory call date, if exercised).
Late Payment	Issuer shall pay a late payment penalty of 2% (two percent) higher than the Coupon Rate and be payable on the amount not paid on the due date till the date of actual payment unless the exercise of coupon discretion is not in effect.
Business Day	• If any Coupon/ Profit Payment date falls on a day that is not a

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EMERGING
Credit Rating

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Convention/Effect of Holidays	Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day. • If the Call Option Due Date (also being the last Coupon Payment Date, in case Call Option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with profit accrued on the Bonds until but excluding the date of such payment.
Late Redemption	Not Applicable. Since the instrument is perpetual in nature i.e. there is no maturity date; late redemption is not applicable unless and until it is eligible for call option criteria.
Put Date	Not Applicable
Put Price	Not Applicable
Call Option	Can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank
Call Option Eligibility	1. Replace this instrument with capital of the same or better quality that are sustainable for the income capacity of the Bank, or, 2. Capital position is above the minimum requirements after the call option is exercised
Claim Settlement in the event of Liquidation or Wind-up	Claims of the investors on the bond are: 1. Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future. 2. Subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines) of the Bank; 3. Is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors 4. Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Loss Absorption in this terms and features.
Loss Absorption	Any losses will be absorbed in the following manner: Conversion to common shares at pre-specified trigger point as needed to reach the minimum consolidated CET-1 ratio as per Bangladesh Bank requirement (Currently of 4.50%).
Loss Absorption Methodology	CET-1 on Trigger Date will be considered to identify the shortfall percentage and it will be converted into common shares eventually. If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.
Trigger Point for Loss Absorption	If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters; then, the 3rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger-Point (date). Once the trigger point has been reached and exercised, the cycle will start again.
Conversion Strike Price	Average market price of the immediate 180 days or par value (currently BDT 10) whichever is higher.
Payment Suspension Methodology	In case of the event of exercise of loss absorption feature of the bond, any coupon payment in between the trigger date and publication date of audited financials will be hold. The bondholder will not be eligible for such coupon payment if the same situation prevails (CET-1 (Conso)

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	remains below the regulatory requirement of 4.5%) after the publication of audited financials.
Conversion Notice	In time of conversion Trustee must notify the bondholders in accordance with not less than 2 business days prior to start of each conversion period of the commencement date and the final date of such conversion period. All notices are validly given if: • Mailed to bondholders at their respective address in the register, • Published for three consecutive days in one English newspaper and one Bengali newspaper; each having wide circulation in Bangladesh, • Emailed to bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the bondholders or published for three consecutive days in a leading newspaper as aforesaid. Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications.
Events of Default	Not Applicable. It is further clarified that cancellation of discretionary payments/coupon shall not be deemed to be an event of default. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.
Common Equity Holders' Dividend Stopper Clause	Dividend Stopper Clause will be applicable to these Bonds and it will stop common equity holders' dividend payments on common shares in the event the holders of the Bonds are not paid coupon. In the event the holders of the Bonds are not paid coupon, they shall not impede the full discretion that Issuer has at all times to cancel distributions/payments on the Bonds, nor will they impede / hinder: (i) The Re-Capitalization of the Issuer. (ii) The Issuer's right to make payments on other instruments, where the payments on this other instrument were not also fully discretionary (i) The Issuer's right to making distributions to shareholders for a period that extends beyond the point in time that coupon on the Bonds are resumed. The normal operation of the Issuer or any restructuring activity (including acquisitions/ disposals).
Transferability/Liquidity	Freely transferable in accordance with the provisions of the Deed of Trust.
Governing Law	The Bonds are governed by and shall be construed in accordance with the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the jurisdiction of courts of Bangladesh.

B. FINANCIAL ANALYSIS

B.1. Capital Adequacy

Exhibit 3: *Selected indicators of UCBL*

FY 31 December	2021	2020	2019	2018
Tier-I Capital (BDT Million)	34,364.53	28,848.43	27,254.27	25,012.30
Total Capital (BDT Million)	52,760.95	50,231.61	46,236.15	42,950.61
Total Risk Weighted Assets (BDT Million)	386,743.80	336,719.54	314,868.22	332,831.86
Tier-I Ratio (%)	8.89	8.57	8.66	7.51
CRAR (%)	13.64	11.92	14.68	12.90

FY2018-2021 Abstracted from Audited Financial Statements

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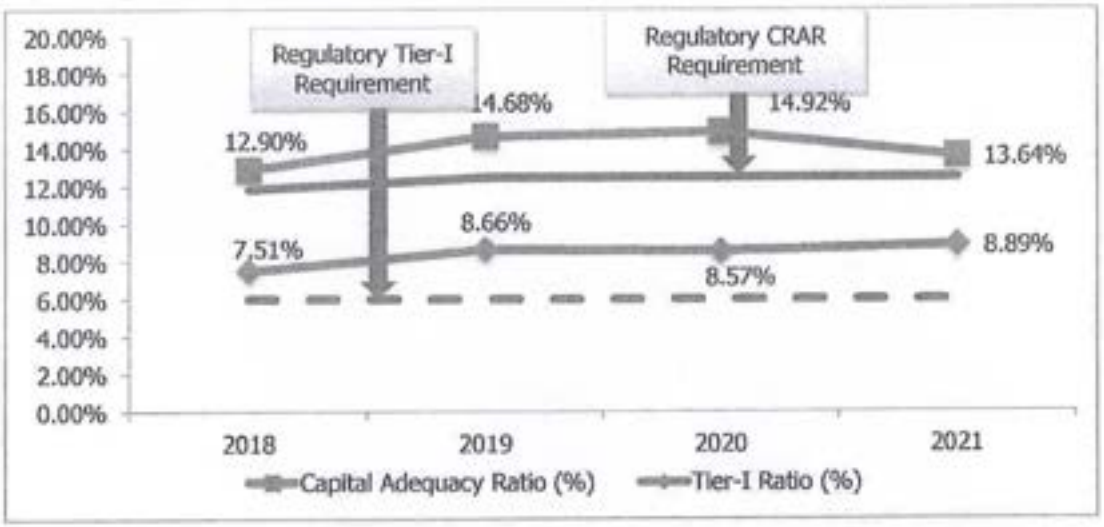
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As per the regulatory requirement directed by the Bangladesh Bank under the Basel - III, every bank has to maintain a minimum capital to risk weighted assets (CRAR) of 12.50% in total from which minimum required Tier-1 capital ratio of 6.00%. In FY 2021, the CRAR of the bank remained 13.64% and tier-I ratio remained 8.89% which are well above the regulatory requirement. In this period, the CRAR fell from earlier year due to principal repayment of subordinated bonds of the bank.

Risk weighted asset of the Bank has seen a growth of 14.86% in FY2021 standing at BDT 386,743.80 million in FY2021, notably higher than earlier year's growth of 6.94%. During FY2021, Credit risk increased by 15.27%, besides market risk and operational risk also went up by 21.11% and 9.54% respectively.

Figure 4 Capital Adequacy Position of UCBL



B.2. Asset Composition & Trends

Exhibit 4: Selected Indicators for UCBL

FY 31 December	2021	2020	2019	2018
Total Asset (BDT Million)	565,314.21	493,306.95	446,760.12	402,749.10
Asset Growth (%)	14.60	10.42	10.93	10.85
Gross Loans (BDT Million)	402,481.74	351,683.56	322,728.14	294,671.94
Gross Loans Growth (%)	14.44	8.97	9.52	12.90
Investments (BDT Million)	81,387.61	65,323.45	57,800.97	50,830.84
Investments Growth (%)	24.59	13.01	13.71	18.45
NPLs (BDT Million)	17,737.29	8,983.56	11,711.23	20,021.63
NPLs Growth (%)	97.44	(23.29)	(41.51)	3.91
Gross Loans to Total Assets (%)	71.20	71.29	72.24	73.17
Gross NPL Ratio (%)	4.41	2.55	3.63	6.79
Net NPL Ratio (%)	(3.33)	(4.66)	(2.37)	1.55
Loan Loss Reserve Coverage (%)	93.50	140.77	89.11	46.49
NPLs to Equity & Loan Loss Reserve (%)	32.83	18.83	39.56	51.05

FY2018-2021 data extracted from Audited Financial Statements

UCBL's total asset base has continued its growth as shown in the table above. The total asset portfolio reached to BDT 565,314.21 with a 14.60% growth from BDT 493,306.95 million in FY2020. The growth was a result of improvements in the components of the total asset such as loans, investments as well as investments. The concentration of loans & advances (71.20%) in total asset has slightly lowered from previous year (72.29%) while the bank has increased its investments (FY2021: 14.40%, FY2020:13.24%), two of the major components of total asset.

