

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”।

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

PUBLIC OFFER OF 428,000,000 ORDINARY SHARES OF TK. 10 EACH TOTALING TK. 4,280,000,000.

Opening and Closing Date of Subscription

Opening Date: December 26, 2021



Closing Date: December 30, 2021

Issue Date of the Prospectus: November 27, 2021

Prospectus of



CREDIT RATING STATUS		
Rating Particulars	Long Term	Short Term
Entity Rating	A+	ST-2
Outlook	Stable	
Credit Rating Company	Alpha Credit Rating Limited	

MANAGER TO THE ISSUE	CO-ISSUE MANAGER
 <p>Prime Bank Investment Ltd. <i>Powering Business Solutions</i> (A Subsidiary of Prime Bank Limited)</p>	 <p>BRAC EPL INVESTMENTS LIMITED</p>

a) **PRELIMINARY INFORMATION AND DECLARATION**

(i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer:

Name and Address	Contact Person	Contact Details
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Manager to The Issue		
Prime Bank Investment Limited Tajwar Centre (5 th Floor), House# 34, Road# 19/A, Block# E, Banani, Dhaka-1213	Khandoker Raihan Ali FCA Managing Director & CEO (CC)	Tel: +88 02 48810315-6 Fax: +88 02 48810314 E-mail: raihan@pbil.com.bd Website: www.pbil.com.bd
Co-Issue Manager		
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Auditors		
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(ii) A person interested to get a prospectus may obtain from the Issuer, and the Issue Manager(s);

(iii) “If you have any query about this document, you may consult the Issuer, Issue Manager and underwriter”;

(iv) “CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER’S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY).”

(v) ‘Risk in relation to the first issue’

"This being the first issue of the Issuer, there has been no formal market for the securities of the Issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk. 10.00 (ten), i.e. the face value. The issue price has been determined and justified by the Issuer and the Issue Manager as stated under the paragraph on “Justification of Issue Price” should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) ‘General Risk’

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of ‘risk factors’ given on page number(s) “from 223 to 233”

(vii) ‘Union Bank Limited’s Absolute Responsibility’

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

b) Availability of Prospectus:

- (i) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;

Name and Address	Contact Person	Contact Details
Issuer		
Union Bank Limited Bahela Tower 72, Gulshan Avenue, Gulshan -1, Dhaka-1212	Ali Hossain Bhuiyan, Company Secretary	Tel: +88-02-222280523 Fax: +88-02-222280523 E-mail: bcs@unionbank.com.bd Website: www.unionbank.com.bd
Manager to The Issue		
Prime Bank Investment Limited Tajwar Centre (5 th Floor), House# 34, Road# 19/A, Block# E, Banani, Dhaka-1213	H. A. Mamun Head of Issue Management	Tel: +88- 02- 48810315-6 Fax: +88- 02- 48810314 E-mail: mamun@pbil.com.bd Website: www.pbil.com.bd
Co-Issue Manager		
BRAC EPL Investments Limited Medona Tower Level 04 (3 rd Floor), 28 Mohakhali C/A, Dhaka-1213	Syed Rashed Hussain Chief Executive Officer	Tel: +88- 02- 222299253 Fax: +88 -02- 222299445 E-mail: rashed.hussain@bracepl.com Website: www.bracepl.com
Stock Exchanges		
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Chittagong Stock Exchange Ltd. CSE Library CSE Building, 1080 Sk. Mujib Road, Agrabad C/A, Chittagong-4100 Dhaka liaison Office: 52-53, Dilkusha C/A, Dhaka-1000	Mohammad Habib Ullah Deputy Manager	Tel: +88 031 714632-3, +88-031- 720871 Fax: +88- 031- 714101 +880-2-9513911-15 E-mail: jabed@cse.com.bd; Web: www.cse.com.bd

Prospectus would also be available on the websites of the Union Bank Limited (www.unionbank.com.bd), Prime Bank Investment Limited. (www.pbil.com.bd), BRAC EPL Investments Limited (www.bracepl.com), BSEC (www.sec.gov.bd), DSE (www.dsebd.org), CSE (www.csebd.com) and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

(ii) Names and dates of the newspapers where abridged version of prospectus was published.

Date of publication of the abridged version of the prospectus:

SL No.	Name	Date
Bengali Newspapers		
1	Daily Prothom Alo	November 27, 2021
2	Daily Bangladesh Pratidin	November 27, 2021
English Newspapers		
1	The Daily Star	November 27, 2021
2	The Financial Express	November 27, 2021

(iii) Definitions and Acronyms or Elaborations:

A		
AGM	:	Annual General Meeting
Allotment	:	Letter of allotment for shares
ALCO	:	Asset Liability Committee
ALM	:	Asset Liability Management
“Articles” or “Articles of Association” or “AoA”	:	The Articles of Association of Union Bank Limited
“Board” or “Board of Directors” or “our Board”	:	The Board of Directors of Union Bank Limited as duly constituted from time to time including any committees thereof
B		
BB	:	Bangladesh Bank
BO A/C	:	Beneficial Owner account or Depository account
BAS	:	Bangladesh Accounting Standard
BDT	:	Bangladeshi Taka
BSEC	:	Bangladesh Securities and Exchange Commission
BFRS	:	Bangladesh Financial Reporting Standard
BIDA	:	Bangladesh Investment Development Authority
C		
CDBL	:	Central Depository Bangladesh Limited
CFO	:	Chief Financial Officer
Companies Act	:	Companies Act, 1994 (Act No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
CIB	:	Credit Information Bureau
CIS	:	Collective Investment Scheme
Commission	:	Bangladesh Securities and Exchange Commission
CS	:	Company Secretary
D		
DSE	:	Dhaka Stock Exchange Limited
E		
EI	:	Eligible Investor
EPS	:	Earnings per share
Exchanges	:	Stock Exchanges
EUR	:	Euro
F		
FC Account	:	Foreign Currency Account
FCA	:	Fellow Chartered Accountants
G		
GP	:	General Public
GBP	:	Great Britain Pound
I		
ICT	:	Information and Communications Technology
IPO	:	Initial Public Offering
Issue	:	Public Issue
Issuer	:	Union Bank Limited
Issue Manager	:	Prime Bank Investment Limited
L		
L/C	:	Letter of Credit
M		
“Memorandum” or “Memorandum of Association” or “MoA”	:	The Memorandum of Association of Union Bank Limited
MTDR	:	Mudaraba Term Deposit Receipt
N		
NAV	:	Net Asset Value
NBFI	:	Non-Bank Financial Institution

NBR	:	National Board of Revenue
NRB	:	Non-resident Bangladeshi
NOCFPS	:	Net Operating Cash Flow Per Share
O		
“Our Company”	:	Union Bank Limited a Public Limited Company under the Companies Act and also is governed by the Bank Company Act, 1991.
Offering Price	:	Price of the Securities of Union Bank Limited being offered
P		
P/E	:	Price Earnings ratio
PBIL	:	Prime Bank Investment Limited
R		
Registered Office	:	Head Office of the Company
RJSC	:	Registrar of Joint Stock Companies & Firms
S		
Securities	:	Shares of Union Bank Limited
Securities Market	:	The Share Market of Bangladesh
Sponsors	:	The Sponsor Shareholders of Union Bank Limited
Subscription	:	Application Money
T		
The Company	:	Union Bank Limited a Public Limited Company under the Companies Act and also is governed by the Bank Company Act, 1991.
U		
UBL	:	Union Bank Limited
USD	:	United States Dollar
V		
VAT	:	Value Added Tax

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SECTION - I

EXECUTIVE SUMMARY

a) About the Industry

Banking Industry in Bangladesh

Banking industry in Bangladesh started its journey with 6 Nationalized commercialized banks, 3 State owned Specialized banks and 9 Foreign Banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Now, banks in Bangladesh are primarily of two types:¹

- **Scheduled Banks:**
The banks that remain in the list of banks maintained under the Bangladesh Bank Order, 1972.
- **Non-Scheduled Banks:**
The banks which are established for special and definite objective and operate under any act but are not Scheduled Banks. These banks cannot perform all functions of scheduled banks.

Currently, there are **61 scheduled banks** in Bangladesh who operate under full control and supervision of Bangladesh Bank which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991. Scheduled Banks are classified into following types:

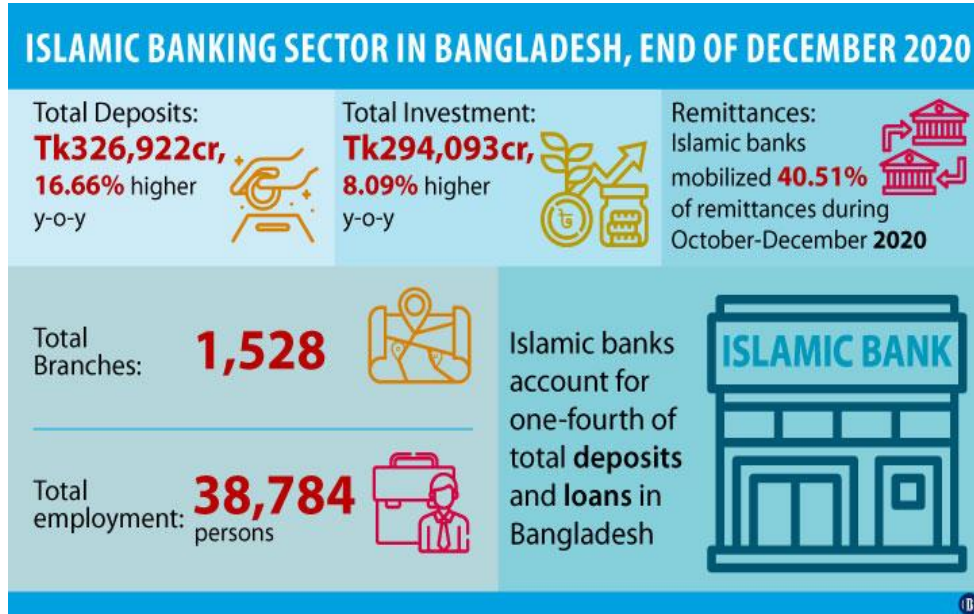
- **Islami Shariah based PCBs:** There are **10 Islami Shariah based PCBs** in Bangladesh and they execute banking activities according to Islami Shariah based principles i.e. Profit-Loss Sharing (PLS) mode.
- **State Owned Commercial Banks (SOCBs):** There are **6 SOCBs** which are fully or majorly owned by the Government of Bangladesh.
- **Specialized Banks (SDBs):** **3 specialized banks** are now operating which were established for specific objectives like agricultural or industrial development. These banks are also fully or majorly owned by the Government of Bangladesh.
- **Private Commercial Banks (PCBs):** There are **43 private commercial banks** which are majorly owned by individuals/the private entities. PCBs can be categorized into two groups:
- **Conventional PCBs:** **33 conventional PCBs** are now operating in the industry. They perform the banking functions in conventional fashion i.e interest based operations.
- **Foreign Commercial Banks (FCBs):** 9 FCBs are operating in Bangladesh as the branches of the banks which are incorporated in abroad.

Islami Banking Industry in Bangladesh

Global Islamic financial sector continues to grow following its risk sharing, resilience, inclusive and real asset backed transactions features. In tandem with global trends, Bangladesh Islamic banking sector has also recorded robust growth due to policy supports from Bangladesh Bank and public demand. Recently Bangladesh Bank on behalf of the Government has issued sovereign investment sukuk which will smooth liquidity management of Islamic banks, help financing budget deficit and promote Islamic capital markets to raise funds for infrastructure and industrial projects towards achieving higher inclusive GDP growth including sustainable development goals (SDGs).

¹ [Financial System \(bb.org.bd\)](http://Financial System (bb.org.bd))

Deposit growth in Bangladesh’s banking sector was 13.5% in 2020, while the growth rate was 16.67% in Shariah-based banks, as per a report from the central bank, Bangladesh Bank. The growth in deposit and investment in Shariah-based banks was better than the overall growth in the country’s banking sector in 2020. Deposits in Islamic banks increased by BDT466.94 billion (US\$5.41 billion) to BDT3.27 trillion (US\$37.88 billion) at the end of December 2020 from BDT2.8 trillion (US\$32.44 billion) a year ago.²



Source: Business Standard ³

At the end of March 2021, Bangladesh’s 10 full-fledged Islamic banks have been operating with 1558 branches out of total 10767 branches of the whole banking sector. In addition, 19 Islamic banking branches of 8 conventional commercial banks and 178 Islamic banking windows of 11 conventional commercial banks are also providing Islamic financial services in Bangladesh.

At the end of the January-March 2020, deposits and investment grew by 9.44% and 9.62% respectively, while excess liquidity increased by 3.72% and remittance decreased by 26.51% compared to that of the last quarter. ⁴

Regulation and supervision

The Islamic banking sector in Bangladesh receives favorable treatment from its regulatory authority which helped Islamic banks to evolve with a strong foothold in the country, with the government itself having ownership in the first Islamic bank in the country. In order to grant licenses to Islamic banks, some Islamic banking provisions were incorporated in the existing Banking Companies Act 1991.

Bangladesh Bank, as the main regulatory body in the country, granted certain preferential provisions to Islamic banks over conventional banks. For Example, Islamic banks in Bangladesh are required to maintain their statutory liquidity requirement at 11.5% of the total deposit

² IFN - Bangladesh: Growth of Islamic banks overtakes that of conventional banks (islamicfinancenews.com)

³ Islamic banking booming in Bangladesh even in pandemic (businessinsiderbd.com)

⁴ https://www.bb.org.bd/pub/quarterly/islamic_banking/jan-mar2021.pdf

liabilities while it is 19.5% for conventional banks. Islamic banks are allowed to fix their profit-sharing ratios and mark up independently, corresponding to their own policy and banking environment and abiding by the restriction of the interest rate spread of Bangladesh Bank.⁵

Bangladesh Bank also formulated a guideline in 2009 for conducting Islamic banking business in the country. As per the guideline, it is the responsibility of the board of directors of the respective bank to ensure that the activities of the bank and its products are Shariah compliant. The board of Islamic banks and conventional commercial banks having Islamic branches may form an independent Shariah supervisory committee with experienced and knowledgeable persons in Islamic jurisprudence. To ensure Islamic banks manage liquidity efficiently, the central bank also developed a number of tools. It introduced the Bangladesh Government Islamic Investment Bond in 2004 and in 2012, it initiated the Islamic Inter-Bank Fund Market in order to facilitate effective short-term liquidity management by Islamic banks. In 2014, Bangladesh Bank amended the Bangladesh Government Islamic Investment Bond (Islamic Bond) Policy, 2004 with the objective of developing a sound foundation for the Islamic bond market and converting excess liquidity into investment through Islamic bonds.

Growth in Islamic banking sector

Bangladesh's Islamic banking sector has experienced robust growth due to policy supports and strong public demand, the central bank noted in its quarterly report. Recent issuance of sukuk rules by the Bangladesh Securities and Exchange Commission will promote Islamic capital markets badly needed for financing infrastructure and industrial projects towards achieving higher inclusive GDP growth and other sustainable development goals.

Recent news that Bangladesh's central bank approved the conversion of two more local banks to fully-fledged Islamic banks warrants taking a closer look at the Shariah-compliant banking and finance industry in the world's fourth-most populous Muslim country.

The move brings the number of fully-fledged Islamic banks in Bangladesh to 10, with the others being

- Al-Arafah Islami Bank Limited
- Islami Bank Bangladesh Limited
- Exim Bank Limited
- Social Islami Bank Limited
- Shahjalal Islami Bank Limited
- Union Bank Limited
- First Security Islami Bank Limited and
- ICB Islamic Bank Limited
- Global Islami Bank Limited
- Standard Bank Limited

In addition, 19 Islamic banking branches of nine conventional commercial banks and 41 Islamic banking windows of seven conventional commercial banks are currently providing Islamic financial services in the country.

⁵ [The current state of the Islamic banking industry in Bangladesh - IslamicMarkets.com](http://IslamicMarkets.com)

More conventional banks are in the pipeline to open up Islamic banking windows. ONE Bank and UCB Bank have started Islamic shariah-compliant financial services through dedicated windows recently and Mutual Trust Bank has just launched the services on Wednesday. City Bank is working on to rebrand and expand its Islamic banking windows.

Mobilisation of deposits by Islamic banks

Total deposits in Islamic banking sector reached Tk 326,922 crore at the end of December 2020, which was higher by 16.66% compared to that of the of same month of last year. The share of total deposits of Islamic banks accounted for 25.33% among all banks at the end of December 2020.

Among different types of deposits of the Islamic banking industry, Mudaraba Term Deposits secured the highest position (47.04%) followed by Mudaraba Savings Deposits (18.77%), BB data shows.

Investments

Total investment (loans & advances in conventional banking system) in Islamic banking sector stood at Tk 294,093 crore at the end of December 2020, which went up by 8.09% year-on-year. The share of total investments of Islamic banks accounted for 25.69% among all banks.

Analysing the sector-wise investment, it was found that Islamic banks invest nearly 44% of its total investments in trade and commerce sector followed by industrial working capital financing 23.33%, large and services industry 11.55%, construction 9.05% and CMSM (Cottage, Micro, Small and Medium Industries) 4.65%.

Remittances mobilized by the Islamic banks

Islamic banking industry is playing a vital role in collecting foreign remittances and disbursing the same among beneficiaries across the country. Remittances collected by the Islamic banks in Bangladesh account for 40% of total remittances. Islamic banks mobilised Tk 21,409 crore of remittances during October-December 2020, up 19.24% than a quarter ago.

The Islamic banking sector mobilised 40.51% of total remittances received by the entire banking industry during the quarter under review. Among the Islamic banks, Islami Bank Bangladesh occupied the top position with 74.96% market share in respect of remittance collection during October-December 2020.⁶

⁶ [Islamic banking booming in Bangladesh even in pandemic \(businessinsiderbd.com\)](https://www.businessinsiderbd.com)

b) About the Issuer

A short profile of the Company is presented below:

Incorporation	Incorporated (Inc. no. C-107837) on March 07, 2013 as a Public Limited Company under the Companies Act, 1994 (Act No.18 of 1994) and also is governed by the Bank Company Act, 1991 (Amendment up to 2018).
Commencement of Business	March 07, 2013
Commencement of Commercial Operation	May 20, 2013
Registered & Head Office	Bahela Tower, 72, Gulshan Avenue, Gulshan -1, Dhaka-1212, Bangladesh.
Branches	96 Branches, 23 Sub Branches and 09 Polli Biddut Collection Booths all over the country.
Nature of Business	<p>Union Bank Limited provides all kinds of commercial banking services following the principles of Islamic Shari'a'h and the provisions of the Bank Company Act 1991.</p> <p>The bank renders commercial banking services to all types of customers. The range of services offered by the bank includes accepting deposit, making investment, discounting bills, conducting domestic and international money transfer, carrying out foreign exchange transactions in addition to international money transfers and offering other customer services such as safe keeping, collections and issuing guarantees, acceptances and letters of credit. Core business of the bank includes deposit mobilization and investing activities comprising short-term, long-term, import and export financing.</p>
Background of the Company	<p>Union Bank Limited (A Shari'ah Based Bank) was incorporated on March 07, 2013 as a Public Limited Company under the Companies Act, 1994 with Authorized Capital of Tk. 10,000 million and paid-up Capital of Tk. 4,280 million with a vision to become socially committed world class financial institution. The bank started its journey from 01 April 2013 after getting permission from Bangladesh Bank vide memo No. BRPD (P-3)/745(60)/2013-1122 dated 10 March 2013 as a Shari'ah based scheduled Bank and started its banking operation in the banking sector on May 20, 2013 by opening Gulshan Branch.</p> <p>Union Bank Limited has expanded its operation all over the country in spirit of Islami Shari'ah. The Bank through its Branches provides a diverse range of financial services and products in Bangladesh with the mission of emancipating the poor people from abject poverty, be a leading provider of Islamic Shari'ah compliant banking services, providing fast, accurate and satisfactory customer services and ensuring technology based professional banking environment with strong capital base.</p>

C) Financial Information

Major financial information of Union Bank Limited is as follows:

Amount in BDT

Particulars	December31, 2020	December,31 2019	December31, 2018	December 31, 2017	December 31, 2016
Investments Income	19,740,126,917	16,736,433,627	13,550,870,061	10,587,605,824	8,027,089,936
Profit Paid on Deposits	(14,291,980,638)	(12,313,172,100)	(9,583,740,019)	(6,905,419,048)	(5,088,956,590)
Net Investment Income	5,448,146,279	4,423,261,527	3,967,130,042	3,682,186,776	2,938,133,346
Income from Investment in Shares and Securities	195,066,492	301,624,089	137,873,199	61,680,973	31,906,497
Commission, Exchange and Brokerage	192,143,415	316,952,702	254,839,009	233,620,	189,705,866
Other Operating Income	123,757,818	166,053,303	79,729,133	33,587,630	19,703,651
Total Operating Income	5,959,114,004	5,207,891,621	4,439,571,383	4,011,075,392	3,179,449,360
Total Operating Expenses	2,740,698,552	2,499,986,099	2,110,022,021	1,738,306,009	1,403,839,782
Profit/(Loss) before Provision and Tax	3,218,415,452	2,707,905,522	2,329,549,362	2,272,769,383	1,775,609,578
Total Profit/(Loss) before Tax	2,223,415,452	1,479,465,728	1,753,690,023	1,745,869,383	1,472,109,578
Net Profit/(Loss) after Tax	988,415,452	594,465,728	953,655,387	890,082,200	849,609,578
Total Asset	210,031,576,436	180,106,145,782	148,583,765,200	131,677,566,421	83,917,238,926
Paid-up Capital	5,589,337,600	5,272,960,000	5,272,960,000	5,272,960,000	4,708,000,000
Total Shareholders' Equity	9,155,620,202	8,450,620,750	7,856,155,022	6,902,499,636	6,012,417,436
Total Liabilities and Shareholders' equity	210,031,576,436	180,106,145,782	148,583,765,200	131,677,566,421	83,917,238,926
Net Asset Value per share (NAV)	16.38	16.03	14.90	13.09	12.77
Earnings Per Share (EPS)	1.77	1.13	1.81	1.69	1.80

d) Features of the issue and its objective

Size of the Issue	Tk. 4,280,000,000
Offer Price	Tk. 10.00 each at par
Number of Share to be Issued	428,000,000
Purpose of Raising Fund	Please see details in the section-xxii as titled of “ Use of proceeds ” of this prospectus

e) Legal and other Information

Sl.	Description of Certificate/License/Registration	License Issuer/Issuing Authority	Certificate/Licenses No.	Validity
1	Certificate of Incorporation	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-107837/13 dated March 07, 2013	N/A
2	Commencement of Business	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-107837/13 dated March 07, 2013	N/A
3	Banking License	Bangladesh Bank	BRPD (P-3)/745(60)/2013-1122 dated March 10, 2013	N/A
4	Trade License	Dhaka North City Corporation	03-069750	30.06.2021
5	TIN Certificate	National Board of Revenue, Taxes Circle LTU(Tax), Large Taxpayers Unit (Tax), Dhaka	796739852073	N/A
6	VAT Certificate	National Board of Revenue, Motijheel Division	000875584-0101	N/A
7	AD (Authorized Dealer) License	Bangladesh Bank	FEPD(LDA)/140/2013-1215 dated July 28, 2013	N/A

f) Promoter's Background

The following persons are the promoters of Union Bank Limited:

Sl. No.	Name	Status
1	Unique Investment & Securities Ltd. Represented by Ahsanul Alam	Sponsor & Chairman
2	Marzina Sharmin	Sponsor & Director
3	Lion Securities & Investment Ltd. Represented by Halima Begum	Sponsor & Director
4	C&A Fabrics Ltd. Represented by Mohammad Fazlay Morshed	Sponsor & Director
5	Western Designer Ltd. Represented by Rashedul Alam	Sponsor & Director
6	Ocean Resorts Ltd. Represented by Showkat Hossain, FCA	Sponsor & Director
7	Farzana Begum	Sponsor & Director
8	Shahidul Alam	Sponsor & Shareholder
9	Hussain Muhammad Ershad	Sponsor & Shareholder
10	Ashik Ahmed	Sponsor & Shareholder
11	Farzana Parveen	Sponsor & Shareholder
12	Belal Ahmed	Sponsor & Shareholder
13	Shahana Ferdous	Sponsor & Shareholder
14	C&A Accessories Ltd.	Sponsor & Shareholder
15	Morsalin Islam Shouradip	Sponsor & Shareholder
16	Arif Ahmed	Sponsor & Shareholder
17	Mohammad Mostan Billah Adil	Sponsor & Shareholder
18	Mehe Zebunnesa Rahman	Sponsor & Shareholder
19	Mortuza Siddique Chowdhury	Sponsor
20	Md. Arshed	Sponsor
21	Crystal Bridge (Pvt.) Ltd.	Sponsor
22	Ahsanul Alam	Sponsor
23	Mohammad Mostan Billah Adil	Sponsor
24	Sarwar Jahan Maleque	Sponsor
25	Chowdhury Mohammed Hanif Shoeb	Sponsor
26	S. M. Anowar Sadat	Sponsor

Their background is stated below:

Unique Investment & Securities Limited

Unique Investment & Securities is one of the institutional sponsor which was incorporated in the year of 2010. It is specialized in all type of brokerage services.

Ms. Marzina Sharmin

Ms. Marzina Sharmin is one of the Sponsor Shareholders and Directors of Union Bank Limited and she is also the member of Executive Committee of the Board of Directors. She was born in a renowned Muslim family in Chattogram. She is a business graduate with expertise knowledge in the field of business. Ms. Marzina Sharmin started her business career as the proprietor of M/S. Marzina Trading which deals with general trading and wholesale business of different products. She is the Director of Infinite CR Strips Industries Limited and Kingston Flour Mills Limited. She is also an expert in Share Market, Security & Investment Sector and acting as the Managing Director of Unique Investment & Securities Limited and Times Securities Limited. She has more than 22 years of business experience.

Ocean Resorts Limited

Ocean Resorts Limited is one the sponsor of Union Bank Limited. It was established in the year 2003. It is a luxury tourist hotel which is doing business for almost two decades.

Western Designer Limited

Western Designer Limited is one of the sponsor of Union Bank Limited which was incorporated in the year of 2004. It is a Private Limited specialized in garments manufacturing.

Ms. Farzana Begum

Ms. Farzana Begum is a dynamic and promising women entrepreneur in Chattogram. She is one of the Sponsor Shareholders and Directors of Union Bank Limited and the member of Audit Committee of the Board of Directors. She is a graduate in her educational life and joined family business at the age of 20. After taking in a few years of hands on experience by establishing M/S. Farzana Trading Enterprise, she diversified her business activity into the field of trading, natural gas, stock markets. She is serving as Managing Director of Shah Amanat Prakritik Gas Co. Limited and Lion Securities & Investment Limited. She is the Director of Global Trading Corporation, Infinite CR Strips Industries Limited and Kingston Flour Mills Limited. Ms. Farzana has more than 20 years of experience in the field of manufacturing, import, export, market development, strategic planning, production planning, financial planning etc. She also has expert knowledge in the stock market.

C&A Fabrics Limited

C&A Fabrics Limited is one of the sponsor of Union Bank Limited which was incorporated in the year of 2004. It is a manufacturer of all sort of garments, cloths and all sort of accessories related to readymade garment.

Lion Securities & Investment Limited

Lion Securities & Investment Limited is one of the institutional sponsor which was incorporated in the year of 2010. It is specialized in brokerage services.

Mr. Shahidul Alam

Mr. Shahidul Alam was born in Chattogram in a highly respected Muslim noble family. He is a man with distinctive vision, dynamism, commitment and innovative ideas. He has obtained Mechanical Engineering degree. He has a wide range of experience in several businesses. Mr. Shahidul Alam has been engaged in business for the last 18 years with good reputation and successful administrator dealing primarily in tourism, edible oil, agriculture, steel manufacturing and merchandize. He has expertise in the products manufactured by Galco Steel (Bangladesh) Limited and S. Alam Vegetable Oil Limited and its utilization in the local market. He is the proprietor of M/S. Tazin Enterprise and Sonali Traders and one of Directors of Reliance Brokerage Services Limited. He has also been acting as Managing Director of Galco Steel (Bangladesh) Limited, Prasad Paradise Resorts Limited, S. Alam Vegetable Oil Limited and Norinco Engineering Limited. Mr. Shahidul Alam is a widely travelled person across the globe. As a business person, he visited many countries including USA, China, Singapore, Thailand, India and several other countries of the world.

Mr. Hussain Muhammad Ershad

Mr. Hussain Muhammad Ershad was a veteran politician and former President of People's Republic of Bangladesh served from 1983 to 1990. He was born in Rangpur in Muslim noble family. He got his graduation degree from the University of Dhaka and was commissioned into the Pakistan Army in 1952. He was the former chief of staff of the Bangladesh Army. During his Presidential term he has been given the title 'Palli Bandhu' (Friend of the Villages) by his party loyalists in recognition of his role in undertaking development measures. He was awarded as United Nations Laureate twice during his presidency, from the United Nations. These are:

1. UN Population Award in 10 June, 1987 - for his work in population planning.
2. UN Environment Award in 1988 - for his environmental policy.

After ending of his career in Bangladesh Army and serving the country as the President, he concentrated in business and earned more than two decades of hands on experience in the field of Agro-business sector. Mr. Ershad is the Chairman of Podagonj Cold Storage Ltd.

Ms. Farzana Parveen

Ms. Farzana Parveen is a prominent business person who was born in Chattogram in the year 1971. She is associated with a wide range of businesses. She is the Chairman of Rangdhanu Media Limited and Managing Director of Dewan Assets Limited. She is the Director of First Security Islami Bank Limited, First Security Islami Capital & Investment Limited, Reliance Brokerage Services Limited, S. Alam Vegetable Oil Limited, Prasad Paradise Resorts Limited, S. Alam Power Plant Limited, S. Alam Properties Limited, Sonali Cargo Logistics (Pvt.) Limited, Norinco Engineering Limited, Affinity Assets Limited, Wesco Limited and Noor Islamic Holdings Limited. She is also one of the sponsor shareholders of different business entities.

Mr. Ashik Ahmed

Mr. Ashik Ahmed is a sponsor shareholder of Union Bank Limited who was born in Dhaka in a respected Muslim family. He is a graduate from California State University, USA. He is the proprietor of Ashik Trading and Director of First Communication (IGW) Limited.

Mr. Belal Ahmed

Mr. Belal Ahmed is one of the sponsor shareholders of Union Bank Limited, hailed from Chattogram. He is a graduate from University of Toronto, Canada. Then he started business in as the Proprietor of M/S. Unitex. Mr. Ahmed is the Vice Chairman of the Board of Directors of Social Islami Bank Limited. He is also the Managing Director of Unitex Spinning Limited, Unitex Composite Mills Limited, Unitex LP Gas Limited, Unitex Petroleum Limited, Unitex Cement Limited, Unitex Steel Mills Limited of Unitex Group. He is also the Managing Director of Padma Wears Limited. Mr. Belal was one of the Directors of Chittagong Chamber of Commerce and Industries during the period from 2013 to 2015.

Ms. Shahana Ferdous

Ms. Shahana Ferdous is a sponsor shareholder of Union Bank Limited who was born in Chattogram. After obtaining BSc degree, she started businesses by establishing M/S. Shahnaj Trading in the year 1989. She is the Managing Director of Galco Steels (BD) Limited. She is also a Director of S. Alam Super Edible Oil Limited.

Mr. Arif Ahmed

Mr. Arif Ahmed, an experienced business man, was born in Chattogram in a respected Muslim family in the year 1982. He completed his BBA from Independent University Bangladesh and MSc in C.E.M. from Assumption University, Thailand. He is the proprietor of M/S. Arif Enterprise and Managing Director of Sparrow Textiles Limited & Baraka Farm House Limited. He is also one of the Directors of Global Islami Bank Limited.

Mr. Mohammad Mostan Billah Adil

Mr. Mohammad Mostan Billah Adil is a young and energetic entrepreneur who was born in 1987 in Chittagong. He engaged himself in trading business in the year 2001 by establishing M/S. Mostan Billah Adil. He is also the Managing Director of Sparrow Spinning Limited & Infinia Spinning Mills Limited.

Mr. Morsalin Islam Shouradip

Mr. Morsalin Islam Shouradip is one of the sponsor shareholders of Union Bank Limited who was born in Jhalokathi. He is the Chairman of Meghomala International Limited. He is also the Managing Director of Meghomala Estate Limited and Meghomala Mega Shop Limited.

Ms. Mehe Zebunnesa Rahman

Ms. Mehe Zebunnesa Rahman was born in a renowned Muslim family in Mymensingh. Dr. Mehe Zebunnesa Rahman has achieved PhD from National University of Malaysia (UKM). She is an academician by profession. She is an Assistant Professor & the Director of BBA Program of North South University. Dr. Rahman has in depth knowledge in Business since she has enough academic and research record in business being a teacher & Director of Bachelor of Business Administration Program of North South University.

Mr. Md. Arshed

Mr. Md. Arshed is a well-established business person hailed from Chattogram. He has a business experience of more than 18 years in the field of trading, real estate, power generation, agriculture, food production etc. Mr. Arshed had transferred all his shares on 30.03.2021.

Mr. Mortuza Siddique Chowdhury

Mr. Mortuza Siddique Chowdhury is a renowned businessman who was born in the year 1965 in Chattogram, He is the Managing Director of Mortuza Assets Limited and Chairman of Tower Aviation Limited, Al Sharaf Airways Limited, MRM Trading Limited & Marsha Fishing Limited.

Mr. Mortuza had transferred all his shares on 30.03.2021.

Ms. Sarwar Jahan Maleque

Ms. Sarwar Jahan Maleque is an experienced business woman who was born in Chattogram. She was one of the sponsor shareholders of Union Bank Limited. She is the Vice-Chairman of Jesco Capital Management Limited and Director of Jesco Bangladesh Limited. Ms. Maleque had transferred all her shares on 30.03.2021.

Crystal Bridge (Pvt.) Limited

Crystal Bridge (Pvt.) Limited was a sponsor shareholder of Union Bank Limited. It is established in the year of 2009 and it deals with consultation, trading and construction. It had transferred all his shares on 25.10.2019.

C&A Accessories Ltd.

C&A Accessories Limited is one of the sponsor of Union Bank Limited which was incorporated in the year of 2000. It is a manufacturer of readymade garments and all sort of garments accessories.

Mr. S.M. Anowar Sadat

Mr. S.M. Anowar Sadat is a young entrepreneur hailed from Chattogram who was born in the year 1977. He is known face in the area of reconditioned vehicle business. He is the proprietor of K K Automobiles, K K Enterprise, K K Motors, Moti Corporation, Chiba Trading, N N Associates and Managing Director of K K Properties Limited. He had transferred all her shares on 20.06.2017.

Mr. Mohammad Abdul Salam

Mr. Mohammad Abdul Salam is a vastly experienced businessman who was born in Shirajgonj in the year 1958. He is the proprietor of Multazim International and Managing Director of Multazim Spinning Mills Limited, Matam Fabrics Mills Limited & Matam Spinning Mills Limited. Mr. Salam had transferred all her shares on 20.06.2017.

Mr. Chowdhury Mohammad Hanif Shoeb

Mr. Chowdhury Mohammad Hanif Shoeb is an experienced business person who was born in 1971. After his completing his graduation, he stepped into business by establishing Salma Trade International in the year 2003. He is the Managing Director of BSB Spinning Mills Limited and Angan Properties Limited. He had transferred all his shares on 19.11.2020.

Mr. Ahsanul Alam

Mr. Ahsanul Alam, young and promising entrepreneur who comes of a renowned and respected Muslim family reputed for doing business countrywide for a long time. After completing his education from Singapore, he has been assisting his family in running business from 2004 as a Chief Executive of S. Alam & Co. He is the proprietor of Genesis Enterprise and Chairman of Hasan Abasan (Pvt.) Limited. He is also the Chairman of Infinia Group. He has been acting as the Managing Director of Genesis Textiles Accessories & Apparels Limited and Western Designers Limited. He is also one of the Directors of Norinco Engineering Limited. Mr. Alam had transferred all his shares on 11.10.2017.

g) Capital Structure and History of Capital Raising

Authorized Capital

The company has authorized capital of Tk. 10,000,000,000 comprises of 1,000,000,000 nos. of share @Tk.10.00 per share.

Paid-up Capital

At present the Company has Tk. 5,589,337,600 paid up capital which comprises of 558,933,760 numbers of shares @ Tk. 10.00 per share.

Capital Structure of the Company:

Particulars	No. of Shares	Face Value	Issue Price	Amount in Taka
Authorized Capital	1,000,000,000	10.00	10.00	10,000,000,000
Before IPO:				
Paid-up capital	558,933,760	10.00	10.00	5,589,337,600
After IPO:				
To be issued through IPO	428,000,000	10.00	10.00	4,280,000,000
Paid-up capital (Post IPO)	986,933,760	10.00	10.00	9,869,337,600

History of Capital Raising:

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)		Face Value of Share (Tk.)	Paid-up Capital
		In cash	Bonus		
1 st (subscriber to the Memorandum & Articles of Association at the time of incorporation)	07.03.2013	428,000,000	-	10	4,280,000,000
2 nd	20.06.2017	-	42,800,000	10	428,000,000
3 rd	18.10.2018	-	56,496,000	10	564,960,000
4 th	29.12.2020	-	31,637,760	10	316,377,600
Total				10	5,589,337,600

h) Summary of Valuation Report of securities

Method No.	Valuation Methods	Amount
Method - 1	Net Asset Value (NAV) per share/Equity based valuation	16.38
Method - 2	Historical Earnings based valuation	12.81
Method - 3	Average market price of similar stock-based valuation	16.52

i) **Others**

1. Disclosure regarding material change

Rule: 3(2)(c)

DECLARATION REGARDING MATERIAL CHANGE

This is to declare that Union Bank Limited has not made any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus.

Sd/-
A.B.M Mokammel Hoque Chowdhury
Managing Director

Date: April 29, 2021

2. Disclosure regarding no connection between the issue manager(s) and the issuer

Rule: 3(2)(d)

**DECLARATION ABOUT NOT HOLDING SECURITIES OF THE ISSUER BY
THE MANAGER TO THE ISSUE AND CO-ISSUE MANAGER**

This is to declare that Prime Bank Investment Limited, Manager to the Issue and BRAC EPL Investments Limited, Co-issue Manager for upcoming IPO of Union Bank Limited; is in no way connected with the issuer and does not hold any of its securities.

Sd/-
A.B.M Mokammel Hoque Chowdhury
Managing Director

Date: April 29, 2021

**DECLARATION ABOUT NOT HOLDING SECURITIES OF THE ISSUER BY
THE MANAGER TO THE ISSUE**

This is to declare that Prime Bank Investment Limited, Manager to the Issue for upcoming IPO of Union Bank Limited is in no way connected with the issuer and does not hold any of its securities.

Sd/-
Khandoker Raihan Ali FCA
Managing Director & CEO (CC)
Prime Bank Investment Limited

Date: May 30, 2021

**DECLARATION ABOUT NOT HOLDING SECURITIES OF THE ISSUER BY
THE CO-ISSUE MANAGER**

This is to declare that BRAC EPL Investments Limited, Co-Issue Manager for upcoming IPO of Union Bank Limited is in no way connected with the issuer and does not hold any of its securities.

Sd/-
Syed Rashed Hussain
Chief Executive Officer
BRAC EPL Investment Limited

Date: May 30, 2021

3. Disclosure regarding non-applicability of cost audit

Rule: 3(2)(f)

DECLARATION REGARDING COST AUDIT

This is to declare that Union Bank Limited did not make any cost audit as it is not applicable for this type of company as per the latest rules/regulations/directives in this regard.

Sd/-
A.B.M Mokammel Hoque Chowdhury
Managing Director

Date: April 29, 2021

SECTION - II

CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

PART-A

1. The Company shall go for Initial Public Offer (IPO) for 428,000,000 ordinary shares of Tk. 10.00 each at par from which 25% of securities are reserved for Eligible Investors (EIs) including Mutual Funds and CIS and the remaining 75% of securities will be offered for General Public including NRB, totaling to Tk. 4,280,000,000/- (Taka Four hundred Twenty Eight crore) approximately following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and amended up to issuance this consent, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved and vetted by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **05 (five) working days** from the date of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **2 (two) working days** of publication of abridged version of prospectus in the newspaper and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in “MS -Word” format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspapers.
4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspapers. A compliance report shall be submitted in this respect to the Commission jointly by the Issuer and the Issue Manager within **02 (Two) working days** from the date of publication of the abridged version of the prospectus in the newspapers.
5. The following declaration shall be made by the company in the prospectus, namely: -

“Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within **20 (twenty) working days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **20 (twenty) working days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within **7 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days'** time period allowed for refund of the subscription money.”

The stock exchanges shall complete the listing procedure and start of trading of securities within **20 (Twenty) working days** from the closure of subscription.

6. Each General Applicant (General Public and Non-resident Bangladeshi applicants) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of Tk. 20,000/- (Taka twenty thousand only) in the listed securities (matured securities) at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded

by 5 (five) working days from the first day of starting the subscription. The application amount shall be Tk. 10,000/- (Taka ten thousand only). Exchanges shall send the list of BO Accounts who have applied in the IPO to the Central Depository Bangladesh Limited (CDBL). CDBL shall verify the list of BO Accounts provided by the Exchanges regarding investment of general applicants in listed securities.

7. The IPO shall stand cancelled in case of under-subscription collectively above 35%. In such an event, the issuer and issue manger shall inform the Commission **within 02 (two) working days** and release the subscription money within 07 (seven) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. In case of under-subscription under any of sub-categories of eligible investors' category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the securities shall be allotted on pro-rata basis, any fraction shall be considered to the nearest integer and accumulated fractional securities shall be allotted on random basis.
9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications shall be treated as invalid and shall not be considered for allotment purpose. In addition, 15% (fifteen) of the application money shall be forfeited and deposited to the Commission by the exchanges and the balance amount shall be refunded to the applicant.
10. The applicants who have applied for more than two applications using same bank account, their applications shall not be considered for allotment purpose. In addition, 15% of their subscription money shall be forfeited and deposited to the Commission by the exchanges. The balance amount shall be refunded to the applicants.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or sale proceeds of forfeited shares (unit) shall be deposited to the Commission by the exchanges. This is in addition to any other penalties as may be provided for by the law.
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty-Four) hours** of allotment.
13. Shares are not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares, other than alternative investment funds, through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Otherwise, those shares (shares of Sponsors/ Directors/ Promoters) can be dematerialized and shall remain in lock-in under CDBL system and the issuer shall submit a dematerialization confirmation report generated by CDBL system and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters, the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. The company shall not declare any dividend/bonus shares before listing with any Exchange from the date of this letter.

16. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking “No Objection” from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.
17. Each Eligible Investor (EI) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of Tk. 5,000,000/- (Taka fifty lac) for approved pension funds, recognized provident funds and approved gratuity fund and other EIs of Tk.10,000,000/- (Taka one crore) in the listed securities (matured securities) at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by 5 (five) working days from the first day of starting the bidding as per clause (e) of sub-rule (1) of rule 2 of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. Exchanges shall send the list of BO Accounts who have applied in the IPO to the Central Depository Bangladesh Limited (CDBL). CDBL shall send a report to the Exchanges on the basis of the list of BO Accounts provided by the Exchanges regarding holding of EIs in listed securities and the Exchange shall ensure the compliance in this regard.
18. **The company shall not declare, approve or distribute any dividend prior listed with stock exchange(s).**

PART-B

Application Process

Step-1 (Applicant):

1. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of an abridged version of the prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant.
 - a) Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).
 - b) The General Public and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

Step-2 (Intermediary):

3. The registered Stock broker/Merchant Banker in the ESS shall:
 - a) Post the amount separately in the customer account equivalent to the application money;
 - b) Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;
4. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within **3 (three) working days** from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde ‘~’ separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s).

5. The application/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to **6 (six) months** from listing of the securities with the exchange.
6. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification on the next working day. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual; verify more than two applications using same bank account and investment criteria.
7. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report.
8. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications **within 5 (five) working days**.
9. **Within next working day**, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result.

Step-3 (Issuer):

10. The Issuer and issue manager shall post the final status of subscription on their **websites within 6 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of receiving information by the Commission and the Exchanges.
11. **Within 3 (three) working days** of receipt of the subscription result, the Issuer and Exchanges shall:
 - a) Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;
 - b) Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;
 - c) Issuer shall issue allotment letters in the names of allottees in electronic format and
 - d) Issuer shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.

Step-4 (Intermediary):

12. **On the next working day**, Exchanges shall:
 - a) remit the amount of allotted applicants to the Issuer's respective Escrow Account opened for subscription purpose;
 - b) send the penalty amount who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list; and
 - c) Distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.
13. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

Miscellaneous:

14. The Issuer, Issue Manager(s), Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above.

15. The Issuer shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of Tk. 2,00,000/- (Taka Two Lac) only and Tk. 8,00,000/- (Taka Eight Lac) only for processing the applications of General Public and Non-Resident Bangladeshi (NRB) applicants.
16. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5/- (Taka five) only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application.
17. The Exchanges shall provide the Issuer with a statement of the remittance.
18. The Exchange shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
19. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

1. The issue manager(s) shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the Exchanges concerned. In this regard, the issue manager(s) shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Initial Public Offer shall not be utilized prior to listing with the Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
 - (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
 - (b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
 - (c) Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;
 - (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
 - (e) The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.

5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. Proceeds of the Initial Public offer shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in this respect of purpose and time must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a Board approved agenda thereon and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the Board of Directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information.
7. If any quarter of the financial year-end after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly financial statements in accordance with the Commission’s Notification BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 and Rules 15 of the Securities and Exchange Rules, 2020.
8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission’s Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

1. As per provision of the Depository Act, 1999 & Regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the ‘Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015’ and the listing regulations of the Exchanges;

Provided that the Board of Directors of the issuer along with the Issue Manager(s) shall conduct a quarterly meeting with the Capital Issue Department of the Commission regarding compliance status of its business plan as mentioned in the Prospectus.

3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

SECTION - III

DECLARATION AND DUE DILIGENCE CERTIFICATES

Annexure-A

Declaration about the responsibility of the Directors, including the CEO of the Issuer in respect of the prospectus

[See rule 4 (1)(d)]

This red-herring prospectus/ prospectus/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 red-herring prospectus/ prospectus/information memorandum to enable the investors to make a well-informed decision for investment.

Sd/-
(Ahsanul Alam)
Chairman
(Representative of Unique
Investment & Securities Limited)

Sd/-
(Mollah Fazle Akbar)
Vice-Chairman
(Representative of Reliable
Entrepreneurs Limited)

Sd/-
**(A.B.M Mokammel Hoque
Chowdhury)**
Managing Director

Sd/-
(Marzina Sharmin)
Director

Sd/-
(Md. Rashedul Alam)
Director
(Representative of Western
Designer Limited)

Sd/-
(Showkat Hossain, FCA)
Director
(Representative of Ocean Resorts
Ltd.)

Sd/-
(Farzana Begum)
Director

Sd/-
(Mohammad Fazlay Morshed)
Director
(Representative of C&A Fabrics
Limited)

Sd/-
(Halima Begum)
Director
(Representative of Lion Securities
& Investment Limited)

Sd/-
(Md. Abdul Quddus)
Independent Director

Sd/-
(Md. Abdus Salam FCA)
Independent Director

Annexure-B

Due Diligence Certificate by Issue Manager
(Prime Bank Investment Limited)
[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 428,000,000 Ordinary Shares of Tk. 4,280,000,000 by Union Bank Limited.

Dear Sir,

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

1. We have examined all the documents submitted with the application for the above-mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
2. On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, 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. The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b. All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- c. The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- d. Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- e. We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- f. The proposed activities of the issuer for which the funds are being raised in the present issue fall within the “main objects” listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

- g. Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- h. All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- i. We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- j. We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- k. We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Sl. No.	Name of the Issue	Issue Date	Issue Price	Dividend Payment History (Year Wise)				
				2016	2017	2018	2019	2020
01	Sea Pearl Beach Resort & Spa Ltd	March 28, 2019	10	0%	0%	0%	5% B	1% C
02	Fortune Shoes Limited	July 24, 2016	10	0%	12% B	15% B	18% B 2% C	5% B 5% C

Place: Dhaka
 Date: May 30, 2021

Sd/-
Khandoker Raihan Ali FCA
 MD & CEO (CC)
 Prime Bank Investment Limited

Due Diligence Certificate by Co-Issue Manager
(BRAC EPL Investment Limited)
[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 428,000,000 Ordinary Shares of Tk. 4,280,000,000 by Union Bank Limited.

