

## Information Memorandum

**Private placement of Non-Convertible, Unsecured, Subordinated  
Bond of 10,000,000,000 (Ten Thousand Million Taka)**

**Coupon Range: 6.00% - 9.00%**

**Issuer: United Commercial Bank Limited**



**Trustee to the Issue: Delta Brac Housing Finance Corporation Ltd. (DBH)**



**Registrar, Paying Agent, Transfer Agent: Delta Brac Housing Finance Corporation Ltd.**

**Type of Security: Non-Convertible, Unsecured, Subordinated Bond**

**Total Issue Amount: BDT 10,000,000,000**

**Credit Rating status of the Bond: AA-B, Stable**

**Validity Date: from 07 April 2022 to 06 April 2023**

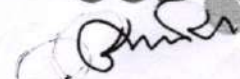
**Arranger:**

**UCB Investment Limited**

  
27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

  
The logo for UCB Investment Limited, featuring the letters "UCB" in a bold, sans-serif font, followed by the word "INVESTMENT" in a smaller, all-caps font, and "Limited" in a script font below it.

  
ATM Tahmiduzzaman, FCS  
DMD, UCB Investment Limited  
27 OCT 2022

Have any query about this document, you may consult the issuer and the trustee"

  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka 1212  
27 OCT 2022

  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022



## NOTICE & DISCLAIMER

United Commercial Bank Limited hereinafter referred as the "Bank" or the "UCBL" or the "Issuer") has authorized UCB Investment Limited (hereinafter referred as "UCBIL" or the "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 the Subordinated 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 SUBORDINATED BONDS.

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tanmuduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

27 OCT 2022

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022<sup>2</sup>





ISSUER'S DISCLAIMER

ALL THE FEATURES OF UCBL 5<sup>TH</sup> SUBORDINATED 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.

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



## CONTACTS

### United Commercial Bank Limited

#### Issuer

**Mr. Faruk Ahammad FCA**  
SEVP & CFO  
Finance Division

**Cell:** + 01713108770

**Email:** [faruk.ahammad@ucb.com.bd](mailto:faruk.ahammad@ucb.com.bd)

#### Registered Office:

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

### UCB Investment Limited

#### Arranger

**Tanzim Alamgir**  
Managing Director & CEO

**Cell:** + 88 01927 111 555

#### Email:

[tanzim.alamgir@ucb.com.bd](mailto:tanzim.alamgir@ucb.com.bd)

**Aroka Chowdhury**  
Assistant Vice President

**Cell:** + 88 01714319995

#### Email:

[aroka.chowdhury@ucb.com.bd](mailto:aroka.chowdhury@ucb.com.bd)

#### Registered Office:

Bulus Center, Plot -  
CWS- (A)-1, Road: 34,  
(17<sup>th</sup> floor)  
Gulshan Avenue,  
Dhaka-1212

### Delta Brac Housing Finance Corporation Ltd. (DBH)

#### Trustee

**Mr. Jashim Uddin**  
Senior Vice President - Company Secretary &  
Head of Corporate Affairs

**Cell:** 01613436138

**Email:** [jashim@deltabrac.com](mailto:jashim@deltabrac.com)

#### Registered Office:

Landmark Building (9<sup>th</sup> Floor)  
12-14 Gulshan North C/A  
Gulshan 2, Dhaka-1212

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

**ATM Tahmiduzzaman, FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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27 OCT 2022  
  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
**ATM Tahmiduzzaman, FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



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27 OCT 2022  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
ATM Tanniduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





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

27 OCT 2022  
  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022  
  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212



## 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:

- 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

27 OCT 2022  
  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
**ATM Tahmiduzzaman, FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





- 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.

27 OCT 2022

Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Fahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.



## **SECTION 2: RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT RISK**

United Commercial Bank Limited (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 Subordinated Bond has to be evaluated on its own merits. An investment in the Subordinated bonds is in that respect no different.

Potential investors of UCBL 5<sup>th</sup> Subordinated 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 Office is responsible for verification of all deals executed by Treasury, settling payments and passing of

27 OCT 2022

**Fayuk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

**ATM Tahmiduzzaman, FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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 subordinated in nature. The bond is redeemable as per Repayment Schedule as depicted in features (5.1) section.

### **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).

#### **Management's Perception**

UCBL 5<sup>th</sup> Subordinated 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 UCBL'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.

27 OCT 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022

Fayuk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tanvir Hossain, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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





## 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 Limited maintains diversified and stable funding base comprising of core retail, corporate and institutional deposits to manage liquidity risk. The prime responsibility of the liquidity risk management of the Bank 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.

## 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 Limited manages this risk through a control based environment in which processes are

27 OCT 2022  
Faruk Ahmad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Taimiduzzaman, FCS  
DM & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





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 Limited 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 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**

27 OCT 2022  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
13  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





Market risk is the risk of potential losses in the on-balance sheet and off-balance sheet positions of a bank, stems 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 duties 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 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.

27 OCT 2022  
  
**Faruk Ahammad FGA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
14  
  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





### 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.

## SECTION 3: DETAILED DESCRIPTION AND INFORMATION

Detailed description and information as per Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021; Schedule- A (Part I) is annexed to this Information Memorandum. Please check **Annexure - 1**.

## SECTION 4: USE OF PROCEEDS

### **Purpose of Issuance of United Commercial Bank Subordinated Bond**

United Commercial Bank Limited (UCBL) has decided to raise Tier-2 Capital through issuance of Non-Convertible, Unsecured Subordinated 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 United Commercial Bank Subordinated Bond**

The Board of Directors of United Commercial Bank Limited in its 466th meeting on 21 December 2021 decided to issue BDT 10,000.00 million subordinated bond. The purpose of this bond is to raise Tier-2 Capital of the bank as per Bangladesh Bank guidelines.

As on 30 June 2022, United Commercial Bank Limited had a Total Capital of BDT 53,209.93 million of which BDT 34,950.71 million was Tier-1 Capital and BDT 18,339.22 million was Tier-2 Capital while the Risk Weighted Assets of the bank was BDT 394,073.30 million. The Capital to Risk-weighted Assets Ratio (CRAR) of the bank was 13.50% on a consolidated basis. The proposed subordinated bond issue will allow the

27 OCT 2022  
Faruk Ahammed FGA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATKI Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited  
27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
15  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





bank to further enhance its capital strength to meet increased requirement as per Bangladesh Bank's Basel III implementation and continue its balance sheet growth.

Apart from strengthening of the bank's capital base, the proceeds from the issue will be used for undertaking general business activities of the bank including loans and investments in treasury and other securities. In summary, the proceeds will primarily be used for:

- Raising Tier-2 capital of the bank
- Growing the bank's loan portfolio in corporate, SME and retail segments
- Investing in treasury securities and other instruments

The bank's overall loan book is dominated by industrial loan, commercial lending, and international trade in large and medium industries. However, United Commercial Bank Limited is rapidly progressing in SME & retail business in line with the changes in the global environment, local arena, and regulatory requirement for SME financing. UCB has been constantly pursuing innovative and diversified business lines. The Bank has brought Mobile Financial Services - Upay, Agent Banking, and a variety of other services for promoting financial inclusion and empowering cashless digital banking across the country. The bank has also been extending its helping hand to the marginal, underprivileged and low income generating people, and the people of areas of natural and man-made disasters. Considering possibility of compression of Net Interest Margin (NIM), UCB will also continue its focus on fee based income through further enhancement of trade business as well as introduction and enhancement of transactional business.

Bank management will ensure effective monitoring of utilization of the issue proceeds under the fund management policy. Management will also ensure the risk exposure taken and shall not be below investment grade, stock or exposures.

Besides, since this instrument is under Time and Demand liabilities category, the Bank will have to maintain a Statutory Reserve in kind of Cash and Treasury securities for this Bond at prescribed rate by Bangladesh Bank.

## **SECTION 5: FEATURES OF UNITED COMMERCIAL BANK SUBORDINATED BOND**

UCBL 5<sup>th</sup> Subordinated Bond is a non-convertible and unsecured debt instrument. The major features of the UCBL 5<sup>th</sup> Subordinated Bond are presented below:

### **5.1 Basic Features of the Instrument**

*Table 1: Basic Features of UCBL 5<sup>th</sup> Subordinated Bond*

<b>Name of the Instrument:</b>	UCBL 5 <sup>th</sup> Subordinated Bond
<b>Issue Type:</b>	Non-convertible Unsecured Fully-redeemable Floating Rate Subordinated Bonds Non-convertible Unsecured
<b>Issuer:</b>	United Commercial Bank Limited
<b>Purposes and Objectives:</b>	To raise Tier-II Regulatory Capital and thereby enhance Capital to Risk-weighted Asset Ratio (CRAR) as per "Guidelines on Risk-Based Capital Adequacy" of Bangladesh Bank

27 OCT 2022

**Fazl Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

**ATM Tahmiduzzaman, FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

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

27 OCT 2022

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
UBH Finance PLC





Draft Information Memorandum of United Commercial Bank Limited  
Subordinated Bond of BDT 10,000 Million

Arranger:	UCB Investment Limited												
Trustee:	Delta Brac Housing Finance Corporation Limited (DBH)												
Legal Counsel:	Lex Juris												
Credit Rating Agency:	Emerging Credit Rating Limited												
Issue Size:	BDT 10,000,000,000 (Ten thousand million taka)												
No. of Bonds to be issued:	1,000 (One thousand)												
Face Value:	BDT 10,000,000 (Ten Million Taka) per Bond												
Minimum Subscription:	BDT 10,000,000 (Ten Million Taka)												
Tenure:	7 Years												
Investors:	Institutional investors and high net-worth individual investors												
Mode of Placement:	Private Placement on a best effort basis												
Yield to Maturity / Rate of Return:	Coupon Rate												
Coupon Rate:	Reference Rate + Coupon Margin												
Reference Rate:	Latest average 6-month FDR rate of all private commercial banks (excluding foreign banks and Islamic banks) as published by Bangladesh Bank on the Quotation Day. The Reference Rate will be rounded to 2 (two) decimal places.												
Quotation Day	Five (05) days before the first day of any period for which Coupon is to be paid												
Coupon Margin:	2.00% p.a.												
Range of Coupon Rate:	Floor: 6.00% - Ceiling: 9.00% p.a. at all times												
Coupon Payment:	Semi-annually beginning at the end of 6 months from drawdown date.												
Repayment Schedule:	Face Value (principal) redemptions will be in 5 (five) annual tranches commencing at the end of the 36th month from the date of drawdown in the following manner: <table><thead><tr><th>Month</th><th>Redemption</th></tr></thead><tbody><tr><td>36<sup>th</sup></td><td>20.0%</td></tr><tr><td>48<sup>th</sup></td><td>20.0%</td></tr><tr><td>60<sup>th</sup></td><td>20.0%</td></tr><tr><td>72<sup>nd</sup></td><td>20.0%</td></tr><tr><td>84<sup>th</sup></td><td>20.0%</td></tr></tbody></table>	Month	Redemption	36 <sup>th</sup>	20.0%	48 <sup>th</sup>	20.0%	60 <sup>th</sup>	20.0%	72 <sup>nd</sup>	20.0%	84 <sup>th</sup>	20.0%
Month	Redemption												
36 <sup>th</sup>	20.0%												
48 <sup>th</sup>	20.0%												
60 <sup>th</sup>	20.0%												
72 <sup>nd</sup>	20.0%												
84 <sup>th</sup>	20.0%												
Prepayment, Call Refunding, Conversion Features:	The Bond is non-convertible and not-callable and has no prepayment option.												
Tax Features:	According to the laws of Bangladesh												
Late Redemption:	The 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 up till the date of actual payment												

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tahmidul Zaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



Description of Collateral Security and type of charges to be created against the issue:	Unsecured
Mode of option (call or put) if any:	The Bond is non-convertible and not-callable and has no prepayment option
Details of conversion/exchange option features:	This Bond Non-Convertible in nature
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.
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.

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

Yield to Maturity: Reference Rate + Coupon Margin, Coupon Range: 6.00% to 9.00% 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 non-convertible and not-callable in nature and has no prepayment option.

#### 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 Late Redemption:

The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the Coupon Rate and be payable on the amount not paid on the due date up till the date of actual payment

#### 5.7 Credit Enhancement:

It is not applicable for the subordinated bond of United Commercial Bank Limited.

#### 5.8 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.

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan Dhaka.

27 OCT 2022

ATM Tahmiduzzaman, FCS  
DM & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





### 5.9 Repayment Schedule:

As per BASEL III guideline (Annex IV: Specific Eligibility Criteria for Subordinated Debt to Qualify as Tier 2 Capital), the Bond is Subordinate in nature as the instrument is subordinated to deposits and other liabilities of the bank. It implies that the claims of the subordinated debt holders will be junior to the claims of the depositors and the other creditors. The bond will be unsecured and fully paid-up. The bond is redeemable as per Repayment Schedule as depicted in features (5.1) section.

Repayment Schedule for BDT 10,000,000,000 Tier-II Bond						
Semi-Annual Payment No.	Month	Principal Redemption (%)	Principal Redemption Amount	Ending Principal Balance	Scenario Analysis of Some Possible Coupon Payments	
					Each Coupon	Each Coupon
					Amount @ 6.00%	Amount @ 9.00%
1 <sup>st</sup>	6	0.00%	0	10,000,000,000	300,000,000	450,000,000
2 <sup>nd</sup>	12	0.00%	0	10,000,000,000	300,000,000	450,000,000
3 <sup>rd</sup>	18	0.00%	0	10,000,000,000	300,000,000	450,000,000
4 <sup>th</sup>	24	0.00%	0	10,000,000,000	300,000,000	450,000,000
5 <sup>th</sup>	30	0.00%	0	10,000,000,000	300,000,000	450,000,000
6 <sup>th</sup>	36	20.00%	2,000,000,000	8,000,000,000	300,000,000	450,000,000
7 <sup>th</sup>	42	0.00%	0	8,000,000,000	240,000,000	360,000,000
8 <sup>th</sup>	48	20.00%	2,000,000,000	6,000,000,000	240,000,000	360,000,000
9 <sup>th</sup>	54	0.00%	0	6,000,000,000	180,000,000	270,000,000
10 <sup>th</sup>	60	20.00%	2,000,000,000	4,000,000,000	180,000,000	270,000,000
11 <sup>th</sup>	66	0.00%	0	4,000,000,000	120,000,000	180,000,000
12 <sup>th</sup>	72	20.00%	2,000,000,000	2,000,000,000	120,000,000	180,000,000
13 <sup>th</sup>	78	0.00%	0	2,000,000,000	60,000,000	90,000,000
14 <sup>th</sup>	84	20.00%	2,000,000,000	0	60,000,000	90,000,000

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

UCBL 5<sup>th</sup> Subordinated Bond is superior to the claims of investors in equity shares and Subordinated to the claims of the depositors and the other creditors as Tier 2 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 Limited) and the Trustee (Delta Brac Housing Finance Corporation Limited)

### Covenant to Repay

27 OCT 2022  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds 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 principal amount of the Bonds or any of them becoming due for 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 the Conditions coupon on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:

if any payment of principal or 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 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 to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and

in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused coupon shall accrue at applicable coupon 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 either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants in Clause 11.2 (Covenant to comply with Trust Deed, Conditions and Schedules,) and Clause 11.3 (Covenants by the Issuer) on trust for the Bondholders.

#### Following an Event of Default

At any time after any Event of Default shall have occurred, the Trustee may:

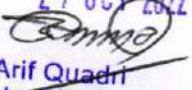
by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 11.1.1 of Clause 11.1 (Covenant to Repay) and (so far as it concerns payments by the Issuer) Clause 19.2 (Payment to Bondholders) shall cease to have effect.

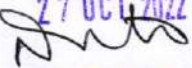
#### Covenant to comply with Trust Deed, Conditions, Schedules and applicable law

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.

27 OCT 2022  
  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
ATM Fahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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;

##### **Event of Default:**

Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;

##### **Corporate Governance:**

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:**

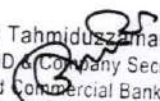
So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

##### **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:**

27 OCT 2022  
  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
**ATM Tahmiduzzaman, FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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 redemption or repayment:**

14 (Fourteen) days prior to the Redemption Dates or purchase 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 law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

**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 Limited) and the Trustee (Delta Brac Housing Finance Corporation 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 (Debt Securities) Rules 2021.

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;

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

27 OCT 2022  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
22  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





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;

6.1.6 Events of Default: save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable; and

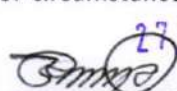
Right to Deduct or Withhold: notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise 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 be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.

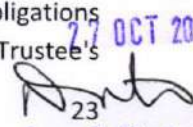
Liability: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud. This Clause 6.1.8 shall survive the termination or expiry 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

27 OCT 2022  
  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
ATM Tahmiduzzaman, FCS  
DM & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.






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 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. The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

**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 should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person);

**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; and

Trustee may enter into financial transactions with the Issuer: no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, for any profit, fees, commissions, coupon, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit.

27 OCT 2022  
  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





**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.

**Act for Bondholders:** Subject to applicable law and terms and conditions of this Trust Deed, the 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;

**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 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 and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof (save as otherwise provided by applicable law) but whenever the Trustee is under the provisions of this Trust Deed

27 OCT 2022  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





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 applying due diligence and without negligence by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters, save in relation to its own gross negligence, wilful default or fraud;

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 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 provided that the Trustee had exercised reasonable care in the appointment of such person;

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 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 (subject in all cases to the Trustee having been

27 OCT 2022  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





indemnified or provided with security to its satisfaction and otherwise being satisfied that it is lawful for it to so exercise discretion, make a determination or otherwise take any action). Such direction shall specify the way in which the Trustee shall exercise such discretion or, as the case may be, make the determination or take the action to be taken by the Trustee.

The Trustee will 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.

#### **TRUSTEE FEE**

##### **Remuneration**

Remuneration: The Issuer shall pay to the Trustee remuneration as set out in the Fee Letter for its services as trustee as from the date of this Trust Deed. Such remuneration shall be payable in advance on the anniversary of the date hereof in each year and the first payment shall be made on the date hereof. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Bondholders) up to and including the date when, all the Bonds having become due for redemption, the redemption moneys and coupon thereon to the date of redemption have been paid to the Trustee, provided that if any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue;

Expenses: The Issuer shall also pay or discharge all costs, charges and expenses incurred by the Trustee with prior consent from Issuer in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Trust Deed, including but not limited to any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Trust Deed;

Payment of amounts due: All amounts due and payable pursuant to sub-clauses of the Trust Deed 7.1.2 (Expenses) and 5.2.2 (Indemnity to the Trustee) shall be payable by the Issuer on the date specified in a demand by the Trustee;

Discharges: Unless otherwise specifically stated in any discharge of this Trust Deed the provisions of this Clause 7.1 (Remuneration) shall continue in full force and effect notwithstanding such discharge.

#### **SECTION 9: RIGHTS AND OBLIGATION OF THE ISSUE MANAGER, UNDERWRITER, OR ANY OTHER CONTRACTUAL PARTY**

Rights and obligations of the issue manager, underwriter, or any other contractual parties is not applicable for UCBL 5<sup>th</sup> Subordinate Bond.

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





#### **SECTION 10: 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 Limited) and the Trustee (Delta Brac Housing Finance Corporation Limited)

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 Part B (Terms and Conditions of the Bonds) of the Trust Deed.

Each Bondholder has the right to receive payment of principal amount of the Bond on the Redemption Date as set out in the Condition attached in Schedule 1 (Terms and Conditions of the Bonds) of the Trust Deed.

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) of the Trust Deed.

Each Bondholder has the right to attend meeting of the Bondholders and vote therein in accordance with Condition 12 (Meetings of Bondholders, Modification, Waiver and Substitution) of the Trust Deed.

#### **SECTION 11: DESCRIPTION OF UNITED COMMERCIAL BANK LIMITED (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 analytical capability of financing large project including RMG and infrastructure development projects.

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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 Limited are given below:

**Authorized Capital:** BDT 15,000 Million (as of 30 June 2022)

**Paid-up Capital:** BDT 14,062.37 Million (as of 30 June 2022)

### (a) Capital Structure

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

Particulars	As of 30 June 2022	
	(amount in BDT million)	% of Total Assets
<b>Liabilities:</b>		
Borrowings from other banks, financial institutions and agents	96,509.04	15.71
Deposits and other accounts	417,083.90	67.89
Current accounts & other accounts	84,223.39	13.71
Bills Payable	9,723.24	1.58
Savings Bank Deposits	86,370.94	14.06
Fixed Deposits	236,766.32	38.54
Bearer Certificates of Deposits	0.00	0.00
Other Deposits	0.00	0.00
Other Liabilities	62,363.17	10.15
<b>Total Liabilities</b>	<b>575,956.11</b>	<b>93.75</b>
<b>Capital / Shareholders' Equity</b>		<b>0.00</b>
Paid up Capital	14,062.37	2.29
Share Premium	1,454.98	0.24
Statutory Reserve	15,142.26	2.46
General Reserve	26.58	0.00
Other Reserve	2,650.62	0.43
Retained Earnings	5,065.36	0.82
<b>Total Shareholders' Equity</b>	<b>38,402.17</b>	<b>6.25</b>
Non controlling interest	0.00	0.00
<b>Total Shareholders' Equity with non-controlling interest</b>	<b>38,402.17</b>	<b>6.25</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>614,358.27</b>	<b>100.00</b>

### Minimum Capital Requirement Capital adequacy Ratio:

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

United Commercial Bank Limited		
Particulars	(amount in BDT million)	
	30 June 2022	31 Dec. 2021
<b>Capital to Risk Weighted Asset Ratio (CRAR)</b>		
<b>Common Equity Tier-1 capital (CET1):</b>		
Paid-up Capital	14,062.37	12,783.97
Share Premium	1,454.98	1,454.98

27 OCT 2022

*[Signature]*

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022

ATM Tahmidul Karim, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

*[Signature]*  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
*[Signature]*  
**Fahim Anammar FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.



Draft Information Memorandum of United Commercial Bank Limited  
Subordinated Bond of BDT 10,000 Million

Statutory Reserve	15,127.20	14,546.97
General Reserve	26.58	26.58
Retained Earnings	5,585.00	5,997.66
	<b>36,256.12</b>	<b>34,810.15</b>
<b>Less: Regulatory Adjustments:</b>		
Goodwill and all other Intangible Assets	513.36	340.44
Deferred Tax Assets (DTA)	4,792.05	4,017.42
Reciprocal crossholdings and excess investment above limit		87.77
Others		0.00
	<b>5,305.42</b>	<b>4,445.63</b>
<b>Total Common Equity Tier-1 Capital</b>	<b>30,950.71</b>	<b>30,364.53</b>
Additional Tier-1 Capital (AT-1)	4,000.00	4,000.00
<b>Total Tier-1 Capital</b>	<b>34,950.71</b>	<b>34,364.53</b>
<b>Tier-II Capital:</b>		
General Provision	9,149.22	8,869.28
Revaluation Reserve	0.00	0.00
Subordinated Bond	9,190.00	9,980.00
	<b>18,339.22</b>	<b>18,849.28</b>
<b>Less: Regulatory Adjustments:</b>		
Revaluation Reserve	0.00	0.00
Reciprocal crossholdings in the T-2 Capital of BNBFI's & 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		372.86
<b>Total Admissible Tier-2 Capital</b>	<b>18,259.22</b>	<b>18,396.42</b>
<b>Total Regulatory Capital</b>	<b>53,209.93</b>	<b>52,760.95</b>
<b>Risk Weighted Assets</b>	<b>394,073.30</b>	<b>386,743.80</b>
<b>Minimum Capital Requirement with Capital Conservation Buffer (12.5% of Risk Weighted Assets)</b>	<b>49,259.16</b>	<b>48,342.97</b>
<b>Capital Surplus/(Shortfall)</b>	<b>3,950.77</b>	<b>4,417.97</b>

Composition of Capital	June, 2022	December, 2021
Common Equity Tier -I	8.87%	7.85%
Tier-I Capital	8.87%	8.89%
Tier-II Capital	4.63%	4.76%
Tier-I Capital with Buffer	8.87%	8.89%
<b>Total CRAR</b>	<b>13.50%</b>	<b>13.64%</b>

Shareholding Structure:

Table 4: Shareholding Structure of the Issuer

Shareholding position:	Jun-22		Dec-21	
Particulars	No. of Shares	Amount in BDT million	No. of Shares	Amount in BDT million
Sponsors/Directors	487.24	4,872.37	442.94	4,429.43
Institution( Financial & Others)	306.20	3,061.98	273.84	2,738.42

27 OCT 2022

Nasirul Baten  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022

Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

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

27 OCT 2022

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





Draft Information Memorandum of United Commercial Bank Limited  
Subordinated Bond of BDT 10,000 Million

General Public	601.40	6,013.96	551.24	5,512.44
Govt. of Peoples Republic of BD	11.41	114.06	10.37	103.69
<b>Total</b>	<b>1,406.24</b>	<b>14,062.37</b>	<b>1,278.40</b>	<b>12,783.97</b>

## (b) Business

### The Bank & its activities

#### Status of the Bank

United Commercial Bank Limited (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 Limited, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide, letter no. BRPD (P-3) 744 (117)/2010-2577 dated 9th June 2010. The Bank commenced the operation of its Off-shore Banking Unit from November 10, 2010. At present there is one unit of off-shore banking operating in Dhaka under the Rules and guidelines of Bangladesh Bank. The principal activities of the unit are to provide all kinds of commercial Banking services to its customers in foreign currencies. Financial Statements of Off-shore Banking also presented separately.

#### 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 27 OCT 2022) 3)745(17)2017-677 to start the operation of Agent Banking and subsequently started its commercial

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Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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ATM Tahmidul Islam, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

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Nasimul Baten  
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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 Limited. The activities of the company include brokerage service, margin loan, etc. The company is carrying out its activities under the license from both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

UCBL holds 24,999,999 nos. of shares of UCB Stock Brokerage Limited with face value of Tk. 100 each which is equivalent to 99.999996% of the total shares of the company.

### 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.

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Faruk Ahammad FCA  
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Corporate Office, Gulshan, Dhaka.

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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

Sl	Name	Designation
1	Mrs. Rukhmila Zaman	Chairman
2	Mr. Bazal Ahmed	Vice-Chairman
3	Mr. Anisuzzaman Chowdhury	Director Chairman, Executive Committee
4	Mr. Akhter Matin Chaudhury	Independent Director Chairman, Audit Committee
5	Mr. M. A. Sabur	Director Chairman, Risk Management Committee
6	Hajee Yunus Ahmed	Director
7	Hajee M. A. Kalam	Director
8	Mr. Nurul Islam Chowdhury	Director
9	Mr. Asifuzzaman Chowdhury	Director
10	Mrs. Roxana Zaman	Director
11	Mr. Bashir Ahmed	Director
12	Mrs. Afroza Zaman	Director
13	Mr. Syed Kamruzzaman	Director
14	Mr. Muhammed Shah Alam	Director
15	Professor Dr. Md. Jonaid Shafiq	Director
16	Mr. Kanak Kanti Sen	Director
17	Mr. Md. Akseid Ali Sarker	Director
18	Dr. Aparup Chowdhury	Independent Director
19	Mr. Touhid Shipar Rafiquzzaman	Independent Director
20	Mr. Arif Quadri	Managing Director & CEO
21	Mr. ATM Tahmiduzzaman FCS	Company Secretary

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## 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 Limited 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 main stream of economy.

### Mr. Bazal Ahmed

#### Vice-Chairman

Mr. Bazal Ahmed is the Vice-Chairman of the Board of Directors and a member of Executive Committee of United Commercial Bank Limited.

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.

### 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 Limited. 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. Akhter Matin Chaudhury

#### Independent Director

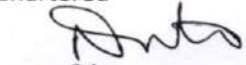
#### Chairman, Audit Committee

Mr. Akhter Matin Chaudhury, a Fellow of the Institute of Chartered Accountants in England and Wales, 27 OCT 2022  
Fellow of the Institute of Chartered Accountants of Bangladesh and a Fellow of the Institute of Chartered

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Secretaries of Bangladesh, is one of the Independent Directors of the Board & Chairman of Audit Committee of United Commercial Bank Limited.

Mr. Chaudhury qualified as a Chartered Accountant in 1976 in the United Kingdom, where he lived and worked for various organizations for 15 years. He returned to Bangladesh in 1987 to join BOC Bangladesh Ltd., a multinational industrial gases company, where he served in various capacities, including General Manager (Finance) & Company Secretary, and ultimately on the Board as Director (Gases). He left BOC in 1998 to co-found Eshna Consulting Team Ltd., a management consulting company, of which he was the Managing Director.

Mr. Chaudhury sits on the Executive Committee of the Bangladesh Association of Pharmaceutical Industries and is Vice President of Metropolitan Chamber of Commerce and Industry, Dhaka.

Mr. Akhter Chaudhury takes an active interest in Youth Development. Towards this, he is the Chairman of Bangladesh Youth Leadership Centre.

Mr. Chaudhury is keen on quality education and lectures MBA and EMBA students on Strategic Planning. He also serves on the Board of Advisers of BRAC Business School at BRAC University.

#### **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 Bhatary 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.

#### **Hajee Yunus Ahmed**

**Director**

Hajee Yunus Ahmed, an eminent industrialist of the country, is one of the Sponsor Directors UCB and as well as one of the Member of Executive Committee. At the same time, he is the Chairman of Yunusco (BD) Limited & Nine 2 Nine Intimates Ltd., Managing Director of Yunusco T & A (BD) Limited & also Director of other companies of Yunusco Group.

Hajee Yunus Ahmed, son of Late Hajee Gura Miah Sowdagar, was born in a respectable Muslim family of Rasulabad, Satkania in the District of Chittagong. A reputed philanthropist, Hajee Yunus is actively associated with many educational and socio-cultural organizations of Chittagong and Dhaka.

**Hajee M. A. Kalam**

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#### Director

Hajee M. A. Kalam is one of the Sponsor Directors of UCB. This distinguished businessman is the Chairman of M. A. Kalam Ltd., United Overseas (BD) Ltd. and Arab Plantation Ltd.

Hajee M. A. Kalam, son of Late Al-haj Mvi. Mohammad Hashem, was born in a highly regarded Muslim family of Chittagong. He is devotedly associated with many educational and socio-cultural organizations of Chittagong. He is the founder of Hajee M. A. Kalam Degree College at Naikhongchari, Banderban and is the President of Arakan Historical Society of Bangladesh.

#### 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.

#### 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.

#### Mrs. Roxana Zaman

##### Director

Mrs. Roxana Zaman, a promising entrepreneur of the country is a Director of United Commercial Bank Limited (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.

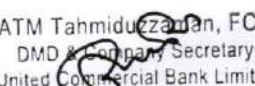
Mrs. Zaman is actively engaged in numerous women development program and philanthropic activities.

#### Mr. Bashir Ahmed

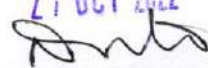
##### Director

Mr. Bashir Ahmed is a Director 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.

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
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Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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Managing Director & CEO  
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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.

### **Mrs. Afroza Zaman**

#### **Director**

Mrs. Afroza Zaman, a young woman entrepreneur of the country, is a Director of United Commercial Bank Limited (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.

### **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.

### **Professor Dr. Md. Jonaid Shafiq**

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**Faruk Ahammad FCA**  
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ATM Tahmidul Islam, FCS  
DMO & Company Secretary  
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Managing Director & CEO  
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#### Director

Professor Dr. Md. Jonaid Shafiq (Representative of Splendid Trading Limited) is a nominee Director of UCB. Born in 1960, Dr. Jonaid is a Professor of Pain Medicine, Chief Consultant and Managing Director, Japan Bangladesh Friendship Hospital, Dhaka. He completed his Bachelor of Medicine and Bachelor of Surgery (MBBS) in 1985, from Dhaka Medical College. He also obtained his Ph.D. in Anaesthesiology in 1993 from Faculty of Medicine, Kyushu University, Japan.

Dr. Shafiq is a widely travelled person who extensively visited a good number of countries. He is also associated with various philanthropic and cultural activities with different socio-cultural organizations.

#### 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.

#### 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.

#### 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

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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.

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.

### **Mr. Touhid Shipar Rafiquzzaman** **Independent Director**

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

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

### **Mr. Arif Quadri** **Managing Director & CEO**

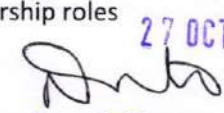
Mr. Arif Quadri, prominent and professional Banker with years of rewarding multidimensional experience in banking and other fields of Management is the Managing Director & CEO of United Commercial Bank Limited (UCB). Before that, he was serving the Bank as Additional Managing Director. Prior to joining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

Mr. Quadri 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.

  
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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

UCBL's Top Management consists of the following officials:

#### Audit Committee:

Sl	Name	Designation
1	Akhter Matin Chaudhury	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	Director, Member of Audit Committee
5	Touhid Shipar Rafiquzzaman	Independent Director
6	Mr. ATM Tahmiduzzaman FCS	Company Secretary

#### Executive Committee:

Sl	Name	Designation
1	Mr. Anisuzzaman Chowdhury	Director & Chairman of Executive Committee
2	Mr. Bazal Ahmed	Director & Member of Executive Committee
3	Mr. M.A. Sabur	Director & Member of Executive Committee
4	Hajee Yunus Ahmed	Director & Member of Executive Committee

27 OCT 2022  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

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Nasimul Baten  
Managing Director & CEO  
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5	Mrs. Roxana Zaman	Director & Member of Executive Committee
6	Mr. Asifuzzaman Chowdhury	Director & Member of Executive Committee
7	Mr. Bashir Ahmed	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	Mrs. Afroza Zaman	Director & Member of Risk Management Committee
4	Mr. Anisuzzaman Chowdhury	Director & Member of Risk Management Committee
5	Mr. Kanak Kanti Sen	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

**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	Faruk Ahammad FCA	Senior Executive Vice President & CFO

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27 OCT 2022  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





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

**Encumbered Assets:**

As of 30 June 2022, there is no encumbered assets of United Commercial Bank Limited.

**Unencumbered Assets:**

As of 30 June 2022, total unencumbered assets of United Commercial Bank Limited. are BDT 614,358.27 million

(e) Description of Assets and Liabilities (Consolidated)

**Description of Assets:**

(amount in BDT million)

Particulars	30.06.2022
	Taka
<b>PROPERTIES &amp; ASSETS</b>	-
Cash	24,068.20
Cash in hand (Including foreign currencies)	16,815.00
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)	7,253.19
Balance with other banks & financial institutions	6,648.31
In Bangladesh	4,523.08
Outside Bangladesh	2,125.23
Money at Call on short notice	13,310.00
Investments	90,493.43
Government	79,738.40
Others	10,755.03
Loans and Advances	446,073.19
Loans, Cash Credits, Overdrafts etc	415,322.83
Bills purchased and discounted	30,750.36
Fixed assets including premises, furniture & fixture	17,108.73
Other assets	16,656.43
Non-banking assets	
Total Assets	614,358.27

**Description of Liabilities:**

(amount in BDT million)

Particulars	30.06.2022
	Taka
<b>LIABILITIES AND CAPITAL</b>	-
Liabilities:	
Borrowings from other banks, financial institutions and agents	96,509.04

27 OCT 2022  
Faruk Ahmad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quader  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
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Deposits and other accounts	417,083.90
Current accounts & other accounts	84,223.39
Bills Payable	9,723.24
Savings Bank Deposits	86,370.94
Fixed Deposits	236,766.32
Bearer Certificates of Deposits	0.00
Other Deposits	0.00
<b>Other Liabilities</b>	<b>62,363.17</b>
<b>Total Liabilities</b>	<b>575,956.11</b>
<b>Capital / Shareholders' Equity</b>	
Paid up Capital	14,062.37
Share Premium	1,454.98
Statutory Reserve	15,142.26
General Reserve	26.58
Other Reserve	2,650.62
Retained Earnings	5,065.36
<b>Total Shareholders' Equity</b>	<b>38,402.17</b>
Non controlling interest	0.00
<b>Total Shareholders' Equity with non-controlling interest</b>	<b>38,402.17</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>614,358.27</b>

**(f) 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 30.06.2022	Remarks/ Default (if any)
2013	UCBL 1 <sup>st</sup> 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 2 <sup>nd</sup> Subordinated Bond	By 20% in last five years	BDT 500 Crore	Sonali Bank Ltd	100	BDT 100 (One Hundred) Crore	N/A
				Janata Bank Ltd	50		
				Mercantile Bank Ltd	50		
				Rupali Bank Ltd	50		
				Eastern Bank Ltd	50		

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Faruk Ahammad, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

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				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 3 <sup>rd</sup> Subordinate Bond	By 20 % in last five years	BDT 700 Crore	ONE Bank Ltd	75	BDT 420 (Four Hundred Ninety) 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	UCBL 4 <sup>th</sup> Subordinate Bond	By 20 % in last five years (2021-2025)	BDT 800 Crore	Sonali Bank Ltd	50	BDT 740 (Seven Hundred forty) Crore	N/A
				Agrani Bank Ltd	250		
				BRAC Provident Fund	10		
				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		
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	1660	

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

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

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





Draft Information Memorandum of United Commercial Bank Limited  
Subordinated Bond of BDT 10,000 Million

## SECTION 12: AUDITORS' REPORT ALONG WITH AUDITED FINANCIAL STATEMENTS OF UCBL



BDRL Bhawan (Level-13 & 15)  
12 Kurran Bazar Commercial Area  
Dhaka-1215, Bangladesh

Telephone: (+88-02) 410 20070 to 35 (Line-13)  
(+88-02) 8189426 to 29 (Line-15)  
Facsimile: (+88-02) 410 20434  
E-mail: [acnabin@bangla.net](mailto:acnabin@bangla.net), Web: [www.acnabin.com](http://www.acnabin.com)

### Independent Auditor's Report To the Shareholders of United Commercial Bank Limited

#### Report on the Audit of the Consolidated and Separate Financial Statements

##### Opinion

We have audited the consolidated financial statements of United Commercial Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of United Commercial Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 30 June 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 period from 01 January 2022 to 30 June 2022, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

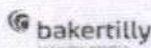
In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 30 June 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period from 01 January 2022 to 30 June 2022 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



Branch Office: Jahan Building No.7 (1st Floor, North Side), 59 Agrahar Commercial Area, Churnigram-4100, Bangladesh  
Tel: (+88-031) 333317352, Fax: (+88-031) 333317353, E-mail: [acnabin.cga@acnabin-bd.com](mailto:acnabin.cga@acnabin-bd.com), Web: [www.acnabin.com](http://www.acnabin.com)

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
  
**Nasimul Hatan**  
Managing Director & CEO  
DBH Finance PLC.





on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
<b>1. Measurement of provision for loans and advances</b>	
Refer to note no. 7, 12.1, 12.2 and 35 to the consolidated and separate financial statements	
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> <li>• Future business performance of the borrower;</li> <li>• Key assumptions relating to further business;</li> <li>• Performance of the borrower;</li> <li>• Market value of the collateral;</li> <li>• Ability to repossess collateral; and</li> <li>• Recovery rates.</li> </ul> <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time.</p> <p>As at 30 June 2022 the Group and the Bank reported total provision for loans and advances of BDT 18,805 million (December 2021: BDT 16,584 million) and BDT 18,805 million (December 2021: BDT 16,584 million) respectively.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit monitoring and provisioning process;</li> <li>• Identification of loss events including early warning indicator and default warning indicators; and</li> <li>• Review of quarterly Classification of Loans (CL).</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the provision requirements;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and</li> <li>• Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines</li> </ul>
<b>2. Recognition of interest income from loans and advances</b>	
Refer to note no. 7 and 20 to the consolidated and separate financial statements	
<p>Recognition of interest income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income has involvement of complex IT environment.</p> <p>We have identified recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest from loans and advances.</p> <p>We have performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

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**Faruk Anhamad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

**ATM Tahmiduzzaman FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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.	<p>We have obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and treasury bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We have tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<b>6. Carrying value of investment in subsidiaries by the Bank</b>	
Refer to note no. 9 to the consolidated and separate financial statements	
<p>The Bank has invested in equity shares of its four subsidiaries namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited. As at 30 June 2022 the carrying value of these investments is BDT 7,499 million (December 2021: BDT 5,499 million).</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in the above subsidiaries stated at cost.</p> <p>The Bank is required to perform impairment test of investments in subsidiaries when impairment indication exists. The impairment testing is considered to be a key audit matter due to the complexity and judgements required in determining the assumptions to be used to estimate the recoverable amount which is higher of fair value less costs to sell and value in use.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiaries in accordance with IAS 36.</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of the subsidiaries in accordance with IAS 36: <i>Impairment of Assets</i>.</p> <p>In particular, our discussion with the management was focused on the continued appropriateness of the value in use 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.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p>
<b>7. Deferred tax assets</b>	
Refer to note no. 9.4 to the consolidated and separate financial statements	
As at 30 June 2022 the Group and the Bank reported net deferred tax assets of BDT 5,044 million (December 2021: BDT 4,226 million)	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



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Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

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Anta





Description of key audit matters	Our response to key audit matters
At the end of the period the Group and the Bank reported total gross interest income from loans and advances of BDT 15,005 million (January 2021 to June 2021: BDT 13,562 million) and BDT 14,611 million (January 2021 to June 2021: BDT 13,253 million) respectively.	
<b>3. Loans and advances</b>	
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 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 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.	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.
At the end of the period the Group and the Bank reported total gross loans and advances of BDT 446,073 million (December 2021: BDT 408,309 million) and BDT 442,104 million (December 2021: BDT 402,481 million) respectively.	Furthermore, we have assessed the appropriateness of disclosures against Bangladesh Bank guidelines.
<b>4. Impairment assessment of unquoted shares</b>	
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.	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.
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 have tested a sample of investment valuation as at 30 June 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.
<b>5. Valuation of treasury bills and treasury bonds</b>	
Refer to note no. 6a 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.





Description of key audit matters	Our response to key audit matters
and BDT 5,044 million (December 2021: BDT 4,228 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.	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: <i>Income Taxes</i> .
<b>8. Legal and regulatory matters</b>	
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.
<b>9. IT systems and controls</b>	
Our audit procedures have focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.  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.	We tested the design and operating effectiveness of the Group and the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.  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

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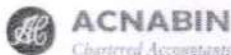
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





Description of key audit matters	Our response to key audit matters
	<p>interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

#### Other Matter

1. 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.
2. The comparative consolidated financial statements of the Group and also separate financial statements of the Bank for the period from 01 January 2021 to 30 June 2021 remained unaudited except the Balance Sheet as at 31 December 2021.
3. The financial statements of subsidiaries as disclosed in note no. 1.6.5 as at and for the period ended 30 June 2022 were not separately presented.

#### Other Information

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

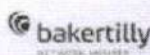
Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note no. 2.1, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Banking Companies Act, 1991 (as



27 OCT 2022



27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

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

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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.

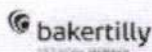
Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

#### 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.

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ATTACHING MEMORANDUM

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 27 OCT 2022

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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Dhaka-1212

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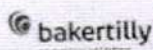
million, BDT 611 million, BDT 2,251 million respectively as at 30 June 2022 and total revenue of BDT 549 million, BDT 68 million, BDT 25 million, BDT 84 million respectively for the period from 01 January 2022 to 30 June 2022. The financial statements of the subsidiaries of the Bank remained unaudited as at 30 June 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 3,120 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, 12.2 and 13.6.

Dhaka,  
23 October 2022

Signed for & on behalf of  
ACNABIN  
Chartered Accountants

  
Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787  
DVC:2210240787A0350610

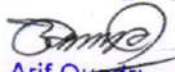


27 OCT 2022

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**Faruk Ahammad FCA**  
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United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

  
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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

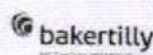
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 1987, the Banking Companies Act, 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank, we also report that:

- 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;
- 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:
  - 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;
  - 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;
- 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 11,472 million, BDT 1,310



27 OCT 2022

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United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dh

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
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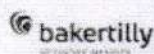
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





UNITED COMMERCIAL BANK LIMITED  
Consolidated Balance Sheet  
As at 30 June 2022

	Notes	Amount in BDT	
		30 June 2022	31 December 2021
<b>PROPERTIES &amp; ASSETS</b>			
Cash	3	24,068,196,395	25,380,748,231
Cash in hand (including foreign currencies)		7,253,194,726	7,498,609,154
Balance with Bangladesh Bank & its agent bank(s) (including foreign currencies)		16,815,001,669	17,882,139,077
Balance with other banks & financial institutions	4	6,648,309,735	20,633,128,821
In Bangladesh		4,523,079,706	19,568,097,037
Outside Bangladesh		2,125,230,029	1,065,031,784
Money at Call on short notice	5	13,310,000,000	3,200,000,000
Investments	6	90,493,429,345	83,046,995,094
Government		79,738,402,269	72,746,470,244
Others		10,755,027,076	10,300,524,850
Loans and Advances	7	446,073,186,765	408,309,815,648
Loans, Cash Credits, Overdrafts etc		415,322,830,322	381,754,404,170
Bills purchased and discounted		30,750,356,443	26,555,411,478
Fixed assets including premises, furniture & fixture	8	17,108,725,257	17,018,196,481
Other assets	9	16,656,425,281	12,835,963,573
Non-banking assets		-	-
Total Assets		614,358,272,778	570,424,847,849
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	10	96,509,039,390	89,410,437,395
Deposits and other accounts	11	417,083,895,622	387,023,828,463
Current accounts & other accounts		84,223,393,643	78,346,168,340
Bills Payable		9,723,243,731	8,845,268,369
Savings Bank Deposits		86,370,938,817	80,659,233,376
Fixed Deposits		236,766,319,431	219,173,158,378
Bearer Certificates of Deposits		-	-
Other Deposits		-	-
Other Liabilities	12	62,363,171,396	56,601,754,666
Total Liabilities		575,956,106,408	533,036,020,524
<b>Capital/Shareholders' Equity</b>			
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	15,142,260,676	14,555,968,681
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,650,623,258	2,631,853,888
Retained Earnings	17	5,065,361,011	5,935,480,290
Total Shareholders' Equity		38,402,166,086	37,388,827,060
Non controlling interest		284	265
Total Shareholders' Equity with non-controlling interest		38,402,166,370	37,388,827,325
Total Liabilities and Shareholders Equity		614,358,272,778	570,424,847,849



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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





**UNITED COMMERCIAL BANK LIMITED**  
**Consolidated Profit and Loss Account**  
For the period from 01 January 2022 to 30 June 2022

	Notes	Amount in BDT	
		30 June 2022	30 June 2021
Interest Income	20	15,005,653,204	13,562,080,669
Interest paid on deposits and borrowings etc	21	8,060,938,640	6,827,851,865
<b>Net Interest Income</b>		<b>6,944,714,564</b>	<b>6,734,228,804</b>
Investment Income	22	2,627,305,287	2,840,880,587
Commission, exchange and brokerage	23	4,677,337,891	2,930,736,593
Other Operating Income	24	176,015,790	142,980,232
<b>Total Operating Income (A)</b>		<b>14,425,373,532</b>	<b>12,648,746,214</b>
<b>Operating Expenses</b>			
Salary and allowances	25	4,191,461,624	3,743,690,480
Rent, taxes, insurance, electricity etc.	26	775,509,756	509,731,907
Legal expenses	27	48,753,970	53,466,010
Postage, stamps, telecommunications etc.	28	121,945,768	108,252,816
Stationery, printing, advertisements etc.	29	1,146,521,935	762,387,535
Chief Executive's salary and fees	30	6,066,184	7,534,000
Directors' fees	31	2,449,656	1,289,148
Auditors' fees	32	702,500	639,250
Depreciation and repair of banks assets	33	1,034,010,216	905,514,342
Other expenses	34	1,672,378,829	1,462,251,247
<b>Total Operating Expenses (B)</b>		<b>8,999,800,438</b>	<b>7,534,756,734</b>
<b>Profit before provision (C) = (A-B)</b>		<b>5,425,573,094</b>	<b>5,093,989,479</b>
Provision for Loans & Advances	35	2,417,937,798	2,535,524,334
Provision for diminution in value of investments	36	462,887,313	(244,586,020)
Other provisions	37	(52,405,157)	350,875,661
<b>Total Provision (D)</b>		<b>2,828,419,954</b>	<b>2,641,813,967</b>
<b>Total Profit before Income taxes (C - D)</b>		<b>2,597,153,140</b>	<b>2,444,175,512</b>
<b>Provision for Taxation</b>	38	<b>1,395,641,886</b>	<b>1,196,570,047</b>
Current Tax		2,210,604,603	1,881,461,907
Deferred Tax		(814,962,717)	(684,891,860)
<b>Net Profit after Taxation</b>		<b>1,201,511,254</b>	<b>1,247,605,465</b>
<b>Appropriations</b>			
Statutory Reserve		586,291,996	584,793,677
Start-Up Fund		16,529,557	14,671,253
Retained Surplus		598,689,302	728,140,536
<b>Attributable to</b>			
Equity holders' of the Bank		598,689,282	728,140,511
Non controlling interest		19	25
		<b>598,689,302</b>	<b>728,140,536</b>
<b>Earnings Per Share (EPS)</b>	39(a)	<b>0.85</b>	<b>0.89</b>

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

Managing Director & CEO

Director

Director

Director

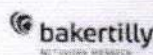
This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

Dhaka,  
23 October 2022

Signed for & on behalf of  
ACNABIN  
Chartered Accountants

Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787

DVC:2210240787A0350610



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27 OCT 2022

Faruk Ahamad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.