B.2.1. Asset Quality

The portfolio rate of gross loans and advances portfolio of UCBL has gradually reduced over the previous years and in FY2021, loans and advances of the bank grew by 14.44% as opposed to 8.97%

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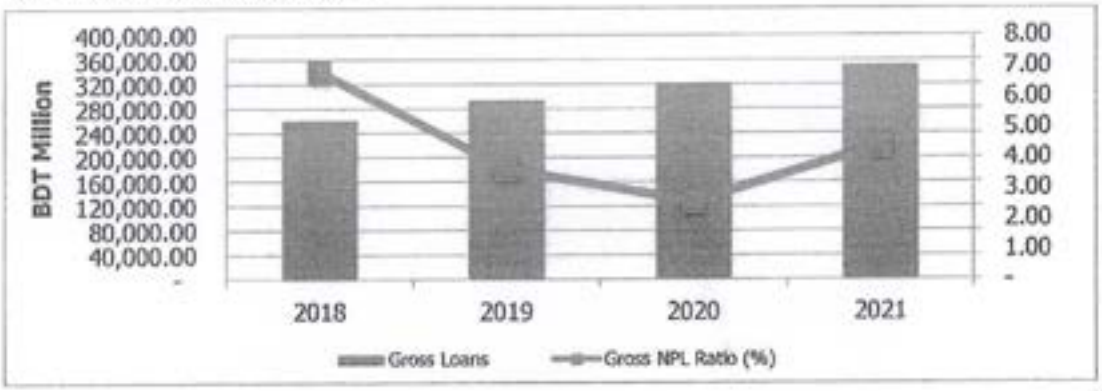
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in FY2020. The COVID-19 pandemic as well as interest rate cap has lowered the growth on loans and advances in 2020 of the banking industry; however, the situation is improving gradually as the economy is rebounding. In FY2021, the bank's loans and advances portfolio reached BDT 402,481.74 from BDT 351,683.56 million in FY2020.

Banks of the country had started to focus more on diversifying their earning sources and asset base by increased attention on the investment portfolio due to lending rate cap. Investment portfolio of UCBL had continuous healthy growth in the recent financial years with 24.59% growth in FY2021. The growth of investment in 2021 was contributed by increased amount of investment in government securities.

Figure 5: *Selected Indicators of UCBL*



Non-performing loans (NPL) of the bank has significantly increased by 97.44% and reached 17,737.29 million as opposed to BDT 8,983.56 million in FY2020 indicating the deterioration of asset quality of UCBL. This is also concerning that 97.69% of the NPL holds bad loss status in FY2021 as compared to 91.75% in FY2020; as a result the NPL quality was further lowered.

The banks provision coverage ratio has suddenly fallen in FY2021 due to the remarkable increase in NPL. Loan loss reserve of the bank declined to 93.50% of the total NPL in FY2021 whereas this was much better in FY2020 (140.77% of NPL) indicating relatively weaker safety against potential losses arising from the NPLs in future. As per audited financial statements of 2021, UCBL has kept general provision and specific provision as per the requirement of Bangladesh Bank and there is no surplus or deficit at the year end.

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Figure 6: *Selected Indicators of UCBL*

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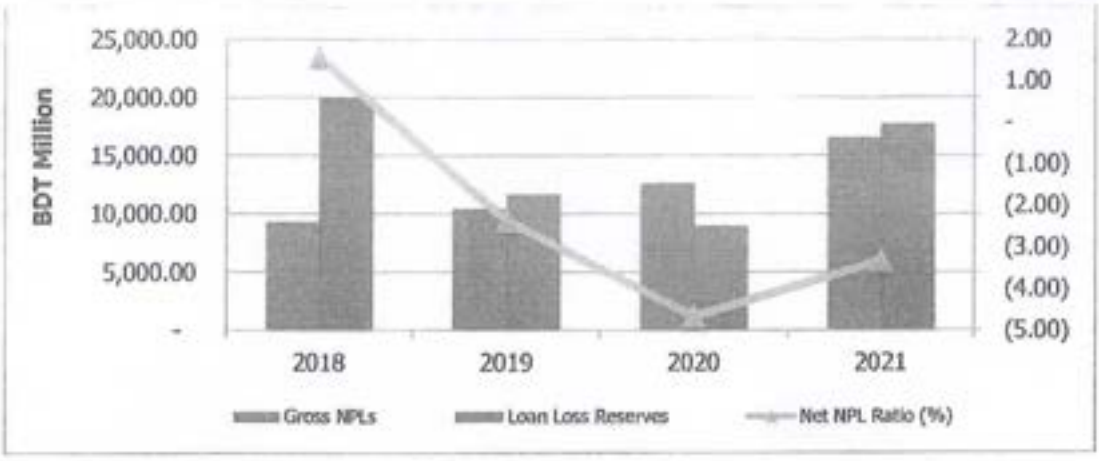
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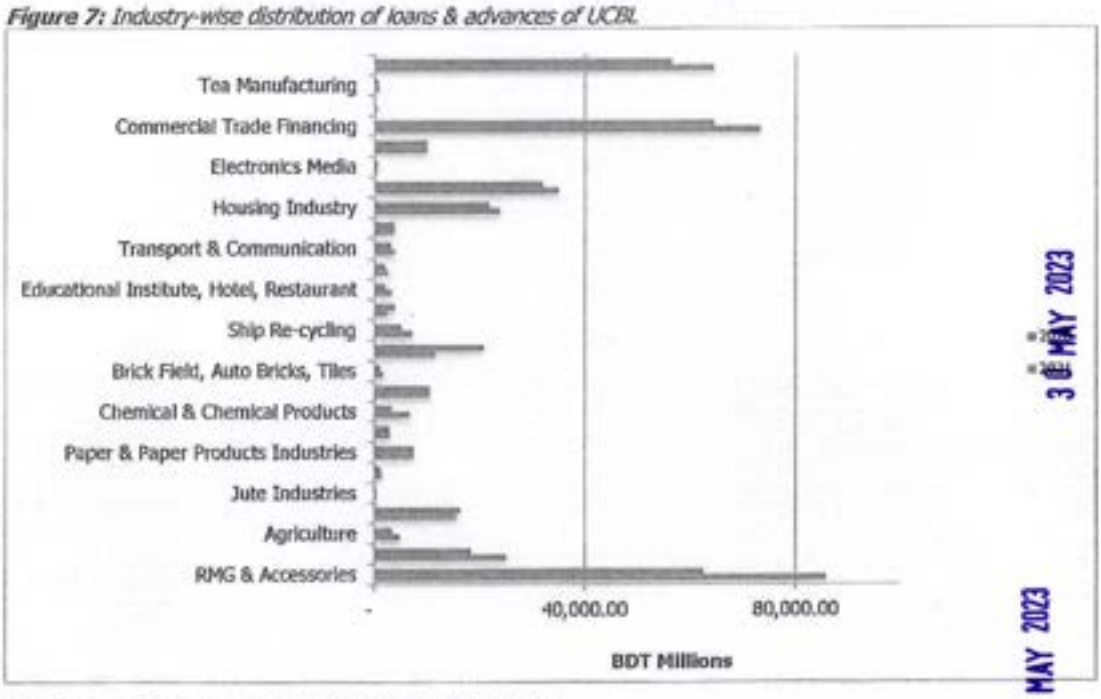
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B.2.2. Loan Diversification and Concentration

UCBL's loan portfolio is diverse with concentration in different sectors of the economy divided into Commercial Trade Financing, RMG & Accessories, Construction (Other than housing), Housing Industries and many more. The industry wise concentration shows that loans and advances portfolio was led by RMG & Accessories (21.30%) followed by Commercial Trade Financing (18.18%) by the end of 2021. Notably, the bank has increased its exposure in RMG & Accessories in 2021 by 37.16%.

Figure 7: *Industry-wise distribution of loans & advances of UCBL*



B.2.3. Rescheduled and Written-Off Loans

In FY2021, the bank had rescheduled a total of BDT 5,387.91 million under 51 accounts compared to BDT 3,975.16 million under 61 accounts in FY2020. The rescheduled loans represent 1.34% of the total loan portfolio while it was 1.13% in the previous year.

UCBL has written off BDT 533.99 million amount of non-performing loans in the FY2021 whereas no written-off took place in FY2020. At the end of the year, the NPLs, rescheduled loans and written-off loans together represented only 5.88% of the loan book of the bank, up from 3.68% in the previous year.