Dear Sir,

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

1. We have examined all the documents submitted with the application for the above-mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
2. On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, 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. The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b. All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- c. The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- d. Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- e. We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- f. The proposed activities of the issuer for which the funds are being raised in the present issue fall within the “main objects” listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- g. Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- h. All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- i. We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;

- j. We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- k. We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Sl. No.	Name of the Issue	Issue Date	Issue Price	Dividend Payment History (Year Wise)
1	APSCLBOND	27/08/2019	5000	8.5% (2021)

Place: Dhaka
Date: May 31, 2021

Sd/-
Syed Rashed Hussain
Chief Executive Officer
BRAC EPL Investments Limited

Due diligence certificate by the underwriter(s)
(First Security Islami Capital & Investment Limited)
[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public offer of 428,000,000 Ordinary Shares of Tk. 4,280,000,000 of Union Bank Limited

Dear Sir,

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

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, 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 company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk 67,95,00,000/- (Sixty-Seven Crore Ninety-Five Lac) and we have the capacity to underwrite a total amount of Tk 3,39,75,00,000/- (Three Hundred Thirty-Nine Crore Seventy-Five Lac) as per relevant legal requirements. We have committed to underwrite for up to Tk 99,80,00,000/- (Ninety-Nine Crore Eighty Lac) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of the Issue	Amount Underwritten (in Tk)
1.	Summit Shipping Ltd.	5,25,00,000.00
2.	Galaxy Sweater & Yarn Limited	15,00,00,000.00
3.	Dhaka Regency Hotel & Resort	5,00,00,000.00
4.	Dragon Sweater and Spinning Ltd.	2,00,00,000.00
Total		27,25,00,000.00

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

For the Underwriter:

Sd/-

K M Rasidul Hasan
Chief Executive Officer

Place: Dhaka;

Date: May 30, 2021

Due Diligence Certificate by the underwriter(s)
 (Islami Bank Capital Management Limited)
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 428,000,000 Ordinary Shares of Tk. 4,280,000,000 of Union Bank Limited

Dear Sir,

We, the under-noted Underwriter to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, 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 company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 300,000,000 (Taka Thirty Crore Only) and we have the capacity to underwrite a total amount of Tk. 1,500,000,000 (Taka One Hundred Fifty Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 250,000,000.00 (Twenty-Five Crore only) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of the Company	Amount Underwritten (in BDT)
01	Master Feed Agrotec Ltd.	12,500,000.00
02	Subra Systems Ltd.	20,000,000.00
03	Achia Sea Foods Ltd.	10,000,000.00
Total		42,500,000.00

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

For the Underwriter:

Sd/-
Mohammad Abdur Rahim, FCA
 Managing Director & CEO

Place: Dhaka;
 Date: May 30, 2021

Due Diligence Certificate by the underwriter(s)
(AIBL Capital Management Limited)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 428,000,000 Ordinary Shares of Tk. 4,280,000,000/- Of Union Bank Limited

Dear Sir,

We, the under-noted Underwriter to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, 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 company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk.500,000,000 (Fifty Crore) and we have the capacity to underwrite a total amount of Tk.2,500,000,000 (Two Hundred and Fifty Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk.250,000,000 (Twenty-Five crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us:

Sl. No.	Clients	Amount Underwritten (in BDT)
1	Ratanpur Steel Re-Rolling Mills Ltd.	10,500,000.00
2	Three Angle	30,000,000.00
3	Infinity Technology International Limited	10,000,000.00
Total		50,500,000.00

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

For the Underwriter:

Sd/-

Md. Riyadh Hossain Mahmud
Chief Executive Officer


Place: Dhaka

Date: May 30, 2021

SECTION- IV

ABOUT THE ISSUER

- (a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;

Particulars	Description
Name of the issuer	: Union Bank Limited
Logo	:  UNION BANK LTD SHARIAH BASED BANK
Dates of incorporation & Commencement of Business	: March 07, 2013
Addresses of the registered office	: Bahela Tower 72, Gulshan Avenue, Gulshan -1, Dhaka-1212
Telephone number	: +88-02-222280523
Fax number	: +88-02-222280523
Contact person	: Ali Hossain Bhuiyan, Company Secretary
Website address	: www.unionbank.com.bd
E-mail address	: info@unionbank.com.bd

- (b) The names of the sponsors and directors of the issuer;

Sponsors:

Sl. No.	Name
1	Shahidul Alam
2	Hussain Muhammad Ershad
3	Unique Investment & Securities Ltd.
4	Ashik Ahmed
5	Farzana Parveen
6	Marzina Sharmin
7	Belal Ahmed
8	Mortuza Siddique Chowdhury
9	Lion Securities & Investment Ltd.
10	Md. Arshed
11	C&A Fabrics Ltd.
12	Crystal Bridge (Pvt.) Ltd.
13	Shahana Ferdous
14	C&A Accessories Ltd.
15	Morsalin Islam Shouradip
16	Western Designer Ltd.
17	Ocean Resorts Ltd.
18	Ahsanul Alam
19	Arif Ahmed
20	Mohammad Mostan Billah Adil
21	Sarwar Jahan Maleque
22	Chowdhury Mohammed Hanif Shoeb
23	S. M. Anowar Sadat
24	Mohammed Abdul Salam
25	Farzana Begum
26	Mehe Zebunnesa Rahman

Shareholders:

Sl. No.	Name
1	Ziauddin Ahmed
2	Reliable Entrepreneurs Ltd.

Directors:

Sl.	Name	Position
1	Ahsanul Alam Representative of Unique Investment & Securities Limited	Chairman
2	Mollah Fazle Akbar Representative of Reliable Entrepreneurs Limited	Vice-Chairman
3	A.B.M Mokammel Hoque Chowdhury	Managing Director
4	Marzina Sharmin	Director
5	Rashedul Alam Representative of Western Designer Limited	Director
6	Showkat Hossain, FCA Representative of Ocean Resorts Ltd.	Director
7	Farzana Begum	Director
8	Mohammad Fazlay Morshed Representative of C&A Fabrics Limited	Director
9	Halima Begum Representative of Lion Securities & Investment Limited	Director
10	Md. Abdul Quddus	Independent Director
11	Md. Abdus Salam FCA	Independent Director

- (c) The name, logo and address of the auditors along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses;

Auditor	
Name	: K. M. Hasan & Co., Chartered Accountants
Logo	:  K. M. HASAN & CO. (KMHCO)  McMillan Woods International
Address	: Hometown Apartments (7 th , 8 th & 9 th Floor) 87 New Eskaton Road Dhaka-1000
Telephone	: +88-02-9351457, +88-02-9351564
Fax	: +88-02-9354792
Contact Person	: Md. Shahidul Islam, FCA
Website	: www.kmhasan.com.bd
E-Mail	: info@kmhasan.com.bd

- (d) The name(s) of the stock exchanges where the specified securities are proposed to be listed;

Dhaka Stock Exchange Limited (DSE)	9/F, Motijheel C/A, Dhaka-1000 Tel: +88-02-9564601 Fax: +88-02-9564727 Web: www.dsebd.org
Chittagong Stock Exchange Limited (CSE)	CSE Building, 1080 Sk. Mujib Road Agrabad C/A, Chittagong Tel: +88-031-714632 Fax: +88-031-714101 Web: www.cse.com.bd

SECTION- V

CORPORATE DIRECTORY OF THE ISSUER

Particulars	Description
Name of the Company	: Union Bank Limited
Logo	:  UNION BANK LTD SHARIAH BASED BANK
Dates of incorporation & Commencement of Business	: March 07, 2013
Authorized capital	: 1,000 Crore
Paid up capital	: 558.93 Crore
Addresses of the registered office	: Bahela Tower, 72, Gulshan Avenue, Gulshan-01, Dhaka-1212
Issue Manager	:  Prime Bank Investment Ltd. <i>Powering Business Solutions</i> (A Subsidiary of Prime Bank Limited)
Co-Issue Manager	:  BRAC EPL INVESTMENTS LIMITED
Auditor	: K. M. Hasan & Co., Chartered Accountants
Legal Advisor	: Capital Law Chamber
Underwriters	: i. First Security Islami Capital & Investment Limited ii. Islami Bank Capital Management Limited iii. AIBL Capital Management Limited
Lead Banker for the IPO	: Union Bank Limited
Compliance Officer	: Md. Golam Mostafa, SEVP

SECTION- VI

DESCRIPTION OF THE ISSUER

A. SUMMARY

- i) **The summary of the industry and business environment of the issuer. The summary shall not be one-sided or biased to highlight the issuer or the issue;**

Banking Industry in Bangladesh

Banking industry in Bangladesh started its journey with 6 Nationalized commercialized banks, 3 State owned Specialized banks and 9 Foreign Banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Now, banks in Bangladesh are primarily of two types:¹

- **Scheduled Banks:**
The banks that remain in the list of banks maintained under the Bangladesh Bank Order, 1972.
- **Non-Scheduled Banks:**
The banks which are established for special and definite objective and operate under any act but are not Scheduled Banks. These banks cannot perform all functions of scheduled banks.

Currently, there are **61 scheduled banks** in Bangladesh who operate under full control and supervision of Bangladesh Bank which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991. Scheduled Banks are classified into following types:

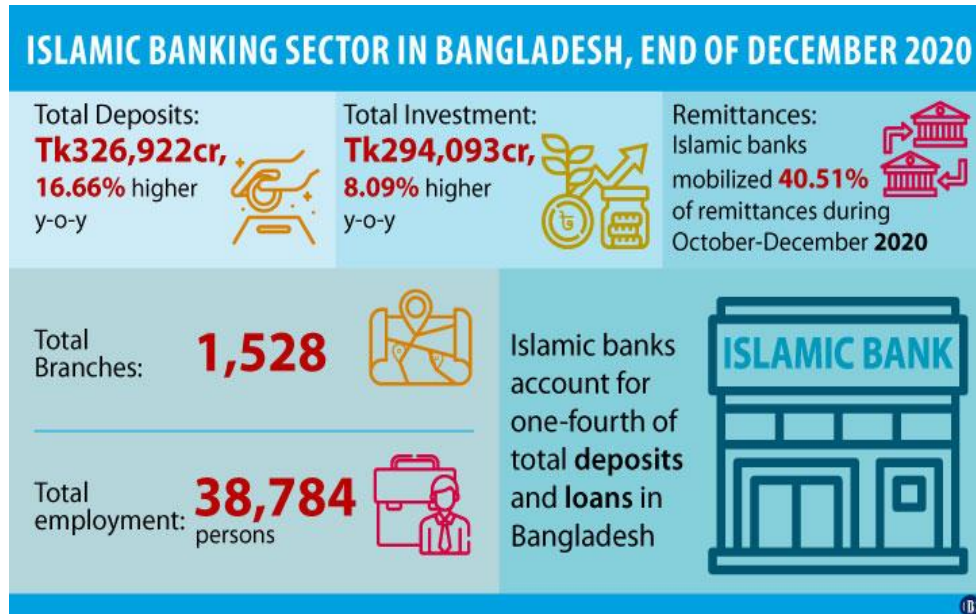
- **Islami Shariah based PCBs:** There are **10 Islami Shariah based PCBs** in Bangladesh and they execute banking activities according to Islami Shariah based principles i.e. Profit-Loss Sharing (PLS) mode.
- **State Owned Commercial Banks (SOCBs):** There are **6 SOCBs** which are fully or majorly owned by the Government of Bangladesh.
- **Specialized Banks (SDBs):** **3 specialized banks** are now operating which were established for specific objectives like agricultural or industrial development. These banks are also fully or majorly owned by the Government of Bangladesh.
- **Private Commercial Banks (PCBs):** There are **43 private commercial banks** which are majorly owned by individuals/the private entities. PCBs can be categorized into two groups:
- **Conventional PCBs:** **33 conventional PCBs** are now operating in the industry. They perform the banking functions in conventional fashion i.e interest based operations.
- **Foreign Commercial Banks (FCBs):** **9 FCBs** are operating in Bangladesh as the branches of the banks which are incorporated in abroad.

Islami Banking Industry in Bangladesh

Global Islamic financial sector continues to grow following its risk sharing, resilience, inclusive and real asset backed transactions features. In tandem with global trends, Bangladesh Islamic banking sector has also recorded robust growth due to policy supports from Bangladesh Bank and public demand. Recently Bangladesh Bank on behalf of the Government has issued sovereign investment sukuk which will smooth liquidity management of Islamic banks, help financing budget deficit and promote Islamic capital markets to raise funds for infrastructure and industrial projects towards achieving higher inclusive GDP growth including sustainable development goals (SDGs).

¹ [Financial System \(bb.org.bd\)](http://Financial System (bb.org.bd))

Deposit growth in Bangladesh’s banking sector was 13.5% in 2020, while the growth rate was 16.67% in Shariah-based banks, as per a report from the central bank, Bangladesh Bank. The growth in deposit and investment in Shariah-based banks was better than the overall growth in the country’s banking sector in 2020. Deposits in Islamic banks increased by BDT466.94 billion (US\$5.41 billion) to BDT3.27 trillion (US\$37.88 billion) at the end of December 2020 from BDT2.8 trillion (US\$32.44 billion) a year ago.²



Source: Business Standard ³

At the end of March 2021, Bangladesh’s 10 full-fledged Islamic banks have been operating with 1558 branches out of total 10767 branches of the whole banking sector. In addition, 19 Islamic banking branches of 8 conventional commercial banks and 178 Islamic banking windows of 11 conventional commercial banks are also providing Islamic financial services in Bangladesh.

At the end of the January-March 2020, deposits and investment grew by 9.44% and 9.62% respectively, while excess liquidity increased by 3.72% and remittance decreased by 26.51% compared to that of the last quarter. ⁴

Regulation and supervision

The Islamic banking sector in Bangladesh receives favorable treatment from its regulatory authority which helped Islamic banks to evolve with a strong foothold in the country, with the government itself having ownership in the first Islamic bank in the country. In order to grant licenses to Islamic banks, some Islamic banking provisions were incorporated in the existing Banking Companies Act 1991.

Bangladesh Bank, as the main regulatory body in the country, granted certain preferential provisions to Islamic banks over conventional banks. For Example, Islamic banks in Bangladesh are required to maintain their statutory liquidity requirement at 11.5% of the total deposit liabilities while it is 19.5% for conventional banks. Islamic banks are allowed to fix

² [IFN - Bangladesh: Growth of Islamic banks overtakes that of conventional banks \(islamicfinancenews.com\)](https://www.islamicfinancenews.com/)

³ [Islamic banking booming in Bangladesh even in pandemic \(businessinsiderbd.com\)](https://www.businessinsiderbd.com/)

⁴ https://www.bb.org.bd//pub/quarterly/islamic_banking/jan-mar2021.pdf

their profit-sharing ratios and mark up independently, corresponding to their own policy and banking environment and abiding by the restriction of the interest rate spread of Bangladesh Bank.⁵

Bangladesh Bank also formulated a guideline in 2009 for conducting Islamic banking business in the country. As per the guideline, it is the responsibility of the board of directors of the respective bank to ensure that the activities of the bank and its products are Shariah compliant. The board of Islamic banks and conventional commercial banks having Islamic branches may form an independent Shariah supervisory committee with experienced and knowledgeable persons in Islamic jurisprudence. To ensure Islamic banks manage liquidity efficiently, the central bank also developed a number of tools. It introduced the Bangladesh Government Islamic Investment Bond in 2004 and in 2012, it initiated the Islamic Inter-bank Fund Market in order to facilitate effective short-term liquidity management by Islamic banks. In 2014, Bangladesh Bank amended the Bangladesh Government Islamic Investment Bond (Islamic Bond) Policy, 2004 with the objective of developing a sound foundation for the Islamic bond market and converting excess liquidity into investment through Islamic bonds.

Growth in Islamic banking sector

Bangladesh's Islamic banking sector has experienced robust growth due to policy supports and strong public demand, the central bank noted in its quarterly report. Recent issuance of sukuk rules by the Bangladesh Securities and Exchange Commission will promote Islamic capital markets badly needed for financing infrastructure and industrial projects towards achieving higher inclusive GDP growth and other sustainable development goals.

Recent news that Bangladesh's central bank approved the conversion of two more local banks to fully-fledged Islamic banks warrants taking a closer look at the Shariah-compliant banking and finance industry in the world's fourth-most populous Muslim country.

The move brings the number of fully-fledged Islamic banks in Bangladesh to 10, with the others being

- Al-Arafah Islami Bank Limited
- Islami Bank Bangladesh Limited
- Exim Bank Limited
- Social Islami Bank Limited
- Shahjalal Islami Bank Limited
- Union Bank Limited
- First Security Islami Bank Limited and
- ICB Islamic Bank Limited
- Global Islami Bank Limited
- Standard Bank Limited

In addition, 19 Islamic banking branches of nine conventional commercial banks and 41 Islamic banking windows of seven conventional commercial banks are currently providing Islamic financial services in the country.

More conventional banks are in the pipeline to open up Islamic banking windows. ONE Bank and UCB Bank have started Islamic shariah-compliant financial services through dedicated

⁵ [The current state of the Islamic banking industry in Bangladesh - IslamicMarkets.com](http://IslamicMarkets.com)

windows recently and Mutual Trust Bank has just launched the services on Wednesday. City Bank is working on to rebrand and expand its Islamic banking windows.

Mobilisation of deposits by Islamic banks

Total deposits in Islamic banking sector reached Tk 326,922 crore at the end of December 2020, which was higher by 16.66% compared to that of the of same month of last year. The share of total deposits of Islamic banks accounted for 25.33% among all banks at the end of December 2020.

Among different types of deposits of the Islamic banking industry, Mudaraba Term Deposits secured the highest position (47.04%) followed by Mudaraba Savings Deposits (18.77%), BB data shows.

Investments

Total investment (loans & advances in conventional banking system) in Islamic banking sector stood at Tk 294,093 crore at the end of December 2020, which went up by 8.09% year-on-year. The share of total investments of Islamic banks accounted for 25.69% among all banks.

Analysing the sector-wise investment, it was found that Islamic banks invest nearly 44% of its total investments in trade and commerce sector followed by industrial working capital financing 23.33%, large and services industry 11.55%, construction 9.05% and CMSM (Cottage, Micro, Small and Medium Industries) 4.65%.

Remittances mobilized by the Islamic banks

Islamic banking industry is playing a vital role in collecting foreign remittances and disbursing the same among beneficiaries across the country. Remittances collected by the Islamic banks in Bangladesh account for 40% of total remittances. Islamic banks mobilised Tk 21,409 crore of remittances during October-December 2020, up 19.24% than a quarter ago.

The Islamic banking sector mobilised 40.51% of total remittances received by the entire banking industry during the quarter under review. Among the Islamic banks, Islami Bank Bangladesh occupied the top position with 74.96% market share in respect of remittance collection during October-December 2020.⁶

ii) Summary of consolidated financial, operating and other information.

Union Bank Limited has neither any subsidiary nor it is operated under any holding company. Therefore, this information is not applicable here.

⁶ [Islamic banking booming in Bangladesh even in pandemic \(businessinsiderbd.com\)](https://www.businessinsiderbd.com)

B. GENERAL INFORMATION

- i. Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer:

Particulars	Details
Registered Office & Corporate Head Office	Bahela Tower, 72, Gulshan Avenue, Gulshan-01, Dhaka-1212, Bangladesh.
Telephone	+88-02-222280523
Fax Number	+88-02-222280523

- ii. The Board of Directors of the Issuer

Sl.	Name	Position
1	Ahsanul Alam	Chairman
2	Mollah Fazle Akbar	Vice-Chairman
3	A.B.M Mokammel Hoque Chowdhury	Managing Director
4	Marzina Sharmin	Director
5	Rashedul Alam	Director
6	Showkat Hossain FCA	Director
7	Farzana Begum	Director
8	Mohammad Fazlay Morshed	Director
9	Halima Begum	Director
10	Md. Abdul Quddus	Independent Director
11	Md. Abdus Salam FCA	Independent Director

- iii. Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the Issuer

1. Chairman	Name	:	Ahsanul Alam
	Address	:	57/A, Road-01, Sugandha R/A, Panchlaish, Chattogram
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	bcs.unionbank@gmail.com

2. Vice-Chairman	Name	:	Mollah Fazle Akbar
	Address	:	House-109, Mosque Road, Old DOHS Banani, Dhaka Cantonment, Dhaka
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	bcs.unionbank@gmail.com

3. Managing Director	Name	:	A.B.M Mokammel Hoque Chowdhury
	Address	:	House No: 19, Flat No: 4D, Road No: 08, Block: G, Banani, Dhaka
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	md@unionbank.com.bd

4. Director	Name	:	Marzina Sharmin
	Address	:	House-51, Road-04, Hillview R/A, O.R. Nizam Road, Chattogram
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	bcs.unionbank@gmail.com

5. Director	Name	:	Rashedul Alam
	Address	:	57/A, Road-01, Sugandha R/A, Panchlaish, Chattogram
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	bcs.unionbank@gmail.com

6. Director	Name	:	Showkat Hossain FCA
	Address	:	Sanmar Park Avenue, 3/A, Road-06, Khulshi, Chattogram
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	bcs.unionbank@gmail.com

7. Director	Name	:	Farzana Begum
	Address	:	Esack Mansion, South Haliashahar (Saltgola), Bandar, Chattogram
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	bcs.unionbank@gmail.com

8. Director	Name	:	Halima Begum
	Address	:	ANZ Zuvinail Park, Flat-C-5, House-23, Road-02, Nasirabad Housing Society, Post-Chalk Bazar, Panchlaish, Chattogram
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	bcs.unionbank@gmail.com

9. Director	Name	:	Mohammad Fazlay Morshed
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	Address	:	Enam Heights, Flat-8A, 14 K.B Abdus Sattar Road, Rahmatgong, Chattogram
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	bcs.unionbank@gmail.com

10. Independent Director	Name	:	Md. Abdul Quddus
	Address	:	House-50, Road-3/A, Flat-2/D, Add Grandeur, Dhanmondi, Dhaka
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	bcs.unionbank@gmail.com

11. Independent Director	Name	:	Md. Abdus Salam FCA
	Address	:	‘Oriental Motif’ Flat#C5, House#78, Road#9/A, Dhanmondi R/A, Dhaka
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	bcs.unionbank@gmail.com

iv. Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer.

1. Chief Financial Officer	Name	:	Md. Ruhul Amin
	Address	:	Bahela Tower 72, Gulshan Avenue, Gulshan -1, Dhaka-1212
	Telephone	:	+88-02-222261371
	Fax Number	:	+88-02-222280523
	E-mail	:	fad@unionbank.com.bd

2. Company Secretary	Name	:	Ali Hossain Bhuiyan
	Address	:	Bahela Tower 72, Gulshan Avenue, Gulshan -1, Dhaka-1212
	Telephone	:	+88-02-222280523
	Fax Number	:	+88-02-222280523
	E-mail	:	bcs@unionbank.com.bd

3. Legal Advisor	Name	:	Capital Law Chamber
	Address	:	22b (22 nd Floor), City Center, 103 Motijheel C/A. Dhaka-1000
	Telephone	:	+88 02 9573366, +88 02 9573377
	Fax Number	:	-
	E-mail	:	www.capitallawchamber.com

4. Auditor	Name	:	K. M. Hasan & Co., Chartered Accountants
	Address	:	Hometown Apartments (7 th , 8 th & 9 th Floor) 87 New Eskaton Road Dhaka-1000
	Telephone	:	+88-02-9351457, +88-02-9351564
	Fax Number	:	+88-02-9354792
	E-mail	:	info@kmhasan.com.bd

5. Compliance Officer	Name	:	Md. Golam Mostafa
	Address	:	Bahela Tower 72, Gulshan Avenue, Gulshan -1, Dhaka-1212
	Telephone	:	+88-02-9894469
	Fax Number	:	+88-02-222280523
	E-mail	:	mostafa.bb58@gmail.com

- v. Name, addresses, telephone number, fax number, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc.

Name and Address	Contact Person	Contact Address
Manager to the Issue		
Prime Bank Investment Limited Tajwar Centre (5th Floor), House# 34, Road# 19/A, Block# E, Banani, Dhaka	Khandoker Raihan Ali FCA Managing Director & CEO (CC)	Tel: +88-02-48810315-6 Fax: +88-02-48810314 E-mail: raihan@pbil.com.bd Website: www.pbil.com.bd
Co-Issue Manager		
BRAC EPL Investments Limited Medona Tower Level 04 (3 rd Floor), 28 Mohakhali C/A, Dhaka-1213	Syed Rashed Hussain Chief Executive Officer	Tel: +88-02-222299253 Fax: +88-02-222299445 E-mail: rashed.hussain@bracepl.com Website: www.bracepl.com

vi. Details of Credit Rating

- a) The names of all the credit rating agencies from which credit rating has been obtained.

Name of the Credit Rating Agencies	Rating Date
Alpha Credit Rating Limited	June 17, 2021

- b) The details of all the credit ratings obtained for the issue and the issuer;

Particulars	Entity Rating	Rating Date	Validity
Long Term Rating	A+	June 17, 2021	June 16, 2022
Short Term Rating	ST-2	June 17, 2021	June 16, 2022

c) The rationale or description of the rating(s) so obtained, as furnished by the credit rating agency(s)

Alpha Rating re-affirms long-term rating of A+ (pronounced as single A plus) and short-term rating of ST-2 in favor of Union Bank Limited (herein after referred to as “UBL” or “the bank”). The outlook of the rating is Stable. This rating has been assigned by considering the financial performance for the last four years of the bank till 31st December, 2020 and other qualitative information till rating declaration date which has both favorable and unfavorable impact.

The rating has considered improvement in assets base marked by noticeable growth in investment, well diversified investment portfolio, increasing deposits from customers, adequate provision against all investment, decreasing non performing investment, increasing average earning asset, increase in net profit after taxation, quality of management team etc. In addition to the financial performances, UBL has also performed well in non-financial sectors such as placing experienced and well qualified management team, undertaking corporate social activities and geographic & business line diversification, which further boosted the qualitative aspects of UBL. Along with this, good internal control, investment, import, export positively impacted the rating.

Despite having this good contributor there are some issues that restrained the rating process. Such as lower CRAR than the regulatory requirement of 12.50% (including Capital Conversion Buffer), increasing rescheduled amount, low investment to deposit ratio compared to the regulatory requirement, single party investment risk exposure, negative liquidity gap in 1 to 3 months & 1 to 5 years, lower ROA & ROE than industry average etc.

d) Observations and risk factors as stated in the credit rating report.

i) Internal Control and Compliance Risk

Banks should have proper internal control systems that integrate compliance risk management into their overall risk management process. The audit of compliance risk management should be incorporated into the annual plan of the Internal Audit function. The Board of Directors of UBL is responsible to establish and maintain appropriate system of Internal Control. The bank’s ICCD has started its operation from inception. ICCD is operating to ensure the overall safeguard of asset and liabilities of the organization and ensuring the internal controls to make the institution more compliant. ICCD is working for improvement of internal control system and control mechanism. ICCD is working together with a well-defined organizational structure for detecting frauds, suspicious a/c, compliance issues, policy or rules breaking etc., while conducting audits/inspections to the branches and divisions at HO. Status of the compliance issues and its updates are monitored by the bank’s Audit Committee of the board and Executive Risk Management Committee (ERMC) in its monthly meetings and the same is also reported to Bangladesh Bank respectively.

ii) Credit Risk

Credit risk refers to the risk that a borrower may not repay a loan and that the lender may lose the principal of the investment or the profit associated with it. The risk is primarily that of the lender and includes loss of principal and profit, disruption of cash flows and increased collection costs. Credit risk management, meanwhile, is the practice of mitigating those losses by understanding the adequacy of both an institution’s capital and

loan loss reserves at any given time – a process that has long been a challenge for the Bank. In order to manage this risk, UBL has a standard and structural credit approval policy which includes a well-established procedure of comprehensive credit approval. Bank has framed Investment Policy, Investment (Credit) Assessment & Risk Grading, Approval Authority, Internal Audit Approval Process, Investment (Credit) Administration, Investment (Credit) Monitoring, and Investment (Credit) Recovery etc. which forms integral part in monitoring of Investment (Credit) Risk in the Bank. Status of investments is regularly reported to the Board /Executive Committee of the Bank.

iii) Foreign Exchange Risk

Foreign exchange risk is defined as the potential change in earning due to change in exchange rate. The foreign exchange risks of UBL are identified, measured, monitored and controlled by Treasury and International Division as applicable. They independently conduct the transaction and the Back Office is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Market to Market rate as determined by Bangladesh Bank at the month end. All Nostro accounts are reconciled on daily basis and outstanding entries beyond 30 days are reviewed by the Management for their settlement. UBL has developed a foreign exchange manual for mitigating foreign exchange risk in compliance with the guidelines of Bangladesh Bank regarding risk management. UBL has also developed a check list for risks management.

iv) Asset Liability Management

Asset Liability Management (ALM) focuses on risk management by covering the widest range of day-to-day banking operation. UBL has formed an Asset Liability Committee (ALCO) in accordance with the guideline of Bangladesh Bank. ALCO of the bank monitors balance sheet risk, liquidity risk, investment deposit ratio (IDR), deposit mix, investment mix, gap analysis etc. Treasury Mid Office is responsible for balance sheet planning from risk return perspective including the strategic management of profit rate risk and liquidity risk being within the limits. ALCO meets once in a month to review economic, market status, outlook and liquidity position of the bank. It is the responsibility of the ALCO to assess pricing of the assets and liabilities, liquidity contingency funding plan in order to manage the balance sheet risk in a prudent way.

v) Risk of Being Money Laundered

Money Laundering & Terrorist Financing risks arise from non-compliance of the related instructions/guidelines stipulated by the regulatory authorities of the country. To mitigate/avoid these risks, UBL has a full-fledged division named Anti Money Laundering Division (AMLDD), formed under close supervision of higher authorities. The bank has formulated “Anti Money Laundering Policy” vetted by the higher authorities of the bank. Circulars and circular letters from BB are circulated to all branches. All the branches are advised to strictly follow the orders and instruction mentioned in the circular and circular letters. For constant vigilance against money laundering, every branch has a “Branch Anti Money Laundering Compliance Officer (BAMLCO)” and AMLDD initiated periodic branch visit for looking after the activities relating to Anti Money Laundering. Moreover, the bank has formulated Anti Money Laundering Risk Assessment guideline.

vi) Environmental Risk

Over last few decades Environment Risk has become an alarming issue across all industry where Banks/FIs are also part of it. Adoption of Environmental Risk Management (ERM) techniques has become an important area for all banks. Environmental Risks mainly arises from the probability of non-compliance to national environmental and social regulation or unexpected changes in environmental and social condition. To limit this risk at a certain level the bank implemented ERM policy which includes initiating In-House Environment Risk Management, Disclosure and Reporting on Green Banking, Provide Training to employees on Green Banking and so on.

vii) Information Technology Risk

Information technology risk, or IT risk, IT-related risk, is any risk related to information technology. IT risk management is the application of risk management methods to information technology in order to manage IT risk, i.e. The business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise or organization. Financial information of Banks is mostly processed and delivered through technological platform. Continuity of company’s operation and service completely depends on strong, reliable and secured technology.

UBL started its journey through a fully-fledged centralized online banking system based on the principle of Islamic Shari’ah. Under the single ICT platform, UBL is presently providing all types of technology based banking facilities to all its customers through 96 branches & countrywide ATM service which is increasing rapidly with the expansion of branch network & business volumes of the bank. Since the inception of banking operation, UBL is running successfully with Core Banking Solution (CBS) software ‘Ababil’ with the features of General Banking Module, online transactions, Foreign Trade Module, ATM, BACH, EFT, RTGS, Remittance, Investment, CIB along with other necessary modules.

viii) Operational Risk

Operational risk arises due to failure in internal process, people and system or from external events. Due to rising customer expectations, increasing regulatory requirements, uprising technological innovation and mounting competition, banks and financial institutions are undergoing changes. This has increased the probability of failure or mistakes from the operational point of view that can result in increased focus on managing operational risks. To mitigate the risk, ICCD of the bank is conducting Audits/Inspections where the compliance in the defined areas are included to be checked and verified. The compliance issues of the bank are also communicated with the concerned divisions. Regulators are also overseeing the compliance related to the operations, book maintenance and other related issues from time to time. The bank has its own Operational Risk Management Framework which encompasses clearly defined organizational structure, with defined roles and responsibilities for all aspects of operational risk management.

vii. Following details of underwriting:

- a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them;

Name & Address	Contact Person	Contact Details	Amount Underwritten (BDT)
First Security Islami Capital & Investment Limited	K M Rasidul Hasan Chief Executive Officer	Tel: +88- 02-9578569 Fax: +88-02-9515917 E-mail: ceo@fsicibd.com Web: www.fsicibd.com	998,000,000
Islami Bank Capital Management Limited	Mohammad Abdur Rahim, FCA Managing Director & CEO	Tel: +88-02-47120793, +88-02-47120794 Fax: +88-02-47120625 E-mail: info@ibcmlbd.com Web: www.ibcmlbd.com	250,000,000
AIBL Capital Management Limited	Md. Riyadh Hossain Mahmud Chief Executive Officer	Tel: 44850100, 44850005 Ext.-505 Fax: 88-02-44850065 E-mail: cml@aibl.com.bd Web: www.al-arafahbank.com	250,000,000

- b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;

Declaration by the underwriter

(First Security Islami Capital & Investment Limited)

We are one of the underwriters of the Initial Public Offering (IPO) of Union Bank Limited. We will underwrite Tk. BDT 998,000,000 (Ninety-Nine crore eighty lac only) of total public offer of BDT 4,280,000,000/- for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligation.

For the Underwriter:

Sd/-

K M Rasidul Hasan
Chief Executive Officer

Place: Dhaka

Date: May 30, 2021

Declaration by the underwriter
(Islami Bank Capital Management Limited)

We are one of the underwriters of the Initial Public Offering (IPO) of Union Bank Limited. We will underwrite Tk. 250,000,000 (Twenty-Five Crore) of total public offer of Tk. 4,280,000,000 for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligation.

For the Underwriter:

Sd/-

Mohammad Abdur Rahim, FCA
Managing Director & CEO

Place: Dhaka;

Date: May 30, 2021

Declaration by the underwriter
(AIBL Capital Management Limited)

We are one of the underwriters of the Initial Public Offering (IPO) of Union Bank Limited. We will underwrite Tk.250,000,000 (Twenty-Five Crore) only of total public offer of BDT 4,280,000,000/- for the upcoming issue on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligation.

For the Underwriter:

Sd/-

Md. Riyadh Hossain Mahmud
Chief Executive Officer

Place: Dhaka

Date: May 30, 2021

c) Major terms and conditions of the underwriting agreements.

As per guideline of Bangladesh Securities and Exchanges Commission (Public Issue) Rules, 2015 as amended on September 03, 2019 35% (Thirty-Five percent) of the issue shall have to be underwritten on a firm commitment basis by the underwriter(s) i.e. **BDT 1,498,000,000** shall have to be underwritten on a firm commitment basis by the underwriters, subject to the terms stated below:

- a) In case of under-subscription in any category by up to 35% in the Initial Public Offer, the undersubscribed portion of securities shall be taken up by the underwriter.
- b) The Company shall raise BDT 4,280,000,000 from Eligible Investors and General Public subscription through publishing a prospectus in accordance with the consent of the Bangladesh Securities and Exchange Commission (BSEC) and the provision of this Agreement.
- c) Prior to the publication of the Prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 of underwriting agreement and provide for payment of initial underwriting commission not exceeding 0.25% on the amount underwritten.
- d) The Company shall make media campaign and publicity of the offer for subscription to the extent as may be reasonably requested by the Manager to the Issue prior to opening and during offer period of subscription list with publicity material as approved by the BSEC.
- e) The Company shall comply with any other formalities required under law of the land, for raising fund publicly.
- f) If and to the extent that the shares offered to the public by a prospectus authorised hereunder shall not have been subscribed and paid for in cash in full by the Closing Date of subscription, the Company shall within 10 (Ten) days of closure of subscription call upon the underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not subscribed by the closing date and to pay for in cash in full, for such unsubscribed shares within 15 (Fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account is credited.

In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and deposit of money by the underwriter to the Commission.

In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed.

C. CAPITAL STRUCTURE

- (i) Authorized, issued, subscribed and paid-up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);

Particulars	No. of Shares	Nominal Price	Amount in Taka
Authorized Capital	1,000,000,000	10	10,000,000,000
Before IPO:			
Paid up capital	558,933,760	10	5,589,337,600
After IPO:			
To be issued through IPO	428,000,000	10	4,280,000,000
Paid up capital (Post IPO)	986,933,760	10	9,869,337,600

ALLOTMENT HISTORY OF SECURITIES					
Allotment Date	Form of Consideration (# of Shares)			Issue Price (Tk.)	Amount of Share Capital (Tk.)
	Cash	Other Than Cash	Bonus Issue		
07.03.2013	428,000,000	-	-	10	4,280,000,000
20.06.2017	-	-	42,800,000	10	428,000,000
18.10.2018	-	-	56,496,000	10	564,960,000
29.12.2020	-	-	31,637,760	10	316,377,600
Total:					5,589,337,600

- (ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);

Initial Public Offering through Fixed Price Method

Particulars		%	No. of Ordinary Shares	Nominal Value	Issue Price	Issue Amount (Taka)
Eligible investors (EI)	Other EIs (including CIs)	20%	85,600,000	10	10	856,000,000
	Mutual Funds	5%	21,400,000			214,000,000
General public (GP)	NRB	5%	21,400,000			214,000,000
	Others	70%	299,600,000			2,996,000,000
Total		100%	428,000,000			4,280,000,000

- (iii) Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);

Particulars	Before the present issue	After the present issue
Paid-up capital	5,589,337,600	9,869,337,600
Convertible instruments	N/A	N/A
Share premium	N/A	N/A

- (iv) **Category-wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);**

Category of Shareholders		Before Present Issue		After Present Issue	
		Number of Shares	Percentage	Number of Shares	Percentage
Directors, Sponsors & Shareholders		558,933,760	100%	558,933,760	56.63%
Eligible investors (EI)	Other EIs (including CIs)	-	-	85,600,000	8.67%
	Mutual Funds	-	-	21,400,000	2.17%
General public (GP)	NRB	-	-	21,400,000	2.17%
	Others	-	-	299,600,000	30.36%
Total		558,933,760	100%	986,933,760	100%

- (v) **Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the Issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the Issuer out of the issue;**

No shares have been issued for consideration in other than cash except bonus issue at any point of time.

- (vi) **Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;**

No shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted.

- (vii) **Where the Issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;**

Union Bank Limited has not issued equity shares under one or more employee stock option schemes.

- (viii) **If the Issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the Issuer, reasons for such issue and the price thereof;**

The issuer has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

- (ix) **The decision or intention, negotiation and consideration of the Issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;**

There is no such decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

- (x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them.

Name	Shahidul Alam				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	13,950,000	10	10	Cash	13,950,000	3 Years	3.55%	2.01%
Bonus Issue	20.06.2017	1,395,000	10	10	Bonus	15,345,000			
Bonus Issue	18.10.2018	1,841,400	10	10	Bonus	17,186,400			
Bonus Issue	29.12.2020	1,031,184	10	10	Bonus	18,217,584			
Transfer	30.03.2021	1,600,000	10	10	Cash	19,817,584			

Name	Hussain Muhammad Ershad				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	40,000,000	10	10	Cash	40,000,000	3 Years	9.35%	5.29%
Bonus Issue	20.06.2017	4,000,000	10	10	Bonus	44,000,000			
Bonus Issue	18.10.2018	5,280,000	10	10	Bonus	49,280,000			
Bonus Issue	29.12.2020	2,956,800	10	10	Bonus	52,236,800			

Name	Unique Investment & Securities Ltd.				Position	Sponsor & Director		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	40,000,000	10	10	Cash	40,000,000	3 Years	9.35%	5.29%
Bonus Issue	20.06.2017	4,000,000	10	10	Bonus	44,000,000			
Bonus Issue	18.10.2018	5,280,000	10	10	Bonus	49,280,000			
Bonus Issue	29.12.2020	2,956,800	10	10	Bonus	52,236,800			

Name	Ashik Ahmed				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	28,000,000	10	10	Cash	28,000,000	3 Years	6.31%	3.57%
Transfer	30.11.2016	-1,000,000	10	10	Gift	27,000,000			
Bonus Issue	20.06.2017	2,700,000	10	10	Bonus	29,700,000			
Bonus Issue	18.10.2018	3,564,000	10	10	Bonus	33,264,000			
Bonus Issue	29.12.2020	1,995,840	10	10	Bonus	35,259,840			

Name	Farzana Parveen				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	7,000,000	10	10	Cash	7,000,000	3 Years	3.57%	2.02%
Bonus Issue	20.06.2017	700,000	10	10	Bonus	7,700,000			
Transfer	11.10.2017	3,300,000	10	10	Cash	11,000,000			
Bonus Issue	18.10.2018	1,320,000	10	10	Bonus	12,320,000			
Transfer	25.09.2019	1,232,000	10	10	Cash	13,552,000			
Transfer	19.11.2020	1,232,000	10	10	Cash	14,784,000			
Bonus Issue	29.12.2020	887,040	10	10	Bonus	15,671,040			
Transfer	30.03.2021	4,300,000	10	10	Cash	19,971,040			

Name	Marzina Sharmin				Position	Sponsor & Director		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	21,000,000	10	10	Cash	21,000,000	3 Years	4.91%	2.78%
Bonus Issue	20.06.2017	2,100,000	10	10	Bonus	23,100,000			
Bonus Issue	18.10.2018	2,772,000	10	10	Bonus	25,872,000			
Bonus Issue	29.12.2020	1,552,320	10	10	Bonus	27,424,320			

Name	Belal Ahmed				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	20,000,000	10	10	Cash	20,000,000	3 Years	4.67%	2.65%
Bonus Issue	20.06.2017	2,000,000	10	10	Bonus	22,000,000			
Bonus Issue	18.10.2018	2,640,000	10	10	Bonus	24,640,000			
Bonus Issue	29.12.2020	1,478,400	10	10	Bonus	26,118,400			

Name	Mortuza Siddique Chowdhury				Position	Sponsor		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	16,000,000	10	10	Cash	16,000,000	N/A	0.00%	0.00%
Bonus Issue	20.06.2017	1,600,000	10	10	Bonus	17,600,000			
Bonus Issue	18.10.2018	2,112,000	10	10	Bonus	19,712,000			
Bonus Issue	29.12.2020	1,182,720	10	10	Bonus	20,894,720			
Transfer	30.03.2021	-20,894,720	10	10	Cash	0			

Name	Lion Securities & Investment Ltd.				Position	Sponsor & Director		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	40,000,000	10	10	Cash	40,000,000	3 Years	8.00%	4.53%
Bonus Issue	20.06.2017	4,000,000	10	10	Bonus	44,000,000			
Bonus Issue	18.10.2018	5,280,000	10	10	Bonus	49,280,000			
Bonus Issue	29.12.2020	2,956,800	10	10	Bonus	52,236,800			
Transfer	30.03.2021	-7,500,000	10	10	Cash	44,736,800			

Name	Md. Arshed				Position	Sponsor		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	10,000,000	10	10	Cash	10,000,000	N/A	0.00%	0.00 %
Bonus Issue	20.06.2017	1,000,000	10	10	Bonus	11,000,000			
Bonus Issue	18.10.2018	1,320,000	10	10	Bonus	12,320,000			
Bonus Issue	29.12.2020	739,200	10	10	Bonus	13,059,200			
Transfer	30.03.2021	-13,059,200	10	10	Cash	0			

Name	C&A Fabrics Ltd.				Position	Sponsor & Director		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	9,500,000	10	10	Cash	9,500,000	3 Years	3.56%	2.02 %
Bonus Issue	20.06.2017	950,000	10	10	Bonus	10,450,000			
Bonus Issue	18.10.2018	1,254,000	10	10	Bonus	11,704,000			
Bonus Issue	29.12.2020	702,240	10	10	Bonus	12,406,240			
Transfer	30.03.2021	7,500,000	10	10	Cash	19,906,240			

Name	Crystal Bridge (Pvt.) Ltd.				Position	Sponsor		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	1,000,000	10	10	Cash	1,000,000	N/A	0.00%	0.00%
Bonus Issue	20.06.2017	100,000	10	10	Bonus	1,100,000			
Bonus Issue	18.10.2018	132,000	10	10	Bonus	1,232,000			
Transfer	25.09.2019	-1,232,000	10	10	Cash	0			

Name	Shahana Ferdous				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	21,000,000	10	10	Cash	21,000,000	3 Years	4.91%	2.78%
Bonus Issue	20.06.2017	2,100,000	10	10	Bonus	23,100,000			
Bonus Issue	18.10.2018	2,772,000	10	10	Bonus	25,872,000			
Bonus Issue	29.12.2020	1,552,320	10	10	Bonus	27,424,320			

Name	C&A Accessories Ltd.				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	9,960,000	10	10	Cash	9,960,000	3 Years	3.56%	2.02%
Bonus Issue	20.06.2017	996,000	10	10	Bonus	10,956,000			
Bonus Issue	18.10.2018	1,314,720	10	10	Bonus	12,270,720			
Bonus Issue	29.12.2020	736,243	10	10	Bonus	13,006,963			
Transfer	30.03.2021	6,894,720	10	10	Cash	19,901,683			

Name	Morsalin Islam Shouradip				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	40,000,000	10	10	Cash	40,000,000	3 Years	9.35%	5.29%
Bonus Issue	20.06.2017	4,000,000	10	10	Bonus	44,000,000			
Bonus Issue	18.10.2018	5,280,000	10	10	Bonus	49,280,000			
Bonus Issue	29.12.2020	2,956,800	10	10	Bonus	52,236,800			

Name	Western Designer Ltd.				Position	Sponsor & Director		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	4,940,000	10	10	Cash	4,940,000	3 Years	3.72%	2.11%
Bonus Issue	20.06.2017	494,000	10	10	Bonus	5,434,000			
Bonus Issue	18.10.2018	652,080	10	10	Bonus	6,086,080			
Bonus Issue	29.12.2020	365,165	10	10	Bonus	6,451,245			
Transfer	30.03.2021	14,365,120	10	10	Cash	20,816,365			

Name	Ocean Resorts Ltd.				Position	Sponsor & Director		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	21,000,000	10	10	Cash	21,000,000	3 Years	4.91%	2.78%
Bonus Issue	20.06.2017	2,100,000	10	10	Bonus	23,100,000			
Bonus Issue	18.10.2018	2,772,000	10	10	Bonus	25,872,000			
Bonus Issue	29.12.2020	1,552,320	10	10	Bonus	27,424,320			

Name	Ahsanul Alam				Position	Sponsor		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	3,000,000	10	10	Cash	3,000,000	N/A	0.00%	0.00%
Bonus Issue	20.06.2017	300,000	10	10	Bonus	3,300,000			
Transfer	11.10.2017	-3,300,000	10	10	Cash	0			

Name	Arif Ahmed				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	21,000,000	10	10	Cash	21,000,000	3 Years	4.91%	2.78%
Bonus Issue	20.06.2017	2,100,000	10	10	Bonus	23,100,000			
Bonus Issue	18.10.2018	2,772,000	10	10	Bonus	25,872,000			
Bonus Issue	29.12.2020	1,552,320	10	10	Bonus	27,424,320			

Name	Mohammad Mostan Billah Adil				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	20,000,000	10	10	Cash	20,000,000	3 Years	4.67%	2.65%
Bonus Issue	20.06.2017	2,000,000	10	10	Bonus	22,000,000			
Bonus Issue	18.10.2018	2,640,000	10	10	Bonus	24,640,000			
Bonus Issue	29.12.2020	1,478,400	10	10	Bonus	26,118,400			

Name	Sarwar Jahan Maleque				Position	Sponsor		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	1,000,000	10	10	Cash	1,000,000	N/A	0.00%	0.00%
Bonus Issue	20.06.2017	100,000	10	10	Bonus	1,100,000			
Bonus Issue	18.10.2018	132,000	10	10	Bonus	1,232,000			
Bonus Issue	29.12.2020	73,920	10	10	Bonus	1,305,920			
Transfer	30.03.2021	-1,305,920	10	10	Cash	0			

Name	Chowdhury Mohammed Hanif Shoeb				Position	Sponsor		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	1,000,000	10	10	Cash	1,000,000	N/A	0.00%	0.00%
Bonus Issue	20.06.2017	100,000	10	10	Bonus	1,100,000			
Bonus Issue	18.10.2018	132,000	10	10	Bonus	1,232,000			
Transfer	19.11.2020	-1,232,000	10	10	Cash	0			

Name	S. M. Anowar Sadat				Position	Sponsor		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	8,000,000	10	10	Cash	8,000,000	N/A	0.00%	0.00%
Bonus Issue	20.06.2017	800,000	10	10	Bonus	8,800,000			
Transfer	20.06.2017	-8,800,000	10	10	Cash	0			

Name	Mohammed Abdul Salam				Position	Sponsor		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	1,000,000	10	10	Cash	1,000,000	N/A	0.00%	0.00%
Bonus Issue	20.06.2017	100,000	10	10	Bonus	1,100,000			
Transfer	20.06.2017	-1,100,000	10	10	Cash	0			

Name	Farzana Begum				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	21,650,000	10	10	Cash	21,650,000	3 Years	5.06%	2.86%
Bonus Issue	20.06.2017	2,165,000	10	10	Bonus	23,815,000			
Bonus Issue	18.10.2018	2,857,800	10	10	Bonus	26,672,800			
Bonus Issue	29.12.2020	1,600,368	10	10	Bonus	28,273,168			

Name	Mehe Zebunnesa Rahman				Position	Sponsor & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
MoA	07.03.2013	8,000,000	10	10	Cash	8,000,000	3 Years	1.87%	1.06%
Bonus Issue	20.06.2017	800,000	10	10	Bonus	8,800,000			
Bonus Issue	18.10.2018	1,056,000	10	10	Bonus	9,856,000			
Bonus Issue	29.12.2020	591,360	10	10	Bonus	10,447,360			

Name	Ziauddin Ahmed				Position	Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
Transfer	30.11.2016	1,000,000	10	10	Gift	1,000,000	3 Years	0.23%	0.13%
Bonus Issue	20.06.2017	100,000	10	10	Bonus	1,100,000	2 Years		
Bonus Issue	18.10.2018	132,000	10	10	Bonus	1,232,000			
Bonus Issue	29.12.2020	73,920	10	10	Bonus	1,305,920			

Name	Reliable Entrepreneurs Ltd.				Position	Director & Shareholder		Percentage	
Nature of Issue	Allotment date	No. of Shares	Face value	Issue Price	Consideration	Cumulative Total Shares	Lock-in Period	Pre IPO	Post-IPO
Transfer	20.06.2017	9,900,000	10	10	Cash	9,900,000	3 Years	3.55%	2.01%
Bonus Issue	18.10.2018	1,188,000	10	10	Bonus	11,088,000			
Bonus Issue	29.12.2020	665,280	10	10	Bonus	11,753,280			
Transfer	30.03.2021	8,100,000	10	10	Cash	19,853,280			

***The independent director does not hold any share of the company.

*** Directors shares were made fully paid upon the date of allotment and there are no shares pledged shares.

- (xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the Issuer and their related parties within six months immediate preceding the date of filing the prospectus;

Details of aggregate shareholding of the sponsors/directors are given in the above-mentioned clause (x).