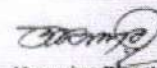


#### Off Balance Sheet Items

##### Contingent Liabilities

	Notes	Amount in BDT	
		30 June 2022	31 December 2021
Acceptances & Endorsements	18	259,441,442,391	260,413,159,150
Letters of Guarantee	18.1	88,736,141,490	110,309,146,983
Irrevocable Letters of Credit	18.2	66,580,540,723	57,499,501,948
Bills for Collection	18.3	83,440,044,309	75,222,523,708
Other Contingent Liabilities	18.4	20,684,715,869	17,381,986,506
		335,494,500	
Other Commitments			
Documentary credit and short term trade related transactions			
Forward assets purchased and forward deposits placed		335,494,500	
Undrawn note issuance and revolving underwriting facilities			
Undrawn formal standby facilities, credit lines and other commitments			
<b>Total Off-Balance sheet items including contingent liabilities</b>		<b>259,776,936,891</b>	<b>260,413,159,150</b>

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

  
Managing Director & CEO

  
Director

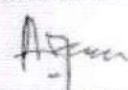
  
Director

  
Director

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

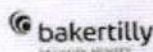
Dhaka,  
23 October 2022

Signed for & on behalf of  
ACNABIN  
Chartered Accountants

  
Md. Moniruzzaman, FCA  
Partner

ICAB Enrollment No. 787

DVC:2210240787A0350610

  
baker

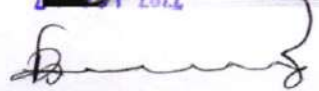
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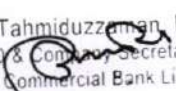
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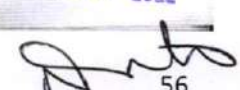
27 OCT 2022

27 OCT 2022

  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

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ACNABIN  
Chartered AccountantsUNITED COMMERCIAL BANK LIMITED  
Consolidated Cash Flow Statement  
For the period from 01 January 2022 to 30 June 2022

Notes	Amount in BDT	
	30 June 2022	30 June 2021
<b>A. Cash flows from operating activities</b>		
Interest Receipts in cash	17,467,121,980	16,317,996,305
Interest Payments	(7,594,417,838)	(7,311,386,595)
Dividend Receipts	112,520,073	108,139,903
Fees & Commission Receipts in cash	2,665,972,237	2,266,734,363
Recoveries of loans Previously written off	153,588,348	38,915,448
Cash Payments to employees	(4,187,826,611)	(3,728,507,428)
Cash Payments to suppliers	(2,458,192,349)	(1,558,199,103)
Income taxes paid	(2,515,092,477)	(2,013,668,089)
Receipt from other operating activities	142,881,791	472,437,877
Payment for other operating activities	(1,724,873,891)	(1,539,471,390)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>2,061,681,263</b>	<b>3,052,991,291</b>
<b>Increase/Decrease in operating assets and liabilities</b>		
Statutory Deposits	(6,075,510,387)	30,712,691
Purchase/Sales of trading Securities	(174,644,758)	(190,438,888)
Loans and advances to Customers	(37,763,371,116)	(37,725,860,949)
Other assets	(646,450,124)	(2,688,145,711)
Deposit from banks	30,081,081,253	25,449,549,899
Deposit from customers	183,070,325	2,143,116,012
Other Liabilities	(14,395,824,807)	(12,981,066,946)
<b>Net cash used in operating activities (A)</b>	<b>(12,334,143,544)</b>	<b>(9,928,075,655)</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from Sale of Securities	(1,019,467,316)	(110,000,000)
Purchase/Sale of property, plant & equipment	(937,764,842)	(935,699,577)
<b>Net cash used in investing activities (B)</b>	<b>(1,957,232,158)</b>	<b>(1,045,699,577)</b>
<b>C. Cash flows from financing activities</b>		
Receipts from borrowings	7,798,601,996	16,643,754,166
Sub-Ordinated Bond	(700,000,000)	(700,000,000)
Dividends paid	-	-
Cash received from Issuing of Right Shares	-	-
<b>Net cash flow from financing activities (C)</b>	<b>7,098,601,996</b>	<b>15,943,754,166</b>
<b>D. Net (Decrease)/Increase in cash (A+B+C)</b>	<b>(7,192,773,706)</b>	<b>4,969,978,934</b>
Effects of the changes of exchange rate on cash and cash equivalents	2,005,402,783	662,578,137
<b>E. Cash and Cash equivalents at beginning of the period</b>	<b>49,213,877,053</b>	<b>48,942,094,899</b>
<b>F. Cash and cash equivalents at the end of the period</b>	<b>44,026,506,130</b>	<b>54,574,651,970</b>

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

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27 OCT 2022



27 OCT 2022

Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.ATM Tahmiduzzaman, FCS  
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Dhaka-1212Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





UNITED COMMERCIAL BANK LIMITED  
Consolidated Statement of Changes in Equity  
For the period from 01 January 2022 to 30 June 2022

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Non-Controlling Interest	Foreign Currency Translation	Retained Earnings	Total
Balance as at 01 January 2022	22,793,664,430	1,454,976,750	34,555,048,601	26,577,961	2,534,101,559	61,733,519	265	38,019,011	5,045,600,290	37,388,827,327
Effect on accounts of revaluation of investments	-	-	-	-	-	(8,700,957)	-	-	-	(8,700,957)
Currency translation difference (CTD)	-	-	-	-	-	-	-	27,533,703	-	27,533,703
Net Profit for the year	-	-	-	-	-	-	-	-	1,304,301,297	1,304,301,297
Transferred to statutory reserve	-	-	506,291,996	-	-	-	-	-	(506,291,996)	-
Dividend (Bonus Share Issued)	1,270,356,949	-	-	-	-	-	-	-	(1,270,356,949)	-
Corporate Payments (Perpetual Bond)	-	-	-	-	-	-	-	-	(210,433,000)	(196,495,600)
Non-Controlling Interest	-	-	-	-	-	-	19	-	(19)	-
Balance as at 30 June 2022	14,062,366,430	1,454,976,750	15,142,260,676	26,577,961	2,534,101,559	53,032,562	284	57,573,514	5,065,301,011	38,102,166,370

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

27 OCT 2022

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





UNITED COMMERCIAL BANK LIMITED  
Balance Sheet  
As at 30 June 2022

		Amount in BDT	
	Notes	30 June 2022	31 December 2021
<b>PROPERTIES &amp; ASSETS</b>			
<b>Cash</b>	3	<b>24,067,538,508</b>	<b>25,380,179,538</b>
Cash in hand (Including foreign currencies)		7,252,536,839	7,498,040,861
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		16,815,001,669	17,882,139,677
<b>Balance with other banks &amp; financial institutions</b>	4	<b>4,873,870,028</b>	<b>19,409,249,971</b>
In Bangladesh		2,748,639,999	18,344,210,194
Outside Bangladesh		2,125,230,029	1,065,031,784
<b>Money at Call on short notice</b>	5	<b>13,310,000,000</b>	<b>3,200,000,000</b>
<b>Investments</b>	6	<b>88,183,598,451</b>	<b>81,387,609,500</b>
Government		79,738,402,269	72,746,470,244
Others		8,445,196,182	8,641,139,256
<b>Loans and Advances</b>	7	<b>442,104,972,548</b>	<b>402,481,735,743</b>
Loans, Cash Credits, Overdrafts etc		411,354,616,105	375,926,324,265
Bills purchased and discounted		30,750,356,443	26,555,411,478
<b>Fixed assets including premises, furniture &amp; fixture</b>	8	<b>14,654,004,640</b>	<b>14,721,191,566</b>
<b>Other assets</b>	9	<b>23,379,038,112</b>	<b>18,734,245,156</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>610,573,022,287</b>	<b>565,314,211,481</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	10	<b>94,801,725,611</b>	<b>85,803,634,252</b>
<b>Deposits and other accounts</b>	11	<b>419,518,510,451</b>	<b>389,900,723,984</b>
Current accounts & other accounts		86,658,008,472	81,223,063,861
Bills Payable		9,723,243,731	8,845,268,369
Savings Bank Deposits		86,370,938,817	80,699,233,376
Fixed Deposits		236,766,319,431	219,173,158,378
Bearer Certificates of Deposits		-	-
Other Deposits		-	-
<b>Other Liabilities</b>	12	<b>57,346,038,700</b>	<b>52,167,845,817</b>
<b>Total Liabilities</b>		<b>571,666,274,762</b>	<b>527,872,204,053</b>
<b>Capital / Shareholders' Equity</b>			
<b>Paid up Capital</b>	13	<b>14,062,366,430</b>	<b>12,783,969,490</b>
Share Premium	13.3	1,454,976,750	1,454,976,750
Statutory Reserve	14	15,127,204,505	14,546,968,923
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,650,623,258	2,631,853,888
Retained Earnings	17	5,584,998,621	5,997,660,416
<b>Total Shareholders' Equity</b>		<b>38,906,747,525</b>	<b>37,442,007,428</b>
<b>Total Liabilities and Shareholders Equity</b>		<b>610,573,022,287</b>	<b>565,314,211,481</b>





UNITED COMMERCIAL BANK LIMITED  
Consolidated Statement of Changes in Equity  
For the period from 01 January 2021 to 30 June 2021

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Retained Earnings	Assets Revaluation Reserve	Investment Revaluation Reserve	Non Controlling Interest	Foreign currency translation gain/(loss)	Total
Balance as at 01 January 2021	12,175,209,050	1,454,976,750	13,424,907,998	26,577,961	5,864,047,012	2,514,301,559	233,409,107	220	25,125,152	35,738,514,789
Surplus/deficit on revaluation of properties	-	-	-	-	-	-	-	-	-	(38,044,964)
Surplus/deficit on revaluation of investments	-	-	-	-	-	-	-	-	-	479,360
Currency Translation adjustment	-	-	-	-	1,247,605,468	-	(18,044,964)	-	479,360	1,247,605,468
Net profit for the period	-	-	504,293,677	-	(504,293,677)	-	-	-	-	-
Appropriation made during the period	-	-	-	-	-	-	-	-	-	-
Dividends (Bonus Share issued)	-	-	-	-	-	-	-	-	-	-
Dividends (Cash)	-	-	-	-	-	-	-	-	-	-
Non Controlling Interest	-	-	-	-	(25)	-	-	25	-	-
Balance as at 30 June 2021	12,175,209,050	1,454,976,750	13,929,201,675	26,577,961	6,606,058,278	2,514,301,559	195,444,223	245	25,604,512	36,940,554,653

The annexed notes from (i) to (4) form an integral part of these financial statements.

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Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

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

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**Off Balance Sheet Items**

**Contingent Liabilities**

Acceptances & Endorsements  
Letters of Guarantee  
Irrevocable Letters of Credit  
Bills for Collection  
Other Contingent Liabilities

**Other Commitments**

Documentary credit and short term trade related transactions  
Forward assets purchased and forward deposits placed  
Undrawn note issuance and revolving underwriting facilities  
Undrawn formal standby facilities, credit lines and other commitments

**Total Off Balance sheet Items Including Contingent Liabilities**

Notes	Amount in BDT	
	30 June 2022	31 December 2021
18	259,441,442,391	260,413,159,150
18.1	88,736,141,490	110,309,146,988
18.2	66,580,540,723	57,499,501,940
18.3	83,440,044,309	75,222,523,708
18.4	20,684,715,869	17,381,966,506
	335,494,500	
	335,494,500	
	259,776,936,891	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,  
23 October 2022

Signed for & on behalf of  
ACNABIN  
Chartered Accountants

Md. Moniruzzaman, FCA  
Partner

ICAB Enrollment No. 787  
DVC: 2210240787A0350610

Bakertilly  
Chartered Accountants

27 OCT 2022

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





UNITED COMMERCIAL BANK LIMITED  
Cash Flow Statement  
For the period from 01 January 2022 to 30 June 2022

Notes	Amount in BDT	
	30 June 2022	30 June 2021
<b>A. Cash flows from operating activities</b>		
Interest receipts	17,029,204,191	15,604,793,063
Interest payments	(7,485,021,388)	(7,190,735,447)
Dividend receipt	97,602,835	97,234,692
Fees & Commission receipt	2,281,658,588	2,044,637,430
Recoveries from previously written off advances	153,588,348	38,915,448
Payments to employees	(3,823,075,987)	(3,530,506,587)
Payments to suppliers	(1,995,801,945)	(1,441,279,692)
Payment for Advance Income Tax	(2,388,960,351)	(2,086,917,405)
Receipt from other operating activities	134,838,689	409,887,898
Payment for other activities	(1,685,873,465)	(1,489,003,310)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>2,318,159,515</b>	<b>2,457,026,890</b>
<b>Increase/Decrease in operating assets and liabilities:</b>		
Statutory Deposit	(6,075,510,387)	30,712,691
Purchase/Sale of trading securities	42,325,974	(4,037,622)
Loans and advances to customers	(39,623,236,804)	(39,945,454,614)
Other Assets	(1,548,927,045)	(2,544,142,586)
Deposit from Banks	29,617,786,468	24,329,171,071
Deposit from customers	(201,734,631)	1,437,101,826
Other liabilities	(17,789,296,426)	(16,696,649,233)
<b>Net Cash from operating activities (A)</b>	<b>(15,471,136,911)</b>	<b>(14,239,622,343)</b>
<b>B. Cash flows from investing activities</b>		
Purchase/Sale of Securities	(532,900,000)	(30,000,000)
Purchase of Property, Plant & Equipments	(737,478,223)	(617,128,274)
<b>Net Cash from investing activities (B)</b>	<b>(1,270,378,223)</b>	<b>(647,128,274)</b>
<b>C. Cash flows from financing activities</b>		
Receipt from borrowing	9,698,091,362	18,510,906,051
Sub-Ordinated Bond	(700,000,000)	(700,000,000)
Cash received from issuing of Right shares	-	-
Cash dividend payment	-	-
<b>Net cash from financing activities (C)</b>	<b>8,998,091,362</b>	<b>17,810,906,051</b>
<b>Net (Decrease)/Increase in cash (A+B+C)</b>	<b>(7,743,423,772)</b>	<b>2,924,155,433</b>
Effects of the changes of exchange rate on cash and cash equivalents*	2,005,402,791	662,578,137
Cash and Cash equivalents at beginning of the period	47,989,429,517	46,346,006,394
<b>Cash and cash equivalents at the end of the period</b>	<b>42,251,408,536</b>	<b>49,932,739,965</b>

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

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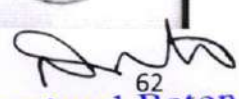


**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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



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



**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





UNITED COMMERCIAL BANK LIMITED  
Profit and Loss Account  
For the period from 01 January 2022 to 30 June 2022

	Notes	Amount in BDT	
		30 June 2022	30 June 2021
Interest Income	20	14,611,154,163	13,253,124,006
Interest paid on deposits and borrowings etc	21	7,864,612,043	6,697,095,875
<b>Net Interest Income</b>		<b>6,746,542,120</b>	<b>6,556,028,131</b>
Investment Income	22	2,590,786,088	2,770,797,541
Commission, exchange and brokerage	23	4,287,061,379	2,707,215,567
Other Operating Income	24	131,619,398	107,069,506
<b>Total Operating Income (A)</b>		<b>13,756,008,985</b>	<b>12,141,110,745</b>
<b>Operating Expenses</b>			
Salary and allowances	25	3,817,009,803	3,522,972,587
Rent, taxes, insurance, electricity etc.	26	757,055,470	503,561,647
Legal expenses	27	38,518,790	49,409,671
Postage, stamps, telecommunications etc.	28	110,836,424	106,167,186
Stationery, printing, advertisements etc.	29	798,879,904	523,689,357
Chief Executive's salary and fees	30	6,066,184	7,534,000
Directors' fees	31	1,315,082	1,169,699
Auditors' fees	32	575,000	575,000
Depreciation and repair of banks assets	33	991,687,481	898,026,799
Other expenses	34	1,585,972,665	1,384,937,322
<b>Total Operating Expenses (B)</b>		<b>8,107,916,803</b>	<b>6,997,963,267</b>
<b>Profit before provision (C) = (A-B)</b>		<b>5,648,092,182</b>	<b>5,143,147,478</b>
Provision for Loans & Advances	35	2,360,437,798	2,495,524,334
Provision for diminution in value of investments	36	439,027,921	(235,220,699)
Other provisions	37	(52,551,448)	358,875,661
<b>Total Provision (D)</b>		<b>2,746,914,271</b>	<b>2,619,179,096</b>
<b>Total Profit before Income taxes (C - D)</b>		<b>2,901,177,911</b>	<b>2,523,968,382</b>
<b>Provision for Taxation</b>			
Current Tax	38	1,248,182,227	1,056,843,116
Deferred Tax		2,063,584,130	1,741,857,269
		(815,401,904)	(685,014,153)
<b>Net Profit after Taxation</b>		<b>1,652,995,684</b>	<b>1,467,125,266</b>
<b>Appropriations</b>			
Statutory Reserve		580,235,582	504,793,676
Start-Up Fund		16,529,957	14,671,253
Retained Surplus		1,056,230,145	947,660,337
		<b>1,652,995,684</b>	<b>1,467,125,266</b>
<b>Earnings Per Share (EPS)</b>	39	<b>1.18</b>	<b>1.04</b>

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,  
23 October 2022

Signed for & on behalf of  
ACNABIN  
Chartered Accountants

Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787

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NOT A MEMBER

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DVC:2210240787A0350610

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27 OCT 2022

Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
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Corporate Office, Gulshan Avenue  
Dhaka-1212

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





UNITED COMMERCIAL BANK LIMITED  
Statement of Changes in Equity  
For the period from 01 January 2022 to 30 June 2022

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Foreign Currency translation gains/(loss)	Retained Surplus	Total Equity
Balance as at 01 January 2022	12,783,909,490	1,454,976,750	14,546,968,923	26,577,963	2,534,101,559	67,732,319	20,019,813	3,997,660,476	37,142,007,328
Surplus/(deficit) on accounts of revaluation of investments	-	-	-	-	-	-	-	-	(8,700,937)
Currency translation differences (OBS)	-	-	-	-	-	-	-	-	27,073,326
Net Profit for the period	-	-	-	-	-	-	27,470,326	1,636,465,728	1,636,465,728
Transferred to statutory reserve	-	-	580,233,582	-	-	-	-	(580,233,582)	-
Dividend (Bonus Share Issued)	1,270,370,940	-	-	-	-	-	-	(1,270,370,940)	-
Capital Payment Perpetual Bond	-	-	-	-	-	-	-	(190,495,000)	(190,495,000)
Balance as at 30 June 2022	14,052,360,430	3,454,976,750	15,127,204,505	26,577,963	2,534,101,559	59,031,562	57,490,137	5,584,998,621	38,906,787,525

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

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27 OCT 2022

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**Faruk Ahammad FCA**  
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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





UNITED COMMERCIAL BANK LIMITED  
Statement of Changes in Equity  
For the period from 01 January 2021 to 30 June 2021

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Retained Earnings	Assets Revaluation Reserve	Investment Revaluation Reserve	Foreign currency translation gain/(loss)	Total
Balance as at 01 January 2021	12,175,209,050	1,454,976,750	13,414,987,898	26,577,961	5,191,761,116	2,534,181,559	233,410,187	25,125,152	35,066,230,703
Surplus/Deficit revaluation of investments							(30,044,364)		1,004,044,364
Currency translation differences								479,460	479,360
Net profit for the period					1,467,125,267				1,467,125,267
Appropriation made during the period			504,293,672		(504,293,672)				
Balance as at 30 June 2021	12,175,209,050	1,454,976,750	13,929,281,570	26,577,961	6,154,694,786	2,534,181,559	193,365,823	25,604,612	36,495,790,166

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

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United Commercial Bank Limited  
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ATM Tamjidur Rahman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





UNITED COMMERCIAL BANK LIMITED  
Liquidity Statement  
Asset and Liability Maturity Analysis  
As at 30 June 2022

Particulars	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 years	Total
<b>Assets</b>						
Cash in hand	7,978,495,000				16,809,043,419	24,867,538,508
Balance with other banks & financial institutions	3,723,870,027	908,000,000	250,000,000			4,873,870,027
Money at call on short notice	13,310,000,000					13,310,000,000
Investment	10,071,000,000	16,105,200,000	11,510,296,182	15,447,800,000	41,940,502,269	89,183,598,451
Loans and Advances	38,115,807,724	65,082,223,579	94,685,702,403	153,480,726,755	60,890,155,642	411,334,616,103
Bill Purchased & Discounted	8,121,500,000	9,355,200,000	11,073,656,443			30,750,356,443
Fixed assets including premises, furniture & fixture	177,500,000	355,000,000	1,597,500,000	8,520,000,000	4,804,804,640	14,654,904,640
Other Assets	436,822,295	2,788,316,805	1,606,605,069	10,780,887,699	7,824,876,249	23,379,038,112
Non banking assets						
<b>Total Assets (A)</b>	<b>82,135,795,136</b>	<b>88,577,940,385</b>	<b>122,723,760,097</b>	<b>189,079,424,454</b>	<b>129,056,102,219</b>	<b>610,573,022,287</b>
<b>Liabilities</b>						
Borrowing from Bangladesh bank, other banks, financial institutions and agents	7,768,000,000	26,843,900,000	39,916,757,284	11,024,100,000	9,246,968,327	94,881,735,611
Deposits	53,580,495,270	64,216,453,808	76,903,660,536	127,590,475,141	97,227,425,703	419,518,510,451
Provisions and other liabilities	3,097,291,076	371,583,174	11,598,210,847	37,065,129,135	5,303,824,468	57,346,038,700
<b>Total Liabilities (B)</b>	<b>64,355,786,346</b>	<b>91,431,936,974</b>	<b>128,420,628,667</b>	<b>175,679,704,276</b>	<b>111,778,218,498</b>	<b>571,666,374,762</b>
<b>Net Liquidity Gap (A-B)</b>	<b>17,780,008,790</b>	<b>(2,853,996,589)</b>	<b>(5,696,868,570)</b>	<b>12,399,720,178</b>	<b>17,277,883,721</b>	<b>38,906,747,525</b>

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27 OCT 2022

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Corporate Office, Gulshan Avenue  
Dhaka-1212

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





Draft Information Memorandum of United Commercial Bank Limited  
Subordinated Bond of BDT 10,000 Million

### SECTION 13: COMPARATIVE FINANCIAL STATEMENTS OF UCBL

#### Consolidated Balance Sheet of United Commercial Bank Limited

United Commercial Bank Limited						
Consolidated Balance Sheet						
As at 30 June 2022 to 31 December 2017						
Particulars	amount in BDT million					
	30.06.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
	Taka	Taka	Taka	Taka	Taka	Taka
<b>PROPERTIES &amp; ASSETS</b>						
<b>Cash</b>	<b>24,068.20</b>	<b>25,380.75</b>	<b>24,947.75</b>	<b>26,403.57</b>	<b>22,790.81</b>	<b>23,914.67</b>
Cash in hand (Including foreign currencies)	16,815.00	7,498.61	5,701.34	6,352.61	5,210.06	3,622.59
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)	7,253.19	17,882.14	19,246.41	20,050.96	17,580.74	20,292.08
<b>Balance with other banks &amp; financial institutions</b>	<b>6,648.31</b>	<b>20,633.13</b>	<b>23,063.85</b>	<b>12,766.95</b>	<b>16,808.65</b>	<b>20,728.53</b>
In Bangladesh	4,523.08	19,568.10	19,948.28	11,090.67	15,878.99	19,506.88
Outside Bangladesh	2,125.23	1,065.03	3,115.57	1,676.28	929.66	1,221.64
<b>Money at Call on short notice</b>	<b>13,310.00</b>	<b>3,200.00</b>	<b>930.00</b>	<b>1,700.00</b>	<b>150.00</b>	<b>290.00</b>
<b>Investments</b>	<b>90,493.43</b>	<b>83,047.00</b>	<b>66,986.98</b>	<b>59,191.44</b>	<b>52,157.76</b>	<b>44,327.41</b>
Government	79,738.40	72,746.47	57,027.61	48,419.21	41,715.21	38,980.95
Others	10,755.03	10,300.52	9,959.37	10,772.22	10,442.56	5,346.46
<b>Loans and Advances</b>	<b>446,073.19</b>	<b>408,309.82</b>	<b>356,065.74</b>	<b>325,483.78</b>	<b>296,577.50</b>	<b>262,582.32</b>
Loans, Cash Credits, Overdrafts etc	415,322.83	381,754.40	340,985.34	306,814.01	277,089.61	246,380.81
Bills purchased and discounted	30,750.36	26,555.41	15,080.40	18,669.76	19,487.89	16,201.51
<b>Fixed assets including premises, furniture &amp; fixture</b>	<b>17,108.73</b>	<b>17,018.20</b>	<b>14,624.72</b>	<b>14,540.22</b>	<b>9,084.10</b>	<b>8,352.79</b>
<b>Other assets</b>	<b>16,656.43</b>	<b>12,835.96</b>	<b>11,959.69</b>	<b>9,427.82</b>	<b>7,065.65</b>	<b>5,012.80</b>
<b>Non-banking assets</b>		-	-	-	-	-
<b>Total Assets</b>	<b>614,358.27</b>	<b>570,424.85</b>	<b>498,578.73</b>	<b>449,513.76</b>	<b>404,634.47</b>	<b>365,208.52</b>
<b>LIABILITIES AND CAPITAL</b>						
<b>Liabilities:</b>						
<b>Borrowings from other banks, financial institutions and agents</b>	<b>96,509.04</b>	<b>89,410.44</b>	<b>62,240.92</b>	<b>42,125.06</b>	<b>45,243.66</b>	<b>34,196.39</b>
<b>Deposits and other accounts</b>	<b>417,083.90</b>	<b>387,023.83</b>	<b>352,313.50</b>	<b>330,416.27</b>	<b>297,016.34</b>	<b>278,005.03</b>
Current accounts & other accounts	84,223.39	78,346.17	69,335.92	57,780.12	48,838.64	44,143.93
Bills Payable	9,723.24	8,845.27	8,280.26	9,414.29	7,520.07	6,594.93
Savings Bank Deposits	86,370.94	80,659.23	70,999.78	56,655.94	52,032.66	52,852.62
Fixed Deposits	236,766.32	219,173.16	203,697.54	206,565.91	188,624.97	174,413.55
Bearer Certificates of Deposits	0.00	0.00	0.00	0.00	0.00	0.00
Other Deposits	0.00	0.00	0.00	0.00	0.00	0.00
<b>Other Liabilities</b>	<b>62,363.17</b>	<b>56,601.75</b>	<b>48,285.79</b>	<b>43,608.79</b>	<b>31,979.34</b>	<b>26,135.33</b>
<b>Total Liabilities</b>	<b>575,956.11</b>	<b>533,036.02</b>	<b>462,840.21</b>	<b>416,150.11</b>	<b>374,239.34</b>	<b>338,336.75</b>
<b>Capital / Shareholders' Equity</b>						
Paid up Capital	14,062.37	12,783.97	12,175.21	11,595.44	10,541.31	10,541.31
Share Premium	1,454.98	1,454.98	1,454.98	1,454.98	1,454.98	1,454.98
Statutory Reserve	15,142.26	14,555.97	13,424.99	12,435.39	11,448.97	10,467.42
General Reserve	26.58	26.58	26.58	26.58	26.58	26.58
Other Reserve	2,650.62	2,631.85	2,792.72	2,758.36	2,647.63	2,630.57
Retained Earnings	5,065.36	5,935.48	5,864.05	5,092.92	4,275.66	1,750.92
<b>Total Shareholders' Equity</b>	<b>38,402.17</b>	<b>37,388.83</b>	<b>35,738.51</b>	<b>33,363.65</b>	<b>30,395.13</b>	<b>26,871.77</b>
Non controlling interest	0.00	0.00	0.00	0.00	0.00	0.00

27 OCT 2022  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
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Managing Director & CEO  
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Total Shareholders' Equity with non-controlling interest	38,402.17	37,388.83	35,738.51	33,363.65	30,395.13	26,871.77
Total Liabilities and Shareholders Equity	614,358.27	570,424.85	498,578.73	449,513.76	404,634.47	365,208.52

### Consolidated Income Statement of United Commercial Bank Limited

United Commercial Bank Limited						
Consolidated Profit & Loss Account						
As at 30 June 2022 to 31 December 2017						
amount in BDT million						
Particulars	30.06.2022	2021	2020	2019	2018	2017
	Taka	Taka	Taka	Taka	Taka	Taka
Interest Income	15,005.65	27,984.76	27,690.58	31,336.85	25,535.51	21,195.02
Interest paid on deposits and borrowings etc	-8,060.94	14,166.78	17,891.66	20,269.08	16,058.88	12,095.78
<b>Net Interest Income</b>	<b>6,944.71</b>	<b>13,817.98</b>	<b>9,798.91</b>	<b>11,067.77</b>	<b>9,476.63</b>	<b>9,099.24</b>
Investment income	2,627.31	5,646.29	6,170.68	4,898.01	4,426.44	4,280.42
Commission, exchange and brokerage	4,677.34	6,466.82	4,970.12	5,109.88	4,618.60	4,238.44
Other Operating Income	176.02	338.83	150.86	139.14	139.42	272.64
<b>Total Operating Income (A)</b>	<b>14,425.37</b>	<b>26,269.92</b>	<b>21,090.57</b>	<b>21,214.81</b>	<b>18,661.10</b>	<b>17,890.74</b>
<b>OPERATING EXPENSES</b>						
Salary and allowances	4,191.46	7,736.21	6,560.47	6,047.64	6,579.67	5,826.69
Rent, taxes, insurance, electricity etc.	775.51	1,147.51	1,011.26	1,009.68	1,229.73	1,159.55
Legal expenses	48.75	136.05	94.66	67.37	63.28	65.64
Postage, stamps, telecommunications etc.	121.95	191.89	178.46	192.27	143.22	149.63
Stationery, printing, advertisements etc.	1,146.52	2,154.98	1,489.66	1,235.01	1,131.85	653.72
Chief Executive's salary and fees	6.07	13.45	15.02	13.74	9.91	8.03
Directors' fees	2.45	3.34	3.53	5.05	5.40	5.41
Auditors' fees	0.70	1.28	1.85	1.25	1.23	0.89
Depreciation and repair of banks assets	1,034.01	1,859.16	1,622.23	1,447.35	803.75	769.73
Other expenses	1,672.38	3,102.26	2,923.46	2,597.66	1,044.74	930.19
<b>Total Operating Expenses (B)</b>	<b>8,999.80</b>	<b>16,346.13</b>	<b>13,900.60</b>	<b>12,617.03</b>	<b>11,012.79</b>	<b>9,569.47</b>
<b>Profit/(Loss) before provision (C) = (A-B)</b>	<b>5,425.57</b>	<b>9,923.79</b>	<b>7,189.97</b>	<b>8,597.78</b>	<b>7,648.31</b>	<b>8,321.27</b>
Provision for Loans & Advances	2,417.94	4,391.18	2,148.19	2,674.17	3,158.04	2,092.07
Provision for diminution in value of investments	462.89	-244.59	-441.82	686.40	-272.11	-5.19
Other provisions	-52.41	549.36	240.06	70.23	-379.32	397.93
<b>Total Provision (D)</b>	<b>2,828.42</b>	<b>4,695.95</b>	<b>1,946.44</b>	<b>3,430.80</b>	<b>2,506.62</b>	<b>2,484.81</b>
<b>Total Profit/(Loss) before Income taxes (C - D)</b>	<b>2,597.15</b>	<b>5,227.84</b>	<b>5,243.54</b>	<b>5,166.98</b>	<b>5,141.69</b>	<b>5,836.46</b>
<b>Provision for Taxation</b>	<b>1,395.64</b>	<b>2,776.13</b>	<b>2,294.69</b>	<b>2,309.18</b>	<b>2,639.38</b>	<b>3,114.21</b>
Current Tax	2,210.60	4,166.08	2,836.87	2,931.21	2,460.09	3,113.78
Deferred Tax	-814.96	-1,389.95	-542.18	-622.02	179.29	0.43
<b>Net Profit after Taxation</b>	<b>1,201.51</b>	<b>2,451.71</b>	<b>2,948.85</b>	<b>2,857.80</b>	<b>2,502.31</b>	<b>2,722.25</b>
<b>Appropriations</b>						
Statutory Reserve	586.29	1,130.98	989.60	986.42	981.55	1,092.28
Start-Up Fund	16.53	31.77	28.57	-	-	-
Retained Surplus	602.82	1,288.95	1,930.68	1,871.38	1,520.76	1,629.97
<b>Attributable to:</b>						
Equity holders' of the Bank	598.69	1,288.95	1,930.68	1,871.38	1,520.76	1,629.97
Non controlling interest	0.00	0.00	0.00	0.00	0.00	0.00
	<b>598.69</b>	<b>1,288.95</b>	<b>1,930.68</b>	<b>1,871.38</b>	<b>1,520.76</b>	<b>1,629.97</b>

27 OCT 2022

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Senior Executive Vice President & CFO  
United Commercial Bank Limited  
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DMD & Company Secretary  
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**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
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Dhaka-1212

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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





## Consolidated Cash Flow Statement of United Commercial Bank Limited

United Commercial Bank Limited Consolidated Cash Flow Statement For the period ended 30 June 2022 to 31 December 2017						
amount in BDT million						
Particulars	30.06.2022	2021	2020	2019	2018	2017
	Taka	Taka	Taka	Taka	Taka	Taka
<b>Cash flows from operating activities</b>						
Interest Receipts in cash	17,467.12	33,310.95	33,166.88	35,528.36	28,992.69	24,450.69
Interest Payments	-7,594.42	-	-	-	-	-
Dividend Receipts	112.52	189.85	234.35	283.36	335.45	166.24
Fees & Commission Receipts in cash	2,665.97	4,872.00	3,657.96	3,327.81	2,949.86	2,623.59
Recoveries of loans Previously written off	153.59	102.58	103.35	169.29	267.64	113.15
Cash Payments to employees	-4,187.83	-7,705.30	-6,569.33	-7,278.38	-6,589.59	-5,834.72
Cash Payments to suppliers	-2,458.19	-3,527.41	-3,324.31	-2,997.26	-2,504.80	-1,962.99
Income taxes paid	-2,515.09	-3,499.33	-2,557.42	-2,428.42	-2,442.93	-2,157.04
Receipt from other operating activities	142.88	765.09	562.48	325.09	546.11	2,394.67
Payment for other operating activities	-1,724.87	-2,987.40	-2,452.63	-1,582.37	-1,349.42	-1,219.22
<b>Operating profit before changes in operating assets and liabilities</b>	<b>2,061.68</b>	<b>7,243.08</b>	<b>1,371.38</b>	<b>7,676.10</b>	<b>6,772.32</b>	<b>6,189.52</b>
<b>Increase/Decrease in operating assets and liabilities:</b>						
Statutory Deposits	-6,075.51	16,679.99	-8,713.15	-6,596.32	-2,734.25	11,771.59
Purchase/Sales of trading Securities	-174.64	57.87	210.85	-1,134.22	-621.43	568.87
Loans and advances to Customers	-37,763.37	51,717.46	30,402.34	28,907.05	35,525.98	38,839.58
Other assets	-646.45	383.01	-3,070.04	-1,589.62	1,275.40	358.81
Deposit from banks	0.00	3,495.51	-2,001.25	-3,002.73	4,978.77	11.13
Deposit from customers	30,081.08	31,061.61	25,386.60	36,557.99	14,032.54	21,036.58
Other Liabilities	183.07	2,461.01	5,882.34	16.79	750.95	1,054.76
	<b>-14,395.82</b>	<b>30,938.43</b>	<b>12,706.99</b>	<b>-4,655.17</b>	<b>17,844.00</b>	<b>-4,037.85</b>
<b>Net Cash from operating activities (A)</b>	<b>-12,334.14</b>	<b>23,695.35</b>	<b>11,335.61</b>	<b>3,020.94</b>	<b>11,071.68</b>	<b>2,151.67</b>
<b>Cash flows from investing activities</b>						
Proceeds from Sale of Securities	-1,019.47	-142.50	97.29	804.55	-974.67	-150.80
Purchase/Sale of property, plant & equipment	-937.76	-3,495.48	-1,359.87	-1,423.28	-1,299.26	-518.15
<b>Net Cash from investing activities (B)</b>	<b>-1,957.23</b>	<b>-3,637.98</b>	<b>-1,262.58</b>	<b>-618.72</b>	<b>-2,273.94</b>	<b>-668.95</b>
<b>Cash flows from financing activities</b>						
Receipts from borrowings	7,798.60	29,642.90	19,036.96	-3,118.60	11,047.27	8,631.29
Sub-Ordinated Bond	-700.00	-3,000.00	900.00	0.00	-3,500.00	0.00
Dividends paid		-608.76	-579.77	50.00	-1,054.13	-1,581.20
Cash received from Issuing of Right Shares	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net cash from financing activities (C)</b>	<b>7,098.60</b>	<b>26,034.14</b>	<b>19,357.19</b>	<b>-3,068.60</b>	<b>6,493.13</b>	<b>7,050.10</b>
<b>(D) Net Increase/(Decrease) in cash (A+B+C)</b>	<b>-7,192.77</b>	<b>-1,299.20</b>	<b>6,759.00</b>	<b>-666.39</b>	<b>-6,852.48</b>	<b>8,532.82</b>
Effects of the changes of exchange rate on cash and cash equivalents*	2,005.40	1,571.48	1,312.07	1,787.45	1,668.75	0.00
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	36,400.38
<b>Cash and cash equivalents at the end of the year (F)</b>	<b>44,026.51</b>	<b>49,213.88</b>	<b>48,941.59</b>	<b>40,870.52</b>	<b>39,749.46</b>	<b>44,933.20</b>
<b>Consolidated Cash and cash Equivalents at end of the year</b>						
Cash in hand (including foreign currencies)	16,815.00	7,498.61	5,701.34	6,352.61	5,210.06	3,622.59

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**Arif Quadri**  
Managing Director & CEO  
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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





Draft Information Memorandum of United Commercial Bank Limited  
Subordinated Bond of BDT 10,000 Million

Balance with Bangladesh bank and its agent bank	7,253.19	17,882.14	19,246.41	20,050.96	17,580.74	20,292.08
Balance with other banks & financial institution	6,648.31	20,633.13	23,063.85	12,766.95	16,808.65	20,728.53
Money at call on short notice	13,310.00	3,200.00	930.00	1,700.00	150.00	290.00
	<b>44,026.51</b>	<b>49,213.88</b>	<b>48,941.59</b>	<b>40,870.52</b>	<b>39,749.46</b>	<b>44,933.20</b>

### Balance Sheet of United Commercial Bank Limited

United Commercial Bank Limited						
Balance Sheet						
As at 30 June 2022 to 31 December 2017						
	amount in BDT million					
Particulars	30.06.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
	Taka	Taka	Taka	Taka	Taka	Taka
<b>PROPERTIES &amp; ASSETS</b>						
<b>Cash</b>	<b>24,067.54</b>	<b>25,380.18</b>	<b>24,947.58</b>	<b>26,403.42</b>	<b>22,790.71</b>	<b>23,914.51</b>
Cash in hand (Including foreign currencies)	7,252.54	7,498.04	5,701.17	6,352.46	5,209.96	3,622.43
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)	16,815.00	17,882.14	19,246.41	20,050.96	17,580.74	20,292.08
<b>Balance with other banks &amp; financial institutions</b>	<b>4,873.87</b>	<b>19,409.25</b>	<b>20,468.43</b>	<b>12,123.38</b>	<b>16,256.14</b>	<b>19,768.66</b>
In Bangladesh	2,748.64	18,344.22	17,352.86	10,447.10	15,326.48	18,547.02
Outside Bangladesh	2,125.23	1,065.03	3,115.57	1,676.28	929.66	1,221.64
<b>Money at Call on short notice</b>	<b>13,310.00</b>	<b>3,200.00</b>	<b>930.00</b>	<b>1,700.00</b>	<b>150.00</b>	<b>290.00</b>
<b>Investments</b>	<b>88,183.60</b>	<b>81,387.61</b>	<b>65,323.45</b>	<b>57,800.97</b>	<b>50,830.84</b>	<b>42,911.75</b>
Government	79,738.40	72,746.47	57,027.61	48,419.21	41,715.21	38,980.95
Others	8,445.20	8,641.14	8,295.84	9,381.75	9,115.63	3,930.80
<b>Loans and Advances</b>	<b>442,104.97</b>	<b>402,481.74</b>	<b>351,683.56</b>	<b>322,728.14</b>	<b>294,671.94</b>	<b>261,002.88</b>
Loans, Cash Credits, Overdrafts etc	411,354.62	375,926.32	336,603.16	304,058.38	275,184.05	244,801.38
Bills purchased and discounted	30,750.36	26,555.41	15,080.40	18,669.76	19,487.89	16,201.51
<b>Fixed assets including premises, furniture &amp; fixture</b>	<b>14,654.00</b>	<b>14,721.19</b>	<b>14,539.96</b>	<b>14,454.64</b>	<b>9,056.11</b>	<b>8,344.10</b>
<b>Other assets</b>	<b>23,379.04</b>	<b>18,734.25</b>	<b>15,413.97</b>	<b>11,549.57</b>	<b>8,993.36</b>	<b>7,082.89</b>
<b>Non-banking assets</b>						
<b>Total Assets</b>	<b>610,573.02</b>	<b>565,314.21</b>	<b>493,306.95</b>	<b>446,760.12</b>	<b>402,749.10</b>	<b>363,314.80</b>
<b>LIABILITIES AND CAPITAL</b>						
<b>Liabilities:</b>						
<b>Borrowings from other banks, financial institutions and agents</b>	<b>94,801.73</b>	<b>85,803.63</b>	<b>59,399.13</b>	<b>40,911.33</b>	<b>44,694.26</b>	<b>33,846.39</b>
<b>Deposits and other accounts</b>	<b>419,518.51</b>	<b>389,900.72</b>	<b>353,981.62</b>	<b>330,632.23</b>	<b>297,172.82</b>	<b>278,195.49</b>
Current accounts & other accounts	86,658.01	81,223.06	71,004.04	57,996.09	48,995.12	44,334.39
Bills Payable	9,723.24	8,845.27	8,280.26	9,414.29	7,520.07	6,594.93
Savings Bank Deposits	86,370.94	80,659.23	70,999.78	56,655.94	52,032.66	52,852.62
Fixed Deposits	236,766.32	219,173.16	203,697.54	206,565.91	188,624.97	174,413.55
Bearer Certificates of Deposits		0.00	0.00	0.00	0.00	0.00
Other Deposits		0.00	0.00	0.00	0.00	0.00
<b>Other Liabilities</b>	<b>57,346.04</b>	<b>52,167.85</b>	<b>44,859.97</b>	<b>42,433.54</b>	<b>30,981.77</b>	<b>24,762.66</b>
<b>Total Liabilities</b>	<b>571,666.27</b>	<b>527,872.20</b>	<b>458,240.72</b>	<b>413,977.10</b>	<b>372,848.85</b>	<b>336,804.54</b>
<b>Capital / Shareholders' Equity</b>						
Paid up Capital	14,062.37	12,783.97	12,175.21	11,595.44	10,541.31	10,541.31
Share Premium	1,454.98	1,454.98	1,454.98	1,454.98	1,454.98	1,454.98
Statutory Reserve	15,127.20	14,546.97	13,424.99	12,435.39	11,448.97	10,467.42
General Reserve	26.58	26.58	26.58	26.58	26.58	26.58
<b>Other Reserve</b>	<b>2,650.62</b>	<b>2,631.85</b>	<b>2,792.72</b>	<b>2,758.36</b>	<b>2,647.63</b>	<b>2,630.57</b>

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.  
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Draft Information Memorandum of United Commercial Bank Limited  
Subordinated Bond of BDT 10,000 Million

Retained Earnings	5,585.00	5,997.66	5,191.76	4,512.28	3,780.79	1,389.41
<b>Total Shareholders' Equity</b>	<b>38,906.75</b>	<b>37,442.01</b>	<b>35,066.23</b>	<b>32,783.02</b>	<b>29,900.25</b>	<b>26,510.26</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>610,573.02</b>	<b>565,314.21</b>	<b>493,306.95</b>	<b>446,760.12</b>	<b>402,749.10</b>	<b>363,314.80</b>

**Profit and Loss Account of United Commercial Bank Limited**

United Commercial Bank Limited						
Consolidated Profit & Loss Account						
As at 30 June 2022 to 31 December 2017						
	amount in BDT million					
Particulars	30.06.2022	2021	2020	2019	2018	2017
	Taka	Taka	Taka	Taka	Taka	Taka
Interest Income	14,611.15	27,323.65	27,306.96	30,948.75	25,266.93	21,034.16
Interest paid on deposits and borrowings etc	-7,864.61	13,927.26	17,796.18	20,150.94	16,024.50	12,087.39
<b>Net Interest Income</b>	<b>6,746.54</b>	<b>13,396.39</b>	<b>9,510.78</b>	<b>10,797.81</b>	<b>9,242.44</b>	<b>8,946.77</b>
Investment income	2,590.79	5,463.61	6,135.36	4,853.22	4,430.71	4,097.00
Commission, exchange and brokerage	4,287.06	5,739.17	4,693.98	4,920.06	4,480.62	4,066.52
Other Operating Income	131.62	220.57	148.09	137.80	138.76	271.97
<b>Total Operating Income (A)</b>	<b>13,756.01</b>	<b>24,819.74</b>	<b>20,488.21</b>	<b>20,708.89</b>	<b>18,292.52</b>	<b>17,382.27</b>
<b>OPERATING EXPENSES</b>						
Salary and allowances	3,817.01	7,166.52	6,354.17	5,912.08	6,491.61	5,736.49
Rent, taxes, insurance, electricity etc.	757.06	1,122.45	995.87	998.00	1,226.15	1,155.59
Legal expenses	38.52	128.65	94.18	67.21	63.15	65.34
Postage, stamps, telecommunications etc.	110.84	184.56	174.62	189.26	141.98	148.93
Stationery, printing, advertisements etc.	798.88	1,249.15	1,482.82	1,227.39	1,127.86	648.49
Chief Executive's salary and fees	6.07	13.45	15.02	13.74	9.91	8.03
Directors' fees	1.32	2.59	2.71	3.46	5.40	5.41
Auditors' fees	0.58	1.15	1.73	1.15	1.15	0.81
Depreciation and repair of banks assets	991.69	1,822.19	1,609.94	1,437.61	799.96	764.89
Other expenses	1,585.97	2,945.32	2,900.05	2,580.30	1,035.10	896.89
<b>Total Operating Expenses (B)</b>	<b>8,107.92</b>	<b>14,636.03</b>	<b>13,631.10</b>	<b>12,430.21</b>	<b>10,902.27</b>	<b>9,430.86</b>
<b>Profit/(Loss) before provision (C) = (A-B)</b>	<b>5,648.09</b>	<b>10,183.71</b>	<b>6,857.12</b>	<b>8,278.68</b>	<b>7,390.25</b>	<b>7,951.41</b>
Provision for Loans & Advances	2,360.44	4,259.89	2,107.29	2,626.56	3,154.64	2,092.07
Provision for diminution in value of investments	439.03	-235.22	-438.25	673.47	-292.84	0
Other provisions	-52.55	549.13	240.06	46.57	-379.32	397.93
<b>Total Provision (D)</b>	<b>2,746.91</b>	<b>4,573.81</b>	<b>1,909.10</b>	<b>3,346.60</b>	<b>2,482.49</b>	<b>2,490.00</b>
<b>Total Profit/(Loss) before Income taxes (C - D)</b>	<b>2,901.18</b>	<b>5,609.91</b>	<b>4,948.01</b>	<b>4,932.09</b>	<b>4,907.76</b>	<b>5,461.41</b>
<b>Provision for Taxation</b>	<b>1,248.18</b>	<b>2,432.73</b>	<b>2,090.82</b>	<b>2,160.05</b>	<b>2,538.81</b>	<b>3,027.50</b>
Current Tax	2,063.58	3,823.48	2,632.95	2,783.08	2,360.09	3,027.50
Deferred Tax	-815.40	-1,390.74	-542.13	-623.03	178.72	0.00
<b>Net Profit after Taxation</b>	<b>1,653.00</b>	<b>3,177.17</b>	<b>2,857.20</b>	<b>2,772.04</b>	<b>2,368.95</b>	<b>2,433.91</b>
<b>Appropriations</b>						
Statutory Reserve	580.24	1,121.98	989.60	986.42	981.55	1,092.28
Start-Up Fund	16.53	31.77	28.57	-	-	-
Retained Surplus	1,056.23	2,023.42	1,839.02	1,785.62	1,387.40	1,341.63
	<b>1,653.00</b>	<b>3,177.17</b>	<b>2,857.20</b>	<b>2,772.04</b>	<b>2,368.95</b>	<b>2,433.91</b>

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Dhaka-1212

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





## Cash Flow Statement of United Commercial Bank Limited

United Commercial Bank Limited Consolidated Cash Flow Statement For the period ended 30 June 2022 to 31 December 2017						
amount in BDT million						
Particulars	30.06.2022	2021	2020	2019	2018	2017
	Taka	Taka	Taka	Taka	Taka	Taka
<b>Cash flows from operating activities</b>						
Interest receipts	17,029.20	32,410.11	32,708.44	35,123.54	28,724.12	24,289.82
Interest payments	-7,485.02	-14,078.15	-21,279.66	-17,536.52	-13,398.31	-12,376.45
Dividend receipt	97.60	149.09	206.57	260.05	303.13	139.31
Fees & Commission receipt	2,281.66	4,167.69	3,381.91	3,137.99	2,811.87	2,451.66
Recoveries from previously written off advances	153.59	102.58	103.35	169.29	267.64	113.15
Payments to employees	-3,823.08	-7,179.97	-6,369.19	-7,142.81	-6,501.52	-5,744.52
Payments to suppliers	-1,995.80	-3,200.24	-3,290.80	-2,973.56	-2,495.99	-1,953.01
Payment for Advance Income Tax	-2,388.96	-3,285.96	-2,392.31	-2,319.84	-2,361.32	-2,114.57
Receipt from other operating activities	134.84	641.75	544.01	302.27	582.03	2,299.17
Payment for other activities	-1,685.87	-2,895.28	-2,426.33	-1,563.37	-1,339.57	-1,183.62
<b>Operating profit before changes in operating assets and liabilities</b>	<b>2,318.16</b>	<b>6,831.62</b>	<b>1,185.98</b>	<b>7,457.04</b>	<b>6,592.08</b>	<b>5,920.95</b>
<b>Increase/Decrease in operating assets and liabilities:</b>						
Statutory Deposit	-6,075.51	-16,679.99	-8,713.15	-6,596.32	-2,734.25	11,771.59
Purchase/Sale of trading securities	42.33	-118.38	481.10	-1,070.68	-702.28	938.11
Loans and advances to customers	-39,623.24	-50,798.18	-28,955.42	-28,056.20	-35,199.86	-37,900.79
Other Assets	-1,548.93	-2,326.62	-2,949.67	-1,797.49	-15.27	-1,080.63
Deposit from Banks	0.00	3,495.51	-2,001.25	-3,002.73	4,978.77	11.13
Deposit from customers	29,617.79	32,247.23	25,372.57	36,616.58	13,998.56	20,480.06
Other liabilities	-201.73	2,885.99	3,728.53	29.54	2,603.20	1,571.39
	<b>-17,789.30</b>	<b>-31,294.43</b>	<b>-13,037.30</b>	<b>-3,877.30</b>	<b>-17,071.13</b>	<b>-4,209.16</b>
<b>Net Cash from operating activities (A)</b>	<b>-15,471.14</b>	<b>-24,462.81</b>	<b>-11,851.32</b>	<b>3,579.74</b>	<b>-10,479.06</b>	<b>1,711.78</b>
<b>Cash flows from investing activities</b>						
Purchase/Sale of Securities	-532.90	-10.40	100.00	804.55	-982.55	-145.80
Purchase of Property, Plant & Equipments	-737.48	-1,250.60	-1,349.58	-1,358.85	-1,277.20	-513.63
<b>Net Cash from investing activities (B)</b>	<b>-1,270.38</b>	<b>-1,261.00</b>	<b>-1,249.58</b>	<b>-554.30</b>	<b>-2,259.75</b>	<b>-659.43</b>
<b>Cash flows from financing activities</b>						
Receipt from borrowing	9,698.09	29,404.51	17,587.80	-3,782.93	10,847.87	8,281.29
Sub-Ordinated Bond	-700.00	-3,000.00	900.00	0.00	-3,500.00	0.00
Cash received from issuing of Right shares		0.00	0.00	0.00	0.00	0.00
Cash dividend payment		-608.76	-579.77	0.00	-1,054.13	-1,581.20
<b>Net cash from financing activities (C)</b>	<b>8,998.09</b>	<b>25,795.75</b>	<b>17,908.03</b>	<b>-3,782.93</b>	<b>6,293.73</b>	<b>6,700.10</b>
<b>(D) Net Increase/(Decrease) in cash (A+B+C)</b>	<b>-7,743.42</b>	<b>71.94</b>	<b>4,807.13</b>	<b>-757.50</b>	<b>-6,445.07</b>	<b>7,752.45</b>
Effects of the changes of exchange rate on cash and cash equivalents*	2,005.40	1,571.48	1,312.07	1,787.45	1,668.75	0.00
<b>Cash and Cash equivalents at beginning of the year (E)</b>	<b>47,989.43</b>	<b>46,346.01</b>	<b>40,226.80</b>	<b>39,196.85</b>	<b>43,973.18</b>	<b>36,220.73</b>
<b>Cash and cash equivalents at the end of the year (F)</b>	<b>42,251.41</b>	<b>47,989.43</b>	<b>46,346.01</b>	<b>40,226.80</b>	<b>39,196.85</b>	<b>43,973.18</b>
<b>Cash and cash Equivalents at end of the year</b>						
Cash in hand (including foreign currencies)	7,252.54	7,498.04	5,701.17	6,352.46	5,209.96	3,622.43
Balance with Bangladesh bank and its agent bank	16,815.00	17,882.14	19,246.41	20,050.96	17,580.74	20,292.08
Balance with other banks & financial institution	4,873.87	19,409.25	20,468.43	12,123.38	16,256.14	19,768.66
Money at call on short notice	13,310.00	3,200.00	930.00	1,700.00	150.00	290.00
	<b>42,251.41</b>	<b>47,989.43</b>	<b>46,346.01</b>	<b>40,226.80</b>	<b>39,196.85</b>	<b>43,973.18</b>

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United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



#### SECTION 14: COMPARATIVE FINANCIAL RATIOS OF UCBL

Sl No.	Particulars	June, 2022	2021	2020	2019	2018	2017
1	Current ratio	N/A	N/A	N/A	N/A	N/A	N/A
2	Quick ratio	N/A	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	N/A
4	Debt to Equity Ratio	15.29	12.71	11.79	11.34	11.43	11.77
5	Debt to total assets ratio	1.01	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	N/A
7	Gross Margin ratio	N/A	N/A	N/A	N/A	N/A	N/A
8	Operating Income ratio (annualized)	1.92	N/A	N/A	N/A	N/A	N/A
9	Net Income ratio (annualized)	0.16	N/A	N/A	N/A	N/A	N/A
10	Return on assets (annualized)	0.42	0.6	0.61	0.65	0.62	0.7
11	Return on equity (annualized)	6.38	8.76	8.42	8.84	8.4	9.31
12	Earnings per share (EPS) (annualized)	1.71	2.49	2.23	2.28	2.04	2.31
13	Net asset value (NAV) per share	27.31	29.29	28.8	28.27	28.36	25.15
14	Net operating cash flow to Net income	N/A	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	N/A
16	NPL	4.64	4.41	2.55	3.63	6.79	7.38
17	Capital Adequacy Ratio	13.25	13.64	14.92	14.68	12.9	12.07

#### SECTION 15: 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
07 April 2022	06 April 2023	Initial	AA- B	-	ECRL	Stable

##### Credit Rating Report of the Issuer:

Date of Declaration	Valid Till	Rating Action	Long Term	Short Term	Rated By	Outlook
07 May 2021	06 May 2022	Surveillance	AA	ST-2	ECRL	Stable



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

27 OCT 2022

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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





Credit Rating Report for UCBL 5<sup>th</sup> Subordinated Bond, issued by Emerging Credit Rating Limited (ECRL) is annexed to this Information Memorandum. Please check Annexure – 2.