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B.2.4. Large Loan Exposure

UCBL has high exposure to its large loan portfolio. The bank's exposure to large loans (funded and non-funded together exceeding 10% of bank's capital) has increased by the end of FY2021 from a year ago. The number of such large loans was 45 groups with total outstanding amounting to BDT 244,994.40 million in FY2021 in contrast to 37 groups with total outstanding amounting to BDT 204,255.70 million in FY2020. UCBL's large loan accounts 60.87% of total loans and advances in FY2021 slightly higher from 58.08% in FY2020 signifying the colossal dependency on few borrowers.

B.2.5. Treasury Assets

The total investment portfolio of UCBL has increased in the recent years. Higher investment has been made in government bonds has facilitated the 24.59% increase in overall investments in 2021. By end of FY2021, UCBL's total investment portfolio stood at BDT 81,387.61 million which was BDT 65,323.45 million in FY2020.

B.2.6. Off-Balance sheet exposure

The off-balance sheet contingent liabilities of UCBL has increased by 29.69% to BDT 200,799.58 million in FY2021 from BDT 183,938.87 million in FY2020. As a percentage of total assets, the off-balance sheet items were 46.07% in FY2021. The off balance sheet items consist of acceptances and endorsements, letters of guarantee, letters of credit and bills for collection which covers 42.36%, 22.08%, 28.89%, 6.67% of total off-balance sheet contingent liabilities in FY2021.

B.3. Earning Trends and Profitability

Exhibit 5: Selected Indicators of UCBL

FY 31 December	2021	2020	2019	2018
Net Interest Income (BDT Million)	13,396.39	9,510.78	10,797.81	9,242.44
Net Interest Income Growth (%)	40.85	(11.92)	16.83	3.30
Non-Interest Income (BDT Million)	11,423.35	10,977.44	9,911.08	9,050.08
Non-Interest Income Growth (%)	4.06	10.76	9.51	7.29
Pre-Provision Profit (BDT Million)	10,183.71	6,857.12	8,278.68	7,390.25
Pre-Tax Profit (BDT Million)	5,609.91	4,948.01	4,932.09	4,907.76
Post-Tax Profit (BDT Million)	3,177.17	2,857.20	2,772.04	2,368.95
Post-Tax Profit Growth (%)	11.20	3.07	17.02	(2.67)
Post - Tax ROAE (%)	8.76	8.42	8.84	8.40
Interest Spread (%)	3.99	3.34	4.03	3.82
Net Interest Margin (%)	2.89	2.33	2.94	2.78
Cost to Income Ratio (%)	58.97	66.53	60.02	59.66

FY2018-FY2021 data extracted from Audited Financial Statements

The net interest income of UCBL grew by 40.85% in FY2021 after a fall of 11.92% in FY2020. The growth in FY2021 was backed by lower deposit rate as there was massive liquidity surplus in the market. In that period, interest income remained almost similar as last year, however, interest expense reduced by 21.74%. On the other hand, the bank enjoyed an increased in non-interest income by 4.06% mostly consists of government treasury bill/bond. Cumulatively, the total operating income of the bank had improved by 21.14% in FY2021 after a slight fall in FY2020.

In 2021, total operating income of the bank consist 53.97% net interest income and 46.03% non-interest income that was 46.42% and 53.58% respectively in FY2020. Income from investment fell by 10.95% due to drop in interest income from subordinated bonds as well as dividend income. On the other hand, commission, fees, exchange and brokerage income gained by 22.27% as the economy is recovering and business activities are improving after the covid-19 weaves.

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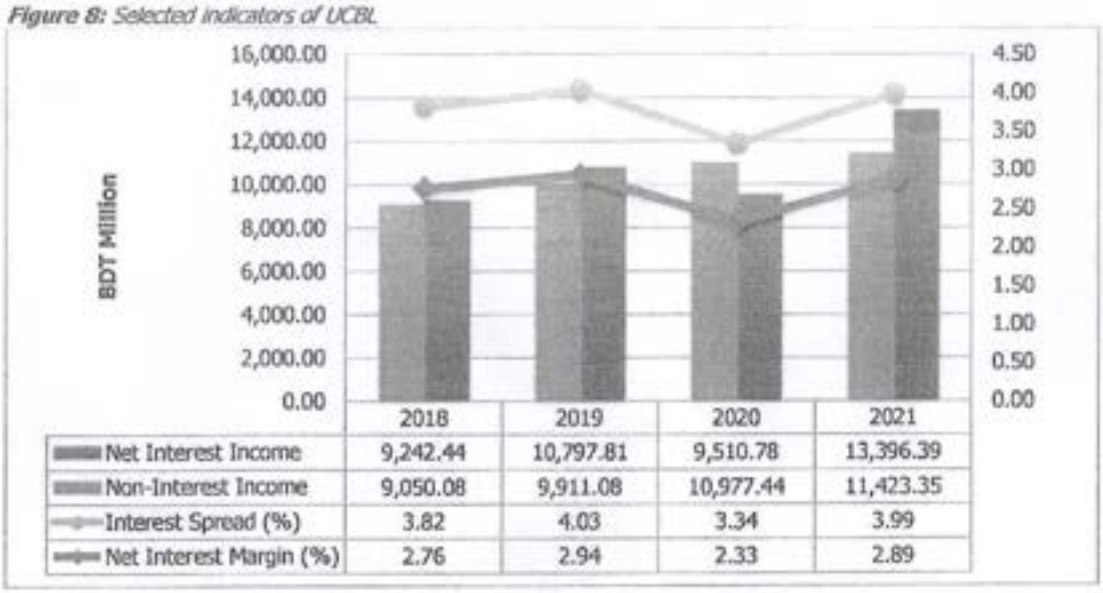
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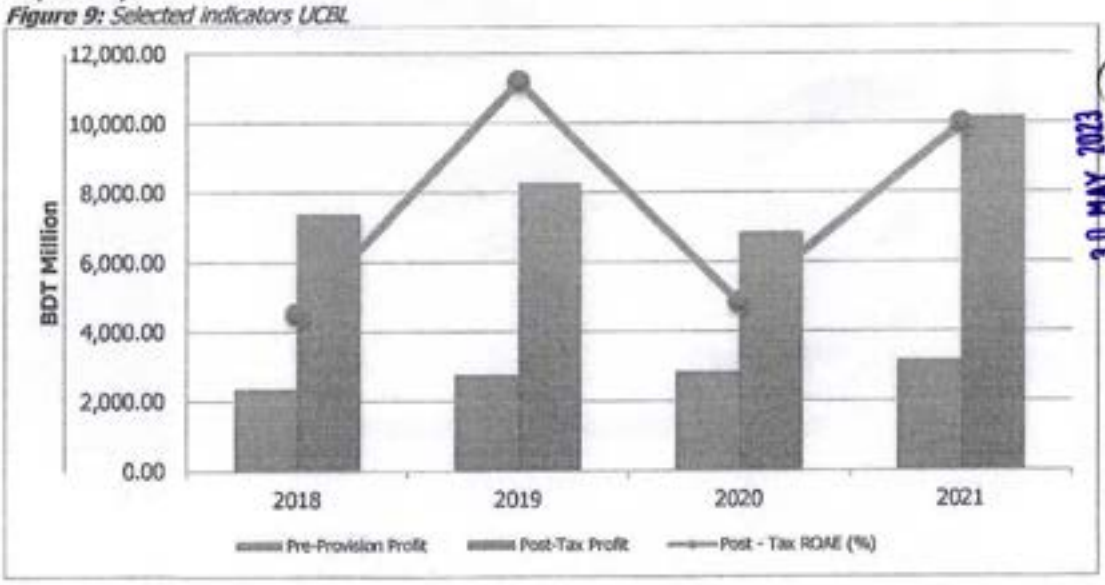
Figure 8: Selected indicators of UCBL



	2018	2019	2020	2021
Net Interest Income	9,242.44	10,797.81	9,510.78	13,396.39
Non-Interest Income	9,050.08	9,911.08	10,977.44	11,423.35
Interest Spread (%)	3.82	4.03	3.34	3.99
Net Interest Margin (%)	2.76	2.94	2.33	2.89

UCBL's operating expenses increased by 7.37% in 2021 to stand at BDT 14,636.03 million due to the banks increased expenditure on salary, rent, legal expenses etc. The cost to income ratio of the bank fell due to overall income growth as opposed to cost control which played a major role in achieving 48.51% growth in profit before provision as opposed to FY2020. In contrast, provision expense increased significantly by 139.58% from BDT 1,909.10 in FY2020 million to BDT 4,573.81 million in FY2021 resulting 13.38% and 11.20% overall growth in profit before tax and profit after tax respectively.