- (xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;

Sl.	Name	Address	Total	Pre IPO %
1	Hussain Muhammad Ershad	President Park, 10, Dutabash Road, Baridhara, Dhaka	52,236,800	9.35%
2	Unique Investment & Securities Ltd. Represented by Ahsanul Alam	Osman Manzil, 950, Asadgong, Chattogram	52,236,800	9.35%
3	Ashik Ahmed	House No.#08, Road No.#124, Gulshan -1, Dhaka	35,259,840	6.31%
4	Lion Securities & Investment Ltd. Represented by Halima Begum	1578/1621, Ramjoy Mohajan Lane, Asadgonj, Chattogram	44,736,800	8.00%
5	Morsalin Islam Shouradip	152, Gawair (madrasal road), Ashkona, Dhakkhin, Uttara, Dhaka	52,236,800	9.35%
6	Farzana Begum	Esack Mansion, South Haliashahar (Saltgola), Bandar, Chattogram	28,273,168	5.06%
Total			264,980,208	47.41%

- (xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned;

There is no number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group.

D. CAPITAL DESCRIPTION OF BUSINESS

- i. **The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;**

Union Bank Limited (UBL) was incorporated on 07 March, 2013 as a 4th generation private commercial bank and started its banking operation in the private sector on 20 May, 2013 under the license issued by Bangladesh Bank.

Considering huge demand of shari’ah based banking across the country as well as growing demand of quality service in banking we found enormous response of our banking service. To unlock the potentials of missing middle income group who are beyond the coverage of corporate banking service and to focus on rural & micro economic developments, we devolved innovative products & services. The bank has maintaining corporate and business ethics and transparency at all levels.

Union Bank Limited being a forward intellectual, has been building a large network of touch points at different parts of the country through latest banking technologies and shari’ah based products and services. The bank has expanded its branches and ATM booths for providing banking service at the door step of the people in both urban and rural areas. At present bank has 96 (Ninety-Six) branches and 23 (Twenty-Three) sub branches which are ensuring customers convenience to serve bank’s mission.

- ii. **Location of the project;**

Registered Office and Corporate Head Office: The registered office of the Bank is located at Bahela Tower, 72, Gulshan Avenue, Gulshan-1, Dhaka-1212.

Location of the Branches:

Sl. No	Name of the Branch	Address
1	Gulshan Branch	Bahela Tower (Ground & 1 st Floor), 72, Gulshan-1, Gulshan Avenue, Dhaka-1212.
2	Dilkusha Branch	Chand Mansion (1 st Floor), 66, Dilkusha C/A. Dhaka-1000.
3	Hatkholā Branch	Ittefaq Bhaban (1 st Floor), 1, Ramkrishna Mission Road, Dhaka.
4	Lichubagan Branch	Al-Emarat Shopping Complex, Lichubagan, Rangunia, Chattogram.
5	Shathibari Branch	Arzu Complex (1 st Floor), Shathibari, Mithapukur, Rangpur.
6	Mouchak Branch	Maa Super Market (1 st Floor), ATC Bhaban, Mouchak, Kaliakoir, Gazipur.

Sl. No	Name of the Branch	Address
7	Shantirhat Branch	Jobair Shopping Center (1st Floor), Shantirhat, Patiya, Chattogram.
8	Khatungonj Branch	Siddique Tower (1st, 2nd & 3rd Floor), 177 Khatungonj, Chattogram.
9	Ashulia Branch	Ayman Plaza (Ground & 1 st Floor), Tongi-Ashulia Road, Bogabari Bazar, Ashulia, Dhaka.
10	Zindabazar Branch	R. B. Complex, East Zindabazar Road, Sylhet City Corporation, Sylhet.
11	Ashkona Bazar Branch	City Port Tower (2 nd Floor), Ashkona Main Road, Dakkhinkhan, Dhaka-1230.
12	Panthapath Branch	City Tower (1 st Floor), Holding # 44/7, Panthapath Main Road, Kolabagan, Dhaka-1205.
13	Sebarhat Branch	Halim Mansion (1 st Floor), Purba Bazar, Sebarhat, Senbag, Noakhali.
14	Badarkhali Branch	Rashid Shopping Complex (1 st Floor), Badarkhali, Chokoria, Cox's Bazar.
15	Islampur Branch	Kaium Complex (Ground Floor), Islampur, Sylhet Sadar (Shah Poran), Sylhet.
16	Pahartoli Branch	M.Y. Plaza (1st Floor), Chowmuhoni Bazar, Pahartali, Raozan, Chattogram.
17	Bogura Branch	Shamoly Plaza (1 st & 2 nd Floor), Holding No- 2100, Kabi Nazrul Islam Road, Bogura Pourashava, Bogura.
18	Khulna Branch	Munna Tower (1 st Floor), Holding No-07, K.D Avenue, Shibbari Mor, Khulna Sadar, Khulna.
19	Sarkarhat Branch	Goni Shopping Centre (1st Floor), Sarkarhat, Hathazari, Chattogram.
20	Agrabad Branch	CDA Plot No-59, Agrabad C/A, Double Mooring, Chattogram.
21	Lalmai Branch	Dula Mia Mansion (1 st Floor), Lalmai Bazar, Cumilla Sadar, Cumilla.
22	Cumilla Branch	White House Super Market (1 st Floor), Holding # 560, Paduar Bazar, Bishwa Road, Comilla.
23	Talshohor Branch	Hajee Md. Abu Shama Plaza (1 st Floor), Talshohor, Ashugonj, Brahmanbaria.
24	Cox's Bazar Branch	Kashem Plaza (1 st Floor), Purba Bazarghata, Cox's Bazar Pourashava, Cox's Bazar.
25	Hnila Branch	Jameah Darus Sunnah Market (1 st Floor), Hnila Bazar, Teknaf, Cox's Bazar.
26	Uttara Branch	Holding # 37, Sonargaon Janapath, Sector # 07, Uttara Model Town, Uttara, Dhaka-1230.

Sl. No	Name of the Branch	Address
27	Muradpur Branch	T & S Tower (1st & 2nd Floor)83, Muradpur, Hathazari Road, Panchlaish, Chattogram.
28	Banani Branch	Assurance Nazir Tower (2 nd Floor), Plot # 65, Block # B, Kemal Ataturk Avenue, Banani, Dhaka.
29	Mawna Branch	Razzak Plaza (1 st Floor), Mawna Chowrasta, Sreepur, Gazipur.
30	Rajshahi Branch	Rokeya Bhaban (Ground Floor), Holding # 219, Kumarpara, Goramara, Boalia, Rajshahi.
31	D.T. Road Eidgah Branch	Dhaka Bhaban Landmark (1st & 2nd Floor), D.T Road, Eidgaon Kancha Rasta, Pahartoli, Chattogram.
32	Bahubol Branch	Hoque Mansion (1 st Floor), Bahubol Bazar, Bahubol, Habigonj.
33	Munshirhat Branch	Oman Tower (1 st Floor), Munshirhat, Chowddogram, Cumilla.
34	Patiya Branch	Patiya Club (1st Floor), Club Road, Patiya Pourosova, Patiya, Chattogram.
35	Pabna Branch	Akhtar Corner (1 st & 2 nd Floor), Abdul Hamid Road, Pabna Sadar, Pabna.
36	Jaksin Bazar Branch	Bhai Bhai Super Market (1 st Floor) Jaksin Bazar, Lakshmipur Sadar, Lakshmipur.
37	Panchoboti Branch	Ala Uddin Super Market (1 st Floor), Panchoboti, Enayetnagar, Fatullah, Narayangonj.
38	Narayangonj Branch	Holding No #114 (Old-85), B.B. Road, Ukil Para, Narayangonj.
39	Miar Bazar Branch	Tasmia Cottage (1 st Floor), Hashimpur Miari Bazar, Kylene, Kachua, Chandpur.
40	Bazar Hasnabad Branch	H.M. Plaza (1 st Floor), Bazar Hasnabad, Amirgonj, Raipura, Narsingdi
41	Nanupur Branch	Mirja Market Unit No-1 (1st floor), Nanupur, Kalumunshirhat, Fatikchhari, Chattogram.
42	Mirpur Branch	Edi-fice Center (1 st & 2 nd Floor), Holding No. 1281, Begum Rokeya Sharani (East Monipur), Senpara, Mirpur, Dhaka-1216.
43	Feni Branch	Aziz Chamber (1 st & 2 nd Floor), Trunk Road, Feni Pouroshova, Feni.
44	Bonpara Branch	Hajee Ahsan Shopping Plaza (Ground Floor), Bonpara, Ramagori, Boraigram, Natore.
45	Dewan Bazar Branch	R. F. Samiron (1st Floor), Holding no-324, Nawab Sirajuddola Road, Dewan Bazar, Chanddonpura, Kotwali, Chattogram.

Sl. No	Name of the Branch	Address
46	Ataikula Branch	H. M. Plaza (1 st Floor), Ataikula Bazar, Ataikula, Santhia, Pabna.
47	Barishal Branch	Rasin Bhaban (1 st & 2 nd Floor), Holding no.-362, Hatkhola Road, Barishal Sadar, Barishal.
48	Keranihat Branch	City Centre (1 st Floor), Keranihat, Dhemsha, Satkania, Chattogram
49	Mymensingh Branch	Rokeya Mansion (1 st & 2 nd Floor), Holding no.-04, Modon Babu Road (Ampotti), Mymensingh Pourosova, Mymensingh.
50	Nawabpur Road Branch	Century Tower (1 st Floor), Holding no-247, Nawabpur Road, Bongshal, Dhaka
51	Atibazar Branch	Akash Tower (1 st Floor), Aati Bazar, Shakta, Keranigonj, Dhaka.
52	Atibazar Branch	Wahab Manzil (1 st Floor), Khilpara Bazar, Chatkhil, Noakhali.
53	Khilpara Branch	Khan Bahadur Mozaffor Ahmed Market (1 st Floor), Eidgaon, Cox's Bazar Sadar, Cox's Bazar.
54	Eidgaon Branch	A. G. Rahman Complex (1 st Floor), Holding # 7628 & 7629, R N Road, Jashore Pourosova, Jashore.
55	Jashore Branch	Fakir Plaza (1 st Floor) Kalukhali Bazar, Kalukhali, Rajbari.
56	Kalukhali Bazar Branch	Mohammadia Shopping Complex (1st Floor) Chandpur Bazar, Banshkhali, Chattogram
57	Banshkhali (Chandpur) Branch	Jamuna Future Park Complex (2 nd Floor), Shop # 2A-50, 2A-51, Holding # Ka-244, Kuril, Pragati Sharani, Baridhara, Vatara, Dhaka.
58	Jamuna Future Park Branch	S. A. Tower (1st Floor) Kumira Bazar, Sitakunda, Chattogram.
59	Kumira Branch	Hazi Foyez Market (1st Floor), Jotpukuria Bazar, Kanchona, Satkania, Chattogram.
60	Jotpukuria Bazar Branch	Holding # 07 (Ground Floor), East Laldighi, Anderkill, Kotwali, Chattogram
61	Laldighi Branch	Imperial Amin Ahmed Centre (1 st Floor), Plot no.-54, Road no. 10/A, Dhanmondi, Dhaka.
62	Dhanmondi Branch	N. A. Plaza (1 st & 2 nd Floor), Jahaz Company Mor, Station Road, Kotwali, Rangpur.
63	Rangpur Branch	Ansari Tower (1 st & 2 nd Floor), Mosjidroad, Tangail Sadar, Tangail.
64	Tangail Branch	Elahi Super Market” (1st Floor), Shakpura Chowmuhony, P.O: Shakpura, P.S: Boalkhali, Dist: Chattogram

Sl. No	Name of the Branch	Address
65	Shakpura Chowmuhony Branch	Mahid Fashion Garments Building (1 st Floor), Nowpara, Narsingdi Sadar, Narsingdi.
66	Madhabdi Branch	DNA Sikder Center” (1st Floor & 2nd floor), Lohagara, Chattogram.
67	Lohagara Branch	Zamzam Tower (2 nd Floor), East Aganagar, South Keranigonj, Dhaka-1310
68	Keranigonj Branch	Kabi Jamir Uddin Complex (1 st Floor), Gazipur Chowrasta, Gazipur.
69	Gazipur Chowrasta Branch	Dewan Zahurul Islam Complex (1st floor), Holding no-144,145 N.S. Road, Kushtia Pourashava, Kushtia Sadar, Kushtia.
70	Kushtia Branch	Tower 263, Holding # 281 & 363, Tin Pool, Jubilee Road, Kotwali, Chattogram.
71	Jubilee Road Branch	Nurul Amin Tower (1st & 2nd floor), Jalil Nagar Bus Station, Raozan, Chattogram
72	Raozan Branch	Holding # 803, Centre Point Plaza (1 st & 2 nd floor), Basuniapotti, Kotwali, Dinajpur Pouroshava, Dinajpur
73	Dinajpur Branch	Holding 3/2, Babuli Star City (1 st Floor), Waiz Ghat Islampur, Kotwali, Dhaka.
74	Islampur Branch	Holding no.-152-1(1st Floor), Court Road, Moulvibazar Pouroshava, Moulvibazar Sadar, Moulvibazar.
75	Moulvibazar Branch	Rabet Al-Hasan Textile (Pvt.) Ltd. (1st Floor), Bhulta Bus Stand, Bhulta Bazar, Rupgonj, Narayangonj.
76	Bhulta Branch	Juboraj Bitan (1st Floor), Jorargonj, Mirshorai, Chattogram.
77	Jorargonj Branch	Makka Tower (1st Floor), Dhaka-Aricha Highway, Hemayetpur, Tetuljhora, Savar, Dhaka.
78	Hemayetpur Branch	Qumqum Bilash (1 st Floor), Holding no. 33/3, Professor Para Road, Chapainawabganj Pouroshava, Chapainawabganj
79	Chapainawabganj Branch	Nurjahan Shopping Center (1 st floor),Holding No- 252, Main Road, Barlekha Pouroshava, Barlekha, Moulvibazar.
80	Barlekha Branch	Shah Plaza Market (1st Floor), Holding no-3658/4287, Airport Road, Ward no- 39, Bandartila, Chattogram City Corporation, Chattogram.
81	Bandartila Branch	Delwar Shopping Place (1st Floor), College Road, Bibirhat Bazar, Fatikchhari Pauroshova, Fatikchhari, Chattogram.
82	Fatikchhari Branch	Alam Plaza (1st floor), Ualapalong (Ukhiya Uttar station), Ukhiya, Cox’s Bazar

Sl. No	Name of the Branch	Address
83	Ukhiya Branch	Arif Al Hoque Shopping Complex (1st floor), Link Road, Zilongja, Cox's Bazar Sadar, Cox's Bazar.
84	Link Road Branch	Rahaman Super Market (1 st floor), Rajabari Bazar, Sreepur, Gazipur.
85	Rajabari Bazar Branch	H.I. Khan Trade Center'' (1 st Floor), Plot: Z-23 & Z-24, Block: D, Tajmahal Road, Mohammadpur Housing Estate, Mohammadpur, Dhaka.
86	Tajmahal Road Branch	Aftab Complex- 01 (1 st floor), Electric Supply Road, Ambarkhana, Sylhet City Corporation, Sylhet Sadar, Sylhet
87	Ambarkhana Branch	Pyra Tower (1 st Floor), Kanchan, Rupgonj, Narayanganj.
88	Kanchan Branch	Rahima Center (1 st & 2 nd Floor) Holding: 1839, GEC Circle, CDA Avenue, Panchlaish, Chattogram City Corporation, Chattogram.
89	O R Nizam Road Branch	Khan Plaza (1 st floor), Holding- 79, Dhaka-Mymensingh Road, Tongi, Gazipur City Corporation, Gazipur
90	Tongi Branch	Mallika Tower (1 st floor), Borodighir par, Chikandandi, Hathazari, Chattogram.
91	Borodighir Par Branch	Mannan Center (1 st Floor), Chambal Bazar, ward No-03, Chambal Union Parishad, Banskhali, Chattogram.
92	Chambal Branch	Bazlur Rahman Bhaban (1 st floor), Holding # 1063, Court Road, Ward #-04, Brahmanbaria Pouroshova, Brahmanbaria Sadar, Brahmanbaria
93	Brahmanbaria Branch	Zahir AC Market (1 st Floor), 52, New Elephant Road, Word No-18, Dhaka South City Corporation, Dhaka-1205.
94	Elephant Road Branch	Samad Plaza (1 st Floor), Fenchuganj Bazar Road, Ward No-01,01 No Fenchuganj Union Parihshad, Fenchuganj, Sylhet.
95	Fenchuganj Branch	Master's Market (1 st Floor), Chwmohony, Ward No-06, 05 No Fotekharkul Union Parishad, Ramu, Cox's Bazar.
96	Ramu Branch	Irshad Ulla Shopping City (1 st floor), Holding No- 44, Goalabazar, Ward No-05, Goalabazar Union Parishad, Dhaka-Sylhet Highway Road, Osmani Nagar, Sylhet

Sl. No.	Name of The Sub-Branch	Address
1	Jaldi Upashakha	Jaldi Adhunik Hospital Ltd. Tower (1 st Floor), Banshkhali Main Road, Ward No.05, Banshkhali Pourashava, Banshkhali, Chattogram
2	Bazalia Upashakha	Bazalia New Market (1 st Floor), Block: A, Bazalia Bus Station, Bazalia, Satkania, Chattogram
3	Adhunagar Upashakha	Padmaboti Shopping Complex (1 st floor), Adhunagar Khanhat Bazar, Adhunagar, Lohagara, Chattogram.
4	Mirpur Bazar Upashakha	Hazi Alauddin Mansion (1 st floor), Mirpur Bazar, Bahubol, Habigonj.
5	Kadoir Bazar Upashakha	Bhai Bhai Plaza (1 st floor), Kadoir Bazar, Shuvopur, Chouddogram, Cumilla.
6	Nachol Upashakha	Shapla Bhaban (1 st floor), Holding No-16, Nachol Bus Stand Road, Ward No-07, Nachol Pouroshava, Nachol, Chapainawabganj.
7	Fazilpur Upashakha	Hazi Sayed Market (1 st Floor), Fazilpur Rahim Ullah Saheber Bazar, College Road, Ward No-07, 12 No-Fazilpur Union Parishad, Feni Sadar, Feni
8	Sitakunda Upashakha	Afsar Market (1 st floor), Holding No- 533, Sitakondo Puraton Road, Ward No- 08, Sitakondo Pouroshava, Sitakunda, Chattogram
9	Merul Badda Upashakha	Herald Manwar (1 st Floor), Holding No-02, Road No- 12, Rajuk R/A, Merul Badda, Ward No-21, Dhaka North City Corporation, Dhaka-1212
10	Rowshanhat Upashakha	Al Noor Market Rowshanhat, Arakan Road, Ward No-02, Kanchanabad Union Parishad, Chandanaish, Chattogram
11	Matarbari Upashakha	Matarbari New Market (1 st floor), Noton Bazar, CNG Stand, Ward No-04, Matarbari Union, Moheshkhali, Cox's Bazar
12	Gunagori Upashakha	Shaheb Mia City Center (1 st floor), Gunagori Kanshmohol Bazar, Ward No-01, Kalipur Union, Banshkhali, Chattogram
13	Bangla Bazar Upashakha	Kalu Shil Market Bangla Bazar, Mirzakhil, Ward No-01 (part), Sonakania Union Parishad, Satkania, Chattogram
14	Fakirhat Upashakha	Sirajul Hoque & Mahmudul Haque Market (1 st floor), Fakirhat, Ward No-05, Nazirhat Pouroshava, Fatikchhari, Chattogram
15	Halishahar Bus Stand Upashakha	Islam Bhaban (1 st Floor), Ward No- 11 no. Dokkhin Kattali, 27, A Block, H.S Road, Housing State-4216, Halishahar, Chattogram City Corporation, Chattogram
16	Hathazari Upashakha	Mohajan Plaza (1 st floor), Hathazari Bazar, Ward No-03, Hathazari Pouroshava, Hathazari, Chattogram
17	Ghatail Upashakha	Bhai Bhai Plaza (1 st floor), Ghatail Bus Stand, Ward No-08, Ghatail Pouroshava, Dhaka-Mymensingh Highway Road, Tangail

Sl. No.	Name of The Sub-Branch	Address
18	Khuntakhali Upashakha	Fazal Market Khuntakhali Station Bazar, Ward No-06, Khuntakhali Union Parishad, Chattogram-Cox's Bazar Highway, Chakaria, Cox's Bazar.
19	Palongkhali Upashakha	Al-sami Market-2, Palongkhali, Ward No-07, Palongkhali Union Parishad, PS-Ukhiya, Dist-Cox's Bazar
20	Kachua Upashakha	Bismillah Tower (1 st floor), Holding No-322/Ka, Kachua Bazar, Ward No-08, Kachua Pouroshava, Chandpur
21	Chatkhil Upashakha	Alam Plaza (1st floor), Holding No-407, Chatkhil Bazar, Khilpara Road, Ward No-06, Chatkhil Pouroshava, Noakhali
22	Shibganj Upashakha	Birmuktijoddha Panna BDR Tower (1st floor), Masterpara Road, Ward No-05, Shibganj Pourashava, Shibganj, Chapainawabganj
23	Kutupalong Upashakha	Mamtaz Tower” (1st floor), address: Kutupalong Bazar, Lambasia Road, Ward No-09, Rajapalong Union Parishad, Ukhiya, Cox's Bazar

iii. Plant, machinery, technology, process, etc.

Plant, machinery:

The issuer company is a licensed Commercial Bank hence it does not have any plant and machinery for serving its client.

Technology:

The Technology is changing rapidly and today Business organizations, especially the banking industry is operated in a complex and competitive environment characterized by changing conditions and highly unpredictable economic climate. Information and Communication Technology (ICT) is at the Centre of this global change. Union Bank is not behind of that, it has been trying to apply new technology in its different area to extract the benefit of the technology and to ease the users and finally satisfaction of the valuable customers of the Bank. The Bank has already launched Debit Card, SMS Banking, Internet Banking, Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN), RTGS etc. under the guidelines of Bangladesh Bank. The bank introduced full-fledged Internet Banking & Mobile Apps introduced with number of remarkable features like – Fund Transfer to any bank account, Credit Card bill payment, Mobile Recharge, Transfer money to bKash, Nagad & Rocket. E-Commerce Transaction are also in pipeline. Customers are excitedly accepted UBL Internet & Mobile Apps service. Considering better customer support and service at any time, UBL initiated 24/7 Call Center Service. The Bank also implemented Remittance Software Remit Book for faster & secured remittance service for its customers and Human Resource Management System for effective management of the human resource and to improve performance of its employee.

Disaster Recovery (DR) Site has been established to replicate real time data of Data Centre and failover business operations in case of any emergency or any disaster at Data Centre. Business continuity Plan has also been developed.

Bank has taken initiative on e-KYC implementation project with short account opening form to make a/c opening hassle-free and automated. Customers will now complete their process within shortest possible time and less input.

The Bank has also taken initiatives for process re-engineering and Digital Document Management System (DMS) for every step of physical & manual work. Union Bank is focusing on 3P - People, Process & Platform. An efficient e Work-Flow for approval process will replace existing manual file processing and final document will be preserved & archived digitally in an IT DMS Platform. Union Bank has increased its strength on Cyber security areas and updated all security platform as standard procedures.

Process (Investment Approval):

All investment applications are submitted to the Investment Risk Management Division (IRMD) or RMG & Trade Finance Division with business proposal and feasibility report for approval. Investment committee approves the application within the limit set by the Board of Directors. Rest of the application, recommended by IRMD/RMG & Trade Finance Division placed before the Executive Committee or to the Board of Directors for approval. Processes of all investment are balanced between risk and earning opportunities and in compliance with the overall goals defined by Board of Directors and Bangladesh Bank.

iv. Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;

History of the issuer	Union Bank Limited (UBL) was incorporated (No.C-107837/13) in Bangladesh on 07 March 2013 as a banking company under Companies Act 1994.
Bank License from Bangladesh Bank	March 10, 2013
Launching of commercial operation	Union Bank was started commercial operation from May 20, 2013
Opening of First Branch	Gulshan Branch, Dhaka
Capital raise (Last)	On 29 December 2020, stock dividend 6% (6 Bonus Share for every 100 Shares) was approved by the shareholders in the 7 th Annual General Meeting. The Stock dividend of 31,637,760 Nos of shares allotted among shareholder based on record date, hence the paid-up capital of the Bank stood 55,89,33,760 Nos of Share of Tk. 10 per share Totaling Tk. 558,93,37,600.
Products and Services	The Bank through its Branches and sub-branch offers a diverse range of loan and deposit products such as: Deposit Products of the Bank are as follows: <ul style="list-style-type: none"> ❖ Al- Wadiah Current Deposit ❖ Mudaraba Savings Deposit (MSD) ❖ Mudaraba School Banking Savings Account ❖ Mudaraba No Frill Savings Account ❖ Mudaraba Privileged Savings Account ❖ UBL Salary Account ❖ Mudaraba Gift Cheque ❖ Mudaraba Special Notice Deposits (MSND)

	<ul style="list-style-type: none"> ❖ Mudaraba Term Deposit (MTD) <ul style="list-style-type: none"> ➤ 01 Month ➤ 03 Month ➤ 06 Month ➤ 100 Days' ➤ 12 Month ➤ 24 Month ➤ 36 Month <p><u>Scheme Products of the Bank are as follows:</u></p> <ul style="list-style-type: none"> ❖ Mudaraba Monthly Profit Scheme ❖ Mudaraba Monthly Saving Scheme ❖ Mudaraba Double Benefit Deposit Scheme ❖ Mudaraba Millionaire Saving Scheme ❖ Mudaraba Crorepoty Sanchaya Prokalpa ❖ Mudaraba Pension Prokalpa ❖ Mudaraba Marriage Saving Scheme ❖ Mudaraba Hajj Saving Scheme ❖ Mudaraba Muhor Saving Scheme ❖ Mudaraba Barakah Saving Scheme ❖ Mudaraba Privileged Deposit Scheme ❖ Mudaraba Probashi Sanchaya Prokalpa <p><u>Loan Products of the Bank are as follows:</u></p> <ul style="list-style-type: none"> ❖ Bai- Murabaha. ❖ Bai- Muajjal. ❖ Hire Purchase under Shirkatul Melk. ❖ Mudaraba. ❖ Musharaka. ❖ Bai- Salam. ❖ Mudaraba Documentary Bill Purchase ❖ UBL Employees' House Building Investment Scheme. ❖ SME & Agriculture Finance. ❖ Women Enterprise Finance. ❖ Retail Finance/ Consumer Finance. ❖ Special Investment Scheme. ❖ Bank Guarantee. 																				
Market for the product	Throughout the Country by Branches and sub-Branches network.																				
Change in ownership/key management personnel	<p>The following ownership/key management personnel has been appointed/resigned;</p> <table border="1" data-bbox="624 1619 1406 2018"> <thead> <tr> <th>SL</th> <th>Name</th> <th>Designation</th> <th>Date of Joining/Resign/Promoted</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>A.B.M Mokammel Hoque Chowdhury</td> <td>Managing Director</td> <td>April 06, 2020</td> <td>Appointed</td> </tr> <tr> <td>02</td> <td>Omar Farooque</td> <td>Managing Director</td> <td>April 05, 2020</td> <td>Resigned</td> </tr> <tr> <td>03</td> <td>Mr. Md. Nazrul Islam</td> <td>Deputy Managing Director</td> <td>February 01, 2018</td> <td>Appointed</td> </tr> </tbody> </table>	SL	Name	Designation	Date of Joining/Resign/Promoted	Remarks	01	A.B.M Mokammel Hoque Chowdhury	Managing Director	April 06, 2020	Appointed	02	Omar Farooque	Managing Director	April 05, 2020	Resigned	03	Mr. Md. Nazrul Islam	Deputy Managing Director	February 01, 2018	Appointed
SL	Name	Designation	Date of Joining/Resign/Promoted	Remarks																	
01	A.B.M Mokammel Hoque Chowdhury	Managing Director	April 06, 2020	Appointed																	
02	Omar Farooque	Managing Director	April 05, 2020	Resigned																	
03	Mr. Md. Nazrul Islam	Deputy Managing Director	February 01, 2018	Appointed																	

- v. **Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;**

Principal products:

The Bank through its Branches and Sub-Branches across the country offers a diverse range of loan/investment and deposit products.

Market for such Products:

The Company offers the services through its Branches and sub sub-Branches in different locations of Bangladesh.

Past trends and future prospects regarding local market:

Last 5 years' investment income of Union Bank Limited:

Particulars	Amount in BDT mn				
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Investment Income	19,740.13	16,736.43	13,550.87	10,587.61	8,027.09

Local market, demand and supply forecasts for the sector:

Being a Bank company, such forecast is not applicable for Union Bank Limited.

- vi. **If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;**

Amount in Crore

Sl.	Name of Products	For the period ended Dec 31, 2020		For the year ended Dec 31, 2019	
		Revenue (Tk.)	Percentage	Revenue (Tk.)	Percentage
1	Bai-Murabaha -TR	998.17	50.57%	804.74	48.08%
2	Bai-Murabaha against MTDR	469.11	23.76%	426.25	25.47%
3	Musharaka- MDB	278.08	14.09%	241.07	14.40%

- vii. **Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;**

There are no associates, subsidiary and holding company of the issuer.

- viii. **How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any;**

Different categories of Investments and Deposit products are offered to the customers through all of its Branches and Sub-Branches in different areas of Bangladesh.

- ix. **Competitive conditions in business with names, percentage and volume of market shares of major competitors;**

There are 61 scheduled banks in Bangladesh who operate under full control and supervision of Bangladesh Bank of which 43 private commercial banks (PCBs) are majorly owned by individuals/the private entities. PCBs can be categorized into two groups:

Conventional PCBs: 33 conventional PCBs are now operating in the industry. They perform the banking functions in conventional fashion i.e. interest-based operations.

Islami Shari’ah based PCBs: There are 10 Islami Shari’ah based PCBs in Bangladesh and they execute banking activities according to Islami Shari’ah based principles i.e. Profit-Loss Sharing (PLS) mode.

The principal activities of the Banks are banking and related activities including accepting customer deposits, investment/lending to retail, Small and Medium Enterprises (SMEs) and corporate customers, Trade Financing, lease financing, project financing, issuing Letters of Credit, inter bank borrowing and lending and dealing in government securities and equity shares etc.

The names of 09 Islami Shariah based private commercial banks which are the direct competitors of Union Bank are given below:

Sl. No.	Name of major Competitors
1	Al-Arafah Islami Bank Limited
2	EXIM Bank Limited
3	First Security Islami Bank Limited
4	Global Islami Bank Limited
5	ICB Islamic Bank Limited
6	Islami Bank Bangladesh Limited
7	Shahjalal Islami Bank Limited
8	Social Islami Bank Limited
9	Standard Bank Limited

There is no data available regarding market shares of the respective listed islami bank in their Annual Reports. As per the published Annual Reports of 2020 of the available Islami Shariah based PCBs and audited financial statements of Union Bank Limited, total operating income of the major competitors is presented below:

Amount in BDT million

Sl.	Name of Islami Shariah based PCB	Total operating income (For the year ended 31 st December, 2020)	Percentage
1	Islami Bank Bangladesh Limited	39,706	37.04%
2	First Security Islami Bank Limited	13,460	12.56%
3	Al-Arafah Islami Bank Limited	13,430	12.53%
4	EXIM Bank Limited	13,219	12.33%
5	Social Islami Bank Limited	10,455	9.75%
6	Shahjalal Islami Bank Limited	8,945	8.34%
7	Standard Bank Limited	7,800	7.28%
8	ICB Islamic Bank Limited	186	0.17%

There is no data available regarding market shares of the respective listed company in their annual report.

x. Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;

Union Bank Limited has created strong sources of fund collected from retail and corporate depositors such as non-interest-bearing current deposits, interest bearing short-term deposits, savings deposits and fixed deposits and institutional deposits. The branches of the Bank play a key role to ensure collection of funds smoothly.

Contingency Plan in case of any disruption:

In case of any disruption during collection of deposits, the Bank has always maintained a contingency plan. Union Bank Limited has a strong and efficient Treasury Division to manage liquidity and funding. The Bank has an Asset Liability Committee (ALCO) to monitor the liquidity management and overall deposit market to assess future risk which helps the management to face any sort of crisis with contingency plan.

xi. Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;

Head Office:

Utilities	Requirement	Source
Power	450 KVA	Commercial line from Dhaka Power Distribution Company Limited and 600 KVA Diesel Generator for Head Office and Principal Branch & 150 KVA Diesel Generator for ICT Server room.
Gas	-	No need for operational purposes.
Water	-	Water Supply from Dhaka Water Supply & Sewerage Authority.

Contingency Plan in case of any disruption:

To manage the disruption of utilities, the Bank has installed generators as mentioned in above.

xii. Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company’s products or services with amount and percentage thereof;

Union Bank Limited deals with Loans and Advances/investment to its client. Presently Bank has 12,595 loan/investment accounts as on December 31, 2020 and no borrower contributes 10% or more to the total loans and advances/investment of the Bank.

xiii. Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof;

Union Bank Limited has 415,657 deposit accounts as on December 31, 2020 and no depositor contributes 10% or more to the total deposits of the Bank.

- xiv. **Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO or MD, CFO and Chairman on behalf of Board of Directors;**

The Company does not have any principal suppliers to provide its service to the intendant customers, hence no contract with any parties for its source of fund other than customer Banker relationship.

DECLARATION REGARDING CONTRACT WITH PRINCIPAL SUPPLIERS OR CUSTOMERS

We, on behalf of the Board of Directors, certify that Union Bank Limited did not enter into any contract with its principal suppliers or customers.

Sd/-
Mr. Ahsanul Alam
Chairman

Sd/-
A.B.M Mokammel Hoque
Chowdhury
Managing Director

Sd/-
Md. Ruhul Amin
Chief Financial Officer

Date: April 29, 2021

- xv. **Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;**

Sl.	Description of Certificate/License/Registration	License Issuer/Issuing Authority	Certificate/Licenses No.	Validity
1	Certificate of Incorporation	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-107837/13 dated March 07, 2013	N/A
2	Commencement of Business	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-107837/13 dated March 07, 2013	N/A
3	Trade License	Dhaka North City Corporation	03-069750	30.06.2022
4	TIN Certificate	National Board of Revenue, Taxes Circle LTU(Tax), Large Taxpayers Unit (Tax), Dhaka	796739852073	N/A
5	VAT Certificate	National Board of Revenue, Motijheel Division	000875584-0101	N/A
6	Banking License	Bangladesh Bank	BRPD(P-3/745(60)/2013-1122 March 10, 2013	N/A
7	AD (Authorized Dealer) License	Bangladesh Bank	FEPD(LDA)/140/2013-1215 dated July 07, 2013	N/A

- xvi. **Description of any material patents, trademarks, licenses or royalty agreements;**

Union Bank Limited has not obtained any material patents, trademarks, licenses or royalty agreements. However, it has several regulatory licenses and certificate in order to continue its operation.

xvii. Number of total employees and number of full-time employees;

The company has total of 1658 employees and all of them are full-time employees.

Particulars	Number of employees
Employees (Regular & Contractual)	1341
Staff (Contractual)	317
Total Number of employees	1658

xviii. A brief description of business strategy

Union Bank Limited being a forward intellectual, has been building a large network of touch points at different parts of the country through latest banking technologies and shari’ah based products and services. The bank has expanded its branches and ATM booths for providing banking service at the door step of the people in both urban and rural areas. At present bank has 96 (Ninety-Six) branches and 23 (Twenty-Three) sub branches which are ensuring customers convenience to serve bank’s mission.

Key business Strategies of UBL are as follows:

- Diversify portfolio both the retail & wholesale markets.
- Ensure diversification by sector, size, economic purpose & geographical location wise investment & expansion based retail & SME/Women entrepreneur financing.
- Focus on customers by providing innovative products and service
- Cultivate a congenial working environment.
- Manage & operate the bank in the most effective manner ensuring corporate governance.
- Improve the Digital Banking Service and enhance security

xix. A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.

Summary of Financial Budget-2021 (Taka in Crore) & Proposed Projection for the year 2022 & 2023

Sl.	Particular	Amount in Crore					
		2018 (Actual)	2019 (Actual)	2020 (Actual)	2021 (Budgeted)	2022 (Projected)	2023 (Projected)
1	Deposit	12489.85	15021.99	17271.05	21629.00	27468.00	34351.00
2	Investment	11993.44	14645.96	16633.72	19500.00	24000.00	29500.00

Assumptions for future capacity utilization:

Summary of Financial Budget-2021 (Taka in Crore) & Proposed Projection for the year 2022 & 2023

Amount in Crore							
Sl.	Particular	2018 (Actual)	2019 (Actual)	2020 (Actual)	2021 (Budgeted)	2022 (Proposed)	2023 (Proposed)
1	Operating Profit	232.95	270.79	321.84	350.00	400.00	480.00
2	Import	1985.20	1708.20	920.26	1500.00	2050.00	2600.00
3	Export	4512.00	5071.50	917.65	2000.00	2550.00	3100.00

E. DESCRIPTION OF PROPERTY

The written down value of Property, Plant & Equipment's owned by the company as per audited accounts as on December 30, 2020 are stated below:

Sl. No.	Particulars	Written Down value as at December 31, 2020
1	Land	2,666,750,340
2	Furniture & Fixtures	654,680,410
3	Office Equipment	430,836,299
4	Vehicles	10,669,270
5	Books	279,493
Total		3,763,215,812

i. Location and area of the land, building, principal plants and other property of the company and the condition thereof;

The entire above-mentioned assets are located at registered office, branches and sub-Branches offices.

Particulars	Location & Area	Condition of the Property
Land	Loaction: Plot -01 (old) 40 (new), Road -135, Block-SE(B), Gulshan R/A, Dhaka-1212. Land Area: 34.24 decimal.	Good condition
Furniture & Fixtures	Registered Office/ Branches /Sub-Branches	
Office Equipment		
Vehicles		
Books		

ii. Whether the property is owned by the company or taken on lease;

Above mentioned assets of the banks are owned by purchased and used at registered office, head office, branches and sub-branches offices.

iii. Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;

Sl. no.	Deed Number	Date of Purchase	Land Area			Deed Value (A)	Other costs including development			Book Value (A+D)	Mutation Date	Last payment date of current rent	Current use
			As per DEED	As per Mutation	Remaining Mutation		Reg Cost (B)	Development Cost (C)	Total D=(B+C)				
Location of the land : Holding No. old 01 New 40, Road No. 135, Block No. SE(B), Gulshan- 01, Dhaka- 1212.													
1	82	03.01.2018	34.24 Decimal	33.80 Decimal	-	249,00,00,000	17,43,00,340	24,50,000	17,67,50,340	266,67,50,340	11.09.2018	12.08.2021	Unused

iv. The names of the persons from whom the lands has been acquired or proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;

Sl. no.	Deed Number	Date of Purchase	Area	Acquisition Cost	Name of the seller	Relationship
Location of the land : Holding No. old 01 New 40, Road No. 135, Block No. SE(B), Gulshan- 01, Dhaka- 1212.						
1	82	03.01.2018	34.24 Decimal	249,00,00,000	Sakura Saber	No relationship

v. Details of whether the issuer has received all the approvals pertaining to use of the land, if required;

There is no such piece of land for which the issuer had to receive approvals to use that piece of land.

vi. If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;

Union Bank does not have any mortgage of any sorts of assets with any lenders.

vii. If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;

No property of Union Bank Limited is taken on lease except rental agreement for its following Branches/Sub-Branches:

Sl.	Branch Name	Agreement Date	Expiry Date	Agreement Period (Yrs)	Monthly Rent (BDT)	Total Area (Sft)
1	Gulshan	01.07.12	01.07.22	10	1810500.00	10000
2	Dilkusha	01.03.20	28.02.23	3	400015.00	5500
3	Hatkhola	17.12.12	16.12.21	9	375040.00	4688
4	Lichubagan	02.07.13	01.07.22	9	68680.00	4000
5	Sathibari	06.10.13	05.10.22	9	40500.00	3000
6	Mouchak	01.07.13	30.06.22	9	43290.00	3000
7	Shantirhat	16.11.13	15.11.22	9	44320.00	4000
8	Khatungonj	19.06.13	18.06.22	9	152282.54	5611
9	Ashulia	09.10.13	08.10.22	9	70000.00	3500
10	Zindabazar	01.10.13	30.09.22	9	159482.00	4600
11	Ashkonabazar	01.01.14	31.12.18	5	92400.00	2200
12	Panthapath	17.10.17	17.10.26	9	587200.00	5872
13	Sebarhat	01.01.14	31.12.22	9	19314.10	1985
14	Badarkhali	01.12.13	01.12.22	9	22460.00	2000
15	Islampur	01.02.14	31.01.23	9	43720.00	2000
16	Pahartoli	28.11.13	27.11.22	9	43000.00	2000
17	Bogura	19.02.14	18.02.23	9	217800.00	3600
18	Khulna	26.02.14	25.02.23	9	70840.00	2800
19	Sarkerhat	01.03.14	28.02.23	9	23780.00	2000
20	Agrabad	01.06.14	31.06.23	9	224640.00	4992
21	Lalmi	01.07.14	30.06.23	9	20000.00	2000
22	Cumilla	01.07.14	31.06.23	9	74800.00	4400
23	Talshahar	18.02.14	17.02.23	9	17280.00	2000
24	Cox's Bazar	01.06.14	31.05.23	9	105000.00	4200
25	Hnila	01.06.14	31.05.23	9	25740.00	1980
26	Uttara	01.09.14	30.08.23	9	336600.00	3400
27	Muradpur	01.07.14	30.06.23	9	129684.04	4492
28	Banani	01.03.15	29.02.24	9	792000.00	4800
29	Mawna	01.10.14	30.09.23	9	29260.00	1900
30	Rajshahi	01.03.15	28.02.24	9	116424.00	2940
31	D.T. Road Eidgah	01.01.15	31.12.23	9	164736.00	4992
32	Bahubal	04.06.15	03.06.24	9	25920.00	2000
33	Munshirhat	01.06.14	31.05.23	9	26095.20	1992
34	Patiya	01.03.15	28.02.24	9	31000.00	3100
35	Pabna	01.02.15	31.01.24	9	104749.00	3100

Sl.	Branch Name	Agreement Date	Expiry Date	Agreement Period (Yrs)	Monthly Rent (BDT)	Total Area (Sft)
36	Jaksin Bazar	01.01.15	31.12.23	9	20947.50	1995
37	Panchaboti	01.06.15	30.05.24	9	42000.00	2000
38	Narayangonj	01.07.15	30.06.24	9	149600.00	3400
39	Miar Bazar	29.11.15	28.11.24	9	30523.50	1938
40	Bazar Hasnabad	01.11.15	31.10.24	9	18000.00	1800
41	Nanupur	01.11.15	31.10.24	9	24948.00	1890
42	Mirpur	01.09.15	31.08.24	9	220000.00	4000
43	Feni	01.11.15	30.10.24	9	133000.00	3500
44	Bonpara	26.12.15	25.12.24	9	28000.00	2000
45	Dewan Bazar	01.03.16	28.02.25	9	138600.00	3500
46	Ataikula	15.05.16	14.05.25	9	28688.10	1995
47	Barishal	01.02.16	31.01.25	9	64900.00	2950
48	Keranihat	01.06.16	31.05.25	9	66000.00	2000
49	Mymensingh	01.03.16	28.02.25	9	77440.00	3200
50	Nawabpur Road	01.04.16	31.03.25	9	321464.00	3653
51	Ati Bazar	01.06.16	31.05.25	9	30015.44	1976
52	Khilpara	01.06.16	31.05.25	9	50600.00	2000
53	Eidgaon	01.04.16	31.03.25	9	22000.00	2000
54	Jashore	01.06.16	31.05.25	9	72000.00	4000
55	Kalukhali Bazar	01.06.16	31.05.25	9	33000.00	2000
56	Banshkhali (Chandpur)	08.12.16	07.12.25	9	41250.00	2500
57	Jamuna Future Park	01.08.16	31.07.25	9	1650000.00	5500
58	Kumira	29.03.17	30.03.32	15	39600.00	2200
59	Jotpukuria Bazar	01.03.17	28.02.26	9	30800.00	2800
60	Laldighi	01.01.17	31.12.25	9	289080.00	3600
61	Dhanmondi	01.08.16	31.07.25	9	742500.00	4500
62	Rangpur	02.03.17	01.03.27	10	166336.00	3616
63	Tangail	13.07.17	12.07.26	9	104400.00	3600
64	Shakpura Chumuhani	01.04.17	31.03.26	9	30000.00	3000
65	Madhabdi	22.02.17	21.02.27	10	82500.00	3000
66	Lohagara	28.05.17	27.05.26	9	85800.00	3000
67	Keranigonj	09.10.17	08.10.26	9	105000.00	3000
68	Gazipur Chowrasta	25.07.17	24.07.26	9	157500.00	3500
69	Kushtia	13.11.17	12.11.26	9	88200.00	4200
70	Jubilee Road	01.07.17	30.06.26	9	284000.00	5680
71	Raozan	27.11.27	26.11.26	9	47850.00	2900
72	Dinajpur	01.06.18	31.05.27	9	88200.00	4200
73	Islampur, Dhaka	01.06.18	31.05.27	9	500000.00	5000
74	Moulvi Bazar	22.07.18	21.07.27	9	105800.00	4600
75	Bhulta	01.10.18	30.09.27	9	100000.00	2500
76	Joraganj	23.07.18	22.07.27	9	51000.00	3000
77	Hemayetpur	26.09.18	25.09.27	9	98800.00	2470
78	Chapainawabganj	01.01.19	31.12.27	8	70080.00	3504
79	Barlekha	03.03.19	02.03.28	9	27600.00	2300
80	Bandartila	29.04.19	28.04.28	9	160000.00	4000
81	Fatikchhari	15.04.19	14.04.28	9	57000.00	3000
82	Ukhiya	25.07.19	25.07.28	9	75000	3000
83	Link Road	26.08.19	25.08.28	9	27300.00	2100
84	Rajabari Bazar	12.09.19	11.09.28	9	27300.00	2100
85	Tajmahal Road	20.10.19	19.10.28	9	500000.00	5000
86	Amberkhana	12.06.19	11.06.28	9	180000.00	4000

Sl.	Branch Name	Agreement Date	Expiry Date	Agreement Period (Yrs)	Monthly Rent (BDT)	Total Area (Sft)
87	Kanchan	01.12.19	30.11.25	6	81000.00	2700
88	O.R. Nizam Road	01.03.20	28.02.29	9	438200.00	4382
89	Tongi	18.03.20	17-03-29	9	212630.00	3866
90	Borodighir Par	27.02.20	26.01.29	9	50400.00	2800
91	Chambal	05.10.20	04.10.30	10	45000.00	3000
92	Brahmanbaria	01.09.20	31.08.29	9	70000.00	2800
93	Elephant Road	01.10.20	30.09.28	8	320000.00	4000
94	Fenchuganj	01.11.20	31.10.29	9	55000.00	2500
95	Ramu	01.10.20	30.09.29	9	46800.00	2600
96	Goalabazar	01.11.20	30.10.29	9	42400	2650

Sl.	Sub-Branch Name	Agreement Date	Expiry Date	Agreement Period (Yrs)	Monthly Rent (BDT)	Total Area (Sft)
1	Jaldi	18.02.2020	17.02.2029	9	25000	1000
2	Bazalia	18.02.2020	17.02.2030	10	20000	1000
3	Adhunagar	16.06.2020	15.06.2029	9	16800	1000
4	Kadoir Bazar	19.02.2020	18.02.2030	10	18000	1000
5	Mirpur Bazar	12.03.2020	11.03.2030	10	13500	1000
6	Nachol	01.08.2020	31.07.2030	10	8000	1000
7	Fazilpur	11.10.2020	10.10.2029	9	9000	900
8	Sitakunda	17.09.2020	16.09.2030	10	22000	1000
9	Merul Badda	01.10.2020	30.09.2029	9	43750	1000
10	Rawshanhat	01.11.2020	31.10.2029	9	19500	1000
11	Matarbari	01.10.2020	30.09.2029	9	15000	1000
12	Gunagori	01.12.2020	30.11.2029	9	19200	1000
13	Fakirhat	01.11.2020	31.10.2030	10	10000	1000
14	Bangla Bazar	01.12.2020	30.11.2030	10	14000	1000
15	Halishahar Bus Stand	01.01.2021	31.12.2029	9	22000	1000
16	Hathazari	01.11.2020	31.10.2030	10	33600	1000
17	Ghatail	01.12.2020	30.11.2029	9	15000	1000
18	Palongkhali	01.11.2020	31.10.2029	9	13000	1000
19	Khuntakhali	01.11.2020	31.10.2029	9	13000	1000
20	Chatkhil	01.12.2020	30.11.2030	10	18000	1000
21	Kachua	01.12.2020	30.11.2029	9	15000	1000
22	Kutupalong	01.11.2020	31.10.2029	9	15000	1000
23	Shibganj	28.01.2021	27.03.2031	10	13000	1000

viii. Dates of purchase of plant and machineries along with seller’s name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;

Union Bank is a service-oriented company, it has no plant and machineries and hence this information is not applicable here.