## SECTION 16: LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC

### ECRL Default Studies 2020

#### Default Summary by Rating Category

Year	Issuers as of 1st January	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	750	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	1012	0	1	0.0%	0.1%	0.1%
Arithmetic Mean	n.a.	n.a.	n.a.	0.0%	0.1%	0.1%

#### 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%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
BB	0.4%	0.6%	0.7%	0.7%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
B	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	3.2%	3.2%	3.2%	3.2%
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%	3.1%	3.1%	3.1%	3.1%	3.1%
High Grade	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
High Yield	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%
All Corporate	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%

#### Average Time (Month) to Default from Original Rating

Original Band	Defaulted issuers	Average Months from Original Rating
AAA	0	n.a.
AA	0	n.a.
A	1	57
BBB	3	60
BB	2	30
B	0	n.a.
C	0	n.a.
*High Grade	1	57
**High Yield	5	48
All Corporate	6	49

\* High Grade represents AAA, AA & A ratings  
\*\* High Yield represents BBB, BB, B & C ratings

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Senior Executive Vice President & CFO  
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Finance Division  
Corporate Office, Gulshan, Dhaka.

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Dhaka-1212

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### Rating Transition Matrix (2011 – 2020)

#### 1-year cumulative rating transition matrix

From / To	AAA	AA	A	BBB	BB	B	C	Default
AAA	98.4%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	1.6%	98.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	1.8%	96.1%	2.0%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.0%	1.5%	96.6%	1.5%	0.0%	0.0%	0.0%
BB	0.0%	0.0%	0.0%	13.3%	85.4%	0.3%	0.0%	0.0%
B	0.0%	0.0%	0.0%	0.0%	15.0%	85.0%	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	96.9%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	3.2%	96.1%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.0%	3.5%	92.4%	3.6%	0.1%	0.0%	0.0%	0.1%
BBB	0.0%	0.1%	3.7%	93.5%	2.7%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.3%	24.1%	73.2%	1.3%	0.0%	1.1%
B	0.0%	0.0%	0.0%	2.0%	25.6%	72.4%	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	95.4%	4.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	4.7%	94.3%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.1%	5.0%	88.9%	5.5%	0.2%	0.0%	0.0%	0.2%
BBB	0.0%	0.2%	5.3%	90.7%	3.7%	0.1%	0.0%	0.0%
BB	0.0%	0.0%	0.7%	33.0%	63.1%	1.7%	0.0%	1.5%
B	0.0%	0.0%	0.0%	5.3%	32.7%	61.7%	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	94.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	6.2%	92.6%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
A	0.2%	6.5%	85.6%	7.1%	0.3%	0.0%	0.0%	0.3%
BBB	0.0%	0.3%	6.8%	88.2%	4.5%	0.1%	0.0%	0.1%
BB	0.0%	0.0%	1.3%	40.2%	54.6%	2.0%	0.0%	1.9%
B	0.0%	0.0%	0.1%	9.5%	37.3%	52.7%	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	92.6%	7.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	7.6%	90.9%	1.5%	0.1%	0.0%	0.0%	0.0%	0.0%
A	0.3%	7.9%	82.4%	5.6%	0.5%	0.0%	0.0%	0.3%
BBB	0.0%	0.4%	8.2%	85.5%	5.1%	0.2%	0.0%	0.1%
BB	0.0%	0.1%	2.0%	46.1%	47.5%	2.1%	0.0%	2.2%
B	0.0%	0.0%	0.3%	14.1%	39.9%	45.1%	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%

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**Faruk Ahammad FCA**  
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DMD & Company Secretary  
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27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





## SECTION 17: DESCRIPTION OF TRUSTEE

Delta Brac Housing Finance Corporation Ltd. (DBH) is the pioneer, largest and specialist in Housing Finance Institution in the private sector of the country. After commencing operation in 1996 the company has registered commendable growth in creating home ownership in Dhaka and other major cities of the country. At the same time, the company has been playing an active role in promoting the real estate sector to the large cross sections of prospective clients who had but yet unfulfilled dream of owning a home.

Among all Banks and Financial Institutions of Bangladesh only DBH has been rated the highest 'AAA' credit rating for 16th consecutive years. The level of credit rating provides a very important indication of the financial safety, security and strength of the concerned Bank or Financial Institution and is particularly relevant to its depositors and other investors such as shareholders and lenders.

- Incorporated as public ltd. Company: May 11, 1996
- Date of certificate of commencement of business: May 11, 1996
- License from Bangladesh Bank: July 15, 1996
- Initial public offering (IPO): March, 2008
- Stock exchange listings: 24th April, 2008

• Business lines:

i) The principal activities of the Company during the year were providing loans for construction of houses, purchases of flats or houses, extension and improvement of existing houses or flats and purchase of housing plots.

ii) The Company has also various investment and financing products like term deposit scheme, cumulative deposit, tripple money deposit, double money deposit, annual income deposit, quarterly income deposit, monthly income deposit, easy way deposit, profit first deposit etc. for its individual and corporate clients.

- Authorized Capital: BDT. 2,000,000,000/-
- Paid up Capital: BDT 1,772,639,680/-
- Institutional Sponsor of: DBH 1st Mutual Fund (Inception date 4th February, 2010)
- Net Worth: BDT 7,244,131,090/-

**Vision:**

To be the leading financial institution in the country with satisfied customers and employees and to generate value for our shareholders while contributing to the wellbeing of the society

**Mission:**

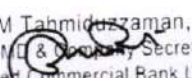
To strengthen the society of the country by continually expanding home ownership

**Core Values:**

- Honesty, integrity and ethics in all aspects of business
- Outstanding service to the customer, above all else
- Individual opportunity, responsibility and reward based on merit
- Hard work and continuous self-improvement, never being satisfied
- Respect and concern for the individual employee

**Strategic Objective:**

27 OCT 2022  
  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
ATM Tahmiduzzaman, FCS  
DMC & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





- Focus on building deep and long-standing relationships with our clients, customers as well as real-estate developers, and constantly look to improve the quality of our products and services.
- Focus on developing our human resource talents.
- Ensure balanced growth with a disciplined approach to the management of risks and costs.
- Ensure adequate capital and liquidity to sustain our business over the long term.

## Operational & Financial Highlights:

(amount in BDT million)

Operational Highlights	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Loan approvals	15,198	8,632	8,934	7,527	10,896
Loan disbursement	14,711	10,273	10,112	7,028	10,803
Cumulative disbursement	93,001	103,274	113,386	120,414	131,217
Cumulative sanction	97,148	105,780	114,714	122,241	133,137

Financial Highlights	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
Profit before tax	1,492	1,607	1,555	1,498	1,721
Profit after tax	949	1,048	1,073	891	1,044
Shareholders' fund	4,358	5,040	5,809	6,431	7,244
Total deposit	41,188	43,319	43,411	43,827	43,978
Long term borrowing	2,610	2,219	1,954	1,709	2,223
Loan portfolio	42,243	43,848	44,522	42,750	43,831
Total balance sheet size	54,581	57,499	59,280	58,607	60,279
NPL ratio (%)	0.27%	0.30%	0.45%	0.41%	0.63%
Return on equity (average equity)	23.88%	22.30%	19.79%	14.56%	15.27%
Earnings per share	7.79	8.60	8.04	5.78	5.89
Earnings per share (restated)	5.35	5.91	6.05	5.03	5.89
Book value per share	35.76	41.36	43.36	41.72	40.87
Dividend cover ratio	2.60	2.46	2.30	1.93	2.36

## Shareholding Position:

Group Name	No. of Share holders	No. of Shares	Percent (%)
Sponsors/ Directors	5	90,973,942	51.32
General Public	8,405	19,874,009	11.21
Financial Institutions & other Companies	242	32,158,162	18.14
Foreign Investors	15	34,257,855	19.33
Total:	8,667	177,263,968	100.00

## Business Activities:

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

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Managing Director & CEO  
DBH Finance PLC.





Delta Brac Housing Finance Corporation Ltd. (DBH) is the pioneer, largest and specialist in Housing Finance Institution in the private sector of the country.

DBH is the major player in the housing finance sector in Bangladesh since 1997 and remains one of the leading non-bank financial institutions. Today, we are an acclaimed brand for a high level of customer service; and respected for ethics, values and corporate governance. We have developed an attractive suite of products that cater to all customer segments, with our primary focus to strengthen the society by expanding home ownership. By leveraging our understanding of customers from different economic segments, we are today in a position to extend a range of products and services in loans through our specialized team members.

DBH is the only Financial institution with exclusive focus in housing finance. DBH provides loans for Flat Purchase, Construction, Extension, Renovation, Group construction, Home equity loan.

Besides, DBH has kept its focus on deposit collection as its main source of funding mechanism. As a result, DBH has managed to fund over 80% of its home loan operation through deposit. At present the Company offers a diverse deposit product line including Annual Income Deposit, Monthly Income Deposit, Quarterly Income Deposit, Cumulative Deposit, DBH Platinum Deposit and Day-wise Deposit.

### **Board of Directors:**

Name of the Directors	Designation
Mr. Nasir A. Choudhury, Chairman	Chairman
Dr. A M R Chowdhury, Vice Chairman	Vice Chairman
Ms. Mehreen Hassan, Bar- at- Law	Director
Mr. Md. Mujibur Rahman	Director
Mr. Syed Moinuddin Ahmed	Director
Mr. M. Anisul Haque, FCMA	Director
Mr. Mohammad Anisur Rahman	Director
Ms. Rasheda K. Choudhury	Independent Director
Major General Syeed Ahmed, BP (Retd.)	Independent Director

### **Due Diligence Certificate by the Trustee**

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

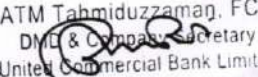
### **SECTION 18: MODUS OPERANDI OF THE ISSUE**

**Modus Operandi of the Issue has been incorporated form the Trust Deed executed between the Issuer (United Commercial Bank Limited) and the Trustee (Delta Brac Housing Finance Corporation Limited)**


#### **Application Procedure**

The Bonds shall be distributed 100% through private placement. Each Investor (Bondholder) shall enter into a separate Subscription Agreement with respect to their investment with the Issuer and shall be bound

27 OCT 2022  
  
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Finance Division  
Corporate Office, Gulshan, Dhaka.

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ATM Tahmiduzzamag, FCS  
DM & Company Secretary  
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27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
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Corporate Office, Gulshan Avenue  
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by the terms and conditions contained in the Subscription Agreement and the Trust Deed containing in details the rights and obligations of the Investor(s).

#### Allotment

On the Closing Date, to be determined, the Issuer shall allot and issue the Bonds to the Investor(s). 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 the Trust Deed.

#### Repayment and Redemption features of the Bond

Coupon on the Bonds shall be paid on semi-annual basis on the Coupon Payment Dates. The Coupon Payment Dates shall be determined depending upon the Issue Date. Unless previously redeemed or purchased or cancelled, the principal of the Bonds will amortize, and paid annually on a pro rata basis to the Bondholders in instalments of 20% per year commencing at the third anniversary of the Bonds from the Issue Date. The final maturity of the Bonds will at the end of seventh year from the Issue Date of the Bonds.

#### Trading or listing with the stock exchange

The Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard.

#### Details of conversion or exchange option

Not Applicable

#### REPAYMENT OR REDEMPTION FEATURES

Each Bond shall be redeemed in accordance with Condition 8 (Redemption, Repurchase and Cancellation) of the Trust Deed.

#### MODE OF TRANSFER, OR REDEMPTION, OR CONVERSION, OR EXCHANGE

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) of the Trust Deed and the CDBL Bye Laws.

#### SECTION 19: DETAILS OF FEES STRUCTURE AND EXPENSES

Particulars	Basis of Calculation	Amount in BDT
<b>A. Bangladesh Securities &amp; Exchange Commission (BSEC) Fees:</b>		
Consent Fee	0.10% on the issue size	10,000,000

27 OCT 2022  
  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





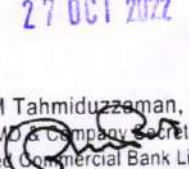
Draft Information Memorandum of United Commercial Bank Limited  
Subordinated Bond of BDT 10,000 Million

<b>B. CDBL Fees and Expenses:</b>			<b>2,184,500</b>
Security Fee	Fixed (Refundable)	500,000	500,000
Documentation Fee	Fixed	2,500	2,500
Annual Fee (7 years)	BDT 5,000 up to BDT 5 Crore Issue Size	-	140,000
	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	1,500,000	1,500,000
Connection Fee (7 years)	Tk. 500 Per Month	42,000	42,000
<b>D. Fees related to the Issue</b>			<b>50,950,000</b>
Fund Arrangement Fee	0.4% of the issue size	40,000,000	40,000,000
VAT on Fund Arrangement Fee	15% of the Fund Arrangement Fee	6,000,000	6,000,000
Trustee Fee	Negotiable (For 7 Years)	300,000	2,100,000
Trustee Regulatory Fee	Application Fee: 50,000, Registration Fee: 100,000, Annual Fee: 50,000 for 7 years	500,000	500,000
Trust Deed Registration Fee	0.1% of the total issue size and maximum BDT 1,000,000	10,000,000	1,000,000
Credit Rating Fee	Negotiable (For 7 Years)	100,000	700,000
Lawyer Fee	Negotiable	150,000	150,000
Miscellaneous	Certificates and others if applicable	500,000	500,000
<b>Grand Total</b>			<b>63,134,500</b>
<b>NB:</b>			
- 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 20: CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER**

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

  
27 OCT 2022  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka

27 OCT 2022  
  
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27 OCT 2022  
  
Arif Quadri  
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**SECTION 21: DECLARATION AND DUE DILIGENCE CERTIFICATES AS PER ANNEXURE(S)- I AND II**

**Annexure- I**

**Declaration about the responsibility of the Managing Director & CEO of  
United Commercial Bank Limited 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/-

Arif Quadri  
Managing Director & CEO  
Place: Dhaka  
Date:

27 OCT 2022

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Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
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**Annexure-II**

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

**Due diligence certificate of the Trustee**

**Delta Brac Housing Finance Corporation Ltd. (DBH)**

To

**The Bangladesh Securities and Exchange Commission**

**Sub: Issuance 1,000 numbers of Non-Convertible, Unsecured Subordinated Bond of BDT 10,000,000 (Ten Million Taka) 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**

Sd/-

Managing Director & CEO

Delta Brac Housing Finance Corporation Ltd. (DBH)

Date:

27 OCT 2022

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Corporate Office, Gulshan, Dhaka.

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DBH Finance PLC.





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

- 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**
- 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**
- Due Diligence Certificate of the Issuer Manager is Not Applicable for the UCBL 5<sup>th</sup> Subordinated Bond.
- Due Diligence Certificate of the Underwriter is Not Applicable for the UCBL 5<sup>th</sup> Subordinated Bond.

## Annexure – 1

### Detailed Description and Information

As per Schedule A (part I)

1. Particular of the Issuer:	
Name of the Issuer	United Commercial Bank Limited
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	<b>Registered address:</b> Bulus Center, Plot - CWS- (A)-1, Road No - 34, Gulshan avenue, Dhaka-1212. Phone: +88-02-55668070, +88-09610999999 Email: <a href="mailto:info@ucb.com.bd">info@ucb.com.bd</a>
Name, Address, Contact Number of the Contact Person	Mr. Faruk Ahammad FCA Senior Executive Vice President & CFO Finance Division (FD) Phone: 01713108770 Email: <a href="mailto:faruk.ahammad@ucb.com.bd">faruk.ahammad@ucb.com.bd</a>
Date of Incorporation	26 <sup>th</sup> June 1983
Date of Commencement of Business	27 June 1983
Authorized Capital	BDT 15,000 million (as of 30 June 2022)
Paid up Capital	BDT 14,062.37 million (as of 30 June 2022)
Total Equity of the Issuer	BDT 38,402.17 Million (as of 30 June 2022)
Total Liabilities	BDT 575,956.11 Million (as of 30 June 2022)
Total Financial Obligations	N/A
Total Assets	BDT 614,358.27 Million (as of 30 June 2022)
Net worth of the Issuer	BDT 38,402.17 Million (as of 30 June 2022)
Total Tangible Assets	BDT 16,826.70 Million (as of 30 June 2022)

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
ATM Tamjiduzzaman FCS  
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Subordinated Bond of BDT 10,000 Million

(Fixed assets including land, building, furniture and equipment)													
2. <u>Particular of Issue Manager:</u>	Not Applicable as it is Private Offer												
3. <u>Particular of the Issue:</u>													
Name of the Issue:	UCBL 5 <sup>th</sup> Subordinated Bond												
Type of instruments to be issued:	Non-convertible Unsecured Fully-redeemable Floating Rate Subordinated Bonds												
Purpose of the Issue:	To raise Tier-II Regulatory Capital and thereby enhance Capital to Risk-weighted Asset Ratio (CRAR) as per "Guidelines on Risk-Based Capital Adequacy" of Bangladesh Bank												
Number of Securities and total size of the issue to be offered	No. of Bonds to be issued: 1,000 (One thousand) Issue Size: BDT 10,000,000,000 (Ten thousand million taka)												
Face Value and Issue Price of securities	BDT 10,000,000 (Ten Million Taka) per Bond												
Coupon rate/ Rate of profit	Reference Rate + Coupon Margin												
Yield to maturity (YTM)/ Rate of Return	Coupon Rate												
Tenor:	7 Years												
Details of conversion/exchange option features:	This Bond Non-Convertible in nature												
Mode of Redemption:	Face Value (principal) redemptions will be in 5 (five) annual tranches commencing at the end of the 36 <sup>th</sup> month from the date of drawdown in the following manner: <table><thead><tr><th>Month</th><th>Redemption</th></tr></thead><tbody><tr><td>36<sup>th</sup></td><td>20.00%</td></tr><tr><td>48<sup>th</sup></td><td>20.00%</td></tr><tr><td>60<sup>th</sup></td><td>20.00%</td></tr><tr><td>72<sup>nd</sup></td><td>20.00%</td></tr><tr><td>84<sup>th</sup></td><td>20.00%</td></tr></tbody></table>	Month	Redemption	36 <sup>th</sup>	20.00%	48 <sup>th</sup>	20.00%	60 <sup>th</sup>	20.00%	72 <sup>nd</sup>	20.00%	84 <sup>th</sup>	20.00%
Month	Redemption												
36 <sup>th</sup>	20.00%												
48 <sup>th</sup>	20.00%												
60 <sup>th</sup>	20.00%												
72 <sup>nd</sup>	20.00%												
84 <sup>th</sup>	20.00%												
Mode of option (call or put) if any:	The Bond is non-convertible and not-callable and has no prepayment option.												
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:	UCBL 5 <sup>th</sup> Subordinated Bond is superior to the claims of investors in equity shares and Subordinated to the claims of the depositors and the other creditors as Tier 2 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												

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

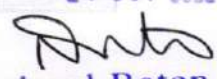
27 OCT 2022

  
ATM Fahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





Draft Information Memorandum of United Commercial Bank Limited  
Subordinated Bond of BDT 10,000 Million

Nature of tradability or listing in stock exchange(s):	As per the Consent Letter from BSEC
Others:	
Investors:	Institutional investors and high net-worth individual investors
Mode of Placement:	Private Placement on a best effort basis
Reference Rate:	Latest average 6-month FDR rate of all private commercial banks (excluding foreign banks and Islamic banks) as published by Bangladesh Bank on the Quotation Day. The Reference Rate will be rounded to 2 (two) decimal places.
Quotation Day	Five (05) days before the first day of any period for which Coupon is to be paid
Coupon Margin:	2.00% p.a.
Range of Coupon Rate:	Floor: 6.00% p.a. - Ceiling: 9.00% p.a. at all times
Coupon Payment:	Semi-annually beginning at the end of 6 months from drawdown date.
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.
<b>4. Particulars of Trustee:</b>	
Name of Trustee	Delta Brac Housing Finance Corporation Limited (DBH)
Paid Up Capital	BDT 1,772.64 million (as of 31 December 2021)
Net Worth of the Trustee	BDT 7,244.13 million (as of 31 December 2021)
Name of the Issues where performing as Trustee	N/A
<b>5. Particulars of Credit Rating Company:</b>	
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 2021 Valid to: 06 May 2022
Credit rating status of the issue	Long Term: AA-B Outlook: Stable Valid from: 07 April 2022 Valid to: 06 April 2023
Latest default rate of the Credit Rating Company	0.1%
Average time to default of the rated Category	49 months
Rating Trigger	N/A
Date of audited accounts, which is included in the IM	30 June 2022
<b>6. Particulars of Originators (if Any):</b>	Not Applicable
<b>7. Particulars of other contractual parties:</b>	Common Legal Counsel : Lex Juris

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27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMD & Compliance Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





Draft Information Memorandum of United Commercial Bank Limited  
Subordinated Bond of BDT 10,000 Million

## Annexure – 2

(Credit Rating of the Issue)


  
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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

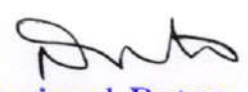
27 OCT 2022

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

27 OCT 2022

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

27 OCT 2022

  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



**Credit Rating Report  
of  
UCB - Fifth Subordinated Bond**



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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

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

27 OCT 2022



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

27 OCT 2022



**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





# EMERGING

## Credit Rating Ltd

### UCB - Fifth Subordinated Bond

#### Corporate Bond Rating

Valid From	Valid Till	Rating Action	Long Term Rating	Outlook
April 07, 2022	April 06, 2023	Initial	AA-B	Stable

\* B denotes bond

**Date of Incorporation** : June 26, 1983

**Managing Director & CEO** : Mr. Arif Quadri

**Issue** : UCB - Fifth Subordinated Bond of  
BDT **10,000.00** million in face value

**Program Tenure** : 7 years

**Issuer** : United Commercial Bank Limited

**Lead Arranger** : UCB Investment Limited

**Trustee** : Delta Brac Housing Finance Corporation Limited

**Contact Analysts** : **Md. Rajiur Rahman**  
rajiur@emergingrating.com  
**Md. Harun Chowdhury**  
harun@emergingrating.com

Arifur Rahman FCCA, ACA  
Director & COO  
Emerging Credit Rating Ltd.

### Credit Analysis

Corporate Bond

27 OCT 2022

**Faruk Ahmad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Financial Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

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

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



# Emerging Credit Rating Ltd

## CREDIT ANALYSIS

### Corporate Bond

## 2022 Initial Review

### UCB - Fifth Subordinated Bond

#### Major Rating Factors

##### Strengths

- Experience in issuing bonds.
- Good growth in credit and deposit.
- Experienced management team.
- Good growth in post-tax profit.

##### Challenge/ Risks

- High level of large loan.
- Notable increase in NPL.
- High concentration of bad loan in NPL.

##### Rationale

Emerging Credit Rating Limited (ECRL) has assigned **AA-B** (Pronounced as 'Double A Minus Bond') long term credit rating to United Commercial Bank Limited's (UCBL) Fifth Subordinated Bond (hereinafter referred to as "The Subordinated Bond" or "The Bond" or "The Issue") issuance of BDT 10,000.00 million in face value. The outlook on the rating is **Stable**. The rating is consistent with ECRL's methodology for this type of financial institutions and bond rating. ECRL considered financial performance, capital base, asset quality, management experience, liquidity and prospect of the industry while assigning the 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, draft agreements between the issuer, trustee and mandated lead arranger provided by the entity in discussion and the rating may significantly change if the covenants in those agreements are altered.**

The proposed bond will be repayable in seven years with five equal installments starting from the end of year three. Semi-annual coupon payment will be paid starting at the end of 6 months from the date of drawdown. The interest rate for the bond is between 7.00% to 9.00% p.a. Coupon rate of the bond will be determined by the benchmark rate/ reference rate plus 2.00% p.a. Moreover, UCB Investment Limited will act as the mandated lead arranger and Delta Brac Housing Finance Corporation Limited (DBH) will act as the trustee for this issue. The fund will be used in regular lending and business activities of the bank which will help to grow the bank's loan and advance portfolio.

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.

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

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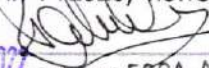
  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022

  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tamimuddin Zaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited  
Credit

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

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**Arifur Rahman FCCA, ACA**  
Director & COO  
Emerging Credit Rating Ltd.

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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 14,636.03 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.

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 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.

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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CEO  
United Commercial Bank Limited  
Finance Director  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMD & Compliance Secretary  
United Commercial Bank Limited  
Corporate Office, Gulshan, Dhaka.

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

**Arifur Rahman FCCA, ACA**  
Director & Chief Credit Officer  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

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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	4,907.76
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
CRAR (%)	13.64	14.92	14.68	12.90

FY2018-2021 data extracted from Audited Financial Statements



Arifur Rahman FCCA, ACA  
Director & COO  
Emerging Credit Rating Ltd.



27 OCT 2022

Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

UCB - Fifth Subordinated Bond

27 OCT 2022

ATM Tahmiduzzaman FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022



Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

EMERGING  
Credit Rating Ltd





## 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.

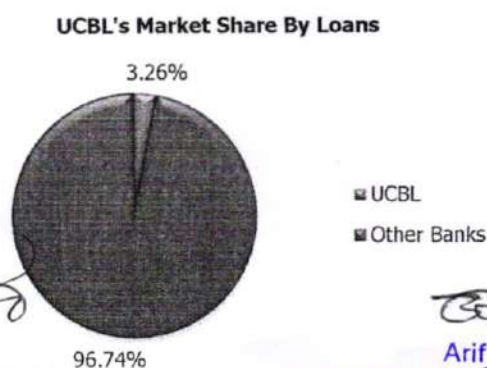
### A.2. Operational Network

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.

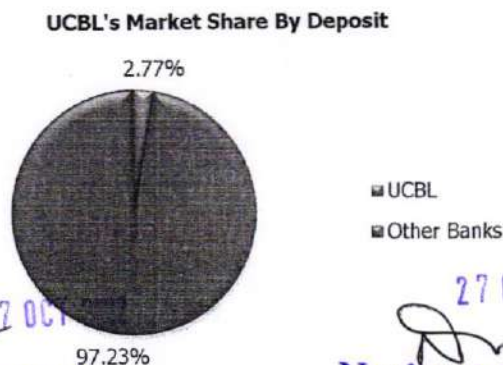
### A.3. Market Share

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**



### 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



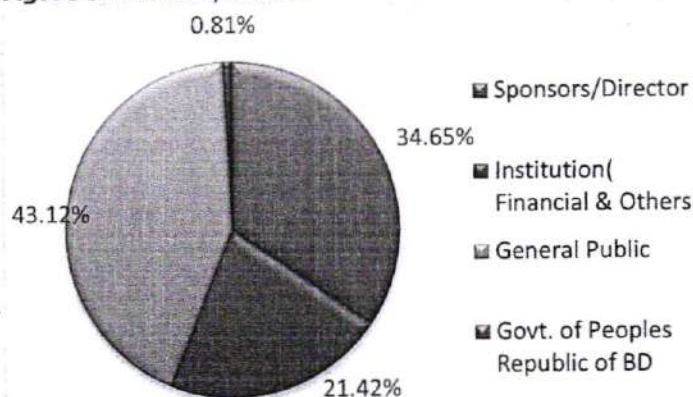


and Agent Banking. Under retail banking the products and services include various types of savings accounts, current account, fixed deposit, DPSS, various personal, auto and home loan, credit and debit card, locker services, SMS banking etc. Under SME banking, the bank offers UCB SME Installment Loan (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. Fifth Subordinated Bond Issuance Objective

The objective behind issuance of the Fifth Subordinated Bond is to further strengthen the capital base as supplementary (Tier-II) capital of the bank and to comply with the capital adequacy requirements as per Basel-III. The fund raised through issuing the bond is providing the bank additional capital cushion under risk based capital adequacy framework and also helping the bank to grow its loans and advance portfolio and to open new branches.

### A.7. Structure of Fifth Subordinated Bond and Terms

Exhibit 2: Structure of Fifth Subordinated Bond and Terms

<b>Name of the Instrument:</b>	UCBL 5 <sup>th</sup> Subordinated Bond
<b>Issue Type:</b>	Non-convertible Unsecured Fully-redeemable Floating Rate Subordinated Bonds Non-convertible Unsecured
<b>Issuer:</b>	United Commercial Bank Limited
<b>Purposes and Objectives:</b>	To raise Tier-II Regulatory Capital and thereby enhance Capital to Risk-weighted Asset Ratio (CRAR) as per "Guidelines on Risk-Based Capital Adequacy" of Bangladesh Bank
<b>Arranger:</b>	UCB Investment Limited
<b>Trustee:</b>	Delta Brac Housing Finance Corporation Limited (DBH)
<b>Paying Agent, Registrar, Transfer Agent:</b>	Delta Brac Housing Finance Corporation Limited (DBH)
<b>Legal Counsel:</b>	Lex Juris
<b>Credit Rating Agency:</b>	Emerging Credit Rating Limited

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Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMD & Corporate Secretary  
United Commercial Bank Limited

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







<b>Issue Size:</b>	BDT 10,000,000,000 (Ten thousand million taka)												
<b>No. of Bonds to be issued:</b>	1,000 (One thousand)												
<b>Face Value:</b>	BDT 10,000,000 (Ten Million Taka) per Bond												
<b>Minimum Subscription:</b>	BDT 10,000,000 (Ten Million Taka)												
<b>Tenure:</b>	7 Years												
<b>Investors:</b>	Institutional investors and high net-worth individual investors												
<b>Mode of Placement:</b>	Private Placement on a best effort basis												
<b>Yield to Maturity / Rate of Return:</b>	Coupon Rate												
<b>Coupon Rate:</b>	Reference Rate + Coupon Margin												
<b>Reference Rate:</b>	Latest average 6-month FDR rate of all private commercial banks (excluding foreign banks and Islamic banks) as published by Bangladesh Bank on the Quotation Day. The Reference Rate will be rounded to 2 (two) decimal places.												
<b>Quotation Day</b>	Five (05) days before the first day of any period for which Coupon is to be paid												
<b>Coupon Margin:</b>	2.00%												
<b>Range of Coupon Rate:</b>	Floor: 7.00% - Ceiling: 9.00% at all times												
<b>Coupon Payment:</b>	Semi-annually beginning at the end of 6 months from drawdown date.												
<b>Repayment Schedule:</b>	<p>Face Value (principal) redemptions will be in 5 (five) annual tranches commencing at the end of the 36th month from the date of drawdown in the following manner:</p> <table border="1"> <thead> <tr> <th>Month</th><th>Redemption</th></tr> </thead> <tbody> <tr> <td>36<sup>th</sup></td><td>20.0%</td></tr> <tr> <td>48<sup>th</sup></td><td>20.0%</td></tr> <tr> <td>60<sup>th</sup></td><td>20.0%</td></tr> <tr> <td>72<sup>nd</sup></td><td>20.0%</td></tr> <tr> <td>84<sup>th</sup></td><td>20.0%</td></tr> </tbody> </table>	Month	Redemption	36 <sup>th</sup>	20.0%	48 <sup>th</sup>	20.0%	60 <sup>th</sup>	20.0%	72 <sup>nd</sup>	20.0%	84 <sup>th</sup>	20.0%
Month	Redemption												
36 <sup>th</sup>	20.0%												
48 <sup>th</sup>	20.0%												
60 <sup>th</sup>	20.0%												
72 <sup>nd</sup>	20.0%												
84 <sup>th</sup>	20.0%												
<b>Prepayment, Call Refunding, Conversion Features:</b>	The Bond is non-convertible and not-callable and has no prepayment option.												
<b>Tax Features:</b>	According to the laws of Bangladesh												
<b>Late Redemption:</b>	The 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 up till the date of actual payment												
<b>Description of Collateral Security and type of charges to be created against the issue:</b>	<p>Unsecured</p> <p style="text-align: right;"><b>Nasimul Baten</b> Managing Director &amp; CEO DBH Finance PLC.</p>												
<b>Transferability/Liquidity:</b>	Freely transferable by the provisions of the Trust												





	Deed
<b>Governing Law:</b>	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.

## B. FINANCIAL ANALYSIS

### B.1. Capital Adequacy

*Exhibit 3: Selected indicators of UCBL*

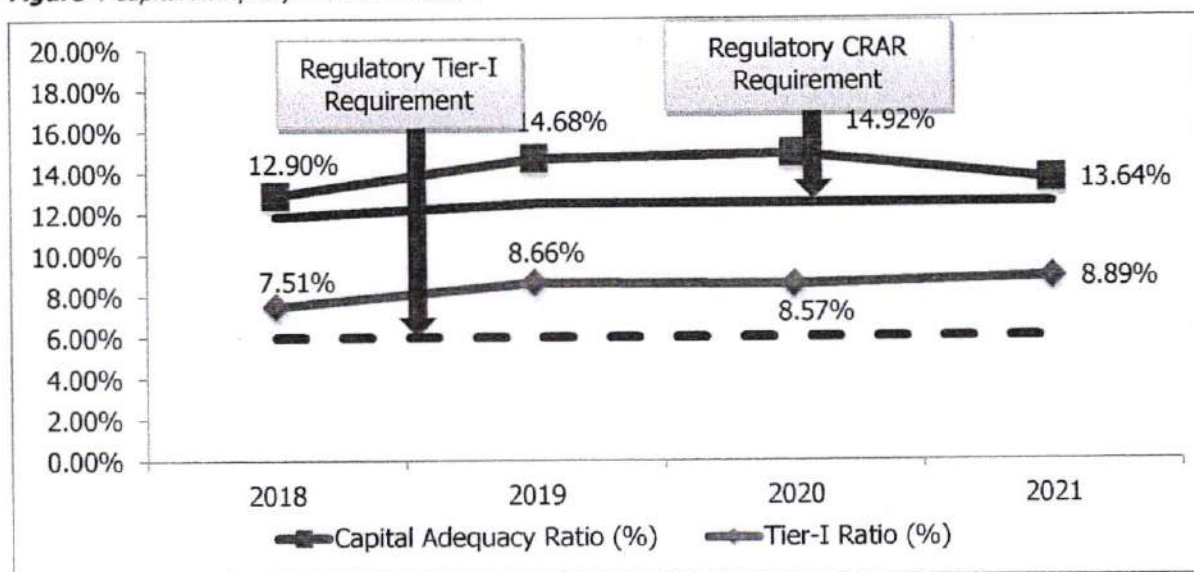
FY 31 December	2021	2020	2019	2018
<b>Tier-I Capital (BDT Million)</b>	34,364.53	28,848.43	27,254.27	25,012.30
<b>Total Capital (BDT Million)</b>	52,760.95	50,231.61	46,236.15	42,950.61
<b>Total Risk Weighted Assets (BDT Million)</b>	386,743.80	336,719.54	314,868.22	332,831.86
<b>Tier-I Ratio (%)</b>	8.89	8.57	8.66	7.51
<b>CRAR (%)</b>	13.64	14.92	14.68	12.90

FY2018-2021 data extracted from Audited Financial Statements

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**



27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka

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

27 OCT 2022

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

27 OCT 2022



27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



## 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	51.06

FY2018-2021 data extracted from Audited Financial Statements

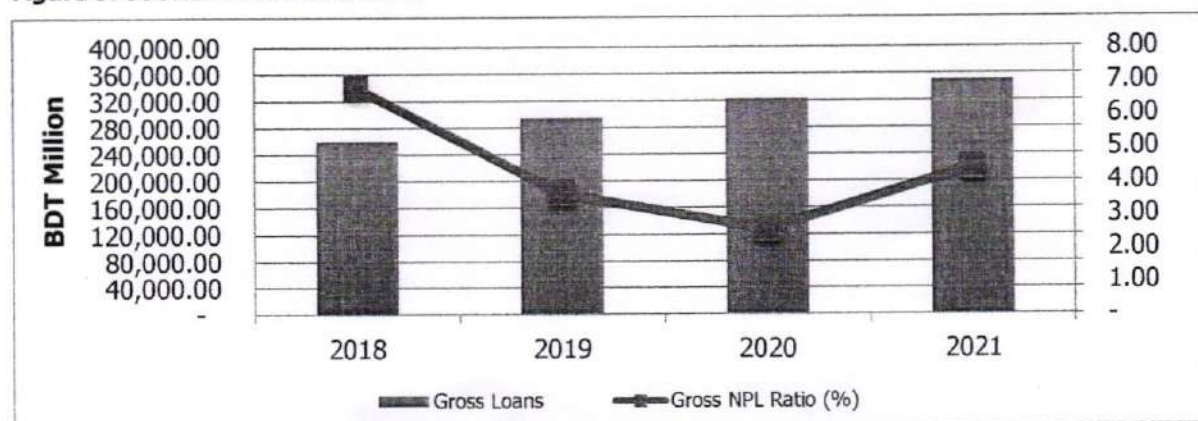
UCBL's total asset base has continued its growth as shown in the table above. The total asset portfolio reached to BDT 565,314.21 with a 14.60% growth from BDT 493,306.95 million in FY2020. The growth was a result of improvements in the components of the total asset such as loans, investments as well 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 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 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**



27 OCT 2022

*[Signature]*

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



27 OCT 2022

27 OCT 2022

*[Signature]*

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

ATM Tahmiduzzaman, ECS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

**Faruk-Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

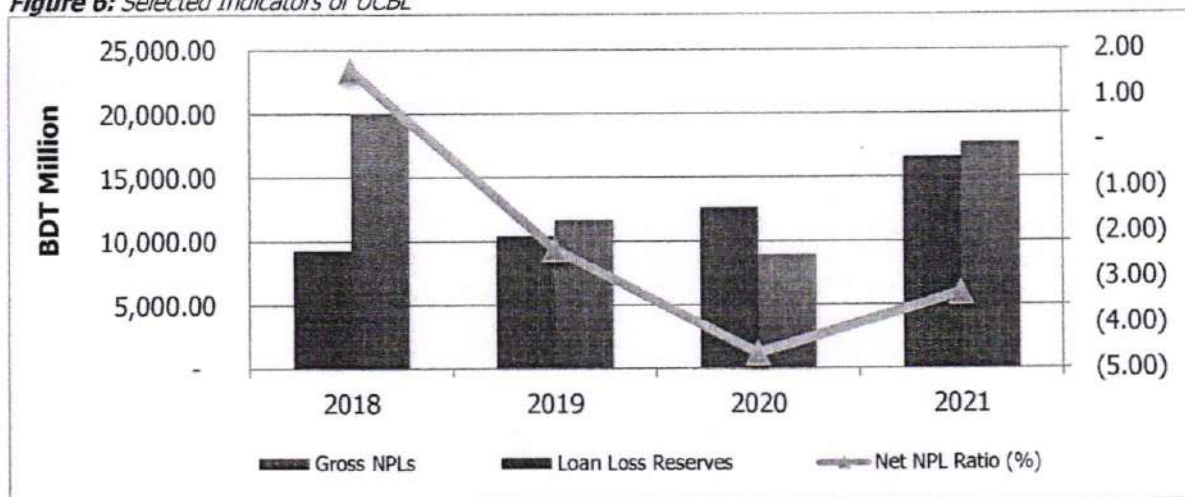




Non-performing loans (NPL) of the bank has significantly increased by 97.44% and reached 17,737.29 million as opposed to BDT 8,983.56 million in FY2020 indicating the deterioration of asset quality of UCBL. This is also concerning that 97.69% of the NPL holds bad loss status in FY2021 as compared to 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.

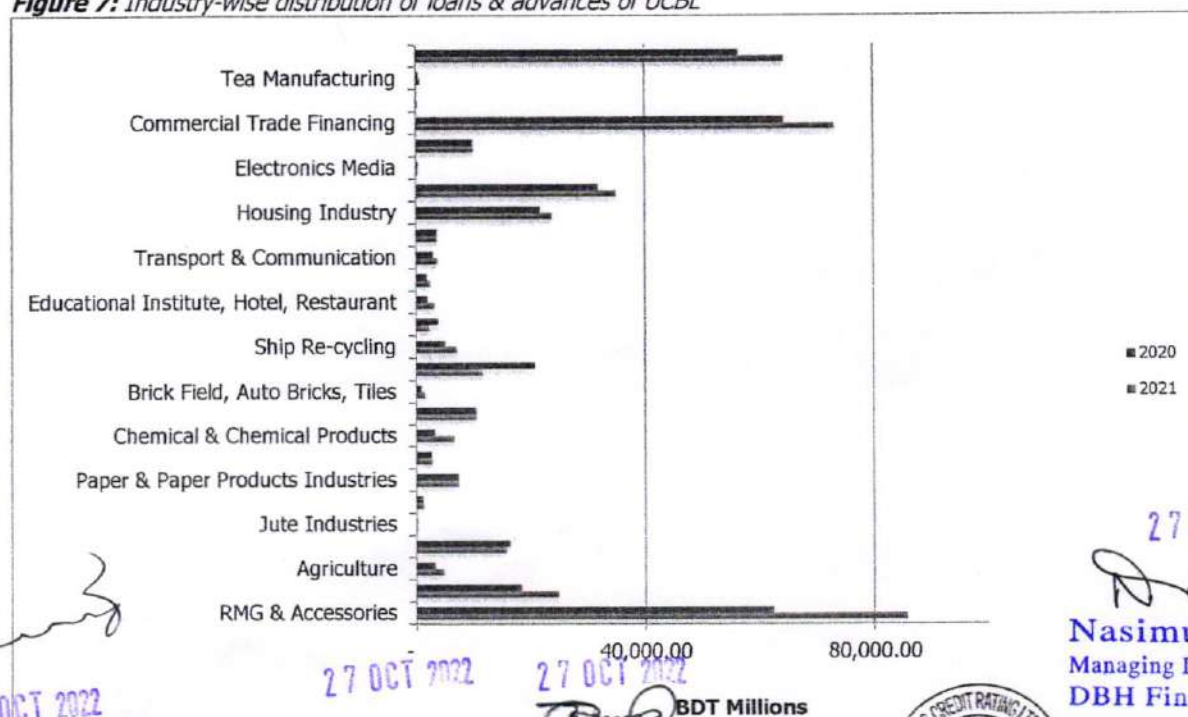
**Figure 6: Selected Indicators of UCBL**



### 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**



27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022

27 OCT 2022

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212







### 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.

### 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	2.76
Cost to Income Ratio (%)	58.97	66.53	60.02	59.60

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.

Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited

Finance Division Subordinated Bond  
Corporate Office, Gulshan, Dhaka.

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

Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited

Corporate Office, Gulshan Avenue  
Dhaka-1212

Nasimul Baten  
Managing Director & CEO  
SBH Finance PLC.