Figure 9: Selected indicators UCBL



B.4. Funding and Liquidity

Exhibit 6: Selected indicators of UCBL

FY 31 December	2021	2020	2019	2018
Deposits (BDT Million)	389,900.72	353,981.62	330,632.23	297,172.82
Deposit Growth (%)	10.15	7.06	11.26	6.82
Loan to Deposit (%)	83.73	81.18	83.79	79.64
Net Loans to Stable Funding Base (%)	146.77	138.30	126.87	124.43
Net Loans to Customer Deposits (%)	95.50	92.50	91.89	93.88

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Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited

30 MAY 2023

Md. Shawkat Jahan Khan
Chief Executive Officer
Sonali Investment Limited
Head Office, Dhaka.

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UCB 2nd Perpetual Bond

Faruk Ahammad, FCA
Chief Financial Officer
United Commercial Bank PLC

ATM Tanmiduzzaman, FCS
OMD & Company Secretary
United Commercial Bank PLC

A. Arif Quadir
Managing Director & CEO
United Commercial Bank PLC
Corporate Office, Gulshan Avenue
Dhaka-1212

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka

Deposits to Total Funding (%)	68.97	71.76	74.01	73.79
Interbank Liabilities to Total Funding (%)	15.18	8.74	5.71	7.27

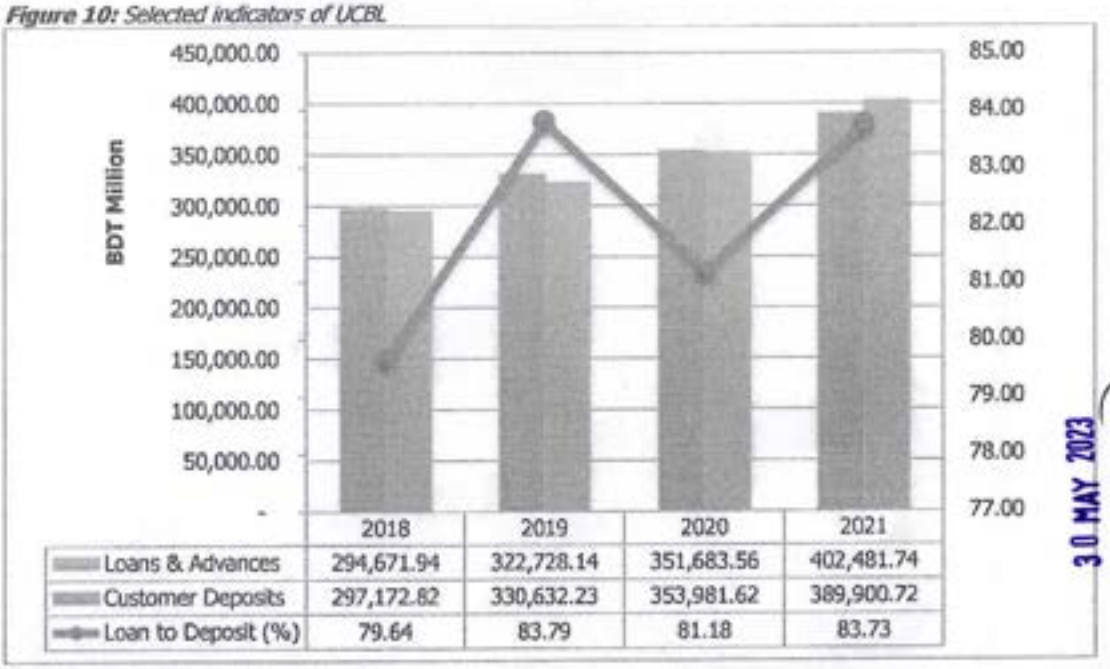
FY2018-2021 data extracted from Audited Financial Statements

B.4.1. Fund Management

UCBL has rearranged its deposit mix after the implementation of lending rate cap. In FY2021 and FY2020 the bank put more attention on low cost/no cost deposit like CASA (current and saving deposit) and reduced its dependence on term deposit which is relatedly high cost in nature. In FY2021, CASA represents 41.52% of total deposit whereas in FY2019 this was only 34.68% whereas fixed deposit reduced to 56.21% in FY2021 from 62.48% of total deposit in FY2019. Consequence of these, deposit and borrowing expense has fallen by 21.74% though deposit of the bank has grown by 10.15% in FY2021.

The bank has kept its ADR ratio within the regulatory requirement of Bangladesh Bank at 87% during FY2021 and scored 83.73% in the loan to deposit ratio. The net loans were 146.77% of the stable funding base in 2021 which was higher than previous year due to increased loan portfolio.

Figure 10: Selected indicators of UCBL



	2018	2019	2020	2021
Loans & Advances	294,671.94	322,728.14	351,683.56	402,481.74
Customer Deposits	297,172.82	330,632.23	353,981.62	389,900.72
Loan to Deposit (%)	79.64	83.79	81.18	83.73

B.4.2. Liquidity Management

The CRR and SLR requirement of UCBL was BDT 15,724.44 million and BDT 51,547.63 million as on December 31, 2021. The bank kept BDT 17,160.49 million and BDT 81,995.50 million respectively for CRR and SLR as on December 31, 2021. Total surplus amount from CRR and SLR stood at BDT 1,436.05 million and BDT 30,447.88 million in FY2021 respectively.

The maturity-based asset and liability profile of UCBL are distributed over different time horizons. The bank had net liquidity gap in 3 – 12 months bracket in FY2021 and shown surplus net liquidity in all other brackets. Eventually, the total net liquidity comprising all maturity periods in FY2021 has resulted in net cumulative surplus.

C. MARKET RISK ANALYSIS

Markets risks of a Perpetual Bond may arise due to uncertainty related to the interest/profit rate risk, limited subscriber risk, call risk etc. Moreover Bond by nature is exposed to many sources of risk. The term structure of the interest rate/profit rate can shift and twist in different ways. Issuers may default due to sector wide problems or individual credit difficulties. The Bond market is still a new concept to the Bangladesh economy as well as conventional Bond market is underdeveloped.

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However, the Perpetual Bond is sensitive towards both market and company specific risks. All investments which offer a balance between risk and potential return are graded to be the higher rated investment. The balance between risk and return varies by the type of investment (in this case Perpetual Bond), the entity that issues it, the state of the economy and the cycle of the securities markets.

The entity in discussion will issue Unsecured, Contingent-Convertible, fully paid up, Non-Cumulative Perpetual Bond of BDT 3,000.00 million for the purpose of strengthening Tier I capital base. UCB Investment Limited has been acting as the mandated lead arranger whereas trustee of the bond is Prime Bank Investment Limited. ECRL considered the following risk analysis related to the both market and instrument specific risk.

C.1. Coupon Rate Risk

Coupon rate risk affects the value of Bonds that arises when an investment's value will change due to a change in the absolute level of interest/profit rates. An upward movement of the market interest rate over the term deposit will generate a higher return of the Bond than benchmark rate. But the rate of return will not fall below 6.00% p.a. lowering the risk of the potential investors. In addition, on the part of the bank, coupon rate risk is also mitigated by the coupon ceiling rate of 10.00% p.a. which means at no circumstance the coupon rate will go above 10.00% p.a.

C.2. Call risk

There is a call option for the issuer which can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank. However, to exercise the call option, the issuer needs to replace this instrument with capital of the same or better quality that are sustainable for the income capacity of the Bank, or, Capital position is above the minimum requirements after the call option is exercised. In this case, the bondholders will loss the expected profit.

D. COMPANY SPECIFIC RISK ANALYSIS

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different type and magnitude. So, the prime responsibility of every financial institution is to manage its risk such that its return from business can be maximized. Banks are exposed to five core risks through their operation, which are Credit Risk, Asset/Liability Risk, Foreign Exchange Risk, Internal Control & Compliance Risk, Money Laundering Risk, and Information & Communication Technology Security Risk. As a prudent and responsible financial institution, the Company attaches top priority in ensuring safety and security of the finances that are being extended.

D.1. Impact of COVID-19

As conferred earlier, the pandemic would affect the bank in many aspects both in short term and long term. Among various risks, credit risk and liquidity risk likely to shake the bank mostly. The Non-performing Loan (NPL) of the Bank likely to rise in a new level. In this situation, the credit worthiness of the existing borrower will be deteriorated which would undermine the possibility of repayment of loan.

D.2. Credit Risk

Credit risk is one of the most vital risks for any commercial bank as like United Commercial Bank Limited. Credit risk arises from non-performance by a borrower. It may arise from either an inability or an unwillingness to perform in the pre-commitment contracted manner. The real risk from credit is the deviation of portfolio performance from its expected value. The credit risk of a bank is also effect the book value of a bank. The more credit of a particular is in risk, the more probability of a bank to be insolvent.