- ix. **Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.**

There are no machineries required to be bought by Union Bank.

- x. **In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;**

There are no machineries which are yet to be delivered as Bank did not involve in any such business activities.

- xi. **If plant is purchased in brand new condition then it should be mentioned;**

Union Bank has no plant and hence this information is applicable here.

Auditor's certificate regarding purchased in brand new condition of machineries

We do hereby declare that all the equipment and machineries of the Union Bank Limited were purchased in brand new condition. There are no re-conditioned or second-hand equipment and machineries purchased in the Bank.

Sd/-

Place: Dhaka
Date: 06 June 2021

Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

- xii. **Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;**

The Union Bank has neither purchased any second hand or reconditioned machineries nor any plan to purchase in future.

- xiii. **A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;**

**PHYSICAL VERIFICATION REPORT BY THE ISSUE MANAGER(S)
OF
UNION BANK LIMITED**

As per regulation 5(e)(xiii) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, issue manager(s) are required to prepare a physical verification report. So, this is to confirm that on June 6, 2021 we visited Union Bank Limited's Registered and Head Office. We also visited a few branches of the bank including the principal branch (Gulshan Branch) located at Bahela Tower, Head office.

Process of the Verification:

We are working with Union Bank for about three months. During the period different teams of issue managers visited the Company and its branches on several times. The process comprises five different teams in the verification process for the IPO of Union Bank as under:

Particular	Members of the Team
Strategic Management Team	Khandoker Raihan Ali FCA Managing Director & CEO (CC) Prime Bank Investment Limited
	Syed Rashed Hussain Chief Executive Officer BRAC EPL Investments Limited
	H. A. Mamun Head of Issue Management Prime Bank Investment Limited
	Shah Rakib Khan, CFA Assistant Vice President BRAC EPL Investments Limited
Financial Statements Analysis Team	H. A. Mamun Head of Issue Management Prime Bank Investment Limited
	Shahriar Rahman Rafi Executive Officer Prime Bank Investment Limited
Corporate Compliance Review Team	H. A. Mamun Head of Issue Management Prime Bank Investment Limited
	Shah Rakib Khan, CFA Assistant Vice President BRAC EPL Investments Limited
Prospectus Preparation and Design Team	H. A. Mamun Head of Issue Management Prime Bank Investment Limited
	A K M Maruf Siddique Junior Officer Prime Bank Investment Limited
	Hossain Mohammad Yousuf Principle Officer Union Bank Limited
	Shahidul Islam Senior Officer Union Bank Limited
Prospectus Review Team	Shah Rakib Khan, CFA Assistant Vice President BRAC EPL Investments Limited
	Shahriar Rahman Rafi Executive Officer Prime Bank Investment Limited
	Taskin Sadman Senior Associate BRAC EPL Investments Limited
	Rupa Roy Senior Officer Prime Bank Investment Limited

The teams examined all the necessary documents provided by Union Bank Limited. This verification related to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. Such compliance with the Public Issue Rules, 2015 is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the BSEC (Public Issue) Rules, 2015.

We visited Union Bank Limited's Registered Office, Head Office and few branches including the principal branch (Gulshan Branch). The sole purpose of the visit was to see the business operation of Union Bank for preparing this verification report. We have found as shown below:

Visited and Accompanied by:

Particulars	Name & Designation	Company
Visited by	Khandoker Raihan Ali FCA Managing Director & CEO (CC)	Prime Bank Investment Limited
	H. A. Mamun Head of Issue Management	
	A K M Maruf Siddique Junior Officer	
	Syed Rashed Hussain Chief Executive Officer	BRAC EPL Investments Limited
	Shah Rakib Khan, CFA Assistant Vice President	
	Taskin Sadman Senior Associate	
Accompanied by	Md. Ruhul Amin Chief Financial Officer	Union Bank Limited
	Ali Hossain Bhuiyan Company Secretary	
	Mohammad Salah Uddin ACS Head of RMD & Central MIS	
	Hossain Mohammad Yousuf Principle Officer	
	Shahidul Islam Senior Officer	

Company Overview:

Union Bank Limited (A Shari’ah Based Bank) was incorporated on March 07, 2013 as a Public Limited Company under the Companies Act, 1994 with Authorized Capital of Tk. 10,000 million and Paid up Capital of Tk. 4,280 million with a vision to become socially committed world class financial institution. Union Bank Limited started its journey from 01 April 2013 after getting permission vide memo No. BRPD (P-3)/745(60)/2013-1122 dated 10 March 2013 as a Shari’ah based scheduled Bank and started its banking operation in the banking sector on May 20, 2013 by opening Gulshan Branch. It renders all types of commercial banking services in compliance with Bank Companies Act 1991.

Union Bank Limited has expanded its operation all over the country in spirit of Islami Shari’ah. The Bank through its Branches provides a diverse range of financial services and products in Bangladesh with the mission of emancipating our poor people from abject poverty, be a leading provider of Islamic Shari’ah compliant banking services, providing fast, accurate and satisfactory customer services and ensuring technology based professional banking environment with strong capital base.

Nature of Business

Union Bank Limited provides all kinds of commercial banking services under the principles of Islamic Shari’ah and the provisions of the Bank Company Act, 1991.

The bank renders commercial banking services to all types of customers. The range of services offered by the bank includes accepting deposit, making investment, discounting bills, conducting domestic and international money transfer, carrying out foreign exchange transactions in addition to international money transfers and offering other customer services such as safe keeping, collections and issuing guarantees, acceptances and letters of credit. Core business of the bank includes deposit mobilization an investing activities comprising short-term, long-term, import and export financing.

Products:

The Bank through its Branches and sub-branch offers a diverse range of loan/investment and deposit products such as:

Deposit Products of the Bank are as follows:

- ❖ Al-Wadiah Current Deposit
- ❖ Mudaraba Savings Deposit (MSD)
- ❖ Mudaraba School Banking Savings Account
- ❖ Mudaraba No Frill Savings Account
- ❖ Mudaraba Privileged Savings Account
- ❖ UBL Salary Account
- ❖ Mudaraba Gift Cheque
- ❖ Mudaraba Special Notice Deposits (MSND)
- ❖ Mudaraba Term Deposit (MTD)
 - 01 Month
 - 03 Month
 - 06 Month
 - 100 Days’
 - 12 Month
 - 24 Month
 - 36 Month

Scheme Products of the Bank are as follows:

- ❖ Mudaraba Monthly Profit Scheme
- ❖ Mudaraba Monthly Saving Scheme
- ❖ Mudaraba Double Benefit Deposit Scheme
- ❖ Mudaraba Millionaire Saving Scheme
- ❖ Mudaraba Crorepoty Sanchaya Prokalpa
- ❖ Mudaraba Pension Prokalpa
- ❖ Mudaraba Marriage Saving Scheme
- ❖ Mudaraba Hajj Saving Scheme

- ❖ Mudaraba Muhor Saving Scheme
- ❖ Mudaraba Barakah Saving Scheme
- ❖ Mudaraba Privileged Deposit Scheme
- ❖ Mudaraba Probashi Sanchaya Prokalpa

Investment Products of the Bank are as follows:

- ❖ Bai- Murabaha.
- ❖ Bai- Muajjal.
- ❖ Hire Purchase under Shirkatul Melk.
- ❖ Mudaraba.
- ❖ Musharaka.
- ❖ Bai- Salam.
- ❖ Mudaraba Documentary Bill Purchase
- ❖ UBL Employees' House Building Investment Scheme.
- ❖ SME & Agriculture Finance.
- ❖ Women Enterprise Finance.
- ❖ Retail Finance/ Consumer Finance.
- ❖ Special Investment Scheme.
- ❖ Bank Guarantee.

Retail Banking:

UBL Retail banking is the cluster of products and services that bank provides to consumers and small businesses through branches, Internet, and other channels. Retail banking services offered include savings and current accounts, mortgages, consumer and small investment facilities, debit/credit cards and certificates of deposit. This is a consumer oriented banking system where the organization deals with the customers directly. Although loans/investment and deposits are the primary products, retail banking units provide a range of other financial services to consumers and small businesses. Consumers and small businesses constitute a coherent customer group largely because of commonalities in the financial products and services they use.

SMS Banking:

Union Bank offers SMS banking services to ensure instant notification about customer transactions as and when it happens. Additionally, SMS banking also helps to know balance and mini statement instantly by just sending an sms. Any mobile phone user having account of Union Bank can get the service through the mobile phone upon registration. There are 2 (two) types of facilities/features under SMS Banking-

- SMS Alert Service
- Balance enquiry Service

Corporate Banking:

Union Bank expands its services for corporate customers & emphasizes Business Transaction Account. The bank always provides suitable funded and non-funded facilities through its existing products and also designs new products for its corporate customer. UBL offers a full range of tailored advisory, financing and operational services to its corporate client groups combining trade, treasury, investment and transactional banking activities in one package. Whether it is a Project Finance, Term Loan, Import or Export Deal, Working Capital Requirement or Foreign Currency Transaction, our Corporate Banking services provide right solution to the customer.

SME Banking:

Union Bank Ltd. designed SME products to satisfy the diversified financial needs of SME clients. We offer both Revolving & Term Investment facilities to the SME clients, Small Entrepreneurs, and Women Entrepreneurs who are properly addressed by the diversified products designed for this purpose. UBL is trying to play a vital role in helping small and medium enterprises countrywide gain greater access to financing. We are committed to provide both investments and technical assistance to support financial intermediaries outreach to the SME sector more effectively and efficiently.

Registered and Head Office:

The Registered and Head Office of the Bank is situated at Bahela Tower, 72, Gulshan Avenue, Gulshan-01, Dhaka-1212. The Head Office occupies 2nd floor to 9th floor of the commercial building. Ground floor and 1st floor occupies by principal Branch (Gulshan Branch).

Signboard:

We found that the signboard of the Bank is well displayed at the registered office/Head office as well as in branches.

Workplace:

The Bank's properties are housed in rented facilities, with the following activities taking place on each floor. Each floor has a professional setup with separate cubicles for bankers and spaces surrounding the walls for high-ranking officials.

Description of the Head Office:

SL	Floor	SFT	Departments/Branch
1	Ground Floor	5000	Gulshan (Principal) branch is located on the Ground floor and 1 st floor, where the major activities are executed by the bankers associated with the Principal Branch.
2	1 st Floor	5000	
3	2 nd Floor	5000	ICT Division
4	3 rd Floor	5000	1. DMD-1 & DMD-2 Secretariats, 2. Risk Management Division, 3. General Services Division, 4. Public Relations Division, 5. Central MIS Cell.
5	4 th Floor	5000	1. Chairman Secretariat, 2. Board Room
6	5 th Floor	5000	1. MD's Secretariat, 2. Board & Company Secretariat, 3. Share Division, 4. Treasury Division
7	6 th Floor	5000	1. AMD's Secretariat, 2 Investment Risk Management Division, 2. RMG & Trade Finance Division
8	7 th Floor	5000	1. Human Resources Division, 2. Branches Operations & Control Division, 3. Business Development Division, 4. Prayer Room
9	8 th Floor	5000	1. Finance & Accounts Division, 2. International Division
10	9 th Floor	5000	1. Internal control & Compliance Division, 2. Corporate Affairs & Branding Division, 3. Investment Administration Division

Description of the Branch Offices:

During our physical verification, we visited few branches of the bank and found all the branches are in operation with various division such as cash, clearing, customer service, investment etc. and they have a good working environment & sufficient space for the branch banking operation.

Description of the Land:

We also go to see the company owned unused land of 34.24 decimal which located at holding No. old 01 (New 40), Road No. 135, Block No. SE(B), Gulshan- 01, Dhaka- 1212.

During our visit, we found that Union Bank Limited's head office and branches are open and functioning properly.

Sd/-

Khandoker Raihan Ali FCA
 Managing Director & CEO (CC)
 Prime Bank Investment Limited

Sd/-

Syed Rashed Hussain
 Chief Executive Officer
 BRAC EPL Investments Limited

- xiv. **If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;**

The company has not any intellectual property right or intangible asset.

- xv. **Full description of other properties of the issuer;**

Sl. No.	Particulars	Written Down value as at December 31, 2020
1	Land	2,666,750,340
2	Furniture & Fixtures	654,680,410
3	Office Equipment	430,836,299
4	Vehicles	10,669,270
5	Books	279,493
Total		3,763,215,812

F. PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION:

- i. **If the issuer has not started its commercial operation, the company’s plan of operations for the period which would be required to start commercial operation which shall, among others, include: -**

Union Bank Limited has started its commercial operation on May 20, 2013. Hence, such information would not be applicable for the company.

- ii. **If the issuer had been in operation, the issuer’s revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:**

The revenue of the company, results from the last five years, financial position of the last five years, and cash flow of the last five years is given in the following tables:

Particulars	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Investments Income	19,740,126,917	16,736,433,627	13,550,870,061	10,587,605,824	8,027,089,936
Total Operating Income	5,959,114,004	5,207,891,621	4,439,571,383	4,011,075,392	3,179,449,360
Profit/(Loss) before Provision and Tax	3,218,415,452	2,707,905,522	2,329,549,362	2,272,769,383	1,775,609,578
Total Profit/(Loss) before Tax	2,223,415,452	1,479,465,728	1,753,690,023	1,745,869,383	1,472,109,578
Net Profit/(Loss) after Tax	988,415,452	594,465,728	953,655,387	890,082,200	849,609,578

Particulars	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Current Asset	206,268,360,624	176,388,355,054	147,461,076,423	130,827,566,613	83,087,816,820
Non-Current Asset	3,763,215,812	3,717,790,728	1,122,688,777	849,999,808	829,422,106
Total Assets	210,031,576,436	180,106,145,782	148,583,765,200	131,677,566,421	83,917,238,926
Total Liabilities	200,875,956,234	171,655,525,032	140,727,610,178	124,775,066,785	77,904,821,490
Total Shareholders' Equity	9,155,620,202	8,450,620,750	7,856,155,022	6,902,499,636	6,012,417,436
Total Liabilities and Shareholders' equity	210,031,576,436	180,106,145,782	148,583,765,200	131,677,566,421	83,917,238,926

Particulars	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Paid-up Capital	5,589,337,600	5,272,960,000	5,272,960,000	5,272,960,000	4,708,000,000
Statutory Reserve	1,968,151,671	1,523,468,581	1,227,575,435	876,837,431	527,663,554
Other Reserve	145,749,665	145,749,665	145,749,665	145,749,665	145,749,665
Retained Earnings	1,452,381,266	1,508,442,504	1,209,869,922	606,952,540	631,004,217
Total Shareholders' Equity	9,155,620,202	8,450,620,750	7,856,155,022	6,902,499,636	6,012,417,436

Particulars		December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
A.	Net Cash Flow from Operating Activities	(3,709,876,555)	1,459,209,720	(7,722,426,320)	7,573,387,760	(1,057,085,152)
B.	Net Cash Used in Investing Activities	(1,821,709,071)	(3,757,597,178)	(574,749,923)	(1,271,397,912)	(1,026,151,583)
C.	Net Cash Flow from Financing Activities	3,356,144,622	2,036,320,740	3,116,141,380	5,000,670,679	127,729,200
D.	Net Increase/(Decrease) of Cash & Cash Equivalents (A+B+C)	(2,175,441,004)	(262,066,718)	(5,181,034,863)	11,302,660,527	(1,955,507,535)
E.	Add/(Less): Effect of Exchange Rate on Cash & Cash Equivalents	-	-	-	-	-
F.	Beginning Cash & Cash Equivalents	15,322,373,381	15,584,440,099	20,765,474,962	9,462,814,435	11,418,321,970
G.	Ending Cash & Cash Equivalents (D+E+F)	13,146,932,377	15,322,373,381	15,584,440,099	20,765,474,962	9,462,814,435

(a) Internal and external sources of cash;

Particulars	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Internal Sources of Cash					
Paid up capital	5,589,337,600	5,272,960,000	5,272,960,000	5,272,960,000	4,708,000,000
Statutory reserve	1,968,151,671	1,523,468,581	1,227,575,435	876,837,431	527,663,554
Other reserve	145,749,665	145,749,665	145,749,665	145,749,665	145,749,665
Retained earnings	1,452,381,266	1,508,442,504	1,209,869,922	606,952,540	631,004,217
Sub-Total	9,155,620,202	8,450,620,750	7,856,155,022	6,902,499,636	6,012,417,436
External Sources of Cash					
Placement from other banks, financial institutions	9,649,997,064	6,293,852,442	8,257,531,702	5,141,390,322	140,719,643
Deposits And other Accounts	172,710,507,951	150,219,920,854	124,898,503,882	114,049,889,571	74,250,559,036
Mudaraba Subordinated Bond	4,000,000,000	4,000,000,000	-	-	-
Sub-Total	186,360,505,015	160,513,773,296	133,156,035,584	119,191,279,893	74,391,278,679
Grand Total	195,516,125,217	168,964,394,046	141,012,190,606	126,093,779,529	80,403,696,115

(b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;

The Company has not yet made any material commitment for capital expenditure except for those that are mentioned in Section - XXII under the head ‘Use of Proceeds’ from IPO fund.

(c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;

The company's revenue and other income as well as operating expenses and net income have continued to change due to increase in deposits & investment

Figure in BDT

Particulars	31-Dec-20	Change (%)	31-Dec-19	Change (%)	31-Dec-18	Change (%)	31-Dec-17	Change (%)	31-Dec-16
Investments Income	19,740,126,917	17.95%	16,736,433,627	23.51%	13,550,870,061	27.99%	10,587,605,824	31.90%	8,027,089,936
Other Operating Income	510,967,725	(34.88%)	784,630,094	66.08%	472,441,341	43.65%	328,888,616	36.29%	241,316,014
Total Operating Income	5,959,114,004	14.42%	5,207,891,621	17.31%	4,439,571,383	10.68%	4,011,075,392	26.16%	3,179,449,360
Profit before Provision and Tax	3,218,415,452	18.85%	2,707,905,522	16.24%	2,329,549,362	2.50%	2,272,769,383	28.00%	1,775,609,578
Profit before Tax	2,223,415,452	50.29%	1,479,465,728	-15.64%	1,753,690,023	0.45%	1,745,869,383	18.60%	1,472,109,578
Net Profit after Tax	988,415,452	66.27%	594,465,728	-37.66%	953,655,387	7.14%	890,082,200	4.76%	849,609,578

The table shows some indicators to compare the performance of the bank over the 5 Years period.

A. Investment Income, Other Operating Income & Total Operating Income:

Year-2016: Investment income increased by 30.24% over the previous year as a result of increase of investment by 47.28%. Other Operating income increased by 116.42% since income from Commission, Exchange & Brokerage increased by 122.91% & account maintenance fee increased by 85.90 % whereas Total Operating income increased by 54.24 % over the previous year as Net Investment income increased by 50.69 % . Thus, operating profit increased by 69.95%.

Year-2017: Investment income increased by 31.90% over the previous year since investment increased by 50.04%. Other Operating income increased by 36.29% as Income from Investment in Shares & Securities increased by 93.42%, commission, Exchange & Brokerage increased by 23.14% whereas Total Operating income increased by 26.16% over the previous year. Net Investment income increased by 25.33% as a result Operating profit increased by 28.00%.

Year-2018: Investment income increased by 27.99% over the previous year since investment increased by 19.04%. Other Operating income increased by 43.65% since Income from Investment in Shares & Securities increased by 123.33%, commission, Exchange & Brokerage increased by 9.08%. Total Operating income increased by 10.68% which boosted up the Operating profit by 2.50%.

Year-2019: Investment income increased by 23.51% over the previous year since investment increased by 22.12%. Other Operating income increased by 66.08% as Income from Investment in Shares & Securities increased by 118.71%, Commission based income increased by 4.88% whereas Total Operating income increased by 17.31% over the previous year as Net Investment income increased by 11.50%, thus Operating profit increased by 16.24%.

Year-2020: Investment income increased by 17.95% over the previous year as a result of increase of investment by 13.57%. Income from Investment in Shares & Securities decreased by 35.31% & Commission based income decreased by 39.40% and relatively other Operating income decreased by 34.88%. Although there is decrease in other operating income but total Operating income increased by 14.42% as a result Operating profit increased by 18.85%.

B. Profit paid on Deposit:

Year-2016: Profit paid on Deposit increased by 20.78% as Deposit increased by 33.65%. As a result, Net Investment income increased by 50.69% since Bank successfully reduced Deposit rate thus leading higher spread in 2016.

Year-2017: Profit paid on Deposit increased by 35.69% as Deposit increased by 53.60%. Net Investment income increased by 25.33% which increased relatively at a lower rate as compared to previous year due to higher amount of profit paid on deposit.

Year-2018: Profit paid on Deposit increased by 38.79% due to liquidity crunch & higher Cost of Deposit in the year. Net Investment income increased by 7.74% which increased relatively at a lower rate as compared to the previous year thus spread decreased than previous year.

Year-2019: Profit paid on Deposit increased by 28.48% since Deposit increased by 20.27% over the previous year. Cost of Deposit increased as the Bank had to mobilize Deposit at a higher rate.

Year-2020: Profit paid on Deposit increased by 16.07% which increased relatively at a lower rate as a result of implementation of single digit Deposit rate set by Bangladesh Bank.

C. Other Operating Expenses:

Year-2016: Operating expenses increased by 38.10% as in the year 2016, 13 new Branches started their operation which was a significant cause of increase in Operating expenses as those new Branches required additional employees & new premises were taken as rent. Other Operating expenses increased as Generator expenses, Donation, Entertainment, Medical expenses, Office Maintenance, & Meeting Expenses increased over the prior year.

Year-2017: Operating expenses increased by 23.83% as in the year, 11 new Branches started their operation. Those new Branches required additional employees & new premises were taken as rent. Other Operating expenses increased by 7.65% as Wages, Entertainment, conveyance, medical expenses, Training, Seminar & Workshop, ATM Expenses, and Office Maintenance increased over the previous year.

Year-2018: Operating expenses increased by 21.38% as 09 new Branches started their operation in the year. Other Operating expenses increased by 1.54% which increased relatively at a lower rate over the previous year.

Year-2019: Operating expenses increased by 18.48%. During the year, 10 new Branches started their operation along with few ATM Booths. Other Operating expenses increased by 41.88% which increased relatively at a higher rate as Wages, Donation, Entertainment, conveyance, Medical expenses, Office Maintenance increased over the previous year.

Year-2020: Operating expenses increased by 9.63% as in the year 08 new Branches and 14 Sub-Branches started their operation. To accelerate the income, the Bank also focused on other sources such as Pally Bidyut collection Booths which resulted increase in expenses. Other Operating expenses increased by 14.66% over the previous year.

D. Total Profit before Tax & Net Profit after Tax:

Year-2016: Total Profit before Tax increased by 86.74% & Net Profit after Tax increased by 73.99% over the previous year because of increase in Investment Income as well as commission based income. In 2016, Bank maintained least amount of provision & ended the year with higher Net Profit after Tax & higher EPS. Return on Assets (ROA) and Return on Equity (ROE) were 1.16 % & 15.27 % respectively.

Year-2017: Total Profit before Tax & Net Profit after Tax increased by 18.60% & 4.76% respectively which relatively increased at a lower rate than previous year as Net investment income increased relatively at a lower rate over the previous year. Return on Assets (ROA) and Return on Equity (ROE) were 0.83 % & 13.78 % respectively.

Year-2018: Total Profit before Tax increased by 0.45% & Net Profit after Tax increased by 7.14 %. It increased relatively at a lower rate than previous year as Net investment income increased relatively at a lower rate over the prior year. Bank ended the year with relatively higher Net Profit after Tax. Return on Assets (ROA) and Return on Equity (ROE) were 0.68 % & 12.92 % respectively.

Year-2019: Total Profit before Tax & Net Profit after Tax decreased due to higher expenses. Return on Assets (ROA) and Return on Equity (ROE) were 0.36 % & 7.29 % respectively.

Year-2020: Total Profit before Tax increased by 50.29 % & Net Profit after Tax increased by 66.27 % as Net investment income increased over the prior year. Assets quality of the Bank improved & Bank had to maintain lower amount of Provision than the previous year & Bank ended the year with relatively higher Net Profit after Tax. Return on Assets (ROA) and Return on Equity (ROE) were 0.51 % & 11.23 % respectively.

(d) Any seasonal aspects of the issuer’s business;

There is no seasonal aspect in banking business of Union Bank Limited.

(e) Any known trends, events or uncertainties that may have material effect on the issuer’s future business;

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company’s future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following uncertainties:

- 1) Political unrest
- 2) Natural disaster
- 3) Competitive business environment

(f) Any assets of the company used to pay off any liabilities;

None of the assets of the company has been disposed to pay off any liabilities of the company.

(g) Any loan taken from or given to any related party or connected person of the issuer with details of the same;

Union Bank Limited did not give any loan to related party or connected person.

(h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;

The Bank has no plan to enter into any contract creating future liabilities for the Company except for those that are created in the normal course of business activities.

(i) The estimated amount, where applicable, of future capital expenditure;

The Bank has a plan to build its head office building in its own land. It has also plan for expansion of business through opening some new branches and sub-branches upon approval of the Bangladesh Bank for capital expenditure in near future.

(j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;

Value Added Tax (VAT): Union Bank Limited has no VAT liabilities;

Customs Duty or other tax liabilities: Union Bank Limited has no dues outstanding on account of Customs duty or other tax liabilities;

Income Tax: Union Bank Limited has been paying income-tax in due time since inception to December 31, 2019. Tax Return for the year December 31, 2020 has not submitted yet. The Tax rates are as follows:

Accounting Year	Assessment Year	Status
December 31, 2020	2021-2022	Yet to submit
December 31, 2019	2020-2021	Assessment is not yet completed by the Deputy Commissioner of Taxes (DCT)
December 31, 2018	2019-2020	Assessment is not yet completed by the Deputy Commissioner of Taxes (DCT)
December 31, 2017	2018-2019	Assessment is not yet completed by the Deputy Commissioner of Taxes (DCT)
December 31, 2016	2017-2018	Pending with the commissioner of Taxes (Appeal)
December 31, 2015	2016-2017	Pending with the commissioner of Taxes (Appeal)

(k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be affected;

The company did not enter any financial commitment, lease commitment during the past five years.

(l) Details of all personnel related schemes for which the company has to make provision for in future years;

Retirement Benefits of Employees

Required in IAS # 19: Employee Benefit, provident fund and gratuity benefits are given to eligible employee of the bank in accordance with the locally registered rules and the entity shall disclose the amount recognized as an expense for defined contribution plan

1. Provident Fund

Provident fund benefits are given to employees of Union Bank Limited (UBL) in accordance with the locally registered Provident Fund Rules. The employees' provident fund is administered by a Board of Trustees and is funded by contributions of employees and the Bank at predetermined rates in equal proportion. These contributions are invested separately from the assets of UBL and the profit on such contributions credited to the members' account. The Fund is recognized by the National Board of Revenue (NBR) vide their letter # PFR (UBL)/LTU/2013-2014/1057(1-3) dated 30/04/2014.

2. Gratuity

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits if his/her length of service is at least six (06) years. Adequate provision has been made for gratuity in line of IAS # 19 “Employee Benefits”. The Fund is recognized by the National Board of Revenue (NBR) vide their letter No. 08.01.0000.035.02.0043.2016/28 dated 02/04/2017.

3. Social Security Benevolent Fund (SSBF)

The Bank operates a Social Security Benevolent Fund (SSBF) by all regular employees' contribution for the sake of death and disability of employees.

4. Employees Group Life Insurance Fund

The bank makes Employees Group Life Insurance Fund commence with effect from 01 January 2020. The purpose of the fund is to provide medical and death cum survival benefit in lieu of group insurance (death cum endowment). The fund shall be subscribed by the employees on early basis and with the contribution of the Bank.

(m) Break down of all expenses related to the public issue;

The following amount to be paid to the Issue Managers, Underwriters and other costs are as follows:

Particulars	Nature of Expenditure	Amount in BDT
BANGLADESH SECURITIES AND EXCHANGE COMMISSION		17,170,000
Application Fee	BDT 50,000 (Non-Refundable)	50,000
BSEC Consent Fee	@ 0.40% on the public offering amount	17,120,000
ISSUE MANAGEMENT FEES		12,305,000
Issue Management Fees	@ 0.25% of Issue Size	10,700,000
VAT against Issue Management Fees	@ 15% on Issue Management Fees	1,605,000
LISTING RELATED EXPENSES		21,300,000
Scrutiny Fees for Stock Exchanges	Fixed (Tk. 50,000 each for DSE & CSE)	100,000
Listing Fee for Stock Exchanges (DSE & CSE)	0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid-up capital; (minimum Tk. 50,000 and maximum Tk. 10,000,000 for each exchange)	20,000,000
Annual Fees for DSE & CSE	@ 0.05% on Tk. 100 Crore of paid-up capital and 0.02% on the rest amount of paid-up capital; (minimum Tk. 50,000 and maximum Tk. 600,000 for each exchange)	1,200,000

IPO RELATED FEES			4,806,750
Underwriting Commission	@ 0.25% on underwritten amount (35% of IPO Amount)	3,745,000	
VAT against Underwriting Commission	@ 15% on Underwriting Commission	561,750	
Auditor Certification Fees	At Actual	500,000	
CDBL FEES AND EXPENSES			2,088,901
Security Deposit	At Actual	500,000	
Documentation Fee	At Actual	2,500	
Annual Fee	At Actual	100,000	
Connection Fee	@ Tk. 500 per month (12*500)	6,000	
IPO Fees	@ 0.015% of issue price + 0.015% of pre-IPO paid-up capital	1,480,401	
PRINTING AND POST IPO EXPENSES			7,329,349
Publication of Prospectus	Estimated (to be paid at actual)	1,500,000	
Abridged version of Prospectus and Notice in 4 daily newspapers	Estimated (to be paid at actual)	1,500,000	
Notice for Prospectus in 4 daily newspapers	Estimated (to be paid at actual)	400,000	
Data Processing and Share Software Charge	Estimated (to be paid at actual)	2,500,000	
Administrative & Stationary Expense	Estimated (to be paid at actual)	250,000	
Other	Estimated (to be paid at actual)	1,179,349	
TOTAL			65,000,000

- (n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

Union Bank has not made any revaluation of its asset.

- (o) Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;

Not applicable in case of Union Bank Limited, as the company is neither a holding nor a subsidiary company.

- (p) **Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:**

Not applicable in case of Union Bank Limited, as the company is neither a holding nor a subsidiary company.

- (q) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer;

We declare that the Union Bank Limited is a bank company. The bank has been adhered to and complied with all requirements of the relevant laws and regulatory requirements of its primary regulator Bangladesh Bank.

Sd/-
(Ahsanul Alam)
Chairman
(Representative of Unique
Investment & Securities Limited)

Sd/-
(Mollah Fazle Akbar)
Vice-Chairman
(Representative of Reliable
Entrepreneurs Limited)

Sd/-
**(A.B.M Mokammel Hoque
Chowdhury)**
Managing Director

Sd/-
(Marzina Sharmin)
Director

Sd/-
(Md. Rashedul Alam)
Director
(Representative of Western
Designer Limited)

Sd/-
(Showkat Hossain, FCA)
Director
(Representative of Ocean Resorts
Ltd.)

Sd/-
(Farzana Begum)
Director

Sd/-
**(Mohammad Fazlay
Morshed)**
Director
(Representative of C&A Fabrics
Limited)

Sd/-
(Halima Begum)
Director
(Representative of Lion Securities
& Investment Limited)

Sd/-
(Md. Abdul Quddus)
Independent Director

Sd/-
(Md. Abdus Salam FCA)
Independent Director

Dated: April 29, 2021

- (r) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;

Auditor's certificate regarding allotment of Shares to promoters or sponsor shareholders for Consideration in cash/other than cash

This is to certify that the paid-up capital of **Union Bank Limited** bearing registration no C- 107837/13 dated, 07 March 2013, as on 31 December 2020 is Tk. 5,589,337,600 (Taka Five Hundred Fifty Eight Crore Ninety Three Lac Thirty Seven Thousand Six Hundred) only divided into 558,933,760 ordinary shares of Tk. 10/- each. The company has raised its paid-up capital in following phases:

Particulars of Allotment	Date of Allotment	No. of Shares	Face Value Taka	Amount in taka	Basis of Allotment
1 st (subscriber to the Memorandum & Articles of Association at the time of incorporation)	07.03.2013	428,000,000	10.00	4,280,000,000	In Cash
2 nd	20.06.2017	42,800,000	10.00	428,000,000	Bonus
3 rd	18.10.2018	56,496,000	10.00	564,960,000	Bonus
4 th	29.12.2020	31,637,760	10.00	316,377,600	Bonus
Total	-	<u>558,933,760</u>	-	<u>5,589,337,600</u>	-

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

- (s) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public;

As on date, there is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

- (t) Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary;

The company has started its commercial operations on March 07, 2013; therefore, such information is not applicable for Union Bank Limited

- (u) Discussion on the results of operations shall inter-alia contain the following:

- 1) A summary of the past financial results after adjustments as given in the auditor’s report containing significant items of income and expenditure;

The Auditors Report did not contain any adjustment or significant items of the past financial result. A summary of the past financial results is following:

As per audited accounts

Particulars	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Investments Income	19,740,126,917	16,736,433,627	13,550,870,061	10,587,605,824	8,027,089,936
Profit Paid on Deposits	(14,291,980,638)	(12,313,172,100)	(9,583,740,019)	(6,905,419,048)	(5,088,956,590)
Net Investment Income	5,448,146,279	4,423,261,527	3,967,130,042	3,682,186,776	2,938,133,346
Income from Investment in Shares and Securities	195,066,492	301,624,089	137,873,199	61,680,973	31,906,497
Commission, Exchange and Brokerage	192,143,415	316,952,702	254,839,009	233,620,013	189,705,866
Other Operating Income	123,757,818	166,053,303	79,729,133	33,587,630	19,703,651
	510,967,725	784,630,094	472,441,341	328,888,616	241,316,014
Total Operating Income (A)	5,959,114,004	5,207,891,621	4,439,571,383	4,011,075,392	3,179,449,360
Total Operating Expenses(B)	2,740,698,552	2,499,986,099	2,110,022,021	1,738,306,009	1,403,839,782
Profit before Provision and Tax (C=A-B)	3,218,415,452	2,707,905,522	2,329,549,362	2,272,769,383	1,775,609,578
Total Provisions(D)	995,000,000	1,228,439,794	575,859,339	526,900,000	303,500,000
Profit before Tax (C-D)	2,223,415,452	1,479,465,728	1,753,690,023	1,745,869,383	1,472,109,578
Provision for Income Tax					
Current Tax	1,235,275,896	923,509,909	815,525,058	860,812,162	634,474,533
Deferred Tax Income	(275,896)	(38,509,909)	(15,490,422)	(5,024,979)	(11,974,533)
Total Provision for Income Tax	1,235,000,000	885,000,000	800,034,636	855,787,183	622,500,000
Net Profit after Tax	988,415,452	594,465,728	953,655,387	890,082,200	849,609,578
Earnings Per Share (EPS)	1.77	1.13	1.81	1.69	1.80

2) A summary of major items of income and expenditure;

Particulars	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Major items of income					
Investments Income	19,740,126,917	16,736,433,627	13,550,870,061	10,587,605,824	8,027,089,936
Net Investment Income	5,448,146,279	4,423,261,527	3,967,130,042	3,682,186,776	2,938,133,346
Income from Investment in Shares and Securities	195,066,492	301,624,089	137,873,199	61,680,973	31,906,497
Commission, Exchange and Brokerage	192,143,415	316,952,702	254,839,009	233,620,013	189,705,866
Other Operating Income	123,757,818	166,053,303	79,729,133	33,587,630	19,703,651
Major item of expenditure					
Profit Paid on Deposit	14,291,980,638	12,313,172,100	9,583,740,019	6,905,419,048	5,088,956,590
Operating Expenses	2,740,698,552	2,499,986,099	2,110,022,021	1,738,306,009	1,403,839,782

3) The income and sales on account of major products or services;

Particulars	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Major items of income					
Investment Income	19,740,126,917	16,736,433,627	13,550,870,061	10,587,605,824	8,027,089,936
Income from Investment in Shares and Securities	195,066,492	301,624,089	137,873,199	61,680,973	31,906,497
Commission, Exchange and Brokerage	192,143,415	316,952,702	254,839,009	233,620,013	189,705,866

4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;

The other income of the Company does not constitute more than 10% of the total income.

5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer’s business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;

The material part of the income of Union Bank is not dependent upon a single customer or a few major customers nor any foreign customer.

6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.

Union Bank Limited has not followed any unorthodox procedure for recording its Sales and revenues.

(v) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

As per audited accounts

Particulars	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Investments Income	19,740,126,917	16,736,433,627	13,550,870,061	10,587,605,824	8,027,089,936
Profit Paid on Deposits	(14,291,980,638)	(12,313,172,100)	(9,583,740,019)	(6,905,419,048)	(5,088,956,590)
Net Investment Income	5,448,146,279	4,423,261,527	3,967,130,042	3,682,186,776	2,938,133,346
Income from Investment in Shares and Securities	195,066,492	301,624,089	137,873,199	61,680,973	31,906,497
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	510,967,725	784,630,094	472,441,341	328,888,616	241,316,014
Total Operating Income (A)	5,959,114,004	5,207,891,621	4,439,571,383	4,011,075,392	3,179,449,360
Total Operating Expenses(B)	2,740,698,552	2,499,986,099	2,110,022,021	1,738,306,009	1,403,839,782
Profit before Provision and Tax (C=A-B)	3,218,415,452	2,707,905,522	2,329,549,362	2,272,769,383	1,775,609,578
Total Provisions(D)	995,000,000	1,228,439,794	575,859,339	526,900,000	303,500,000
Profit before Tax (C-D)	2,223,415,452	1,479,465,728	1,753,690,023	1,745,869,383	1,472,109,578
Provision for Income Tax					
Current Tax	1,235,275,896	923,509,909	815,525,058	860,812,162	634,474,533
Deferred Tax Income	(275,896)	(38,509,909)	(15,490,422)	(5,024,979)	(11,974,533)
Total Provision for Income Tax	1,235,000,000	885,000,000	800,034,636	855,787,183	622,500,000
Net Profit after Tax	988,415,452	594,465,728	953,655,387	890,082,200	849,609,578
Earnings Per Share (EPS)	1.77	1.13	1.81	1.69	1.80

Analysis of reasons for the changes in significant items of income and expenditure:

Causes for changes:

A. Investment Income, Other Operating Income & Total Operating Income:

Year-2016: Investment income increased by 30.24 % over the previous year as a result of increase of investment by 47.28 %. Other Operating income increased by 116.42 % since income from Commission, Exchange & Brokerage increased by 122.91% & account maintenance fee increased by 85.90 % whereas Total Operating income increased by 54.24 % over the previous year as Net Investment income increased by 50.69 %. Thus, operating profit increased by 69.95 %.

Year-2017: Investment income increased by 31.90 % over the previous year since investment increased by 50.04 %. Other Operating income increased by 36.29 % as Income from Investment in Shares & Securities increased by 93.42%, commission, Exchange & Brokerage increased by 23.14% whereas Total Operating income increased by 26.16 % over the previous year. Net Investment income increased by 25.33 % as a result Operating profit increased by 28.00 %.

Year-2018: Investment income increased by 27.99 % over the previous year since investment increased by 19.04 %. Other Operating income increased by 43.65 % since Income from Investment in Shares & Securities increased by 123.33%, commission,

Exchange & Brokerage increased by 9.08 %. Total Operating income increased by 10.68 % which boosted up the Operating profit by 2.50 %.

Year-2019: Investment income increased by 23.51 % over the previous year since investment increased by 22.12 %. Other Operating income increased by 66.08 % as Income from Investment in Shares & Securities increased by 118.71 %, Commission based income increased by 4.88 % whereas Total Operating income increased by 17.31 % over the previous year as Net Investment income increased by 11.50 %, thus Operating profit increased by 16.24 %.

Year-2020: Investment income increased by 17.95 % over the previous year as a result of increase of investment by 13.57 %. Income from Investment in Shares & Securities decreased by 35.31 % & Commission based income decreased by 39.40 % and relatively other Operating income decreased by 34.88%. Although there is decrease in other operating income but total Operating income increased by 14.42 % as a result Operating profit increased by 18.85 %.

B. Profit paid on Deposit:

Year-2016: Profit paid on Deposit increased by 20.78 % as Deposit increased by 33.65 %. As a result, Net Investment income increased by 50.69 % since Bank successfully reduced Deposit rate thus leading higher spread in 2016.

Year-2017: Profit paid on Deposit increased by 35.69 % as Deposit increased by 53.60 %. Net Investment income increased by 25.33 % which increased relatively at a lower rate as compared to previous year due to higher amount of profit paid on deposit.

Year-2018: Profit paid on Deposit increased by 38.79 % due to liquidity crunch & higher Cost of Deposit in the year. Net Investment income increased by 7.74 % which increased relatively at a lower rate as compared to the previous year thus spread decreased than previous year.

Year-2019: Profit paid on Deposit increased by 28.48 % since Deposit increased by 20.27 % over the previous year. Cost of Deposit increased as the Bank had to mobilize Deposit at a higher rate.

Year-2020: Profit paid on Deposit increased by 16.07 % which increased relatively at a lower rate as a result of implementation of single digit Deposit rate set by Bangladesh Bank.

C. Other Operating Expenses:

Year-2016: Operating expenses increased by 38.10 % as in the year 2016, 13 new Branches started their operation which was a significant cause of increase in Operating expenses as those new Branches required additional employees & new premises were taken as rent. Other Operating expenses increased as Generator expenses, Donation, Entertainment, Medical expenses, Office Maintenance, & Meeting Expenses increased over the prior year.

Year-2017: Operating expenses increased by 23.83 % as in the year, 11 new Branches started their operation. Those new Branches required additional employees & new premises were taken as rent. Other Operating expenses increased by 7.65 % as Wages, Entertainment, conveyance, Medical expenses, Training, Seminar & Workshop, ATM Expenses, and Office Maintenance increased over the previous year.

Year-2018: Operating expenses increased by 21.38 % as 09 new Branches started their operation in the year. Other Operating expenses increased by 1.54 % which increased relatively at a lower rate over the previous year.

Year-2019: Operating expenses increased by 18.48 %. During the year, 10 new Branches started their operation along with few ATM Booths. Other Operating expenses increased by 41.88 % which increased relatively at a higher rate as Wages, Donation, Entertainment, conveyance, Medical expenses, Office Maintenance increased over the previous year.

Year-2020: Operating expenses increased by 9.63 % as in the year 08 new Branches and 14 Sub-Branches started their operation. To accelerate the income, the Bank also focused on other sources such as Pally Bidyut collection Booths which resulted increase in expenses. Other Operating expenses increased by 14.66 % over the previous year.

D. Total Profit before Tax & Net Profit after Tax:

Year-2016: Total Profit before Tax increased by 86.74% & Net Profit after Tax increased by 73.99% over the previous year because of increase in Investment Income as well as commission based income. In 2016, Bank maintained least amount of provision & ended the year with higher Net Profit after Tax & higher EPS. Return on Assets (ROA) and Return on Equity (ROE) were 1.16 % & 15.27 % respectively.

Year-2017: Total Profit before Tax & Net Profit after Tax increased by 18.60% & 4.76 % respectively which relatively increased at a lower rate than previous year as Net investment income increased relatively at a lower rate over the previous year. Return on Assets (ROA) and Return on Equity (ROE) were 0.83 % & 13.78 % respectively.

Year-2018: Total Profit before Tax increased by 0.45% & Net Profit after Tax increased by 7.14 %. It increased relatively at a lower rate than previous year as Net investment income increased relatively at a lower rate over the prior year. Bank ended the year with relatively higher Net Profit after Tax. Return on Assets (ROA) and Return on Equity (ROE) were 0.68 % & 12.92 % respectively.

Year-2019: Total Profit before Tax & Net Profit after Tax decreased due to higher expenses. Return on Assets (ROA) and Return on Equity (ROE) were 0.36 % & 7.29 % respectively.

Year-2020: Total Profit before Tax increased by 50.29 % & Net Profit after Tax increased by 66.27 % as Net investment income increased over the prior year. Assets quality of the Bank improved & Bank had to maintain lower amount of Provision than the previous year & Bank ended the year with relatively higher Net Profit after Tax. Return on Assets (ROA) and Return on Equity (ROE) were 0.51 % & 11.23 % respectively.

- 1. Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**

There is no an unusual or infrequent event or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

- 2. Significant economic changes that materially affect or are likely to affect income from continuing operations;**

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

- 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company’s future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following uncertainties:

- Political unrest
- Natural disaster
- Competitive business environment

- 4. Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;**

We are aware of the fact that future is always uncertain that affect business and plan as well. The source of material/ingredient is loanable fund i.e. deposit and borrowings which is volatile due to continuously change in market rate or monetary policy of the country. Hence, any change in cost will be reflected in revenue.

- 5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**

The Revenue (Investment Income) of **Union Bank Ltd.** has been increased due to increase of investment.

- 6. Total turnover of each major industry segment in which the Issuer operated**

Union Bank Ltd. is providing Banking service under licensed scheduled Banks in Bangladesh and following are the total turnover i.e. Investments Income of the Bank from year 2016 to 2020.

Particulars	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Investments Income	19,740,126,917	16,736,433,627	13,550,870,061	10,587,605,824	8,027,089,936

- 7. Status of any publicly announced new products or business segment;**

The Bank did not announce new products or business segment.

8. The extent to which the business is seasonal.

There is no seasonal aspect on the Business of the Bank. However, tight money market conditions, political instability, fiscal policy, etc. may affect the business operation of the Bank.

(w) Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company;

Union Bank has no history of default or rescheduled any types of borrowed fund with lenders.

(x) Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;

There are no significant changes in the activities of the Union Bank Limited during the last five years which may had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

(y) Injunction or restraining order, if any, with possible implications;

Union Bank Limited did not receive any injunction or restraining from any competent authority or any regulatory bodies.

(z) Technology, market, managerial competence and capacity built-up;

Technology:

The Technology is changing rapidly and today Business organizations, especially the banking industry is operated in a complex and competitive environment characterized by changing conditions and highly unpredictable economic climate. Information and Communication Technology (ICT) is at the Centre of this global change. Union Bank is not behind of that, it has been trying to apply new technology in its different area to extract the benefit of the technology and to ease the users and finally satisfaction of the valuable customers of the Bank. The Bank has already launched Debit Card, SMS Banking, Internet Banking, Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN), RTGS etc. under the guidelines of Bangladesh Bank. The bank introduced full-fledged Internet Banking & Mobile Apps introduced with number of remarkable features like – Fund Transfer to any bank account, Credit Card bill payment, Mobile Recharge, Transfer money to bKash, Nagad & Rocket. E-Commerce Transaction are also in pipeline. Customers are excitedly accepted UBL Internet & Mobile Apps service. Considering better customer support and service at any time, Union Bank initiated 24/7 Call Center Service. The Bank also implemented Remittance Software Remit Book for faster & secured remittance service for its customers and Human Resource Management System for effective management of the human resource and to improve performance of its employee.

Disaster Recovery (DR) Site has been established to replicate real time data of Data Centre and failover business operations in case of any emergency or any disaster at Data Centre. Business continuity Plan has also been developed.

Bank has taken initiative on e-KYC implementation project with short account opening form to make a/c opening hassle-free and automated. Customers will now complete their process within shortest possible time and less input.

The Bank has also taken initiatives for process re-engineering and Digital Document Management System (DMS) for every step of physical & manual work. Union Bank is focusing on 3P - People, Process & Platform. An efficient e Work-Flow for approval process will replace existing manual file processing and final document will be preserved & archived digitally in an IT DMS Platform. Union Bank has increased its strength on Cyber security areas and updated all security platform as standard procedures.

Market:

Banking industry in Bangladesh started its journey with 6 Nationalized commercialized banks, 3 State owned Specialized banks and 9 Foreign Banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Now, banks in Bangladesh are primarily of two types:¹

- **Scheduled Banks:**

The banks that remain in the list of banks maintained under the Bangladesh Bank Order, 1972.

- **Non-Scheduled Banks:**

The banks which are established for special and definite objective and operate under any act but are not Scheduled Banks. These banks cannot perform all functions of scheduled banks.

Currently, there are **61 scheduled banks** in Bangladesh who operate under full control and supervision of Bangladesh Bank which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991. Scheduled Banks are classified into following types:

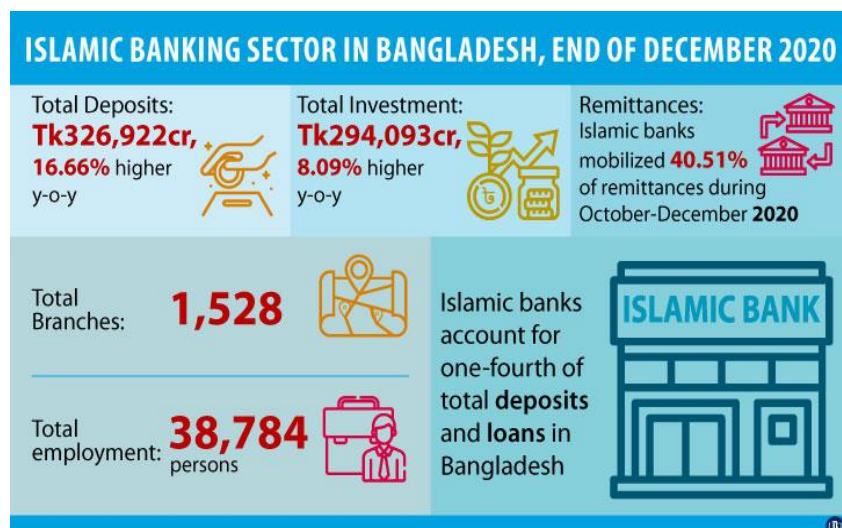
- **Islami Shariah based PCBs:** There are **10 Islami Shariah based PCBs** in Bangladesh and they execute banking activities according to Islami Shariah based principles i.e. Profit-Loss Sharing (PLS) mode.
- **State Owned Commercial Banks (SOCBs):** There are **6 SOCBs** which are fully or majorly owned by the Government of Bangladesh.
- **Specialized Banks (SDBs):** **3 specialized banks** are now operating which were established for specific objectives like agricultural or industrial development. These banks are also fully or majorly owned by the Government of Bangladesh.
- **Private Commercial Banks (PCBs):** There are **43 private commercial banks** which are majorly owned by individuals/the private entities. PCBs can be categorized into two groups:
 - **Conventional PCBs:** **33 conventional PCBs** are now operating in the industry. They perform the banking functions in conventional fashion i.e interest based operations.
 - **Foreign Commercial Banks (FCBs):** **9 FCBs** are operating in Bangladesh as the branches of the banks which are incorporated in abroad.