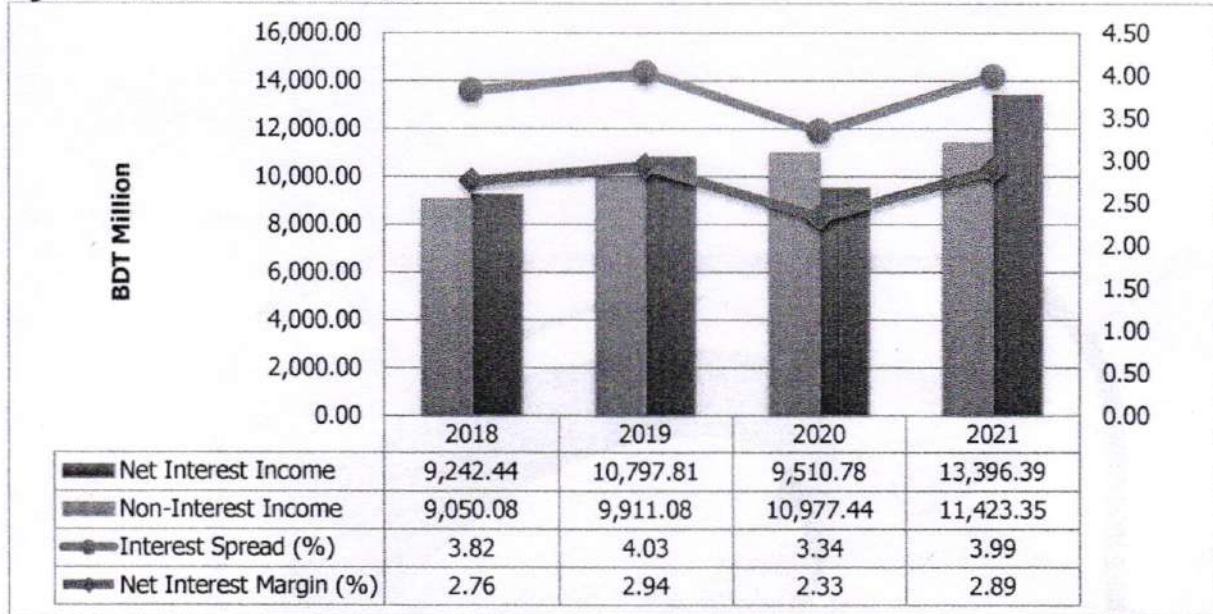






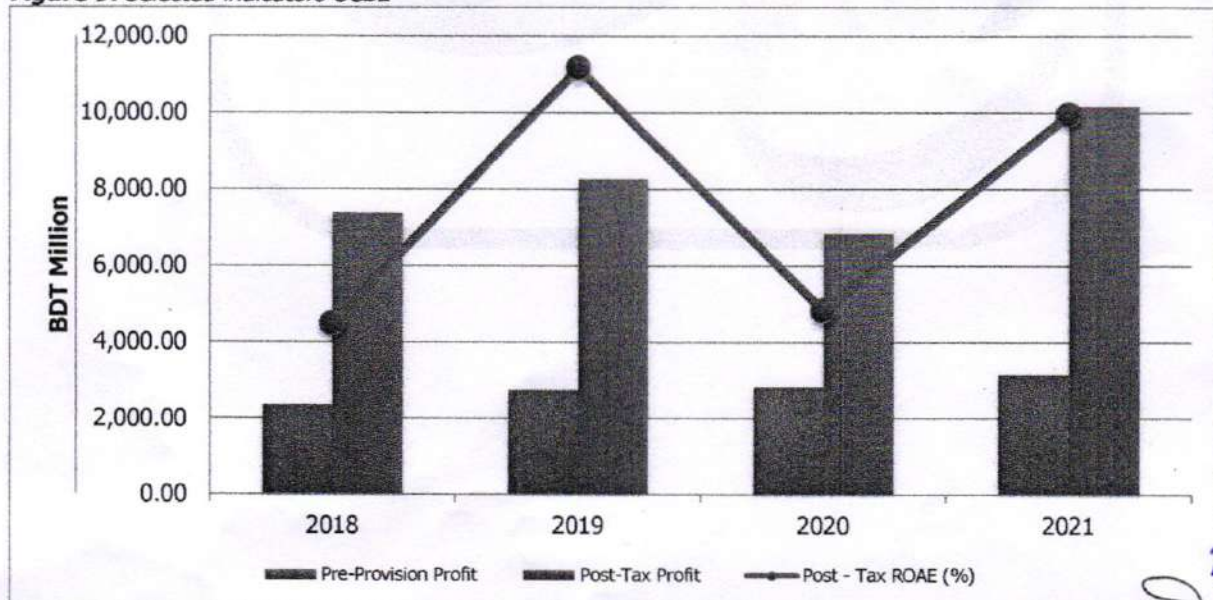
In 2021, total operating income of the bank consist 53.97% net interest income and 46.03% non-interest income that was 46.42% and 53.58% respectively in FY2020. Income from investment fell by 10.95% due to drop in interest income from subordinated bonds as well as dividend income. On the other hand, 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.

**Figure 8: Selected indicators of UCBL**



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**



27 OCT 2022

*Nasimul Baten*

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022

Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
UCB - First Subordinated Bond  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tahmidul Zaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-110

27 OCT 2022







## 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	124.49
Net Loans to Customer Deposits (%)	95.50	92.50	91.89	93.88
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

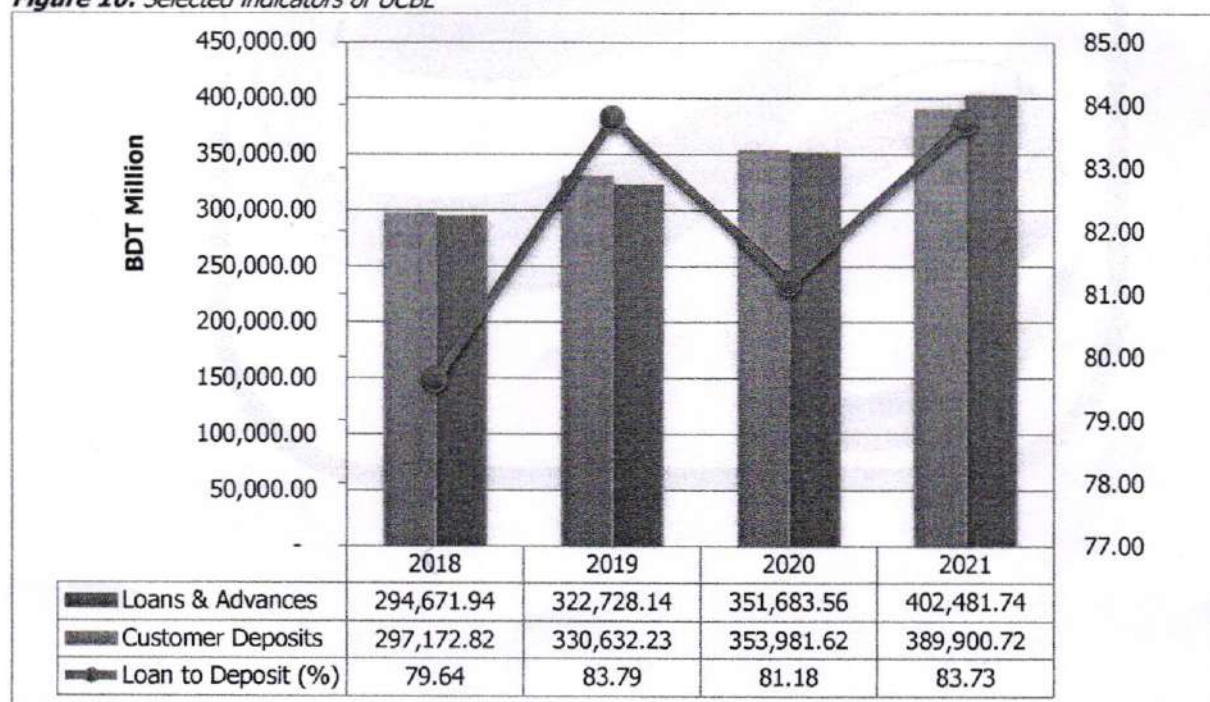
FY2018-2021 data extracted from Audited Financial Statements

### 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**



27 OCT 2022

27 OCT 2022

27 OCT 2022

27 OCT 2022

Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka

ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212



Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





### 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 Subordinated Bond may arise due to uncertainty related to interest rate risk and pricing risk of the bond. Moreover bond by nature are exposed to many sources of risk. The term structure of the interest rate can shift and twist in different ways. Issuers may default due to sector wide problems or individual credit difficulties. However, the debt instrument that United Commercial Bank Limited has issued 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 Subordinated Bond), the entity that issues it, the state of the economy and the cycle of the securities markets (this risk is eliminated as it will not be publically traded in secondary market).

UCBL will issue Fifth Subordinated bond for the purpose of strengthening its Tire II capital base. UCB Investment Limited is acting as the mandated lead arranger whereas Delta Brac Housing Finance Corporation Limited (DBH) is acting as the trustee. To evaluate the proper pricing and coupon rate structure offered for the instruments ECRL has considered the following risk analysis related to the both market and instrument specific risk.

### C.1. Interest Rate Risk of the Bond

Interest 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 rates. Coupon rate of the bond will be determined by the benchmark rate and then a margin of 2.00% p.a. added to the benchmark rate. The benchmark rate is determined by latest average 6-month FDR rate of all private commercial banks (excluding foreign banks and Islamic banks) as published by Bangladesh Bank on the Quotation Day. Five (05) days before the first day of any period for which Coupon is to be paid. However, the Fifth Subordinated Bond of UCBL has a floor of 7.00% and ceiling of 9.00%. Thus the interest rate risk on the part of the investors is minimized.

### C.2. Pricing Risk

Maturity profile of bonds affects the bond price. There are two primary reasons why long-term bonds are subject to greater interest rate risk than shorter term bonds. Firstly, there is greater probability that interest rates will move significantly upward or downward, thus upon upward movement it will negatively affect a bond's market price within a longer time period than within a shorter time period. As a result, investors who buy long term bonds but attempt to sell them before maturity may be faced with a deeply discounted market price when they want to sell their bonds. With short term bonds, the risk is not as significant because interest rates are less likely to substantially change in the short term. Shorter term bonds are also easier to hold until maturity, thereby, alleviating an investor's concern about the effect off profit rate driven changes in the price of bonds. Secondly, long term bonds have greater maturity than short term bonds. Because of this, a given interest rate change will have greater effect on long term bonds than short term bonds.

27 OCT 2022

Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka

27 OCT 2022

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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



27 OCT 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

EMERGING  
Credit Rating Ltd





## 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 to 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 guidelines to meet abovementioned purpose. The Asset Liability Management Committee (ALCO) of UCBL is headed by the Managing Director of the Bank which 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 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

27 OCT 2022

Nasimul Baten  
Managing Director & CEO  
DRH Finance PLC.

27 OCT 2022

Faruk Ahmed  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
UCBL Fifth Subordinated Bond  
Corporate Office, Gulshan, Dhaka

27 OCT 2022

ATM Tamimuz Zaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

Managing Director & CEO

United Commercial Bank Limited

Corporate Office, Gulshan, Dhaka-1212







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, they independently review the transactions of the accounts to verify suspicious transactions. 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.

#### 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" complying with the 'Guideline on information & Communication Technology' issued by Bangladesh

27 OCT 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022

Faruk Akter Chowdhury  
Senior Executive Vice President & CFO  
United Commercial Bank Limited

Finance Division  
UCB - Fifth Subordinated Bond  
Corporate Office, Gulshan, Dhaka.

ATM, Farukhuzzaman, FCS

DMD & Company Secretary

United Commercial Bank Limited

Credit Rating

Arif Quadri

Managing Director & CEO

United Commercial Bank Limited

Corporate Office, Gulshan, Dhaka-1212







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 22<sup>nd</sup> 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 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 statements of the bank at least

27 OCT 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited

Finance Division  
UCB - First Subordinated Bond  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited  
Credit Rating

Arif Quadri  
Managing Director  
United Commercial Bank Limited

Corporate Office, Gulshan Avenue  
Dhaka-1212







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

**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 job 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.

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division Subordinated Bond  
Corporate Office, Gulshan, Dhaka

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



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## CORPORATE INFORMATION

### Board of Directors

Ms. Rukhmila Zaman  
Mr. Bazal Ahmed  
Mr. Anisuzzaman Chowdhury  
Mr. Akhter Matin Chaudhury  
Mr. M. A. Sabur  
Hajee Yunus Ahmed  
Hajee M.A. Kalam  
Mr. Nurul Islam Chowdhury  
Mr. Asifuzzaman Chowdhury  
Ms. Roxana Zaman  
Mr. Bashir Ahmed  
Ms. Afroza Zaman  
Mr. Syed Kamruzzaman  
Mr. Muhammed Shah Alam  
Professor Dr. Jonaid Shafiq  
Mr. Kanak Kanti Sen  
Mr. Md. Aksed Ali Sarker  
Dr. Aparup Chowdhury  
Mr. Touhid Shipar Rafiquzzaman  
Mr. Arif Quadri

Chairman  
Vice-Chairman  
Director & Chairman-Executive Committee  
Independent Director & Chairman-Audit Committee  
Director & Chairman-Risk Management Committee  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Independent Director  
Independent Director  
Managing Director & CEO

### Senior Management Team

Mr. Arif Quadri  
Mr. Syed Faridul Islam  
Mr. Nabil Mustafizur Rahman  
Mr. Abul Alam Ferdous  
Mr. N. Mustafa Tarek  
Mr. Md. Abdullah Al Mamoon  
Mr. Mohammed Habibur Rahman  
Mr. Md. Shah Alam Bhuiyan  
Mr. Mohammed Khorshed Alam  
Mr. ATM Tahmiduzzaman FCS

Managing Director & CEO  
Additional Managing Director  
Additional Managing Director  
Additional Managing Director  
Deputy Managing Director  
Deputy Managing Director  
Deputy Managing Director  
Deputy Managing Director  
Deputy Managing Director  
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,  
Dhaka 1213, Bangladesh

### Corporate Head Office

Bulus Center  
Plot - CWS- (A)-1, Road No - 34  
Gulshan Avenue, Dhaka-1212  
Phone: +880-2-55668070  
Website: [www.ucb.com.bd](http://www.ucb.com.bd)



27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

27 OCT 2022

27 OCT 2022

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

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

EMERGENCY  
Credit Rating Ltd

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.



## 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.

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Credit Rating Ltd  
*an independent house of risk assessment*

Shams Rangs, 104 Park Road, (Flat A1, A2),  
Baridhara, Dhaka -1212.  
☎ +880 2 986 0911, +880 2 986 0897  
☎ +880 2 986 0828  
www.emergingrating.com



27 OCT 2022

27 OCT 2022

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27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

**ATM Tahmiduzzaman, FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





Draft Information Memorandum of United Commercial Bank Limited  
Subordinated Bond of BDT 10,000 Million

## Annexure – 3

(Audited Financials)

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO<sup>87</sup>  
DBH Finance PLC.



**United Commercial Bank Limited  
and its Subsidiaries**

**Independent Auditor's Report and  
Audited Consolidated and Separate Financial Statements  
For the period from 01 January 2022 to 30 June 2022**

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



**ACNABIN**

Chartered Accountants

BDBL Bhaban (Level-13 & 15)  
12 Kawran Bazar Commercial Area  
Dhaka-1215, Bangladesh.

Telephone: (+88-02) 410 20030 to 35 (Level-13)  
(+88-02) 8189428 to 29 (Level-15)  
Facsimile: (+88-02) 410 21036  
E-mail: [acnabin@bangla.net](mailto:acnabin@bangla.net), Web: [www.acnabin.com](http://www.acnabin.com)

## Independent Auditor's Report To the Shareholders of United Commercial Bank Limited

### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated financial statements of United Commercial Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of United Commercial Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 30 June 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 period from 01 January 2022 to 30 June 2022, 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 30 June 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period from 01 January 2022 to 30 June 2022 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

27 OCT 2022

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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMD, Company Secretary  
United Commercial Bank Limited

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

27 OCT 2022





on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
<b>1. Measurement of provision for loans and advances</b>	
Refer to note no. 7, 12.1, 12.2 and 35 to the consolidated and separate financial statements	
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> <li>• Future business performance of the borrower;</li> <li>• Key assumptions relating to further business;</li> <li>• Performance of the borrower;</li> <li>• Market value of the collateral;</li> <li>• Ability to repossess collateral; and</li> <li>• Recovery rates.</li> </ul> <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued from time to time.</p> <p>As at 30 June 2022 the Group and the Bank reported total provision for loans and advances of BDT 18,805 million (December 2021: BDT 16,584 million) and BDT 18,805 million (December 2021: BDT 16,584 million) respectively.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Credit monitoring and provisioning process;</li> <li>• Identification of loss events including early warning indicator and default warning indicators; and</li> <li>• Review of quarterly Classification of Loans (CL);</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the provision requirements;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and</li> <li>• Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines</li> </ul>
<b>2. Recognition of interest income from loans and advances</b>	
Refer to note no. 7 and 20 to the consolidated and separate financial statements	
<p>Recognition of interest income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income has involvement of complex IT environment.</p> <p>We have identified recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest from loans and advances.</p> <p>We have performed test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

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27 OCT 2022

**Faruk Ahammad FCA**  
Joint Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

**ATM Tahmiduzzaman FCS**  
DMD & Corporate Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC







Description of key audit matters	Our response to key audit matters
At the end of the period the Group and the Bank reported total gross interest income from loans and advances of BDT 15,005 million (January 2021 to June 2021: BDT 13,562 million) and BDT 14,611 million (January 2021 to June 2021: BDT 13,253 million) respectively.	
<b>3. Loans and advances</b>	
Refer to note no. 7 to the consolidated and separate financial statements	
<p>Loans and advances are the main element of financial statements of the Bank. Interest income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loans and advances disbursement requires robust documentation followed by approval from appropriate level of authority.</p> <p>We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations.</p> <p>At the end of the period the Group and the Bank reported total gross loans and advances of BDT 446,073 million (December 2021: BDT 408,309 million) and BDT 442,104 million (December 2021: BDT 402,481 million) respectively.</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loans and advances disbursement procedures and monitoring process of loans and advances.</p> <p>We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances are recorded completely and accurately and that are existed at the reporting date.</p> <p>Furthermore, we have assessed the appropriateness of disclosures against Bangladesh Bank guidelines.</p>
<b>4. Impairment assessment of unquoted shares</b>	
Refer to note no. 6b to the consolidated and separate financial statements	
<p>In the absence of quoted price in an active market, the fair value of unquoted shares and securities, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence requires an elevated level of judgement and assumption.</p> <p>Due to high level of judgment and assumption involved in evaluating the impairment assessment of unquoted shares, we considered this to be a key audit matter.</p>	<p>We assessed the process and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process.</p> <p>We have tested a sample of investment valuation as at 30 June 2022 and compared our results to the recorded value.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<b>5. Valuation of treasury bills and treasury bonds</b>	
Refer to note no. 6a 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.







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.	<p>We have obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and treasury bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We have tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<b>6. Carrying value of investment in subsidiaries by the Bank</b>	
Refer to note no. 9 to the consolidated and separate financial statements	
<p>The Bank has invested in equity shares of its four subsidiaries namely UCB Stock Brokerage Limited, UCB Investment Limited, UCB Asset Management Limited, UCB Fintech Company Limited. As at 30 June 2022 the carrying value of these investments is BDT 7,499 million (December 2021: BDT 5,499 million).</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in the above subsidiaries stated at cost.</p> <p>The Bank is required to perform impairment test of investments in subsidiaries when impairment indication exists. The impairment testing is considered to be a key audit matter due to the complexity and judgements required in determining the assumptions to be used to estimate the recoverable amount which is higher of fair value less costs to sell and value in use.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its subsidiaries in accordance with IAS 36.</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of the subsidiaries in accordance with IAS 36: <i>Impairment of Assets</i>.</p> <p>In particular, our discussion with the management was focused on the continued appropriateness of the value in use 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.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p>
<b>7. Deferred tax assets</b>	
Refer to note no. 9.4 to the consolidated and separate financial statements	
As at 30 June 2022 the Group and the Bank reported net deferred tax assets of BDT 5,044 million (December 2021: BDT 4,226 million)	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

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**Faruk Ahammed**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited

27 OCT 2022  
ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited

27 OCT 2022  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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Description of key audit matters	Our response to key audit matters
<p>and BDT 5,044 million (December 2021: BDT 4,228 million) respectively.</p> <p>Significant judgment is required in relation to measurement of deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>the assumptions used in estimating the Group and the Bank's future taxable income.</p> <p>We have assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We have involved tax specialist to assess key assumptions, controls, recognition and measurement of deferred tax assets.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against IAS 12: <i>Income Taxes</i>.</p>
<b>8. Legal and regulatory matters</b>	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's best estimation for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group and Bank's key controls over the legal provision and contingency processes.</p> <p>We enquired those charged with governance to obtain their views on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Group and the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group and the Bank's provisions and contingent liabilities disclosure.</p>
<b>9. IT systems and controls</b>	
<p>Our audit procedures have focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of IT dependent application-based controls.</p>	<p>We tested the design and operating effectiveness of the Group and the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>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</p>

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**Arif Ahammad FCA**  
 Senior Executive Vice President & CFO  
 United Commercial Bank Limited  
 Finance Division  
 State Office, Gulshan, Dhaka.

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

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

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Description of key audit matters	Our response to key audit matters
	<p>interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

#### Other Matter

1. 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.
2. The comparative consolidated financial statements of the Group and also separate financial statements of the Bank for the period from 01 January 2021 to 30 June 2021 remained unaudited except the Balance Sheet as at 31 December 2021.
3. The financial statements of subsidiaries as disclosed in note no. 1.6.5 as at and for the period ended 30 June 2022 were not separately presented.

#### Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note no. 2.1, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Banking Companies Act, 1991 (as

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**Arif Quadri**  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

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Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**  
Chartered Accountants

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.

27 OCT 2022

**Arif Ullah FCA**  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

**ATM Tahmiduzzaman, FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

**Arif Ullah**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.







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- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

#### Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 1987, the Banking Companies Act, 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank, we also report that:

- 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;
- 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:
  - 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;
  - 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 Kintech Company Limited which reflect total assets of BDT 11,472 million, BDT 1,310

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**Faruk Ahammed FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division

**ATM Tahmiduzzaman FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**

Chartered Accountants

million, BDT 611 million, BDT 2,251 million respectively as at 30 June 2022 and total revenue of BDT 549 million, BDT 68 million, BDT 25 million, BDT 84 million respectively for the period from 01 January 2022 to 30 June 2022. The financial statements of the subsidiaries of the Bank remained unaudited as at 30 June 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 3,120 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, 12.2 and 13.6.

Dhaka,  
23 October 2022

Signed for & on behalf of  
**ACNABIN**  
Chartered Accountants

**Md. Moniruzzaman, FCA**  
Partner

ICAB Enrollment No. 787  
DVC:2210240787A0350610

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tahmiduzzaman, FCS  
DMO, Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



**ACNABIN**

Chartered Accountants

**UNITED COMMERCIAL BANK LIMITED****Consolidated Balance Sheet**

As at 30 June 2022

	Notes	Amount in BDT	
		30 June 2022	31 December 2021
<b>PROPERTIES &amp; ASSETS</b>			
Cash	3	24,068,196,395	25,380,748,231
Cash in hand (Including foreign currencies)		7,253,194,726	7,498,609,154
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		16,815,001,669	17,882,139,077
Balance with other banks & financial institutions	4	6,648,309,735	20,633,128,821
In Bangladesh		4,523,079,706	19,568,097,037
Outside Bangladesh		2,125,230,029	1,065,031,784
Money at Call on short notice	5	13,310,000,000	3,200,000,000
Investments	6	90,493,429,345	83,046,995,094
Government		79,738,402,269	72,746,470,244
Others		10,755,027,076	10,300,524,850
Loans and Advances	7	446,073,186,765	408,309,815,648
Loans, Cash Credits, Overdrafts etc		415,322,830,322	381,754,404,170
Bills purchased and discounted		30,750,356,443	26,555,411,478
Fixed assets including premises, furniture & fixture	8	17,108,725,257	17,018,196,481
Other assets	9	16,656,425,281	12,835,963,573
Non-banking assets		-	-
Total Assets		614,358,272,778	570,424,847,849
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	10	96,509,039,390	89,410,437,395
Deposits and other accounts	11	417,083,895,622	387,023,828,463
Current accounts & other accounts		84,223,393,643	78,346,168,340
Bills Payable		9,723,243,731	8,845,268,369
Savings Bank Deposits		86,370,938,817	80,659,233,376
Fixed Deposits		236,766,319,431	219,173,158,378
Bearer Certificates of Deposits		-	-
Other Deposits		-	-
Other Liabilities	12	62,363,171,396	56,601,754,666
Total Liabilities		575,956,106,408	533,036,020,524
<b>Capital/Shareholders' Equity</b>			
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	15,142,260,676	14,555,968,681
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,650,623,258	2,631,853,888
Retained Earnings	17	5,065,361,011	5,935,480,290
Total Shareholders' Equity		38,402,166,086	37,388,827,060
Non controlling interest		284	265
Total Shareholders' Equity with non-controlling interest		38,402,166,370	37,388,827,325
Total Liabilities and Shareholders Equity		614,358,272,778	570,424,847,849

27 OCT 2022  
 Faruk Ahamed FCA  
 for Executive Vice President & CFO  
 United Commercial Bank Limited  
 Finance Division  
 Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
 ATM Tannir Hossain, FCS  
 DMO & Company Secretary  
 United Commercial Bank Limited

27 OCT 2022  
 Arif Quadri  
 Managing Director & CEO  
 United Commercial Bank Limited  
 Corporate Office, Gulshan Avenue  
 Dhaka-1212

27 OCT 2022  
 Nasimul Baten  
 Managing Director & CEO  
 DBH Finance PLC.







**ACNABIN**  
Chartered Accountants

Notes	Amount in BDT	
	30 June 2022	31 December 2021

### Off Balance Sheet Items

#### Contingent Liabilities

	18	259,441,442,391	260,413,159,150
Acceptances & Endorsements	18.1	88,736,141,490	110,309,146,988
Letters of Guarantee	18.2	66,580,540,723	57,499,501,948
Irrevocable Letters of Credit	18.3	83,440,044,309	75,222,523,708
Bills for Collection	18.4	20,684,715,869	17,381,986,506
Other Contingent Liabilities		-	-

#### Other Commitments

Documentary credit and short term trade related transactions		335,494,500	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total Off-Balance sheet items including contingent liabilities</b>		<b>259,776,936,891</b>	<b>260,413,159,150</b>

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,  
23 October 2022

Signed for & on behalf of  
ACNABIN  
Chartered Accountants

Md. Moniruzzaman, FCA  
Partner

ICAB Enrollment No. 787

DVC:2210240787A0350610

27 OCT 2022

27 OCT 2022

27 OCT 2022

27 OCT 2022

Arif Ahammad FCA  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.



**UNITED COMMERCIAL BANK LIMITED**  
**Consolidated Profit and Loss Account**  
For the period from 01 January 2022 to 30 June 2022

	Notes	Amount in BDT	
		30 June 2022	30 June 2021
Interest Income	20	15,005,653,204	13,562,080,669
Interest paid on deposits and borrowings etc	21	8,060,938,640	6,827,851,865
<b>Net Interest Income</b>		<b>6,944,714,564</b>	<b>6,734,228,804</b>
Investment income	22	2,627,305,287	2,840,880,585
Commission, exchange and brokerage	23	4,677,337,891	2,930,736,593
Other Operating Income	24	176,015,790	142,900,232
<b>Total Operating Income (A)</b>		<b>14,425,373,532</b>	<b>12,648,746,214</b>
<b>Operating Expenses</b>			
Salary and allowances	25	4,191,461,624	3,743,690,480
Rent, taxes, insurance, electricity etc.	26	775,509,756	509,731,907
Legal expenses	27	48,753,970	53,466,010
Postage, stamps, telecommunications etc.	28	121,945,768	108,252,816
Stationery, printing, advertisements etc.	29	1,146,521,935	762,387,535
Chief Executive's salary and fees	30	6,066,184	7,534,000
Directors' fees	31	2,449,656	1,289,148
Auditors' fees	32	702,500	639,250
Depreciation and repair of banks assets	33	1,034,010,216	905,514,342
Other expenses	34	1,672,378,829	1,462,251,247
<b>Total Operating Expenses (B)</b>		<b>8,999,800,438</b>	<b>7,554,756,734</b>
<b>Profit before provision (C) = (A-B)</b>		<b>5,425,573,094</b>	<b>5,093,989,479</b>
Provision for Loans & Advances	35	2,417,937,798	2,535,524,334
Provision for diminution in value of investments	36	462,887,313	(244,586,028)
Other provisions	37	(52,405,157)	358,875,661
<b>Total Provision (D)</b>		<b>2,828,419,954</b>	<b>2,649,813,967</b>
<b>Total Profit before Income taxes (C - D)</b>		<b>2,597,153,140</b>	<b>2,444,175,512</b>
<b>Provision for Taxation</b>	38	<b>1,395,641,886</b>	<b>1,196,570,047</b>
Current Tax		2,210,604,603	1,881,461,907
Deferred Tax		(814,962,717)	(684,891,860)
<b>Net Profit after Taxation</b>		<b>1,201,511,254</b>	<b>1,247,605,465</b>
<b>Appropriations</b>			
Statutory Reserve		586,291,996	504,793,677
Start-Up Fund		16,529,957	14,671,253
Retained Surplus		598,689,302	728,140,536
<b>Attributable to</b>			
Equity holders' of the Bank		598,689,282	728,140,511
Non controlling interest		19	25
		<b>598,689,302</b>	<b>728,140,536</b>
<b>Earnings Per Share (EPS)</b>	39(a)	<b>0.85</b>	<b>0.89</b>

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

  
Managing Director & CEO

  
Director

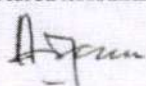
  
Director

  
Director

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

Dhaka,  
23 October 2022

Signed for & on behalf of  
ACNABIN  
Chartered Accountants

  
Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 767

DVC:221024022102402210

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

  
Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

  
ATM Taimuruzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

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





**ACNABIN**  
Chartered Accountants

**UNITED COMMERCIAL BANK LIMITED**  
**Consolidated Cash Flow Statement**  
**For the period from 01 January 2022 to 30 June 2022**

	Notes	Amount in BDT	
		30 June 2022	30 June 2021
<b>A. Cash flows from operating activities</b>			
Interest Receipts in cash		17,467,121,980	16,317,996,305
Interest Payments		(7,594,417,838)	(7,311,386,595)
Dividend Receipts		112,520,073	108,139,903
Fees & Commission Receipts in cash		2,665,972,237	2,266,734,363
Recoveries of loans Previously written off		153,588,348	38,915,448
Cash Payments to employees		(4,187,826,611)	(3,728,507,428)
Cash Payments to suppliers		(2,458,192,349)	(1,558,199,103)
Income taxes paid		(2,515,092,477)	(2,013,668,089)
Receipt from other operating activities		142,881,791	472,437,877
Payment for other operating activities		(1,724,873,891)	(1,539,471,390)
<b>Operating profit before changes in operating assets and liabilities.</b>		<b>2,061,681,263</b>	<b>3,052,991,291</b>
<b>Increase/Decrease in operating assets and liabilities</b>			
Statutory Deposits		(6,075,510,387)	30,712,691
Purchase/Sales of trading Securities		(174,644,758)	(190,438,888)
Loans and advances to Customers		(37,763,371,116)	(37,725,860,949)
Other assets		(646,450,124)	(2,688,145,711)
Deposit from banks		-	-
Deposit from customers		30,081,081,253	25,449,549,899
Other Liabilities		183,070,325	2,143,116,012
		<b>(14,395,824,807)</b>	<b>(12,981,066,946)</b>
<b>Net cash used in operating activities (A)</b>		<b>(12,334,143,544)</b>	<b>(9,928,075,655)</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from Sale of Securities		(1,019,467,316)	(110,000,000)
Purchase/Sale of property, plant & equipment		(937,764,842)	(935,699,577)
<b>Net cash used in investing activities (B)</b>		<b>(1,957,232,158)</b>	<b>(1,045,699,577)</b>
<b>C. Cash flows from financing activities</b>			
Receipts from borrowings		7,798,601,996	16,643,754,166
Sub-Ordinated Bond		(700,000,000)	(700,000,000)
Dividends paid		-	-
Cash received from Issuing of Right Shares		-	-
<b>Net cash flow from financing activities (C)</b>		<b>7,098,601,996</b>	<b>15,943,754,166</b>
<b>D. Net (Decrease)/Increase in cash (A+B+C)</b>		<b>(7,192,773,706)</b>	<b>4,969,978,934</b>
Effects of the changes of exchange rate on cash and cash equivalents		2,005,402,783	662,578,137
<b>E. Cash and Cash equivalents at beginning of the period</b>		<b>49,213,877,053</b>	<b>48,942,094,899</b>
<b>F. Cash and cash equivalents at the end of the period</b>		<b>44,026,506,130</b>	<b>54,574,651,970</b>

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

27 OCT 2022

27 OCT 2022

27 OCT 2022

27 OCT 2022

**Arif Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

**ATM Tahmiduzzaman, FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

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

**Nasimul Bari**  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**

Chartered Accountants



UNITED COMMERCIAL BANK LIMITED  
Consolidated Statement of Changes in Equity  
For the period from 01 January 2022 to 30 June 2022

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Non-Controlling Interest	Foreign Currency Translation	Retained Earnings	Total
Balance as at 01 January 2022	12,783,969,490	1,454,976,750	14,555,966,681	26,577,961	2,534,101,559	67,732,519	265	30,019,811	5,935,480,290	37,388,827,327
Deficit on accounts of revaluation of investments	-	-	-	-	-	(8,700,957)	-	-	-	(8,700,957)
Currency translation difference (OBU)	-	-	-	-	-	-	-	27,553,703	-	27,553,703
Net Profit for the year	-	-	-	-	-	-	-	-	1,184,981,297	1,184,981,297
Transferred to statutory reserve	-	-	586,291,996	-	-	-	-	-	(586,291,996)	-
Dividend (Bonus Share issued)	1,278,396,940	-	-	-	-	-	-	-	(1,278,396,940)	-
Coupon Payment Perpetual Bond	-	-	-	-	-	-	-	-	(190,495,000)	(190,495,000)
Non-Controlling Interest	-	-	-	-	-	-	19	-	(19)	-
Balance as at 30 June 2022	14,062,366,430	1,454,976,750	15,142,260,676	26,577,961	2,534,101,559	59,031,562	284	57,573,514	5,065,361,011	30,402,166,370

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

27 OCT 2022

Arif Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmidul Islam, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**  
Chartered Accountants



UNITED COMMERCIAL BANK LIMITED  
Consolidated Statement of Changes in Equity  
For the period from 01 January 2021 to 30 June 2021

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Retained Earnings	Assets Revaluation Reserve	Investment revaluation Reserve	Non Controlling Interest	Foreign currency translation gain/(loss)	Total
Balance as at 01 January 2021	12,175,209,050	1,454,976,750	13,424,987,898	26,577,961	5,864,047,012	2,534,101,559	233,489,187	220	25,125,152	35,730,514,789
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-	-	-	(38,044,964)
Surplus/Deficit revaluation of investments	-	-	-	-	-	-	-	-	-	479,360
Currency Translation adjustment	-	-	-	-	1,247,605,468	-	-	-	-	1,247,605,468
Net profit for the period	-	-	504,793,677	-	(504,793,677)	-	-	-	-	-
Appropriation made during the period	-	-	-	-	-	-	-	-	-	-
Dividends (Bonus Share issued)	-	-	-	-	-	-	-	-	-	-
Dividends (Cash)	-	-	-	-	-	-	-	-	-	-
Non Controlling Interest	-	-	-	-	(25)	-	-	25	-	-
Balance as at 30 June 2021	12,175,209,050	1,454,976,750	13,929,781,575	26,577,961	6,606,858,778	2,534,101,559	195,444,223	245	25,604,512	36,948,554,653

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

27 OCT 2022

Arif Ahammad FCA  
Senior Executive Vice President & CEO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmidul Islam, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

27 OCT 2022

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

27 OCT 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.



**UNITED COMMERCIAL BANK LIMITED**  
**Balance Sheet**  
**As at 30 June 2022**

	Notes	Amount in BDT	
		30 June 2022	31 December 2021
<b>PROPERTIES &amp; ASSETS</b>			
<b>Cash</b>	3	<b>24,067,538,508</b>	<b>25,380,179,538</b>
Cash in hand (Including foreign currencies)		7,252,536,839	7,498,040,461
Balance with Bangladesh Bank & its agent bank(s) (Including foreign currencies)		16,815,001,669	17,882,139,077
<b>Balance with other banks &amp; financial institutions</b>	4	<b>4,873,870,028</b>	<b>19,409,249,978</b>
In Bangladesh		2,748,639,999	18,344,218,194
Outside Bangladesh		2,125,230,029	1,065,031,784
<b>Money at Call on short notice</b>	5	<b>13,310,000,000</b>	<b>3,200,000,000</b>
<b>Investments</b>	6	<b>88,183,598,451</b>	<b>81,387,609,500</b>
Government		79,738,402,269	72,746,470,244
Others		8,445,196,182	8,641,139,256
<b>Loans and Advances</b>	7	<b>442,104,972,548</b>	<b>402,481,735,743</b>
Loans, Cash Credits, Overdrafts etc		411,354,616,105	375,926,324,265
Bills purchased and discounted		30,750,356,443	26,555,411,478
<b>Fixed assets including premises, furniture &amp; fixture</b>	8	<b>14,654,004,640</b>	<b>14,721,191,566</b>
<b>Other assets</b>	9	<b>23,379,038,112</b>	<b>18,734,245,156</b>
<b>Non-banking assets</b>		-	-
<b>Total Assets</b>		<b>610,573,022,287</b>	<b>565,314,211,481</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	10	<b>94,801,725,611</b>	<b>85,803,634,252</b>
<b>Deposits and other accounts</b>	11	<b>419,518,510,451</b>	<b>389,900,723,984</b>
Current accounts & other accounts		86,658,008,472	81,223,063,861
Bills Payable		9,723,243,731	8,845,268,369
Savings Bank Deposits		86,370,938,817	80,659,233,376
Fixed Deposits		236,766,319,431	219,173,158,378
Bearer Certificates of Deposits		-	-
Other Deposits		-	-
<b>Other Liabilities</b>	12	<b>57,346,038,700</b>	<b>52,167,845,817</b>
<b>Total Liabilities</b>		<b>571,666,274,762</b>	<b>527,872,204,053</b>
<b>Capital / Shareholders' Equity</b>			
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	15,127,204,505	14,546,968,923
General Reserve	15	26,577,961	26,577,961
Other Reserve	16	2,650,623,258	2,631,853,888
Retained Earnings	17	5,584,998,621	5,997,660,416
<b>Total Shareholders' Equity</b>		<b>38,906,747,525</b>	<b>37,442,007,428</b>
<b>Total Liabilities and Shareholders Equity</b>		<b>610,573,022,287</b>	<b>565,314,211,481</b>

27 OCT 2022

27 OCT 2022

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC

27 OCT 2022



**Off Balance Sheet Items**

**Contingent Liabilities**

Acceptances & Endorsements  
Letters of Guarantee  
Irrevocable Letters of Credit  
Bills for Collection  
Other Contingent Liabilities

**Other Commitments**

Documentary credit and short term trade related transactions  
Forward assets purchased and forward deposits placed  
Undrawn note issuance and revolving underwriting facilities  
Undrawn formal standby facilities, credit lines and other commitments  
**Total Off-Balance sheet Items Including Contingent Liabilities**

Notes

Amount in BDT

30 June 2022

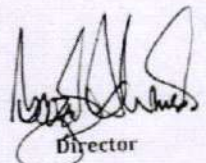
31 December 2021

18	259,441,442,391	260,413,159,150
18.1	88,736,141,490	110,309,146,988
18.2	66,580,540,723	57,499,501,948
18.3	83,440,044,309	75,222,523,708
18.4	20,684,715,869	17,381,986,506
	<b>335,494,500</b>	
	335,494,500	
	<b>259,776,936,891</b>	<b>260,413,159,150</b>

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

  
Managing Director & CEO

  
Director

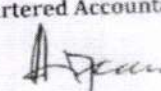
  
Director

  
Director

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

Dhaka,  
23 October 2022

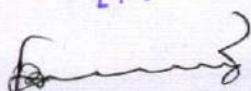
Signed for & on behalf of  
ACNABIN  
Chartered Accountants

  
Md. Moniruzzaman, FCA  
Partner

ICAB Enrollment No. 787

DVC:2210240787A0350610

27 OCT 2022



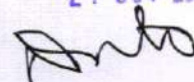
27 OCT 2022

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022



Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

Arif Ahammad FCA  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.



**UNITED COMMERCIAL BANK LIMITED**  
**Profit and Loss Account**  
**For the period from 01 January 2022 to 30 June 2022**

	Notes	Amount in BDT	
		30 June 2022	30 June 2021
Interest Income	20	14,611,154,163	13,253,124,006
Interest paid on deposits and borrowings etc	21	7,864,612,043	6,697,095,875
<b>Net Interest Income</b>		<b>6,746,542,120</b>	<b>6,556,028,131</b>
Investment income	22	2,590,786,088	2,770,797,541
Commission, exchange and brokerage	23	4,287,061,379	2,707,215,567
Other Operating Income	24	131,619,398	107,069,506
<b>Total Operating Income (A)</b>		<b>13,756,008,985</b>	<b>12,141,110,745</b>
<b>Operating Expenses</b>			
Salary and allowances	25	3,817,009,803	3,522,972,587
Rent, taxes, insurance, electricity etc.	26	757,055,470	503,561,647
Legal expenses	27	38,518,790	49,409,671
Postage, stamps, telecommunications etc.	28	110,836,424	106,167,186
Stationery, printing, advertisements etc.	29	798,879,904	523,689,357
Chief Executive's salary and fees	30	6,066,184	7,534,000
Directors' fees	31	1,315,082	1,189,698
Auditors' fees	32	575,000	575,000
Depreciation and repair of banks assets	33	991,687,481	898,026,799
Other expenses	34	1,585,972,665	1,384,837,322
<b>Total Operating Expenses (B)</b>		<b>8,107,916,803</b>	<b>6,997,963,267</b>
<b>Profit before provision (C) = (A-B)</b>		<b>5,648,092,182</b>	<b>5,143,147,478</b>
Provision for Loans & Advances	35	2,360,437,798	2,495,524,334
Provision for diminution in value of investments	36	439,027,921	(235,220,899)
Other provisions	37	(52,551,448)	358,875,661
<b>Total Provision (D)</b>		<b>2,746,914,271</b>	<b>2,619,179,096</b>
<b>Total Profit before Income taxes (C - D)</b>		<b>2,901,177,911</b>	<b>2,523,968,382</b>
<b>Provision for Taxation</b>	38	<b>1,248,182,227</b>	<b>1,056,843,116</b>
Current Tax		2,063,584,130	1,741,857,269
Deferred Tax		(815,401,904)	(685,014,153)
<b>Net Profit after Taxation</b>		<b>1,652,995,684</b>	<b>1,467,125,266</b>
<b>Appropriations</b>			
Statutory Reserve		580,235,582	504,793,676
Start-Up Fund		16,529,957	14,671,253
Retained Surplus		1,056,230,145	947,660,337
		<b>1,652,995,684</b>	<b>1,467,125,266</b>
<b>Earnings Per Share (EPS)</b>	39	<b>1.18</b>	<b>1.04</b>

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,  
23 October 2022

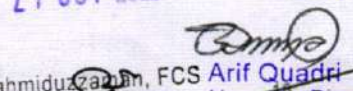
Signed for & on behalf of  
**ACNABIN**  
Chartered Accountants

27 OCT 2022

27 OCT 2022

27 OCT 2022

  
Arif Quadri, FCA  
Managing Director & CEO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

  
ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

  
Nasimul Baten, FCA  
Partner  
ICAI Enrolment No. 787  
Managing Director & CEO  
Dhaka-1212  
27 OCT 2022



**UNITED COMMERCIAL BANK LIMITED**  
**Cash Flow Statement**  
For the period from 01 January 2022 to 30 June 2022

	Notes	Amount in BDT	
		30 June 2022	30 June 2021
<b>A. Cash flows from operating activities</b>			
Interest receipts		17,029,204,191	15,604,793,863
Interest payments		(7,485,021,388)	(7,190,735,447)
Dividend receipt		97,602,835	97,234,692
Fees & Commission receipt		2,281,658,588	2,044,637,430
Recoveries from previously written off advances		153,588,348	38,915,448
Payments to employees		(3,823,075,987)	(3,530,506,587)
Payments to suppliers		(1,995,801,945)	(1,441,279,692)
Payment for Advance Income Tax		(2,388,960,351)	(2,086,917,405)
Receipt from other operating activities		134,838,689	409,887,898
Payment for other activities		(1,685,873,465)	(1,489,003,310)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>2,318,159,515</b>	<b>2,457,026,890</b>
<b>Increase/Decrease in operating assets and liabilities:</b>			
Statutory Deposit		(6,075,510,387)	30,712,691
Purchase/Sale of trading securities		42,325,974	(4,037,622)
Loans and advances to customers		(39,623,236,804)	(39,945,454,614)
Other Assets		(1,548,927,045)	(2,544,142,586)
Deposit from Banks		-	-
Deposit from customers		29,617,786,468	24,329,171,071
Other liabilities		(201,734,631)	1,437,101,826
<b>Net Cash from operating activities (A)</b>		<b>(17,789,296,426)</b>	<b>(16,696,649,233)</b>
<b>B. Cash flows from investing activities</b>			
Purchase/Sale of Securities		(532,900,000)	(30,000,000)
Purchase of Property, Plant & Equipments		(737,478,223)	(617,128,274)
<b>Net Cash from investing activities (B)</b>		<b>(1,270,378,223)</b>	<b>(647,128,274)</b>
<b>C. Cash flows from financing activities</b>			
Receipt from borrowing		9,698,091,362	18,510,906,051
Sub-Ordinated Bond		(700,000,000)	(700,000,000)
Cash received from issuing of Right shares		-	-
Cash dividend payment		-	-
<b>Net cash from financing activities (C)</b>		<b>8,998,091,362</b>	<b>17,810,906,051</b>
<b>Net (Decrease)/Increase in cash (A+B+C)</b>		<b>(7,743,423,772)</b>	<b>2,924,155,433</b>
<b>Effects of the changes of exchange rate on cash and cash equivalents*</b>		<b>2,005,402,791</b>	<b>662,578,137</b>
<b>Cash and Cash equivalents at beginning of the period</b>		<b>47,989,429,517</b>	<b>46,346,006,394</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>42,251,408,536</b>	<b>49,932,739,965</b>

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

27 OCT 2022  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
**ATM Tahmiduzzaman, FCS**  
DMD & General Secretary  
United Commercial Bank Limited

27 OCT 2022  
**Arif Quadri**  
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Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.







**ACNABIN**  
Chartered Accountants



UNITED COMMERCIAL BANK LIMITED  
Statement of Changes in Equity  
For the period from 01 January 2022 to 30 June 2022

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Assets Revaluation Reserve	Investment Revaluation Reserve	Foreign Currency translation gain/(loss)	Retained Surplus	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/deficit on accounts of revaluation of investments	-	-	-	-	-	(8,700,957)	-	-	(8,700,957)
Currency translation difference (OBU)	-	-	-	-	-	-	27,470,326	-	27,470,326
Net Profit for the period	-	-	-	-	-	-	-	1,636,465,728	1,636,465,728
Transferred to statutory reserve	-	-	-	-	-	-	-	(580,235,582)	-
Dividend (Bonus Share Issued)	-	-	580,235,582	-	-	-	-	-	-
Coupon Payment Perpetual Bond	1,278,396,940	-	-	-	-	-	-	(1,278,396,940)	-
Balance as at 30 June 2022	14,062,366,430	1,454,976,750	15,127,204,505	26,577,961	2,534,101,559	59,031,562	57,490,137	5,584,998,621	38,906,747,525

Amount in BDT

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

27 OCT 2022

27 OCT 2022

**Faruk Ahammad FCA**  
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United Commercial Bank Limited  
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DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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Dhaka-1212

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**  
Chartered Accountants



UNITED COMMERCIAL BANK LIMITED  
Statement of Changes in Equity  
For the period from 01 January 2021 to 30 June 2021

Particulars	Paid up Capital	Share Premium	Statutory Reserve	General Reserve	Retained Earnings	Assets Revaluation Reserve	Investment Revaluation Reserve	Foreign currency translation gain/(loss)	Total
Balance as at 01 January 2021	12,175,209,050	1,454,976,750	13,424,987,898	26,577,961	5,191,763,146	2,534,101,559	233,489,187	25,125,152	35,066,230,703
Surplus/deficit revaluation of investments							(38,044,964)		(38,044,964)
Currency translation differences								479,360	479,360
Net profit for the period					1,467,125,267				1,467,125,267
Appropriation made during the period			504,793,677		(504,793,677)				
Balance as at 30 June 2021	12,175,209,050	1,454,976,750	13,929,781,575	26,577,961	6,154,094,736	2,534,101,559	195,444,223	25,604,512	36,495,790,366

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

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**Faruk Ahammad FCA**  
Major Executive Vice President & CEO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

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Chartered Accountants



**UNITED COMMERCIAL BANK LIMITED**  
Liquidity Statement  
Asset and Liability Maturity Analysis  
As at 30 June 2022

Particulars	Amount in BDT				
	Up to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 years
<b>Assets</b>					
Cash in hand	7,978,495,090	-	-	-	16,089,043,419
Balance with other banks & financial institutions	3,723,870,027	900,000,000	250,000,000	-	4,873,870,028
Money at call on short notice	13,310,000,000	-	-	-	13,310,000,000
Investment	10,071,800,000	10,105,200,000	11,510,296,182	15,447,800,000	41,048,502,269
Loans and Advances	38,115,807,724	65,082,223,579	94,685,702,403	153,380,726,755	88,183,598,451
Bill Purchased & Discounted	8,321,500,000	9,355,200,000	13,073,656,443	-	411,354,616,105
Fixed assets including premises, furniture & fixture	177,500,000	355,000,000	1,597,500,000	8,520,000,000	30,750,356,443
Other Assets	436,822,295	2,780,316,805	1,606,605,069	10,730,897,699	14,654,004,640
Non banking assets	-	-	-	-	23,379,038,112
<b>Total Assets (A)</b>	<b>82,135,795,136</b>	<b>88,577,940,385</b>	<b>122,723,760,097</b>	<b>188,079,424,454</b>	<b>610,573,022,287</b>
<b>Liabilities</b>					
Borrowing from Bangladesh bank, other banks, financial institutions and agents	7,768,000,000	26,843,900,000	39,918,757,284	11,024,100,000	9,246,968,327
Deposits	53,580,495,270	64,216,453,800	76,903,660,536	127,590,475,141	94,801,725,611
Provisions and other liabilities	3,007,291,076	371,583,174	11,598,210,847	37,065,129,135	419,518,510,451
<b>Total Liabilities (B)</b>	<b>64,355,786,346</b>	<b>91,431,936,974</b>	<b>128,420,628,667</b>	<b>175,679,704,276</b>	<b>571,666,274,762</b>
<b>Net Liquidity Gap (A-B)</b>	<b>17,780,008,790</b>	<b>(2,853,996,589)</b>	<b>(5,696,868,570)</b>	<b>12,399,720,178</b>	<b>38,906,747,525</b>

27 OCT 2022

Faruk Ahamad FCA  
Managing Director & CEO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

27 OCT 2022

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

27 OCT 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**United Commercial Bank Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**As at and for the period from 01 January 2022 to 30 June 2022**

**1. The Bank & its activities**

**1.1 Status of the Bank**

United Commercial Bank Limited (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.