D.3. Asset Liability Management Risk

Asset Liability Management (ALM) is an integral part of Bank Management; and so it is essential to have a structured and systematic process to manage the Balance Sheet risk properly. UCBL has developed an "Assets Liability Management Committee" comprising of the senior management of the bank to make important decisions related to the Balance Sheet of the bank. It also developed a guideline in line with Bangladesh Bank's guidelines to achieve above mentioned purpose. The Asset Liability Management Committee (ALCO) of UCBL is headed by the Managing Director of the Bank which meets at

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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 Management risk can be classified into three major categories such as liquidity risk, interest risk, foreign exchange risk.

D.3.1. Liquidity Risk

Liquidity risk is the potential for loss to a bank arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations. Liquidity risk is often triggered by the consequences of other financial risks such as credit risk, interest rate risk, foreign exchange risk, etc. For instance, a large loan default or changes in interest rate can adversely impact a bank's liquidity position. Loans to deposit ratio indicates a banks liquidity position and UCBL's loans deposit ratio stood at 83.73% in December 2021 which indicates the overall liquidity position is in satisfactory level. UCBL's Asset Liability Committee (ALCO) is entrusted with the responsibility of managing short-term and long-term assets and ensuring adequate liquidity at optimal funding cost. ALCO also reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan.

D.3.2. Interest Rate Risk

Interest rate risk is the possible loss from adverse movements in market interest rates. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest-sensitive income and operating expenses. An investment's value will change due to change in the absolute level of interest rates. Such changes usually affect securities inversely and can be reduced by diversifying or hedging (through an interest rate swap) techniques. The Asset Liability Committee (ALCO) of UCBL is the main body which looks after and monitors investment profit rate structure. The committee also evaluate any market risk arises from the regulatory pressure thus reducing the profit rate. Moreover, ALCO committee is always watchful to adverse movement of the different market variables.

D.3.3. Foreign Exchange Risk

Foreign exchange risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. Managing foreign exchange risk involves prudently managing foreign currency positions in order to control, within set parameters, the impact of changes in exchange rates on the financial position of the bank. Introduction of market based exchange rate of Taka has resulted in both trading opportunities and associated foreign exchange volatility risk. UCBL has developed a "Foreign Exchange Risk Management Policy" complying with the Bangladesh Bank guideline in order to identify and combat the foreign exchange risk. UCB has formed Exchange Operation Department to make sure of timely, properly and authentic reporting to regulatory authority.

D.4. Operational Risk

Bangladesh Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This operational risk also includes legal risks but not strategic and reputational risks.

D.4.1. Anti Money Laundering Policy

Money laundering risk refers to acquired or earned properties directly or indirectly through illegal means. In boarder sense, illegal transfer, conversion, concealment of location or assistance in the above act of the properties acquired or earned directly or indirectly through legal or illegal means. So Anti Money Laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering activities. UCBL has formulated a guideline on AML and ATF issues since in line with the amendment of the AML Act 2012 made by the Government. Central Compliance Unit (CCU) is in force headed by the Chief Anti Money Laundering Compliance (CAMLCO) at Head Office and Branch Compliance Unit (BCU) headed by the Branch Anti Money Laundering Compliance Officer (BAMLCO) who is entrusted to comply with BFIU instructions in order to prevent Money Laundering and Combating Financing of Terrorism. In line with this, the Internal Audit frequently review the transactions of the accounts to verify suspicious transactions. UCB has also

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prepared its own policy on "Prevention of Trade Based Money Laundering" on September 29, 2020 based on the BFIU guidelines on the same.

D.4.2. Internal Control and Compliance (ICC)

UCBL has a diversified and complex financial activity within the country. Since its activity involves high risk, the issue of effective internal control system, corporate governance, transparency, accountability has become significant issues to ensure smooth performance in banking industry of Bangladesh. In many banks internal control is identified with internal audit; the scope of internal control is not limited to audit work. It is an integral part of the daily activity of a bank, which on its own merit identifies the risks associated with the process and adopts a measure to mitigate the same. Internal Audit on the other hand is a part of Internal Control system which reinforces the control system through regular review. In line with this, it plays an important role in preventing and detecting fraud and protecting the organization's resources. At the organization level, internal control objectives relate to the reliability of financial reporting, timely feedback on the achievement/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. As per BB requirement, UCB has revised its organogram and structure of internal control and compliance division along with audit division and audit division has been separated from ICCD which will act independently from now. Internal control can provide reasonable not absolute assurance that the objectives of an organization will be met. Effective internal control implies that the organization generates reliable financial reporting and substantially complies with all laws and regulations that apply to it.

D.4.3. Information & Communication Technology (ICT) Security System

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 a Bank. UCBL has developed an "ICT Policy" comply with the 'Guideline on information & Communication technology" issued by Bangladesh Bank for protecting the ICT systems. So it becomes prerequisite to establish disaster recovery site for rescuing valued data and to re-establish normal business operation. The bank implemented a disaster recovery site that would be activated in case of disaster, which brought and restored data in authenticated way. The new CORE Banking Software (CBS) of UCB, namely Flexcube UBS of Oracle Financial Systems Software (OFSS), went live from 22nd June 2014. With the implementation of CBS, as the entire Database now reside centrally at the UCB Data Centre as well as the Disaster Recovery Site; the chances of Data corruption and loss has become almost negligible. The bank has also improved its transaction role risk by introducing CBS system. Notably, by implementing CBS system along with the Maker-Checker concept, the bank has improved to reduce its fraud and forgery risk. UCB has implemented Real-time gross settlement systems (RTGS) in 2015. UCBL has implemented Nexpose vulnerability management software to identify latest ICT security threats and to make the workplace more secured. UCB is connected to Bangladesh Bank & other Banks network. So Bank can transfer/receive money and securities in real time. It reduces the cost of exchanging money and services, and is indispensable to the functioning of the interbank, money, and capital markets. To provide more convenient and efficient service to the customers, the bank has developed the branch automation and delivery channels.

E. MANAGEMENT AND OTHER QUALITATIVE FACTORS

E.1. Corporate Governance

United Commercial Bank Limited focuses on ethics, innovation and transparency for establishing well organized corporate governance within the company. The main objective of UCBL's corporate governance is to develop a strong, sustainable and competitive company in the best interest of its shareholders, employees, business associates and society at large. Aligned with the regulatory requirements and guidelines set by the Bangladesh Bank and Bangladesh Securities & Exchange Commission (BSEC), the bank maintains good corporate governance standards. The Board of Directors (BoD) of the bank consists of 20 eminent. The board is headed by Ms. Rukhmila Zaman, the Chairman of BoD. She is a young woman entrepreneur of the country and also the Managing Director of Aramit Group, a leading manufacturing Conglomerate of the country.

The corporate governance system of the bank ensures that duties and responsibilities are appropriately segregated between the BoD and management to provide sufficient checks, balance

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and flexibility for smooth business operation. The BoD approves the bank's budget and business plan and reviews those time to time so as to give directions as per changing economic and market environment. The BoD reviews the policies and manuals of the various segments of businesses in order to establish effective risk management in credit and other key areas of operations. The BoD also ensures that adequate internal control systems are in place and they are consistently complied with to provide reasonable assurance that financial records are reliable for preparation of financial statements. The BoD further ensures that quality of financial reporting is maintained, assets of the bank are safeguarded against unauthorized use or disposition and accountability for assets and business transactions are maintained. With an objective to monitor and manage the bank's operations, performance and strategy in line with Bangladesh Bank's guidelines, the BoD of UCBL has three sub-committees. Details of these committees are presented below.

E.1.1. Executive Committee

The Executive Committee of the UCBL consists of 8 members and is headed by Mr. Anisuzzaman Chowdhury. The committee takes decision on emergency matters as and when required and assists the BoD to fulfill its responsibilities such as to set objectives, strategies and overall business plans for effective functioning of the bank. The committee reviews the policies and guidelines issued by the Bangladesh Bank regarding credit and other operations of the banking industry. The Executive Committee of the Board approves the credit proposals as per approved policy of the Board. The management ensures due diligence of the credit policy and risk management at the time of submitting the credit proposals.

E.1.2. Audit Committee

The Audit Committee of UCBL is comprised of 5 members of the BoD and is chaired by Mr. Akhter Matin Chaudhury. This Audit Committee acts as a bridge among the BoD, Executive Authority, Depositors and Shareholders etc. The committee reviews the financial statement of the bank at least on quarterly basis. They conduct various special reviews by the Board Audit Cell, a highly empowered cell working under the committee. Audit Committee meets with the external auditors to discuss audit plan and risk management process of the bank.