¹ [Financial System \(bb.org.bd\)](http://Financial System (bb.org.bd))

Islami Banking Industry in Bangladesh

Global Islamic financial sector continues to grow following its risk sharing, resilience, inclusive and real asset backed transactions features. In tandem with global trends, Bangladesh Islamic banking sector has also recorded robust growth due to policy supports from Bangladesh Bank and public demand. Recently Bangladesh Bank on behalf of the Government has issued sovereign investment sukuk which will smooth liquidity management of Islamic banks, help financing budget deficit and promote Islamic capital markets to raise funds for infrastructure and industrial projects towards achieving higher inclusive GDP growth including sustainable development goals (SDGs).

Deposit growth in Bangladesh’s banking sector was 13.5% in 2020, while the growth rate was 16.67% in Shariah-based banks, as per a report from the central bank, Bangladesh Bank. The growth in deposit and investment in Shariah-based banks was better than the overall growth in the country’s banking sector in 2020. Deposits in Islamic banks increased by BDT466.94 billion (US\$5.41 billion) to BDT3.27 trillion (US\$37.88 billion) at the end of December 2020 from BDT2.8 trillion (US\$32.44 billion) a year ago.²



Source: Business Standard ³

At the end of March 2021, Bangladesh’s 10 full-fledged Islamic banks have been operating with 1558 branches out of total 10767 branches of the whole banking sector. In addition, 19 Islamic banking branches of 8 conventional commercial banks and 178 Islamic banking windows of 11 conventional commercial banks are also providing Islamic financial services in Bangladesh.

At the end of the January-March 2020, deposits and investment grew by 9.44% and 9.62% respectively, while excess liquidity increased by 3.72% and remittance decreased by 26.51% compared to that of the last quarter. ⁴

² IFN - Bangladesh: Growth of Islamic banks overtakes that of conventional banks (islamicfinancenews.com)

³ Islamic banking booming in Bangladesh even in pandemic (businessinsiderbd.com)

⁴ https://www.bb.org.bd/pub/quarterly/islamic_banking/jan-mar2021.pdf

Regulation and Supervision

The Islamic banking sector in Bangladesh receives favorable treatment from its regulatory authority which helped Islamic banks to evolve with a strong foothold in the country, with the government itself having ownership in the first Islamic bank in the country. In order to grant licenses to Islamic banks, some Islamic banking provisions were incorporated in the existing Banking Companies Act 1991.

Bangladesh Bank, as the main regulatory body in the country, granted certain preferential provisions to Islamic banks over conventional banks. For Example, Islamic banks in Bangladesh are required to maintain their statutory liquidity requirement at 11.5% of the total deposit liabilities while it is 19.5% for conventional banks. Islamic banks are allowed to fix their profit-sharing ratios and mark up independently, corresponding to their own policy and banking environment and abiding by the restriction of the interest rate spread of Bangladesh Bank.⁵

Bangladesh Bank also formulated a guideline in 2009 for conducting Islamic banking business in the country. As per the guideline, it is the responsibility of the board of directors of the respective bank to ensure that the activities of the bank and its products are Shariah compliant. The board of Islamic banks and conventional commercial banks having Islamic branches may form an independent Shariah supervisory committee with experienced and knowledgeable persons in Islamic jurisprudence. To ensure Islamic banks manage liquidity efficiently, the central bank also developed a number of tools. It introduced the Bangladesh Government Islamic Investment Bond in 2004 and in 2012, it initiated the Islamic Inter-bank Fund Market in order to facilitate effective short-term liquidity management by Islamic banks. In 2014, Bangladesh Bank amended the Bangladesh Government Islamic Investment Bond (Islamic Bond) Policy, 2004 with the objective of developing a sound foundation for the Islamic bond market and converting excess liquidity into investment through Islamic bonds.

Growth in Islamic Banking Sector

Bangladesh’s Islamic banking sector has experienced robust growth due to policy supports and strong public demand, the central bank noted in its quarterly report. Recent issuance of sukuk rules by the Bangladesh Securities and Exchange Commission will promote Islamic capital markets badly needed for financing infrastructure and industrial projects towards achieving higher inclusive GDP growth and other sustainable development goals.

Recent news that Bangladesh’s central bank approved the conversion of two more local banks to fully-fledged Islamic banks warrants taking a closer look at the Shariah-compliant banking and finance industry in the world’s fourth-most populous Muslim country.

The move brings the number of fully-fledged Islamic banks in Bangladesh to 10, with the others being

- Al-Arafah Islami Bank Limited
- Islami Bank Bangladesh Limited
- Exim Bank Limited
- Social Islami Bank Limited
- Shahjalal Islami Bank Limited

⁵ [The current state of the Islamic banking industry in Bangladesh - IslamicMarkets.com](http://IslamicMarkets.com)

- Union Bank Limited
- First Security Islami Bank Limited
- ICB Islamic Bank Limited
- Global Islami Bank Limited
- Standard Bank Limited

In addition, 19 Islamic banking branches of nine conventional commercial banks and 41 Islamic banking windows of seven conventional commercial banks are currently providing Islamic financial services in the country.

More conventional banks are in the pipeline to open up Islamic banking windows. ONE Bank and UCB Bank have started Islamic shariah-compliant financial services through dedicated windows recently and Mutual Trust Bank has just launched the services on Wednesday. City Bank is working on to rebrand and expand its Islamic banking windows.

Mobilisation of deposits by Islamic Banks

Total deposits in Islamic banking sector reached Tk 326,922 crore at the end of December 2020, which was higher by 16.66% compared to that of the of same month of last year. The share of total deposits of Islamic banks accounted for 25.33% among all banks at the end of December 2020.

Among different types of deposits of the Islamic banking industry, Mudaraba Term Deposits secured the highest position (47.04%) followed by Mudaraba Savings Deposits (18.77%), BB data shows.

Investments

Total investment (loans & advances in conventional banking system) in Islamic banking sector stood at Tk 294,093 crore at the end of December 2020, which went up by 8.09% year-on-year. The share of total investments of Islamic banks accounted for 25.69% among all banks.

Analysing the sector-wise investment, it was found that Islamic banks invest nearly 44% of its total investments in trade and commerce sector followed by industrial working capital financing 23.33%, large and services industry 11.55%, construction 9.05% and CMSM (Cottage, Micro, Small and Medium Industries) 4.65%.

Remittances mobilized by the Islamic Banks

Islamic banking industry is playing a vital role in collecting foreign remittances and disbursing the same among beneficiaries across the country. Remittances collected by the Islamic banks in Bangladesh account for 40% of total remittances. Islamic banks mobilised Tk 21,409 crore of remittances during October-December 2020, up 19.24% than a quarter ago.

The Islamic banking sector mobilised 40.51% of total remittances received by the entire banking industry during the quarter under review. Among the Islamic banks, Islami Bank Bangladesh occupied the top position with 74.96% market share in respect of remittance collection during October-December 2020.⁶

⁶ [Islamic banking booming in Bangladesh even in pandemic \(businessinsiderbd.com\)](https://www.businessinsiderbd.com)

Managerial Competence:

All the members of the management team of the company are highly qualified, trained & skilled professionals, well experienced and extremely devoted.

The Bank’s management is led by Mr. A.B.M Mokammel Hoque Chowdhury, Managing Director has been appointed upon approval of Bangladesh Bank, and acts for the best interest of the Bank and all its stakeholders.

The expert team of Union Bank Limited, which consist of a good number of professionals from various disciplines, are seasoned and experienced enough to head and operate each of the branches for optimal service to fulfill the demand of target customers. Successive strong financial performance is the result of unwavering commitment of the promoters, management efficiency, employees’ sincerity, use of appropriate technology, among others.

Capacity build up:

Union Bank Limited is a proud member of 4th generation Bank in the Banking industry of Bangladesh. Capacity or earning efficiency of banking sector depend on less costly deposit mobilization and investment in the promising sector which result is the highest yield. Therefore, core products of Union Bank are as follows:

- Several Deposit products (usually collected from customers & other Banks & FIS)
- Several Investment products.
- Several Foreign Exchange related products.

Union Bank Limited generates its revenue through the following steps:

- Mobilization of Deposit or Collects Deposit from surplus group i.e. customer & market
- Investment in profit earing segments while complying by the instruction provided by Bangladesh Bank.
- Generate several fee-based incomes based on products & service.
Activity participating in bond & capital market.

(aa) Changes in accounting policies in the last three years;

The Bank has not made any changes in accounting policies in the last three years;

- (bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months;**

DECLARATION REGARDING SIGNIFICANT DEVELOPMENTS SUBSEQUENT
TO THE LAST FINANCIAL YEAR DECEMBER 31, 2020

This is to declare that there were no circumstances arisen since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer or the value of its assets, or its ability to pay it liabilities within the next twelve months.

Sd/- (Ahsanul Alam) Chairman (Representative of Unique Investment & Securities Limited)	Sd/- (Mollah Fazle Akbar) Vice-Chairman (Representative of Reliable Entrepreneurs Limited)	Sd/- (A.B.M Mokammel Hoque Chowdhury) Managing Director
Sd/- (Marzina Sharmin) Director	Sd/- (Md. Rashedul Alam) Director (Representative of Western Designer Limited)	Sd/- (Showkat Hossain, FCA) Director (Representative of Ocean Resorts Limired)
Sd/- (Farzana Begum) Director	Sd/- (Mohammad Fazlay Morshed) Director (Representative of C&A Fabrics Limited)	Sd/- (Halima Begum) Director (Representative of Lion Securities & Investment Limited)
Sd/- (Md. Abdul Quddus) Independent Director	Sd/- (Md. Abdus Salam FCA) Independent Director	

Date: April 29, 2021

- (cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;**

There is no quarterly report of the financial year of the issuer ends after the period ended in the audited financial statements. Audited financial statements for the period ended December 31, 2020 are incorporated in the prospectus.

- (dd) Factors that may affect the results of operations.**

Financial Market condition i.e. money and capital market, monetary policy of Bangladesh Bank, political unrest, etc. may affect the results of operations.

SECTION - VII

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

a) Overview of business and strategies:

Overview of business:

Union Bank Limited (A Shari’ah Based Bank) was incorporated on March 07, 2013 as a Public Limited Company under the Companies Act, 1994 with Authorized Capital of Tk. 10,000 million and Paid-up Capital of Tk. 4,280 million with a vision to become socially committed world class financial institution. Union Bank Limited started its journey from 01 April 2013 after getting permission vide memo No. BRPD (P-3)/745(60)/2013-1122 dated 10 March 2013 as a Shari’ah based scheduled Bank and started its banking operation in the banking sector on May 20, 2013 by opening Gulshan Branch. It renders all types of commercial banking services in compliance with Banking Companies Act 1991.

Union Bank Limited has expanded its operation all over the country in spirit of Islami Shari’ah. The Bank through its Branches provides a diverse range of financial services and products in Bangladesh with the mission of emancipating our poor people from abject poverty, be a leading provider of Islamic Shari’ah compliant banking services, providing fast, accurate and satisfactory customer services and ensuring technology based professional banking environment with strong capital base.

Strategies:

Union Bank Limited (UBL) is a 4th generation private commercial bank and started its banking operation in the private sector on 20 May, 2013 under the license issued by Bangladesh Bank.

Considering huge demand of shari’ah based banking across the country as well as growing demand of quality service in banking we found enormous respond of our Banking service. To unlock the potentials of missing middle income group who are beyond the coverage of corporate banking service and to focus on rural & micro economic developments, we devolved innovative products & services. The bank has maintaining corporate and business ethics and transparency at all levels.

Union Bank Limited being a forward intellectual, has been building a large network of touch points at different parts of the country through latest banking technologies and shariah based products and services. The bank has expanded its branches and ATM booths for providing banking service at the door step of the people in both urban and rural areas. At present bank has 96 (Ninety-Six) branches and 23 (Twenty-Three) sub branches which are ensuring customers convenience to serve bank’s mission.

Key business Strategies of UBL are as follows

- Diversify portfolio both the retail & wholesale markets.
- Ensure diversification by sector, size, economic purpose & geographical location wise investment & expansion based retail & SME / Women entrepreneur financing.
- Focus on customers by providing innovative products and service
- Cultivate a congenial working environment.
- Manage & operate the bank in the most effective manner ensuring corporate governance.
- Improve the Digital Banking Service and enhance security

b) SWOT Analysis:

Strengths

1. **Leading Position:** Union Bank Ltd. is continuously holding the leading position among the 4th generation Banks from commencement of its business.
2. **Efficient Management:** The Bank has an efficient management to run the organization properly. There is a close relationship between the employees and management through the chain of command which is maintained strictly.
3. **Modern Technology based Banking Services:** The Bank has been using the latest tools and technologies with a commitment of providing modern technology based Banking services in order to contribute for the development of economy.
4. **Excellent Customer Service:** The Bank is committed to provide fast, accurate and satisfactory customer service by maintaining corporate & business ethics and transparency at all levels.
5. **Dedicated Workforce:** The Bank has dedicated human resources most of them are young, energetic and dynamic.
6. **Positive Public Image.** The Bank has good reputation in the market.

Weaknesses

1. **Geographical Coverage:** The number of Branches has to be increased all over the country specially in the business areas to cover nationwide customer base.

Opportunities

1. **Demand of Islamic Banking:** There is huge demand of Islamic Banking across the country.
2. **Internet banking facilities:** The Bank has recently launched internet Banking facilities through Mobile Apps so the customers may use the apps and make online transactions easily.
3. **Availability of Depositors:** There are huge depositors of Union Bank Ltd. and the number is increasing day by day across the country.

Threats

1. **Competitors:** There is a rapid increase of private sector commercial Banks in number and size. Those Banks are offering competitive banking services as a result sometimes it is difficult to capture market share. The Bank should bring out aggressive campaign to attract lucrative corporate clients as well as major depositors.
2. **Change of needs of Customers:** Needs of customers change frequently.

- c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.

Figure in BDT

Particulars	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
Investments Income	19,740,126,917	16,736,433,627	13,550,870,061	10,587,605,824	8,027,089,936
Profit Paid on Deposits	(14,291,980,638)	(12,313,172,100)	(9,583,740,019)	(6,905,419,048)	(5,088,956,590)
Net Investment Income	5,448,146,279	4,423,261,527	3,967,130,042	3,682,186,776	2,938,133,346
Income from Investment in Shares and Securities	195,066,492	301,624,089	137,873,199	61,680,973	31,906,497
Commission, Exchange and Brokerage	192,143,415	316,952,702	254,839,009	233,620,013	189,705,866
Other Operating Income	123,757,818	166,053,303	79,729,133	33,587,630	19,703,651
	510,967,725	784,630,094	472,441,341	328,888,616	241,316,014
Total Operating Income	5,959,114,004	5,207,891,621	4,439,571,383	4,011,075,392	3,179,449,360
Total Operating Expenses	(2,740,698,552)	(2,499,986,099)	(2,110,022,021)	(1,738,306,009)	(1,403,839,782)
Profit before Provision and Tax	8,699,812,556	7,707,877,720	6,549,593,404	5,749,381,401	4,583,289,142
Total Profit before Tax	2,223,415,452	1,479,465,728	1,753,690,023	1,745,869,383	1,472,109,578
Net Profit after Tax	988,415,452	594,465,728	953,655,387	890,082,200	849,609,578
Earnings Per Share (EPS)	1.77	1.13	1.81	1.69	1.80

Reason of Fluctuation

A. Investment Income, Other Operating Income & Total Operating Income:

Year-2016: Investment income increased by 30.24 % over the previous year as a result of increase of investment by 47.28 %. Other Operating income increased by 116.42 % since income from Commission, Exchange & Brokerage increased by 122.91% & account maintenance fee increased by 85.90 % whereas Total Operating income increased by 54.24% over the previous year as Net Investment income increased by 50.69 %. Thus, operating profit increased by 69.95 %.

Year-2017: Investment income increased by 31.90 % over the previous year since investment increased by 50.04 %. Other Operating income increased by 36.29 % as Income from Investment in Shares & Securities increased by 93.42%, commission, Exchange & Brokerage increased by 23.14% whereas Total Operating income increased by 26.16 % over the previous year. Net Investment income increased by 25.33 % as a result Operating profit increased by 28.00 %.

Year-2018: Investment income increased by 27.99 % over the previous year since investment increased by 19.04 %. Other Operating income increased by 43.65 % since Income from Investment in Shares & Securities increased by 123.33%, commission, Exchange & Brokerage increased by 9.08%. Total Operating income increased by 10.68 % which boosted up the Operating profit by 2.50 %.

Year-2019: Investment income increased by 23.51% over the previous year since investment increased by 22.12 %. Other Operating income increased by 66.08 % as Income

from Investment in Shares & Securities increased by 118.71 %, Commission based income increased by 4.88% whereas Total Operating income increased by 17.31 % over the previous year as Net Investment income increased by 11.50 %, thus Operating profit increased by 16.24 %.

Year-2020: Investment income increased by 17.95% over the previous year as a result of increase of investment by 13.57%. Income from Investment in Shares & Securities decreased by 35.31% & Commission based income decreased by 39.40% and relatively other Operating income decreased by 34.88%. Although there is decrease in other operating income but total Operating income increased by 14.42 % as a result Operating profit increased by 18.85 %.

B. Profit paid on Deposit:

Year-2016: Profit paid on Deposit increased by 20.78 % as Deposit increased by 33.65 %. As a result, Net Investment income increased by 50.69 % since Bank successfully reduced Deposit rate thus leading higher spread in 2016.

Year-2017: Profit paid on Deposit increased by 35.69 % as Deposit increased by 53.60 %. Net Investment income increased by 25.33 % which increased relatively at a lower rate as compared to previous year due to higher amount of profit paid on deposit.

Year-2018: Profit paid on Deposit increased by 38.79 % due to liquidity crunch & higher Cost of Deposit in the year. Net Investment income increased by 7.74 % which increased relatively at a lower rate as compared to the previous year thus spread decreased than previous year.

Year-2019: Profit paid on Deposit increased by 28.48 % since Deposit increased by 20.27 % over the previous year. Cost of Deposit increased as the Bank had to mobilize Deposit at a higher rate.

Year-2020: Profit paid on Deposit increased by 16.07 % which increased relatively at a lower rate as a result of implementation of single digit Deposit rate set by Bangladesh Bank.

C. Other Operating Expenses:

Year-2016: Operating expenses increased by 38.10 % as in the year 2016, 13 new Branches started their operation which was a significant cause of increase in Operating expenses as those new Branches required additional employees & new premises were taken as rent. Other Operating expenses increased as Generator expenses, Donation, Entertainment, Medical expenses, Office Maintenance, & Meeting Expenses increased over the prior year.

Year-2017: Operating expenses increased by 23.83 % as in the year, 11 new Branches started their operation. Those new Branches required additional employees & new premises were taken as rent. Other Operating expenses increased by 7.65 % as Wages, Entertainment, conveyance, Medical expenses, Training, Seminar & Workshop, ATM Expenses, and Office Maintenance increased over the previous year.

Year-2018: Operating expenses increased by 21.38 % as 09 new Branches started their operation in the year. Other Operating expenses increased by 1.54 % which increased relatively at a lower rate over the previous year.

Year-2019: Operating expenses increased by 18.48 %. During the year, 10 new Branches started their operation along with few ATM Booths. Other Operating expenses increased by 41.88 % which increased relatively at a higher rate as Wages, Donation, Entertainment, conveyance, Medical expenses, Office Maintenance increased over the previous year.

Year-2020: Operating expenses increased by 9.63 % as in the year 08 new Branches and 14 Sub-Branches started their operation. To accelerate the income, the Bank also focused on other sources such as Pally Bidyut collection Booths which resulted increase in expenses. Other Operating expenses increased by 14.66 % over the previous year.

D. Total Profit before Tax & Net Profit after Tax:

Year-2016: Total Profit before Tax increased by 86.74% & Net Profit after Tax increased by 73.99% over the previous year because of increase in Investment Income as well as commission based income. In 2016, Bank maintained least amount of provision & ended the year with higher Net Profit after Tax & higher EPS. Return on Assets (ROA) and Return on Equity (ROE) were 1.16 % & 15.27 % respectively.

Year-2017: Total Profit before Tax & Net Profit after Tax increased by 18.60% & 4.76 % respectively which relatively increased at a lower rate than previous year as Net investment income increased relatively at a lower rate over the previous year. Return on Assets (ROA) and Return on Equity (ROE) were 0.83 % & 13.78 % respectively.

Year-2018: Total Profit before Tax increased by 0.45% & Net Profit after Tax increased by 7.14 %. It increased relatively at a lower rate than previous year as Net investment income increased relatively at a lower rate over the prior year. Bank ended the year with relatively higher Net Profit after Tax. Return on Assets (ROA) and Return on Equity (ROE) were 0.68 % & 12.92 % respectively.

Year-2019: Total Profit before Tax & Net Profit after Tax decreased due to higher expenses. Return on Assets (ROA) and Return on Equity (ROE) were 0.36 % & 7.29 % respectively.

Year-2020: Total Profit before Tax increased by 50.29 % & Net Profit after Tax increased by 66.27 % as Net investment income increased over the prior year. Assets quality of the Bank improved & Bank had to maintain lower amount of Provision than the previous year & Bank ended the year with relatively higher Net Profit after Tax. Return on Assets (ROA) and Return on Equity (ROE) were 0.51 % & 11.23 % respectively.

E. EPS:

Year-2016: Earnings Per Share in 2016 was 1.80 which increased over the previous year as Net Profit after Tax increased due to higher Investment Income which resulted the increase in Net profit after tax.

Year-2017: Earnings Per Share in 2017 was 1.69 which decreased over the previous year due to payment of stock dividend.

Year-2018: Earnings Per Share in 2018 was 1.81 which increased over the previous year as a result of increase in Net profit after tax.

Year-2019: Earnings Per Share in 2019 was 1.13 which decreased over the previous year since Net profit after Tax decreased over the prior year.

Year-2020: Earnings per Share in 2020 was 1.77 which increased over the previous year as Net Investment Income increased which resulted the increase in Net Profit before Tax & Net Profit after Tax at a higher rate than previous year.

d) Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company’s business:

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company’s future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following uncertainties:

- i) Political unrest
- ii) Natural disaster
- iii) Competitive business environment

e) Trends or expected fluctuations in liquidity:

There are no trends or expected fluctuations in liquidity.

f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:

As a schedule Bank in Bangladesh, Union Bank Ltd. engaged in Off-balance sheet business exposure i.e. Acceptances and Endorsements, Letter of Guarantees, Irrecoverable Letters of Credit, Bills for Collection. As such Bank has to maintain 1% provision for these commitment businesses as per BRPD Circular of Bangladesh Bank in the Profit and Loss Account. Union Bank Ltd. has maintained such provision as per BRPD circular.

Particulars	Commitment/ Off Balance Sheet Items (Tk.)	% of Required Provision	Required Prov. Dec-2020 (Tk.)
Acceptances and Endorsements	4,149,886,886	1%	41,498,870
Letter of Guarantees	1,699,306,414	1%	16,993,065
Irrecoverable Letters of Credit	1,546,252,267	1%	15,462,526
Bills for Collection	3,174,870,684	0%	-
Other Contingent Liabilities	-	-	-
Total	10,570,316,251		73,954,461
Required Provision during the year			73,954,461
Opening Balance			102,000,000
Adjustment during the year			25,000,000
Closing Balance			77,000,000

SECTION - VIII

DIRECTORS AND OFFICERS

a) Name, Father’s name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which, the nomination has been made and the name of the organization which has nominated him:

Name	Father’s Name	Age	Residential Address	Educational qualification	Experience	Position	Nominated by
Ahsanul Alam	Mohammed Saiful Alam	27 Yrs.	57/A, Road No: 01, Shugandga R/A, Chattogram	A-Level	15 Yrs.	Chairman	Unique Investment & Securities Ltd.
Mollah Fazle Akbar	Late Jamal Uddin Mollah	65 Yrs.	House No: 109, Mosque Road, Old DOHS, Banani, Dhaka	1. Phd-BUP 2. MPhil-National University 3. M S S-DU 4. MBA-Royal University	41 Yrs.	Vice Chairman	Reliable Entrepreneurs Ltd.
A.B.M Mokammel Hoque Chowdhury	Late Mozaffor Ahmed Chowdhury	49 Yrs.	House No: 19, Flat No: 4D, Road No: 08, Block: G, Banani, Dhaka	MBA	19 Yrs.	Managing Director	N/A
Marzina Sharmin	Mohammad Abdul Jobbar	38 Yrs.	House No: 51, Road No: 04, Hillview R/A, O.R. Nizam Road, Chattogram	B.B.A	15 Yrs.	Director	N/A
Rashedul Alam	Late Mozaherul Anowar	60 Yrs.	57/A, Road No: 01, Shugandga R/A, Chattogram	HSC	35 Yrs.	Director	Western Designer Ltd.
Showkat Hossain, FCA	Late Mahbubul Alam Chowdhury	71 Yrs.	Sanmar Avenue, 3/A, Road No: 06, Khulshi, Chattogram	B.COM, FCA	50 Yrs.	Director	Ocean Resorts Ltd.
Farzana Begum	Haji Abul Kashem	40 Yrs.	Esack Mansion, South Haliashahar (Saltgola), Bandar, Chattogram	B.A	15 Yrs.	Director	N/A
Mohammad Fazlay Morshed	Enamul Hoque Chowdhury	55 Yrs.	Enam Heights, Flat No: 8A, 14 K.B. Abdus Sattar Road, Rohomotgonj, Chattogram	B.Com	13 Yrs.	Director	C&A Fabrics Ltd.
Halima Begum	Late Mozaherul Anowar	49 Yrs.	ANZ Juvenile Park, Flat: C-5, House No: 23, Road No: 02, Nasirabad Housing Society, Panchlaish, Chattogram	HSC	14 Yrs.	Director	Lion Securities & Investment Ltd.
Md. Abdul Quddus	Late M A Latif	70 Yrs.	House No: 50, Flat No: 2/D, Road No: 3/A, Dhanmondi R/A, Dhaka	MA	42 Yrs.	Independent Director	N/A
Md. Abdus Salam FCA	Late Ahmed Ali	64 Yrs.	‘Oriental Motif’ Flat#C5, House#78, Road#9/A, Dhanmondi R/A, Dhaka	M.Com	37 Yrs.	Independent Director	N/A

b) The date on which he first became a director and the date on which his current term of office shall expire;

Name	Position	Date of Becoming Director for The First Time	Date of Expiration of Current Term
Ahsanul Alam Nominee of Unique Investment & Securities Ltd.	Chairman	05/11/2014	04/11/2023
Mollah Fazle Akbar Nominee of Reliable Entrepreneurs Ltd.	Vice-Chairman	07/06/2020	06/06/2029
Marzina Sharmin	Director	07/03/2013	06/03/2022
Showkat Hossain, FCA Representative of Ocean Resorts Ltd.	Director	07/03/2013	06/03/2022
Rashedul Alam Nominee of Western Designer Ltd.	Director	01/04/2013	31/03/2022
Farzana Begum	Director	07/03/2013	06/03/2022
Halima Begum Nominee of Lion Securities & Investment Ltd.	Director	30/01/2018	29/01/2027
Mohammad Fazlay Morshed Nominee of C&A Fabrics Ltd.	Director	09/01/2017	08/01/2026
Md. Abdul Quddus	Independent Director	29/12/2016	28/12/2022
Md. Abdus Salam FCA	Independent Director	29/04/2021	28/04/2024

c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations;

SL	Name of the Director	Directorship/Ownership with Other Companies		
		Name of the Company	Type of Business	Position
01	Ahsanul Alam	Genesis Textiles Accessories & Apparels Ltd.	Textiles Accessories & Apparels	Managing Director
		C&A Fabrics Ltd.	RMG	Managing Director
		Blythe Ltd.	RMG	Managing Director
		Affinity Assets Ltd.	Real-Estate	Managing Director
		Wesco Ltd.	RMG	Managing Director
		Western Designers Ltd.	RMG	Managing Director
		Norinco Engineering Ltd.	Engineering	Director
		Hasan Abasan (Pvt) Ltd.	Real Estate	Director
		M/s. Genesis Enterprise	Trading	Proprietor
02	Mollah Fazle Akbar	Not involved in other organization		

SL	Name of the Director	Directorship/Ownership with Other Companies		
		Name of the Company	Type of Business	Position
03	Marzina Sharmin	Unique Investment & Securities Ltd.	Stock broker and dealer	Managing Director
		Times Securities Limited	Stock broker and dealer	Managing Director
		Kingston Flour Mills Ltd.	Flour Mill	Chairman
		M/s. Marzina Trading	Trading	Proprietor
		Infinite CR Strips Industries Ltd.	RMG Accessories	Shareholder
04	Showkat Hossain, FCA	M/s. Hoda Vasi Chowdhury & Co. (Chartered Accountants)	Chartered Accountant firm	Senior Partner
05	Rashedul Alam	Ocean Resorts Ltd.	Resort	Managing Director
		Global Trading Corporation Ltd.	Trading	Managing Director
		Bangladesh Petro Chemical Ltd.	Chemical	Director
		S. Alam Hatchery Ltd.	Hatchery	Director
		S. Alam Properties Ltd.	Real Estate	Director
		Fatehabad Farm Ltd.	Agriculture	Director
		S. Alam Steels Ltd.	Steel Manufacturer	Shareholder
		M/s. Rafi Enterprise	Trading	Partner
		M/s. Khorshed Paribahan Sangstha	Transport	Partner
M/s Rashed Enterprise	Trading	Proprietor		
06	Farzana Begum	Lion Securities & Investment Ltd.	Stock broker and dealer	Managing Director
		Shah Amanat Praktik Gas Co. Ltd.	Gas Company	Managing Director
		Global Trading Corporation Ltd.	Trading	Director
		Infinite CR Strips Industries Ltd.	RMG Accessories	Director
		Kingston Flour Mills Ltd.	Flour Mill	Director
		M/s. Farzana Trading Enterprise	Trading	Proprietor
07	Halima Begum	M/s. Halima Trading Enterprise	Trading	Proprietor
08		M.R.M. Trading Ltd.	Trading	Managing Director

SL	Name of the Director	Directorship/Ownership with Other Companies		
		Name of the Company	Type of Business	Position
	Mohammad Fazlay Morshed	Chittagong Logistics Ltd.	Logistics	Managing Director
		Worth Avenue Steels Ltd.	Steel Mill	Managing Director
		C & A Fabrics Ltd.	RMG	Adviser
09	Md. Abdul Quddus	Not involved in other organization		
10	Md. Abdus Salam FCA	Not involved in other organization		

- d) **Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer;**

SL	Name of the Director	Position in Union Bank	Directorship/Ownership with Other Companies	
			Name of the Company	Position
01	Ms. Marzina Sharmin	Director	Unique Investment & Securities Ltd.	Managing Director
			Times Securities Limited	Managing Director
02	Ms. Farzana Begum	Director	Lion Securities & Investment Ltd.	Managing Director

There are no director/directors of Union Bank who is also a director of any issuer of other listed securities during last three years.

- e) **Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers;**

SL	Name	Position	Relationship
01	Mr. Rashedul Alam	Director	Brother-Sister
02	Ms. Halima Begum	Director	

* There is no family relationship exist among top five officers.

f) A very brief description of other businesses of the directors;

A brief description of other businesses of Directors of Union Bank Limited is given in the following table-

Ahsanul Alam, Chairman

Businesses of Directors		
Sl.	Name of the Concern	Nature of Business
01	Genesis Textiles Accessories & Apparels Ltd.	Textiles Accessories & Apparels
02	C&A Fabrics Ltd.	RMG
03	Blythe Ltd.	RMG
04	Affinity Assets Ltd.	Real-Estate
05	Wesco Ltd.	RMG
06	Western Designers Ltd.	RMG
07	Norinco Engineering Ltd.	Engineering
08	Hasan Abasan (Pvt) Ltd.	Real Estate
09	M/s. Genesis Enterprise	Trading

Marzina Sharmin, Director

Businesses of Directors		
Sl.	Name of the Concern	Nature of Business
01	Unique Investment & Securities Ltd.	Stock broker and dealer
02	Times Securities Limited	Stock broker and dealer
03	Kingston Flour Mills Ltd.	Flour Mill
04	M/s. Marzina Trading	Trading
05	Infinite CR Strips Industries Ltd.	RMG Accessories

Showkat Hossain, FCA, Director

Businesses of Directors		
Sl.	Name of the Concern	Nature of Business
01	M/s. Hoda Vasi Chowdhury & Co.	Chartered Accountant firm

Rashedul Alam, Director

Businesses of Directors		
Sl.	Name of the Concern	Nature of Business
01	Ocean Resorts Ltd.	Resort
02	Global Trading Corporation Ltd.	Trading
03	Bangladesh Petro Chemical Ltd.	Chemical
04	S. Alam Hatchery Ltd.	Hatchery
05	S. Alam Properties Ltd.	Real Estate
06	Fatehabad Farm Ltd.	Agriculture
07	S. Alam Steels Ltd.	Steel Manufacturer
08	M/s. Rafi Enterprise	Trading
09	M/s. Khorshed Paribahan Sangstha	Transport
10	M/s Rashed Enterprise	Trading

Farzana Begum, Director

Businesses of Directors		
Sl.	Name of the Concern	Nature of Business
01	Lion Securities & Investment Ltd.	Stock broker and dealer
02	Shah Amanat Praktik Gas Co. Ltd.	Gas Company
03	Global Trading Corporation Ltd.	Trading
04	Infinite CR Strips Industries Ltd.	RMG Accessories
05	Kingston Flour Mills Ltd.	Flour Mill
06	M/s. Farzana Trading Enterprise	Trading

Halima Begum, Director

Businesses of Directors		
Sl.	Name of the Concern	Nature of Business
01	M/s. Halima Trading Enterprise	Trading

Mohammad Fazlay Morshed, Director

Businesses of Directors		
Sl.	Name of the Concern	Nature of Business
01	M.R.M. Trading Ltd.	Trading
02	Chittagong Logistics Ltd.	Logistics
03	Worth Avenue Steels Ltd.	Steel Manufacturer
04	C & A Fabrics Ltd.	RMG

* Mollah Fazle Akbar, Md. Abdul Quddus, Md. Abdus Salam FCA and A.B.M Mokammel Hoque Chowdhury are not involved in other organization.

g) Short bio-data of each director;

Ahsanul Alam

Chairman

Mr. Ahsanul Alam, young and promising entrepreneur, is the Chairman of Union Bank Limited. He comes of a renowned and respected Muslim family reputed for doing business countrywide for a long time. He has completed his education from Singapore. He belongs to such a family which has a wide range of businesses and because of that he has been under the umbrella of business environment from his early age. He has been assisting his family in running business from 2004 as a Chief Executive of S. Alam & Co. He is the proprietor of Genesis Enterprise and Chairman of Hasan Abasan (Pvt.) Limited. He is also the Chairman of Infinia Group. He has been acting as the Managing Director of Genesis Textiles Accessories & Apparels Limited and Western Designers Limited. He is also one of the Directors of Norinco Engineering Limited. With his dynamic leadership he has made himself as a professionally successful businessman in textile, garments and trading sector. He is also the Chairman of the Executive Committee of the Board of Directors of Union Bank Limited.

Mollah Fazle Akbar PhD, ndc, psc
Vice-Chairman

Lieutenant General Mollah Fazle Akbar PhD, ndc, psc was commissioned in the Corps of Artillery, Bangladesh Army on 30 November 1976. His last assignment was Commandant, National Defence College (NDC), Bangladesh prior to going on Retirement on 16 February 2016. In his long service career, beside the regimental appointments, he served in different capacities. After retirement he worked as the CEO of Regent Airways, Bangladesh for about two years from 2016 - 2018. He was also Director, Board of Directors of First Security Islamic Bank (FSIB).

As staff he worked as Assistant Defence Adviser at Bangladesh High Commission in India and Colonel Staff in an Infantry Division. He also performed as Director of Military Operations and Director of Artillery in General Staff Branch, Army Headquarters.

Lieutenant General Akbar commanded an Air Defence Artillery Brigade (ADA) of Bangladesh Army and a Field Artillery Brigade. He was also the first Sector Commander of Bangladesh Sector in Liberia, UNMIL (United Nations Mission in Liberia) where he inducted and commanded a Brigade Group force. Before his last assignment as Commandant, National Defence College (NDC) he was holding the appointment of the Director General (DG) of Directorate General of Forces Intelligence (DGFI). General Akbar was the ‘Colonel Commandant of the Regiment of Artillery’ of Bangladesh Army from March 2010 to February 2015.

He attended a number of courses both at home and abroad. He completed his Anti Aircraft Firing Drone Course from China and Security Intelligence Administration Course from United Kingdom. He is a graduate of Army Command and Staff College, Quetta, Pakistan. He is also a graduate of National Defence College, Bangladesh.

Lieutenant General Akbar earned Bachelor of Science degree in War Studies from Baluchistan University, Pakistan and obtained Bachelor of Arts degree from University of Dhaka, Bangladesh. He completed Masters in Social Studies (MSS) in Political Science from University of Dhaka and Masters of Business Administration (MBA) from Royal University, Dhaka. He earned his coveted Masters of Philosophy (M.Phil.) from National University of Bangladesh. He completed Ph. D on “Connectivity in South Asia: Impact on Bangladesh Economy and Development” from Bangladesh University of Professional (BUP), Dhaka.

The General attended a number of International Seminars & Conferences and presented papers on contemporary issues. To mention a few:

- a. Shangri-La Dialogue, Singapore (2009)
- b. Shangri-La Dialogue, Singapore (2010)
- c. Asia Pacific Intelligence Chiefs Conference, Tokyo, Japan (2011)
- d. Shangri-La Dialogue, Singapore (2011)
- e. Oman Security Conference (2012)
- f. Oman Security Conference (2013)
- g. Attended Seminar and Program on Managing Defence in Wider Security Context, Dhaka (2013) – Organized jointly by Defence Academy, UK and Cranfield University, UK

- h. Attended Conference on 'Measures for Forging Indo-Pacific Security' organised by USI, India on Nov, 2015
- i. Attended conference on 'Culture as a Tool for Regional Cooperation' organised by IDSA, New Delhi, India on Nov 2015
- j. Attended conference on "The Raisina Dialogue 2016 - India's Global Conclave" jointly organised by the Observer Research Foundation, India, and the Ministry of External Affairs, Government of India on Mar 2016

Some of the papers those presented in different conferences and seminars are:

- a. Presented paper on Disaster Management: Bangladesh Experience – Asia Pacific Intelligence Chiefs Conference, Singapore (2009)
- b. Presented paper on Importance of Information Sharing for Disaster Management - Asia Pacific Intelligence Chiefs Conference, Seoul, South Korea (2010)
- c. Presented Keynote paper at National Defence College, Tanzania (2012) on Role of National Defence College on Strategic Planning of National Security and Development.
- d. Presented paper on ‘Sri Lanka’s Post Conflict Successes: Implications and Gains in Security for Bangladesh in the Context of Regional Stability’ at Sri Lanka Defence Seminar 2013
- e. Presented Keynote Speech on ‘Strategic Importance of the Indian Ocean to Asian and Global Security’ at Royal Brunei Armed Forces Command and Staff Course, Brunei 2014
- f. Presented paper on ‘Indian Ocean Region: Emerging Strategic Cooperation, Competition and Conflict Scenarios’ at USI International Seminar, India 2014
- g. Presented paper on, 'Culture as a Tool for Regional Cooperation-Bangladesh Perspective' at IDSA, New Delhi on Nov 2015

The General is happily married and proud father of a daughter. He is a keen golfer and has a great knack for studies on international issues. He also likes to travel to different parts of the world.

Mr. A.B.M Mokammel Hoque Chowdhury

Managing Director

Mr. A.B.M. Mokammel Hoque Chowdhury is the Managing Director of Union Bank Ltd. Prior to joining in the bank, He served First Security Islami Bank Limited in different capacities. He has about 20 years’ experience in banking sector. During his service tenure in banks, he served as the head/wing head of different divisions, departments and branches. By the pathway of his colorful banking career, Mr. Chowdhury explored himself as a dynamic banker and played catalyst roles in achieving the organizational objectives of the banks by leading from the front.

Earlier, he started his career as Probationary Officer in First Security Islami Bank Limited in the year 2001. He is an MBA, Major in HRM.

Mr. Chowdhury visited United Kingdom, Scotland, Germany, Switzerland, France, Netherlands, Australia, Singapore, Thailand, UAE, Malaysia, Maldives, India, Srilanka and Indonesia. He also attended various training programs, seminars and workshops at home and abroad.

Ms. Marzina Sharmin
Director

Ms. Marzina Sharmin is one of the Sponsor Shareholders and Directors of Union Bank Limited and she is also the member of Executive Committee of the Board of Directors. She was born in a renowned Muslim family in Chattogram. She is a business graduate with expertise knowledge in the field of business. Ms. Marzina Sharmin started her business career as the proprietor of M/S. Marzina Trading which deals with general trading and wholesale business of different products. She is the Director of Infinite CR Strips Industries Limited and Kingston Flour Mills Limited. She is also an expert in Share Market, Security & Investment Sector and acting as the Managing Director of Unique Investment & Securities Limited and Times Securities Limited. She has more than 22 years of business experience.

Mr. Showkat Hossain, FCA
Director

Mr. Showkat Hossain is a renowned, distinguished and one of the senior most persons in the field of Chartered Accountancy and currently holding the position of Chairman of the Audit Committee of the Board of Directors of Union Bank Limited. He hails from an aristocratic Muslim family of Chattogram. Showkat Hossain FCA is the 42nd President of the Institute of Chartered Accountants of Bangladesh (ICAB). He became an Associate Member in 1977 and Fellow Member in 1986 of ICAB. He served the ICAB as Vice President in the years 2004, 2006, 2007, 2012 & 2013. Mr. Hossain is a Senior Partner of Hoda Vasi Chowdhury & Co., Chartered Accountants since 1998. Earlier he was the Finance Director of Sunman Group of Companies, Qualified Assistants of Ahmed Ahmed & Co., Chartered Accountants. He also worked in Glaxo Laboratories (Bangladesh) Ltd. as Internal Auditor prior to qualifying as Chartered Accountants. He worked in Eastern Refinery Ltd. as Management Accountants after qualifying as Chartered Accountants. He also worked in Ras Lanuf Oil & Gas Processing Co. Inc (RASCO) the only Petrochemical Complex of Libya for about 15 years during 1979 to 1993. He is the Chairman of a Charitable Organization named the Chirayata Shanti Society, Life Time Member of Chattogram Kidney Foundation & Maa Shisu O General Hospital, Society for Assistance to Hearing Impaired Children (SAHIC), Executive Committee Member of Bangladesh National Society for Blinds (BNSB), Vice Chairman of Concern Services for Disabled (CSD). He is a Member of the Chattogram Club Limited. He is a Director of Chattogram WASA and Past Independent Director of Chattogram Stock Exchange (CSE), Past Academic Council member of Daffodil International University, Dhaka and Member of the Board of Trustee of the proposed ICAB University for Business & Technology, Dhaka.

Mr. Rashedul Alam
Director

Mr. Rashedul Alam is a well-established businessman of Chattogram who hails from a Muslim noble family. He started his business career by joining family business and earned more than two decades of hands on experience in the field of trading business, tourism, agriculture, land development and steel manufacturing sector. He is the proprietor of Rafe Enterprise and Khurshed Poribohon Sangstha. Mr. Alam is also the Director of S. Alam Steels Limited, Bangladesh Petro Chemical Limited, S. Alam Hatchery Limited, Ocean Resorts Limited, S. Alam Properties Limited and Fatehabad Farm Limited. He is acting as

the Managing Director of Global Trading Corporation Limited. For business purposes he traveled to United Kingdom, Canada, China, India, Singapore, Malaysia, Thailand and several other countries of the world. He is a member of Risk Management Committee and Executive Committee of the Board of Directors of Union Bank Limited.

Ms. Farzana Begum
Director

Ms. Farzana Begum is a dynamic and promising women entrepreneur in Chattogram. She is one of the Sponsor Shareholders and Directors of Union Bank Limited and the member of Audit Committee of the Board of Directors. She is a graduate in her educational life and joined family business at the age of 20. After taking in a few years of hands on experience by establishing M/S. Farzana Trading Enterprise, she diversified her business activity into the field of trading, natural gas, stock markets. She is serving as Managing Director of Shah Amanat Prakritik Gas Co. Limited and Lion Securities & Investment Limited. She is the Director of Global Trading Corporation, Infinite CR Strips Industries Limited and Kingston Flour Mills Limited. Ms. Farzana has more than 20 years of experience in the field of manufacturing, import, export, market development, strategic planning, production planning, financial planning etc. She also has expert knowledge in the stock market.

Mr. Mohammad Fazlay Morshed
Director

Mr. Mohammad Fazlay Morshed is a dynamic business person who hails from a renowned Muslim family. He completed B.Com. in his educational life. Mr. Morshed has an expertise in the field of trading specially importing commodities. He is the Managing Director of MRM Trading Limited, Chattogram Logistic Limited and Worth Avenue Steels Limited. Mr. Morshed is the Adviser of C & A Fabrics Limited. With his dynamic leadership he made himself a professionally successful businessman in trading sector in Bangladesh. He traveled USA & other countries for professional purpose. He is a member of Audit Committee of the Board of Directors of Union Bank Limited.

Ms. Halima Begum
Director

Ms. Halima Begum was born in a reputed Muslim family in Chattogram. As a member of a business oriented family she has established herself as a woman entrepreneur in field of trading business. She is the proprietor of Brothers Syndicate and Halima Trading Enterprise. She has the expertise of running business for the last 13 years with good reputation. She was the former Director of Reliance Finance Limited. She is a member of Risk Management Committee of the Board of Directors of Union Bank Limited.

Mr. Md. Abdul Quddus
Independent Director

Mr. Md. Abdul Quddus was born in a renowned Muslim family in Noakhali. He has completed his Graduation & Master's degree in Economics. Mr. Md. Abdul Quddus is a very successful & prominent banker in his professional life. He served Rupali Bank Limited, IFIC Bank Limited, The City Bank Limited, First Security Islami Bank Limited & NRB Global Bank Limited for more than 38 years in different posts & positions. He was the founder Managing Director of NRB Global Bank Limited. He has played the role as CEO of First

Security Islami Bank Foundation. This successful banker traveled many countries for attending seminar, training and conference in his bright professional life. Currently he is the Chairman of Risk Management Committee and a member Audit Committee of the Board of Directors of Union Bank Limited.

Md. Abdus Salam FCA

Independent Director

Mr. Md. Abdus Salam FCA was born on 1st December 1956 in a noble muslim family. He completed his M. Com and B. Com (Hon's) in Accounting from University of Dhaka. He is also a Fellow of Chartered Accountants from the Institute of Chartered Accountants of Bangladesh. Mr. Salam is a distinguished person having the high moral value with the knowledge of financial laws, regulatory requirements and corporate law. He has vast experience in the field of Banking. Prior to appointment as Independent Director in Union Bank Limited he was a consultant in NRB Global Bank Limited and an Advisor in First Security Islami Bank Limited. He played the key role as the Managing Director in both Janata Bank Limited and Bangladesh Krishi Bank. Before that, he also served successfully in Agrani Bank Limited, Karmasangsthan Bank and Sonali Bank Limited holding different positions for more than 28 years. This successful banker traveled many countries for attending seminar, training and conference in his bright professional life. He has publications on different issues regarding Banking sector. Beside these, Mr. Salam has played different roles in different companies/organization holding different positions like Chairman, Director, Member and Treasurer.

h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank;

Neither the Company nor any of its directors or shareholders who hold 10% or more shares in the paid-up capital of the Issuer is loan defaulter in terms of the CIB Report of Bangladesh Bank.