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

**1.2 Principal activities and nature of operations of the Bank**

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

**1.3 Off-shore Banking Unit**

Off-shore Banking Unit (the "Unit"), a separate business unit of United Commercial Bank Limited, governed under the Rules and Guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide, letter no. BRPD (P-3) 744 (117)/2010-2577 dated 9th June 2010. The Bank commenced the operation of its Off-shore Banking Unit from November 10, 2010. At present there is one unit of off-shore banking operating in Dhaka under the Rules and guidelines of Bangladesh Bank. The principal activities of the unit are to provide all kinds of commercial Banking services to its customers in foreign currencies. Financial Statements of Off-shore Banking also presented separately.

**1.4 Islamic Banking**

The Bank obtained permission for Islamic Banking Branch from Bangladesh Bank vide, letter no. BRPD (P-3) 745 (17)/2020-1453 dated 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 different types of deposits like al-wadeeah, Murabaha etc. Financial statements of Islamic Banking also presented separately.

**1.5 Agent Banking**

The Bank obtained permission from Bangladesh Bank on 07 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

27 OCT 2022  
  
**Faruk Ahammad FCA**  
Senior Executive Vice President, CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited  
27 OCT 2022

**Arit Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance RLC.





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remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Transfer of funds, Payment of salaries, Generation and issuance of Bank statements, SME Loan repayment collection, Balance inquiry, Internet Banking & SMS Banking, Corporate Bill/Distributor fee collection, Insurance Premium Collection etc.

## 1.6 Subsidiary Company

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

### 1.6.1 UCB Stock Brokerage Limited

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

UCBL holds 24,999,999 nos. of shares of UCB Stock Brokerage Limited with face value of Tk. 100 each which is equivalent to 99.999996% of the total shares of the company.

### 1.6.2 UCB Investment Limited

UCB Investment Limited was incorporated in Bangladesh as a private limited company with limited liability as on 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.

### 1.6.3 UCB Asset Management Limited

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

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

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tahmiduzzaman FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC





#### 1.6.4 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.

#### 1.6.5 Summary of shareholding in subsidiaries

Shareholding position in all of its subsidiaries is summarized below:

Name of Subsidiaries	Face Value per Share	Total no. of Ordinary Shares		No. of Ordinary Shares held by UCBL		Percentage of Shareholding by UCBL	
		30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021
UCB Stock Brokerage Limited	100	25,000,000	20,000,000	24,999,999	19,999,999	99.99%	99.99%
UCB Investment Limited	10	100,000,000	25,000,000	99,999,999	24,999,999	99.99%	99.99%
UCB Asset Management Limited	10	100,000,000	50,000,000	99,999,999	49,999,999	99.99%	99.99%
UCB Fintech Company Limited	10	300,000,000	100,000,000	299,999,999	99,999,999	99.99%	99.99%

### 2. Summary of significant accounting policies and basis of preparation of the financial statements

#### 2.1 Basis of preparation

The separate financial statements of the bank as at and for the period ended 30 June 2022 comprise those of Domestic Banking (Main Operations) and Offshore Banking Unit (OBU), and the consolidated financial statements of the Group as at and for the period ended 30 June 2022 comprise those of the Bank (parent company) and its subsidiaries.

##### 2.1.1 Statement of Compliance

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks. Consequently, the consolidated and separate financial statements of the Group and the Bank respectively have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by FRC and in addition to this the Bank complied with the requirements of following laws and regulations from various Government bodies:

- The Banking Companies Act, 1991 and amendments thereon;
- The Companies Act, 1994;
- Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;

27 OCT 2022  
Faruk Bakht FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.



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- Bangladesh Securities and Exchange Rules, 1987, Bangladesh Securities and Exchange Ordinance, 1969, Bangladesh Securities and Exchange Act, 1993, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and amendments thereon;
- The Income Tax Ordinance, 1984 and amendments thereon;
- The Value Added Tax and Supplementary Duty Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;
- Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;
- Financial Reporting Act, 2015;
- Other applicable laws and regulations.

In case of any requirement of the Banking Companies Act, 1991, and provisions and circulars issued by Bangladesh Bank (BB) differing with those of IFRSs, the requirements of the Banking Companies Act, 1991, and provisions and circulars issued by BB shall prevail. Material departures from the requirements of IFRSs are as follows:

**i. Presentation of financial statements**

**IFRS:** As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and noncurrent classification separately in its statement of financial position.

**Bangladesh Bank:** A format of financial statements (i.e., balance sheet, profit and loss account, cash flow statement, changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Banking Companies Act, 1991 and amendments thereon and BRPD Circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

**ii. Investment in shares and securities**

**IFRS:** As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) along with their contractual cash flow characteristics. Based on these factors it would generally fall either under 'at fair value through profit or loss account' or under 'at fair value through other comprehensive income' where any change in the fair value (as measured in accordance with IFRS 13) at the period-end is taken to profit and loss account or other comprehensive income respectively.

**Bangladesh Bank:** As per Banking Regulation and Policy Department (BRPD) circular no. 14 dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the period end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

**iii. Revaluation gain/loss on Government securities**

**IFRS:** As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

**Bangladesh Bank:** HFT securities are revalued on the basis of mark to market and at the period 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 are recognised in other reserves.

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**Faruk Ahamed**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMD & Financial Secretary  
United Commercial Bank Limited

**Arifuddin**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

**Nasimul Baten**  
Managing Director & CEO  
DB Finance PLC.





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 period end and gains or losses on amortisation are recognised in other reserve as a part of equity.

**iv. Provision on loans and advances**

**IFRS:** As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

**Bangladesh Bank:** As per BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2014), BRPD circular No.1 (20 February 2018) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment, BRPD circular No.03 (April 21 2019), BRPD Circular No. 14 dated 22 June 2022, BRPD circular no. 07 dated 19 March 2020, BRPD Circular No. 04 dated 12 April 2022, BRPD Circular Letter No. 17 (September 28 2020), BRPD Circular Letter No. 56 (December 10 2020), BRPD Circular Letter No. 59 (December 30 2020), BRPD circular letter no. 52 dated 20 October 2020, BRPD circular letter no. 3 dated 31 January 2021 BRPD circular letter no. 5 dated 24 March 2021, BRPD circular no. 13 dated 27 June 2021, BRPD circular no. 19 dated 26 August 2021, BRPD circular letter no. 45 dated 04 October 2021, BRPD circular letter no. 50 dated 14 December 2021, RPD circular letter no. 51 & 52 dated 29 December 2021, and BRPD Circular Letter No. 63 (December 31 2020). Also specific provision for sub-standard loans, doubtful loans and bad losses have to be provided at 5%, 20%, 50%, 100% respectively for loans and advances depending on time past due and additional special general provision-COVID-19 at 1%. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

**v. Recognition of interest in suspense**

**IFRS:** Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently becomes credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, BRPD circular No.03 dated April 21, 2019 and BRPD Circular Letter No. 56 (December 10 2020), once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

**vi. Other comprehensive income**

**IFRS:** As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

**ATM Tahmiduzzaman, FCS**  
DMD (Company Secretary)  
United Commercial Bank Limited.

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**

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**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

**vii. Financial instruments – presentation and disclosure**

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

**viii. Repo and Reverse Repo transactions**

**IFRS:** As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

**Bangladesh Bank:** As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no.2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

However, as per DMD circular letter no.7 dated 29 July 2012, non-primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) program, whereby such banks may enter collateralised repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognise the asset.

**ix. Financial guarantees**

**IFRS:** As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD 14, dated 25 June 2003 financial guarantees such as letter of credit and letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin. As per BRPD Circular No.01 dated 03 January 2018 and BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at 1% against gross off-balance sheet exposures (which includes undrawn loan commitments).

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27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.







x. **Cash and cash equivalent**

**IFRS:** Cash and cash equivalent items should be reported as cash item as per IAS 7.

**Bangladesh Bank:** Some cash and cash equivalent items such as 'Money at Call and on Short Notice', Treasury Bills, Bangladesh Bank Bills and Prize Bond are not shown as cash and cash equivalent. Money at call and on short notice presented on the face of the balance sheet, and Treasury Bills, Prize Bonds are shown in investments.

xi. **Non-banking asset**

**IFRS:** No indication of Non-banking asset is found in any IFRS.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, there must exist a face item named Non-banking asset.

xii. **Presentation of intangible asset**

**IFRS:** Intangible assets must be identified and recognised, and the disclosure must be given as per IAS 38: Intangible Assets.

**Bangladesh Bank:** Intangible assets are shown in fixed assets, including premises and furniture and fixtures, as there is no specific regulation for intangible assets in BRPD circular no. 14, dated 25 June 2003.

xiii. **Cash flow statement**

**IFRS:** Cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, cash flows is the mixture of direct and indirect method.

xiv. **Balance with Bangladesh Bank: (CRR)**

**IFRS:** Balance with Bangladesh Bank should be treated as other asset as it is not available for the use in day to day operations as per IAS 7.

**Bangladesh Bank:** Balance with Bangladesh Bank is treated as cash and cash equivalents.

xv. **Presentation of intangible asset**

**IFRS:** An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

**Bangladesh Bank:** There is no requirement for regulation of intangible assets in BRPD 14 dated 25 June 2003.

xvi. **Off-balance sheet items**

**IFRS:** There is no concept of off-balance sheet items in any IFRS; hence there is no requirement of disclosure of off-balance sheet items.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of balance sheet.







xvii. **Disclosure of appropriation of profit**

**IFRS:** There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

xviii. **Loans and advance net of provision**

**IFRS:** Loans and advances should be presented net of provisions.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

xix. **Provision on undrawn loan commitments**

**IFRS:** As per IFRS 9 bank shall recognise credit losses on undrawn loan commitments such as Letter of Credit (L/C), Letter of Guarantee (L/G) etc. as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that bank expects to receive.

**Bangladesh Bank:** As per BRPD Circular no. 07 dated 21 June 2018 and BRPD Circular no.14 dated 23 September 2012, the Bank is required to maintain provision at 1% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

**2.1.2 Going Concern**

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation for the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to show a healthy trend for couple of years. The rating outlook of the Bank as reported by all the rating agencies is "Stable". Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

**2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following material items:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using 'mark to market' concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- Land is recognized at cost at the time of acquisition and subsequently measured at fair value as per IAS-16 *Property Plant & Equipment* and BSEC notification SEC/CMRRCD/2009-193/150/Admin dated 18 August 2013.

**2.3 Basis of consolidation**

The consolidated financial statements include the financial statements of United Commercial Bank Limited and its subsidiaries 'UCB Stock Brokerage Limited', 'UCB Investment Limited', 'UCB Asset Management Limited' and 'UCB Fintech Company Limited'. The separate (solo) financial statements are

27 OCT 2022  
  
**bakertilly**  
**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited

27 OCT 2022  
  
ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited  
27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited

27 OCT 2022  
  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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/period ended 30 June 2022 and 31 December 2021. Basis of consolidation are as follows:

- The consolidated financial statements incorporate the financial statements of the bank and the financial statements of the subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the parent (bank) are eliminated against the corresponding share capital of group entities (subsidiaries) in the consolidated financial statements.
- Subsidiaries (investees) are entities controlled by the parent (investor). Control exists when the investor has the power over the investee that gives right to direct relevant activities, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.
- All financial assets and financial liabilities are offset and the net amount reported in the consolidated financial statements only when there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. Items are not offset in the consolidated financial statements unless required or permitted by accounting standards and regulators.
- Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.
- Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- Loss of control: Upon the loss of control of a subsidiary the group derecognizes the assets (including any goodwill) and liabilities of the subsidiary at carrying amount, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit and loss account. If the group retains any interest in the former/previous/ex subsidiary, such interest is measured at fair value at the date that the control is lost.

#### 2.4 Use of estimates and judgments

The preparation of the financial statements requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Key estimates include the following:

- Loan loss provision
- Revaluation of land
- Current tax, Deferred tax assets/liabilities
- Gratuity & Superannuation fund
- Lease liabilities

27 OCT 2022  
  
**Faruk Ahammed FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
**ATM Tahmiduzzaman FCS**  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC







## 2.5 Consistency

In accordance with IFRS framework for the presentation of financial statements together with IAS-1 and IAS-8, United Commercial Bank Limited discloses its information consistently from one period to the next. When selecting and applying new accounting policies, changes in accounting policies and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, for changes in the accounting estimates the related amount is recognized prospectively in the current period and in the next period or periods.

## 2.6 Foreign Currency Transactions and Translations

### Functional and presentation currency

The consolidated financial statements of the Group and the financial statements of the Bank are presented in Bangladesh Taka (BDT) which is the functional currency of the Group and the Bank except OBU where functional currency is US Dollar (USD). All financial information presented in Taka has been rounded off to the nearest integer, except when otherwise indicated.

### Foreign currency transactions

Transactions/Day End Balances in foreign currencies are converted into respective functional currencies at the rate of exchange ruling at the date of transactions as per IAS 21, 'The Effects of Changes in Foreign Exchange Rates'. Effects of Exchange rate differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the bank are recorded in the Profit and Loss Account.

### Foreign currency translations

Assets and liabilities of OBU have been presented in Taka (which is functional currency of the Bank) using year end standard mid rate of exchange of the Bank and incomes and expenses are translated using monthly average of standard mid rate of exchange. The foreign currency translation difference is a net result of exchange difference of year end standard mid rate and monthly average of standard mid rate arising from translation of functional currency to presentation currency.

## 2.7 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 period.

## 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 period to the end of current period.

## 2.9 Statement of liquidity

The liquidity statement of assets and liabilities as on the reporting date has been prepared on the basis of 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 term
Investments	Residual maturity term

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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







Particulars	Basis of Use
Loans and advances	Repayment/maturity schedule and behavioral trend (non-maturity products)
Fixed assets	Useful life
Other assets	Realization/amortization basis
Borrowings from other banks and financial institutions	Maturity/repayment term
Deposits and other accounts	Maturity and behavioral trend (non-maturity products)
Other long term liability	Maturity term
Provision and other liability	Settlement/adjustment schedule basis

## 2.10 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by group entities except otherwise instructed by the Central Bank as prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current period's presentation.

### Accounting policies of subsidiaries

The financial statements of subsidiaries have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature. The financial statements of subsidiaries have been prepared using the calendar year ended 30 June 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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Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

Faruk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212







### 2.10.5 REPO and Reverse REPO:

Securities purchased under re-sale agreements are treated as collateralized lending and recorded at the consideration paid and interest accrued thereon. The difference between purchase price and re-sale price is treated as interest received and accrued evenly over the life of Repo agreement.

Since 1 September 2010 transactions of REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank. Securities under repo will be excluded from the investment portfolio and hence will not be eligible for SLR purpose. Securities acquired under reverse repo will be eligible for SLR purpose initially at its clean price (in case of coupon bearing security) or at its market value (in case of non-coupon bearing security).

### 2.10.6 Investment in listed/quoted securities

These securities are bought and held primarily for the purpose of selling them in the future or holding for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is recognized in the profit and loss account.

### 2.10.7 Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of Net Assets Value (NAV) over cost in the Profit & Loss Account, but there is no unrealized gain booking.

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills/bonds - Held for Trading (HFT)	Cost	Fair value [Weekly revalued at FMV through MTM valuation process]	Loss to Profit and Loss Account, gain to Revaluation Reserve through Profit & Loss Account.
Govt. T-bills/bonds - Held to Maturity (HTM)	Cost	Amortized cost at each year end.	Increase or decrease in value to equity and Profit & Loss Account respectively.
Debenture/Bond	Face value	N/A	N/A
Shares (Quoted)*	Cost	Lower of Cost or Market Value (overall portfolio)	Loss (gain net off) to Profit and Loss Account but no unrealized gain booking.
Shares (Unquoted)*	Cost	Lower of Cost or Net Asset Value (NAV)	Loss to Profit & Loss Account but no unrealized gain booking.
Prize bond	Cost	Cost	N/A

### 2.10.8 Investment in subsidiaries

Investment in subsidiaries are accounted for under the cost method of accounting in the Bank's financial statements in accordance with IAS 27 "Separate Financial Statements" and IFRS 3 "Business Combination". Impairment of investment in subsidiaries is made as per the provision of IAS 36 "Impairment of Assets".

### 2.10.9 Loans, Advances and provisions

- Loans and advances are stated at gross amount.
- Loans and advances are broadly classified under the heads of Continuous, Demand, Long Term and Short term Agriculture and Micro Credit. Continuous and Demand Loans are accounted under Capitalized method where interest accrues monthly and applied to loan account quarterly. Term loans are accounted under amortized method where repayments consist of principal and interest.

Faruk Ahammad FCA  
Senior Executive/President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.







- c) Interest on unclassified loans & advances and SMA loans are credited to Interest Income. Interest on Sub- standard and Doubtful Loans and advances are not credited to interest income, it is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest accrual is kept stopped for all Bad & Loss Advances.
- d) Commission and discounts on bills purchased and discounted are recognized at the time of realization.
- e) General provisions on unclassified loans and off balance sheet items, specific provisions for classified loans and interest suspense thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December 2012, BRPD Circular no.16 dated 18 November 2014, BRPD Circular no. 12 dated 20 August 2017, BRPD Circular no. 15 dated 27 September 2017 and BRPD Circular no. 01 dated 20 February 2018, BRPD circular no. 07 dated 21 June 2018, BRPD circular no. 13 dated 18 October 2018, BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 17 (September 28, 2020) and BRPD Circular Letter No. 56 (December 10, 2020), BRPD Circular Letter No. 59 (December 30, 2020), BRPD Circular Letter No. 05 (March 24, 2021), BRPD Circular Letter No. 13 (June 27, 2021), BRPD Circular Letter No. 19 (August 26, 2021), BRPD Circular Letter No. 45 (October 04, 2021), BRPD Circular Letter No. 50 (December 14, 2021).

Particulars	Rates
<b>General Provision on</b>	
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%
<b>Specific Provisions on</b>	
Substandard loans and advances other than short term agri credit and micro credit	20%
Doubtful loans and advances other than short term agri credit and micro credit	50%
Bad/Loss loans and advances	100%
Substandard short term agri credit and, cottage, micro credit & small	5%
Doubtful short term agri credit and micro credit	5%
Doubtful cottage, micro credit & small	20%

- f) Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery and (ii) against which legal cases are pending for more than 03 (three) years as per guidelines of Bangladesh Bank (BRPD circular No.01 dated February 06 2019). However, the write off will not reduce the claim against the borrower. Detailed memorandum records for all such write off accounts are maintained carefully and followed up.

As per BRPD circular no. 14 dated 23 September 2012, BRPD Circular No.05 dated 29 May 2013, BRPD circular No.03 dated 21 April 2019 and BRPD Circular Letter No. 56 dated 10 December 2020, for additional special general provision-COVID-19 at 1% also, a general provision at 1% to 5% under different categories of unclassified loans (good/standard loans) have to be maintained.

27 OCT 2022

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27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**

Chartered Accountants

**2.10.10 Fixed assets 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 fixed assets that qualify for recognition as an asset is measured initially at its cost. The cost of an item of fixed assets comprises:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- Any costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

**Subsequent Measurement**

Subsequently, the Bank has the option to measure an entire class of property, plant and equipment either using cost model or revaluation model.

Fixed assets except land are stated at cost less accumulated depreciation. Land is recognized at cost at the time of acquisition and subsequently measured at revalued amounts which are the fair value at the time of revaluation done by independent professional valuer, and any surplus on revaluation is shown as equity component until the asset is disposed.

**Subsequent expenditure**

The bank recognizes any subsequent expenditure in the carrying amount of an item of fixed assets as a part of the cost only when it is probable that future economic benefits embodied with the item will flow to the bank due to the subsequent expenditure. However, expenditures incurred after the assets have been put into operation, such as, repairs and maintenance are 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

Faruk Ahmed FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

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

Nasimul Baten  
Managing Director & CEO  
DBF Finance PLC.







### Changes in useful life and method of depreciation of the fixed assets

Both changes in useful life of the fixed assets 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

Fixed assets 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 Fixed Assets

An item of fixed assets 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 performed as at 27 December 2012 by Padma Techno Consult & Survey Ltd. Accordingly, revaluation surplus is included in fixed assets and assets revaluation reserve is recognized under shareholder's equity as per guidelines of IAS-16. Such revaluation reserve will be disposed of upon retirement/de-recognition of the assets.

### 2.10.11 Accounting under lease operations:

#### 2.10.11.1 Assets obtained under Lease Agreements

International Financial Reporting Standard (IFRS) 16: Leases came into force from 01 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). As per IFRS 16 a lease is a contract (or part of a contract) that conveys the right to use an asset for a period of time in exchange for consideration. A contract contains a lease if fulfilment depends on an identified asset and it conveys the right to control the use of that identified asset throughout the period of use. Each lease component should be identified and accounted for separately.

#### 2.10.11.2 Assets given on operating and finance lease arrangements

The objective of IFRS 16 is to report information that faithfully represents lease transactions and provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. UCBL applied IFRS 16 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments, discounted it using the bank's incremental borrowing rate at the date of initial application, and recognised a right-of-use asset at the date of the initial application on a lease by lease basis.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented under property, plant and equipment.

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive (Vice President & CFO)  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

**ATM Tahmiduzzaman, FCS**  
DMO & Company Secretary  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.







At the commencement date of the lease, the bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term using incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments, and re-measuring the carrying amount to reflect any reassessment or lease modifications.

Bank recognizes interest expense on the lease liability and depreciation of the right-of-use asset. Variable lease payments not included in the lease liability are recognised in the period the obligation is incurred.

A recognition and measurement exemption for short term leases and leases of low value assets is available as a policy choice. However, this exemption is only available to the lessee.

An entity has the right to control the use of an identified asset if it has the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset, i.e. to decide how and for what purpose it is used, otherwise, recorded as operating lease. The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases. The Bank recognises lease payments associated with these leases as an expense.

#### 2.10.12 Intangible asset

An intangible asset is to be recognized only if it is probable that future economic benefits attributable to the assets will flow to the bank and the cost of the asset can be measured reliably. Recognition & measurement of Intangible Assets are guided by International Accounting Standard (IAS)-38; 'Intangible Asset'. Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use. Gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceed and the carrying amount of that intangibly asset is recognised in profit and loss account. Due to following BRPD circular no. 14 dated 25 June 2003, intangible assets are not disclosed in a separate line rather reported under Fixed Assets. However, separate line item along with the rate of amortization is identifiable in the detail schedule of Fixed Asset.

#### 2.10.13 Impairment of assets

The carrying amounts of bank's assets are reviewed when as required to determine whether there is any indication of impairment. Any impairment loss is recognized in the profit and loss account if the carrying amount of an asset exceeds its recoverable amount [IAS 36 *Impairment of Assets*]. No such impairment loss has arisen and been recognized during the period ended 30 June 2022.

#### 2.10.14 Other Assets

Other assets include mainly advance office rent, payment of advance income tax for which assessment of tax has not yet been finalized, investment in subsidiaries, fees and other unrealized income receivable, advance for operating and capital expenditure, stocks of stationery & stamps etc. As per BRPD Circular No. 14 dated 25 June 2003, Income & Non-income-generating other assets item(s) have been shown separately in the relevant notes to the financial statements.

#### 2.10.15 Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity or person.

#### 2.10.16 Non-Banking assets

Bangladesh Bank vide BRPD circular no. 14 dated 25 June 2003 required that non-banking assets should be shown separately in the books of account. 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.

27 OCT 2022  
Faruk Ahammad FCA  
Senior Executive Vice President  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.







## 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 UCBL when all of the following conditions have been met:

- Certification of ownership u/s 33(7) of the 'Artharin Adalat Act 2003' obtained
- Registration from the Sub Registry Office completed
- DCR & Mutation form the concerned AC Land office completed
- Land Rent tax and Municipal tax (if any) Paid
- Valuation of the property done
- Physical possession obtained

## Measurement of the non-banking assets

Non-banking Asset is measured at the estimated Forced Sale Value (FSV) as determined by the independent professional valuing firm.

## B. LIABILITIES AND PROVISIONS

### 2.10.17 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest bearing borrowings, bonds etc. which are stated in the financial statements at principal amount of the outstanding balance. Interest payables on such borrowings are reported under other liabilities.

### 2.10.18 Debt securities

After global economic turmoil in 2010, the global financial regulators are more concerned with enhancing risk resilience capacity of the banks and introduced more risk sensitive capital adequacy framework namely Basel III. With the view to strengthening capital base of the bank and subsequently to meet up the capital adequacy ratio as per Bangladesh Bank's instruction in line with BASEL-III Accord, UCB issued the following Subordinated and Perpetual bonds with key features as listed below:

#### Subordinated Bond

Name of the Subordinated Bond	Issued Amount (BDT in Million)	Outstanding Amount As on 30 June 2022 (BDT in Million)	Issue Date	Tenure	Interest Rate	Range of Interest Rate	Redemption of Principal
UCB 2nd Subordinated Bond	5,000.00	1,000.00	29-Jul-15	7 Years	Base Rate plus 2.5%	10.00%-13.50%	20% in each of last 5 years
UCB 3rd Subordinated Bond (1st Tranche)	3,500.00	2,100.00	28-Dec-17	7 Years	Base Rate plus 2.5%	7.00%-10.50%	20% in each of last 5 years

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**Faruk Ahammed FCA**  
Senior Executive Vice President  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

**ATM Tahmiduzzaman, FCS**  
DMO & Company Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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Name of the Subordinated Bond	Issued Amount	Outstanding Amount	Issue Date	Tenure	Interest Rate	Range of Interest Rate	Redemption of Principal
	(BDT in Million)	As on 30 June 2022 (BDT in Million)					
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	400.00	24-Dec-18	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (2nd Tranche)	2,500.00	2,000.00	26-Dec-18	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (3rd Tranche)	100.00	100.00	14-Aug-19	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (4th Tranche)	1,000.00	1,000.00	05-Nov-19	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (5th Tranche)	500.00	500.00	05-Dec-19	7 Years	Base Rate plus 2.0%	7.00%-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
UCB 4th Subordinated Bond (7th Tranche)	100.00	100.00	22-Jun-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (8th Tranche)	100.00	100.00	28-Jun-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (9th Tranche)	100.00	100.00	15-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (10th Tranche)	1,000.00	1,000.00	24-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (11th Tranche)	300.00	300.00	27-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years
UCB 4th Subordinated Bond (12th Tranche)	550.00	550.00	29-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years

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 United Commercial Bank Limited

27 OCT 2022  
**Arif Quadri**  
 Managing Director & CEO  
 United Commercial Bank Limited  
 Corporate Office, Gulshan Avenue  
 Dhaka-1212

27 OCT 2022  
**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC





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	(BDT in Million)	As on 30 June 2022 (BDT in Million)					
UCB 4th Subordinated Bond (13th Tranche)	1,000.00	1,000.00	30-Sep-20	7 Years	Base Rate plus 2.0%	7.00%-10.50%	20% in each of last 5 years

**Perpetual Bond**

Name of the Perpetual Bond	Issued Amount (BDT in Million)	Issue Date	Interest Rate	Range of Interest Rate
UCB Perpetual Bond	4,000.00	25-Apr-21	Base Rate plus 2.0%	6.00%-10.00%

**2.10.19 Deposits and other accounts**

Deposits and other accounts include current deposits redeemable at call, short term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counter parties.

**2.10.20 Other liabilities**

Other liabilities comprise items such as provision for loans and advances/ investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and International Financial Reporting Standards (IFRS).

**2.10.21 Dividend payments**

Interim dividend is recognized when it is paid to the shareholders. Final dividend is recognized when it is approved by the shareholders in AGM. The proposed dividend for the year 2021 was 10% stock, therefore, has been recognized in the balance sheet.

**2.10.22 Provision for loans and advances**

Provision for classified loans and advances is made on the basis of quarter end review by the management and instructions contained in BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December 2012, BRPD Circular no.16 dated 18 November 2014, BRPD Circular No. 08 dated 2 August 2015, BRPD Circular no. 12 dated 20 August 2017, BRPD Circular no. 15 dated 27 September 2017, BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 17 (September 28 2020) and BRPD Circular Letter No. 56 (December 10 2020). Details are stated in Note 12.

**2.10.23 Provision for investment in capital market**

For recognition of loss suffered from investment in capital market, provision is to be provided on unrealized loss (gain net off) according to DOS Circular No. 04 dated 24 November 2011 on portfolio basis.

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United Commercial Bank Limited

27 OCT 2022

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Managing Director & CEO  
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DBH Finance PLC.







#### 2.10.24 Provision for off-balance sheet exposures

In compliance with Bangladesh Bank guidelines, contingent liabilities have been disclosed under off-balance sheet items. As per BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, the Bank has been maintaining provision @ 1% against off-balance sheet exposures.

#### 2.10.25 Provision for other assets

Provision for other assets is made as per the guidelines mentioned in the BRPD Circular No. 14 dated 25 June 2001 i.e. 100% provision is required on other assets which are outstanding for one year or more.

#### 2.10.26 Provision for Nostro accounts

Provision for unsettled transactions on nostro accounts is made in accordance with the guideline of Foreign Exchange Policy Department of Bangladesh Bank, FEPD Circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005. On the reporting date, UCBL has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

#### 2.10.27 Provision for liabilities and accrued expenses

In compliance with IAS 37, provisions for other liabilities and accrued expenses are recognized in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### 2.10.28 Retirement Benefit Schemes

The retirement benefits accrued for the employees of the Bank as on reporting date has been accounted for in accordance with the provision of International Accounting Standard-19, "Employees Benefits". Various types of 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 the Income Tax Ordinance, 1984. The recognition took effect from November 30, 1988. The Fund is operated by a Board of Trustees consisting of 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 Trustees consisting of 3 (Three) members of the bank. Employees are entitled to gratuity benefit after completion of minimum 5 (five) years of service in the bank. The Gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic pay for every completed year of service. Gratuity fund is a "Defined Benefit Plan" and contribution to Gratuity Fund is measured through the result of actuarial valuation of the fund.

The Bank's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.





Net interest expense, current service cost and other expenses related to defined benefit plans are recognised as salaries and allowances in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

#### Welfare fund

Employees' Welfare Fund was established on June 18, 2009. The policy of UCBL on Employees' Welfare Fund, 2009 governs the fund and the day-to-day affairs are run by a duly constituted Board of Trustees. The fund is held and administered by a Board of Trustees and invested according to the rules of the Fund framed as per applicable laws of Bangladesh.

#### Workers' Profit Participation Fund (WPPF)

Consistent with the industry practice and in accordance with the Banking Companies Act, 1991 and amendments thereon, no provision has been made for WPPF.

#### 2.10.29 Taxation

Income tax represents the sum of the current Tax and deferred tax payable for the year/period under reporting.

##### i) Current Tax

Current tax is the amount of income taxes payable (recoverable) in respect to the taxable profit (tax loss) for a period. Provision for current income tax has been made as per the prescribed rate in the Income Tax Ordinance 1984 on the accounting profit made by the bank after considering some of the add-backs to income and disallowances of expenditure as per income tax laws with IAS-12, "Income Taxes". Tax Assets under the group head of other assets are recognized for payment of advance income tax, tax deducted at source and tax paid at the time of IT Return for the year/years for which assessment has not yet been finalized. On the other hand, the tax provision (as estimated as per IAS-12; Income Taxes, provision of latest Finance Act, related SROs/guidelines etc.) are recognized as tax liability under the group head of other liability for the year/years for which assessment has not yet been finalized.

##### ii) Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect to taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets & liabilities are measured using tax rate & tax laws enacted or at the balance sheet date. Tax impact on the account of changes in deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS-12, "Income taxes".

#### C. Capital/Shareholders' equity

##### 2.10.30 Capital

##### (a) Authorized capital

Authorized capital is the maximum amount of share capital that the bank is authorized by its Memorandum and Article of Association to issue to shareholders.

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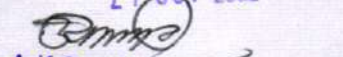
27 OCT 2022

27 OCT 2022

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

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

  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

Ahammad FCA  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Office, Gulshan, Dhaka.





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**(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 Banking Companies Act, 1991 and amendments thereon.

**2.10.32 Asset revaluation reserve**

When an asset's carrying amount is increased as a result of revaluation, the increased amount is credited directly to equity under the heading of assets revaluation reserve as per IAS 16 'Property, Plant and Equipment'. The Bank also follows the assets revaluation guidelines issued by BSEC on 18 August 2013.

**2.10.33 Reserve for Amortization/ revaluation of securities**

When a Financial Asset categorized under HTM or HFT and subsequent value of the asset is increased as a result of amortization of assets or mark to market revaluation, the net increased amount (for HTM increase or decrease of book value and for HFT loss to P&L but gain to revaluation reserve through P&L) is credited directly to equity under the heading of reserve for amortization/ revaluation of securities as per Bangladesh Bank DOS circular no. 06 dated 15 July 2010.

**2.10.34 Retained Earnings**

The surplus amount after appropriation of yearly/periodic profit is kept in Retained Earnings.

**2.10.35 Share premium**

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 are 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.

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27 OCT 2022

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

Arif Uddin FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.





## 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 smaller 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 are recorded in profit and loss account.

### Embedded derivatives

Certain contracts that are not themselves derivatives (and may not be financial instruments) include derivative contracts that are 'embedded' within. An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract. Embedded derivative causes some or all of the cash flows of the host contract to be modified. Besides, embedded derivative cannot be transferred to a third party independently of the instrument. The basic rule for accounting for an embedded derivative is that it should be separated from its host contract and accounted for as a derivative, i.e., measured at fair value and any changes in fair value recognized in profit and loss account. Separation of embedded derivative from the host contract is made only when the following conditions are met.

The economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host contract.

1. The embedded derivative would meet the definition of a derivative if separated from the host contract.
2. The hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in profit and loss.

## D. REVENUE RECOGNITION

### 2.10.38 Interest income

Interest on unclassified (Standard and SMA) loans and advances is accounted for as income on accrual basis, interest on classified loans and advances (SS and DF only) is credited to interest suspense account, with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD 14 dated 23 September 2012, BRPD 19 dated 27 December 2012, BRPD 16 dated 18 November 2014 and BRPD circular No.03 dated April 21 2019, BRPD Circular Letter No. 56 dated December 10, 2020 and BRPD Circular Letter No. 53 dated December 30, 2021 of Bangladesh Bank.

### 2.10.39 Fees and commission income

Fees and commission income arises on services provided by the Bank and recognized on accrual basis. Commission charged to customers on letters of credit, letters of guarantee and acceptance are credited to income at the time of effecting the transactions.

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Ahmad FCA

Executive Vice President & CFO

Commercial Bank Limited

Finance Division

Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS

DMD & Company Secretary

United Commercial Bank Limited

27 OCT 2022

Arif Quadri

Managing Director & CEO

United Commercial Bank Limited

Corporate Office, Gulshan Avenue

Dhaka-1212

27 OCT 2022

Nasimul Baten

Managing Director & CEO

DBH Finance PLC.





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#### 2.10.40 Interest income from investments

Interest income from investments in Government and other securities, debentures and bonds are accounted for on accrual basis.

#### 2.10.41 Income from exchange

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of Non-monetary items.

#### 2.10.42 Dividend income

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established.

#### 2.10.43 Interest paid on borrowings and deposits

- Interest expenses are recognized on accrual basis taking into account of daily balance outstanding at the rate applicable for respective deposits and interest on savings and SND accounts is credited to depositors' account on half yearly basis. No interest is applicable on the balance lying in current deposit account. Interest on FDR accrued but not due to clients A/C was credited to 'Other Liability A/C - Interest Payable'.
- Other expenses are also recognized and recorded on accrual basis.

#### 2.10.44 Management and other expenses

Expenses incurred by the Bank are recognized on actual and accrual basis.

#### E. OTHERS

#### 2.10.45 Materiality and aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature have also been presented separately unless they are immaterial in accordance with IAS-1 'Presentation of Financial Statements'.

#### 2.10.46 Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

#### 2.10.47 Earnings Per Share (EPS)

The company calculates earnings per share (EPS) in accordance with IAS 33, "Earnings Per Share" which has been shown on the face of the Profit and Loss Account. Earnings per share (EPS) has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the year/period. 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 year/period.

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmidur Rahman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
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Managing Director & CEO  
DBH Finance PLC.



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**Weighted average number of ordinary shares outstanding during the year/period**

This represents the number of ordinary shares outstanding at the beginning of the year/period plus the number of ordinary shares issued during the year/period 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/period. The total number of shares issued in current reporting period has been multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

**Diluted Earnings Per Share**

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. However, diluted earnings per share calculated during the financial year/period.

**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**

The 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'.

**2.10.51 Credit rating**

Emerging Credit Rating Limited 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 May 07, 2022.

Year	Long Term Rating	Short Term Rating
2021	AA	ST-2
2020	AA	ST-2

The outlook of the rating is Stable. The rating reflects the strengths of the company which is backed by its strong management, good liquidity position and satisfactory capital base as well as branch coverage throughout the country.

**2.10.52 Compliance report on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)**

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks. Consequently, the consolidated and separate financial statements

27 OCT 2022  
**Arif Quadri**  
 Executive Vice President & CEO  
 United Commercial Bank Limited  
 Finance Division  
 Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
**Arif Quadri**  
 Managing Director & CEO  
 United Commercial Bank Limited  
 Corporate Office, Gulshan Avenue  
 Dhaka-1212

27 OCT 2022  
**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC.





**ACNABIN**

Chartered Accountants

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, UCBL applied all the applicable IASs and IFRSs as adopted by FRC. Details are given below:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statement of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the reporting period	10	Applied
Construction Contracts	11	Replaced by IFRS 15
Income Taxes	12	Applied
Property Plant and Equipment	16	Applied
Revenue	18	Replaced by IFRS 15
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A **
Separate Financial Statements	27	Applied
Investments in Associates and Joint Ventures	28	N/A
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied ***
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Replaced by IFRS 9
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS No.	Status
First time adoption of Bangladesh Financial Reporting Standards	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contract	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosure	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied *
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in other entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory deferral accounts	14	N/A
Revenue from contractors with customers	15	Applied

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Name of the IFRS	IFRS No.	Status
Leases	16	Applied

\*In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to IAS/IFRS, some of the requirements specified in these IAS/IFRSs are not applied. Refer below for such recognition and measurement differences that are most relevant and material to the Bank and the Group.

\*\* This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

\*\*\*The objective of IAS 34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, the Bank being a listed entity in Dhaka and Chittagong Stock Exchanges regularly publishes Interim Financial Report complying with IAS 34.

N/A= Not Applicable

#### New accounting standards not yet adopted:

The Bank has consistently applied the accounting policies as set out in Note 2 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards have been considered. However, these amendments have no material impact on the financial statements of the Bank.

A number of standards and amendments to standards are effective for annual periods beginning after 1 January 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 01 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed the potential impact of IFRS 17 on its financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

#### 2.10.53 Operating segments:

Business segments report consists of products and services whose risks and returns are different from those of other business segments. The Bank has Nine reportable segments, as described below, which are the Bank's strategic business units. The strategic business units offer different products and services, and are managed separately based on the Bank's management and internal reporting structure. Each of the strategic business units of the Bank are periodically reviewed by the Management Committee. The following summary describes the operations in each of the Bank's reportable segments:

Segments' Name	Description
Corporate Banking	This unit focuses on large corporate groups including structured/syndicated finance with a variety of advances & deposit products and other transactions.
SME Banking	Includes loans, deposits and other transactions and balances with SME customers.





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Segments' Name	Description
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 through mobile network facilitating convenient cash in/out, bill payment, POS purchase etc.
Agent Banking	UCB Agent Banking aims to promote full-fledged banking services to geographically dispersed and financially excluded areas. It's looking forward to offer cashless transaction to all class of people in near future.

## 2.10.54 Risk Management

In banking organization, risk is the possible outcome of an action or event which could bring up an adverse impact. Such outcome could either result in a direct loss of earnings/capital or may result in imposition of constraints on banks' ability to meet their business objectives. Risk is the outcome of losses due to sudden downturn in economy or falling interest rates. Banks have to rely on their capital as a buffer to absorb such losses. The types and degree of risks of an organization may be exposed depending upon a number of factors such as its size, complexity in business activities, volume etc. Initially Bangladesh Bank had issued guidelines on six core risk areas and accordingly scheduled banks operating in Bangladesh has implemented the guidelines for better risk management practice. Implementation of core risk management guidelines by United Commercial Bank Limited and its status are discussed below.

### 2.10.54.1 Credit Risk Management

Credit risk is most simply defined as the potential risk where a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximize a bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Banks need to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions. Banks should also consider the relationships between credit risk and other risks. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long term success of any banking organization.

Both on-balance sheet and off-balance sheet activities like guarantee has impact on credit risk. It may arise from either an inability or an unwillingness to perform in the pre-committed contracted manner. Credit risk comes from a bank's dealing with households, small or medium-sized enterprises (SMEs), corporate clients, other banks and financial institutions, or a sovereign. The assessment of credit risk involves evaluating both the probability of default by the borrower and the exposure or financial impact on the bank in the event of default.

Our credit risk management function has been kept independent of business origination functions to establish better internal control and to reduce conflict of interest. The Chief Risk Officer and the Head of Credit Risk Management have clear responsibilities for management of credit risk. The final authority and responsibility for all activities that expose the bank to credit risk rests with the Board of Directors.

The Board, however, has delegated authority to the Managing Director and CEO to re-delegate authority to other officers of the credit risk management division. The Board also sets credit policies and delegates

27 OCT 2022  
  
**Arif Quadri FCA**  
 Senior Executive Vice President  
 United Commercial Bank Limited  
 Finance Division  
 Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
  
**Arif Quadri FCS**  
 DMD & Company Secretary  
 United Commercial Bank Limited

27 OCT 2022  
  
**Nasimul Baten**  
 Managing Director & CEO  
 United Commercial Bank Limited  
 Corporate Office, Gulshan Avenue  
 Dhaka-1212

27 OCT 2022  
  
**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC.







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authority to the management for setting procedures, which together has structured the credit risk management framework in the bank.

In reference to the BRPD circular letter no 04 and 35 dated January 04, 2021 and July 06, 2021 respectively, UCBL has complied with the Bangladesh Bank directives for the loan accounts at the time of sanctioning or renewal during the period, where applicable.

#### 2.10.54.2 Foreign Exchange Risk Management

Foreign exchange risk is the risk that changes an investment's value due to changes in currency exchange rates. This risk usually affects businesses that export and/or import but also affect investors making international investments. Financial risk management is the practice of creating economic value in a firm by using financial instruments to manage exposure to risk. The most common cause of foreign exchange (FX) risk arises from making overseas payments for imports that are priced in a foreign currency and receiving foreign currency as payment against exports. Exposure to foreign exchange risk can also arise from foreign currency borrowing and deposits, overseas subsidiaries, assets located overseas.

UCBL has developed a Foreign Exchange Risk Management policy in line with the Bangladesh Bank foreign exchange guidelines to minimize different types of risks associated with foreign exchange transactions. In this guideline treasury functions are clearly demarcated between treasury front office, mid office and back office. The front office is involved only in dealing activities and the back office is responsible for all related support and monitoring functions on the other hand, mid Office will be responsible to monitor market risk, liquidity risk and operational risks at treasury. Treasury Front Office, Treasury Mid Office and Treasury Back Office have separate and independent reporting lines to ensure segregation of duties and accountabilities.

The Bank has also developed different strategies to handle the foreign exchange risk by setting different types of limits and risk parameters to measure and monitor foreign exchange risk exposure of the Bank. Treasury department is vested with the responsibility to measure and minimize the foreign exchange risk associated with bank. To assess the degree of the risk associates with foreign exchange position bank computes VaR (Value at Risk) on its foreign exchange position on daily basis. To deal smoothly the dealers have various limits with triggers such as counterparty limit, stop loss limit, intraday limit, per deal limit etc.

Dealing room is equipped with Reuter's information and dealing system, a voice recorder for recording deals taking place over the telephone, television with financial news channels. Before entering into any deal with a counter party, a dealer ensures that they have knowledge about the counter party's dealing style, product mix and assess whether the customer is dealing in an appropriate manner.

#### 2.10.54.3 Asset Liability Management Risk

ALM is an integral part of the financial management process of any bank. It is concerned with strategic balance sheet management involving risks caused by changes in the interest rates, exchange rates and the liquidity position of the bank.

The Asset Liability Management Committee (ALCO) of UCBL headed by the Managing Director of the Bank meets at least once in every month to look after the financial market activities, manage liquidity risk, interest rate risk and FX or currency risk. Asset Liability Management (ALM) desk of the Treasury is primarily responsible for management of liquidity risk on a daily basis by appropriate coordination of funding activities.

Asset liability Committee (ALCO) reviews the country's overall economic position, market outlook (local and global) and Bank's liquidity position. A quarterly projection of fund flows is reviewed in ALCO meeting regularly. ALCO also examines key ratios such as Maximum Cumulative Outflow, Advance Deposit Ratio, Capital Adequacy Ratio, Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR),

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27 OCT 2022

**Faruk Ahammed FCA**  
Chief Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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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:

Risk	Statement
Liquidity Risk	<ul style="list-style-type: none"> <li>• Structural liquidity profile</li> <li>• Dynamic liquidity profile</li> <li>• Key Management Ratios</li> <li>• Cash flow projection</li> </ul>
Interest Rate Risk	<ul style="list-style-type: none"> <li>• Traditional Gap Analysis (up to 1 Year)</li> <li>• Traditional Gap Analysis (Total A-L)</li> <li>• Duration Gap Analysis</li> <li>• Balance Sheet VaR</li> <li>• Stress Testing</li> </ul>
Currency Risk	<ul style="list-style-type: none"> <li>• Currency wise Exposure</li> <li>• Value at Risk (VaR)</li> </ul>

#### 2.10.54.4(i) Internal Control and Compliance Risk

Internal Control is a process, effected by a bank's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. An organization deploy many layers of defense. In order to ensure, there are enough controls to manage the adverse risk of any major setback. The first layer of defense is the operational management. The second layer of defense is the control function such as internal control, risk management and compliance. The third layer of defense is the internal and external audit function.

A system of strong internal controls can help ensure that the goals and objectives of a banking organization will be met, that the bank will achieve long-term profitability target and maintain reliable financial and managerial reporting. Such a system is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations,
- Reliability of financial reporting and
- Compliance with applicable laws, regulations, and internal policies.

UCBL develops and maintains a robust internal control framework comprising the following internal control features:

- Management oversight and the control culture
- Risk recognition and assessment

Control activities and segregation of duties:

- Information and communication
- Monitoring activities and correcting deficiencies

27 OCT 2022

*[Signature]*  
**Arif Quadri FCA**  
 Executive Vice President & CFO  
 United Commercial Bank Limited  
 Finance Division  
 Corporate Office, Gulshan, Dhaka.

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*[Signature]*  
**ATM Tahmidur Rahman FCS**  
 DMD & Company Secretary  
 United Commercial Bank Limited

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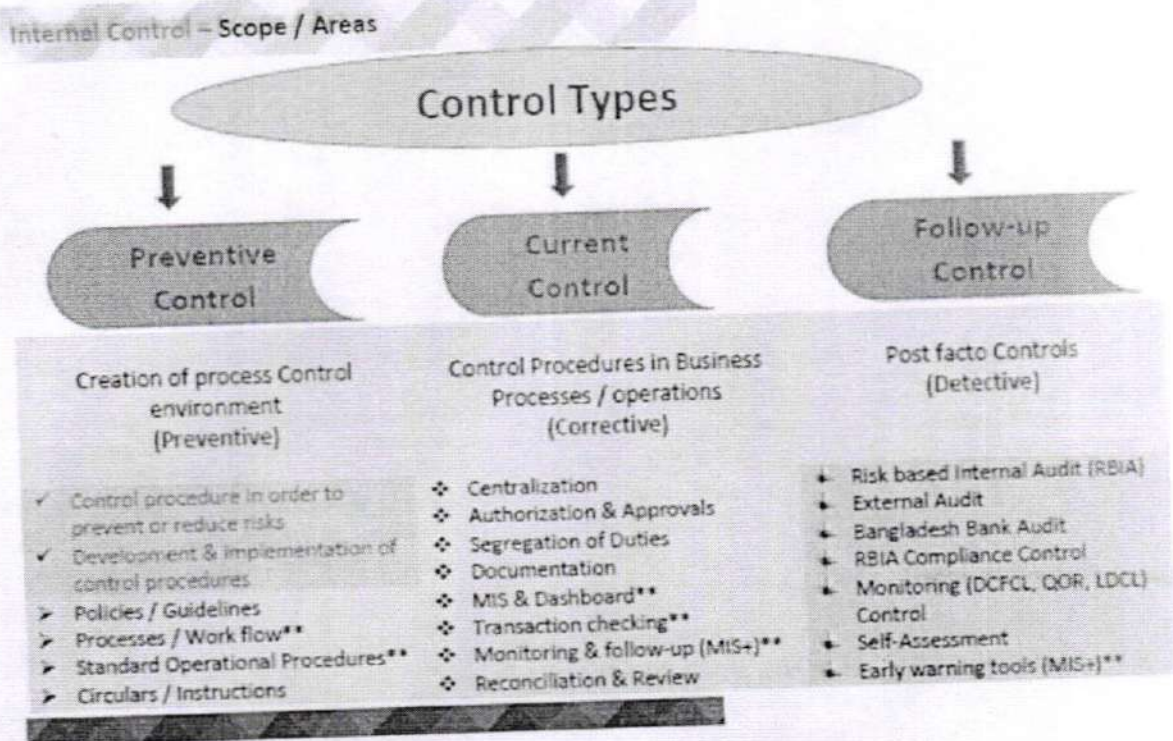
*[Signature]*  
**Arif Quadri**  
 Managing Director & CEO  
 United Commercial Bank Limited  
 Corporate Office, Gulshan Avenue  
 Dhaka-1212

27 OCT 2022

*[Signature]*  
**Nasimul Baten**  
 Managing Director & CEO  
 DBH Finance PLC.



Typically, Internal Controls may be defined as under:



Internal Control & Compliance Division (ICCD) under guidance of Board & Senior Management has been working on the issue in light of Bangladesh Bank guidelines. Audit function is now totally independent with reporting line of 'Head of Audit' to Audit Committee of Board along with administrative reporting line to 'Head of ICCD'. Competent authority of the bank has taken various steps to strengthen internal audit as well as compliance activities for ensuring a standard compliance culture within the organization towards mitigating Internal Control & Compliance Risks.