E.1.3. Risk Management Committee

Apart from the Executive committee and Audit Committee of the Board, a Risk Management Committee has been formed which is responsible for planning and guiding on overall risk management of the bank. This committee consists of 6 members and is chaired by Mr. M. A. Sabur. This committee's prime responsibilities are to define the risk appetite, designing organizational structure to manage risk within the bank, understanding the inherent risks of the bank, then reviewing and approving risk management policies. The committee is also involved in enforcing and using adequate recordkeeping and reporting systems, reviewing and approving limits and reviewing at least annually and last but not the least monitoring compliance with overall risk management policies and limits.

E.2. Senior Management

The strategic management activities and overall business operations of UCBL are supervised and directed by the Managing Director & CEO, Mr. Arif Quadri who is a prominent and professional Banker with years of rewarding multidimensional experience in banking and other fields of Management. The Managing Director & CEO of United Commercial Bank Limited (UCB). Before that, he was serving the Bank as Additional Managing Director. Prior to joining in UCB, he was the Deputy Managing Director & Chief Operating Officer of Premier Bank Limited. Along with the role of Managing Director of UCB, Mr. Arif Quadri is also contributing as Chairman of UCB Asset Management Limited. He attended different training programs and seminar at home and abroad. Mr. Arif Quadri has excellent academic track record. He completed his both graduation and post graduation degree in Economics from Jahangirnagar University.

Apart from functional departments, several Management committees have been formed to handle the banking operation and identify and manage the risk associated with the business. The key committees are Senior Management Team (SMT) and Asset Liability Committee (ALCO) for ensuring compliance with Bangladesh Bank's guidelines.

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Senior Management Team (SMT): SMT of UCBL comprises of senior executives of the management and headed by the Managing Director & CEO of the bank. SMT meets on regular basis to discuss relevant agenda and scrutinizes all the cases thoroughly before referring to Executive Committee/Board for due approval decision.

Asset Liability Committee (ALCO): The bank has set up Asset Liability Committee which is headed by the Managing Director. The committee's prime roles and responsibilities are to manage liquidity & profit rate risk of deposit and lending, understanding the market dynamics and risk elements involved within the business, assuming money market activities and last but not least complying bank's statutory obligations with the local Central Bank regulations.

E.3. Human Resource Management

UCBL has consistently been feeding the development requirements of employees in various grades with the requisite competencies enabling them to meet the changing business needs and also to replenish employees retiring from bank's services. At the end of 2021, the bank's total number of employees was 5,060 including 660 Executives, 4,053 Officers and 347 Staffs.

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CORPORATE INFORMATION

Board of Directors

Ms. Rukhmila Zaman	Chairman
Mr. Bazal Ahmed	Vice-Chairman
Mr. Anisuzzaman Chowdhury	Director & Chairman-Executive Committee
Mr. Akhter Matin Chaudhury	Independent Director & Chairman-Audit Committee
Mr. M. A. Sabur	Director & Chairman-Risk Management Committee
Hajee Yunus Ahmed	Director
Hajee M.A. Kalam	Director
Mr. Nurul Islam Chowdhury	Director
Mr. Asifuzzaman Chowdhury	Director
Ms. Roxana Zaman	Director
Mr. Bashir Ahmed	Director
Ms. Afroza Zaman	Director
Mr. Syed Kamruzzaman	Director
Mr. Muhammed Shah Alam	Director
Professor Dr. Jonaid Shafiq	Director
Mr. Kanak Kanti Sen	Director
Mr. Md. Aksed Ali Sarker	Director
Dr. Aparup Chowdhury	Independent Director
Mr. Touhid Shipar Rafiquzzaman	Independent Director
Mr. Arif Quadri	Managing Director & CEO

Senior Management Team

Mr. Arif Quadri	Managing Director & CEO
Mr. Syed Faridul Islam	Additional Managing Director
Mr. Nabil Mustafizur Rahman	Additional Managing Director
Mr. Abul Alam Ferdous	Additional Managing Director
Mr. N. Mustafa Tarek	Deputy Managing Director
Mr. Md. Abdullah Al Mamoon	Deputy Managing Director
Mr. Mohammed Habibur Rahman	Deputy Managing Director
Mr. Md. Shah Alam Bhuiyan	Deputy Managing Director
Mr. Mohammed Khorshed Alam	Deputy Managing Director
Mr. ATM Tahmiduzzaman FCS	Deputy Managing Director

Shareholders

Sponsors/Directors	34.65%
Institutions (Financial & Others)	21.42%
General Public	43.12%
Govt. of Peoples Republic of BD	0.81%

Auditors

MABS & J Partners
Chartered Accountants
SMC Tower (7th Floor), 33 Banani C/A, Road #17,
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Corporate Head Office

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BOND RATING SYMBOL

LONG-TERM RATINGS	
ECRL's Long-Term Ratings are assigned to debt with maturities of more than one year. These debt ratings specifically assess the likelihood of timely repayment of principal and payment of interest over the term to maturity of such debts.	
RATING	
AAA	Indicates that the ability to repay principal and pay interest on a timely basis is extremely high.
AA	Indicates a very strong ability to repay principal and pay interest on a timely basis, with limited increment risk compared to issues rated in the highest category.
A	Indicates the ability to repay principal and pay interest is strong. These issues could be more vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BBB	This grade indicates an adequate capacity to repay principal and pay interest. More vulnerable to adverse developments, both internal and external, than obligations with higher ratings.
BB	This rating suggests that likelihood of default is considerably less than for lower-rated issues. However, there are significant uncertainties that could affect the ability to adequately service debt obligations.
B	Indicates a higher degree of uncertainty, and therefore, greater likelihood of default. Adverse developments could negatively affect repayment of principal and payment of interest on a timely basis.
C	High likelihood of default, with little capacity to address further adverse changes in financial circumstances.
D	Payment in default.

Notes: Long-Term Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories. Bank-guaranteed issues will carry a suffix (bg), corporate-guaranteed issues, a (cg), issues guaranteed by a financial guarantee insurer (FGI), an (fg), bond issues will carry a suffix (B) and all other supports, an (s) when such guarantees or supports give favourable effect to the assigned rating.

Rating Outlook	
ECRL's Rating Outlook assesses the potential direction of the Bond Issuers over the intermediate term (typically over a one to two-year period). The Rating Outlook may either be :	
POSITIVE	which indicates that a rating may be raised;
NEGATIVE	which indicates that a rating may be lowered;
STABLE	which indicates that a rating is likely to remain unchanged; or
DEVELOPING	Which indicates that a rating may be raised, lowered or remain unchanged.

30 MAY 2023

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PBiL
Powering Business Solutions

Annexure-II
[Rule 3(1)(m), 4(1)(c) and 4(2) (a)]
Due Diligence Certificate of the Trustee

To

The Bangladesh Securities and Exchange Commission

Subject: Issuance of 540,000 Numbers under Private Placement and 60,000 Numbers under Public Offer of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of BDT 5000 Each of United Commercial Bank Limited.

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

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and

2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

(a) All information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;

(b) We have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM: N/A;

(c) While examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;

(d) We shall act as Trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;

(e) We shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and

(f) The above declarations are unequivocal and irrevocable.

For Trustee

Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Place: Dhaka
Date: May 22, 2023

Annexure-III

Due diligence certificate by issue manager
[Rule 4(2)(a)]

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance of 60,000 numbers under public offer of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of BDT 5000 each of United Commercial Bank Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

(1) We have examined all the documents submitted with the application for the above-mentioned issue, visited the premises of the issuer or originator and interviewed the chairperson, directors and key management personnel of the issuer or originator in connection with the finalization of the information memorandum pertaining to the said issue;

(2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer or originator, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

(a) The information memorandum filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;

(b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the government have been duly complied with;

(c) The disclosures made in information memorandum are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Trust Act, 1882, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and other applicable laws;

(d) Besides ourselves, all the intermediaries named in the information memorandum are registered with the Commission and till date such registrations are valid;

(e) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments;

(f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer or originator and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

(g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the information memorandum;

Corporate & Registered Office: PFI Tower (7th Floor), 56-57 Dilkusha C/A, Dhaka-1000; Phone: +88 02 223354874, 76-77, 223354933
E-mail:info@primefincap.com, Website: www.primefincap.com

(h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;

(i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer or originator, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the issue of securities for any further inspection by the commission;

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 containing details such as the rule number, its text, the status of compliance, page numbers of the information memorandum where the rules have been complied with and our comments, if any;

(k) We also declare that we have managed the issue of securities of the following issuers including originators in the last 05 (five) years:

Serial No	Issue	Month/ Year	Issue Price	Dividend Payment History				
				2022	2021	2020	2019	2018
1	Silva Pharmaceuticals Limited	2018	Tk. 10	3%C	5%C	5%C	6%C 5%B	-
2	Esquire Knit Composite Limited	2019	Tk. 40	10%C	15%C	15%C	15%C	-
3	No issue was managed	2020	N/A	N/A				
4	Desh General Insurance Company Limited	2021	Tk. 10	10%C	10%C	10%C	12%C	10%C
5	Islami Commercial Insurance Company Limited	2022	Tk. 10	N/A	10%C	7%C	3%B	5%C

For Issue Manager

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited
Place: Dhaka
Date:23/5/2023

Corporate & Registered Office: PFI Tower (7th Floor), 56-57 Dilkusha C/A, Dhaka-1000; Phone: +88 02 223354874, 76-77, 223354933
E-mail:info@primefincap.com, Website: www.primefincap.com

Annexure - IV

Due diligence certificate by the underwriter

[Rule 4(2)(a)]

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance of 60,000 numbers under public offer of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of BDT 5000 each of United Commercial Bank Limited.