- i) Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included;

Name	Position	Educational Qualification	Age	Joining Date	Previous Employment	Overall Experience	Salary (FY19-20)
Mr. A.B.M Mokammel Hoque Chowdhury	Managing Director	MBA	49 Yrs.	08/05/2013	FSIBL	19	96,00,000
Mr. Md. Ruhul Amin	CFO & Head of FAD	M.Com	49 Yrs.	01/04/2013	FSIBL	22	31,02,720
Mr. Ali Hossain Bhuiyan	Company Secretary	MA	38 Yrs.	04/04/2013	FSIBL	11	22,63,020
Mr.Md. Mainul Islam Chowdhury	Head of HRD & GSD	M.COM	59	01/10/2014	UCB	35	46,24,524
Mr. Md. Azadur Rahman	Head of IAD& IMRD	MA	59 Yrs.	10/02/2016	Janata Bank	34	32,13,672
Mr. Abdul Kader	Head of IRMD	MA	43	03/04/2013	FSIBL	18	34,12,188
Mr. Saiful Momin	Head of ICT	MBA, IBA	52	13/12/2017	IFIC	24	43,57,284
Mr. Gazi Mahmud Hasan	Head of Int.D	MBA	53 Yrs.	01/02/2017	IFIC	24	30,92,880
Mr. Mansoor Ahmed	Head of BOCD & BDD	MSS	49	01/08/2013	PBL, ICB Islamic Bank	22	30,65,856
Mr. Badiul Alam	Head of IC & CD	MBA	53	15/02/2018	Dhaka Bank	23	26,36,028
Mr. Muhammad Didarul Alam	Head of Treasury	MBA	46	29/05/2013	Exim Bank	22	35,73,624
Mr. Rafiqul Islam	Head of RMG & TFD	MBA	50	11/06/2013	IBBL	21	30,65,376
Mr. Mohammad Salah Uddin, ACS	Head of RMD	M.Com	40 Yrs.	03/10/2017	Exim Bank	13	18,32,772
Mr. Md. Shahriar Rauf	Head of CABD	MBA	38 Yrs.	06/05/2013	FSIBL	15	26,08,236
Mr. Abdul Maleque	Head of AML & CFT	MBA	47	10/10/2018	Southeast Bank	18	15,97,584
Mr. Md Hedayet Ullah	Head of Training Institute	MBA	44	08/05/2014	IBBL	18	24,99,984
Mr. A. K. M. Zahiruddin Iqbal Chowdhury	Head of PRD	MSS	46 Yrs.	23/06/2016	Jamuna Bank	17	24,47,784

- j) **Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed;**

There are no key management personnel especially not in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum.

Name	Joining Date	Current Position	Past Position
A.B.M Mokammel Hoque Chowdhury	06/04/2020	Managing Director	Additional Managing Director
Md. Habibur Rahman	08/02/2021	Additional Managing Director	-
Mr. Md. Nazrul Islam	01/02/2018	Deputy Managing Director	-

- k) **A profile of the sponsors including their names, father’s names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position;**

Name	Father’s Name	Age	Residential Address	Educational qualification	Experience	Past-Position/Post	Present-Position/Post	Holding in Other Venture
Unique Investment & Securities Ltd. Represented by Mr. Ahsanul Alam	N/A	N/A	N/A	N/A	N/A	Sponsor	Chairman	N/A
Reliable Entrepreneurs Ltd. Represented by Mr. Mollah Fazle Akbar	N/A	N/A	N/A	N/A	N/A	Shareholder	Vice Chairman	N/A
Mr. Shahidul Alam	Late Mozaherul Anowar	65 Yrs	57/A, Road No: 01, Shugandga R/A, Chattogram	Diploma (Mechanical Engineering)	43 Yrs.	Director	Sponsor	01. Tazin Enterprise 02. Galco Steel (Bangladesh) Ltd. 03. Sonali Traders 04. Prasad Paradise Resorts Ltd. 05. S. Alam Vegetable Oil Ltd.

Name	Father's Name	Age	Residential Address	Educational qualification	Experience	Past-Position/Post	Present-Position/Post	Holding in Other Venture
Mr. Hussain Muhammad Ershad	Late Mokbul Hossain	N/A <small>Deceased</small>	President Park, 10, Dutabash Road, Baridhara, Dhaka	Honors	N/A	Director	Sponsor	01. Podagonj Cold Storage Ltd.
Ms. Farzana Parveen	Mohammad Sekender Meah	49 Yrs	57/A, Road No: 01, Shugandga R/A, Chattogram	B.A	26 Yrs	Sponsor	Sponsor	01. Rangdhanu Media Ltd. 02. Dewan Assets Ltd. 03. First Security Islami Capital & Investment Ltd. 04. Reliance Brokerage Services Ltd. 05. S. Alam Vegetable Oil Ltd. 06. Prasad Paradise Resorts Ltd. 07. S. Alam Power Plant Ltd. 08. S. Alam Properties Ltd. 09. Sonali Cargo Logistics Ltd. 10. Norinco Engineering Ltd. 11. Affinity Assets Ltd. 12. Wesco Limited 13. Noor Islamic Holdings Ltd. 14. S. Alam Steels Ltd. 15. Reliance Finance Ltd. 16. Ekushey Television Ltd. 17. Padma Islami Life Insurance Ltd. 18. Fairy Trade International 19. S. Alam cold Rolled Steels Ltd.
Ms. Marzina Sharmin	Mohammad Abdul Jobbar	38 Yrs	House#51, Road#4, Hillview R/A, O.R. Nizam	BBA	24 Yrs	Sponsor	Director	01. Unique Investment & Securities Ltd. 02. Times Securities Ltd.

Name	Father's Name	Age	Residential Address	Educational qualification	Experience	Past-Position/Post	Present-Position/Post	Holding in Other Venture
			Road, Chattogram					03. Kingston Flour Mills Ltd. 04. M/S. Marzina Trading 05. Infinite CR Strips Industries Ltd.
Mr. Belal Ahmed	Md. Hanif Chowdhury	42 Yrs	House#7, Road#2, Khulsi R/A, Chattogram	Honors	20 Yrs	Director	Sponsor	01. Social Islami Bank Ltd. 02. M/S. Unitex 03. Unitex Spinning Ltd. 04. Unitex Composite Mills Ltd. 05. Unitex LP Gas Ltd. 06. Unitex Petroleum Ltd. 07. Unitex Cement Ltd. 08. Unitex Steel Mills Ltd. 09. Padma Wears Ltd.
Lion Securities & Investment Ltd. Represented by Ms. Halima Begum	N/A	N/A	N/A	N/A	N/A	Sponsor	Director	N/A
C&A Fabrics Ltd. Represented by Mr. Mohammad Fazlay Morshed	N/A	N/A	N/A	N/A	N/A	Sponsor	Director	N/A
Ms. Shahana Ferdous	Late Mohammad Ferdousul Kabir	45 Yrs	840/981, North Agrabad, Muhuripara, Chattogram	BSc	31 Yrs	Director	Sponsor	01. M/S. Shahnaz Trading 02. S. Alam Super Edible Oil Ltd. 03. Galco Steels (BD) Ltd.
C&A Accessories Ltd.	N/A	N/A	N/A	N/A	N/A	Director	Sponsor	N/A
Mr. Morsalin Islam Shouradip	Md. Khairul Islam	37 Yrs	152, Gawair (Madrasah Road), Ashkona, Dakkin Khan, Uttara, Dhaka	Honors	11 Yrs	Director	Sponsor	01. Meghomala International Ltd. 02. Meghomala Estates Ltd. 03. Meghomala Mega Shop Ltd.
Western Designers Ltd. Represented by Mr. Md. Rashedul Alam	N/A	N/A	N/A	N/A	N/A	Sponsor	Director	N/A

Name	Father's Name	Age	Residential Address	Educational qualification	Experience	Past-Position/Post	Present-Position/Post	Holding in Other Venture
Ocean Resorts Ltd. Represented by Mr. Showkat Hossain, FCA	N/A	N/A	N/A	N/A	N/A	Sponsor	Director	N/A
Ms. Farzana Begum	Haji Abul Kashem	40 Yrs	Esack Mansion, South Halishahar (Saltgola), Bandar, Chattogram	B.A	20 Yrs	Sponsor	Director	01. M/S. Farzana Trading Enterprise 02. Shah Amanat Prakritik Gas Co. Ltd. 03. Global Trading Corporation 04. Infinite CR Strips Industries Ltd.
Mr. Arif Ahmed	Ali Ahmed	38 Yrs	House#209, Road#9, Block-B, Chandgaon R/A, Chattogram	BBA MSc	20 Yrs	Director	Sponsor	01. M/S. Arif Enterprise 02. Sparrow Textiles Ltd. 03. Baraka Farm House Ltd.
Mr. Mohammad Mostan Billah Adil	Md. Mohiuddin Chowdhury	37 Yrs	2233, Summer Hill R/A, Christian Cemetry Road, Bibirhat Poschimpara, Chattogram	BBA	19 Yrs	Director	Sponsor	01. M/S. Mostan Billah Adil 02. Sparrow Spinning Ltd. 03. Infinia Spinning Mills Ltd.
Mr. Ashik Ahmed	Ziauddin Ahmed	42 Yrs	House#8, Road#124, Gulshan-1, Dhaka	MBA	30 Yrs	Director	Sponsor	01. Ashik Trading 02. First Communications Ltd.
Ms. Mehe Zebunnesa Rahman	Late Asadur Rahman	48 Yrs	Sheen Abey, Flat# A4, House# 13, Road# 10, Sector# 04, Uttara, Dhaka	PhD	15 Yrs	Director	Sponsor	01. North South University
Mr. Ziauddin Ahmed	Late Dr. Abul Kashem Chowdhury	66 Yrs	House#8, Road#124, Gulshan-1, Dhaka	M.A & LLB	27 Yrs	Director	Shareholder	01. Ashik Garments Ltd. 02. First Communications Ltd. 03. KN-Harbor Consortium

- l) **If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.**

All the present directors are the sponsor and control of the issuer from the very beginning except Mr. Mollah Fazle Akbar representative of Reliable Entrepreneurs Ltd.

- m) **If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/managed;**

The sponsors or directors are highly experienced to carry out this line of business as per Banking Companies Act, 1991.

- n) **Interest of the key management persons;**

There is no other interest with the key management persons except remuneration/salary received by them.

- o) **All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary;**

There is no interest and facilities enjoyed by directors except the ones that are described in the executive compensation section of this prospectus.

- p) **Number of shares held and percentage of shareholding (pre-issue);**

Sl.	Name	Position	Total	Pre IPO %
1	Ahsanul Alam representative of Unique Investment & Securities Ltd.	Chairman	52,236,800	9.35%
2	Mollah Fazle Akbar representative of Reliable Entrepreneurs Ltd.	Vice-Chairman	19,853,280	3.55%
3	Marzina Sharmin	Director	27,424,320	4.91%
4	Halima Begum representative of Lion Securities & Investment Ltd.	Director	44,736,800	8.00%
5	Mohammad Fazlay Morshed representative of C&A Fabrics Ltd.	Director	19,906,240	3.56%
6	Rashedul Alam representative of Western Designer Ltd.	Director	20,816,365	3.72%
7	Showkat Hossain, FCA representative of Ocean Resorts Ltd.	Director	27,424,320	4.91%
8	Farzana Begum	Director	28,273,168	5.06%
9	Md. Abdul Quddus	Independent Director	-	-
10	Md. Abdus Salam FCA	Independent Director	-	-
11	A.B.M Mokammel Hoque Chowdhury	Managing Director	-	-
Total			240,671,293	43.06%

q) Change in board of directors during last three years;

SL. No.	Name of Director	Position	Date of Changes	Remark
1	Mr. Shahidul Alam	Director	21-04-2018	Retired & Reappointed
2	Mr. Hussain Muhammad Ershad	Director	21-04-2018	Retired & Reappointed
3	Ms. Marzina Sharmin	Director	21-04-2018	Retired & Reappointed
4	Mr. Shahedul Huq	Director	21-04-2018	Retired & Reappointed
5	Mr. Showkat Hossain FCA	Director	21-04-2018	Retired & Reappointed
6	Ms. Farzana Begum	Director	21-04-2018	Retired & Reappointed
7	Mr. Rashedul Alam	Director	22-12-2018	Retired & Reappointed
8	Mr. Ziauddin Ahmed	Director	22-12-2018	Retired & Reappointed
9	Ms. Mehe Zebunnesa Rahman	Director	22-12-2018	Retired & Reappointed
10	Mr. Mohammad Fazlay Morshed	Director	22-12-2018	Retired & Reappointed
11	Mr. Mohammad Monzoor Alam Seth	Director	22-12-2018	Retired & Reappointed
12	Mr. Hussain Muhammad Ershad	Director	14-07-2019	Deceased
13	Mr. Shahedul Huq	Director	28-07-2019	Ceased of Directorship & continue as Shareholder.
14	Mr. Ziauddin Ahmed	Director	28-07-2019	Ceased of Directorship & continue as Shareholder.
15	Ms. Mehe Zebunnesa Rahman	Director	28-07-2019	Ceased of Directorship & continue as Shareholder.
16	Mr. Mohammad Monzoor Alam Seth	Director	03-03-2019	Withdraw from Director
17	Ms. Marzina Sharmin	Director	23-12-2019	Retired & Reappointed
18	Ms. Farzana Begum	Director	23-12-2019	Retired & Reappointed
19	Mr. Showkat Hossain, FCA	Director	23-12-2019	Retired & Reappointed
20	Ms. Sarwar Jahan Maleque	Director	23-12-2019	Retired & Reappointed
21	Mr. Md. Abdul Quddus	Independent Director	29-12-2019	Re-appointment as Independent Director
22	Mr. Md. Enayet Ullah, FCA	Independent Director	29-12-2019	Re-appointment as Independent Director
23	Mr. Shahidul Alam	Chairman	16-03-2020	Retired From Chairman & continue as Shareholder.
24	Mr. Ahsanul Alam	Chairman	16-03-2020	Appointed as Chairman
25	Mr. Mollah Fazle Akbar	Vice-Chairman	16-03-2020	Appointed as Vice-Chairman BB Approved on 07.06.2020
26	Mr. Omar Farooque	Managing Director	16-03-2020	Retired form Managing Director on 05.04.2020
27	Mr. A.B.M Mokammel Hoque Chowdhury	Managing Director	16-03-2020	Appointed as Managing Director on 06.04.2020
28	Mr. Md. Enayet Ullah, FCA	Independent Director	26-07-2020	Deceased
29	Mr. Rahedul Alam	Director	29-12-2020	Retired & Reappointed
30	Ms. Farzana Begum	Director	29-12-2020	Retired & Reappointed
31	Mr. Mohammad Fazlay Morshed	Director	29-12-2020	Retired & Reappointed

r) Director’s engagement with similar business

None of the directors of Union Bank is engaged with similar business.

SECTION - IX

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

- a) The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely: -
- i. Any director or sponsor or executive officer of the issuer;
 - ii. Any person holding 5% or more of the outstanding shares of the issuer;
 - iii. Any related party or connected person of any of the above persons;

Auditor Certificate

After due verification, we certify that the transactions with line the related Party of Union Bank Limited for the year ended December 31, 2016, 2017, 2018, 2019, 2020 of

- a) Any director or sponsor or executive officer of the issuer;
- b) Any person holding 5% or more of the outstanding share of the issuer;
- c) Any related party or connected person of any of the above persons;

Except the transaction described in the following table:

For the year ended 2016

Representing Director	Nature of interest of Director of the organization/property	Nature of relationship	Total value taka
Reliance Finance Ltd.	Mudaraba Term Deposits	Common Director	2,988,517,919
Times Securities Ltd.	Investment of share	Common Director	32,456,809

For the year ended 2017

Representing Director	Nature of interest of Director of the organization/property	Nature of relationship	Total value taka
Reliance Finance Ltd.	Mudaraba Term Deposits	Common Director	3,273,887,421
Times Securities Ltd.	Investment of share	Common Director	34,525,024

For the year ended 2018

Representing Director	Nature of interest of Director of the organization/property	Nature of relationship	Total value taka
Times Securities Ltd.	Trading of share (Investment of share)	Common Director	43,903,913

For the year ended 2019

Representing Director	Nature of interest of Director of the organization/property	Nature of relationship	Total value taka
Times Securities Ltd.	Trading of share (Investment of share)	Common Director	44,062,131

For the year ended 2020

Representing Director	Nature of interest of Director of the organization/property	Nature of relationship	Total value taka
Times Securities Ltd.	Trading of share (Investment of share)	Common Director	44,081,408

Place: Dhaka
 Date: 06 June 2021

Sd/-
K. M. HASAN & CO.
 Chartered Accountants

- b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;**

There is no such transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus.

- c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.**

There are no such loans taken or given from or to any director or any person connected with the director of the company.

SECTION - X

EXECUTIVE COMPENSATION

- a) **The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer;**

SL No.	Name	Designation	Remuneration
1*	Mr. A.B.M Mokammel Hoque Chowdhury	MD	1,15,71,418.00
2	Mr. Hasan Iqbal	DMD-1	59,64,000.00
3	Mr. Md. Nazrul Islam	DMD-2	57,40,000.00
4	Mr. Md. Mainul Islam Chowdhury	EVP	55,83,133.00
5	Mr. Saiful Momin	SVP	52,18,566.00

* Mr. A.B.M Mokammel Hoque Chowdhury has been appointed as Managing Director on April 06, 2020.

- b) **Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:**

Sl.	Particular	Nature of Payments	Amount (in Taka) for the year ended 31.12.2020
1	Directors	Board Meeting attendance fee	11,13,200.00
2	Officers (Excluding MD)	Salary and Allowances	140,72,36,899.00
3	Officers (Including MD)	Salary and Allowances	141,94,84,849.00

- c) **If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year;**

None of the shareholder directors have received any benefits other than meeting attendance fees, TA & DA and dividend as approved and declared by the Board of Directors and AGM from time to time.

- d) **The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM;**

The Board of Directors of Union Bank Ltd. is entitled BDT 8,000 as Board Meeting fee for attending each Board Meeting as per BRPD Circular Letter #11 dated October 04, 2015. However, Managing Director is a salaried employee of the bank and is not entitled to get Board Meeting attendance fees.

- e) **Any contract with any director or officer providing for the payment of future compensation;**

There is no available contract between the company and any director or officer to provide any future compensation to be made to them.

- f) **If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto;**

Union Bank Ltd. has no plan for substantially increasing remuneration to its directors and/or officers except for those that are paid as annual increment to their salaries.

- g) **Any other benefit or facility provided to the above persons during the last accounting year.**

The company has not provided any other benefit or facility to the above persons during the last accounting year.

SECTION - XI

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

Union Bank Limited did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

SECTION - XII

**TRANSACTION WITH THE DIRECTORS
AND SUBSCRIBERS TO THE
MEMORANDUM**

- a) **The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;**

The directors and subscriber to the memorandum have not received any benefit except meeting attendance fees as per directive of Bangladesh Bank:

Name	Nature of Relationship	Nature of Transaction	Value of Transaction (BDT)				
			2020	2019	2018	2017	2016
Ahsanul Alam	Chairman	Board Meeting Fee	56,000	80,000	80,000	64,000	1,12,000
Mollah Fazle Akbar	Vice Chairman	Board Meeting Fee	48,000	N/A	N/A	N/A	N/A
A.B.M Mokammel Hoque Chowdhury	Managing Director	Board Meeting Fee	N/A	N/A	N/A	N/A	N/A
Marzina Sharmin	Director	Board Meeting Fee	56,000	88,000	80,000	64,000	72,000
Showkat Hossain, FCA	Director	Board Meeting Fee	1,04,000	1,20,000	1,20,000	96,000	1,28,000
Rashedul Alam	Director	Board Meeting Fee	88,000	1,20,000	80,000	64,000	64,000
Farzana Begum	Director	Board Meeting Fee	1,04,000	1,28,000	1,20,000	88,000	80,000
Halima Begum	Director	Board Meeting Fee	80,000	1,20,000	72,000	N/A	N/A
Mohammad Fazlay Morshed	Director	Board Meeting Fee	1,04,000	1,04,000	1,04,000	80,000	N/A
Md. Abdul Quddus	Director	Board Meeting Fee	1,36,000	2,00,000	1,52,000	1,20,000	N/A

- b) **If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.**

No assets were acquired or to be acquired within next two financial years from the aforesaid persons.

SECTION - XIII

OWNERSHIP OF THE COMPANY’S SECURITIES

a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form;

Sl. No.	Name	Address	Position	BO ID No.	TIN	Number of Shares	Pre IPO of Securities in %
1	Unique Investment & Securities Ltd.	Osman Manzil, 950, Asadgonj, Chattogram	Sponsor & Director	1605140063521231	128964194869	52,236,800	9.35%
2	Marzina Sharmin	House No: 51, Road No: 04, Hillview R/A, O.R. Nizam Road, Chattogram	Sponsor & Director	1203470007574902	748852656881	27,424,320	4.91%
3	Lion Securities & Investment Ltd.	ANZ Juvenile Park, Flat: C-5, House No: 23, Road No: 02, Nasirabad Housing Society, Panchlaish, Chattogram	Sponsor & Director	1203350045302011	251922912773	44,736,800	8.00%
4	C&A Fabrics Ltd.	Enam Heights, Flat No: 8A, 14 K.B. Abdus Sattar Road, Rohomotgonj, Chattogram	Sponsor & Director	1203310063604341	721284667996	19,906,240	3.56%

5	Western Designer Ltd.	32/A, Kalurghat BSCIC I/E, Chattogram	Sponsor & Director	1203310063627564	142336279964	20,816,365	3.72%
6	Ocean Resorts Ltd.	2119, Asadgonj, Chattogram	Sponsor & Director	1605140059193154	382741165243	27,424,320	4.91%
7	Farzana Begum	Esack Mansion, South Haliashahar (Saltgola), Bandar, Chattogram	Sponsor & Director	1203470018574401	119329481312	28,273,168	5.06%
8	Reliable Entrepreneurs Ltd.	House: 209, Road: 09, Block:B, Chandgaon Residential Area, Chattogram	Director	1605140062585860	587545122225	19,853,280	3.55%
9	Shahidul Alam	2119, Asadgonj, Chattogram	Sponsor	1203850005192412	251980685442	19,817,584	3.55%

10	Hussain Muhammad Ershad	President Park, 10, Dutabash Rpad, Baridhara, Dhaka	Sponsor	-	-	52,236,800	9.35%
11	Ashik Ahmed	House No.#08, Road No.#124, Gulshan -1, Dhaka	Sponsor	1202120073636097	580774310379	35,259,840	6.31%
12	Farzana Parveen	592/B, Mehedibagh, Chattogram	Sponsor	1203850007450494	572690771242	19,971,040	3.57%
13	Belal Ahmed	House No.#07, Road No.#02, Khulsi Residential Area, Chattogram	Sponsor	1605140073701947	137049811963	26,118,400	4.67%
14	Shahana Ferdous	840/981, North Agrabad, Muhuripara, Chattogram	Sponsor	1203470007450419	649166280905	27,424,320	4.91%
15	C&A Accessories Ltd.	32/A, Kalurghat BSCIC I/E, Chattogram	Sponsor	1203310063604285	553257412727	19,901,683	3.56%

16	Morsalin Islam Shouradip	152, Gawair (madrasal road), Ashkona, Dhakkhin, Uttara, Dhaka	Sponsor	1203490073657326	165941975412	52,236,800	9.35%
17	Arif Ahmed	House: 209, Road: 09, Block: B, Chandgaon Residential Area, Chattogram	Sponsor	1203350073895315	131007917361	27,424,320	4.91%
18	Mohammad Mostan Billah Adil	2233, Summer Hill Residential Are, Christian Centery Road, Bibrhat Poschimpara, Chattogram	Sponsor	1203350073683397	377954317622	26,118,400	4.67%
19	Ms. Mehe Zebunnesa Rahman	Flat No. 45, House No. 13, Road No. 10, Uttara Dhaka	Sponsor	1202120073637637	189900592111	10,447,360	1.87%
20	Ziauddin Ahmed	House No.#08, Road No.#124, Gulshan -1, Dhaka	Shareholder	1202120073639264	155947337347	1,305,920	0.23%

- b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue;

SL	Name of the Director	Address	Age	Experience	BO ID No.	TIN Number	Number of Shares	Pre IPO of Securities (%)	Directorship/Ownership with Other Companies	
									Position	Company Name
1	Ahsanul Alam Representative of Unique Investment & Securities Limited	57/A, Road No: 01, Shugandga R/A, Chattogram	27 Yrs.	15 Yrs.	1605140063521231	128964194869	52,236,800	9.35%	Managing Director	Genesis Textiles Accessories & Apparels Ltd.
									Managing Director	C&A Fabrics Ltd.
									Managing Director	Blythe Ltd.
									Managing Director	Affinity Assets Ltd.
									Managing Director	Wesco Ltd.
									Managing Director	Western Designers Ltd.
									Director	Norinco Engineering Ltd.
									Director	Hasan Abasan (Pvt) Ltd.
	Proprietor	M/s. Genesis Enterprise								
2	Mollah Fazle Akbar Representative of Reliable Entrepreneurs Limited	House No: 109, Mosque Road, Old DOHS, Banani, Dhaka	65 Yrs.	41 Yrs.	1605140062585860	587545122225	19,853,280	3.55%	Not involved in other organization	

SL	Name of the Director	Address	Age	Experience	BO ID No.	TIN Number	Number of Shares	Pre IPO of Securities (%)	Directorship/Ownership with Other Companies	
									Position	Company Name
3	Marzina Sharmin	House No: 51, Road No: 04, Hillview R/A, O.R. Nizam Road, Chattogram	38 Yrs.	15 Yrs.	1203470007574902	748852656881	27,424,320	4.91%	Managing Director	Unique Investment & Securities Ltd.
									Managing Director	Times Securities Limited
									Chairman	Kingston Flour Mills Ltd.
									Proprietor	M/s. Marzina Trading
									Shareholder	Infinite CR Strips Industries Ltd.
4	Showkat Hossain, FCA Representative of Ocean Resorts Ltd	Sanmar Avenue, 3/A, Road No: 06, Khulshi, Chattogram	71 Yrs.	50 Yrs.	1605140059193154	382741165243	27,424,320	4.91%	Senior Partner	M/s. Hoda Vasi Chowdhury & Co. (Chartered Accountants)
5	Rashedul Alam Representative of Western Designer Limited	57/A, Road No: 01, Shugandga R/A, Chattogram	60 Yrs.	35 Yrs.	1203310063627564	142336279964	20,816,365	3.72%	Managing Director	Ocean Resorts Ltd.
									Managing Director	Global Trading Corporation Ltd.
									Director	Bangladesh Petro Chemical Ltd.
									Director	S. Alam Hatchery Ltd.
									Director	S. Alam Properties Ltd.
									Director	Fatehabad Farm Ltd.
									Shareholder	S.Alam Steels Ltd.
									Partner	M/s. Rafi Enterprise
									Partner	M/s. Khorshed Paribahan Sangstha
Proprietor	M/s Rashed Enterprise									

SL	Name of the Director	Address	Age	Experience	BO ID No.	TIN Number	Number of Shares	Pre IPO of Securities (%)	Directorship/Ownership with Other Companies	
									Position	Company Name
6	Farzana Begum	Esack Mansion, South Haliashahar (Saltgola), Bandar, Chattogram	40 Yrs.	15 Yrs.	1203470018574401	119329481312	28,273,168	5.06%	Managing Director	Lion Securities & Investment Ltd.
									Managing Director	Shah Amanat Prakritik Gas Co. Ltd.
									Director	Global Trading Corporation Ltd.
									Director	Infinite CR Strips Industries Ltd.
									Director	Kingston Flour Mills Ltd.
									Proprietor	M/s. Farzana Trading Enterprise
7	Halima Begum Representative of Lion Securities & Investment Limited	ANZ Juvenile Park, Flat: C-5, House No: 23, Road No: 02, Nasirabad Housing Society, Panchlaish, Chattogram	49 Yrs.	14 Yrs.	1203350045302011	251922912773	44,736,800	8.00%	Proprietor	M/s. Halima Trading Enterprise
8	Mohammad Fazlay Morshed Representative of C&A Fabrics Limited	Enam Heights, Flat No: 8A, 14 K.B. Abdus Sattar Road, Rohomotgonj, Chattogram	55 Yrs.	13 Yrs.	1203310063604341	721284667996	19,906,240	3.56%	Managing Director	M.R.M. Trading Ltd.
									Managing Director	Chittagong Logistics Ltd.
									Managing Director	Worth Avenue Steels Ltd.
									Adviser	C & A Fabrics Ltd.

SL	Name of the Director	Address	Age	Experience	BO ID No.	TIN Number	Number of Shares	Pre IPO of Securities (%)	Directorship/Ownership with Other Companies	
									Position	Company Name
9	Md. Abdul Quddus	House No: 50, Flat No: 2/D, Road No: 3/A, Dhanmondi R/A, Dhaka	70 Yrs.	42 Yrs.	-	396127290361	-	-	Not involved in other organization	
10	Md. Abdus Salam FCA	‘Oriental Motif’ House No: 78, Flat No: C5, Dhanmondi R/A, Dhaka	64 Yrs.	37 Yrs.	-	758153737269	-	-	Not involved in other organization	
11	A.B.M Mokammel Hoque Chowdhury	House No: 19, Flat No: 4D, Road No: 08, Block: G, Banani, Dhaka	49 Yrs.	19 Yrs.	-	145482942229	-	-	Not involved in other organization	

c) The average cost of acquisition of equity shares by the directors certified by the auditors;

The average cost of acquisition of equity shares by the directors certified by the auditors

Union Bank Limited has been allotted in face value & in cash and the average cost of acquisition of equity by the directors is Tk. 10.00 each
 Necessary particulars of shareholdings, allotment date and consideration are given below:

Date	Allotment/ transfer	Unique Investment and Securities Ltd. Represented by Ahsanul Alam	Reliable Entrepreneurs Limited, Represented by Mollah Fazle Akbar	Ms. Marzina Sharmin	Western Designer Ltd. Represented by Mr. Rashedul Alam	Ocean Resorts Ltd. Represented by Showkat Hossain, FCA	Ms. Sarwar Jahan Maleque	Ms. Farzana Begum	Lion Securities and Investment Ltd. Represented by Ms. Halima Begum	C&A Fabrics Limited Represented by Mohammad Fazlay Morshed	Consideration	Face Value of Share (Tk.)
		Chairman	Vice Chairman	Director	Director	Director	Director	Director	Director	Director		
7-Mar-13	Allotment	40,000,000	-	21,000,000	-	-	1,000,000	21,650,000	40,000,000	9,500,000	Cash	10.00
6-Sep-14	Transfer	-	-	-	4,940,000	21,000,000	-	-	-	-	Cash	10.00
20-Jun-17	10% Bonus	4,000,000	-	2,100,000	494,000	2,100,000	100,000	2,165,000	4,000,000	950,000	Other Than Cash	10.00
29-Dec-16	Transfer	3,000,000	-	-	-	-	-	-	-	-	Cash	10.00
28-Dec-17	Transfer	(3,000,000)	9,900,000	-	-	-	-	-	-	-	Cash	10.00
18-Oct-18	12% Bonus	5,280,000	1,188,000	2,772,000	652,080	2,772,000	132,000	2,857,800	5,280,000	1,254,000	Other Than Cash	10.00
29-Dec-20	6% Bonus	2,956,800	665,280	1,552,320	365,165	1,552,320	73,920	1,600,368	2,956,800	702,240	Other Than Cash	10.00
Total		52,236,800	11,753,280	27,424,320	6,451,245	27,424,320	1,305,920	28,273,168	52,236,800	12,406,240	Stock	10.00

Place: Dhaka
 Date: 06 June
 2021

Sd/-
Md. Shahidul Islam FCA
 Engagement Partner
K. M. HASAN & CO.
 Chartered Accountants

d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer’s sponsors/ directors. In this connection, a statement to be included:

Name of The Director/Sponsor									
Mr. Shahidul Alam									
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	13,950,000	10	10	13,950,000	3.55%	2.01%	Own Source
20.06.2017 (Bonus)	Stock Dividend		1,395,000	10	10	15,345,000			
18.10.2018 (Bonus)	Stock Dividend		1,841,400	10	10	17,186,400			
29.12.2020 (Bonus)	Stock Dividend		1,031,184	10	10	18,217,584			
30.03.2021 (Transfer)	Cash		1,600,000	10	10	19,817,584			

Name of The Director/Sponsor									
Mr. Hussain Muhammad Ershad									
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	40,000,000	10	10	40,000,000	9.35%	5.29%	Own Source
20.06.2017 (Bonus)	Stock Dividend		4,000,000	10	10	44,000,000			
18.10.2018 (Bonus)	Stock Dividend		5,280,000	10	10	49,280,000			
29.12.2020 (Bonus)	Stock Dividend		2,956,800	10	10	52,236,800			

Name of The Director/Sponsor		Unique Investment & Securities Ltd.							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	40,000,000	10	10	40,000,000	9.35%	5.29%	Own Source
20.06.2017 (Bonus)	Stock Dividend		4,000,000	10	10	44,000,000			
18.10.2018 (Bonus)	Stock Dividend		5,280,000	10	10	49,280,000			
29.12.2020 (Bonus)	Stock Dividend		2,956,800	10	10	52,236,800			

Name of The Director/Sponsor		Mr. Ashik Ahmed							
Nature of Issue	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	28,000,000	10	10	28,000,000	6.31%	3.57%	Own Source
30.11.2016 (Transfer)	Gift		-1,000,000	10	10	27,000,000			
20.06.2017 (Bonus)	Stock Dividend		2,700,000	10	10	29,700,000			
18.10.2018 (Bonus)	Stock Dividend		3,564,000	10	10	33,264,000			
29.12.2020 (Bonus)	Stock Dividend		1,995,840	10	10	35,259,840			

Name of The Director/Sponsor									
Ms. Farzana Parveen									
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	7,000,000	10	10	7,000,000	3.57%	2.02%	Own Source
20.06.2017 (Bonus)	Stock Dividend		700,000	10	10	7,700,000			
11.10.2017 (Transfer)	Cash		3,300,000	10	10	11,000,000			
18.10.2018 (Bonus)	Stock Dividend		1,320,000	10	10	12,320,000			
25.09.2019 (Transfer)	Cash		1,232,000	10	10	13,552,000			
19.11.2020 (Transfer)	Cash		1,232,000	10	10	14,784,000			
29.12.2020 (Bonus)	Stock Dividend		887,040	10	10	15,671,040			
30.03.2021 (Transfer)	Cash		4,300,000	10	10	19,971,040			

Name of The Director/Sponsor									
Ms. Marzina Sharmin									
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	21,000,000	10	10	21,000,000	4.91%	2.78%	Own Source
20.06.2017 (Bonus)	Stock Dividend		2,100,000	10	10	23,100,000			
18.10.2018 (Bonus)	Stock Dividend		2,772,000	10	10	25,872,000			
29.12.2020 (Bonus)	Stock Dividend		1,552,320	10	10	27,424,320			

Name of The Director/Sponsor		Mr. Belal Ahmed							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	20,000,000	10	10	20,000,000	4.67%	2.65%	Own Source
20.06.2017 (Bonus)	Stock Dividend		2,000,000	10	10	22,000,000			
18.10.2018 (Bonus)	Stock Dividend		2,640,000	10	10	24,640,000			
29.12.2020 (Bonus)	Stock Dividend		1,478,400	10	10	26,118,400			

Name of The Director/Sponsor		Mr. Mortuza Siddique Chowdhury							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	16,000,000	10	10	16,000,000	0.00%	0.00%	Own Source
20.06.2017 (Bonus)	Stock Dividend		1,600,000	10	10	17,600,000			
18.10.2018 (Bonus)	Stock Dividend		2,112,000	10	10	19,712,000			
29.12.2020 (Bonus)	Stock Dividend		1,182,720	10	10	20,894,720			
30.03.2021 (Transfer)	Cash		-20,894,720	10	10	0			

Name of The Director/Sponsor		Lion Securities & Investment Ltd.							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	40,000,000	10	10	40,000,000	8.00%	4.53%	Own Source
20.06.2017 (Bonus)	Stock Dividend		4,000,000	10	10	44,000,000			
18.10.2018 (Bonus)	Stock Dividend		5,280,000	10	10	49,280,000			
29.12.2020 (Bonus)	Stock Dividend		2,956,800	10	10	52,236,800			
30.03.2021 (Transfer)	Cash		-7,500,000	10	10	44,736,800			

Name of The Director/Sponsor		Mr. Md. Arshed							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	10,000,000	10	10	10,000,000	0.00%	0.00%	Own Source
20.06.2017 (Bonus)	Stock Dividend		1,000,000	10	10	11,000,000			
18.10.2018 (Bonus)	Stock Dividend		1,320,000	10	10	12,320,000			
29.12.2020 (Bonus)	Stock Dividend		739,200	10	10	13,059,200			
30.03.2021 (Transfer)	Cash		-13,059,200	10	10	0			

Name of The Director/Sponsor		C&A Fabrics Ltd.							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	9,500,000	10	10	9,500,000	3.56%	2.02%	Own Source
20.06.2017 (Bonus)	Stock Dividend		950,000	10	10	10,450,000			
18.10.2018 (Bonus)	Stock Dividend		1,254,000	10	10	11,704,000			
29.12.2020 (Bonus)	Stock Dividend		702,240	10	10	12,406,240			
30.03.2021 (Transfer)	Cash		7,500,000	10	10	19,906,240			

Name of The Director/Sponsor		Crystal Bridge (Pvt.) Ltd							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	1,000,000	10	10	1,000,000	0.00%	0.00%	Own Source
20.06.2017 (Bonus)	Stock Dividend		100,000	10	10	1,100,000			
18.10.2018 (Bonus)	Stock Dividend		132,000	10	10	1,232,000			
25.09.2019 (Transfer)	Cash		-1,232,000	10	10	0			

Name of The Director/Sponsor		Ms. Shahana Ferdous							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	21,000,000	10	10	21,000,000	4.91%	2.78%	Own Source
20.06.2017 (Bonus)	Stock Dividend		2,100,000	10	10	23,100,000			
18.10.2018 (Bonus)	Stock Dividend		2,772,000	10	10	25,872,000			
29.12.2020 (Bonus)	Stock Dividend		1,552,320	10	10	27,424,320			

Name of The Director/Sponsor		C&A Accessories Ltd.							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	9,960,000	10	10	9,960,000	3.56%	2.02%	Own Source
20.06.2017 (Bonus)	Stock Dividend		996,000	10	10	10,956,000			
18.10.2018 (Bonus)	Stock Dividend		1,314,720	10	10	12,270,720			
29.12.2020 (Bonus)	Stock Dividend		736,243	10	10	13,006,963			
30.03.2021 (Transfer)	Cash		6,894,720	10	10	19,901,683			

Name of The Director/Sponsor		Mr. Morsalin Islam Shouradip							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	40,000,000	10	10	40,000,000	9.35%	5.29%	Own Source
20.06.2017 (Bonus)	Stock Dividend		4,000,000	10	10	44,000,000			
18.10.2018 (Bonus)	Stock Dividend		5,280,000	10	10	49,280,000			
29.12.2020 (Bonus)	Stock Dividend		2,956,800	10	10	52,236,800			

Name of The Director/Sponsor		Western Designer Ltd.							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	4,940,000	10	10	4,940,000	3.72%	2.11%	Own Source
20.06.2017 (Bonus)	Stock Dividend		494,000	10	10	5,434,000			
18.10.2018 (Bonus)	Stock Dividend		652,080	10	10	6,086,080			
29.12.2020 (Bonus)	Stock Dividend		365,165	10	10	6,451,245			
30.03.2021 (Transfer)	Cash		14,365,120	10	10	20,816,365			

Name of The Director/Sponsor		Ocean Resorts Ltd.							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	21,000,000	10	10	21,000,000	4.91%	2.78%	Own Source
20.06.2017 (Bonus)	Stock Dividend		2,100,000	10	10	23,100,000			
18.10.2018 (Bonus)	Stock Dividend		2,772,000	10	10	25,872,000			
29.12.2020 (Bonus)	Stock Dividend		1,552,320	10	10	27,424,320			

Name of The Director/Sponsor		Mr. Ahsanul Alam							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	3,000,000	10	10	3,000,000	0.00%	0.00%	Own Source
20.06.2017 (Bonus)	Stock Dividend		300,000	10	10	3,300,000			
11.10.2017 (Transfer)	Cash		-3,300,000	10	10	0			

Name of The Director/Sponsor		Mr. Arif Ahmed							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	21,000,000	10	10	21,000,000	4.91%	2.78%	Own Source
20.06.2017 (Bonus)	Stock Dividend		2,100,000	10	10	23,100,000			
18.10.2018 (Bonus)	Stock Dividend		2,772,000	10	10	25,872,000			
29.12.2020 (Bonus)	Stock Dividend		1,552,320	10	10	27,424,320			

Name of The Director/Sponsor		Mr. Mohammad Mostan Billah Adil							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	20,000,000	10	10	20,000,000	4.67%	2.65%	Own Source
20.06.2017 (Bonus)	Stock Dividend		2,000,000	10	10	22,000,000			
18.10.2018 (Bonus)	Stock Dividend		2,640,000	10	10	24,640,000			
29.12.2020 (Bonus)	Stock Dividend		1,478,400	10	10	26,118,400			

Name of The Director/Sponsor		Ms. Sarwar Jahan Maleque							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	1,000,000	10	10	1,000,000	0.00%	0.00%	Own Source
20.06.2017 (Bonus)	Stock Dividend		100,000	10	10	1,100,000			
18.10.2018 (Bonus)	Stock Dividend		132,000	10	10	1,232,000			
29.12.2020 (Bonus)	Stock Dividend		73,920	10	10	1,305,920			
30.03.2021 (Transfer)	Cash		-1,305,920	10	10	0			

Name of The Director/Sponsor		Mr. Chowdhury Mohammed Hanif Shoeb							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	1,000,000	10	10	1,000,000	0.00%	0.00%	Own Source
20.06.2017 (Bonus)	Stock Dividend		100,000	10	10	1,100,000			
18.10.2018 (Bonus)	Stock Dividend		132,000	10	10	1,232,000			
19.11.2020 (Transfer)	Cash		-1,232,000	10	10	0			

Name of The Director/Sponsor		Mr. S. M. Anowar Sadat							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	8,000,000	10	10	8,000,000	0.00%	0.00%	Own Source
20.06.2017 (Bonus)	Stock Dividend		800,000	10	10	8,800,000			
20.06.2017 (Transfer)	Cash		-8,800,000	10	10	0			

Name of The Director/Sponsor		Mr. Mohammed Abdul Salam							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	1,000,000	10	10	1,000,000	0.00%	0.00%	Own Source
20.06.2017 (Bonus)	Stock Dividend		100,000	10	10	1,100,000			
20.06.2017 (Transfer)	Cash		-1,100,000	10	10	0			

Name of The Director/Sponsor		Ms. Farzana Begum							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	21,650,000	10	10	21,650,000	5.06%	2.86%	Own Source
20.06.2017 (Bonus)	Stock Dividend		2,165,000	10	10	23,815,000			
18.10.2018 (Bonus)	Stock Dividend		2,857,800	10	10	26,672,800			
29.12.2020 (Bonus)	Stock Dividend		1,600,368	10	10	28,273,168			

Name of The Director/Sponsor		Ms. Mehe Zebunnesa Rahman							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
07.03.2013 (Incorporation)	Cash	Ordinary Shares	8,000,000	10	10	8,000,000	1.87%	1.06%	Own Source
20.06.2017 (Bonus)	Stock Dividend		800,000	10	10	8,800,000			
18.10.2018 (Bonus)	Stock Dividend		1,056,000	10	10	9,856,000			
29.12.2020 (Bonus)	Stock Dividend		591,360	10	10	10,447,360			

Name of The Director/Sponsor		Ziauddin Ahmed							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
30.11.2016 (Transfer)	Gift	Ordinary Shares	1,000,000	10	10	1,000,000	0.23%	0.13%	Own Source
20.06.2017 (Bonus)	Stock Dividend		100,000	10	10	1,100,000			
18.10.2018 (Bonus)	Stock Dividend		132,000	10	10	1,232,000			
29.12.2020 (Bonus)	Stock Dividend		73,920	10	10	1,305,920			

Name of The Director/Sponsor		Reliable Entrepreneurs Ltd.							
Allotment date	Consideration	Nature of Issue	No. of Shares	Face value	Issue Price	Cumulative Total Shares	% of Pre-Issue Paid up Capital	% of Post Issue Paid up Capital	Source of Fund
20.06.2017 (Transfer)	Cash	Ordinary Shares	9,900,000	10	10	9,900,000	3.55%	2.01%	Own Source
18.10.2018 (Bonus)	Stock Dividend		1,188,000	10	10	11,088,000			
29.12.2020 (Bonus)	Stock Dividend		665,280	10	10	11,753,280			
30.03.2021 (Transfer)	Cash		8,100,000	10	10	19,853,280			

* Independent Directors do not hold any share of the company.

e) Detail of shares issued by the company at a price lower than the issue price:

All the shares are issued by the Company at face value of Tk. 10 before this issue.

f) History of significant (5% or more) changes in ownership of securities from inception:

There has not been any significant change of ownership (5% or more) at any point of time.

SECTION - XIV

CORPORATE GOVERNANCE

- a) **A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission;**

**MANAGEMENT DISCLOSURE REGARDING COMPLIANCE WITH THE
REQUIREMENTS OF CORPORATE GOVERNANCE CODE OF BANGLADESH
SECURITIES AND EXCHANGE COMMISSION**

The Company declares that it is in compliance with the requirements of the applicable regulations of Corporate Governance Code of Bangladesh Securities and Exchange Commission in respect of corporate governance including the constitution of the Board and committees thereof.

Sd/-

A.B.M Mokammel Hoque Chowdhury

Managing Director

Union Bank Limited

Date: April 29, 2021

- b) A compliance report of Corporate Governance requirements certified by competent authority;

**Report to the Shareholders of
Union Bank Limited
On
Compliance on the Corporate Governance Code
For the year ended on December 31, 2020**

We have examined the compliance status to the Corporate Governance Code by **Union Bank Limited** for the year ended as on **December 31, 2020**. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated, June-3, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Firm's Name : Rahman Mostafa Alam & Co.,
Chartered Accountants

Signature : Sd/-

Auditor's Name : Md. Anwaruzzaman FCA, Enroll No.: 1268

Date : June 23, 2021

Place : Dhaka

DVC : 2106231268OC774128

Compliance Status of BSEC Guidelines for Corporate Governance
 [(As per condition No. 1(5) (xxvii)]

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission (BSEC) per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3-June-2018 (Issued under Section 2CC of the Securities and Exchange Ordinance, 1969)

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the board of directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	\checkmark		
1(2)	Independent Directors			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);		\checkmark	Additional 1 (one) Independent director will be appointed in next AGM
1(2)(b)(i)	Independent director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	\checkmark		Does not hold any share in the company.
1(2)(b)(ii)	The independent director is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	\checkmark		
1(2)(b)(iii)	The independent director has not been an executive of the company in immediately preceding 2 (two) financial years	\checkmark		
1(2)(b)(iv)	The independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	\checkmark		
1(2)(b)(v)	Independent Director is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	\checkmark		

1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1(2)(b)(vii)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude	√		
1(2)(c)	(c) The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;		√	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only	√		
1.3	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association			Not Applicable
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company			Not Applicable
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale,	√		

	who has at least educational background of bachelor degree in economics or commerce or business or Law			
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law			Not Applicable
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification			Not Applicable
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			No such incident
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		Roles and responsibility as per Bangladesh Bank guidelines.
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes			No such incident
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			

1(5)(i)	An industry outlook and possible future developments in the industry	√		
1(5)(ii)	The segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable			Not Applicable
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)			Not Applicable
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			Not Applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not Applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements			Not Applicable
1(5)(x)	A statement of remuneration paid to the directors including independent directors	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress			Not Applicable

1(5)(xvii)	A statement that there is no significant doubt upon the issuer company’s ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		
1(5)(xviii)	An explanation that significant deviations from the last year’s operating results of the issuer company shall be highlighted and the reasons thereof shall be explained			Not Applicable
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			Not applicable (12% Cash Dividend declared)
1(5)(xxi)	Board’s statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			Not Applicable
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)			Not Applicable
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		
1(5)(xxiii)(c)	Executives top 5 (five) Salaried employees of the company , other than Directors , Chief Executive Officer , Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders			
1(5)(xxiv)(a)	a brief resume of the director	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board	√		
1(5)(xxv)	A Management’s Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company’s position and operations along with a brief discussion of			

	changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes			Not Applicable
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the global.	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	√		
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company			NRC is not comply by as per BRPD circular no.: BRPD (R-1)717/202

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1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency			"
2	Governance of Board of Directors of Subsidiary Company.			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company			Not Applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company			Not Applicable
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			Not Applicable
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		

3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	√		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4	Board of Directors' Committee			
	For ensuring good governance in the company, the Board shall have at least following sub-committees			
4(i)	Audit Committee;	√		
4(ii)	Nomination and Remuneration Committee			NRC is not comply by as per BRPD circular no.: BRPD (R-1)717/2021-5064 Dated:

				June 16, 2021
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5(2)	(2) Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	√		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			No such incident
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director		√	Complied on April 29, 2021
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required			No such incident

	under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes			
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM	√		
5(4)	Meeting of the Audit Committee			
	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	√		
5(5)	Role of Audit Committee			
	The Audit Committee shall:			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	monitor choice of accounting policies and principles	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5(5)(d)	oversee hiring and performance of external auditor	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5(5)(h)	review the adequacy of internal audit function	√		
5(5)(i)	review the Management’s Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	review statement of all related party transactions submitted by the management	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit	√		

	and evaluate the performance of external auditors;			
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission			Not Applicable
5(6)	(6) Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings :if any			No such incident
5(6)(a)(ii)(a)	report on conflicts of interests			No such incident
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			No such incident
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations			No such incident
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			No such incident
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier			No such incident
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company			No such incident
6	Nomination and Remuneration Committee (NRC).			
6(1)	Responsibility to the Board of Directors			

6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			NRC is not comply by as per BRPD circular no.: BRPD (R-1)717/2021-5064 Dated: June 16, 2021
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive			"
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			"
6(2)	Constitution of NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director			"
6(2)(b)	All members of the Committee shall be non-executive directors			"
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board			"
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee			"
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			"
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			"
6(2)(g)	The company secretary shall act as the secretary of the Committee			"
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director			NRC is not comply as per BRPD circular no.: BRPD (R-

				1)717/202 1-5064 Dated: June 16, 2021
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company			"
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			"
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			"
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			"
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year			"
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			"
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			"
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC			"
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders			"
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board of directors			"

6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following			"
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully			"
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks			"
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals			NRC is not comply as per BRPD circular no.: BRPD (R-1)717/2021-5064 Dated: June 16, 2021
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality			"
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board			"
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board			"
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			"
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies			"
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report			"
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely	√		
7(1)(i)	appraisal or valuation services or fairness opinions	√		

7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements	√		
7(1)(iv)	broker-dealer services	√		
7(1)(v)	actuarial services	√		
7(1)(vi)	internal audit services or special audit services	√		
7(1)(vii)	any service that the Audit Committee determines	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1)	√		
7(1)(ix)	any other service that creates conflict of interest	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		
8	Maintaining A Website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange	√		
8(2)	The company shall keep the website functional from the date of listing			Not Applicable
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).			Not Applicable
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	√		

- c) Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.