The key issues that have been established for effective internal control of UCBL are as follows:

- ICCD of UCBL is working in light of guideline on Internal Control & Compliance Guideline of UCBL.
- ICCD arranges awareness Building workshop regarding compliance culture in different zone.
- The internal Audit department of the Bank checks for compliance with policies and procedures and the effectiveness of internal control systems on an ongoing basis.
- Compliance inspection team of ICCD carried out compliance inspection regarding authenticity/accuracy of RBIA compliance and miss reporting
- In assessing the internal control system UCBL continued to review of different control tools i.e. QOR, LDCL, DCFCL, Internal audit checklist and Risk rating.
- ICCD prepare Health Report of UCBL on Annual basis.
- Self-Assessment of Anti-Fraud Internal Controls is carried out on semi-annual basis as per DOS circular letter #10 dated 09 May 2017 of BB.

Effective and efficient internal control of UCBL secure the interest of depositors and stakeholders through establishing the following internal control functions:

- Compliance
- Information Security
- Internal Audit
- Risk Management

27 OCT 2022

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**Arif Quadri**  
Executive Vice President  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

**Arif Quadri**  
ATM Tahmiduzzaman, FCS  
DMD & Corporate Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





It helps to reinforce the 03 (three) types of control ie. Preventive - creation of process control environment, Corrective - Control Procedures in business processes/operation and Detective - Post facto controls.

#### 2.10.54.4(ii) Fraud and Forgeries Risk

Fraud is deliberate deception to secure unfair or unlawful gain. UCB has been relentlessly striving for effective anti-fraud control mechanism to be in place and are working properly so that attempts to make fraud and forgeries can be identified at the initiation, escalated to the appropriate level of management and necessary corrective measures are undertaken accordingly. Moreover, as a part of practicing compliant culture, the Bank reported all instances of fraud and forgeries detected to the central bank on timely manner.

#### 2.10.54.5 Money Laundering Risk

Financial institutions across the globe are working hard to fight financial crime driven by demands to protect assets and maintain regulatory compliance. The areas of specific focus are those of Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF). Money laundering is the process of providing legitimate appearance to the illegally gained revenue. And terrorist financing process involves collecting the funds intended for use in supporting the terrorist organization from a variety of sources and using the funds as needed to further the terrorist organization's goals. Both Money Laundering and Terrorist Financing have the tradition of eroding the financial institutions and weakening the financial sectors' role in the economic growth.

Regulators expect functions in the Bank to be standardized on a global level and across business lines. The businesses themselves need consistency and efficiency. One of the best ways to satisfy these expectations is to centralize functions. This is an important first step in sharing and harmonizing skills throughout the organization.

UCBL 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 the period to develop their professional skill and ensure better compliance. A total number of 938 employees were covered in these training programs (including e-learning & online quiz).

In line with international initiatives and standards, the Regulator has issued guidelines for preventing Trade Based Money Laundering (TBML). UCBL has also prepared its own policy on "Prevention of Trade Based Money Laundering" on September 29, 2020 based on the BFIU guidelines on the same.

Yearly Message of the Managing Director on Bank's measures for Prevention of Money Laundering & Terrorist Financing has been sent to all employees of the Bank on August 09, 2021 for meticulous compliance by all the concerned.

#### 2.10.54.6 Information Communication Technology Risk

In the recent years, banking industry has been reshaped significantly in terms of its operational processes, service delivery channels, market strategies including targeting, segmenting, positioning / penetrating and with the wide varieties of product & services catered for individual customer needs mostly. Among all other pivotal factors, 'Information and Communication Technology' (ICT) has been regarded as the core to bring such momentous transformation into successful reality. Consequently, the importance of information security for the banks has gained much importance, and it is of the critical

27 OCT 2022

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Arif Ahammad FCA  
Executive Vice President & CEO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahsinuzzaman FCS  
DMD & Compliance Secretary  
United Commercial Bank Limited

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

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





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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.

UCBL 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, UCBL has developed ICT Risks Management Policy and approved by board, which covered all areas of IT risks according to Bangladesh Bank risks grading guideline.

UCBL has the following footprints on reducing ICT risks including fraud prevention which will eventually ensure our sustainable banking operation in the foreseeable future:

- Vulnerability Assessment and Penetration Testing (VA/PT) Solution Introduced.
- Optimization of SWIFT System has been successfully completed.
- Internet Banking Solution with two factor authenticator (2FA) mechanisms and OTP.
- Anti-Money Laundering (AML) Solution Implemented.
- National Identity Card (NID) Verification System Introduced for avoiding duplicated NID use in Customer Account Opening.
- Two Factor Authentication (2FA), SMS, E-mail alerts for Credit card transactions.
- Anti-Skimming devices have installed in all UCB ATM for protecting Card Counterfeit.
- EMV standard solution (Chip Based) have been implemented that can reduce optimum level of card fraudulent activities (Skimming, Duplicate card, etc.).
- Dual control mechanism: Bank has introduced maker checker roles in FCUBS & card management software which results internal user cannot process any CBS and credit card related tasks by one person.
- Real Time Automated Fraud Management Solution: IT has the capability to monitor fraudulent transaction based on defined rules. This solution can identify and manage risks properly.
- Call Centre Solution has been implemented as a result: Customers who are calling UCB call center for any emergency help (card activation, deactivation, lost, transactions details etc) will be served accordingly which helps to reduce risk and improve customer services.
- Human Resource Management Information System (HRMIS) Solution has been implemented. So to maintain and control HR related issues faster and accurately (Employee screening, recruitment, promotions, benefits, retirement, etc.) which also reduce the employee risks.
- Optimization of CORE Banking Software and Database.
- ICT Risks Management Policy, Process up gradation as per the latest Bangladesh Bank ICT guideline. It can reduce Regularity & Compliance related risks.
- Improvement in ICT Awareness Risk: ITD has continuously conducting ICT awareness related training for employee which are aligned with Learning and Development Center.

#### 2.10.55 Internal Audit

The Bank has established an independent internal audit function for conducting risk based internal audit on various business and operation areas of the Bank on continuous basis.

27 OCT 2022

**Fikr Uddin FCA**  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

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

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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## 2.10.56 General

### Functional and presentation currency

The financial statements are presented in Bangladeshi Taka, which is the Bank's functional currency. Financial information's has been rounded to the nearest Taka.

### Comparative information

Comparative information in respect of the previous year/period has been presented from the unaudited financial statements for the period/year ended 30 June 2021 and audited financial statements for the period/year ended 31 December 2021. 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 30 June 2022.

### Approval of financial statements

The financial statements covered for the period have been approved by the Board of Directors of the bank in its meeting held on 23 October 2022.

27 OCT 2022

Arif Ahammad FCA  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman, FCS  
DMD & Corporate Secretary  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**3 Cash**

**3.1 Cash in hand**

Local currency  
Cash in ATM  
Foreign currency

**3.2 Balance with Bangladesh Bank and its agent Bank(s)**

Local currency  
Foreign currency

Total Cash in hand including balance with Bangladesh Bank & its agent Bank's

**3.2.1 Balance with Bangladesh Bank**

Local currency  
Foreign currency

\* 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  
Foreign currency

**3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)**

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of Bank Companies Act, 1991 and amendments thereon and of instructions contained in DOS Circular No. 01 & 26 dated 19 January 2014 & 19 August 2019 respectively, MPD circular No. 03 dated 09 April 2020 respectively and BRPD Circular letter No. 31 dated 18 June 2020 issued by Bangladesh Bank.

The Cash Reserve Requirement (CRR) of the Bank calculated by weekly basis @ 4.00% on average demand and time liabilities (ATDTL) and maintained. 3.50% on daily minimum basis with Bangladesh Bank in current account and @ 13.00% Statutory Liquidity Ratio (SLR) on the same liabilities has also been maintained in the form of Cash in Hand, balance with Sonali Bank (as agent Bank), Treasury Bills, Treasury Bonds, Bangladesh Bank Bills, Prize Bond & excess of CRR held. In year end position of CRR & SLR maintained by UCB clearly reflects that, both the reserve are excess over the requirement. Details of reserves maintained by the bank as at 30 June 2022 are as follows:

**3.3.1 Cash Reserve Requirement (CRR)**

**A. Conventional and Offshore Banking:**

Average total demand and time liabilities

DBU  
OBU

411,133,814.250 389,701,927.600  
9,598,677.607 6,818,267.369  
**420,732,491.857 396,520,194.969**

Total ATDTL of Conventional and Offshore Banking

**i) CRR maintenance on daily minimum basis:**

DBU (3.5% of ATDTL)  
OBU (1.5% of ATDTL)

14,389,683.499 13,639,567.445  
143,980.164 102,274.031  
**14,533,663.663 13,741,841.456**  
22,864,979.929 17,160,492.479  
**8,331,316.266 3,418,651.023**

Required reserve  
Actual reserve maintained  
Surplus

**ii) CRR maintenance on bi-weekly average basis:**

DBU (4% of ATDTL)  
OBU (2% of ATDTL)

16,445,352.570 15,588,077.880  
191,973,552.15 136,165,347  
**16,637,326.122 15,724,442.427**  
22,864,979.929 17,160,492.479  
**6,227,653.806 1,436,050.051**

Required reserve  
Actual reserve maintained  
Surplus

**B. Islamic Banking:**

Average total demand and time liabilities

DBU  
OBU

4,647,343.250 1,681,107.880  
**4,647,343.250 1,681,107.880**

Total ATDTL of Islamic Banking

**i) CRR maintenance on daily minimum basis:**

DBU (3.5% of ATDTL)  
OBU (1.5% of ATDTL)

162,657.014 58,838.745  
**162,657.014 58,838.745**  
204,209.736 153,614.954  
**41,552.722 94,776.209**

Required reserve  
Actual reserve maintained  
Surplus

**ii) CRR maintenance on bi-weekly average basis:**

DBU (4% of ATDTL)  
OBU (2% of ATDTL)

185,893.730 67,244.280  
**185,893.730 67,244.280**  
204,209.736 153,614.954  
**18,316.006 86,376.674**

Required reserve  
Actual reserve maintained  
Surplus

**3.3.2 Statutory Liquidity Ratio (SLR)**

**A. Conventional and Offshore Banking:**

DBU (13% of ATDTL)  
OBU (13% of ATDTL)

53,447,395.853 50,661,250.510  
1,247,828.089 886,374.756  
**54,695,223.942 51,547,625.268**  
89,299,444.070 81,995,501.653  
**34,604,300.129 30,447,876.385**

Required reserve  
Actual reserve maintained  
Surplus

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**Atul Ahammad FCA**  
Executive Vice President  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

**ATM Tahmiduzzaman, FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.







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**B. Islamic Banking:**

	DBU (5.5% of ATDTL)
	QBU (5.5% of ATDTL)
Required reserve	
Actual reserve maintained	
Surplus	

**3.3.3 Held for Statutory Liquidity Ratio**

Cash in hand (note- 3.1)
Balance with Sonali Bank (agent Bank) (note-3.2.2)
Govt. Securities (Treasury Bills) (note:6.a)
Govt. Treasury Bond (HTM) (note : 6.1)
Govt. Treasury Bond (HFT) (note : 6.1)
Reverse Repo with other Bank (note : 6.1)
Bangladesh Bank Bills (note : 6.a)
Stock of Prize Bond (note : 6.1)
Excess Reserve of CRR (note : 3.3.1)

**4 Balance with other banks and financial institutions**

In Bangladesh (note - 4.1)
Outside Bangladesh (Annexure-A)

**4.1 In Bangladesh**

**A. Current account and others**

Jamuna Bank Limited.
Agrani Bank Limited.
Rupali Bank Limited.
Sonali Bank Limited.
Standard Chartered Bank
NRB Bank Limited (Islamic Banking)

**B. Fixed Deposits**

Bank
NCC Bank Limited
Dhaka Bank Limited
Meghna Bank Limited
Modhumati Bank Limited
Southanga Agricultural & Commerce Bank Ltd.
Southeast Bank Limited
Mercantile Bank Limited
Exim Bank Ltd
One Bank Limited
Mutual Trust Bank Limited
Shahjalal Islami Bank Limited
Midland Bank Limited
Premier Bank Limited
Pubali Bank Limited
Bank al Falah Limited
Jamuna Bank Limited
NRB Commercial Bank Limited
Commercial Bank of Ceylon
Prime Bank Limited

**NBFI**

International Leasing
Peoples Leasing & Finance Services
Reliance Finance Limited
Phoenix Finance and Investment Limited
ICB
Lanka Bangla Finance Limited
Uttara Finance & Investment Limited
Aviva Finance Limited
Meridian Finance & Investment Limited

**Islamic Banking:**

Exim Bank Limited
-------------------

**Total (A+B)**

**4.2 Maturity grouping of balance with other banks & financial institutions**

On demand
Upto three months
More than three months but less than six months
More than six months but less than one year
More than one year but less than five years

Consolidated		Amount in BDT	
30 Jun. 2022	31 Dec. 2021	30 Jun. 2022	31 Dec. 2021
		255,603,879	92,160,885
		255,603,879	92,160,885
		570,417,293	385,813,921
		314,813,414	292,553,036
		7,252,536,839	7,498,040,461
		6,337	42,982
		14,350,542,860	16,454,437,834
		57,594,710,419	56,180,690,499
		982,500,000	916,517,100
		7,143,273,490	
		8,585,500	7,794,000
		6,245,969,812	1,096,897,440
		93,578,125,257	82,154,428,226
4,523,079,706	19,568,997,037	2,748,639,999	18,344,218,194
2,125,230,029	1,065,031,784	2,125,230,029	1,065,031,784
6,648,309,735	20,633,128,821	4,873,870,028	19,409,249,978
		21,033,798	48,214,344
		5,091,765	581,455
		9,622	25,716
		500,100,593	1,612,325,609
		16,682,355	6,061,079
		921,866	450,000,000
		543,839,999	2,117,218,194
		-	1,500,000,000
		-	1,900,000,000
		-	600,000,000
		-	600,000,000
		-	1,000,000,000
		-	1,600,000,000
		-	-
		-	1,100,000,000
		-	343,200,000
		-	750,000,000
		-	1,200,000,000
		-	429,000,000
		-	300,000,000
		-	1,300,000,000
		-	450,000,000
		-	-
		-	13,072,200,000
		400,000,000	400,000,000
		4,800,000	4,800,000
		-	650,000,000
		500,000,000	500,000,000
		-	450,000,000
		150,000,000	150,000,000
		250,000,000	250,000,000
		650,000,000	-
		250,000,000	250,000,000
		2,204,800,000	2,654,800,000
		-	500,000,000
		-	500,000,000
		2,204,800,000	16,227,000,000
		2,748,639,999	18,344,218,194
		542,918,132	1,667,218,194
		4,080,951,895	15,637,231,784
		125,000,000	650,000,000
		125,000,000	650,000,000
		180,000,000	-
		4,873,870,028	19,409,249,978

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**Ruk Ahammad FCA**  
Joint Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

**ATM Tahmiduzzaman FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.







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## 5 Money at call on short notice

Modhumen Bank Limited
Industrial Promotion & Development
IDLC Finance Limited
Lanka Bangla Finance Limited
Delta Brac Housing Finance Corporate
South Bangla Agriculture & Commerce Bank Ltd
ICB Bank Limited
Dhaka Bank Limited
Jamuna Bank Limited
Janata Bank Limited
Midland Bank Limited
Meghna Bank Limited
NRB Bank Limited
Southeast Bank Limited
Investment Corporation Of Bangladesh
Prime Bank Limited
National Credit And Commerce Bank Limited
One Bank Limited

Consolidated	30 Jun. 2022	31 Dec. 2021	Amount in BDT	
			United Commercial Bank Limited	31 Dec. 2021
			200,000,000	250,000,000
			290,000,000	290,000,000
			650,000,000	600,000,000
			240,000,000	270,000,000
			590,000,000	500,000,000
				890,000,000
				450,000,000
			1,500,000,000	
			480,000,000	
			1,000,000,000	
			100,000,000	
			400,000,000	
			150,000,000	
			2,100,000,000	
			110,000,000	
			2,500,000,000	
			1,500,000,000	
			1,500,000,000	
			<b>13,310,000,000</b>	<b>3,200,000,000</b>

## 6 Investments

Government Securities
Other Investments

79,738,402,269	72,746,470,244	79,738,402,269	72,746,470,244
10,755,027,076	10,300,524,850	8,445,196,182	8,641,139,256
<b>90,493,429,345</b>	<b>83,046,995,094</b>	<b>88,183,598,451</b>	<b>81,387,609,500</b>

### a) Government Securities

#### Treasury Bills

28 days Treasury bills
91 days Treasury bills
182 days Treasury bills
364 days Treasury bills

#### Total Treasury Bills

#### Government Bonds

Prize Bonds
Reverse Repo with other Bank
Government Bonds

#### Total Government Bonds

#### Total Government Securities

9,895,977,000	
1,710,339,120	
2,744,226,740	16,454,437,834
<b>14,350,542,860</b>	<b>16,454,437,834</b>
8,585,500	7,794,800
7,143,273,490	
58,236,000,419	56,284,238,410
<b>65,387,859,409</b>	<b>56,292,032,410</b>
<b>79,738,402,269</b>	<b>72,746,470,244</b>

### b) Other investments

Shares in listed companies
Shares in non-listed companies
Sub-ordinated Bond
Others

#### Total other investments

#### Total Investments (a+b)

4,683,374,629	4,725,700,603
679,321,553	198,921,553
2,100,000,000	2,800,000,000
982,500,000	916,517,100
<b>8,445,196,182</b>	<b>8,641,139,256</b>
<b>88,183,598,451</b>	<b>81,387,609,500</b>

### 6.1 Government Securities are Classified as per Bangladesh Bank Circular

Treasury Bond - HTM
Treasury Bills - HTM
Reverse Repo with Others
Bangladesh Government Investment Sukuk
Other Securities ( Prize Bond )

57,594,710,419	56,186,698,409
14,350,542,860	16,454,437,834
7,143,273,490	
641,290,000	103,540,001
8,585,500	7,794,000
<b>79,738,402,269</b>	<b>72,746,470,244</b>

### 6.2 Maturity grouping of investments

On demand
Up to three months
More than three months but less than one year
More than one year but less than five years
Over five years

	103,540,000
20,177,000,000	17,878,727,893
11,510,296,102	7,258,238,668
15,447,800,000	17,238,083,760
41,048,502,269	38,909,019,178
<b>88,183,598,451</b>	<b>81,387,609,500</b>

### 6.3 Other Investments

Name of the Company	Market Price On 30.06.2022	Cost Price On 30.06.2022	Cost Price On 31.12.2021
A) Shares in listed companies			
Square Pharmaceuticals Ltd.	531,630,110	483,783,489	394,565,603
Grameenphone Ltd.	534,339,408	581,043,949	555,672,024
Brac Bank Ltd.	749,484,149	743,724,818	662,016,531
MARICO	86,942,952	77,515,921	93,583,768
National Housing Fin. and Inv. Ltd.	253,039,518	44,648,491	44,648,491
Titas Gas Transmission & dist. Co. Ltd.			38,233,177
Unique Hotel & Resorts Limited	36,167,500	79,999,980	79,999,980
ACI Limited	51,107,253	49,124,676	148,200,926
Borger PBL	63,499,075	65,575,090	42,557,144
Square Textile Limited	35,658,925	36,213,324	95,713,543
Shasha Denims Limited	88,902,871	147,310,426	147,310,426
Eastern Bank Ltd.			87,147,710
The City Bank Limited	302,157,026	343,340,057	343,341,194
United Power Generation & Distribution Company Limited	87,359,780	93,508,162	93,508,162
Navana CNG Limited	12,815,095	25,508,613	25,508,613
Singer Bangladesh Limited			66,941,608
IFAD Autos Limited			69,798,710
BATBC			289,967,315
Reneta	31,755,915	69,778,710	248,681,224
Genex Infosys Limited	360,696,493	365,840,439	1,051,525,748
United Commercial Bank Limited	323,787,691	279,132,735	145,800,000
Sub Total (a)	508,591,088	1,051,525,748	4,683,374,629
	180,986,400	145,800,000	4,725,700,566
	<b>4,238,921,248</b>	<b>4,683,374,629</b>	<b>4,725,700,566</b>

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

27 OCT 2022

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

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

Dr. Arif Quadri, FCA  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.





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Name of the Company	Market Price On 30.06.2022	Cost Price On 30.06.2022	Cost Price On 31.12.2021
<b>B) Shares in non-listed companies</b>			
Karmasangsthan Bank	10,000,000	10,000,000	10,000,000
Central Depository (BD) Ltd	6,277,370	6,277,370	6,277,370
Prime Finance Ltd Unit Fund	15,000,000	15,000,000	15,000,000
Energies Power Corporation	58,000,000	58,000,000	58,000,000
Fiber shine	10,000,000	10,000,000	10,000,000
UCB Asset Management Limited Mutual Fund			
ICB AMC LZND NBBUF	30,415,000	40,965,161	40,965,161
SWIFT	8,258,622	8,258,622	8,258,622
UCB TAQWA GF	52,447,500	52,500,000	
UCB AML FMF	32,340,000	30,000,000	
Fair electronics Ltd	500,000,000	500,000,000	
<b>Sub total (b)</b>	<b>723,538,892</b>	<b>731,821,553</b>	<b>198,921,590</b>
<b>Total (a + b)</b>	<b>4,962,460,140</b>	<b>5,415,196,182</b>	<b>4,924,622,156</b>

6.3 (a) Cost and market value of investment as on 31 December 2021

	Cost Price (Taka)	Market Value/ Amortized Cost	Market Value/ Amortized Cost
<b>Government securities</b>			
Treasury Bills (Govt. Securities)	14,350,542,860	14,350,542,860	18,458,437,834
Govt. Treasury Bond (HTM)	57,594,710,419	57,594,710,419	56,100,690,410
Others	7,143,273,490	7,143,273,490	916,517,100
Bangladesh Govt Investment Sukuk	641,290,000	641,290,000	103,540,000
Stock of Prize Bond	8,585,500	8,585,500	7,794,800
	<b>79,738,402,269</b>	<b>79,738,402,269</b>	<b>73,662,987,344</b>
<b>Investment in Shares, Bond &amp; Debenture</b>			
Quoted Shares	4,230,921,248	4,683,374,829	4,725,709,803
Un-Quoted Shares	723,538,892	731,821,553	198,921,553
<b>Total investment in shares</b>	<b>4,962,460,140</b>	<b>5,415,196,182</b>	<b>4,924,622,156</b>

6.4 (a) Disclosure regarding outstanding Reverse Repo on 30 June 2022.

Sl. No	Counter party Name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
1	SBAC Bank Ltd	June 26, 2022	July 3, 2022	804,883,868
2	SBAC Bank Ltd	June 26, 2022	July 3, 2022	59,678,538
3	Rupali Bank Ltd	June 26, 2022	July 3, 2022	1,944,160,800
4	Rupali Bank Ltd	June 26, 2022	July 3, 2022	236,987,500
5	Jamuna Bank Ltd	June 29, 2022	July 3, 2022	1,001,171,270
6	Mutual Trust Bank Ltd	June 29, 2022	July 4, 2022	459,652,800
7	Mutual Trust Bank Ltd	June 29, 2022	July 4, 2022	728,660,280
8	Janata Bank Ltd	June 29, 2022	July 6, 2022	528,706,656
9	Janata Bank Ltd	June 29, 2022	July 6, 2022	283,439,700
10	Janata Bank Ltd	June 29, 2022	July 6, 2022	1,142,342,400
<b>Total</b>				<b>7,189,723,091</b>

6.4 (b) Disclosure regarding overall transaction of Repo and Reverse Repo

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
<b>Securities sold under repo:</b>			
1) With Bangladesh Bank			
2) With Bank & FIs	429,137,634	701,075,615	565,106,824
<b>Securities Purchased under reverse repo:</b>			
1) from Bangladesh Bank			
2) from Other Bank & Financial ins.	502,919,310	10,108,677,176	2,487,763,852

	Consolidated	United Commercial Bank Limited	Amount in BDT
	30 Jun. 2022	31 Dec. 2021	31 Dec. 2021
<b>7 Loans and Advances</b>	<b>446,073,186,765</b>	<b>408,309,815,649</b>	<b>442,104,972,548</b>
<b>7.1 Maturity grouping of Loans &amp; Advances (including bills purchased and discounted)</b>			
On demand	4,868,600,000	36,153,280,974	4,868,600,000
Not more than three months	116,006,131,304	60,933,570,614	116,006,131,304
More than three months but less than one year	111,727,573,044	116,137,456,289	107,754,358,846
More than one year but less than five years	153,380,726,755	140,170,671,641	153,380,726,755
More than five years	60,090,155,643	54,914,836,132	60,090,155,643
	<b>446,073,186,765</b>	<b>408,309,815,649</b>	<b>442,104,972,548</b>
<b>7.2 Loans &amp; Advances</b>			
<b>i) Loans, Cash credit &amp; overdraft etc</b>			
<b>a) Within Bangladesh</b>			
Loan	330,866,632,465	297,246,966,038	326,998,418,248
Cash credits	24,501,931,716	24,756,450,792	24,501,931,716
Overdrafts	59,854,266,141	59,750,987,341	59,854,266,141
	<b>415,322,830,322</b>	<b>381,754,404,171</b>	<b>411,354,616,105</b>
<b>b) Outside Bangladesh</b>			
	<b>415,322,830,322</b>	<b>381,754,404,171</b>	<b>411,354,616,105</b>

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmidur Rahman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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Chartered Accountants

	Consolidated		Amount in BDT United Commercial Bank Limited	
	30 Jun. 2022	31 Dec. 2021	30 Jun. 2022	31 Dec. 2021
ii) Bills Purchased & Discounted (note: 7.13)				
a) Payable Inside Bangladesh	3,257,892,459	2,595,591,213	3,257,892,459	2,595,591,213
Inland Bills Purchased				
b) Payable outside Bangladesh	27,492,463,984	23,959,820,265	27,492,463,984	23,959,820,265
Foreign bills purchased & discounted	30,750,356,443	26,555,411,478	30,750,356,443	26,555,411,478
	446,073,186,765	408,309,815,649	442,104,972,548	402,481,735,743

### 7.3 Net Loans & Advances

Gross Loans & Advances (note- 7.2)

Less: Non Performing Loans & Advances (note- 7.10 b)

Interest suspense (note- 12.4)

Provision for Loans & Advances (note- 7.11)

442,104,972,548	402,481,735,743
20,528,483,757	17,737,293,394
14,636,629,567	13,540,853,401
18,805,936,820	16,584,382,139
53,971,050,144	47,862,528,934
388,133,922,404	354,619,206,809

### 7.4 Loans & Advances according to significant concentration

- a) Advances to the companies or firms in which the Directors of the Bank are interested  
b) Advances to Chief Executive and other senior executives  
c) Advances to customers group

- i) Commercial Lending  
ii) Import Finance  
iii) Export Finance  
iv) House Building Loan  
v) Transport Loan  
vi) Retail Loan  
vii) Staff Loan  
viii) Industrial Loan  
ix) Agricultural Loan  
x) Others

45,085,894,874	45,575,816,391
25,986,010,524	24,235,864,805
3,521,064,692	3,358,188,461
25,694,461,562	23,753,409,182
3,833,410,539	3,715,012,679
16,273,472,262	15,388,734,073
4,957,408,363	4,672,954,406
266,816,847,135	234,010,858,474
5,489,925,921	4,766,106,482
44,446,476,676	43,004,990,786
442,104,972,548	402,481,735,743

### Total Loans & Advances

### 7.5 Industry wise Loans and Advances

- RMG & Accessories  
Textile Industries  
Agriculture  
Food Products & Processing  
Jute Industries  
Leather & Leather Products  
Paper & Paper Products Industries  
Wood & Wooden Products  
Chemical & Chemical Products  
Cement Industries  
Brick Field, Auto Bricks, Tiles  
Engineering, Basic Metal & Products  
Ship Re-cycling  
Ship Manufacturing  
Educational Institute, Hotel, Restaurant  
Telecommunication  
Transport & Communication  
Diagnostic/Medical/Clinic  
Housing Industry  
Construction (Other than Housing)  
Electronics Media  
Power & Energy  
Commercial Trade Financing  
Glass & Glassware Product Industries  
Tea Manufacturing  
Others

92,438,119,596	85,745,065,804
25,942,896,111	24,789,611,096
5,489,925,921	4,766,106,487
17,593,851,037	15,604,962,054
253,288,229	219,726,904
1,334,141,895	1,283,409,827
7,375,056,256	7,443,876,678
2,775,723,725	2,822,182,309
8,141,819,941	6,541,225,453
11,278,929,578	10,458,041,616
2,148,464,915	1,503,664,468
13,671,496,775	11,559,966,845
9,377,869,815	7,011,565,533
2,118,314,375	2,320,056,667
5,295,977,461	3,169,071,431
2,743,587,525	2,441,694,716
3,833,410,539	3,715,012,679
3,795,229,560	3,641,814,854
25,694,461,562	23,753,409,182
33,087,482,062	34,831,450,370
334,583,586	342,143,301
11,237,582,893	9,960,279,417
74,592,970,090	73,169,869,658
608,985,801	273,075,916
542,907,910	792,871,809
80,397,895,390	64,411,660,672
442,104,972,548	402,481,735,743

### 7.6 Geographical Location wise Loans & Advances

#### Urban branches

- Dhaka  
Chattogram  
Sylhet  
Rajshahi  
Rangpur  
Khulna  
Barisal

328,628,865,838	292,940,857,981
84,145,966,898	80,077,067,434
1,518,561,828	1,594,813,124
6,365,201,283	5,989,399,541
711,859,500	735,352,710
7,556,892,062	7,875,736,669
576,293,092	617,874,898
429,503,640,501	389,830,902,548

#### Rural branches

- Dhaka  
Chattogram  
Sylhet  
Rajshahi  
Rangpur  
Khulna  
Barisal

8,798,097,065	8,977,936,526
2,902,385,047	2,950,685,129
359,543,414	299,176,794
298,746,838	267,744,920
42,901,392	59,217,920
141,120,478	94,670,835
50,537,812	11,401,872
12,601,332,047	12,650,833,196
442,104,972,548	402,481,735,743

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Arif Akmal, FCA  
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United Commercial Bank Limited  
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Dhaka-1212



Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





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Chartered Accountants

## 7.7 Sector - wise Loans and Advances

Government & autonomous  
Co-operative sector  
Other public sector  
Private sector

Consolidated		Amount in BDT United Commercial Bank Limited	
30 Jun. 2022	31 Dec. 2021	30 Jun. 2022	31 Dec. 2021
		90,451,939	86,960,433
		22,419,925	
		441,992,100,684	402,395,675,311
		<b>442,104,972,548</b>	<b>402,481,735,743</b>

## 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)

Outstanding Advances (note : 7.8.1)

Number of customers

Classified amount

Measures taken for recovery

5,321

27,226

39

41

## 7.8.1 Detail of information on Advances more than 10% of Bank's total Capital as on 30 June 2022

Name of the Borrower	Outstanding as on 30 June 2022			(Figure in crore)
	Funded	Non-Funded	Total	31 December 2021
				Total Taka
Four H group	1,233.25	609.66	1,922.91	1,971.82
Mondol Group	509.86	1,440.40	1,950.25	1,806.93
Micro Fibre Group	628.64	831.63	1,460.27	1,552.40
Mostafa-Hakim Group	477.52	804.00	1,281.52	1,179.06
Bashundara Group	790.31	290.96	1,081.27	1,124.45
Toma Group	408.89	520.89	929.78	926.71
BSM Group	527.92	264.01	791.93	913.87
GRH Group	186.53	645.78	832.31	980.85
Metro (Panami) Group	482.43	689.37	1,171.80	902.08
Abul Khair group	20.40	796.09	816.49	737.63
N.R. Group	507.01	332.54	839.55	699.80
DIRD Group	584.73	77.86	662.59	620.98
Pran Group	250.92	430.83	681.75	576.01
B Trac Group	111.02	441.96	552.98	568.97
City Group	161.42	884.65	1,046.07	556.87
Habib Group	-	-	-	554.11
Kabir Group	352.34	245.17	597.51	532.55
AWR Group	475.93	23.07	499.00	526.99
LIZ GROUP	447.59	174.88	622.47	503.46
Confidence Group	93.77	516.50	610.27	483.61
Buraka Patenga Group	234.86	670.30	905.16	583.60
New Asia Group	-	-	-	476.37
Multi Trading Group	170.76	250.12	420.88	470.76
Tahseen Group	76.60	328.10	404.70	429.00
Wahid Group	-	-	-	397.45
APS Group	300.61	123.06	423.66	393.71
Max Group	159.45	257.61	417.06	387.65
Mir Akhter Hossain	-	-	-	386.19
Thermax Group	166.64	236.14	402.79	385.53
M.M Knitwear Group	259.08	256.86	515.94	383.91
Anwar Group	222.49	182.99	405.47	377.43
BSRM Group	0.06	503.62	503.68	361.26
Orion Group	335.26	6.39	341.65	344.20
Fair Group	-	-	-	340.19
Baishakhi Group	256.06	158.99	415.04	323.97
Energypac Group	217.06	66.42	283.48	283.66
Bashundara Oil	245.12	14.18	259.30	249.21
Ideal Electrical Group	-	-	-	213.23
Meghna Group	52.37	596.16	648.53	126.84
Spectra Group	137.86	316.10	453.96	110.96
Summit Group	35.81	288.35	324.16	60.75
Rupayan Group	578.32	-	578.32	-
Walton Group	98.37	121.28	219.64	-
Youth Group	-	199.79	199.79	-
Bulk Trade Group	58.46	693.52	751.98	-
<b>Total</b>	<b>11,855.70</b>	<b>15,370.23</b>	<b>27,225.92</b>	<b>24,499.44</b>

## 7.9 Disclosure of Particulars of Advances

i) Loans considered good in respect of which the banking company is fully & partly secured.

342,892,382.738

312,160,979.738

ii) Loans considered good against which the banking company holds no security than the debtors personal guarantee.

55,050,206.868

50,116,384.346

iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor.

44,162,382.942

40,204,371.460

iv) Loans adversely classified, provision not maintained there against.

**442,104,972,548**

**402,481,735,743**

v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person

4,957,408,363

4,672,954,406

vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners, or managing agents or in case of private companies, as members

Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other person

4,957,408,363

4,672,954,406

Dr. Ahammed FGA  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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



Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.



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vi) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Bank are interested as directors, partners or managing agents or in the case of private companies as members

ix) Due from banking companies

x) Amount of classified loans on which interest has not been charged:

a) (Decrease)/ Increase in provision

b) Amount realized against loan previously written off

c) Amount of provision kept against loan classified as Bad / Loss on the balance sheet date

d) Interest credited to the interest suspense account.

xi) Cumulative amount of the written off loan

xii) Amount written off during the year

xiii) Amount of written off loan for which law suit filed

#### 7.10 Classification of Loans & Advances

##### a) Unclassified

Standard (SMA)

Standard (Small & Medium Ent.)

Standard (Consumer Finance- Credit Card)

Standard (Consumer Finance- House Finance)

Standard (Consumer Finance- Loan Professional)

Standard (Consumer Finance- Others)

Standard (Agri Loan)

Standard (Staff Loan)

Standard (Others)

SMA-Special RSDL (BRPD-5)

##### b) Classified

Sub - Standard

Doubtful

Bad & Loss

Total

#### 7.11 Particulars of required provision for Loans & Advances

Particulars	Base for Provision	Rate of Provision	Provision required	
<b>General Provision (a)</b>				
Special Mention Account	7,589,580,527	0.25% - 5%	57,228,637	128,058,148
Small & Medium Enterprise	93,584,239,742	0.25%	233,960,654	222,916,699
Consumer Fin. - Credit Card	2,894,027,782	2%	50,686,346	50,987,223
Consumer Fin. - House Finance	3,993,333,106	1%	39,876,661	31,830,300
Consumer Fin. - Loan for Professional	389,025,518	2%	7,780,514	7,409,032
Consumer Fin. - Others	5,238,106,678	5%	105,159,446	103,259,851
Short Term Agri & Micro Credit	7,777,213,650	1%	77,772,148	39,509,401
Loan to BILs/MBs/SDs against share	2,357,439,576	2%	47,147,811	40,374,100
Standard loans & advances	292,930,220,089	1%	4,627,160,820	4,297,095,244
Special General Provision- COVID-19	-	1%	1,540,000,000	1,540,000,000
	<b>416,753,186,668</b>		<b>6,786,773,037</b>	<b>6,462,040,000</b>
<b>Specific Provision (b)</b>				
Sub - Standard	1,217,803,513	20% & 5%	244,869,074	47,923,031
Doubtful	67,744,295	50% & 5%	18,499,113	9,736,950
Bad & Loss	7,214,928,756	100%	7,214,928,761	6,081,831,019
SMA-Special RSDL (BRPD-5)	4,823,301,835		1,316,397,584	1,411,704,080
Bangladesh Bank Directives	-		2,658,191,181	2,415,465,663
Provision against special accounts	-		566,288,070	155,680,496
	<b>13,323,778,399</b>		<b>12,019,163,783</b>	<b>10,122,342,139</b>
<b>Total provision required for Loans &amp; Advances (A+B)</b>	<b>430,076,965,067</b>		<b>18,805,936,820</b>	<b>16,584,382,139</b>
Total provision held for Loans & Advances			18,805,936,820	16,584,382,139
Excess/(Short) Provision				

#### 7.12 Suit filed by different branches against defaulted borrowers during the year

##### ( Branch wise details )

Agrabad Branch

Islampur Branch

O.R. Nizam Road Branch

Gazipur Chowrasta Branch

Corporate Branch

Bijaynagar Branch

Chauhan Branch

Feni Branch Branch

Jessore Branch

Naogaon Branch

Comilla Branch

Sylhet Branch

Brahmanbaria Branch

Gulshan Branch

Kanaipur Branch

Mirpur Road Branch

Narayanganj Branch

Rajshahi Branch

Chittagong Medical College Branch

636,133,512

4,245,486

3,216,047

16,118,474

177,855,039

32,569,771

73,515,661

-

-

-

-

-

215,648,483

-

1,865,903

2,782,916

716,234,586

-

-

-

314,868,306

-

-

-

-

-

-

7,379,375

771,279

2,150,728

42,122,885

-

15,664,140

-

-

45,394,595

-

13,357,560

-

-

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**Faruk Ahammed**  
Senior Executive Vice President & CFO

United Commercial Bank Limited

Finance Division

Corporate Office, Gulshan, Dhaka.

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

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



**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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Dinajpur Branch  
Mymensingh Branch  
Station Road Branch  
Jhawla Branch  
O.R. Nizam Road Branch  
Principal Branch  
Mohammadpur Branch  
Kadamali Branch  
Sherpur Branch (Mymensingh)  
Anderkilla Branch  
Chapainabgonj Branch

**7.13 Bills purchased and discounted**  
a) Payable in Bangladesh  
b) Payable outside Bangladesh.

**7.13.1 Maturity grouping of bills purchased and discounted**  
Payable within one month  
Over one month but less than three months  
Over three months but less than six months  
Six months or more

**8. Fixed assets including premises, furniture & fixture**

Land  
Building  
Furniture and fixtures  
Office equipments  
Computer & equipments  
Vehicles  
Capital Expenditure Work in Progress

**Intangible assets**

Computer software

**Lease Asset**

Right of Use assets (ROU) as per IFRS 16

Less: Accumulated depreciation & amortization

**Written down value at the end of the year**

**Fixed Assets Schedule**

A schedule of Fixed assets is given in Annexure - B

**9. Other assets**

Investment in share of subsidiary companies  
Investment against Right share of subsidiary companies\*  
Receivable from Subsidiary Company  
Stock of Stationery & Stamps  
Account with Stock Broker  
Advance Payment  
Advance Deposit  
Suspense Account (note - 9.1)  
Advance Income Tax Paid (note - 9.2)  
Interest Receivable  
Income Receivable  
Head Office General Account (note - 9.3)  
Deferred Tax Asset (note - 9.4)  
Others (note - 9.5)

**9.1 Suspense accounts**

Advance against expenses  
Advance against others  
Advance against Foreign Remittance Settlement  
Claims on Sanchaypatra  
Interest on sanchaypatra  
Excise duty  
Protested bill  
Sundry receivable ATM  
Cash in Transit  
Card suspense  
UBS Required Suspense Account  
Cash in Excess/(Short) ATM

**9.2 Advance income tax**

Opening balance  
Add: Advance Tax paid during the year  
Less: Advance Tax adjustment with tax Provision  
Balance at the end of the year

Consolidated		Amount in BDT United Commercial Bank Limited	
30 Jun. 2022	31 Dec. 2021	30 Jun. 2022	31 Dec. 2021
		68,662,600	
		6,749,528	
		67,555,552	
		23,627,440	
		540,865,121	
		65,845,149	
		42,831,306	
		992,407	
		664,513,887	
		6,192,548	
		37,022,958	
		52,877,624	
		<b>1,946,031,027</b>	<b>2,038,876,396</b>
		3,257,892,459	2,595,991,213
		27,492,463,984	23,959,820,265
		<b>30,750,356,443</b>	<b>26,555,811,478</b>
		8,321,500,000	1,320,231,986
		9,355,200,000	1,456,812,954
		672,626,425	461,375,440
		12,401,030,018	23,396,791,098
		<b>30,750,356,443</b>	<b>26,555,811,478</b>
		4,395,054,203	4,395,054,203
		2,559,698,620	2,559,698,620
		2,507,200,335	2,375,267,236
		2,636,070,469	2,605,760,758
		1,848,518,448	1,687,141,074
		525,431,963	500,650,963
		900,540,773	799,111,835
		<b>15,372,514,891</b>	<b>14,800,485,569</b>
		1,603,628,689	1,439,714,788
		5,590,566,138	5,590,566,138
		<b>22,566,709,718</b>	<b>21,910,771,495</b>
		7,912,705,078	7,189,579,929
		<b>14,654,004,640</b>	<b>14,741,191,566</b>
		7,499,999,980	5,499,999,980
		46,097,168	3,288,579
		41,462,833	45,574,840
		709,615,807	707,191,708
		2,585,853,707	2,252,650,397
		6,267,730	6,267,730
		1,831,900,222	1,831,900,222
		3,207,557,372	3,207,557,372
		1,404,873,978	1,379,555,672
		61,609,755	61,609,755
		3,627,585	2,659,186
		5,044,264,041	4,226,106,936
		925,907,922	893,033,552
		<b>23,179,038,112</b>	<b>18,734,245,156</b>
		928,464,818	1,852,123,400
		19,896,442	13,036,099
		157,444,401	255,271,070
		44,878,272	42,284,507
		1,072,340	1,650,900
		97,013,874	97,013,874
		393,072,313	241,741,913
		6,300,000	
		77,886,860	77,886,953
		105,110,902	
		760,000	592,500
		<b>1,831,900,222</b>	<b>2,581,370,216</b>
		1,118,597,021	1,293,168,266
		2,388,960,351	3,285,957,999
		(300,000,000)	(3,460,528,944)
		<b>3,207,557,372</b>	<b>1,118,597,021</b>

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*[Signature]*

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ATM Tahmiduzzaman FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

*[Signature]*

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

27 OCT 2022

*[Signature]*

Nasimul Baten  
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DBH Finance PLC.

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## 9.2.1 Advance income tax paid

A) Assessment year wise break up is as follows:

2012-2013  
2013-2014  
2017-2018  
2018-2019  
2020-2021  
2021-2022  
2022-2023  
2023-2024

Less: Advance Tax Adjusted with tax provision up to the period ended 30 June 2022

Amount in BDT	
United Commercial Bank Limited	
30 Jun. 2022	31 Dec. 2021
2,300,895,593	2,300,895,593
1,801,862,346	1,801,862,346
2,824,701,311	2,524,701,311
2,381,403,375	2,381,403,375
2,077,302,249	2,077,302,249
2,240,133,810	2,240,133,810
3,018,597,923	1,118,597,923
188,960,351	
16,841,856,058	14,452,895,707
(13,634,298,686)	(13,334,298,686)
3,207,557,372	1,118,597,021

## 9.3 Head Office General Account

This is made up as follows:

Due from branches  
Less: Due to branches

178,885,106,346	171,732,467,223
178,881,478,761	171,729,808,326
3,627,585	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:

Particulars	Accounting Base	Tax Base	Deductible/ (Taxable) Temporary Difference	Applicable Rate	Deferred Tax Asset/(Liability)
Balance as at 31 December, 2021					4,375,162,627
Deferred Tax Asset (a)					(146,300,490)
Deferred Tax Liability (b)					
Net Deferred Tax Asset as at 31 December, 2021 (a+b)					4,228,862,137
Balance as at 30 June, 2022					5,063,063,926
Deferred Tax Asset (a)					(18,799,885)
Deferred Tax Liability (b)					
Net Deferred Tax Asset as at 30 June, 2022 (a+b)					5,044,264,041
Provision Opening(Specific)	11,604,682,158		11,604,682,158	37.50%	4,351,755,809
Provision During the Year(Specific)	2,210,758,123	313,936,478	1,896,821,645	37.50%	711,508,117
Provision Opening(Dilution of Investment)				10.00%	
Deferred tax asset (a)					5,063,063,926
Property, Plant and Equipment's	5,338,887,625	5,171,600,487	(167,207,138)	37.50%	(62,702,677)
Provision During the Year(Dilution of Investment)	439,027,921		439,027,921	10.00%	43,902,792
Deferred tax liabilities (b)					(18,799,885)
9.5 Others					949,554
UCB International school project					
Receivable from Others					924,958,380
COVID-19 Receivable					892,084,013
Input VAT & Clearing Adjustment Account					
					925,907,934
9.6 Non-income generating other assets					41,462,833
Stock of Stationery & Stamps					709,615,807
Account with Stock Broker					2,595,853,707
Advance Payment					6,267,730
Advance Deposit					3,207,557,372
Advance Income Tax Paid					1,831,900,222
Suspense Account					3,627,585
Head Office General Account					5,044,264,041
Deferred Tax Asset					925,907,934
Others					
					14,366,457,231
					11,836,386,799

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Faruk Ahammed FCA  
Senior Executive Vice President  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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Dhaka-1212

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	Consolidated		United Commercial Bank Limited	
	30 Jun. 2022	31 Dec. 2021	30 Jun. 2022	31 Dec. 2021
<b>10 Borrowings from other banks, financial institutions &amp; agents</b>				
In Bangladesh (note - 10.1)	84,830,582,106	79,486,038,324	83,123,268,327	75,879,235,181
Out Side Bangladesh (note - 10.2)	11,678,457,284	9,924,399,071	11,678,457,284	9,924,399,071
	<b>96,509,039,390</b>	<b>89,410,437,395</b>	<b>94,801,725,611</b>	<b>85,803,634,252</b>
<b>10.1 In Bangladesh</b>				
UCBL Subordinated Bond (note - 10.1.1)			12,600,000,000	13,300,000,000
UCBL Perpetual Bond			4,000,000,000	4,000,000,000
Bangladesh Bank IPFF Fund			5,217,018,654	4,780,948,537
EDF Borrowings from Bangladesh Bank			49,891,413,844	43,048,579,624
Borrowing from Bangladesh Bank Refinancing scheme			11,414,835,829	10,328,716,020
OBV Term Borrowing-Bank				629,000,000
			<b>83,123,268,327</b>	<b>75,879,235,181</b>
<b>10.1.1 UCBL Subordinated Bond</b>				
UCBL 1st Subordinated Bond			1,000,000,000	1,000,000,000
UCBL 2nd Subordinated Bond			4,200,000,000	4,900,000,000
UCBL 3rd Subordinated Bond			7,400,000,000	7,400,000,000
UCBL 4th Subordinated Bond			<b>12,600,000,000</b>	<b>13,300,000,000</b>
<b>10.2 Out Side Bangladesh</b>				
PROPARCO			44,499,993	122,571,423
DBS Bank Limited				1,716,000,000
Standard Chartered Bank				858,000,000
National Bank of Ras Al-Khaimah, UA			2,896,950,000	2,337,227,648
Emirates Islamic Bank			1,401,750,000	343,200,000
Commercial Bank of Qatar			934,500,000	
Ahu Dhabi Commercial Bank			2,803,500,000	2,574,000,000
Caixa Bank Spain			1,682,100,000	
State Bank of India Hong Kong			934,500,000	
United Bank Limited-UAE			233,057,291	
ICICI Bank Ltd., India			280,350,000	429,000,000
Bank Muscat International			467,250,000	1,544,400,000
			<b>11,678,457,284</b>	<b>9,924,399,071</b>
<b>10.3 Security against borrowings from other banks, financial institutions and agents</b>				
Secured			94,801,725,611	85,803,634,252
Unsecured			<b>94,801,725,611</b>	<b>85,803,634,252</b>
<b>10.4 Maturity Grouping of Borrowings from other banks, financial institutions &amp; agent</b>				
Payable on demand			7,768,000,000	4,642,509,586
Payable within one month			61,964,397,590	49,836,743,129
Over one month but within six months			4,798,259,694	8,355,580,697
Over six month but within one year			11,024,100,000	15,174,871,980
Over one year but within five years			9,246,968,327	7,593,428,860
Over five years but within ten years			<b>94,801,725,611</b>	<b>85,803,634,252</b>
<b>11 Deposits and other accounts</b>				
Inter Bank deposits	5,571,890,866	3,519,459,448	5,571,890,866	3,519,459,448
Other deposits	411,512,004,756	383,504,369,015	413,946,619,585	386,381,264,536
	<b>417,083,895,622</b>	<b>387,023,828,463</b>	<b>419,518,510,451</b>	<b>389,900,723,984</b>
<b>a. Current accounts &amp; other accounts</b>				
Current deposits	49,993,209,860	48,827,732,278	52,427,904,689	51,704,627,799
Foreign currency deposits	2,990,339,512	2,389,666,375	2,990,339,512	2,389,666,375
Sundry deposits (note - 11.1)	31,239,764,271	27,128,769,687	31,239,764,271	27,128,769,687
	<b>84,223,393,643</b>	<b>78,346,168,340</b>	<b>86,658,008,472</b>	<b>81,223,063,861</b>
<b>b. Bills Payable</b>				
Pay order	9,716,519,546	8,838,542,084	9,716,519,546	8,838,542,084
Demand draft payable	6,724,185	6,726,285	6,724,185	6,726,285
Others Payable				
	<b>9,723,243,731</b>	<b>8,845,268,369</b>	<b>9,723,243,731</b>	<b>8,845,268,369</b>
<b>c. Savings Bank deposits</b>				
Savings Bank deposits	86,370,938,817	80,659,233,376	86,370,938,817	80,659,233,376
	<b>86,370,938,817</b>	<b>80,659,233,376</b>	<b>86,370,938,817</b>	<b>80,659,233,376</b>
<b>d. Fixed deposits</b>				
Fixed deposits	151,709,447,912	139,395,911,610	151,709,447,912	139,395,911,610
Special notice deposits	41,122,268,868	37,312,802,201	41,122,268,868	37,312,802,201
Scheme Deposits	43,934,602,651	42,464,444,567	43,934,602,651	42,464,444,567
	<b>236,766,319,431</b>	<b>219,173,158,378</b>	<b>236,766,319,431</b>	<b>219,173,158,378</b>
<b>Total Deposits and other accounts (a+b+c+d)</b>	<b>417,083,895,622</b>	<b>387,023,828,463</b>	<b>419,518,510,451</b>	<b>389,900,723,984</b>

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
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**11.1 Sundry deposits**

Sundry creditors  
Security deposits  
Debit & Credit card  
Others  
FC held against deemed export LC  
FC held against BTB LC  
Margin  
Letter of guarantees  
Letter of credit  
SME Time Loan  
Export Proceed

Consolidated		United Commercial Bank Limited	
30 Jun. 2022	31 Dec. 2021	30 Jun. 2022	31 Dec. 2021
		303,126,876	285,174,918
		10,122,150	9,432,100
		13,376,760	12,206,642
		17,040,386	16,935,934
		3,022,294,637	1,752,810,210
		18,541,115,922	16,877,138,845
		2,559,701,796	2,464,156,924
		6,672,493,285	5,606,773,719
		18,828,355	6,193,459
		81,664,104	99,946,936
		<b>31,239,764,271</b>	<b>27,128,769,687</b>

**11.2 Maturity analysis of deposits & other accounts****Inter- Bank Deposits**

Payable on demand  
Payable within one month  
Over one month but within six months  
Over six month but within one year  
Over one year but within five years  
Over five years but within ten years

16,621,020	14,192,579
55,269,846	5,266,869
5,500,000,000	
	3,500,000,000
<b>5,571,890,866</b>	<b>3,519,459,448</b>

**Other Deposits**

Payable on demand  
Payable within one month  
Over one month but within six months  
Over six month but within one year  
Over one year but within five years  
Over five years but within ten years

5,357,239,211	5,285,531,770
48,151,365,193	42,148,846,699
97,168,284,068	93,382,406,402
38,451,830,268	36,028,943,486
127,590,475,141	120,081,483,974
97,227,425,703	89,453,052,305
<b>413,946,619,585</b>	<b>386,381,264,536</b>
<b>419,518,510,451</b>	<b>389,900,723,984</b>

**11.3 Sector-wise deposits**

Government  
Semi-Government  
Public  
Private  
Foreign Currency Deposits

1,800,300,143	1,678,480,284
2,940,311,508	2,476,620,336
25,601,283,966	21,985,285,046
386,186,275,322	361,370,671,942
2,990,339,512	2,389,666,375
<b>419,518,510,451</b>	<b>389,900,723,984</b>

**12 Other Liabilities**

Provision for loans & advances (note - 12.1)  
Special General Provision for COVID-19 (note - 12.2)  
Provision for off-balance sheet exposure (note - 12.3)  
Interest suspense account (note - 12.4)  
Provision for diminution in value of investment (note - 12.5)  
Provision for classified fixed assets (note - 12.6)  
Provision for classified other assets (note - 12.7)  
Provision for current tax (note - 12.8)  
Provision for UCB foundation (note - 12.9)  
Unclaimed Dividend Account \*  
Interest payable  
Lease Liabilities as per IFRS 16  
Sundry liabilities  
Start-Up Fund

17,265,936,822	15,044,382,138	17,265,936,822	15,044,382,138
1,540,000,000	1,540,000,000	1,540,000,000	1,540,000,000
2,362,448,652	2,407,237,923	2,362,448,652	2,407,237,923
14,636,629,567	13,540,853,401	14,636,629,567	13,540,853,401
439,027,921	-	439,027,921	-
3,972,000	3,972,000	3,972,000	3,972,000
105,000,000	105,000,000	105,000,000	105,000,000
8,339,016,381	6,570,722,950	7,707,202,698	5,943,618,568
44,500,000	81,500,000	44,500,000	81,500,000
75,776,280	80,075,149	75,776,280	80,075,149
5,209,317,118	4,847,407,733	5,209,317,118	4,847,407,733
4,473,737,183	4,660,758,109	4,473,737,183	4,660,758,109
7,790,935,828	7,659,501,576	3,405,616,815	3,852,697,109
76,873,644	60,343,687	76,873,644	60,343,687
<b>62,363,171,396</b>	<b>56,601,754,666</b>	<b>57,346,038,700</b>	<b>52,167,845,817</b>

\* As per Bangladesh Securities and Exchange Commission (BSEC) directive no. BSEC/CMRRCD/2021-386/3 dated 14 January 2021 and Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021, the transfer of unclaimed dividend amount of the Bank outstanding for more than 03 (three) years to Capital Market Stabilization Fund (CMSF) is under process.