Dear Sir,

We, the under-noted underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer or originator, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at BDT 2,032,800,000 (two billion thirty two million eight hundred thousand) only and we have the capacity to underwrite a total amount of Tk. 10,068,719,220 (Taka ten billion sixty eight million seven hundred nineteen thousand two hundred and twenty only) as per relevant legal requirements. We have committed to underwrite for up to BDT 30,000,000 for the upcoming issue.

(b) At present, the underwriting obligations are pending for us:

Sl.	Name of Issue	Underwriting Amount (Taka)
1	Aman Tex Limited	40,000,000
2	Ratanpur Steel Re-Rolling Mills Limited	18,000,000
3	Omera Petroleum Limited	41,726,036
4	Mercantile Bank Bond	10,000,000
5	HR Textile Mills Limited	50,000,000
6	URO Agrovet Limited	12,500,000
7	Alliance Finance PLC	25,000,000
	Total	197,226,036

Corporate & Registered Office: PFI Tower (7th Floor), 56-57 Dilkusha C/A, Dhaka-1000; Phone: +88 02 223354874, 76-77, 223354933
E-mail:info@primefincap.com, Website: www.primefincap.com

(c) All information as are relevant to our underwriting decision have been received by us and the draft IM forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer or originator; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Md. Rezaul Haque
Managing Director
Prime Finance Capital Management Limited
Date: 23 May 2023

Corporate & Registered Office: PFI Tower (7th Floor), 56-57 Dilkusha C/A, Dhaka-1000; Phone: +88 02 223354874, 76-77, 223354933
E-mail:info@primefincap.com, Website: www.primefincap.com

Sonali Investment Limited
সোনালী ইনভেস্টমেন্ট লিমিটেড
(A Subsidiary of Sonali Bank Limited)

Head Office: Borak Biz Centre (1st & 2nd floor)
70, Dilkusha C/A, Dhaka-1000.
Phone : 02223355975, 02223350777, 47116330
Cell : 01730-329071
E-mail : sil@sonalibank.com.bd
sonaliinvestmentltd@gmail.com
Website : www.sonaliinvestment.com.bd

Annexure - IV

Due diligence certificate by the underwriter
Sonali Investment Limited
[Rule 4(2)(a)]

To

The Bangladesh Securities and Exchange Commission

Sub: Issuance of 60,000 numbers under public offer of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of BDT 5000 each of United Commercial Bank Limited.

Dear Sir,

We, the under-noted underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer or originator, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at BDT 2180.00 Million and we have the capacity to underwrite a total amount of BDT 10,900,000,000 as per relevant legal requirements. We have committed to underwrite for up to **BDT 30,000,000** for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us

Sl. No.	Name of the Company	Amount Underwritten (in Tk.)
01	First Securiy Islami Bank Limited	100,000,000.00
02	Islam Oxygen Limited	50,000,000.00
03	B. Brothers Garments Company Limited	25,000,000.00
04	Best Holdings Limited	40,000,000.00
05	Eshana Non Woven Fabrics (ind) Ltd.	26,250,000.00
	Total	**241,250,000.00**

(c) All information as are relevant to our underwriting decision have been received by us and the draft IM forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer or originator; and

(e) This underwriting commitment is unequivocal and irrevocable.

(Md. Shawkat Jahan Khan)
Chief Executive Officer
Sonali Investment Limited
Place: Dhaka
Date:

Sonali Investment Limited
সোনালী ইনভেস্টমেন্ট লিমিটেড
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Cell : 01730-329071
E-mail : sil@sonalibank.com.bd
sonaliinvestmentltd@gmail.com
Website : www.sonaliinvestment.com.bd

Annexure-III

Due diligence certificate by issue manager

Sonali Investment Limited

[Rule 4(2)(a)]

To

The Bangladesh Securities and Exchange Commission

Sub:Issuance of 60,000 numbers under public offer of Unsecured, Contingent-Convertible and Floating Rate Perpetual Bond of BDT 5000 each of United Commercial Bank Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

(1) We have examined all the documents submitted with the application for the above-mentioned issue, visited the premises of the issuer or originator and interviewed the chairperson, directors and key management personnel of the issuer or originator in connection with the finalization of the information memorandum pertaining to the said issue;

(2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer or originator, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

WE CONFIRM THAT:

(a) The information memorandum filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;

(b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the government have been duly complied with;

(c) The disclosures made in information memorandum are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Trust Act, 1882, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and other applicable laws;

(d) Besides ourselves, all the intermediaries named in the information memorandum are registered with the Commission and till date such registrations are valid;

(e) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments;

(f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer or originator and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

(g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the information memorandum;

Sonali Investment Limited
সোনালী ইনভেস্টমেন্ট লিমিটেড
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sonaliinvestmentltd@gmail.com
Website : www.sonaliinvestment.com.bd

(h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;

(i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer or originator, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the issue of securities for any further inspection by the commission;

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 containing details such as the rule number, its text, the status of compliance, page numbers of the information memorandum where the rules have been complied with and our comments, if any;

(k) We also declare that we have not managed issue of securities of the following issuers including originators in the last 05 (five) years as following:

For Issue Manager

Chief Executive Officer
Sonali Investment Limited
Place: Dhaka
Date:

BANGLADESH SECURITIES AND EXCHANGE COMMISSION

Securities Commission Bhaban, E-6/C Agargaon, Sher-e-Bangla Nagar Administrative Area, Dhaka-1207, Bangladesh.

BSEC/CI/DS-204/2022/1547

December 14, 2023

Managing Director
United Commercial Bank PLC
Bulus Center, Plot-CWS-(A)-1
Road No-34, Gulshan Avenue
Dhaka-1212

Subject: Regarding issuance of Unsecured, Contingent-Convertible, fully paid –up non-cumulative BASEL-III complaint 2nd Perpetual Bond of BDT 300 crore through Private Placement of BDT 270 crore and Public Issue of BDT 30 crore by United Commercial Bank PLC.

Dear Sir,

This refers to your application dated June 28, 2022 concerning the above subject and further correspondences regarding Unsecured, Contingent-Convertible, fully paid –up non-cumulative BASEL-III complaint 2nd Perpetual Bond of BDT 300 crore through Private Placement of BDT 270 crore and Public Issue of BDT 30 crore by United Commercial Bank PLC.

The undersigned is directed to convey the Bangladesh Securities and Exchange Commission's consent under the provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021, for issuance of Unsecured, Contingent-Convertible, fully paid –up non-cumulative BASEL-III complaint 2nd Perpetual Bond of BDT 300 crore through Private Placement of BDT 270 crore and Public Issue of BDT 30 crore by United Commercial Bank PLC. The consent has been accorded subject to the condition that the company shall comply with the relevant laws and regulatory requirements, and also shall adhere to the following conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969, as mentioned under Part-A, B & C:

PART-A
(General Conditions)

1. The Issuer shall ensure required all compliance of the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021, Commission's Directive No. BSEC/CMRRCD/2009-193/19 dated 23 May, 2021, the

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Depository Act, 1999 and other securities Laws, Rules & Regulations for Debt Securities regarding processing of application, subscription, refund, allotment, listing and trading;

2. This consent shall remain valid for 06 (six) months for private offer and 03 (three) months for public offer from the date of consent, failing which the permission will stand cancelled to the extent of un-subscribed portion;

3. The Issuer shall not change or modify the submitted draft Information Memorandum, Trust Deed & Subscription Agreement after consent to issue the debt securities without prior approval of the Commission in this regard;

4. The Issuer shall disseminate approval of the Commission along with the purpose of the issue, amount and price of the bond etc. as price sensitive information, as prescribed by the Commission;