Audit Committee		
Name of the Members	Designation	Position in the Committee
Md. Abdul Quddus	Independent Director	Chairman
Showkat Hossain, FCA	Director	Member
Farzana Begum	Director	Member
Mohammad Fazlay Morshed	Director	Member

Nomination & Remuneration Committee
According to the BRPD Circular letter no. BRPD (R-1)717/2021-5064 Dated June 16, 2021 Bank can not form Nomination & Remuneration Committee.

SECTION - XV

**VALUATION REPORT OF SECURITIES
PREPARED BY THE ISSUE MANAGER**

**Valuation report of securities prepared by the issue manager
(Rules - 5(B) (14), Annexure - E)**

- a) **The valuation report of securities to be offered shall be prepared and justified by the issue manager based on the financial and all other information pertinent to the issue:**

The valuation report of securities offered is prepared and justified by the issue manager(s), Prime Bank Investment Limited and BRAC EPL Investments Limited on the basis of the financials and all other information pertinent to the Issue.

- b) **To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with a rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information:**

The issue manager(s) considered the following all qualitative and quantitative factors to prepare the valuation report:

Qualitative Factors:

Some of the qualitative factors that help differentiate Union Bank Limited from their competitors and enable them to compete successfully in the industry are as follows:

- **Innovative products and quality banking services:**
The Bank has introduced a number of customer-friendly Deposit and Investment Products which has already been acclaimed by all.
- **Shari’ah compliant:** The Bank is constantly aware to become Shari’ah compliant. It is regularly complying all the relevant guidelines of Bangladesh Bank and instructions of Bank’s Shari’ah Supervisory Committee.
- **Risk management and control strategies:** The Bank has established a prudent risk management framework upon which it was possible to maintain the bank’s overall index at satisfactory level.
- **Modern banking products and strategies:** The Company has been using sound and modern banking business strategies, comprising products that smooth our operation.
- **Technology:** The Company has latest tools and technologies to support Banking actives.
- **Dedicated Workforce:** The Company has dedicated human resources as the Bank is determined not only to recruit employees but also to turn them into human resource.

Quantitative Justification:

Information presented in this prospectus is derived from audited financial statements for the period ended on the year ended on 31 December 2020, 2019, 2018, 2017 & 2016 as prepared in accordance with IAS and IFRS adopted by ICAB.

- Net Asset Value (NAV) per share as on 31 December 2020 has been considered.
- Earnings based value per share based on last 5 years, i.e., the year ended on 31 December 2020, 2019, 2018, 2017, & 2016 weighted average net profit after tax has been considered
- Average market price per share of similar stocks for the last one year has been considered

- c) **While preparing the valuation report, the issue manager shall avoid exaggeration and biasness and shall exercise independence and due diligence;**

The Issue manager(s) avoided exaggeration and biasness and exercised independence and due diligence in preparing valuation report. The valuation report of securities is prepared on the basis of the financial and all other information pertaining to the issue.

- d) **The issue manager(s) shall, among others, consider the following methods for valuation of the securities:**

- (i) net asset value at historical or current costs;
- (ii) earning-based-value calculated on the basis of weighted average of net profit after tax for immediate preceding five years or such shorter period during which the issuer was in commercial operation;
- (iii) projected earnings for the next three accounting year with rationales of the projection, if not in commercial operation;
- (iv) average market price per share of similar stocks for the last one year immediately prior to the offer for common stocks with reference and explanation of the similarities or in case of repeat public offering, market price per share of common stock of the issuer for the aforesaid period.

The following table illustrates the calculation of fair value of Union Bank Limited under different methods:

The issue price at BDT 10.00 each is justified as details below:

SL	Method Used	BDT
Method 1:	Net Asset Value (NAV) per share/Equity based valuation	16.38
Method 2:	Historical Earnings based valuation	12.81
Method 3:	Average market price of similar stock-based valuation	16.52

Note: The method of 'projected earnings for the next three accounting year with rationales of the projection, if not in commercial operation' is not applicable for Union Bank Limited.

Method 1: Share price on Net Asset Value (NAV)/Equity based valuation

**Audited Financial Statements
As at 31 December 2020**

Particulars	Amount (in Tk.)
a) Paid -up capital	5,589,337,600
b) Statutory reserve	1,968,151,671
c) Other reserve	145,749,665
d) Retained earnings	1,452,381,266
Total Shareholders' Equity (A)	9,155,620,202
Number of Share Outstanding as on 31 December 2020 (B)	558,933,760
Net Asset Value per shares per Audit Report as on 31 December 2020 (A/B)	16.38

Source: Audited Financial Statements as at 31 December 2020.

Method 2: Historical Earnings based value per share

Earnings based Value per share based on Overall Market P/E & Sector P/E

Year	No. of Share	Weight (%)	Profit after Tax	Weighted Average
				Net Profit after Tax
31-Dec-16	470,800,000	18%	849,609,578	153,160,077
31-Dec-17	527,296,000	20%	890,082,200	179,710,857
31-Dec-18	527,296,000	20%	953,655,387	192,546,516
31-Dec-19	527,296,000	20%	594,465,728	120,024,808
31-Dec-20	558,933,760	21%	988,415,452	211,538,582
Total	2,611,621,760	100%		856,980,840
A. Weighted Average Profit after Tax				856,980,840
B. No. of shares outstanding before IPO				558,933,760
EPS based on weighted Average of Net Profit after Tax				1.53
Overall Market P/E (Considering Lower of sector PE and Market PE)				8.36
Earnings based Value per share				12.81

Source: Audited Financial Statements from last 5 years.

Calculation of Average Price Earnings of Market and Bank Sector				
Particulars	March 2021	April 2021	May 2021	Average
Overall Market P/E	16.89	16.91	18.31	17.37
Bank Sector P/E	7.86	7.59	9.62	8.36
Considering Lower of sector PE and Market PE				8.36

Source: DSE Monthly Review.

Method 3: Average market price of similar stock-based valuation

Month end close price							
Sl.	Date	Al-Arafah Islami Bank	EXIM Bank	First Security Islami Bank	Islami Bank BD	Social Islami Bank	Shahjalal Islami Bank
1	31-May-21	24.10	12.80	12.30	29.10	14.60	21.00
2	29-Apr-21	21.30	11.00	9.00	27.90	12.20	20.00
3	31-Mar-21	21.90	11.30	9.30	28.10	12.70	21.90
4	28-Feb-21	21.00	10.70	9.40	25.80	12.10	20.60
5	31-Jan-21	22.60	12.40	10.00	27.60	13.30	21.10
6	30-Dec-20	22.20	11.80	9.00	26.80	13.00	22.90
7	30-Nov-20	22.60	11.70	9.00	26.20	12.50	21.70
8	29-Oct-20	18.00	11.20	8.80	26.10	12.60	20.10
9	30-Sep-20	17.00	11.10	9.00	26.90	13.00	21.60
10	31-Aug-20	16.80	10.40	8.90	24.90	13.10	20.60
11	30-Jul-20	16.10	9.10	8.20	18.10	11.80	19.20
12	30-Jun-20	14.80	8.60	8.20	17.50	11.80	19.20
Average Price		19.87	11.01	9.26	25.42	12.73	20.83
Average of all							16.52

Source: Close Price Data Archive from Dhaka Stock website.

Average market price of similar stock-based valuation (Assumption)

1. The average month end close price of Islami Banks from June 2020 to May 2021 is considered.

Reference and explanation of similarities:

There are 30 listed Banks in the capital market. Among the listed Banks we have taken into consideration 6 (six) Shari’ah based Islami Banks because of the similarity in the nature of business. The management of the Company in consultation with the Issue Manager(s) has set the issue price at Tk. 10.00 each at par value.

Sd/-

Khandoker Raihan Ali, FCA
Managing Director & CEO (CC)
Prime Bank Investment Limited

Sd/-

Syed Rashed Hussain
Chief Executive Officer
BRAC EPL Investments Limited

SECTION - XVI

DEBT SECURITIES

- a) the terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer against such securities and any other rights the holders of such securities may have;

The Union Bank Limited issued only one bond which is Union Bank Mudaraba Subordinated Bond of BDT 4,000.00 million.

Title	Description
Date of redemption	October 07, 2026
Conversion or redemption features	Redemption: To be redeemed in 5 equal Installments starting from end of 36th month from the Issue Date.
Sinking fund requirements	N/A
Rate of interest payable	Average of preceding 6-months' Mudaraba Term Deposit profit rate of full-fledged shari'ah based Islamic banks with an additional profit rate of 2.00% p.a.
Yield to Maturity	Total Profit will be calculated in two stages. First is the Benchmark Mudaraba Term Deposit profit rate of the issuer plus a predetermined additional profit rate as described in below mechanism: Benchmark Mudaraba Term Deposit Profit Rate: Average of preceding 6 months' Mudaraba Term Deposit provisional profit rate of full-fledged shari'ah based banks to be applied semiannually. After completion of each accounting year, the issuer will adjust the Mudaraba Subordinated Bondholders if there is any requirement reported in the respective accounting year for applied Mudaraba Term Deposit profit. Additional Profit Rate: Investors will get an additional profit rate of 2.00% per annum to be paid semi-annually along with the benchmark profit by the issuer for their respective investments in the Mudaraba Subordinated Bond. First coupon will be paid at the end of sixth month of the drawdown.
Encumbrance of any assets	N/A

FEATURES OF THE UNION BANK MUDARABA SUBORDINATED BOND:

Title	Description
Issuer	Union Bank Limited
Name of the Bond	Union Bank Mudaraba Subordinated Bond
Type of Bond	Coupon Bearing Non-convertible Fully Redeemable Mudaraba Subordinated Bond
Lead Arranger	Sonali Investment Limited & Prime Bank Investment Limited
Purpose	To strengthen the bank's capital base (Tier-II Capital) in line with the Basel-III framework and thereby enhancing Capital to Risk Weighted Asset Ratio (CRAR) as per “Guidelines on Risk based Capital Adequacy” of Bangladesh Bank.
Investors	Existing shareholders and other than existing shareholders, Banks, Corporate Houses, Insurance Companies, NBFIs, Asset Management Firms/Companies, Mutual Funds, Merchant Banks, and any other eligible investors defined by BSEC.
Currency	Bangladeshi Taka (BDT)
Face Value	BDT 10,000,000.00
Minimum Number of Bond	1
No. of Bonds in Each Lot	1
Denomination	Denomination of each lot of Bond is indicated at BDT 10,000,000.00 (Face Value)
Total No. of Units	400
Mode of Placement	Private Placement
Issue Price	100% at per
Issue Date	October 07, 2019
Security	Unsecured
Maturity	7 (seven) years including 2 (two) years grace period from the Issue Date.
Grace Period	First 2 (two) years in the case principal amount
Governing Law	The laws of The People's Republic of Bangladesh
Form	Registered
Listing	Non-listed
Auditor	Syful Shamsul Alam & Co. , Chartered Accountants
Issuer Rating Agency	Alpha Credit Rating Limited
Credit Rating of the Issuer	Long term: A+ Short term: ST-2
Issue Rating Agency	Alpha Credit Rating Limited
Credit Rating of the Bond	Long term: A
Lienable	Ineligible as collateral for an investment made by the issuing bank
Documentation	Capital market and Bond issue documentation including Bond Subscription Agreement, Trust Deed, and any other instrument relating to such transaction. Islamic documentation, which is related to the Islamic structure of the transaction.
Trustee, Paying Agent, Registrar, Transfer Agent	Investment Corporation of Bangladesh (ICB)

Trustee fee	0.05% on outstanding principal amount.
Arranger fee	0.40% of the Issue Size (equally distributable between the Lead Arrangers)
Reference Rate	Average of preceding 6 months' Mudaraba Term Deposit Provisional Profit Rate of full-fledged shari'ah based Islamic banks is the reference rate. The rate will be applied semi-annually in order to arrive at the profit rate.
Quotation Day	5 business days before the first day of any period for which a coupon rate is to be determined.
Coupon Margin	2% p.a.
Range of Coupon Rate	Average of preceding 6-months' Mudaraba Term Deposit profit rate of full-fledged shari'ah based Islamic banks with an additional profit rate of 2.00% p.a.
Calculation of Mudaraba Profit Rate and YTM	<p>Total Profit will be calculated in two stages. First is the Benchmark Mudaraba Term Deposit profit rate of the issuer plus a predetermined additional profit rate as described in below mechanism:</p> <p>Benchmark Mudaraba Term Deposit Profit Rate: Average of preceding 6 months' Mudaraba Term Deposit provisional profit rate of full-fledged shari'ah based banks to be applied semiannually. After completion of each accounting year, the issuer will adjust the Mudaraba Subordinated Bondholders if there is any requirement reported in the respective accounting year for applied Mudaraba Term Deposit profit.</p> <p>Additional Profit Rate: Investors will get an additional profit rate of 2.00% per annum to be paid semi-annually along with the benchmark profit by the issuer for their respective investments in the Mudaraba Subordinated Bond.</p> <p>First coupon will be paid at the end of sixth month of the drawdown.</p>
Transferability/Liquidity	Freely transferable subject to the terms and conditions of the documents creating and evidencing the Bonds.
Prepayment, Call, Refunding, Conversion, rate fixation features	This bond is non-callable and non-convertible in nature. If necessary, trustee will fix the rate time to time.
Redemption	From the end of 3 rd year, 20% will be redeemed each year until the maturity of the bond.
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 to the date of actual payment.
Fees, Expenses, Tax and VAT	Regulatory, Rating Agency, Trustee and legal Counsel Fees and all expenses relevant to the issuance to be paid at actual by the issuer. VAT related to the fees; expenses will be borne by issuer.
Cost related to the issue	<p>Total of Arrangement fee, Trustee, Paying Agent, Registrar, Transfer Agent Fee (for 7 years), Bond Rating fee, Surveillance Rating Fee (for 6 years) & Legal Counsel Fee will be at actual.</p> <p>Application Fee to BSEC: BDT 10,000</p> <p>Consent Fee to BSEC: 0.10% on the total face value</p> <p>Trustee fee : 0.05% on outstanding principal amount.</p> <p>Trustee registration fee: BDT at actual.</p>

Repayment Schedule	Redemption: To be redeemed in 5 equal Installments starting from end of 36 th month from the Issue Date and each 12 months from there after as per following table for Each Lot of Bond.					
	Coupon Payment will be paid half yearly.					
	Instalment No.	Redeemed Installments No. of Principal	Profit Payment (Provisional Rate)	Principal Redemption (%)	Principal Redemption Amount (Tk. In ,000)	Ending Principal Balance (Tk. In ,000)
	1	6 th	Profit	nil	nil	4,000,000,000
	2	12 th	Profit	nil	nil	4,000,000,000
	3	18 th	Profit	nil	nil	4,000,000,000
	4	24 th	Profit	nil	nil	4,000,000,000
	5	30 th	Profit	nil	nil	4,000,000,000
	6	36 th	Profit	20%	8,00,000,000	3,200,000,000
	7	42 nd	Profit	nil	nil	3,200,000,000
	8	48 th	Profit	20%	8,00,000,000	2,400,000,000
	9	54 th	Profit	nil	nil	2,400,000,000
	10	60 th	Profit	20%	8,00,000,000	1,600,000,000
	11	66 th	Profit	nil	nil	1,600,000,000
	12	72 nd	Profit	20%	8,00,000,000	8,00,000,000
13	78 th	Profit	nil	nil	8,00,000,000	
14	84 th	Profit	20%	8,00,000,000	0	
Total				4,000,000,000		
Enforcement of Charges over securities	The Bonds are unsecured Mudaraba subordinated bonds. Accordingly, there are no charges over securities.					
Form and Denomination	The Bonds are issued in registered form in a minimum denomination of BDT 10,000,000.00 and integral multiples thereof. A bond certificate (each a “Bond Certificate”) will be issued to each Bondholder in respect of its registered holding of the Bonds. Each Bond and each Bond Certificate will be numbered serially with an identifying 01 to 05					

- b) all other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios;

No other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered except subordination provisions.

- c) name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders;

Title	Description
Name of the trustee(s)	Investment Corporation of Bangladesh (ICB)
Circumstances under which the trustee must act on behalf of the debt holders	In the event of Default, the trustee would observe and perform all the obligations as determined under the Trust Deed.

d) Repayment/ redemption/ conversion status of such securities.

Subscriber Name	Subscription Amount	Repayment/ redemption/ conversion status			
Islami Bank Bangladesh Limited	1,000,000,000	Repayment will start on March, 2022			
Al-Arafa Islami Bank Limited	500,000,000	Repayment will start on May, 2022			
Social Islami Bank Limited	1,000,000,000	Repayment will start on June, 2022			
Sonali Bank Limited	1,000,000,000	Repayment will start on June, 2022			
Rupali Bank Limited	500,000,000	Repayment will start on October, 2022			
Repayment Schedule					
Installments No.	Redeemed Installments No. of Principal	Profit Payment (Provisional Rate)	Principal Redemption (%)	Principal Redemption Amount (Tk. In ,000)	Ending Principal Balance (Tk. In ,000)
1	6 th	Profit	nil	nil	4,000,000,000
2	12 th	Profit	nil	nil	4,000,000,000
3	18 th	Profit	nil	nil	4,000,000,000
4	24 th	Profit	nil	nil	4,000,000,000
5	30 th	Profit	nil	nil	4,000,000,000
6	36 th	Profit	20%	8,00,000,000	3,200,000,000
7	42 nd	Profit	nil	nil	3,200,000,000
8	48 th	Profit	20%	8,00,000,000	2,400,000,000
9	54 th	Profit	nil	nil	2,400,000,000
10	60 th	Profit	20%	8,00,000,000	1,600,000,000
11	66 th	Profit	nil	nil	1,600,000,000
12	72 nd	Profit	20%	8,00,000,000	8,00,000,000
13	78 th	Profit	nil	nil	8,00,000,000
14	84 th	Profit	20%	8,00,000,000	0
Total				4,000,000,000	

SECTION - XVII

PARTIES INVOLVED AND THEIR RESPONSIBILITIES

SL	Parties Involved with Union Bank Limited		Responsibilities
(a)	Issue Manager(s)	(i) Prime Bank Investment Limited (ii) BRAC EPL Investments Limited	The issue manager will manage the public issue of Union Bank Limited and complying the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015.
(b)	Underwriters	(i) First Security Islami Capital & Investment Limited (ii) Islami Bank Capital Management Limited (iii) AIBL Capital Management Limited	The underwriters are responsible for underwriting the mentioned amount of stocks of Union Bank Limited. Furthermore, the underwriters shall carry out all the activities specified in the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015.
(c)	Statutory Auditors	K.M Hasan & Co. Chartered Accountants	The purpose of the auditor is to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our view. Although reasonable assurance is a high level of assurance, it does not guarantee that an audit done in line with International Standards on Auditing (ISAs) will always uncover a material misrepresentation if one occurs. Misstatements can occur as a result of fraud or error, and are regarded material if they could reasonably be expected to influence the economic decisions made by users based on these financial statements, either individually or collectively.
(d)	Cost Auditor	N/A	N/A
(e)	Valuer	N/A	N/A
(f)	Credit Rating Company	Alpha Credit Rating Limited	According to the Credit Rating Companies Rules, 1996, the credit rating agency is responsible for performing long and short term ratings of the company based on its financial statements and other relevant qualitative and quantitative information.

SECTION - XVIII

MATERIAL CONTRACTS

A. Major agreements entered into by the Issuer:

The following are material agreements have been entered into by the Company:

1. Issue Management Agreement between the Company and;
 - i. Prime Bank Investment Limited
 - ii. BRAC EPL Investments Limited
2. Underwriting Agreements between the Company and the Underwriters;
 - i. First Security Islami Capital & Investment Limited
 - ii. Islami Bank Capital Management Limited
 - iii. AIBL Capital Management Limited

B. Material parts of the agreements:

Issue Manager:

- 1) The scope of services to be rendered by the Manager/Advisor to the Issuer Company for the Public Issue under Fixed-Price method shall be as follows (including and not limited to the compilation and preparation of the documents, papers, studies hereunder). Manager/Advisor to Issue will provide a comprehensive check list (to do list) at the very beginning of the work so that Issuer Company can start documentation process.
- 2) Without prejudice to other stipulations relative to the responsibility of the issue manager, it is responsible towards the Company for strict compliance of this Agreement and to comply with all terms therein.
- 3) That all engagements, appointments, selection, and recommendations made by the issue manager under this agreement shall be made on arm's length basis solely for the benefit of the issuer and the public issue.
- 4) The Issue Manager shall ensure compliance of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, listing Rules of the Stock Exchanges, Companies Act 1994, Securities and Exchange Ordinance 1969 and other relevant rules, regulations, practices, directives, guidelines, etc.
- 5) If any differences or disputes arises between the parties during the subsistence of this contract or thereafter, in connection with the validity, interpretation, implementation or alleged breach of any provision of this contract, such disputes shall be referred to a sole arbitrator or in case of disagreement as to the appointment of the two arbitrators, each party nominating an arbitrator and arbitration shall be conducted as per provision of the Arbitration Act 2001 and the award of the arbitration shall be binding upon the parties.
- 6) No, forbearance, indulgence or relaxation or inaction by any party at any time to require performance of any of the provisions of this Agreement by the other parties shall in any way affect, diminish or prejudice the right of such party to require performance of that provision and any waiver or acquiescence of any right under or arising out of this Agreement shall not be construed as a waiver or acquiescence to or recognition of rights and/or position other than as expressly stipulated in this Agreement.

- 7) If any provision of this Agreement or the application thereof to any person or circumstances becomes or is declared invalid or unenforceable to any extent, the remainder of this agreement and the application of the such provision to person or circumstances other than those as to which it is held invalid or unenforceable, shall not affect thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Underwriter:

As per guideline of Bangladesh Securities and Exchanges Commission (Public Issue) Rules, 2015 as amended on September 03, 2019 Thirty-Five percent (35%) of the issue shall have to be underwritten on a firm commitment basis by the underwriter(s) i.e. **BDT 1,498,000,000** shall have to be underwritten on a firm commitment basis by the underwriters, subject to the terms stated below:

- g) In case of under-subscription in any category by up to 35% in the Initial Public Offer, the undersubscribed portion of securities shall be taken up by the underwriter.
- h) Prior to the publication of the Prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and provide for payment of initial underwriting commission not exceeding 0.25% on the amount underwritten.
- i) The Company shall make media campaign and publicity of the offer for subscription to the extent as may be reasonably requested by the Manager to the Issue prior to opening and during offer period of subscription list with publicity material as approved by the BSEC.
- j) The Company shall comply with any other formalities required under law of the land, for raising fund publicly.
- k) If and to the extent that the shares offered to the public by a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the Closing Date of subscription, the Company shall within 10 (Ten) days of closure of subscription call upon the underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not subscribed by the closing date and to pay for in cash in full, for such unsubscribed shares within 15 (Fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account is credited. In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and deposit of money by the underwriter to the Commission.

In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed.

C. Fees payable to different parties:

Fees for the issue management services:

Prime Bank Investment Limited is the Manager to the issue, will get BDT 7,490,000 and BRAC EPL Investments Limited is the Co-issue manager, will get BDT 3,210,000 for the Public Offering as issue management fee.

Commission for Underwriters:

Union Bank Limited shall pay to the underwriters and underwriting commission at the rate of 0.25% of 35% of IPO amount. The underwriting commission will be BDT 3,745,000.

SECTION - XIX

LITIGATIONS, FINE OR PENALTY

a) The following litigations including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:

Status of case(s) outstanding against the issuer or any of its directors and fine or penalty imposed by any authority:

- i. **Litigation involving Civil Laws:** No case has been filed against the company except for the purpose of contesting Bank's loan/investment recovery. No case has been filed against any of its directors.
- ii. **Litigation involving Criminal Laws:** No case has been filed against any of its directors.
- iii. **Litigation involving Securities, Finance and Economic Laws:** No case has been filed against any of its directors.
- iv. **Litigation involving Labor Laws:** No case filed against the company or any of its directors.
- v. **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties):** No case filed against the company or any of its directors. Tax assessment has been completed under Income Tax Ordinance 1984 by appeal to Commissioner (Appeal) and Tribunal.
- vi. **Litigation involving any other Laws:** No case filed against the company or any of its directors.

b) Cases including outstanding litigations filed by the Company or any of its directors:

Status of case(s) filed by the issuer or any of its directors under any of the following types of legal proceedings mentioned below:

- i. **Litigation involving Civil Laws:** No case has been filed by the company except for the purpose of Bank's loan/investment recovery. No case has been filed against any of its directors.
- ii. **Litigation involving Criminal Laws:** No case has been filed against any of its directors.
- iii. **Litigation involving Securities, Finance and Economic Laws:** No case has been filed against any of its directors.
- iv. **Litigation involving Labor Laws:** No case filed against the company or any of its directors.
- v. **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties):** Bank has filed appeal against order of Deputy Commissioner of Tax to Commissioner (Appeal) and appeal against the order of Commissioner (Appeal) to the Tribunal under jurisdiction of Income Tax Ordinance 1984.
- vi. **Litigation involving any other Laws:** No case filed against the company or any of its directors.

SECTION - XX

RISK FACTORS AND MANAGEMENT’S PERCEPTIONS ABOUT THE RISKS

1. Internal risk factors may include, among others:

Risk Factors and Management’s Perception about The Risks:

An investment in capital market involves a high degree of risk. The Bank is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on the investments made by the investors. All investors should carefully consider all the information in this Rights Offer Document, including the risk factors, both external and internal, and management perception thereabout enumerated hereunder before making an investment decision. If any of the following risks actually occur, their business, results of operations and financial condition could suffer, the trading price of their share could decline, and investors may lose all or part of their investment.

- a) **Investment Risk:** This is the risk of default on a debt that may arise because of default by the borrower to pay the loan/investment. In operating any business there is always investment risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

***Management Perception:** The Union Bank has segregated duties of the officers / executives involved in credit related activities. Business Development Division has been formed at head Office which is entrusted with the duties of maintaining effective relationship with the customers, exploring new business opportunities, etc. Investment approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate divisions have been formed. These are (a) Investment Risk Management Division (IRMD) (b) Investment Administration Division and (c) Investment Monitoring & Recovery Division (IMRD). Investment Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit/investment, formulating policy / strategy for lending operation, etc.*

A thorough assessment is done before sanction of any investment facility at Investment Risk Management Division. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. The assessment process starts at the respective desks i.e. SME Finance, Corporate Investment, Project Investment, RMG & Trade Finance, Agriculture & Retail Investment by the officer and ends at Investment Risk Management Division when it is approved / declined by the competent authority. Credit/Investment approval authority has been delegated to the individual executives. Proposals beyond their delegation are approved / declined by Investment Risk Management Committee or the Management of the Bank or /the Executive Committee.

In determining a single borrower / large loan/investment limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank’s and Regulatory policies. Loans/Investments are classified as per Bangladesh Bank’s guidelines.

- b) **Liquidity Risk:** The risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

***Management Perception:** The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due.*

To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Treasury Department under approved policy guidelines. Treasury front office is supported by a very structured Back office. The Liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

- c) **Risk associated with the issuer’s interest in subsidiaries, joint ventures and associates:** If the subsidiaries make loss, it affects parent company’s balance sheet. In case of associate, there is chance of decline value of investment in associate company. As for joint venture, a joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it.

Management Perception: The Company has no subsidiary, joint ventures and associates, so this type of risk is not associated with the Company.

- d) **Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer:** There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company’s sales and cash flow as well.

Management Perception: The Company is not dependent on any particular or limited number of customers to operate the banking business. The Company maintain a good relationship with our customers and take feedback about our services. There is less chance to lose customers and losing any one will not affect company’s profitability for its demand, high quality and competitive service.

- e) **Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:** There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

Management Perception: Due to the nature of business Union Bank is not exposed to this type of risk.

- f) **More than 20% revenue of the issuer comes from sister concern or associate or subsidiary:** Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

Management Perception: The issuer does not have any sister concern or associate or subsidiary.

- g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any:** Negative earning and negative operating cash flow is risk the going concern risk for the entity.

Management Perception: The Company has been operating business efficiently. In the last 5-year, the company generated business with profit growth. The company does not have any negative earnings.

h) Loss making associate/subsidiary/group companies of the issuer:

When associate/ subsidiary/group companies of the issuer are loss making, it affects the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

Management Perception: The issuer does not have any sister concern or associate or subsidiary.

i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates:

Financial weakness and poor performance of the issuer have negative impact on the company. As a result, it will be tough to pay loan interest, debt service and dividend. Future growth will be hampered.

Management Perception: As the issuer does not have any subsidiary or associate, therefore the management perceives no threat of any financial weakness and poor performance.

j) Decline in value of any investment: If investment value decline, it will reduce the profit and assets as well.

Management Perception: Any decline in value of any investment may affect the profitability of the company. The company has investment in capital market.

k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned: There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.

Management Perception: Due to the nature of business, Union Bank has no plant and machineries, therefore this type of risk will not arise.

l) Adverse effect on future cash flow if interest/profit free loan/investment given to related party or such loans/investments taken from directors may recall: It is loan/investment given and taken from related party and directors as well. If company gives such loan/investment without interest to related party, there is interest/profit burden for the company if the money was taken as loan/investment. On the other hand, if such loans/investments are taken from directors, it will have an impact on the cash flow to pay off the loan/investment to the Directors.

Management Perception: The company has not taken any loan from any of its directors.

m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors: In these cases there is high chance of compromise among the related companies because of conflict of Interest.

Management Perception: There is no potential conflict of Interest as the company does not have any venture which is in the same line of activity.

- n) **Related party transactions entered into by the company those may adversely affect competitive edge:** Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

Management Perception: Union Bank does not have significant related party transactions and hence the management thinks that the related party transaction will not affect the competitive edge of the company.

- o) **Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities:** All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in jeopardy.

Management Perception: There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.

- p) **Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:** In such case, company's business operation will be hampered.

Management Perception: Business operation of Union Bank may be affected by strikes, work stoppages or increase in wage demands by employees. Union Bank always maintains a good relationship with all of its employees. The company always believes that employees are their main strength. The Bank has 1,658 employees as per the audited financials of December 31, 2020. The Bank values its workers and employees and strives to maintain high standard of labor practices to ensure congenial work environment for its employees. So, it is highly unlikely that all the employees will go for strikes.

- q) **Seasonality of the business of the issuer:** It is the risk involving that company is not doing business round the year.

Management Perception: Due to the nature of Business, the Bank does not have any seasonal aspect.

- r) **Expiry of any revenue generating contract that may adversely affect the business:** This is the risk of losing customers affecting future sales.

Management Perception: The Company does not have any revenue generating contract that may adversely affect the business.

- s) **Excessive dependence on debt financing which may adversely affect the cash flow:** Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

Management Perception: The Bank has no debt financing, therefore there is no possibility of risk in this respect.

- t) **Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer’s business performance:** Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

Management Perception: Corporate Governance is well practiced in our company. The company also has well designed organogram, hence, any change in the key management can be replaced with other persons.

- u) **Enforcement of contingent liabilities which may adversely affect financial condition:** It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

Management Perception: The Company does not have any contingent liabilities which may adversely affect financial condition.

- v) **Insurance coverage not adequately protect against certain risks of damages:** Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

Management Perception: The Company has taken Cash in Vault Policy, Cash in Transit Policy, Cash in ATM Policy, ICT equipment Policy from Northern Islami Insurance Ltd.

- w) **Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:** Directors run the company with the accumulated finance from public and other financing source. If directors discontinue running the business, there will be negative impact on business and share price as well.

Management Perception: Our directors are involved in the business for long time and they will continue the business after expiry of lock in period.

- x) **Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:** Dividend payment is highly dependent on company’s ability to generate profit. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

Management Perception: The Company has been earning profit and it is a profitable entity. Management is of the belief that the company we will be able to pay dividend.

- y) **History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:** If there is any non-operation of the company, it creates negative impression. Apart from this, short operation history indicates company is gathering knowledge and expertise to be competitive in the market.

Management Perception: The management has been doing business efficiently. There was no discontinuation of operation history of the company. The company has employed experienced people to run the business under good leadership in the board.

- z) **Risks related to engagement in new type of business, if any:** If it is new business, there is risk of viability of the new business.

Management Perception: There is no as such risk as company is not engaged in any new type of business.

- aa) **Risk in investing the securities being offered with comparison to other available investment options:** If the issue price goes down after floating, there is investment risk for the potential investors.

Management Perception: The Union Bank is the leading provider of banking services in Bangladesh, catering to the domestic and overseas needs of small businesses, medium and large Corporate by offering a wide range of loan/investment products along with foreign trade business whose may apple opportunity of profitability. It is not risky in investing securities in comparison with other available investment option.

- bb) **Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:** It creates a negative impression on the issuer.

Management Perception: There are no as such issues arisen in the history of our company.

- cc) **Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:** It creates a negative impression on the issuer.

Management Perception: Bank tax and VAT assessment/audit process is the normal course of business as per Income Tax Ordinance 1984 and VAT act, 2012, Both of the issuer/company and authority filling appeal against the any order thereon.

However, the company did not have any litigation/legal suit in view of civil or criminal code of proceedings relating to Tax, VAT or other government claims against the Bank.

- dd) **Registered office or factory building or place of operation is not owned by the issuer:** Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

Management Perception: The registered head office and the branch offices are rented for long term. Therefore, no risk will be arisen in this respect.

- ee) **Lack of renewal of existing regulatory permissions/licenses:** In this case company is not following the law to renew its all licenses.

Management Perception: There is no such issue relating to lack of existing regulatory permissions/licenses.

- ff) **Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:** Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

Management Perception: There is no incident of failure in holding AGM or declaring dividend or payment of interest by the issuers.

- gg) **Issuances of securities at lower than the IPO offer price within one year:** The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

Management Perception: Union Bank Limited has not issued securities at lower than IPO offer price within one year.

- hh) **Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission:** If any refusal happened in the above cases, it will create negative impression to the issuer.

Management Perception: There was no refusal of application for public issue of any securities for our company or any of our subsidiaries.

2. External risk factors may include among others:

- a) **Interest/Profit Rate Risks:** When interest/profit rate fluctuates, it causes interest risk. Companies who have debt financing are exposed to this risk highly.

Management Perception: The interest/profit rate risk is mainly managed as part of Union Bank's Asset Liability Committee (ALCO). The Asset Liability Management (ALM) Desk is an independent unit within the Treasury Division. The desk meticulously monitors and analyzes cash flows and cash positions, balance sheet gaps, daily profit and loss, economic trends, investment options, arbitrage opportunities, business growth, liquidity and places the facts and findings before the ALCO with its recommendations on a regular basis. The ALCO comprising the senior management of the bank has been established to make important decisions relating to liquidity, interest/profit rate and balance sheet management.

Interest/profit rate risk may arise from trading portfolio and non-trading portfolio. The trading portfolio of the Bank consists of BGIIB, Sukuk, etc. The short-term movement in interest/profit rate is negligible or nil. Interest/profit rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest/profit rate movement on a regular basis.

- b) **Exchange Rate Risks:** Foreign exchange risk or currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when investment's value changed due to the changes in currency exchange rates.

Management Perception: Union Bank foreign exchange risk remains at minimum level as all of its foreign trade & remittance transactions are carried out on behalf of the customers. All accounts are reconciled on monthly basis and outstanding entries are escalated to concerned departments and reported to higher management for immediate settlement. As per directives of Bangladesh Bank, the bank has formulated a treasury manual which has been implemented for managing foreign exchange risks. The functions of treasury front office, mid office and back office have been segregated. The operational guidelines have also been formulated specifying the roles and responsibilities of front, mid and back office so that various foreign exchange transactions can be conducted according to the policy guidelines of the Bangladesh Bank and the risks can be measured, monitored and mitigated. Treasury continuously monitors price movements of foreign exchange and uses various hedging techniques to manage its open position in such a way that minimizes risk and maximizes return.

- c) **Industry Risks:** Industry risk is related with the factors affecting the company such as Raw Material, labor, demand of the product, government policy to the sector, competitor's rivalry.

Management Perception: The Bank has always been careful in offering its products and services at competitive terms and conditions which in turn minimizes its industry risk exposure. The management also continues to focus on more diversification of the loan / investment book.

- d) **Economic and Political risks:** This risk can be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates, or political stability. In other words, while financing a project, the risk that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. In a nutshell, economic risk refers to the risk that a venture will be economically unsustainable due to various reasons.

Management Perception: Generally, this risk applies to every financial institution in the country but they are normally mitigated by being aware of the circumstances and taking appropriate action in time. Union Bank has always kept abreast of changing business environments and this is evidenced by its good financial performance in the past. Union Bank's performance has been steady during periods of political turmoil and natural calamities. On the other hand, political turmoil and the disturbance are bad for the economy as a whole and so also for the Bank.

Political risks: Bangladesh experienced with political unrest for over the years. Political instability hampers the smooth operation of business.

Management Perception: Nowadays calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2013. Government is industry friendly and trying to its level best to boost up economic activities in the country.

- e) **Market and Technology-related Risks;**

Market risks: The financial industry of Bangladesh is currently one of the fastest growing in the country and is increasingly becoming competitive. Especially the entrance of nine more banks in the industry in 2013 has made the competitive atmosphere more intense. Strong marketing and brand management will be required to increase the bank's customer base.

Management Perception: Union Bank focuses on pursuing unexplored market niches in the small and medium enterprise business and individual level home loan/mortgage loan which remained largely untapped within the Country. The Bank has incorporated double bottom approach in its operation, first is making profit by mobilizing fund from urban to rural areas and second is performing social responsibility by creating an entrepreneurial class. The bottom-line approach taken by the bank makes them the market leader in the banking industry.

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

Management Perception: *ICT risk management is embedded with organizational internal control system which is used as part of the management control for risk management in the organization. This management control emphasizes both business control and technological control which support business requirement and governance. Business and technological controls are involved in the policies, processes and systems. Internal control and the audit process control the entire range of interactive transactions and internal transactions across organization as well as monitor and manage risks including business and ICT risks.*

The Bank has integrated technology with its business and is continuously upgrading its technological aspects to keep pace with modern banking arena.

The Bank has already launched debit card, Internet Banking, SMS banking and web-based remittance facility. Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN), Real Time Gross Settlement (RTGS) has also been established as per guidelines of Bangladesh Bank.

The Bank has upgraded its data center with high-end servers and networking equipment to accommodate growing business transactions with adequate security. Besides the data and network securities, various physical security measures like, data center access control, environmental security, fire prevention, etc. have been maintained adequately. The bank has also setup disaster recovery site with advanced technology which can be readily accessed in case of any disaster of the data center so that the customer services are not hampered.

Risk related to potential changes in global or national policies: A financial institution's ability to operate a profitable business is directly related to the monetary and fiscal policies of the country at any given time. Imposition of restrictive monetary and/or fiscal policy by the government at any time may affect a company's profitability. Again, changes in the existing global or national policies can have either positive or negative impacts on the bank.

Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affect smooth operation of such companies.

Management Perception: *The management of the bank is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and timely to safeguard its interest.*

- f) **Potential or existing government regulations:** Potential or existing Govt. regulations may hamper the smooth operation of the industry.

Management perception: *The Company is enjoying good atmosphere in operating our business. Government regulations are favorable for the company.*

- g) **Potential or existing changes in global or national policies:** Policies from government has a positive or negative impact on any company along with existing changes in globally.

Management perception: Nowadays global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation.

- h) **Statutory clearances and approvals those are yet to be received by the issuer:** Statutory clearance and approval is imperative for any business to start off. There are many statutory clearances and approvals need from the regulatory authority in order to be monitored, controlled and guided.

Management Perception: Union Bank has been running its business more than 8 years. The company has collected all the statutory clearance to operate the Banking business in Bangladesh as schedule. Hence, there are no as such risks for the Company.

- i) **Competitive condition of the business:** Union Bank is operating in a free market economy. The company has to face stiff competition from its competitors.

Management Perception: Union Bank Limited has been in the market over the years. The Company is doing well to be competitive with competitors. Hence, there is always check and balance existed among the rivalry companies.

- j) **Complementary and supplementary products/services which may have an impact on business of the issuer:** Complementary goods or services that are used in conjunction with another goods or services. Usually, the complementary goods have no value when consumed alone, but when combined with another good or service, it adds to the overall value of the offering. A product can be considered a complement when it shares a beneficial relationship with another product offering. Supplementary goods are two goods that are used together. For example, if we have a car, we also need petrol to run the car. Supplementary goods have a negative cross elasticity of demand. For instance, when price of petrol goes up, demand for petrol and cars goes down.

Management Perception: The Company has not faced any challenges relating to supplementary and complementary products and Management are concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors

SECTION - XXI

DESCRIPTION OF THE ISSUE

- a) **Issue Size:** Taka 4,280,000,000.00
- b) **Number of securities to be issued:** The Company will offer 428,000,000 Ordinary Shares.
- c) **Authorized capital and paid-up capital;**

Particulars	No. of Shares	Nominal Price	Amount in Taka
Authorized Capital	1,000,000,000	10	10,000,000,000
Before IPO:			
Paid up capital	558,933,760	10	5,589,337,600
After IPO:			
To be issued through IPO	428,000,000	10	4,280,000,000
Paid up capital (Post IPO)	986,933,760	10	9,869,337,600

- d) **Face value, premium and offer price per unit of securities;**

Face value per Share	Tk. 10.00 each
Premium	-
Offer Price per Share	Tk. 10.00 each

- e) **Number of securities to be entitled for each category of applicants;**

Initial Public Offering through Fixed Price Method

Particulars		%	No. of Ordinary Shares	Nominal Value	Issue Price	Issue Amount (Taka)
Eligible investors (EI)	Other EIs (including CIs)	20%	85,600,000	10	10	856,000,000
	Mutual Funds	5%	21,400,000			214,000,000
General public (GP)	NRB	5%	21,400,000			214,000,000
	Others	70%	299,600,000			2,996,000,000
Total		100%	428,000,000			4,280,000,000

- f) **Holding structure of different classes of securities before and after the issue;**

Category of Shareholders		Before Present Issue		After Present Issue	
		Number of Shares	Percentage	Number of Shares	Percentage
Directors, Sponsors & Shareholders		558,933,760	100%	558,933,760	56.63%
Eligible investors (EI)	Other EIs (including CIs)	-	-	85,600,000	8.67%
	Mutual Funds	-	-	21,400,000	2.17%
General public (GP)	NRB	-	-	21,400,000	2.17%
	Others	-	-	299,600,000	30.36%
Total		558,933,760	100%	986,933,760	100%

g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Initial Public Offering (IPO) will be used for enhancing the Tier 1 Capital Base of the Company inter alia proceeds from IPO through issuance of 428,000,000 nos. of ordinary shares at an issue price of Tk. 10.00 each at par totaling Tk. 4,280,000,000 will be deployed as projected below:

Area of Utilization of IPO Fund	Amount in BDT
Investment in SME & Project Finance	2,465,000,000
Investment in Government Securities	1,000,000,000
Investment in Capital Market: Secondary Market (A Category Listed Securities)	750,000,000
IPO Expenses	65,000,000
Total	4,280,000,000

Feasibility:

Feasibility report is not required since the Company will not start new line of business with the money raised from the Initial Public Offering.

SECTION - XXII

USE OF PROCEEDS

- a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

USE OF NET PROCEEDS OF THE OFFER INDICATING THE AMOUNT TO BE USED FOR EACH PURPOSE WITH HEAD-WISE BREAK-UP

Union Bank Limited will raise capital from the general public and institutions through Initial Public Offering (IPO). The Proceeds from IPO through issuance of 428,000,000 nos. of ordinary shares at an issue price of Tk. 10.00 each at par totaling Tk. 4,280,000,000.

Details particulars of IPO fund is given in the following table:

Sl. No.	Area of Utilization of IPO Fund	Amount (BDT)
1	Investment in SME & Project Finance	2,465,000,000
2	Investment in Government Securities	1,000,000,000
3	Investment in Capital Market	750,000,000
4	IPO Expenses	65,000,000
Total		4,280,000,000

BREAKDOWN OF USE OF IPO PROCEEDS:

1. Investment in SME & Project Finance:

SL	Particulars	Amount (BDT)
1	SME	1,000,000,000
2	Project Finance	1,465,000,000
Total		2,465,000,000

2. Investment in Government Securities:

Union Bank will invest BDT 1,000,000,000 in Government Securities (such as tradable securities, bond, treasury bills, Sukuk etc.)

3. Investment in Capital Market:

Union Bank will invest BDT 750,000,000 in secondary market (A Category Listed Securities).

4. IPO Expenses

Particulars	Nature of Expenditure	Amount in BDT	
BANGLADESH SECURITIES AND EXCHANGE COMMISSION			17,170,000
Application Fee	BDT 50,000 (Non-Refundable)	50,000	
BSEC Consent Fee	@ 0.40% on the public offering amount	17,120,000	
ISSUE MANAGEMENT FEES			12,305,000
Issue Management Fees	@ 0.25% of Issue Size	10,700,000	
VAT against Issue Management Fees	@ 15% on Issue Management Fees	1,605,000	

Particulars	Nature of Expenditure	Amount in BDT
LISTING RELATED EXPENSES		21,300,000
Scrutiny Fees for Stock Exchanges	Fixed (Tk. 50,000 each for DSE & CSE)	100,000
Listing Fee for Stock Exchanges (DSE & CSE)	0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid up capital; (minimum Tk. 50,000 and maximum Tk. 10,000,000 for each exchanges)	20,000,000
Annual Fees for DSE & CSE	@ 0.05% on Tk. 100 Crore of paid up capital and 0.02% on the rest amount of paid up capital; (minimum Tk. 50,000 and maximum Tk. 600,000 for each exchanges)	1,200,000
IPO RELATED FEES		4,806,750
Underwriting Commission	@ 0.25% on underwritten amount (35% of IPO Amount)	3,745,000
VAT against Underwriting Commission	@ 15% on Underwriting Commission	561,750
Auditor Certification Fees	At Actual	500,000
CDBL FEES AND EXPENSES		2,088,901
Security Deposit	At Actual	500,000
Documentation Fee	At Actual	2,500
Annual Fee	At Actual	100,000
Connection Fee	@ Tk. 500 per month (12*500)	6,000
IPO Fees	@ 0.015% of issue price + 0.015% of pre-IPO paid-up capital	1,480,401
PRINTING AND POST IPO EXPENSES		7,329,349
Publication of Prospectus	Estimated (to be paid at actual)	1,500,000
Abridged version of Prospectus and Notice in 4 daily newspaper	Estimated (to be paid at actual)	1,500,000
Notice for Prospectus in 4 daily newspaper	Estimated (to be paid at actual)	400,000
Data Processing and Share Software Charge	Estimated (to be paid at actual)	2,500,000
Administrative & Stationary Expense	Estimated (to be paid at actual)	250,000
Other	Estimated (to be paid at actual)	1,179,349
TOTAL		65,000,000

Sd/-
Ahsanul Alam
 Chairman

Sd/-
A.B.M Mokammel Hoque Chowdhury
 Managing Director

Sd/-
Md. Ruhul Amin
 Chief Financial Officer

Date: April 29, 2021

- b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors’ contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;

Auditor's certificate on utilization of the fund raised through issue of capital earlier

Union Bank Limited has kept as lien in different scheduled Bank of Bangladesh that transferred to the bank account with Banasree Branch, First Security Islami Bank Limited # 138-1310000048-1 after due permission of Bangladesh Bank and utilization thereof. However, based on the review of the cash flow statements and the Bank management representation, following is the event-wise list of paid up capital raised by the Bank and item-wise utilization of the fund:

Particulars of Allotment	Date of Allotment	In Consideration	Amount in taka	Utilization of fund in Financial Statements
1 st (subscriber to the Memorandum & Articles of Association at the time of incorporation)	07.03.2013	In Cash	4,280,000,000	Preliminary Expenses, Placement of Fund with Banks & Financials Institutions and investment in Shares and securities
2 nd	20.06.2017	Bonus	428,000,000	Placement of Fund with Banks & Financials Institutions and investment in Shares and securities
3 rd	18.10.2018	Bonus	564,960,000	Placement of Fund with Banks & Financials Institutions and investment in Shares and securities
4 th	29.12.2020	Bonus	316,377,600	Placement of Fund with Banks & Financials Institutions and investment in Shares and securities
Total	-	-	<u>5,589,337,600</u>	-

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

- c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

Union Bank has no subsidiary, associate, joint venture companies. Hence, The Company has no plan to invest the IPO proceeds in any subsidiary, associate, joint venture companies or any acquisition.

- d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

Not applicable in case of Union Bank

- e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

USE OF PROCEEDS FROM IPO AND IMPLEMENTATION SCHEDULE

The Proceeds from IPO through issuance of 428,000,000 nos. of ordinary shares at an issue price of Tk. 10.00 each at par totaling Tk. 4,280,000,000 will be used as projected below:

Area of Utilization of IPO Fund	Progress So Far Made	Amount (BDT)	Time of Implementation
Investment in SME & Project Finance	The process of investment will start after receiving the IPO funds.	2,465,000,000	12 months from receiving IPO fund
Investment in Government Securities	The process of investment will start after receiving the IPO funds.	1,000,000,000	12 months from receiving IPO fund
Investment in Capital Market: Secondary Market (A Category Listed Securities)	The process of investment will start after receiving the IPO funds.	750,000,000	12 months from receiving IPO fund
IPO Expenses	On turnkey basis	65,000,000	Until the completion of IPO proceeds
Total		4,280,000,000	

N.B: There is no land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation.