**12.1 Provision for loans & advances**

General provision Notes 12.1.1  
Specific Provision Notes 12.1.2

5,246,773,037	4,922,039,998
12,019,163,785	10,122,342,140
<b>17,265,936,822</b>	<b>15,044,382,138</b>

**12.1.1 General provision**

Opening balance  
Provision made during the year  
Transferred from surplus of other provision heads  
Exchange Difference

4,922,039,998	4,566,041,128
303,268,022	353,378,491
21,465,017	2,620,379
<b>5,246,773,037</b>	<b>4,922,039,998</b>

**12.1.2 Specific Provision**

Opening balance  
Less: Adjustment due to written off  
Add: Provision made during the year  
Add: Recoveries of amounts previously written off  
Less: Recoveries and provisions no longer required  
Add: Net Charge to Profit & Loss A/C

10,122,342,140	7,239,857,885
(313,936,478)	(426,609,401)
2,057,169,775	3,206,516,138
153,588,348	102,577,518
<b>12,019,163,785</b>	<b>10,122,342,140</b>

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Faruk Ahammed  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





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Consolidated		United Commercial Bank Limited	
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#### 12.2 Special General Provision for COVID-19

Opening balance		1,540,000,000	840,000,000
Provision made during the period		1,540,000,000	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 period		(52,551,448)	549,132,684
Exchange Difference		7,762,177	965,250
		<b>2,362,448,652</b>	<b>2,407,237,923</b>

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 30 June 2022 is BDT 2,362,448,652 against which available provision is BDT 2,362,448,652

#### 12.4 Interest suspense account

Opening balance		13,540,853,401	11,594,608,601
Add: Amount transferred to interest suspense account during the period		2,879,716,239	4,342,188,321
Less: Amount recovered from interest suspense account during the period		(1,554,969,380)	(2,080,445,188)
Less: Interest waiver/remission allowed		(91,445,001)	(208,399,685)
Less: Amount written off during the period		(137,525,692)	(107,098,648)
		<b>14,636,629,567</b>	<b>13,540,853,401</b>

#### 12.5 Provision for diminution in value of investment

Opening balance			235,220,899
Provision made/(reversed) during the period		439,027,921	(235,220,899)
		<b>439,027,921</b>	

#### 12.6 Provision for classified fixed assets

Opening balance		3,972,000	3,972,000
Provision made during the period		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 period		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 period		2,063,584,130	3,960,296,853
Add: Adjustment with previous period			(136,818,144)
Less: Adjustment with advance Tax		(300,000,000)	(3,460,528,944)
		<b>7,707,202,698</b>	<b>5,943,618,568</b>

#### 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
2015-2016		
2016-2017	2,561,251,694	2,561,251,694
2017-2018	3,027,500,000	3,027,500,000
2018-2019		
2019-2020	2,783,077,663	2,783,077,663
2020-2021	2,609,395,100	2,609,395,100
2021-2022	3,960,296,854	3,960,296,854
2022-2023	2,063,584,130	
2023-2024	<b>21,341,501,384</b>	<b>19,277,917,253</b>
	(13,634,298,686)	(13,334,298,685)
	<b>7,707,202,698</b>	<b>5,943,618,568</b>

Less: Adjustment of Current Tax Provision with advance Tax up to the period ended 30 June 2022

	Effective Rate	30 June 2022	Effective Rate	31 December 2021
Profit before income taxes as per profit and loss account		2,901,177,911		2,523,968,383
Income taxes as per applicable tax rate	37.50%	1,087,941,718	37.50%	946,488,144
<b>Factors affecting the tax charge for current period:</b>				
Inadmissible expenses	37.00%	1,073,523,095	35.88%	905,615,873
Admissible expenses in the current year (i.e. write-off etc.)	-4.06%	(117,726,179)	-6.34%	159,978,525
Tax from reduced tax rates for dividend	0.67%	19,520,567	0.77%	19,446,938
Tax from reduced tax rates for capital gain	0.01%	318,929	1.20%	30,278,839
Tax from reduced tax rates for prize bond	0.00%	6,000	0.00%	6,000
Effect of Deferred Tax Income	-28.11%	(815,401,904)	-27.14%	685,014,153
<b>Total Income Tax Expenses</b>	<b>43.02%</b>	<b>1,248,182,227</b>	<b>41.87%</b>	<b>1,056,843,116</b>

#### 12.9 Provision for UCB foundation

Opening balance		81,500,000	75,000,000
Addition during the year		42,500,000	39,000,000
Less: Fund transfer to UCB Foundation		(79,500,000)	(132,000,000)
		<b>44,500,000</b>	<b>82,000,000</b>

**Faruq Ahmed FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman FCS  
DMD & Company Secretary  
United Commercial Bank Limited

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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#### 12.10 Start Up Fund

Opening balance  
Provision made during the period

Amount in BDT	
United Commercial Bank Limited	
30 Jun. 2022	31 Dec. 2021
60,343,687	28,571,978
16,529,957	31,771,709
<b>76,873,644</b>	<b>60,343,687</b>

#### 13 Share Capital

Opening balance  
Add: Bonus shares issue

12,783,969,490	12,175,209,040
1,278,396,940	608,760,450
<b>14,062,366,430</b>	<b>12,783,969,490</b>

#### 13.1 Authorized Capital

1,500,000,000 ordinary shares of Tk. 10.00 each

<b>15,000,000,000</b>	<b>15,000,000,000</b>
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#### 13.2 Issued subscribed and paid up Capital

1,278,396,949 ordinary shares @ Taka 10.00 each  
127,839,694 ordinary shares @ Taka 10.00 each issued as bonus share

12,783,969,490	12,175,209,040
1,278,396,940	608,760,450
<b>14,062,366,430</b>	<b>12,783,969,490</b>

#### Shareholding position:

Particulars	30 June 2022		31 December 2021	
	No. of Shares	Amount in BDT	No. of Shares	Amount in BDT
Sponsors/Directors	487,236,904	4,872,369,040	442,942,654	4,429,426,540
Institution( Financial & Others)	306,197,891	3,061,978,910	273,841,715	2,738,417,150
General Public	601,396,160	6,013,961,600	551,243,772	5,512,437,720
Govt. of Peoples Republic of BD	11,405,668	114,056,880	10,368,808	103,688,080
<b>Total</b>	<b>1,406,236,643</b>	<b>14,062,366,430</b>	<b>1,278,396,949</b>	<b>12,783,969,490</b>

#### 13.3 Share Premium

29,09,95,350 ordinary shares of Taka 5 each per share

<b>1,454,976,750</b>	<b>1,454,976,750</b>
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Rights share (1:1; 1 share for each share held) has been issued in the year 2011 @ Tk. 15 each including share premium of Tk. 5 each.

#### 13.4 Classification of Shareholders by holding as at 30 June 2022

Shareholding Range	Number of Shareholders	Number of Shares	Value of Shares in BDT	Total Holdings %
Upto 500 Shares	19,646	3,200,824	32,008,240	0.23%
501 to 5000 Shares	19,252	35,238,471	352,384,710	2.51%
5001 to 10,000 Shares	2,900	20,349,968	203,499,680	1.45%
10,001 to 20,000 Shares	1,825	25,283,771	252,837,710	1.80%
20,001 to 30,000 Shares	624	15,214,253	152,142,530	1.08%
30,001 to 40,000 Shares	252	8,679,251	86,792,510	0.62%
40,001 to 50,000 Shares	156	6,958,068	69,580,680	0.49%
50,001 to 100,000 Shares	300	20,160,122	201,601,220	1.43%
100,001 to 1,00,000 Shares	343	90,541,862	905,418,620	6.44%
1,00,001 & above	154	1,180,610,053	11,806,100,530	83.96%
<b>Total</b>	<b>45,452</b>	<b>1,406,236,643</b>	<b>14,062,366,430</b>	<b>100.00%</b>

#### 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 (30 June)	127,839,694	1,278,396,940	14,062,366,430

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Arif Ahamed FCA  
or Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman FCS  
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Consolidated		United Commercial Bank Limited	
30 Jun. 2022	31 Dec. 2021	30 Jun. 2022	31 Dec. 2021

### 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 30 June 2022 was Taka 49,259,162,529 as against available Tier-1 Capital of Taka 34,950,708,917 and Tier-2 Capital of Taka 18,259,221,689 making a Total Regulatory Capital of Taka 53,209,930,606 thereby an excess of capital of Taka 3,950,768,077 at that date.

Details are shown below :

#### Tier-I Capital:

##### Common Equity Tier-1 capital (CET1):

Paid-up Capital (note: 13.2)	14,062,366,430	12,783,969,490
Share Premium (note: 13.3)	1,454,976,750	1,454,976,750
Statutory Reserve (note: 14)	15,127,204,505	14,546,968,923
General Reserve (note: 15)	26,577,961	26,577,961
Retained Earnings (note: 17)	5,584,998,621	5,997,660,416
	<b>36,256,124,267</b>	<b>34,810,153,540</b>

##### Less: Regulatory Adjustments:

Goodwill and all other Intangible Assets	513,364,511	340,439,879
Deferred Tax Assets (DTA)	4,792,050,839	4,017,419,030
Reciprocal crossholdings and excess investment above limit	-	87,767,516
Others	-	-
	<b>5,305,415,350</b>	<b>4,445,626,425</b>

#### Total Common Equity Tier-1 Capital

Additional Tier-1 Capital (AT-1)	4,000,000,000	4,000,000,000
<b>Total Tier-1 Capital</b>	<b>34,950,708,917</b>	<b>34,364,527,115</b>

#### Tier-II Capital:

General Provision	9,149,221,689	8,869,277,921
Revaluation Reserve (note: a)	-	-
Subordinated Bond	9,190,000,000	9,980,000,000
	<b>18,339,221,689</b>	<b>18,849,277,921</b>

##### Less: Regulatory Adjustments:

Revaluation Reserve	-	-
Reciprocal crossholdings in the T-2 Capital of BNBFI's & Insurance Entities	80,000,000	80,000,000
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991 (50% of Investment)	-	-
Others	-	372,857,155
<b>Total Admissible Tier-2 Capital</b>	<b>18,259,221,689</b>	<b>18,396,420,766</b>

#### Total Regulatory Capital

	<b>53,209,930,606</b>	<b>52,760,947,881</b>
Risk Weighted Assets (note-13.8)	394,073,300,233	386,743,796,338
Minimum Capital Requirement with Capital Conservation Buffer (12.5% of Risk Weighted Assets)	49,259,162,529	48,342,974,542
<b>Capital Surplus/(Shortfall)</b>	<b>3,950,768,077</b>	<b>4,417,973,339</b>

13.7	Composition of Capital	Required	Held	Required	Held
	Common Equity Tier-I	4.50%	8.87%	4.50%	8.89%
	Tier-I Capital	6.00%	8.87%	6.00%	8.89%
	Tier-II Capital	-	4.63%	-	4.76%
	Tier-I Capital with Buffer	8.50%	8.87%	8.50%	8.89%
	<b>Total CRAR</b>	<b>12.50%</b>	<b>13.50%</b>	<b>12.50%</b>	<b>13.64%</b>

### 13.8 Computation of Risk weighted assets

On-Balance Sheet	290,417,452,429	271,723,837,945
Off-Balance sheet	55,885,089,254	67,469,005,582
Credit Risk (A)	<b>346,302,541,683</b>	<b>339,192,843,527</b>
Market Risk (B)	11,179,923,506	10,960,117,767
Operational risk (C)	36,590,835,044	36,590,835,044
<b>Total: Risk Weighted assets (A+B+C)</b>	<b>394,073,300,233</b>	<b>386,743,796,338</b>

### 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	14,546,968,923	13,424,987,898	14,546,968,923	13,424,987,898
Add: Transferred during the period	595,291,753	1,130,980,783	580,235,582	1,121,981,025
	<b>15,142,260,676</b>	<b>14,555,968,681</b>	<b>15,127,204,505</b>	<b>14,546,968,923</b>





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Amount in BDT

	Consolidated		United Commercial Bank Limited	
	30 Jun. 2022	31 Dec. 2021	30 Jun. 2022	31 Dec. 2021
<b>15 General Reserve</b>				
Opening Balance	26,577,961	26,577,961	26,577,961	26,577,961
Add: Transferred during for the period				
	<u>26,577,961</u>	<u>26,577,961</u>	<u>26,577,961</u>	<u>26,577,961</u>
<b>16 Other Reserve</b>				
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)	57,490,137	30,019,810	57,490,137	30,019,810
Revaluation Reserve on HTM Securities (notes: 16.2.1)	49,034,872	49,130,334	49,034,872	49,130,334
Revaluation Reserve on HFT Securities (notes: 16.2.2)	9,996,690	18,602,185	9,996,690	18,602,185
	<u>2,650,623,258</u>	<u>2,631,853,888</u>	<u>2,650,623,258</u>	<u>2,631,853,888</u>

**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 period				
	<u>2,534,101,559</u>	<u>2,534,101,559</u>	<u>2,534,101,559</u>	<u>2,534,101,559</u>

**16.2 Revaluation Reserve**

HTM Securities (notes 16.2.1)			49,034,872	49,130,334
HFT Securities (notes 16.2.2)			9,996,690	18,602,185
			<u>59,031,562</u>	<u>67,732,519</u>

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 period		(95,462)	(44,607,826)
		<u>49,034,872</u>	<u>49,130,334</u>

**16.2.2 Revaluation Reserve on HFT Securities**

Opening Balance		18,602,185	139,751,027
Net Revaluation gain/adjustment during the period		(8,605,495)	(121,148,842)
		<u>9,996,690</u>	<u>18,602,185</u>

**17 Retained Earnings**

Opening Balance		5,997,660,416	5,191,763,156
Add: Transferred during for the period		1,056,230,145	2,023,418,169
Add: Adjustment for Deferred Tax Asset			
Less: Issuance of Stock Dividend		(1,278,396,940)	(608,760,450)
Less: Issuance of Cash Dividend			(608,760,459)
Less: Coupon Payment Perpetual Bond		(190,495,000)	
		<u>5,584,998,621</u>	<u>5,997,660,416</u>

**17(a) Consolidated Retained Earnings**

United Commercial Bank Ltd.	5,584,998,622	5,997,660,417
UCB Stock Brokerage Ltd.	975,838,286	846,556,056
UCB Investment Ltd.	155,116,950	132,493,978
UCB Asset Management Ltd.	56,750,596	60,874,664
UCB Fintech Company Limited	(1,707,343,158)	(1,102,104,559)
	<u>5,065,361,295</u>	<u>5,935,480,556</u>
Less: Non controlling interest	284	266
<b>Total balance of retained earnings attributable to the ordinary Shareholders.</b>	<u>5,065,361,011</u>	<u>5,935,480,290</u>

**Non controlling interest**

	<u>284</u>	<u>265</u>
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**18 Contingent liabilities & commitment**

Acceptances & endorsement (note- 18.1)	88,736,141,490	110,309,146,988
Letters of guarantee (note- 18.2)	66,580,540,723	57,499,501,948
Irrecoverable letters of credit (note- 18.3)	83,440,044,309	75,222,523,708
Bills for collection (note-18.4)	20,684,715,869	17,381,986,506
Other Commitments	335,494,500	
	<u>259,776,936,891</u>	<u>260,413,159,150</u>

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Paruk Ahmad ECA  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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ATM Tahmiduzzaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited  
27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**  
Chartered Accountants

	Consolidated		United Commercial Bank Limited	
	30 Jun. 2022	31 Dec. 2021	30 Jun. 2022	31 Dec. 2021
<b>18.1 Acceptances &amp; endorsements</b>				
Bankers liabilities for accepted against usance LC			61,407,039,118	86,824,956,787
Bankers liabilities for accepted against BB usance			27,329,102,372	23,484,190,201
			<b>88,736,141,490</b>	<b>110,309,146,988</b>
<b>18.2 Letters of guarantee</b>				
Bankers liabilities for letters of guarantee (Inland)			44,178,598,877	40,358,914,710
Bankers liabilities for letters of guarantee (Foreign)			22,401,941,846	17,140,587,238
			<b>66,580,540,723</b>	<b>57,499,501,948</b>
<b>18.3 Irrecoverable letters of credit</b>				
Letters of credit (Inland)			542,395,967	699,415,743
Letters of credit (Foreign)			48,856,929,572	42,851,416,389
Back to back L/C			27,004,649,172	27,002,330,832
Letters of credit EDF			7,021,270,617	4,633,089,470
Letters of credit EPZ			14,798,981	36,271,274
			<b>83,440,044,309</b>	<b>75,222,523,708</b>
<b>18.4 Bills for collection</b>				
Bills for collection			13,509,577,786	10,838,943,348
Foreign Bills for collection			7,175,138,083	6,543,043,158
			<b>20,684,715,869</b>	<b>17,381,986,506</b>
<b>19 Income Statement</b>				
<b>Income</b>				
Interest, discount and similar income (note - 19.1)			17,101,118,125	15,623,868,463
Dividend income			97,602,835	97,234,692
Fees, commission and brokerage			2,281,658,588	2,044,637,430
Gain less losses arising from dealing in securities			-	-
Gain less losses arising from investment securities			3,189,291	302,788,392
Gain less losses arising from dealing in foreign currencies			2,005,402,791	662,578,137
Income from non-banking asset			-	-
Other operating income			131,649,398	107,099,506
			<b>21,620,621,028</b>	<b>18,838,206,620</b>
<b>Expenses</b>				
Interest paid on deposits and borrowings etc			7,864,612,043	6,697,095,875
Administrative expenses (note - 19.2)			5,717,278,989	4,894,163,531
Other operating expenses			1,585,972,665	1,384,837,322
Depreciation on banks assets			804,665,149	718,962,414
			15,972,528,846	13,695,059,142
			<b>5,648,092,182</b>	<b>5,143,147,478</b>
<b>19.1 Interest, discount and similar income</b>				
Interest Income			14,611,154,163	13,253,124,006
Interest income from investments			2,489,963,962	2,370,744,457
			<b>17,101,118,125</b>	<b>15,623,868,463</b>
<b>19.2 Administrative expenses</b>				
Salary and allowances			3,817,009,803	3,522,972,587
Rent, taxes, insurance, electricity etc.			757,055,470	503,561,647
Legal expenses			38,518,790	49,409,671
Postage, stamps, telecommunications etc.			110,836,424	106,167,186
Stationery, printing, advertisements etc.			798,879,904	523,689,357
Chief Executive's salary and fees			6,066,184	7,534,000
Directors' fees			1,315,082	1,189,698
Auditors' fees			575,000	575,000
Repair of banks assets			187,022,332	179,064,385
			<b>5,717,278,989</b>	<b>4,894,163,531</b>
<b>20 Interest Income</b>				
Interest on loans and advances	14,690,287,127	13,317,974,430	14,295,788,086	13,009,017,767
Interest on balances with other banks & Fin Ins.	187,622,113	219,758,469	187,622,113	219,758,469
Interest on money at call on short notice	122,825,958	11,358,750	122,825,958	11,358,750
Interest on balance with foreign Bank	4,918,006	12,989,020	4,918,006	12,989,020
	<b>15,005,653,204</b>	<b>13,562,080,669</b>	<b>14,611,154,163</b>	<b>13,253,124,006</b>
<b>21 Interests Paid on deposits and borrowings etc.</b>				
Interest paid on deposits (note - 21.1)	6,778,602,869	5,623,530,147	6,778,602,869	5,623,530,147
Interest paid on borrowings (note - 21.2)	1,282,335,771	1,204,321,718	1,086,009,174	1,073,565,728
	<b>8,060,938,640</b>	<b>6,827,851,865</b>	<b>7,864,612,043</b>	<b>6,697,095,875</b>
<b>21.1 Interest paid on deposits</b>				
Savings Deposit			780,736,183	783,632,384
Special Notice Deposit			512,490,951	512,200,798
Fixed Term Deposit			3,760,587,140	2,676,614,949
Scheme Term Deposit			1,724,788,595	1,073,565,728
			<b>6,778,602,869</b>	<b>5,623,530,147</b>

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**Faruk Ahamed**  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

**Nasimul Baten**  
Managing Director & CEO





**ACNABIN**  
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	Consolidated		United Commercial Bank Limited	
	31 Dec. 2021	30 Jun. 2021	30 Jun. 2022	30 Jun. 2021
Amount in BDT				
<b>21.2 Interest paid on borrowings</b>			242,771,989	216,365,119
Borrowing from Bangladesh Bank			20,834,406	71,059,912
Borrowing from other Bank & financial institution			482,263,332	598,814,360
Interest Paid on Subordinated Bond			125,656,777	18,332,345
F.C borrowings			(21,806,978)	37,653,834
Interest Exp. On Other Bank repo borrowings			3,222,708	218,333
Interest on money at call on short notice			233,066,940	131,121,875
Interest on EDF borrowings from Bangladesh Bank				
Re-issued/Buy Bonds			<u>1,086,009,174</u>	<u>1,073,565,728</u>
<b>22 Investment income</b>	2,526,483,161	2,440,827,501	2,489,963,962	2,370,744,457
Interest income from investments (note - 22.1)	100,822,126	400,053,084	100,822,126	400,053,084
Non interest income from investments (note - 22.2)	<u>2,627,305,287</u>	<u>2,840,880,585</u>	<u>2,590,786,088</u>	<u>2,770,797,541</u>
<b>22.1 Interest income from investments</b>			2,320,931,821	2,295,776,233
Government treasury bill/bond			111,142,861	129,548,298
Bangladesh Bank Bill			36,233,363	122,106
Sub-ordinated Bond			24,464,600	4,202,447
Reverse Repo with Other Bank			(2,808,683)	(58,904,677)
Income from Investment			<u>2,489,963,962</u>	<u>2,370,744,457</u>
Gain/(Loss) on revaluation on govt. securities (note - 22.1.1)				
<b>22.1.1 Gain/(Loss) on revaluation on govt. securities</b>			6,364,223	
Gain on revaluation on govt. securities			(9,172,907)	(58,904,677)
Less : Loss on revaluation on govt. securities			<u>(2,808,683)</u>	<u>(58,904,677)</u>
<b>22.2 Non interest income from investments</b>			97,602,835	97,234,692
Dividend on shares			3,189,291	302,788,392
Gain/(Loss) on sale of share (note - 22.2.1)			30,000	30,000
Prize money on prize bond			<u>100,822,126</u>	<u>400,053,084</u>
<b>22.2.1 Gain/(Loss) on sale of shares</b>			24,418,491	364,503,534
Gain on sale of shares			(21,229,200)	(61,715,142)
Less : Loss on sale of shares			<u>3,189,291</u>	<u>302,788,392</u>
<b>23 Commission, Fees, Exchange &amp; Brokerage</b>	1,655,823,429	1,461,278,722	1,265,546,917	1,237,757,697
Commission (note - 23.1)	1,016,111,671	806,879,733	1,016,111,671	806,879,733
Fees (note - 23.2)	2,005,402,791	662,578,137	2,005,402,791	662,578,137
Exchange earning (note - 23.3)	<u>4,677,337,891</u>	<u>2,930,736,593</u>	<u>4,287,061,379</u>	<u>2,707,215,567</u>
<b>23.1 Commission</b>			4,542,729	592,051
Remittance Inland			5,367,191	4,959,727
Remittance Foreign			264,947,285	223,327,508
Commission on Letters of guarantee			252,330,353	232,096,225
Commission on Letters of credit			226,060,169	225,784,360
Letters of credit (back to back)				
Irrevocable Reimbursement Undertaking				
Commission on sale of shares			32,572,186	24,324,395
Commission on BSP / PSP			375,519,467	413,451,127
Commission on acceptance			109,502,379	104,840,223
Exchange comm. & rebate			995,224	935,124
Clearance			(16,488,840)	1,477,849
Commission (Card)				
MFS Commission			10,198,774	5,969,108
Others			<u>1,265,546,917</u>	<u>1,237,757,697</u>

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Atk Ahammad FCA  
Executive Vice President  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS  
DM & Company Secretary  
United Commercial Bank Limited  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212



Nasimul Baten

DBH Finance PLC.





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Chartered Accountants

### 23.2 Fees

Bills for collection  
Account maintenance fees  
Appraisal/processing fees  
Online transaction fees  
BACH/BEFTN charges  
Cash incentive charges  
Standing instruction charges  
FC Endorsement charges  
LC, BC & BG (Others) Fees & Charges  
Debit card  
Credit card  
Arrangement Fees  
ABS fees & charges  
SMS Banking charges  
Misc. fees

	Consolidated		United Commercial Bank Limited	
	30 Jun. 2022	30 Jun. 2021	30 Jun. 2022	30 Jun. 2021
			23,601,938	20,015,381
			79,220,590	73,298,383
			27,409,766	33,164,282
			40,054,739	39,277,672
			9,872,500	9,191,455
				28,660
			1,491,600	93,125
			392,802,498	329,311,521
			132,858,139	98,022,972
			222,970,444	184,795,636
			1,353,828	
			4,963,157	5,699,677
			57,257,250	7,542,800
			22,255,221	6,438,169
			<b>1,016,111,671</b>	<b>806,879,733</b>

### 23.3 Exchange

Exchange earning (general)  
Revaluation gain/(Loss) on foreign currency  
FX Deal Discount Income  
  
Less : Exchange loss (general)  
Less : Exchange loss (dealing room)

	1,716,405,482	674,430,063
	150,311,731	(36,395,243)
	138,685,579	24,543,318
	2,005,402,791	662,578,137
	<b>2,005,402,791</b>	<b>662,578,137</b>

### 24 Other Operating Income

Locker  
Premises rent  
Miscellaneous earning  
Swift charges  
Recoveries from Operational Loss

	7,857,800	7,259,050	7,857,800	7,259,050
	141,653		141,653	
	134,791,630	100,830,972	90,395,238	65,000,246
	33,224,707	34,810,210	33,224,707	34,810,210
	<b>176,015,790</b>	<b>142,900,232</b>	<b>131,619,398</b>	<b>107,069,506</b>

### 25 Salaries and allowances

Basic salary  
Allowances  
Bonus  
Provident fund and Welfare fund  
Gratuity

	1,958,508,926	1,691,536,966	1,584,057,105	1,470,819,074
	700,785,340	667,820,082	700,785,340	667,820,082
	867,248,041	804,364,077	867,248,041	804,364,077
	184,919,317	189,969,354	184,919,317	189,969,354
	480,000,000	390,000,000	480,000,000	390,000,000
	<b>4,191,461,624</b>	<b>3,743,690,480</b>	<b>3,817,009,803</b>	<b>3,522,972,587</b>

### 26 Rent, taxes, insurance, electricity etc.

Rent premises  
Rent, rates & taxes  
Other rental charges  
Insurance charge  
Electricity, Water & Gas

	376,941,983	145,443,144	358,487,697	139,272,884
	39,078,422	39,840,450	39,078,422	39,840,450
	84,520,914	77,039,234	84,520,914	77,039,234
	153,381,548	139,878,297	153,381,548	139,878,297
	121,586,889	107,530,782	121,586,889	107,530,782
	<b>775,509,756</b>	<b>509,731,907</b>	<b>757,055,470</b>	<b>503,561,647</b>

### 27 Legal expenses

Professional fees  
Other legal charges  
Stamp, power of attorney & notary public

	46,156,675	52,314,383	35,921,495	48,258,044
	2,541,149	1,232,990	2,541,149	1,232,990
	56,146	(81,363)	56,146	(81,363)
	<b>48,753,970</b>	<b>53,466,010</b>	<b>38,518,790</b>	<b>49,409,671</b>

### 28 Postage, stamps, telecommunications etc.

Postage  
Telecommunication charges  
Reuter  
Internet  
Online connectivity charge

	26,077,740	28,363,120	26,077,740	28,363,120
	22,042,747	21,228,165	22,042,747	21,228,165
	1,161,000	3,498,590	1,161,000	3,498,590
	1,923,900	1,012,000	1,923,900	1,012,000
	70,740,381	54,150,941	59,631,037	52,065,311
	<b>121,945,768</b>	<b>108,252,816</b>	<b>110,836,424</b>	<b>106,167,186</b>

### 29 Stationery, printing & advertisements etc.

#### 29.1 Stationery and printing:

Security Stationery  
Petty Stationery  
Office Stationery

	8,572,684	10,196,492	8,572,684	10,196,492
	20,397,460	15,807,935	20,397,460	15,807,935
	86,586,858	54,785,600	86,586,858	54,785,600
	<b>115,557,002</b>	<b>80,790,027</b>	<b>115,557,002</b>	<b>80,790,027</b>

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Arif Quadri  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahsinul Karim  
DMO & Company Secretary  
United Commercial Bank Limited

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

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**  
Chartered Accountants

	Consolidated		United Commercial Bank Limited	
	30 Jun. 2022	30 Jun. 2021	30 Jun. 2022	30 Jun. 2021
<b>29.2 Advertisement:</b>				
News paper	13,393,148	22,831,896	13,393,148	22,831,896
Magazine	673,229	1,042,000	673,229	1,042,000
Sponsorship	61,080,693	33,484,020	61,080,693	33,484,020
Point of sales material (POSM)				
Business Development	54,209,112	71,875	54,209,112	71,875
Branding expenses	785,838,585	535,541,287	438,196,554	296,843,110
Promotional Material	42,484,455	44,195,274	42,484,455	44,195,274
Misc. advertisement	38,941,928	25,899,082	38,941,928	25,899,082
Bill board & neon sign				
Television	33,039,683	17,458,725	33,039,683	17,458,725
Radio	1,304,100	1,073,348	1,304,100	1,073,348
	<u>1,030,964,933</u>	<u>681,597,507</u>	<u>683,322,902</u>	<u>442,899,330</u>
	<u>1,146,521,935</u>	<u>762,387,535</u>	<u>798,879,904</u>	<u>523,689,357</u>
<b>30 Chief Executive's salary and fees</b>				
Basic salary	5,066,184	5,445,000	5,066,184	5,445,000
Festival Bonus	1,000,000	1,089,000	1,000,000	1,089,000
Incentive Bonus		1,000,000		1,000,000
House rent allowance				
Provident fund				
	<u>6,066,184</u>	<u>7,534,000</u>	<u>6,066,184</u>	<u>7,534,000</u>
<b>31 Directors fees</b>				
Meeting fees	2,005,774	1,102,650	871,200	1,003,200
Other meeting fee ( travelling expenses)	443,882	186,498	443,882	186,498
	<u>2,449,656</u>	<u>1,289,148</u>	<u>1,315,082</u>	<u>1,189,698</u>
<b>Note : Board Meeting attendance fees, traveling and living expenses are being allowed to the Directors as per clause no.100,101&amp; 102 of Articles of Association of the Bank and subsequent Board approval.</b>				
<b>32 Auditors' fees</b>	<u>702,500</u>	<u>639,250</u>	<u>575,000</u>	<u>575,000</u>
<b>33 Depreciation and repair of bank's assets</b>				
<b>33.1 Depreciation</b>				
Furniture/fixtures	109,568,863	104,486,620	102,329,779	102,508,706
Vehicles	17,393,303	16,639,207	15,284,179	15,282,142
Office equipments	216,613,736	173,768,794	188,772,612	172,436,170
Computer equipments	109,438,400	77,618,014	106,414,126	76,449,809
Computer software	120,758,284	88,672,051	119,958,374	88,287,043
Immovable property (Building)	32,375,919	32,375,921	31,996,233	31,996,233
Right of Use assets (ROU) as per IFRS 16	239,909,846	232,002,312	239,909,846	232,002,312
	<u>846,058,350</u>	<u>725,562,920</u>	<u>804,665,149</u>	<u>718,962,414</u>
<b>33.2 Repair renovation &amp; maintenance</b>				
Furniture /fixtures	1,738,514	2,654,318	1,738,514	2,654,318
Vehicles	7,804,016	6,669,126	7,804,016	6,669,126
Office equipments	34,971,845	28,966,482	34,971,845	28,966,482
Computer equipments	90,520	33,637	90,520	33,637
Renovation & maintenance	129,207,563	127,635,325	128,278,029	126,748,280
Premises	14,135,408	13,992,534	14,135,408	13,992,534
Repair building	4,000	4,000		
	<u>187,951,866</u>	<u>179,951,422</u>	<u>187,022,332</u>	<u>179,064,385</u>
	<u>1,034,010,216</u>	<u>905,514,342</u>	<u>991,687,481</u>	<u>898,026,799</u>
<b>34 Other expenses</b>				
Entertainment	36,022,016	20,738,784	36,022,016	20,738,784
Petrol, oil & lubricant	78,815,180	64,069,751	78,815,180	64,069,751
Subscription	13,146,265	21,251,510	13,146,265	21,251,510
Donation	66,531,733	60,308,247	66,531,733	60,308,247
Traveling	70,204,541	48,340,677	70,204,541	48,340,677
Cartage and freight	7,730,995	6,167,119	7,730,995	6,167,119
Hon. general	1,258,150	509,531	1,258,150	509,531
Fees commission & charges	159,993,052	132,980,676	73,586,889	55,566,751
Meeting Seminar and staff training	23,078,591	8,185,835	23,078,591	8,185,835
Fees Commission and Charges Dabit Card	14,613,061	8,758,799	14,613,061	8,758,799
Fees Commission and Charges Visa Card Local	98,038,115	59,110,597	98,038,115	59,110,597
Liveries & uniforms	303,910	1,291,545	303,910	1,291,545
Medical expenses	104,394,707	101,881,822	104,394,707	101,881,822
Car expenses	67,857,193	59,066,196	67,857,193	59,066,196
Loss on sale of assets	301,333	3,475,250	301,333	3,475,250
Write off of assets		65,681		65,681
BATCH/BEFTN Charges	314,870	199,047	314,870	199,047
UCB Foundation	42,500,000	39,000,000	42,500,000	39,000,000
Interest expense for leased liability as per IFRS 16	127,530,401	126,072,764	127,530,401	126,072,764
Outsource Staff Expenses	741,917,136	688,104,042	741,917,136	688,104,042
Other Expenses	17,827,580	12,673,374	17,827,580	12,673,374
	<u>1,672,378,829</u>	<u>1,462,251,247</u>	<u>1,585,972,665</u>	<u>1,384,837,322</u>

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**Arif Quadri**  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

**Nasimul Baten**  
Managing Director & CEO  
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**ACNABIN**  
Chartered Accountants

	Consolidated		United Commercial Bank Limited	
	30 Jun. 2022	30 Jun. 2021	30 Jun. 2022	30 Jun. 2021
<b>35 Provision for Loans &amp; Advances</b>				
Classified loans & advances	2,268,258,123	2,252,801,697	2,210,758,123	2,212,801,697
Unclassified Loans & advances	303,268,022	321,638,085	303,268,022	321,638,085
Special General Provision for COVID-19				
Recoveries from previously written off loan	(153,588,348)	(38,915,448)	(153,588,348)	(38,915,448)
	<u>2,417,937,798</u>	<u>2,535,524,334</u>	<u>2,360,437,798</u>	<u>2,495,524,334</u>
<b>36 Provision for diminution in value of investments</b>				
Provision required during the year	462,887,313	(244,586,028)	439,027,921	(235,220,899)
	<u>462,887,313</u>	<u>(244,586,028)</u>	<u>439,027,921</u>	<u>(235,220,899)</u>
<b>37 Other Provision</b>				
Provision for other assets	-	-	-	-
Provision for nostro account	-	-	-	-
Provision for branch adjustment account	-	-	-	-
Provision for other assets	-	1,139,815	-	1,139,815
Provision for off-balance sheet exposures	(52,405,157)	357,735,847	(52,551,448)	357,735,847
	<u>(52,405,157)</u>	<u>358,875,661</u>	<u>(52,551,448)</u>	<u>358,875,661</u>
<b>Provision for Off-Balance Sheet Exposure</b>				
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.				
<b>38 Provision for Taxation</b>				
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	2,210,604,603	1,881,461,907	2,063,584,130	1,741,857,269
Deferred Tax Provision	(814,962,717)	(684,891,860)	(815,401,904)	(685,014,153)
	<u>1,395,641,886</u>	<u>1,196,570,047</u>	<u>1,248,182,227</u>	<u>1,056,843,116</u>
<b>39 Earnings per Share (EPS)</b>				
Earnings per share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)".				
Net Profit after Tax (Numerator)	1,201,511,254	1,247,605,465	1,652,995,684	1,467,125,266
Number of Ordinary shares outstanding (Denominator)	1,406,236,643	1,406,236,643	1,406,236,643	1,406,236,643
Earning Per Share (EPS)	<u>0.85</u>	<u>0.89</u>	<u>1.18</u>	<u>1.04</u>
<b>40 Receipt from other operating activities</b>				
Exchange earning & brokerage	2,005,402,791	662,578,137	2,005,402,791	662,578,137
Other operating income	142,881,791	142,881,791	134,838,689	409,887,898
	<u>2,148,284,582</u>	<u>805,459,928</u>	<u>2,140,241,480</u>	<u>1,072,466,035</u>
<b>41 Payment for other operating activities</b>				
Legal expenses	38,518,790	49,409,671	38,518,790	49,409,671
Directors fees & other expenses	1,315,082	1,189,698	1,315,082	1,189,698
Auditors fees	574,998	574,998	574,998	574,998
Repair to fixed assets	187,022,332	179,064,385	187,022,332	179,064,385
Other expenditure	1,466,485,366	2,078,772,240	1,458,442,264	1,258,764,558
	<u>1,693,916,567</u>	<u>2,309,010,992</u>	<u>1,685,873,465</u>	<u>1,489,003,310</u>
<b>42 Increase / Decrease of other assets</b>				
Closing other assets			13,424,710,602	12,093,305,167
Advance income tax			2,388,960,351	2,086,917,405
Opening other assets			(11,875,783,556)	(9,549,162,581)
Increase / Decrease for the year			<u>3,937,887,397</u>	<u>4,631,059,991</u>
<b>43 Increase / Decrease of other liabilities</b>				
Provision for classified loans & advances			(12,019,163,785)	(10,122,342,140)
Provision for classified investment			439,027,921	-
Provision for classified fixed assets			(3,972,000)	(3,972,000)
Provision for classified other assets			(105,000,000)	(105,000,000)
Provision for unclassified loans & advances			(5,246,773,037)	(4,922,039,998)
Provision for off-balance sheet exposures			(2,362,448,652)	(2,407,237,923)
Provision for current tax			(7,707,202,698)	(5,943,618,568)
Increase / Decrease for the year			<u>(27,005,532,251)</u>	<u>(23,504,210,629)</u>
<b>44 Net Operating Cash Flows Per Share (NOCFPS)</b>				
Net Cash from operating activities	(12,334,143,544)	(9,928,075,655)	(15,471,136,911)	(14,239,622,343)
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)	<u>(8.77)</u>	<u>(7.06)</u>	<u>(11.00)</u>	<u>(10.13)</u>
<b>45 Net Asset Value Per Share (NAVPS)</b>				
Net Asset Value	38,402,166,086	37,388,827,060	38,906,747,525	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)	<u>27.31</u>	<u>26.59</u>	<u>27.67</u>	<u>26.63</u>

27 OCT 2022

**Dr. Ahammed Ehsan**  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
**ATM Tahmidul Azam**  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022  
**Arif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**  
Chartered Accountants

Amount in BDT  
United Commercial Bank Limited  
30 Jun. 2022 30 Jun. 2021

46 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  
Provision for taxation  
Provision for investments, shares & contingent liabilities  
(Increase)/decrease interest receivable  
Increase/(decrease) interest payable on deposits  
Depreciation & amortization of fixed assets  
Recoveries on loans & advances previously written-off  
Income tax paid  
Effect of exchange rate changes on cash and cash equivalents  
Operating profit before changes in operating assets and liabilities

1,652,995,684	1,467,125,266
1,248,182,227	1,056,843,116
2,746,914,271	2,619,179,096
(25,318,306)	(36,222,506)
(28,852,846)	(396,477,726)
804,665,149	718,962,414
313,936,478	426,609,399
(2,388,960,351)	(2,086,917,405)
(2,005,402,791)	(1,312,074,763)
2,318,159,515	2,457,026,890

27 OCT 2022

*[Signature]*

Arif Quader FCA  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tahmidur Rahman FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

*[Signature]*

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

27 OCT 2022

*[Signature]*

Nasimul Baten  
Managing Director & CEO  
DBL Finance PLC





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Chartered Accountants



Annexure-A

**UNITED COMMERCIAL BANK LIMITED**  
Balance with Nostro Accounts  
As on 30 June 2022

Nostro Bank	Name of the Country	Currency	30-Jun-22		31-Dec-21	
			Amount in FC	Rate	Amount in FC	Amount in BDT
AB Bank Ltd	India	ACU	535,103	93.45	623,263.98	53,476,049
Bank AL Bilad	Saudi Arabia	SAR	98,151	24.91	2,444,687	12,700,441
Bank of Bhutan	Bhutan	ACU	146,294	93.45	555,533.54	22,86
Commerz Bank AG	Germany	USD	438,225	93.45	92,204.10	7,911,112
Commerz Bank AG	Germany	EUR	791,000	97.67	198.04	16,992
Habib American Bank	USA	USD	3,612,226	93.45	77,260.030	(26,710,596)
Habib Metropolitan Bank Limited	Pakistan	ACU	180,540	93.45	337,562.536	175,810,360
HDFC Bank Limited	India	ACU	513,549	93.45	16,871,483	9,613,115
ICICI Bank Limited, Hong Kong (USD)	Hong Kong	USD	64,363	93.45	47,991,148	57,942,155
ICICI Bank Ltd	India	ACU	2,023,734	93.45	6,014,688	11,981,808
JP Morgan NY	USA	USD	438,329	93.45	139,648.11	105,835,181
Mashreq Bank Psc	India	ACU	2,536,907	93.45	189,117,928	(927,340,822)
Mashreq Bank Psc	USA	USD	747	93.45	677,073,231	48,940,459
Nepal Bangladesh Bank	Nepal	ACU	21,501	93.45	237,073,985	(139,542,217)
Peoples Bank Colombo	Sri Lanka	ACU	84,119	93.45	69,788	30,442
Sonali Bank Ltd	India	ACU	443,026	93.45	2,009,309	38,797,276
Standard Chartered Bank Ltd	India	ACU	6,729,103	93.45	452,182.70	9,424,447
State Bank of India	India	ACU	2,456	93.45	109,842.04	80,087,693
Meezan Bank Ltd	Pakistan	ACU	391,276	93.45	933,423.00	231,961,820
Bank of Tokyo Mitsubishi	Japan	JPY	2,516,022	0.68	2,693,028.21	210,739
Wells Fargo Bank N.A	USA	USD	1,245,765	93.45	216,090.57	18,540,571
Mashreq Bank PSC	UAE	AED	1,687,796	25.44	2,559,257.00	1,908,950
KOORMIN BANK	Korea	USD	43,952	93.45	661,527.52	56,759,061
Axis Bank Limited	India	ACU	705,304	93.45	385,703.50	9,010,882
Yes Bank Limited	India	ACU	29	93.45	15,423.38	1,323,326
Citi Bank N.A New York, USA	USA	USD	1,195,973	93.45	1,353,818.56	116,157,632
Mashreq Bank NY (OBU)	USA	USD	622,657	93.45	28.79	2,470
Habib American Bank, NY, (OBU)	USA	USD	4,408,091	93.45	(233,466.93)	(20,031,463)
ICICI Bank Limited	USA	USD	2,093,953	93.45	483,620.00	41,494,596
SCB Germany (EUR)	Germany	EUR	26,632	97.67	9,433,207.19	809,369,174
Punjab National Bank Ltd	Pakistan	ACU	112,328	93.45	1,231,390.06	105,653,267
Standard Chartered Bank, United Kingdom (GBP)	United Kingdom	GBP	25,795	113.34	1,619,138.85	157,496,065
Zhejiang Chouzhou Commercial Bank, China (USD)	China	USD	7,278	93.45	143,351.86	12,299,590
Zhejiang Chouzhou Commercial Bank, China (CNY)	China	CNY	2,424	13.97	41,487.34	4,801,205
<b>Total</b>					<b>2,125,230,029</b>	<b>1,065,031,781</b>

27 OCT 2022

Uk Ahammad FCA  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022  
ATM Tahmiduzzaman, FCS  
DMO (Company Secretary)  
United Commercial Bank Limited

27 OCT 2022  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**  
Chartered Accountants

Annexure-B

**UNITED COMMERCIAL BANK LIMITED**  
Schedule of Fixed Assets  
As on 30 June 2022

Particulars	COST			DEPRECIATION				Amount in BDT
	Opening Balance at Cost as on 01 Jan. 2022	Addition during the period	Adjustment during the period	Total Cost as on 30 June 2022	Rate	Charged up to 1 Jan 2022	Adjustment during the period	
								Written down value as on 30 June 2022
Land	4,395,054,283	-	-	4,395,054,283	0.0%	-	-	4,395,054,283
Building	2,559,698,620	-	-	2,559,698,620	2.5%	501,601,221	-	2,026,101,166
Purniture & Fixtures	2,373,267,236	144,532,489	10,599,390	2,507,200,335	10.0%	1,294,317,579	6,781,019	1,117,333,996
Office Equipment	2,605,760,758	99,336,183	69,026,472	2,636,070,469	20.0%	1,554,036,419	66,277,899	959,539,337
Computer Equipment	1,607,141,874	170,381,915	9,005,342	1,848,510,448	20.0%	1,099,279,909	8,481,084	651,305,497
Vehicles	500,450,963	24,981,000	-	525,431,963	20.0%	430,904,664	-	71,243,120
Computer Software	1,439,719,789	163,908,901	-	1,603,628,690	25.0%	970,305,804	-	513,364,512
Right of use assets (ROU)	5,590,566,138	-	-	5,590,566,138	0.0%	1,331,134,335	-	4,019,521,957
Capital Expenditure Work in Progress	759,111,835	739,798,676	598,369,738	900,540,773	0.0%	-	-	900,540,773
<b>Total as on 30 June 2022</b>	<b>21,910,771,496</b>	<b>1,342,939,164</b>	<b>687,000,942</b>	<b>22,566,709,718</b>		<b>7,109,579,931</b>	<b>81,540,002</b>	<b>14,654,004,640</b>

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Arif Quadri  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

ATM Tahmidul Zaman, FCS  
DMD & Company Secretary  
United Commercial Bank Limited

Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.