5. The Issuer shall execute the deed of trust as per Schedule-C as approved by the Commission in favour of the trustee and register the same under the Registration Act, 1908 (Act No. XVI of 1908) and shall submit a copy of the registered trust deed attested by the Chief Executive Officers of the Issuer and the trustee to the Commission;

6. Auditors' report along with Audited Financial Statements of the issuer made up to a date not earlier than 270 days from the date of issue of the Information Memorandum (IM) and shall be incorporated in IM before the offer;

7. Financial statements shall be prepared in accordance with International Accounting Standards (IAS) and audit thereof shall be conducted in accordance with the International Standards on Auditing (ISA), as adopted in Bangladesh. The financial statements shall be audited within 120 days from the date of ending of the financial year;

8. Annual General Meeting (AGM) of The Issuer shall be held in each year of the Gregorian Calendar;

9. A copy of audited financial statements and a copy of annual report and the minutes of annual general meeting shall be submitted to the Commission within 14 (fourteen) days of the completion of the audit or, as the case may be, holding of the annual general meeting;

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10. The Issuer shall inform the Commission along with supporting documents and evidence about any change of its registered address, directors, managing director, business or any other material change that affects the affairs of the Issuer;

11. The proceeds or fund of the bond shall be placed in an escrow or specified bank account, and utilization of such proceeds or fund shall also be made from the escrow or specified bank account;

12. The Issuer shall submit a report on utilization of proceeds as well as implementation status to the Commission, the trustee, the issue manager(s) and to the stock exchange(s) as applicable, on half-yearly basis within 10 (ten) days of close of the half year, till full utilization of proceeds;

13. If there is any FDI or external debt, the issuer shall report it to Bangladesh Bank;

14. Approved information memorandum (IM) and Deed of Trust shall be made available in the websites of the Issuer or the Issue Manager or the Exchange(s), as applicable, till the closure of the subscription list;

15. The Issuer shall pay, within 5 (five) working days of issuance of this letter, a fee at the rate of 0.10% on the total face value of securities to be issued through a bank draft or payment order issued in favour of the Bangladesh Securities and Exchange Commission. If the applicant fails to pay within the specified time, this consent shall be revoked;

16. The Commission may impose conditions/restrictions from time to time, as required. If the Issuer or the Issue Manager or the Trustee of the issue fails to comply with any of the conditions as stated in this consent letter, the Issuer or the Issue Manager or the Trustee of the issue would be subject to penal provisions under the Securities and Exchange Ordinance, 1969 or any other related securities laws.

PART-B
(Private Offer)

1. The Issuer shall make offer of Unsecured, Contingent-Convertible, fully paid –up non-cumulative BASEL-III complaint 2nd Perpetual Bond of BDT 270 crore (Two hundred and seventy crore) through Private Placement.

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2. The applicants shall apply for a minimum 200 units (each unit of Taka 5,000/-) which totaling of BDT 1,000,000 (Taka ten lac);

3. The subscription shall be received through the designated bank account of the Issuer during subscription period not less than 30 (thirty) days and not more than 180 (one hundred eighty) days for private offer;

4. Application process for private offer shall be prescribed by the issuer and made it available on Issuer's website;

PART-C
(Public Offer)

1. The Issuer shall make offer of Unsecured, Contingent-Convertible, fully paid -up non-cumulative BASEL-III complaint 2nd Perpetual Bond of BDT 30 crore through Public Offer;

2. The issue manager(s) shall examine the issued Information Memorandum approved by the Commission. If any discrepancy is found, both the Issuer and the Issue Manager shall jointly communicate with the general applicants immediately, simultaneously endorsing copies thereof to the Commission and the Exchanges concerned;

3. The subscription shall be conducted through Electronic Subscription System (ESS) of the exchange(s) and subsequently made it available in the websites of the Issuer and the Exchange(s), as applicable, till the closure of the subscription;

4. The Information Memorandum, as approved by the Commission, shall be published by the Issuer, Issue Manager and the Exchange(s) as applicable in their own official websites, within 03 (three) working days from the date of the consent, till the closure of the subscription list;

5. A notice regarding the publication of information memorandum in the websites mentioning web-addresses shall be circulated in the national daily newspaper at least one in Bangla and another in English within 7 (seven) working days from the date of this consent;

6. The applicants shall apply for a minimum 1 unit of Taka 5,000/- (Taka five thousand only) each or its multiples;

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7. The Exchange(s) as applicable shall complete the listing procedure and start of trading of securities within 15 (fifteen) working from the closure of subscription period;

8. In case of over-subscription, the Exchange(s) as applicable shall refund excess amount to the applicants and send final allotment list through e-mail to the Allottees, Issuer and Issue Manager within 3 (three) working days from the closure of subscription period;

9. The Issuer shall issue allotment letters in the names of all Allottees in electronic form with digital signatures and credit the allotted securities to the respective BO accounts on the basis of allotment data (BO ID and number of securities) via their CDBL VeDAS Terminal within 5 (five) working days of receipt of the final allotment list from the Exchange(s);

10. The Exchange(s) shall transfer the issue proceeds to the designated bank account of the Issuer before starting trading of the securities;

11. As per provision of the Depository Act, 1999 & Regulations made thereunder, the securities will only be issued in dematerialized condition. All transfer/ transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL);

12. The Issuer shall submit statement of subscription received against issuance of securities along with bank statement(s) of the Bank's designated account to the Commission within 10 (ten) days of the closing of subscription list;

13. The Issuer shall submit the statement of subscription received from the underwriter(s) against undersubscribed securities along with bank statement to the Commission within 07 (seven) days of the expiry of subscription period;

14. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any violation of any provision of the public offer application process within intimation to the Commission;

15. The Issuer and the issue Manager shall ensure due compliance of all the above conditions and the listing regulations of the Exchange(s). Moreover, the Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the Bank;

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PART-D

(Public Offer Application Process)

Step-1 (Applicant):

1. An applicant for public issue of "Unsecured, Contingent-Convertible, fully paid -up non-cumulative BASEL-III complaint 2nd Perpetual Bond of BDT 30 crore by United Commercial Bank PLC" shall submit application/buy instruction to the cut-off date (i.e., the subscription closing date); Stock-Broker/ Merchant Banker where the applicant maintains customer account;
2. The application/buy instruction may be submitted in prescribed form or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant;
3. Eligible Investors shall submit an application through the Electronic Subscription System (ESS) of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s);
4. The General Public and Non-Resident Bangladeshi (NRB) shall submit the application through the Stockbroker/ Merchant Banker where the applicant maintains customer account.

Step-2 (Intermediary):

5. The registered Stock Broker/Merchant Banker in the ESS shall:

   a) Post the amount separately in the customer account equivalent to the application money;

   b) Accumulate all the applications (Subscription Forms)/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;

6. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within 3 (three) working days from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received

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from the applicants including Foreign investors by the method as determined by exchange(s).

7. The application (Subscription Form)/buy instructions shall be preserved by the Stock-Broker/Merchant Bankers up to 6 (six) months from listing of the securities with the exchange;

8. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BO IDs in electronic (text) format to CDBL for verification on the next working day. CDBL shall verify the BO IDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual and verify more than two applications using same bank account;

9. On the next working day, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report;

10. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare lists of valid and invalid applications within 2 (two) working days;

11. On the next working day, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result;

Step-3 (Issuer or Originator):

12. The Issuer and issue manager shall post the final status of subscription on their websites within 6 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of receiving information by the Commission and the Exchanges;

13. Within 2 (two) working days of receipt of the subscription result, the Issuer and Exchanges shall:

a) Process pro-rata allotment of securities to the applicants under Public Offer.

b) Issuer shall issue allotment letters in the names of the Allottees in electronic format.

c) Issuer shall credit the allotted securities to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.

d) Any fraction shall be considered to the nearest integer and accumulated fractional securities shall be allotted on a random basis.

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Step-4 (Intermediary)

14. On the next working day, Exchanges shall:
    a) Remit the amount of allotted applicants to the Issuer's Bank Account opened for subscription purpose;

    b) Distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money;

15. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

By the order of Bangladesh Securities and Exchange Commission,

14.12.2023

Md. Ariful Islam
Assistant Director (CRD)
Email: arif09h@sec.gov.bd

Copy to:

1. Governor, Bangladesh Bank;
2. Registrar of Joint Stock Companies and Firms
3. Managing Director, Dhaka Stock Exchange Limited
4. Managing Director, Chittagong Stock Exchange PLC
5. Managing Director, CDBL
6. Managing Director & CEO, Prime Bank Investment Limited. (Trustee to the Issue)
7. Head of all Departments, BSEC
8. Office of the Chairman, BSEC
9. Office of the Commissioners, BSEC.