**ACNABIN**  
Chartered Accountants



UNITED COMMERCIAL BANK LIMITED  
Schedule of Fixed Assets  
As on 31 December 2021

As on 31 December 2021										Amount in BDT
Particulars	COST				DEPRECIATION				Written down value as on 31 Dec. 2021	
	Opening Balance at Cost as on 01 Jan. 2021	Addition during the year	Adjustment during the year	Total Cost as on 31 Dec. 2021	Rate	Charged up to 1 Jan. 2021	Adjustment during the year	Charged during the year		Total Depreciation as on 31 Dec. 2021
Land	4,395,054,283	-	-	4,395,054,283	-	-	-	63,992,465	501,601,221	4,395,054,283
Building	2,559,698,620	-	-	2,559,698,620	2.5%	437,608,755	-	-	-	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	200,514,815	1,294,317,579	1,078,949,657
Office Equipment	2,483,921,697	253,490,953	131,651,892	2,605,760,758	20.0%	1,328,752,693	129,984,336	355,268,062	1,554,036,419	1,051,724,339
Computer Equipment	1,457,701,213	252,411,407	22,970,745	1,687,141,874	20.0%	961,129,446	20,552,490	158,702,954	1,099,279,909	587,861,965
Vehicles	496,004,413	9,907,000	5,460,450	500,450,963	20.0%	414,215,142	5,460,449	30,149,971	438,904,664	61,546,299
Computer Software	1,214,706,002	225,013,787	-	1,439,719,789	25.0%	778,364,499	-	191,941,304	970,305,804	469,413,985
Right of use assets (ROU)	5,203,580,012	386,986,126	-	5,590,566,138	-	875,582,021	-	455,552,314	1,331,134,335	4,259,431,804
Capital Expenditure Work in Progress	549,975,033	1,265,221,302	1,056,084,500	759,111,835	-	-	-	-	-	759,111,835
Total as on 31 Dec. 2021	20,468,301,524	2,713,359,820	1,270,889,847	21,910,771,497		5,928,343,603	194,885,557	1,456,121,884	7,189,579,929	14,721,191,566

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*[Signature]*

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

**Arif Quadri**  
Executive Vice President  
Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

**ATM Tahiruzzaman, FCS**  
DMD & Company Secretary  
United Commercial Bank Limited

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



#### 47 Audit Committee

The 1st Audit Committee of the Board was constituted by the Board of Directors of the Bank in its emergent meeting held on 03 April 2004. Subsequently the Committee was reconstituted in its Board meeting from time to time. The Audit Committee of the Board of Director consisted of the following 04 (four) members of the Board as on 30 June 2022.

Name of the Members	Status with the Bank	Status in the Committee	Educational Qualification
Akhter Matin Chaudhury	Independent Director	Chairman	FCA (E&W), FCA, FCS
Syed Kamruzzaman	Director	Member	B.Com (Honours) in Accounting, FCMA
Muhammed Shah Alam	Director	Member	M.Com.in Accounting, FCMA
Dr. Aparup Chowdhury	Independent Director	Member	MSC, MBA, PHD
Touhid Shipar Rafiquzzaman	Independent Director	Member	BA (Honours), M.A

During the period from 01 January 2022 to 30 June 2022 the Audit Committee has conducted 03 meetings. Details of the meeting are shown below by datewise.

#### Details of the Audit Committee Meeting for the Period Ended 30 June 2022

Sl. No.	Meeting No.	Held On
1	121	17.02.2022
2	122	30.03.2022
3	123	12.05.2022

The Audit Committee discussed the following issues during the Period Ended 30 June 2022

- Internal Audit (RBIA) Strategic Plan for 2022.
- Strategic Plan for the Information System Security Audit (IT Audit) for 2022
- Unaudited Financial Statements for the 1st Quarter of the Bank for the year 2022, before submission for approval to the Board of Directors.
- 'Annual Health Report' as at 31 December 2021.

#### 48 Related Party Disclosures

##### 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 Jan. 2022	Closing Share holding position as on 30 Jun. 2022
Rukhmila Zaman	Chairman	25,569,417	28,126,358
Bazal Ahmed	Vice-Chairman	25,619,905	28,181,894
Anisuzzaman Chowdhury	Chairman-Executive Committee	35,777,974	39,355,771
Akhter Matin Chaudhury	Chairman-Audit Committee (Independent Director)	-	-
M. A. Sabur	Chairman-Risk Management Committee	27,764,187	30,540,602
Hajee Yunus Ahmed	Director	27,611,439	30,372,582
Hajee M. A. Kalam	Director	25,570,605	28,127,665
Nurul Islam Chowdhury	Director	25,573,103	28,130,412
Asifuzzaman Chowdhury	Director	36,061,405	39,667,545
Roxana Zaman (Representative of Volkart Trading Limited)	Director	25,589,025	28,147,927
Bashir Ahmed	Director	25,713,046	28,284,349
Afroza Zaman (Representative of Legendary Asset Management Limited)	Director	25,589,025	28,147,927

27 OCT 2022

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27 OCT 2022

27 OCT 2022

Atk Ahammad FCA  
Executive Vice President & CFO  
Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

Arif Quadri  
Managing Director & CEO  
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Corporate Office, Gulshan Avenue  
Dhaka, 1212

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**  
Chartered Accountants

Name of the Directors	Status in the Board	Opening Share holding position as on 01 Jan. 2022	Closing Share holding position as on 30 Jun. 2022
Syed Kamruzzaman (Representative of Aramit Thai Aluminum)	Director	26,208,739	28,829,612
Kanak Kanti Sen (Representative of Nahar Metal Limited)	Director	25,568,408	28,125,248
Muhammed Shah Alam (Representative of Ardent Asset Management Limited)	Director	25,589,025	28,147,927
Professor Dr. Jonaid Shafiq	Director	25,589,025	28,147,927
Aksed Ali Sarker (Representative of Aromatic Properties Ltd.)	Director	25,578,000	28,135,800
Dr. Aparup Chowdhury	Independent Director	-	-
Touhid Shipar Rafiquzzaman	Independent Director	-	-
Arif Quadri	Managing Director & CEO	-	-

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27 OCT 2022

27 OCT 2022

Atm Kamruddin FCA  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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Managing Director & CEO  
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Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**

Chartered Accountants

48.1 (b): Name of the Directors and the entities in which they had interest as at 30th June 2022

Name of Directors	Status	Entities where they have interest.
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
Bazal Ahmed	Vice-Chairman	1. M/S Tai Accessories (Pvt.) Ltd. 2. M/S Saikat Textile Ind. Ltd. 3. M/S DEEN Fashions Limited.
Anisuzzaman Chowdhury	Chairman- Executive Committee	1. Ronny Chemical Industries Limited 2. Navana Pharmaceuticals
Akhter Matin Chaudhury	Chairman-Audit Committee (Independent Director)	N/A
M. A. Sabur	Chairman-Risk Management Committee	1. Masco Industries Limited 2. Masco Cottons Limited 3. Mscotex Limited 4. Masco Printing & Embroidery Limited 5. Masco Picasso Limited 6. Tasniah Fabrics Limited 7. Shanta Expressions Limited 8. Masco Properties Limited 9. Concent Knitting Limited 10. Masco Shares & Securities Limited 11. Masminu Energy Limited 12. Masminu Footspree Limited 13. Masco Poultry Limited 14. Masco Services Limited 15. Masco Energy Limited 16. Masco Superknits Limited 17. Masco Bazar Limited 18. Masco Shakib Cricket Academy Limited 19. Masco Cotspin Limited 20. Maxim Limited 21. Masco Dairy Enterprise 22. Masco Trims Limited
Haiee Yunus Ahmed	Director	1. Yunusco T&A (BD) Limited. 2. Yunusco K. Textiles Limited 3. Adapt ID Bangladesh Limited 4. Yunusco Stone & Engineering Limited 5. Yunusco Properties Limited 6. Yunusco Limited 7. Yunusco (BD) Limited. 8. Yunusco Global Sourcing Limited 9. YK Limited. 10. Best Eat (Pvt) Limited 11. Nine 2 Nine Intimates Limited 12. Wonder Gas Limited 13. Consolidated Agencies 14. SSI Yunusco (BD) Ltd. 15. Centra Transportation Services Limited 16. Contrade Shipping Lines Limited 17. Bangladesh Media Services Limited
Haiee 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

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Arif Quader FCA  
Executive Vice President & CEO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.



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Chartered Accountants

Name of Directors	Status	Entities where they have interest.
Nurul Islam Chowdhury	Director	1. Islam Steel Mills Ltd. 2. Eastern Engineers (CTG.) Ltd. 3. NAMS Trading Corporation 4. NAMS Shipping Lines
Asifuzzaman Chowdhury	Director	1. Sharaf LPG Limited 2. Ronny Chemical Industries Limited
Roxana Zaman	Director	1. Volkart Trading Limited
Bashir Ahmed	Director	1. Airmate Goodie Electrical Industries Limited 2. Goodie Accessories (Pvt) Limited 3. International Distribution Company Bangladesh 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 Solutional Pvt. Ltd.  11. Pioneer Electronics 12. Mettle Emporium
Afroza Zaman	Director	1. Volkart Trading Limited
Syed Kamruzzaman	Director	N/A
Kanak Kanti Sen	Director	N/A
Muhammed Shah Alam	Director	N/A
Professor Dr. Jonaid Shafiq	Director	1. Navana Pharmaceuticals Ltd 2. Japan Bangladesh Friendship Hospital Pvt. Ltd 3. Japan Bangladesh Friendship Medical Services Ltd. 4. Japan Bangladesh Medical Associates Ltd. 5. Dhaka Specialized Pain Management & Research Center Ltd. 6. Visteon Electronics Ltd 7. AMDA Agro Farms Ltd 8. Dhaka Evergreen Retirement Homes Pvt. Ltd.
Aksed Ali Sarker	Director	N/A
Dr. Aparup Chowdhury	Independent Director	N/A
Touhid Shipar Rafiquzzaman	Independent Director	N/A
Arif Quadri	Managing Director	N/A

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Corporate Office, Gulshan Avenue  
Dhaka-1212

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Atif Quadri, FCA  
Executive Vice President & CEO  
Commercial Bank Limited  
Finance Division





**ACNABIN**  
Chartered Accountants

48.2 Significant Contracts where Bank is a party and wherein Directors have interest:

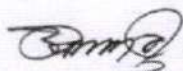
Sl. No	Name of the Contract	Branch Name	Name of the Directors and related by	Remarks
48.3	Shares issued to Directors & Executives without consideration or exercisable at a discount:			Nil
48.4	Related Party Transactions:			Nil
48.5	Lending policies to related parties: Lending to related parties is affected 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:

There is no events after the reporting date to be disclosed.

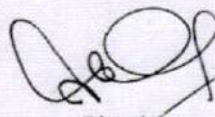
General:

- 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 Ltd did not place any of its assets under pledge as security to obtain any liabilities.

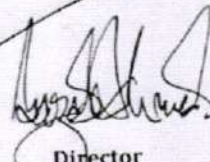


Managing Director & CEO

Dhaka,  
23 October 2022



Director



Director



Director




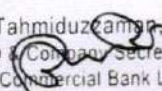
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United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

  
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Dhaka-1212

  
Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**United Commercial Bank Limited**  
Highlights on Overall Activities

Sl. No.	Particulars	Amount in BDT	
		30 Jun 2022	31 Dec 2021
1	Paid-up Capital	14,062,366,430	12,783,969,490
2	Total Capital	53,209,930,606	52,760,947,881
3	Capital Surplus/(Deficit)	3,950,768,077	4,417,973,339
4	Total Assets	610,573,022,287	565,314,211,482
5	Total Deposits	419,518,510,451	389,900,723,984
6	Total Loans & Advances	442,104,972,548	402,481,735,743
7	Total Contingent Liabilities & Commitments	259,776,936,891	260,413,159,150
8	Credit Deposit Ratio (%)	82.57	83.73
9	Percentage of Classified Loans against Total Loans and Advances	4.64	4.11
10	Operating Profit	5,648,092,182	10,183,711,537
11	Profit after Tax & Provision	1,652,995,684	3,177,170,903
12	Amount of Classified Loans during the year	2,791,190,363	9,974,087,030
13	Classified Advance at the end of the year	20,528,483,757	16,556,410,311
14	Provision kept against Classified Loans	12,019,163,785	10,122,342,139
15	Provision Surplus/(Deficit)	6.27	6.01
16	Cost of Fund (%)	543,000,771,260	497,572,569,551
17	Interest Earning Assets	67,572,251,027	67,741,641,931
18	Non-interest earning Assets	6.78	7.45
19	Return on Investment (ROI) (%)	0.58	0.60
20	Return on Assets (ROA) (%)	27.67	29.29
21	Net Asset value per share	2,590,786,088	5,463,607,877
22	Income from Investments	1.18	2.49
23	Earning per share (Taka)	1.18	2.49
24	Net Income per share (Taka)	11.65	6.16
25	Price earning ratio (Times)		

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*[Signature]*

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

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*[Signature]*

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



*[Signature]*

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.

Arif Ahammed FCA  
Senior Executive Vice President  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.





**ACNABIN**  
Chartered Accountants

Annexure-D

**UNITED COMMERCIAL BANK LIMITED**  
Islamic Banking Unit  
Balance Sheet  
As at 30 June 2022

	Notes	30 Jun. 2022 BDT	31 Dec. 2021 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3	218,561,022	164,508,201
In hand (including foreign currencies)		8,742,230	5,614,134
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		209,818,792	158,894,067
<b>Balance with other Banks and Financial Institutions</b>	4	921,866	950,000,000
In Bangladesh		921,866	950,000,000
Outside Bangladesh		-	-
<b>Placement with other banks and financial institutions</b>			
<b>Investments in shares and securities</b>	5	820,250,000	287,750,000
Government		820,250,000	287,750,000
Others		-	-
<b>Investments</b>	6	4,013,119,167	725,575,546
General Investments etc.		4,013,119,167	725,575,546
Bills purchased and discounted		-	-
<b>Fixed assets including premises</b>	7	49,024,253	50,308,859
<b>Other assets</b>	8	1,020,076,607	943,321,400
<b>Non-banking assets</b>			
<b>Total assets</b>		<u>6,121,952,915</u>	<u>3,121,464,006</u>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Placement from other banks &amp; financial institutions</b>	9	357,618,940	160,489,035
<b>Deposits and other accounts</b>	10	5,614,586,468	2,914,986,315
Mudaraba Savings Deposits		1,432,715,810	654,739,709
Mudaraba term Deposits		3,141,647,323	1,693,360,672
Other Mudaraba Deposits		-	-
Al-Wadeeah Current and Other Deposits Accounts		1,033,113,724	566,867,082
Bills Payable		7,109,611	18,852
<b>Other liabilities</b>	11	149,747,507	45,988,655
<b>Total liabilities</b>		<u>6,121,952,915</u>	<u>3,121,464,006</u>
<b>Capital / Shareholders' equity</b>			
Paid up capital		-	-
Statutory reserve		-	-
Other reserve		-	-
Retained Earnings	12	-	-
<b>Total Shareholders' equity</b>		<u>6,121,952,915</u>	<u>3,121,464,006</u>
<b>Total liabilities and Shareholders' equity</b>			

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
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Corporate Office, Gulshan, Dhaka.

27 OCT 2022

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27 OCT 2022

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Corporate Office, Gulshan Avenue  
Dhaka-1212

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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





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Chartered Accountants

Notes	30 Jun. 2022	31 Dec. 2021
	BDT	BDT
<b>Off Balance Sheet Items</b>		
<b>Contingent liabilities</b>	<b>4,791,690,185</b>	<b>1,004,262,512</b>
Acceptances and endorsements	2,875,676,047	440,779,140
Letters of guarantee	20,841,540	16,136,900
Irrevocable letters of credit (Including Back to Back Bills)	1,858,358,072	547,346,472
Bills for collection	36,814,526	-
Other contingent liabilities	-	-
<b>Other commitments</b>		
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
<b>Total Off-Balance Sheet exposures including contingent liabilities</b>	<b>4,791,690,185</b>	<b>1,004,262,512</b>

27 OCT 2022

Arif Ahammad FCA  
Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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Dhaka-1212

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**ACNABIN**

Chartered Accountants

**UNITED COMMERCIAL BANK LIMITED**  
**Islamic Banking Unit**  
**Profit and Loss Account**  
**For the Period from 01 January 2022 to 30 June 2022**

	Notes	30 Jun. 2022 BDT	30 Jun. 2021 BDT
Investment income	13	94,755,797	492,056
Profit paid on deposits, borrowings, etc	14	44,646,866	3,935,903
<b>Net investment Income/(Loss)</b>		<b>50,108,931</b>	<b>(3,443,847)</b>
Income from investments in Shares/Securities		24,464,599	931,238
Commission, exchange & brokerage	15	35,353,103	1,016,143
Other operating income	16	1,278,240	7,434,595
<b>Total operating income (A)</b>		<b>111,204,873</b>	<b>5,938,129</b>
Salaries and allowances	17	15,519,740	6,931,911
Rent, taxes, insurance, electricity, etc.		1,886,995	425,654
Legal expenses		502,550	1,616,037
Postage, stamp and telecommunication, etc.		112,578	22,443
Stationery, printing and advertisements, etc.		7,402,867	3,718,634
Depreciation and repair of Bank's assets	18	10,889,299	9,950,741
Other expenditure	19	58,279,513	2,659,380
<b>Total operating expenses (B)</b>		<b>94,593,542</b>	<b>25,324,800</b>
<b>Profit/ (loss) before provision (C=A-B)</b>		<b>16,611,331</b>	<b>(19,386,672)</b>
Provision for investments	20	35,497,916	-
Provision for deminution in value of investment in shares	21	-	-
Other provision	22	47,916,902	1,756,579
<b>Total provision (D)</b>		<b>83,414,818</b>	<b>1,756,579</b>
<b>Total loss before taxes (C-D)</b>		<b>(66,803,487)</b>	<b>(21,143,251)</b>

27 OCT 2022

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 Finance Division  
 Corporate Office, Gulshan, Dhaka.

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27 OCT 2022

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 United Commercial Bank Limited  
 Corporate Office, Gulshan Avenue  
 Dhaka-1212

27 OCT 2022

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 DBH Finance PLC.



**UNITED COMMERCIAL BANK LIMITED**  
**Islamic Banking Unit**  
**Notes to the Financial Statements**  
**As at and for the Period from 01 January 2022 to 30 June 2022**

**1.1 Status of the Islamic Banking units**

Islamic Banking refers to a system of Banking or Banking activity that is consistent with the principles of the Sharia's (Islamic rulings) and its practical application through the development of Islamic economics. Sharia's prohibits the payment or acceptance of interest or excess (Riba) for the Lending and Borrowing of money. It carries out trade and other real economic activities to generate income rather than earning through trade of money (Interest). It also avoids Gharar (ambiguity) in any dealings or contracts and also avoids Maisir (gambling) in all activities. The principle also emphasises moral and ethical values in all dealings. The operation of our Islamic Banking is totally different from the Bank's conventional operation as the former operates their business on the basis of Islamic Shariah. Accounting system is vital for ensuring Shariah compliance in such banking operation. Our Islamic Banking operation is committed to follow the accounting principles that refrain from interest. In a nutshell, we follow under noted principles for accounting under its Islamic Banking umbrella, run through a separate Islamic Banking software namely i-FLEXCUBE.

**1.1.1 Principal Activities and Nature of Business**

The Islamic Banking units of UCB offers all kinds of Islamic Shari'ah based commercial Banking services to its customers through its windows following the provisions of the Bank Companies Act 1991 and amendments thereon, Bangladesh Bank's Directives and directives of other regulatory authorities and the principles of the Islamic Shari'ah.

**1.2 Deposits Principles**

**1.2.1 Shariah principles for receiving deposits**

Islamic banks receive deposits under two principles:

- i) Al-Wadeeah principle.
- ii) Mudaraba principle.

**1.2.1.1 Al-Wadeeah:**

**1.2.1.2 Mudaraba:**

Mudaraba is a partnership of labour and capital, where one partner provides full capital and the other one manages the business. The capital provider is called Sahib-Al-Maal and the user of the capital is called Mudarib. As per Shariah principles, the Mudarib will conduct the business independently following Shariah principles. The Sahib-Al-Maal may provide advices, if he deems fit but he can not impose any decision over the Mudarib. Profit, if any, is divisible between the Sahib-Al-Maal and the Mudarib at a predetermined ratio, while loss, if any, is borne by the Sahib-Al-Maal. The deposits, received by Islamic banks under this principle are called Mudaraba Deposits. Here, the depositors invest as Sahib-Al-Maal and the bank manages the business as Mudarib.

The Mudaraba deposits include:

- i) Mudaraba Savings Deposits (MSD)
- ii) Mudaraba Short Notice Deposits (MSND)
- iii) Mudaraba Term Deposits (MTD).

**1.2.1.3 Income Sharing Ratio (ISR)**

UCB Taqwa - Islamic banking declares Income Sharing Ratio (ISR) between Bank and Customer, which is applicable on its Bangladeshi Taka UCB Taqwa Mudaraba Savings Account, UCB Taqwa Mudaraba SND Account, UCB Taqwa Mudaraba Term Deposit Account, UCB Taqwa Monthly Income Term Deposit, UCB Taqwa Monthly Deposit Scheme.

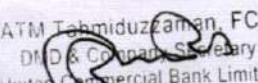
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Finance Division  
Corporate Office, Gulshan, Dhaka.

  
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UCB Taqwa profit bearing accounts are operated under Shariah Mode "Mudaraba" where, it is a partnership business contract between Bank & Customer. Customer provides capital (Shaheb Al Maal) and bank manages the business (Mudarib). Income generated is distributed between partners as per agreed Income Sharing Ratio (ISR).

- UCB Taqwa does not offer any provisional rate for any types of Mudaraba Accounts.
- Profit rate will be determined every month according to the Income Sharing Ratio (ISR) between Bank and Customer and Income from investment.

### 1.3 Investment Principles & Investment Products

Islamic banks do not directly deal in money. They run business with money. The funds of Islamic banking are mainly invested in the following modes:

- 1) Musharaka;
- 2) Bai-Murabaha (Murabaha to the purchase orders);
- 3) Salam and agency;
- 4) Ijarah Muntahia Bittamleek (Hire Purchase);
- 5) Hire Purchase Shirkat al Melk (HPSM);

### 1.4 Significant Accounting Policies

#### 1.4.1 Basis of preparation of the Financial Statements

Islamic Banking unit of the Bank is being operated in strict compliance with the rules of Islamic Shari'ah. The financial statements of the unit have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs) and as per provisions of the "Guidelines for Islamic Banking" issued by Bangladesh Bank through BRPD Circular No. 15 dated 09 November 2009 with reference to the provisions of the Bank Companies Act, 1991 and amendments thereon and other circulars/ instructions of Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987 and Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as a member of that organization.

In case any requirement of the Bank Companies Act 1991 and amendments thereon and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs as adopted, the requirements of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail.

#### 1.5 Income/ Revenue Recognition Principle

The bank earns income from various sources such as charges, fees, commission and investment income. To recognize all sorts of income, Islamic Banking units of UCB follows Shariah principle strictly. Usually charges, fees & commission etc. are recognized on actual basis. Recognition of income from investment follows principles as under:

- 1) Musharaka;
- 2) Bai-Murabaha (Murabaha to the purchase orders);
- 3) Salam and agency;
- 4) Hire Purchase Shirkat al Melk (HPSM);
- 5) Bai As Sorf (Currency exchange);

#### 1.6 Cost Recognition Principle

Cost in respect of profit paid on deposit is recognized on accrual basis. Monthly accruals in this respect are calculated on the basis of Income Sharing Ratio. Other costs are also recognized on the accrual basis following the matching concept of Accounting.

#### 1.7 Reporting period

These financial statements cover from 01 January 2022 to 30 June 2022.

#### 2 General

- a) These financial statements are presented in Taka, which is the Bank's functional currency and figures appearing in these financial statements have been rounded off to the nearest Taka.

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Arif Quadri FCA  
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United Commercial Bank Limited  
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**ACNABIN**

Chartered Accountants

**3 Cash****Cash in hand**

Local currency

Cash in ATM

Foreign currency

**Balance with Bangladesh Bank and its agent Bank(s)**

Local currency

Foreign currency

**4 Balance with other banks and financial institutions**

In Bangladesh

Outside Bangladesh

**5 Placement with other banks and financial institutions**Bangladesh Government Investment Sukuk  
Investment Securities**6 Investments****i) General Investments**

General Investment

**ii) Bills purchased and discounted****Payable Inside Bangladesh**

Inland bills purchased

**Payable Outside Bangladesh**

Foreign bills purchased and discounted

**7 Fixed assets****Cost**

Office equipments

Computer equipments

Computer software

Furniture &amp; Fixture

Interior decoration

**Less: Accumulated Depreciation**

Office equipments

Computer equipments

Computer software

Furniture &amp; Fixture

Interior decoration

**Written down value (WDV)**

	30 Jun. 2022 BDT	31 Dec. 2021 BDT
	218,561,022	164,508,201
Cash in hand	8,742,230	5,614,134
Local currency	-	-
Cash in ATM	-	-
Foreign currency	8,742,230	5,614,134
Balance with Bangladesh Bank and its agent Bank(s)	209,818,792	158,894,067
Local currency	-	-
Foreign currency	209,818,792	158,894,067
Balance with other banks and financial institutions	921,866	950,000,000
In Bangladesh	-	-
Outside Bangladesh	921,866	950,000,000
Placement with other banks and financial institutions	537,750,000	-
Bangladesh Government Investment Sukuk	282,500,000	287,750,000
Investment Securities	820,250,000	287,750,000
Investments	4,013,119,167	725,575,546
i) General Investments	4,013,119,167	725,575,546
General Investment	-	-
ii) Bills purchased and discounted	-	-
Payable Inside Bangladesh	-	-
Inland bills purchased	-	-
Payable Outside Bangladesh	-	-
Foreign bills purchased and discounted	-	-
	4,013,119,167	725,575,546
Fixed assets	1,558,420	1,077,650
Cost	1,841,983	905,000
Office equipments	67,944,879	67,944,879
Computer equipments	1,451,460	-
Computer software	4,820,647	-
Furniture & Fixture	77,617,389	69,927,529
Interior decoration	157,231	22,189
Less: Accumulated Depreciation	363,263	186,229
Office equipments	27,903,361	19,410,252
Computer equipments	48,765	-
Computer software	120,516	-
Furniture & Fixture	28,593,136	19,618,670
Interior decoration	49,024,253	50,308,859
Written down value (WDV)	-	-

27 OCT 2022

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Senior Executive Vice President  
United Commercial Bank Limited  
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	30 Jun. 2022 BDT	31 Dec. 2021 BDT
<b>8 Other assets</b>		
Advance deposits and advance rent	874,540	-
Advance Income Tax Paid	15,169,135	3,892,541
Income Receivable	89,680	4,620
Stock of Stationery & Stamps	1,003,942,517	939,424,239
Head Office General Account-Islamic Banking	735	-
Othres	<u>1,020,076,607</u>	<u>943,321,400</u>
<b>9 Placement from other banks, financial institutions and agents</b>		
Borrowings from Head office	357,618,940	160,489,035
Bangladesh Bank Refinancing Scheme	-	-
Emirates Islamic Bank	-	-
First Gulf Bank	-	-
Habib Bank UK	-	-
Commercial Bank of Qatar	-	-
National Bank of Ras Al-Khaimah, UAE	<u>357,618,940</u>	<u>160,489,035</u>
<b>10 Deposits and other accounts</b>		
Inter Bank Deposits	50,000,000	-
Customer Deposits	<u>5,564,586,468</u>	<u>2,914,986,315</u>
<b>a. Al-Wadeeah Current and Other Deposits</b>		
Current deposits	251,726,989	147,858,817
Foreign currency deposits	63,166,435	23,378,616
Sundry deposits	<u>718,220,300</u>	<u>395,629,649</u>
	<u>1,033,113,724</u>	<u>566,867,082</u>
<b>b. Bills Payable</b>		
Pay order	7,109,611	18,852
Demand draft payable	-	-
Others payable	<u>7,109,611</u>	<u>18,852</u>
<b>c. Mudaraba Savings Deposits</b>		
Savings Bank deposits	<u>1,432,715,810</u>	<u>654,739,709</u>
<b>d. Mudaraba Term Deposits</b>		
Term deposits	2,417,286,976	1,146,040,516
Special notice deposits	724,360,347	547,320,156
Scheme Deposits	<u>3,141,647,323</u>	<u>1,693,360,672</u>
<b>11 Other liabilities</b>		
Provision for Investments (Notes-11.1)	35,497,916	5,138,509
Provision for off-balance sheet exposure	47,916,902	10,042,625
Profit payable	26,622,629	27,340,378
Payable Tax, VAT and Excise Duty	1,240,385	3,467,144
Other Sundry Liabilities	38,469,675	-
Head Office General Account-Islamic Banking	<u>149,747,507</u>	<u>45,988,655</u>

27 OCT 2022

*[Signature]*

Arif Ahammed FCA  
Senior Executive Vice President  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

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

27 OCT 2022

*[Signature]*  
Arif Quadri  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022  
*[Signature]*

Nasimul Baten  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**  
Chartered Accountants

# 11.1 Provision for Investments

General provision  
Specific Provision

# 12 Retained earnings

Opening Balance  
Add: Transferred during for the year  
Retained earnings transferred to central operation  
Effect of changes in exchange rate

# 13 Investment income

Term Investment  
Bills purchased & Discount  
Others  
Income on Investment

Income on balance with other banks and financial institutions  
Islamic Bond  
Income received from foreign banks  
Total investment income

# 14 Profit paid on deposits, borrowings, etc.

Profit paid on deposits  
Profit paid on local bank accounts  
Profit paid on Borrowings

# 15 Commission, exchange and brokerage

Exchange Gain  
Account Maintenance Fee  
Debit Card  
Revaluation Gain on foreign currency  
Income from Commission  
Income from Fees and Charges  
Cheque Book Issuance

# 16 Other operating income

Income from Others

# 17 Salaries and allowances

Basic pay  
Allowances  
Bonus  
Contribution to fund

30 Jun. 2022	31 Dec. 2021
BDT	BDT

35,497,916	5,138,509
------------	-----------

35,497,917	5,138,509
------------	-----------

30 Jun. 2022	30 Jun. 2021
BDT	BDT

89,479,017	453,500
------------	---------

5,276,780	38,556
-----------	--------

94,755,797	492,056
------------	---------

-	-
---	---

-	-
---	---

94,755,797	492,056
------------	---------

43,055,056	3,935,903
------------	-----------

1,591,810	-
-----------	---

44,646,866	3,935,903
------------	-----------

-	220
---	-----

-	-
---	---

-	-
---	---

25,034,048	712,473
------------	---------

10,319,055	303,450
------------	---------

-	-
---	---

35,353,103	1,016,143
------------	-----------

1,278,240	7,434,595
-----------	-----------

1,278,240	7,434,595
-----------	-----------

9,699,361	4,190,595
-----------	-----------

3,061,328	1,390,300
-----------	-----------

1,635,875	865,154
-----------	---------

1,123,176	485,862
-----------	---------

15,519,740	6,931,911
------------	-----------

27 OCT 2022

*[Signature]*

**Faruk Ahammad FCA**

Senior Executive Vice President & CFO  
United Commercial Bank Limited

Finance Division  
Corporate Office, Gulshan, Dhaka

27 OCT 2022

*[Signature]*

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

27 OCT 2022

*[Signature]*

**Arif Quadri**

Managing Director & CEO  
United Commercial Bank Limited

Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022

*[Signature]*

**Nasimul Baten**

Managing Director & CEO  
DBH Finance PLC.



**18 Depreciation and repair of Bank's assets**

**Depreciation**

Computer Equipment  
Computer Software  
Furniture & Fixture  
Interior Decoration  
Office Equipment

**Repair and Renovation**

Premises  
Repair and Renovation Expense Supply Items  
Repair-Office Equipment  
Fixed Assets Maintenance Charge

30 Jun. 2022	30 Jun. 2021
BDT	BDT
177,035	84,998
8,493,109	6,726,906
48,765	-
120,516	-
135,042	1,765
<b>8,974,467</b>	<b>6,813,668</b>
-	504,550
1,244,532	4,475
71,800	-
598,500	2,628,048
<b>1,914,832</b>	<b>3,137,073</b>
<b>10,889,299</b>	<b>9,950,741</b>

**19 Other expenditure**

Fees, Commission and Charges  
Revaluation loss on foreign currency  
Exchange Gain/(Loss)  
Other expense

366,022	435,000
45,338,066	-
5,833,619	-
6,741,806	2,224,380
<b>58,279,513</b>	<b>2,659,380</b>

**20 Provision for Investments**

Provision for Classified Investments  
Provision for Unclassified Investments

35,497,916	-
<b>35,497,916</b>	<b>-</b>

**21 Provision for diminution in value of investments**

Provision for diminution in value of investments

-	-
<b>-</b>	<b>-</b>

**22 Other Provision**

Provision for off-balance sheet exposures

47,916,902	1,756,579
<b>47,916,902</b>	<b>1,756,579</b>

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tahmidul Zaman FCS  
DMD & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





**ACNABIN**  
Chartered Accountants

Annexure-E

**UNITED COMMERCIAL BANK LIMITED**  
Off-shore Banking Unit  
Balance Sheet  
As at 30 June 2022

	Notes	30 Jun. 2022		31 Dec. 2021
		USD	BDT	BDT
<b>PROPERTY AND ASSETS</b>				
<b>Cash</b>				
In hand (including foreign currencies)		-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-	-
<b>Balance with other banks and financial institutions</b>	3	7,124,700.99	665,803,308	956,517,040
In Bangladesh		7,124,700.99	665,803,308	956,517,040
Outside Bangladesh		-	-	-
<b>Loans and advances</b>	4	294,026,535.81	27,476,779,771	25,218,952,310
Loans, cash credits, overdrafts, etc.		20,760,539.70	1,940,072,435	1,931,205,450
Bills purchased and discounted		273,265,996.11	25,536,707,336	23,287,746,860
<b>Fixed assets including premises, furniture and fixtures</b>	5	908.87	70,846	140,307
<b>Other assets</b>	6	-	-	-
<b>Non - banking assets</b>		301,152,145.67	28,142,653,925	26,175,609,656
<b>Total assets</b>				
<b>LIABILITIES AND CAPITAL</b>				
<b>Liabilities</b>				
Borrowings from other banks, financial institutions and agents	7	290,227,960.70	27,121,802,927	25,067,161,337
<b>Deposits and other accounts</b>				
Other liabilities	8	6,506,070.54	607,935,642	530,455,065
<b>Total liabilities</b>		296,734,031.24	27,729,738,569	25,597,616,402
<b>Capital / Shareholders' equity</b>				
Paid up capital		-	-	-
Statutory reserve		-	-	-
Foreign currency gain		-	27,456,188	4,863,330
Other reserve		-	385,459,167	573,129,925
Deficit in profit and loss account/ Retained earnings	9	4,418,114.46	412,915,355	577,993,254
<b>Total Shareholders' equity</b>		4,418,114.46	412,915,355	577,993,254
<b>Total liabilities and Shareholders' equity</b>		301,152,145.70	28,142,653,925	26,175,609,656

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**Faruk Ahammad FCA**  
Senior Executive (Ceo President & CFO)  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



Total Off-Balance Sheet exposures including contingent liabilities

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**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.

Faruk Ahmad FCA  
Senior Executive Vice President CFO  
United Commercial Bank Limited  
Finance Division

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

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



**UNITED COMMERCIAL BANK LIMITED**  
**Off-shore Banking Unit**  
**Profit and Loss Account**  
**For the Period from 01 January 2022 to 30 June 2022**

	Notes	30 Jun. 2022		31 Jun. 2021
		USD	BDT	BDT
Interest income	10	5,850,816.36	510,444,527	920,150,104
Interest paid on deposits, borrowings, etc.	11	(1,952,430.04)	(170,336,440)	(329,149,047)
<b>Net interest income</b>		<b>3,898,386.32</b>	<b>340,108,087</b>	<b>591,001,057</b>
Investment Income				
Commission, exchange, brokerage, etc.	12	307,714.82	26,846,056	51,698,270
Other operating income	13	18,915.00	1,650,207	-
<b>Total operating income (A)</b>		<b>4,225,016.14</b>	<b>368,604,351</b>	<b>642,699,328</b>
Salaries and allowances	14	9,126.58	796,233	1,123,033
Rent, taxes, insurance, electricity, etc.		-	-	-
Legal expenses		-	-	-
Postage, stamp, telecommunication, etc.		-	-	-
Stationery, printing, advertisements, etc.		-	-	-
Auditors' fees		-	-	-
Depreciation and repair of Bank's assets		891.10	69,461	140,843
Other expenditure	15	-	-	162,136
<b>Total operating expenses (B)</b>		<b>10,017.68</b>	<b>865,694</b>	<b>1,426,012</b>
<b>Profit before provision (C=A-B)</b>		<b>4,214,998.46</b>	<b>367,738,657</b>	<b>641,273,316</b>
Provision for loans and advances / investments				
Specific provision		(177,628.00)	(15,496,853)	(27,583,303)
General provision		(25,488.00)	(2,223,657)	5,154,687
Provision for Off Balance Sheet Exposure		(203,116.00)	(17,720,510)	(22,428,616)
<b>Total provision (D)</b>		<b>(406,232.00)</b>	<b>(35,440,970)</b>	<b>(44,857,232)</b>
<b>Total profit before taxes (C-D)</b>		<b>4,418,114.46</b>	<b>385,459,167</b>	<b>663,701,931</b>
Provision for taxation				
Current tax		-	-	-
Deferred tax		-	-	-
<b>Net profit after taxation</b>		<b>4,418,114.46</b>	<b>385,459,167</b>	<b>663,701,931</b>
Retained earnings brought forward from previous years		-	-	-
		<b>4,418,114.46</b>	<b>385,459,167</b>	<b>663,701,931</b>

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

ATM Tahmiduzzaman, FCS  
DMO & Company Secretary  
United Commercial Bank Limited

27 OCT 2022

**Arif Quader**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.



**UNITED COMMERCIAL BANK LIMITED**  
**Off-shore Banking Unit**  
**Cash Flow Statement**  
**For the Period from 01 January 2022 to 30 June 2022**

	30 Jun. 2021		30 Jun. 2021
	USD	BDT	BDT
<b>A) Cash flows from operating activities</b>			
Interest receipts in cash	5,850,816.36	510,444,527	359,799,068
Interest payments	(1,952,430.04)	(170,336,440)	(99,985,579)
Fees and commission receipts in cash	307,714.82	26,846,056	41,454,746
Cash payments to employees	(9,126.58)	(796,233)	-
Cash payments to suppliers	-	-	-
Receipts from other operating activities	18,915.00	1,650,207	1,672,791
Payments for other operating activities	-	-	-
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>4,215,889.56</b>	<b>367,808,118</b>	<b>302,941,027</b>
<b>Increase / (decrease) in operating assets and liabilities</b>			
Loans and advances to other banks	(90,498,829.47)	(7,895,416,529)	(6,351,643,261)
Loans and advances to customers	95,305.49	8,314,765	8,091,436
Other assets	83,867,515.91	7,372,334,885	4,913,690,934
Deposits from other banks / borrowings	-	-	-
Deposits from customers	2,714,716.96	236,840,866	2,333,383
Other liabilities	(3,821,291.11)	(277,926,013)	(1,427,527,508)
<b>Net cash used in operating activities</b>	<b>394,598.45</b>	<b>89,882,105</b>	<b>(1,124,586,481)</b>
<b>B) Cash flows from investing activities</b>			
Purchase / sale of property, plant and equipment	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C) Cash flows from financing activities</b>			
Retained earnings sent to Central Operation	(4,418,114.46)	(385,459,167)	(98,902,872)
<b>Net cash used in financing activities</b>	<b>(4,418,114.46)</b>	<b>(385,459,167)</b>	<b>(98,902,872)</b>
<b>D) Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(4,023,516.01)</b>	<b>(295,577,062)</b>	<b>(1,223,489,353)</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	<b>4,863,330</b>	<b>304,636</b>	<b>304,636</b>
<b>F) Cash and cash equivalents at beginning of the year</b>	<b>11,148,217.00</b>	<b>956,517,040</b>	<b>1,458,215,899</b>
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>	<b>7,124,700.99</b>	<b>665,803,308</b>	<b>235,031,182</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand (including foreign currencies)	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	7,124,700.99	665,803,308	235,031,182
Balance with other banks and financial institutions	<b>7,124,700.99</b>	<b>665,803,308</b>	<b>235,031,182</b>

27 OCT 2022

**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

27 OCT 2022

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

27 OCT 2022

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

27 OCT 2022

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





**UNITED COMMERCIAL BANK LIMITED**  
**Off-shore Banking Units**  
**Notes to the Financial Statements**  
**As at and for the Period from 01 January 2022 to 30 June 2022**

**1.1 Status of the units**

Off-shore Banking Units of United Commercial Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained permission for 2 (two) units of Off-shore Banking Unit (OBU) vide letter no. BRPD (P-3) 744 (117)/2010-2577 dated 9th June 2010. The Bank commenced the operation of its Off-shore Banking Unit from November 10, 2010. Currently the Bank has 01 (one) unit located in Dhaka.

**1.1.1 Principal activities**

The principal activities of the unit is to provide all kinds of commercial banking services to its customers through its off-shore Banking Units in Bangladesh.

**1.2 Significant accounting policies and basis of preparation of financial statements**

**1.2.1 Basis of accounting**

The Off-shore Banking Units maintain its accounting records in USD from which accounts are prepared according to the Bank Company Act 1991, Bangladesh Accounting Standards and other applicable directives issued by Bangladesh Bank.

**1.2.2 Use of estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

**1.2.3 Foreign currency transaction**

**a) Foreign currencies translation**

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

**b) Commitments**

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

**c) Translation gains and losses**

The resulting exchange transaction gains and losses are included in the profit and loss account.

**1.2.4 Cash flow statement**

Cash flow statement has been prepared in accordance with the International Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

**1.2.5 Reporting period**

These financial statements cover from 01 January 2022 to 30 June 2022.

**2 General**

- a) These financial statements are presented in Taka, which is the Bank's functional currency and figures appearing in these financial statements have been rounded off to the nearest Taka.
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 93.4500 (closing rate as at 30 June 2022) and Tk. 87.2433 (average rate which represents the period end).

27 OCT 2022

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27 OCT 2022

**Faruk Anam FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

**Apif Quadri**  
Managing Director & CEO  
United Commercial Bank Limited  
Corporate Office, Gulshan Avenue  
Dhaka-1212

**Nasimul Baten**  
Managing Director & CEO  
DBH Finance PLC.





**3 Balance with other banks and financial institutions**

In Bangladesh  
Outside Bangladesh

	30 Jun. 2022	31 Dec. 2021
	USD	BDT
		BDT
	7,124,700.99	665,803,308
	7,124,700.99	665,803,308
		956,517,040
		956,517,040

**4 Loans and advances**

i) Loans, cash credits, overdrafts, etc.

Loan (General)

Hire purchase

Lease finance

Term Loan

	20,760,539.70	1,940,072,435	1,931,205,450
	20,760,539.70	1,940,072,435	1,931,205,450

ii) Bills purchased and discounted (note-5)

Payable Inside Bangladesh

Inland bills purchased

Payable Outside Bangladesh

Foreign bills purchased and discounted

	273,265,996.11	25,536,707,336	23,287,746,860
	273,265,996.11	25,536,707,336	23,287,746,860
	294,026,535.81	27,476,779,771	25,218,952,310

**5 Fixed assets**

Cost

Furniture & Fixtures

Computer and equipments

	18,985.84	1,479,935	1,479,935
	808.56	63,027	63,027
	19,794.40	1,542,962	1,542,962

Less: Accumulated Depreciation

Furniture & Fixtures

Computer and equipments

	18,077.97	1,409,167	1,339,706
	807.56	62,949	62,949
	18,885.53	1,472,116	1,402,655
	908.87	70,846	140,307

Written down value (WDV)

**6 Other assets**

Advance deposits and advance rent

Interest Receivable

Foreign currency translation reserve

	-	-	-
	-	-	-
	-	-	-

**7 Borrowings from other banks, financial institutions and agents**

Borrowings from Head office

International Finance Corporation

PROPARCO

Emirates NBD Bank PJSc-UAE

First Gulf Bank

National Bank of Ras Al-Khaimah, UAE

Commercial Bank of Qatar

Abu Dhabi Commercial Bank

CAIXA BANK SPAIN

STATE BANK OF INDIA HONG KONG

United Bank Limited-UAE

ICICI Bank Ltd., India

Bank Muscat International

DBS Bank Ltd

	165,257,845.30	15,443,345,643	14,713,762,266
	476,190.40	44,499,993	429,000,000
	15,000,000.00	1,401,750,000	-
	31,000,000.00	2,896,950,000	-
	10,000,000.00	934,500,000	-
	30,000,000.00	2,803,500,000	-
	18,000,000.00	1,682,100,000	-
	10,000,000.00	934,500,000	-
	2,493,925.00	233,057,291	-
	3,000,000.00	280,350,000	-
	5,000,000.00	467,250,000	-
			9,924,399,071
	290,227,960.70	27,121,802,927	25,067,161,337

**8 Other liabilities**

Interest payable

Provision for Loans & Advances

Provision for Off Balance Sheet Exposure

Provision for Salaries and allowances

	2,714,716.96	253,690,300	188,512,639
	2,772,372.00	259,078,163	253,110,000
	1,009,855.00	94,370,950	88,832,427
	9,126.58	796,229	-
	6,506,070.54	607,935,642	530,455,065

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27 OCT 2022

**Faruk Ahammad FCA**

Senior Executive Vice President & CFO

United Commercial Bank Limited

Finance Division

Corporate Office, Gulshan, Dhaka.

ATM Tahmiduzzaman, FCS

DMD & Company Secretary

United Commercial Bank Limited

**Arif Quadri**

Managing Director & CEO

United Commercial Bank Limited

Corporate Office, Gulshan Avenue

Dhaka-1212

**Nasimul Baten**

Managing Director & CEO

DBH Finance PLC.





**ACNABIN**  
Chartered Accountants

**9 Retained earnings**

Balance at 01 January 2022

Current period profit

Retained earnings transferred to central operation

Effect of changes in exchange rate

	30 Jun. 2022	31 Dec. 2021
	USD	BDT
		BDT
	4,418,114.46	385,459,167
	(4,418,114.46)	(412,872,796)
		27,456,188
		4,863,330
		42,559
		(14,131)

**10 Interest income**

Term Loan

Bills purchased & Discount

Others

Interest on loans and advances

Interest on balance with other banks and financial institutions

Interest received from foreign banks

Total Interest income

	30 Jun. 2022	30 Jun. 2021
	USD	BDT
		BDT
	456,766.39	39,849,807
	5,341,880.30	466,043,266
	38,076.05	3,321,880
	5,836,722.74	509,214,953
		915,821,147
	12,611.12	1,100,236
	1,482.50	129,338
	5,850,816.36	510,444,527
		920,150,104

**11 Interest on deposits, borrowings, etc.**

Interest paid on deposits

Interest paid on local bank accounts

Interest paid on Borrowings

	1,952,430.04	170,336,440	329,149,047
	1,952,430.04	170,336,440	329,149,047

**12 Commission, exchange and brokerage**

LC, BC & BG (Others) Fees and Charges

Exchange Gain/(Loss)

Revaluation Gain/(Loss) on foreign currency

	228,522.70	19,937,074	45,716,820
	79,192.12	6,908,982	5,981,450
	307,714.82	26,846,056	51,698,270

**13 Other operating income**

Reimbursement Charge

Miscellaneous earnings

	18,915.00	1,650,207	
	18,915.00	1,650,207	

**14 Salaries and allowances**

Basic pay

Allowances

Bonus

Unit's contribution to provident fund

	3,689.61	321,894	538,737
	2,833.46	247,200	317,066
	2,234.54	194,949	213,352
	368.97	32,190	53,877
	9,126.58	796,233	1,123,033

**15 Other expenditure**

Foreign bank correspondence charges

Revaluation loss on foreign currency

			162,136
			162,136

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**Faruk Ahammad FCA**  
Senior Executive Vice President & CFO  
United Commercial Bank Limited  
Finance Division  
Corporate Office, Gulshan, Dhaka.

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

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

**Nasimul Baten**  
Managing Director & CEO  
OBH Finance PLC.