Sd/-
Ahsanul Alam
 Chairman

Sd/-
A.B.M Mokammel Hoque Chowdhury
 Managing Director

Sd/-
Md. Ruhul Amin
 Chief Financial Officer

Date: April 29, 2021

- f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;**

There is no such contract yet to be engaged by the Company.

- g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years' projection;**

No objects of the issue are utilization of the issue proceeds for working capital.

- h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be;**

No objects of the issue are to undertake activities like diversification, modernization, expansion, other than in current business activities only.

- i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;**

Described under the title Use of Proceeds and Implementation Schedule are mentioned in the prospectus.

- j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;**

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

- k) Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.**

Not applicable in case of Union Bank Limited.

SECTION - XXIII

LOCK-IN

a) Lock-in

Ordinary shares of the issuer, at the time of according consent to the public issue, shall be subject to lock-in, from the first trading day at the exchange in the following manner:

- (a) Shares held by sponsors, directors and shareholders holding 10% (ten percent) or more, for 03 (three) years;
- (b) In case, any existing sponsor or director of the issuer transfers any share to any person, those transferred shares, for 03 (three) years;
- (c) Shares allotted to any person, before 4 (four) years or more of according consent to the public issue, other than the persons mentioned in clause (a) and (b), for 01 (one) year;
- (d) shares held by alternative investment funds or by foreign investors, for 01 (one) year; and;
- (e) Shares held by any person, other than the shares mentioned in clause (a), (b), (c) and (d) above, for 02 (two) years: Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above.

b) Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked-in of Union Bank Limited:



Sl. No.	Name	Position	BO ID No.	Number of Shares	Pre IPO-of Securities in %	Post IPO Shareholding (%)	Lock-in Period (Year)
1	Unique Investment & Securities Ltd.	Sponsor & Director	1605140063521231	52,236,800	9.35%	5.29%	3
2	Marzina Sharmin	Sponsor & Director	1203470007574902	27,424,320	4.91%	2.78%	3
3	Lion Securities & Investment Ltd.	Sponsor & Director	1203350045302011	44,736,800	8.00%	4.53%	3
4	C&A Fabrics Ltd.	Sponsor & Director	1203310063604341	19,906,240	3.56%	2.02%	3
5	Western Designer Ltd.	Sponsor & Director	1203310063627564	20,816,365	3.72%	2.11%	3
6	Ocean Resorts Ltd.	Sponsor & Director	1605140059193154	27,424,320	4.91%	2.78%	3
7	Farzana Begum	Sponsor & Director	1203470018574401	28,273,168	5.06%	2.86%	3
8	Reliable Entrepreneurs Ltd.	Shareholder & Director	1605140062585860	19,853,280	3.55%	2.01%	3
9	Shahidul Alam	Sponsor	1203850005192412	19,817,584	3.55%	2.01%	3
10	Hussain Muhammad Ershad	Sponsor	-	52,236,800	9.35%	5.29%	3
11	Ashik Ahmed	Sponsor	1202120073636097	35,259,840	6.31%	3.57%	3
12	Farzana Parveen	Sponsor	1203850007450494	19,971,040	3.57%	2.02%	3
13	Belal Ahmed	Sponsor	1605140073701947	26,118,400	4.67%	2.65%	3
14	Shahana Ferdous	Sponsor	1203470007450419	27,424,320	4.91%	2.78%	3
15	C&A Accessories Ltd.	Sponsor	1203310063604285	19,901,683	3.56%	2.02%	3
16	Morsalin Islam Shouradip	Sponsor	1203490073657326	52,236,800	9.35%	5.29%	3
17	Arif Ahmed	Sponsor	1203350073895315	27,424,320	4.91%	2.78%	3
18	Mohammad Mostan Billah Adil	Sponsor	1203350073683397	26,118,400	4.67%	2.65%	3
19	Mehe Zebunnesa Rahman	Sponsor	1202120073637637	10,447,360	1.87%	1.06%	3
20	Ziauddin Ahmed	Shareholder	1202120073639264	1,000,000	0.23%	0.13%	3
				305,920			2

SECTION - XXIV

MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:

	<p>Dhaka Stock Exchange Limited (DSE) DSE Tower, Road: 21, House: 46 Nikunja, Dhaka-1229</p>
<p>And</p>	
	<p>Chittagong Stock Exchange Limited (CSE) CSE Building, 1080 Sk. Mojib Road, Agrabad, Chittagong</p>

Declaration about Listing of Shares with Stock Exchanges:

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer Company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

Trading and Settlement;

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN “N” CATEGORY

SECTION - XXV

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

All types of securities outstanding or being offered with date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

(a) Dividend, voting and preemption rights;

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

(b) Conversion and liquidation rights;

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy;

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. Dividend shall be recommended by the Board of Directors time to time for distributing the accumulated profit.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders;

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

SECTION - XXVI

FINANCIAL STATEMENTS

- a) **The latest financial statements prepared and audited by any of the Commission’s panel of auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the কোম্পানি আইন, ১৯৯৪, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable;**

**Independent Auditor's Report and
Audited Financial Statements
of
Union Bank Limited
As at and for the year ended 31 December 2020**

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF UNION BANK LIMITED**
Report on the audit of the financial statements

Opinion

We have audited the financial statements of Union bank Limited (the “Bank”), which comprise the balance sheet as at 31 December 2020, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the balance sheet of the Bank as at 31 December 2020, and of its profit and loss account and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note- 2 and comply with the Bank Company Act, 1991 (as amended up to date) the Rules and Regulations issued by the Bangladesh Bank, the Companies Act, 1994 and other applicable Laws and Regulations.

Basis for Opinion

In preparing the financial statements, management is responsible for assessing 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 Bank or to cease operations, or has no realistic alternative but to do so.

Responsibilities of management and those charged with governance for the financial statements and internal controls

Management is responsible for the preparation of the financial statements of the Bank in accordance with International Financial Reporting Standards (IFRSs) as explained in note-2, and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended up to date) and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the 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 financial statements, management is responsible for assessing 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 Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 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 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 and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank’s audit. We remain solely responsible for our audit opinion.

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

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

Report on other legal and regulatory requirements

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

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

- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti- fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - a. internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be with immaterial control deficiencies as identified in the Management Report;
 - b. nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank .
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper return adequate for the purpose of our audit have been received from branches not visited by us;
- (iv) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (v) the expenditures incurred were for the purpose of the Bank's business for the year;
- (vi) the financial statements of the Bank have been drawn up in conformity with the Bank Company Act, 1991 (as amended up to date) and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Bank;
- (vii) adequate provisions have been made for Investments and off-balance sheet items which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (viii) the financial statements of the Bank conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) taxes and other duties were collected and deposited in the Government treasury by the Bank as per Government instructions found satisfactory based on test checking;
- (xi) nothing has come to our attention that the Bank has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Bank is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- (xiv) the Bank has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing Investments/leases found satisfactory;
- (xv) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 4,200 person hours for the audit of the books and accounts of the Bank;
- (xvi) the Bank has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of Profit suspense;

- (xvii) the Financial Statement have been drawn up with the conformity with prevailing rules, regulations and accounting standards as explained in Note-2 as well as with related guidelines, circulars issued by Bangladesh Bank and decision taken in tripartite meeting amongst the inspection team of Bangladesh Bank, external auditors and the management of the Union Bank Ltd. held on 26 April 2021;
- (xviii) Capital to Risk Weighted Asset Ratio (CRAR) has been maintained during the year as explained in Note-12.4;
- (xix) all other issues which in our opinion are important for the stakeholders of the Bank have been adequately disclosed in the audit report.

Place: Dhaka, Bangladesh
Dated: 29 April 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants
DVC No: 2104291758AS166641

UNION BANK LIMITED
BALANCE SHEET
As at 31 December 2020

Particulars	Notes	2020 Taka	2019 Taka
PROPERTY AND ASSETS			
Cash	3	7,195,891,435	8,843,650,636
In hand (Including foreign currency)	3.1	825,991,310	1,464,354,069
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	6,369,900,125	7,379,296,567
Balance with other Banks and Financial Institutions	4.1	232,229,412	210,276,372
In Bangladesh		93,870,582	112,118,633
Outside Bangladesh		138,358,830	98,157,739
Placement with banks & Other Financial Institutions	4.2	5,718,811,530	6,268,446,373
Investments in Shares & Securities	5	7,688,051,408	6,084,062,132
Government		7,463,970,000	5,800,000,000
Others		224,081,408	284,062,132
Investments	6	166,337,195,954	146,459,574,948
General Investments etc.	6.A	149,536,346,400	126,125,509,303
Bills Purchased and Discounted	6.B	16,800,849,554	20,334,065,645
Fixed Assets Including Premises, Furniture and Fixtures	7	3,763,215,812	3,717,790,728
Other Assets	8	19,096,180,885	8,522,344,593
Non Banking Assets		-	-
Total Assets		<u>210,031,576,436</u>	<u>180,106,145,782</u>
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions	9	9,649,997,064	6,293,852,442
Deposits and Other Accounts	10	172,710,507,951	150,219,920,854
Mudaraba Savings Deposits	10.1	7,245,509,172	5,358,117,905
Mudaraba Term Deposits	10.2	96,010,891,579	83,885,364,118
Other Mudaraba Term Deposits	10.3	42,707,178,422	35,894,498,634
Al-Wadia Current Accounts and Other Accounts	10.4	25,554,877,551	24,370,424,268
Bills Payable	10.5	1,192,051,227	711,515,929
Mudaraba Subordinated Bond		4,000,000,000	4,000,000,000
Other Liabilities	11	14,515,451,219	11,141,751,735
Total Liabilities		<u>200,875,956,234</u>	<u>171,655,525,032</u>
Capital/Shareholders' Equity			
Paid-up Capital	12.1	5,589,337,600	5,272,960,000
Statutory Reserve	13	1,968,151,671	1,523,468,581
Other Reserve	14	145,749,665	145,749,665
Retained Earnings	15	1,452,381,266	1,508,442,504
Total Shareholders' Equity		<u>9,155,620,202</u>	<u>8,450,620,750</u>
Total Liabilities and Shareholders' equity		<u>210,031,576,436</u>	<u>180,106,145,782</u>

UNION BANK LIMITED
BALANCE SHEET
As at 31 December 2020

Particulars	Notes	2020 Taka	2019 Taka
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		4,149,886,886	5,585,833,673
Letter of Guarantees	16	1,699,306,414	1,633,366,306
Irrecoverable Letters of Credit	17	1,546,252,267	2,958,520,480
Bills for Collection	18	3,174,870,684	1,395,609,592
Other Contingent Liabilities		-	-
Total		<u>10,570,316,251</u>	<u>11,573,330,051</u>
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claims against the bank not acknowledged as debt		-	-
Other Commitments		-	-
Total		<u>-</u>	<u>-</u>
Total Off -Balance Sheet Items Including Contingent Liabilities		<u>10,570,316,251</u>	<u>11,573,330,051</u>

The annexed notes form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

See annexed auditor's report of even date

Place: Dhaka, Bangladesh
Dated: 29 April 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants
DVC No: 2104291758AS166641

UNION BANK LIMITED
PROFIT AND LOSS STATEMENT
 For the year ended 31 December 2020

Particulars	Notes	2020 Taka	2019 Taka
Investments Income	19	19,740,126,917	16,736,433,627
Profit Paid on Deposits	20	(14,291,980,638)	(12,313,172,100)
Net Investment Income		5,448,146,279	4,423,261,527
Income from Investment in Shares and Securities	21	195,066,492	301,624,089
Commission, Exchange and Brokerage	22	192,143,415	316,952,702
Other Operating Income	23	123,757,818	166,053,303
Total Operating Income		5,959,114,004	5,207,891,621
Operating Expenses			
Salary and Allowances	24	1,407,236,899	1,305,262,590
Rent, Taxes, Insurances, Electricity etc.	25	421,773,319	366,273,964
Legal Expenses	26	7,089,692	19,325,748
Postage, Stamps, Telecommunication etc.	27	23,355,180	24,316,655
Stationery, Printings, Advertisements etc.	28	82,487,626	48,558,013
Chief Executives Salary and Fees	29	12,247,950	10,115,000
Auditors' Fees		345,000	345,000
Directors' Fees & Expenses	30	1,968,200	2,983,900
Shariah Supervisory Committee's Fees & Expenses	31	316,600	356,800
Depreciation and Repair of Bank's Assets	32	224,351,439	236,816,504
Zakat Expenses		44,000,000	36,000,000
Other Expenses	33	515,526,647	449,631,925
Total Operating Expenses		2,740,698,552	2,499,986,099
Profit/(Loss) before Provision and tax		3,218,415,452	2,707,905,522
Provisions for Classified Investments	11.2.a	-	989,980,455
Provisions for Unclassified Investments	11.2.a	600,000,000	218,100,000
Provisions for Off Balance Sheet items	11.2.a	-	5,000,000
Special General Provisions for Covid - 19		394,000,000	-
Other Provisions	11.2.4.1	1,000,000	2,059,339
Provisions for diminution in value of investment in share	11.5	-	13,300,000
Total provision		995,000,000	1,228,439,794
Total Profit/(Loss) before Tax		2,223,415,452	1,479,465,728
Provision for Income Tax			
Current Tax	11.1	1,235,275,896	923,509,909
Deferred Tax Income	8.3.1	(275,896)	(38,509,909)
Net Profit/(Loss) after Tax		988,415,452	594,465,728
Retained Earnings from Previous Year		1,508,442,504	1,209,869,922
Add: Net Profit/(Loss) after Tax		988,415,452	594,465,728
Profit available for Appropriation		2,496,857,956	1,804,335,650
Appropriations:			
Statutory Reserve	13	444,683,090	295,893,146
Start-up Fund		9,884,000	-
CSR Fund		9,884,000	-
Stock Dividend		316,377,600	-
Cash Dividend		263,648,000	-
Retained earnings		1,452,381,266	1,508,442,504
		2,496,857,956	1,804,335,650
Earnings Per Share (EPS)	34	1.77	1.06

The annexed notes form an integral part of these financial statements.

Sd/-
Managing Director

Sd/- Sd/-
Director Director

Sd/-
Chairman

See annexed auditor's report of even date

Place: Dhaka, Bangladesh
 Dated: 29 April 2021

Sd/-
Md. Shahidul Islam FCA
 Engagement Partner
K. M. HASAN & CO.
 Chartered Accountants
 DVC No: 2104291758AS166641

UNION BANK LIMITED
CASH FLOW STATEMENT

For the year ended 31 December 2020

Particulars	Notes	2020 Taka	2019 Taka
A. Cash Flow from Operating Activities			
Investments income receipts		20,031,311,190	17,000,391,906
Profit paid on deposit		(14,182,693,379)	(11,751,391,921)
Fee and Commission receipts		192,143,415	316,952,702
Dividend receipts		235,153	223,954
Payments to employees		(1,495,677,087)	(1,264,293,941)
Payments to suppliers		(82,487,626)	(48,558,013)
Income tax paid		(1,220,668,678)	(884,058,746)
Receipts from other operating activities	35	123,757,818	166,053,303
Payments for other operating activities	36	(1,066,426,110)	(944,157,860)
Operating Profit before changes in Operating Assets & Liabilities		2,299,494,696	2,591,161,384
Changes in Operating Assets & Liabilities			
(Increase)/ Decrease Investments to Customers		(19,877,621,006)	(26,525,189,835)
(Increase)/ Decrease of Other Assets	37	(9,594,244,553)	(689,852,965)
Increase/ (Decrease) Deposits from Customers		22,490,587,097	25,321,416,972
Increase/ (Decrease) of Other Liabilities	38	971,907,211	761,674,164
		(6,009,371,251)	(1,131,951,664)
Net Cash Flow from Operating Activities		(3,709,876,555)	1,459,209,720
B. Cash Flow from Investing Activities			
Payments to Investment in Shares and Securities		(1,603,984,020)	(970,602,591)
Purchases of Property, Plant and Equipment		(217,725,051)	(2,786,994,587)
Net Cash Used in Investing Activities		(1,821,709,071)	(3,757,597,178)
C. Cash Flow from Financing Activities			
Receipts from issuance of Mudaraba Subordinated Bond		-	4,000,000,000
Increase/(Decrease) in Placement from Banks & other Financial Institutions		3,356,144,622	(1,963,679,260)
Net Cash Flow from Financing Activities		3,356,144,622	2,036,320,740
D. Net Increase/(Decrease) of Cash & Cash Equivalents (A+B+C)		(2,175,441,004)	(262,066,718)
E. Add/(Less): Effect of Exchange Rate on Cash & Cash Equivalents		-	-
F. Beginning Cash & Cash Equivalents		15,322,373,381	15,584,440,099
G. Ending Cash & Cash Equivalents (D+E+F)		13,146,932,377	15,322,373,381
The above closing Cash and Cash Equivalents include:			
In hand (Including foreign currency)	3.1	825,991,310	1,464,354,069
Balance with Bangladesh Bank and its agent bank(s)	3.2	6,369,900,125	7,379,296,567
Balance with other Banks and Financial Institutions	4.1	232,229,412	210,276,372
Placement with banks & Other Financial Institutions	4.2	5,718,811,530	6,268,446,373
		13,146,932,377	15,322,373,381

The annexed notes form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Place: Dhaka, Bangladesh
Dated: 29 April 2021

UNION BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

Particulars	Paid-up Capital	Statutory Reserve	Other Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka
Balance as on 01 January 2020	5,272,960,000	1,523,468,581	145,749,665	1,508,442,504	8,450,620,750
Surplus/Deficit on account of revaluation of properties	-	-	-	-	-
Surplus/Deficit on account of revaluation of investments	-	-	-	-	-
Currency Translation Differences	-	-	-	-	-
Net Gains and Losses not Recognized in the Profit and Loss Statement	-	-	-	-	-
Net Profit for the year	-	-	-	988,415,452	988,415,452
Dividends					
Stock	316,377,600	-	-	(316,377,600)	-
Cash	-	-	-	(263,648,000)	(263,648,000)
Transfer to Statutory Reserve	-	444,683,090	-	(444,683,090)	-
Transfer to Start-up Fund	-	-	-	(9,884,000)	(9,884,000)
Transfer to CSR Fund	-	-	-	(9,884,000)	(9,884,000)
Transfer to Retained Earnings	-	-	-	-	-
Issue of Share Capital during the year	-	-	-	-	-
Balance as on 31 December 2020	5,589,337,600	1,968,151,671	145,749,665	1,452,381,266	9,155,620,202
Balance as on 31 December 2019	5,272,960,000	1,523,468,581	145,749,665	1,508,442,504	8,450,620,750

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Place: Dhaka, Bangladesh

Dated: 29 April 2021

UNION BANK LIMITED
LIQUIDITY STATEMENT (ASSETS AND LIABILITY MATURITY ANALYSIS)

As at 31 December 2020

Particulars	Up to 01 month Taka	01-03 months Taka	03-12 months Taka	01-05 years Taka	More than 05 years Taka	Total Taka
Assets						
Cash	1,234,091,435	-	-	-	5,961,800,000	7,195,891,435
Balance with banks & Other Financial Institutions	232,229,412	-	-	-	-	232,229,412
Placement with banks & Other Financial Institutions	3,103,911,530	2,328,600,000	286,300,000	-	-	5,718,811,530
Investments in Shares and Securities	900,000,000	2,530,000,000	3,904,151,408	353,900,000	-	7,688,051,408
Investments	46,718,700,000	34,431,300,000	73,612,095,954	4,452,900,000	7,122,200,000	166,337,195,954
Fixed Assets including Premises, Furniture & Fixtures	-	-	-	441,785,062	3,321,430,750	3,763,215,812
Other Assets	13,491,400,000	844,100,000	4,637,200,000	123,480,885	-	19,096,180,885
Non-banking Assets	-	-	-	-	-	-
Total Assets	65,680,332,377	40,134,000,000	82,439,747,362	5,372,065,947	16,405,430,750	210,031,576,436
Liabilities						
Placement from Banks & Other Financial Institutions	157,900,000	4,538,300,000	4,953,797,064	-	-	9,649,997,064
Deposits and Other Accounts	46,429,507,951	39,185,200,000	44,897,800,000	37,519,800,000	4,678,200,000	172,710,507,951
Mudaraba Subordinated Bond	-	-	-	-	4,000,000,000	4,000,000,000
Other Liabilities	816,400,000	1,084,400,000	6,163,600,000	6,451,051,219	-	14,515,451,219
Total Liabilities	47,403,807,951	44,807,900,000	56,015,197,064	43,970,851,219	8,678,200,000	200,875,956,234
Net Liquidity Gap	18,276,524,426	(4,673,900,000)	26,424,550,298	(38,598,785,272)	7,727,230,750	9,155,620,202

Sd/-
 Managing Director
 Place: Dhaka, Bangladesh
 Dated: 29 April 2021

Sd/-
 Director

Sd/-
 Director

Sd/-
 Chairman

UNION BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

1. The Bank and its activities

1.1 Status of the Bank

Union Bank Limited (UBL) was incorporated (No.C-107837/13) in Bangladesh on 07 March 2013 as a banking company under Companies Act 1994. The Bank is one of the interest-free Shariah based banks in the country and its modus-operandi are substantially different from other conventional Banks. It obtained permission from Bangladesh Bank on 10 March 2013 to commence its business (Ref: BRPD (P-3)/745(60)/2013-1122). Presently the Bank carries banking activities through its 95 (Ninety Five) branches and 14 (Fourteen) sub-branches operating as per Islamic Shariah prevailing in the country. The Bank has no overseas branches as at 31 December 2020.

The registered office of the Bank is located at Bahela Tower, 72 Gulshan Avenue, Gulshan-1, Dhaka-1212.

1.2 Nature of business/principal activities of the Bank

All kinds of commercial banking services are provided by the Bank to the customers following the principles of Islamic Sharia'h, the provisions of the Bank Company Act 1991 and Bangladesh Bank's directives.

The bank renders commercial banking services to all types of customers. The range of services offered by the bank includes accepting deposit, making investment, discounting bills, conducting domestic and international money transfer, carrying out foreign exchange transactions in addition to international money transfers, and offering other customer services such as safe keeping, collections and issuing guarantees, acceptances and letters of credit. Core business of the bank includes deposit mobilization and investing activities comprising short-term, long-term, import and export financing. Financing activities are extended to different sectors of the economy that could be grouped into several sectors including Rural & Agriculture, Garments & Textiles, Jute, Cement & Bricks, Tannery, Steel & Engineering, Food & Beverage, Chemical & Pharmaceuticals, Printing & Packaging, Glass & Ceramics and Miscellaneous.

At a glance, the principal activities of the bank are:

- (a) To facilitate and handle all kinds of commercial banking services to its customers authorized by Bangladesh Bank.
- (b) To facilitate the export and import business of Bangladesh.
- (c) To take part in international banking services etc.

2 Significant accounting policies and basis for preparation of Financial Statements

2.1 Statements of Compliance

The financial statements of the Bank are made up to 31 December 2020 and are prepared under the historical cost convention on a going concern basis and in accordance with the BRPD Circular # 15 dated 09 November 2009, with reference to the “ First Schedule of Section 38(4) of the Bank Company Act 1991 as amended and by Bangladesh Bank BRPD Circular # 14 dated 25 June 2003, Other Bangladesh Bank Circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), The Companies Act 1994, The Bank Company Act 1991, The Income Tax Ordinance 1984, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and other laws and rules applicable in Bangladesh.

2.1.1 Departures from IAS/IFRS

In case the requirements of guidelines and circulars issued by Bangladesh Bank differ with those of other regulatory authorities and International Financial Reporting Standards (IFRSs), the guidelines and circulars issued by Bangladesh Bank prevails. As such the Bank has departed from those requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i. Provision on investments and off-balance sheet exposures

IAS/IFRS: As per IAS 39 "Financial Instruments: Recognition and Measurement" an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not

individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No. 05 dated 29 May 2013 and BRPD circular No. 16 dated 18 November 2014 a general provision at 0.25% to 5% under different categories of unclassified investments (good/standard investments) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard, doubtful and bad & loss investments have to be provided at 20%, 50% and 100% respectively (except short-term agricultural and micro-credits where 5% for sub-standard and doubtful investments and 100% for bad & loss investments) depending on the duration of overdue. Again as per BRPD Circular No.14 dated 23 September 2012 and BRPD Circular No.19 dated 27 December 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures but 0% against bills for collection under off-balance sheet exposures as per BRPD Circular no. 07 dated 21 June 2018, and circular no 13 dated October 18, 2018. Such provision policies are not specifically in line with those prescribed by "IAS 39 "Financial Instruments: Recognition and Measurement".

ii. Recognition of investment income in suspense

IAS/IFRS: Investment to customers are generally classified as 'loans and receivables' as per IAS 39 "Financial Instruments: Recognition and Measurement" and investment income is recognized through effective interest rate method over the term of the investment. Once an investment is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once an investment is classified, investment income on such investment are not allowed to be recognized as income, rather the corresponding amount needs to be credited to profit suspense account, which is presented as liability in the balance sheet.

iii. Investment in shares and securities

IAS/IFRS: As per requirements of IAS 39 "Financial Instruments: Recognition and Measurement" investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognized at cost.

iv. Revaluation gains/losses on Government securities

IAS/IFRS: As per requirement of IAS 39 "Financial Instruments: Recognition and Measurement" where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognized through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method and income from investments recognized through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Profit on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

v. Other comprehensive income

IAS/IFRS: As per IAS 1 "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other 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.

vi. Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IAS 39 "Financial Instruments: Recognition and Measurement". As such full disclosure and presentation requirements of IFRS 7 "Financial Instruments: Disclosures" and IAS 32 "Financial Instruments: Presentation" cannot be made in the financial statements.

vii. Financial guarantees

IAS/IFRS: As per IAS 39 "Financial Instruments: Recognition and Measurement", financial guarantees are contracts that require an entity 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 terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

viii. Balance with Bangladesh Bank: (Cash Reserve Requirement)

IAS/IFRS: Balance with Bangladesh Bank that are required to be kept as part of cash reserve requirement, should be treated as other asset as it is not available for use in day to day operations as per IAS 7 "Statement of Cash Flows".

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

ix. Cash flow statement

IAS/IFRS: The Cash flow statement can be prepared using either the direct method or the 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 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, cash flow statements is to be prepared following a mixture of direct and indirect methods.

x. Non-banking asset

IAS/IFRS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, there must exist a face item named Non-banking asset.

xi. Presentation of intangible asset

IAS/IFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38 "Intangible Assets".

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009.

xii. Recognition of Lease Rent of the Office premises

IAS/IFRS: As per IFRS 16, specifies 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 leased liability representing its obligation to make lease payments.

Bangladesh Bank : As per BRPD circular no. 14 dated 25 June 2003 (First Schedule of under section 38 of Banking Company Act, 1991, lease rent of the office Premises must be shown in the Profit and Loss account under "Rent, taxes, insurance, electricity etc."

Income Tax Ordinance 1984: According to section 53A of the act, where any specified person is a tenant/lessee in respect of a house property, the tenant has obligation to deduct tax from the rent of such house property which is preclude to treat it's shown Asset (right-of-use asset) and the lease liability instead of as direct expense.

VAT act, 2012: According to VAT S-074 (Place and establishment renter) refer to any person, Organization or Corporation, who or whose has got the right to use of the place and establishment for certain period or renewal after period expire against consideration. VAT will be payable on basis of use of place and establishment for such period.

xiii. Off-balance sheet items

IAS/IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiv. Investments net of provision

IAS/IFRS: Investments should be presented net of provision.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, provision on investments is presented separately as liability and cannot be netted off against investments.

xv. Revenue

As per IFRS 15 "Revenue from Contract with Customers", revenue should be recognized on accrual basis but due to the unique nature of Islamic Banks, income from investment under Mudaraba, Musharaka, Bai-Salam, Bai-as-Sarf and Ijarah modes is accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

2.1.2 Authorization of the financial statements for issue

The financial statements of the Bank have been authorized for issue by the Board of Directors on 29 April 2021.

2.1.3 Changes in accounting standards

No new International Financial Reporting Standards (IFRSs) have been adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Financial Reporting Standards (BFRSs) during the year that are effective for the first time for the financial year 2018 that have a significant impact on the Bank Company and accordingly no new accounting standards have been applied in preparing these financial statements.

2.1.4 Prior period adjustments

Prior period adjustments, if any, is recognized respectively as per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.2 Basis of Preparation of Financial Statements

The Financial Statements of Union Bank Limited (UBL) represent Balance Sheet and Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity and Liquidity Statement which comprise of the financial information/ transaction of all branches. All significant inter-branches transactions are eliminated on preparation of these financial statements.

2.3 Use of estimates and Judgements

In the preparation of the financial statements management is required to make judgements, 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 on going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.

2.4 Going concern

When preparing financial statements, management makes an assessment of the Bank's ability to continue as a going concern. The Bank prepares financial statements on a going concern basis.

2.5 Accruals and Deferrals

Accruals and deferrals have been made as per the guidance of IAS # 1: Presentation of Financial Statements. In order to meet their objectives, financial statements except for Cash Flow Statement and related information are prepared on accrual basis of accounting. Under this basis, the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in accounts and reported in the financial statements of the year to which they relate.

2.6 Revenue Recognition

The revenues during the year are recognized on an accrual basis, which comply with the conditions of revenue recognition as provided in IFRS 15 "Revenue from Contract with Customers".

2.6.1 Income from Investments

Income from investments has been accounted for on accrual basis except investment under Musharaka, Mudaraba and Bai-Salam. Income in case of Musharaka is accounted for on realization basis. The bank does not charge any rent during the gestation/interim period of investment under hire purchase, but it fixes the rent of the assets at a higher price in such a way to cover its expected rate of return. Such income is recognized on realization basis.

Income was calculated on daily product basis and charged periodically.

2.6.2 Income from Investments in Share and Securities

Investment in shares and securities are recorded at cost. Provisions have been made against probable losses on the basis of year end reviewed by the management and in compliance with Bangladesh Bank circulars.

As per IFRS 15 "Revenue from Contract with Customers" dividend income from investments in shares is recognized when the "Bank's" right to receive dividend is established. Bank recognized dividend income when:

- a. It is probable that economic benefits, associated with transaction will flow to the entity; and
- b. The amount of the revenue can be measured reliably.

Gain on sale of shares transferred to other income on realization basis.

Profit on investment in Bangladesh Govt. Islamic Investment Bond is recognized on accrual basis.

2.6.3 Commission Income

Commission and discount on Bills Purchased and Discounted are recognized at the time of realization.

Commission charged to customers on letter of credit and guarantees are credited to income at the time of effecting the transactions.

2.6.4 Profit/Rent/Compensation Suspense Account prohibited by Sharia'h

Profit/rent/compensation accrued on classified investments are suspended and accounted for as per circulars issued by the Bangladesh Bank. Moreover, income which are irregular (doubtful) as per Sharia'h are not included in the distributable income of the Bank.

Compensation on unclassified overdue Bai-Murabaha investments is charged as per Islamic Sharia'h such compensation is not shown as income of the Bank. This fund is transferred to Union Bank Foundation as per policy of the Bank.

Profit received from the balances held with foreign banks and foreign currency charging account with Bangladesh Bank are also not credited to regular income since it is not permissible as per Sharia'h.

2.6.5 Profit paid and Other Expenses

Profit paid and other expenses incurred by the Bank are recognized on accrual basis.

2.6.6 Dividend Payments

Interim dividend is recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders. The proposed dividend for the year ended 31 December 2020 has not been recognized as a liability in the balance sheet in accordance with the IAS # 10: Events After the Balance Sheet Date.

Dividend payable to the Bank's shareholders is recognized as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

2.7 Foreign Currency Transactions

2.7.1 Foreign Currency

Items included in the financial statements of each entity of the bank are measured using the currency of the primary economic environment in which entity operates i.e. functional currency. The financial statements of the bank are presented in Taka which is bank's functional and presentation currency.

2.7.2 Foreign Currency Translations

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions as per IAS # 21. Assets and liabilities in foreign currencies as at 31 December 2020 have been converted into Taka currency at the average of the prevailing buying and selling rates of the concerned foreign currencies at that date except "balances with other banks and financial institutions" which have been converted as per directives of Bangladesh Bank vide its circular no BRPD(R) 717/2004-959 dated 21 November 2004.

2.7.3 Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance sheet date. The outstanding balances for the same as at 31 December 2020 have been shown in the Balance Sheet under Off-Balance Sheet items.

Exchange rates with major foreign currencies as on 31 December 2020 were as:

Currency Name	Exchange Rate (Taka)
USD	84.4500
Euro	105.3427
JPY	0.8297
ACU	84.4500
GBP	114.8996
CHF	98.2715
SGD	64.9919
AUD	66.1613
CAD	67.3379

2.7.4 Translation gains and losses

As per provision of IAS # 21: The Effects of Changes in Foreign Exchange Rates, foreign currency transactions are translated into Taka at rates prevailing on the dates of such transactions. The resulting exchange transaction gains and losses arising through foreign currency buying and selling transactions effected on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account.

2.8 Assets and their basis of valuation

2.8.1 Cash and Cash Equivalents

As per provision of IAS # 7 Cash Flow Statements of Banks and Similar Financial Institutions for the purpose of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including: cash and balances with central banks, treasury bills, and

other eligible bills, amounts due from other banks and dealing securities other than those which are not available to finance the UBL day to day operations.

2.8.2 Investments

a) Investments are stated in the balance Sheet at the net amount excluding unearned income and profit receivable.

b) Provision for Investments Impairment:

As per instructions contained in Bangladesh Bank's BRPD circular no. 14, dated September 23, 2012, BRPD circular no. 05, dated May 29, 2013, BRPD circular no. 16, dated November 18, 2014, BRPD circular no. 08, dated August 02, 2015, BRPD circular no. 12, dated August 20, 2017, BRPD circular no. 15, dated September 27, 2017, BRPD Circular no. 01, dated January 03, 2018, BRPD Circular no. 01, dated February 20, 2018, BRPD Circular no. 07, dated June 21, 2018, BRPD Circular no. 13, dated October 18, 2018, BRPD Circular no. 03, dated April 21, 2019, BRPD Circular no.16, dated July 21, 2020, BRPD Circular no. 17, dated September 28, 2020 and BRPD Circular no. 52, dated October 20, 2020 respectively specific provisions are made against non performing investments are at the following rates:

Particulars	Rates
Provision on Substandard Investments:	
Cottage, Micro, Small and Medium Enterprise (CMSME)	5%
Other than Cottage, Micro, Small and Medium Enterprise (CMSME)	20%
Provision on Doubtful Investments:	
Cottage, Micro, Small and Medium Enterprise (CMSME)	20%
Other than Cottage, Micro, Small and Medium Enterprise (CMSME)	50%
Provision on Bad & Loss Investments	100%

As per instructions of BRPD circular nos. 14, 05, 16, 08, 12, 15, 01, 01, 07, 13, 03, 16, 17 and 52 dated September 23, 2012, May 29, 2013, November 18, 2014, August 02, 2014, August 02, 2015, August 20, 2017, September 27, 2017, January 03, 2018, February 20, 2018, June 21, 2018, October 18, 2018, April 21, 2019, July 21, 2020, September 28, 2020 and October 20, 2020 respectively an amount has been set aside up of the total unclassified investments as on the balance sheet date at the following rates:

General Provision on:

Particulars	Rates
• All Unclassified Investments of Small and Medium Enterprise (SME)	0.25%
• All Unclassified Investments (Other than investments under Consumer Financing, SME Financing, Housing Finance, Investment to professionals to set up business, Investment to Brokerage Houses, Merchant Banks, Stock Dealers etc.)	1.00%
• Unclassified Consumer Financing (Other than Housing Finance and Investment for Professionals to set up business)	2.00%
• Unclassified Investment to Housing Finance	1.00%
• Unclassified Investment for Professionals to set up business under Consumer Financing Scheme	2.00%
• Unclassified Investment to Brokerage House, Merchant Banks, Stock dealers, etc.	2.00%
• Off-Balance sheet Exposure (Except inward and outward bills for collection)	1.00%

Provision for Short-term Agricultural and Micro-Credits:

Particulars	Rates
• All unclassified investments (irregular & regular)	1.00%
• Classified as “Sub-Standard” & “Doubtful”	5.00%
• Classified as Bad/Loss”	100.00%

c) When an investment is deemed to be uncollectible, it is written off against the related provision for impairments. Subsequent recoveries of such investments are credited to the income statement.

d) Investment are normally written off, when there is no chance of recovery of these amounts in accordance with BRPD Circular no. 01, Dated 06 February 2019. A separate Investment Monitoring and Recovery Division (IMRD) has been set up at the Head Office, which monitors investment Written-off and legal action through the Money Court. The process of Write-offs does not undermine or affect the amount claimed against the borrower by the Bank.

2.8.3 Investment in shares and securities

Investment in shares and securities (other than government treasury securities) are initially measured at fair value (which is actually the cost) and subsequently accounted for depending on their classification as either held to maturity, fair value through profit or loss, or available for sale.

Investment in Bangladesh Government Islamic Investment Bond (BGIIB) is measured both initially and subsequently at cost, which is also the fair value.

2.8.3.1 Valuation Method

Considerable value of Investments has been considered as follows:

Particulars	Valuation Method
Bangladesh Government Islamic Investment Bonds	Cost Price
Shares	Cost Price

2.8.4 Off setting Financial Instruments

Financial assets and liabilities are offset and the net amount reported 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.

2.8.5 Property, Plant and Equipment

All property and equipment are classified and grouped on the basis of their nature as required in as per provision of IAS # 16: Property, Plant and Equipment.

The major categories of property and equipment held by the bank are furniture and fixtures, office equipment's, motor vehicles and books.

As guided in paragraph 30 of IAS # 16 Property Plant and Equipment: all property and equipment are stated at historical cost less accumulated depreciation. The opening and closing carrying amounts of all property and equipment are presented including the amount of additions, disposals and depreciation charged during the year as required IAS # 16. Maintenance expenses that does not increase the value of assets is charged to profit & loss account.

Depreciation on Property, Plant and Equipment

As required in paragraph 43 of IAS # 16 Property Plant and Equipment depreciation has been charged on property and equipment at the following rates using reducing balance method, except on office equipment, motor vehicles on which straight-line method is applied.

Nature of Assets	Rate	Method of Depreciation
Land	Nil	Not Applicable
Furniture and Fixtures	10%	Reducing Balance Method.
Office Equipment	20%	Reducing Balance Method except Computer Equipment where used Straight Line Method.
Vehicles	20%	Straight Line Method.
Books	20%	Reducing Balance Method.

Depreciation on addition to fixed assets is charged in compliance with International Accounting Standard (IAS) # 16.

2.9 Statutory Reserve

As per section 24 of Bank Company Act 1991 (amended up to 2013), at least 20% of the profit before tax is transferred to the statutory reserve each year until the balance of the reserve equates with the paid-up capital.

2.10 Liabilities and Provisions

2.10.1 Taxation

Tax expenses represent the sum of the tax which are payable during the current period.

2.10.1.1 Current Tax

Provision for corporate current income tax has been made @ 40% as prescribed in the Finance Act 2020 of 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 in compliance with IAS # 12: Income Taxes.

2.10.1.2 Deferred Tax

Deferred tax is recognized in compliance with IAS 12 "Income Taxes" and BRPD Circular no. 11 dated 12 December 2011, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of balance sheet. Deferred tax assets and liabilities are offset as there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each date of balance sheet and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. As shown in note no. 8.3.1

2.10.2 Retirement Benefits of Employees

Required in IAS # 19: Employee Benefit, provident fund and gratuity benefits are given to eligible employee of the bank in accordance with the locally registered rules and the entity shall disclose the amount recognized as an expense for defined contribution plan.

2.10.2.1 Provident Fund

Provident fund benefits are given to employees of Union Bank Limited (UBL) in accordance with the locally registered Provident Fund Rules. The employees' provident fund is administered by a Board of Trustees and is funded by contributions of employees and the Bank at predetermined rates in equal proportion. These contributions are invested separately from the assets of UBL and the profit on such contributions credited to the members' account. The Fund is recognized by the National Board of Revenue (NBR) vide their letter # PFR(UBL)/LTU/2013-2014/1057(1-3) dated 30/04/2014.

2.10.2.2 Gratuity

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits if his/her length of service is at least six (06) years. Adequate provision has been made for gratuity in line of IAS # 19 "Employee Benefits". The Fund is recognized by the National Board of Revenue (NBR) vide their letter No. 08.01.0000.035.02.0043.2016/28 dated 02/04/2017.

2.10.2.3 Employees' Social Security & Benevolent Fund (ESSBF)

The Bank operates a Employees' Social Security & Benevolent Fund (ESSBF) by all regular employees' contribution for the sake of death and disability of employees.

2.10.2.4 Employees Group Life Insurance Fund

The bank makes Employees Group Life Insurance Fund commence with effect from 01 January 2020. The purpose of the fund is to provide medical and death cum survival benefit in lieu of group insurance (death cum endowment). The fund shall be subscribed by the employees on early basis and with the contribution of the Bank.

2.10.2.5 Death Risk Coverage Scheme (DRCS)

The bank operates a Death Risk Coverage Scheme (DRCS) in Employee House Building Investment Scheme (EHBIS) with following objectives:

- a). To ensure 100% repayment of EHBIS of the Bank even in the case of death/disability, staying the Bank away from the threat of any financial loss due to non-repayment hazards.
- b). To cushion the bereaved/disabled families of the employees of the Bank from the burden of paying EHBIS installment from their own in the event of death/disability case.

2.10.2.6 Workers' Profit Participation Fund (WPPF)

As per Bangladesh Labour Act, 2006 as amended in 2013 all companies fall within the scope of WPPF (which includes Bank) are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. But the provision for WPPF as per Bangladesh Labour Act 2006 as amended 2013 contradicts with the Bank Company Act 1991, section 11 sub section b(ii). As such the Bank did not make any provision during the year for WPPF.

2.10.3 Deposits and Other Accounts

Deposit include non-profit bearing deposits, saving deposits, term deposits etc. They are brought to account at the gross value of the outstanding balance. Profit paid is charged to the Income Statement.

2.10.4 Contingent Liabilities, Commitments and Other Off-Balance Sheet items

As required in IAS # 37, Contingent Liabilities, commitments and other Off-Balance Sheet items are presented in details in the financial statements as per BB Circular no. BRPD 14 Dated 25 June 2003 and BRPD -15 Dated 09 November 2009.

2.10.5 Sharing of Investment Income

In case of investments, Mudaraba fund gets preference over cost free fund. The investment income earned through deployment of Mudaraba fund is shared by the bank and the Mudaraba depositors at the pre-determined ratio fixed by the bank.

2.10.6 Zakat

Zakat is paid by the bank at the rate of 2.58% (instead of 2.50% as the bank maintains its account following Gregorian year) on the closing balances of share premium, statutory reserve, general reserve and exchange equalization account. Payment of zakat on paid up capital and deposits is the responsibility of the shareholders and depositor's respectively.

2.11 Others

2.11.1 Cash Flow Statement

Cash Flow Statement is prepared in accordance with IAS 7 “Statement of Cash Flows”, and as per “Guidelines for Islamic Banking” issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009 and BRPD Circular No.14 dated 25.06.2003. The Statement shows the structure of changes in cash and cash equivalents during the financial year.

2.11.2 Liquidity Statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis:

- Balance with other Banks and financial institutions are on the basis of their maturity term;
- Investments are on the basis of their respective maturity and repayment schedule;
- Fixed assets are on the basis of their useful lives;
- Other assets are on the basis of their realization / amortization;
- Borrowing from other Banks, financial institutions and agents, etc. are as per their maturity / repayment term;
- Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors;
- Provisions and other liabilities are on the basis of their payment / adjustments schedule.

2.11.3 Comparative Information

As guided in paragraph 36 and 38 of IAS # 1 presentation of financial statements, comparative information in respect of the previous year have been presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial statements.

2.11.4 Earnings Per Share (EPS)

2.11.4.1 Basic Earnings Per Share

Earnings per share have been calculated in accordance with IAS # 33 “Earnings Per Share” (EPS) which has been shown on the face of profit and loss account. These have been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

2.11.4.2 Diluted Earnings Per Share

No diluted earnings per share are required to calculate for the year as there was no such component existed during the year under review.

2.11.5 Functional and Presentation Currency

The financial statements are presented in Bangladesh Taka (BDT).

2.12 Risk Management

Risk is an inherent part of banking business. Through issuing and adopting risk management policies, UBL continues to focus on improving its risk management systems and practicing same in its day to day business operation. UBL conducts its risk management activities by following Bangladesh Bank risk management guidelines, circulars, instructions, core risk management guidelines, bank’s internal comprehensive risk management guidelines and Basel-III accord; etc. as amended from time to time. As per directive of Bangladesh Bank, UBL established a separate Risk Management Division (RMD) to identify, monitor and manage evolving risks effectively and efficiently.

Key risk management areas of the bank are described below:

2.12.1 Investments Risk

Investment risk is one of the major risks of the banks which can be described as potential losses arising from the failure of counterparty to perform according to the agreed terms. The failure may result from unwillingness of the counterparty or decline due to economic condition, market situation etc. Macro level investment risk management issues cover sectoral concentration, industry-wise concentration, area concentration, non-performing/classified investments, provisioning, top-20 borrower concentration, single borrower exposure limit, forced investment, status of top-20 defaulters, status of law suit, status of provisioning against classified investments, error in valuation of collateral, documentation lapses, recovery from overdue investments, rescheduled/restructured/ written-off investment, status of credit rating of eligible corporate and SME clients; etc. To manage investments risk, the bank applies investment limits to its customers and obtains adequate collaterals. Investments risks are monitored, reviewed and analyzed by the Investment Committee (IC), Investment Risk Management Committee (IRMC), Executive RISK Management Committee (ERMC), Board Risk management committee (BRMC) and Board of Directors at a regular interval in its meetings.

2.12.2 Foreign Exchange Risk

Foreign Exchange Risk is defined as the potential change in earnings arising due to change in market prices. Foreign exchange risk arises due to unexpected movement of market price of the holding of currencies or the price of the assets denominated in foreign currencies. Macro level FEx risk covers open position risk, exchange rate, violation of dealer’s limit and loss for the violation, un-reconciled nostro account, non-repatriation of export bills and overdue accepted bills; etc. Union Bank Limited has a well-developed and structured Foreign Exchange Risk Manual for effective and efficient risk management. In order to mitigate the risk, bank follows related directives as issued by Bangladesh Bank from time to time.

2.12.3 Asset Liability Management Risk

Asset Liability Management is the key success of any financial intermediary especially for Banks. Asset Liability Management (ALM) can be defined as a mechanism to address the risk faced by a bank due to a mismatch between rate sensitive assets and liabilities either due to liquidity or changes in profit/interest rates. Asset-Liability Committee (ALCO) of the bank monitors balance sheet risk and liquidity risks of the bank. The balance sheet risk encompasses most part of the asset-liability and deal with change in earnings due to change in rate of profit, foreign exchange rates which are not of trading nature. On the other hand, liquidity risk can be defined as the risk or chance of failure to meet up any withdrawal /disbursement request by a counterparty/customer. ALCO reviews source of fund and application of fund, day to day liquidity requirement, the maturity of assets and liabilities, deposits and investments pricing strategy and the liquidity contingency plan. The primary objective of the ALCO is to monitor and

avert significant volatility in Net Investment Income (NII), investment value and exchange earnings for the purpose of taking future action plan for better interest of the Bank.

2.12.4 Money Laundering and Terrorist Financing Risk

Money Laundering now a day is one of the greatest challenges that the Governments, Banks and Financial Institutions face in the globalize financial system. Identifying, assessing, and understanding ML/TF risks is an essential part of the implementation and development of a national anti-money laundering / Combating Financing Terrorism (AML/CFT) regime, which includes laws, regulations, enforcement and other measures to mitigate ML/TF risks. The Central Compliance Committee (CCC) looks after the overall compliance related to AML/CFT regulations. Main functions of Anti-Money Laundering & Terrorist Financing Divisions are to formulate, monitor, review and enforce the Bank's Anti-Money Laundering/Combating Financing Terrorism Policy & ML/TF Risk Assessment Guideline in line with BFIU of Bangladesh Bank, creation of awareness among the officers/employees about the internal AML/CFT policies, procedures and programs, conduct inspection on branches regarding anti-money laundering compliance, conducting of CCC meeting quarterly, ensure timely anti-money laundering reporting and compliance to Bangladesh Bank.

2.12.5 Internal Control and Compliance Risk

An internal control system oversees the whole process in relation with the policies, processes, laws, regulations, tasks, behaviors and other aspects of a banking company to facilitate its effective and efficient operation. It is a continuing series of activities planned, implemented and monitored by the Board of Directors, Board Audit Committee and Management at all levels within an organization. Effective internal controls strengthen the base of safe and sound banking. The main objectives of Internal Control are to ascertain the efficiency and effectiveness of activities, reliability, completeness and timeliness of financial and management information, compliance with applicable laws and regulations.

Audit & Inspection Unit undertakes periodical and special audit & inspection of its branches and departments/divisions of Head Office for reviewing its operation and compliance in line with the regulatory and internal policies and procedures. Compliance Unit ensures regulatory and internal compliances and Monitoring Unit monitors the operational lapses & other defined activities of the unit. The Board Audit Committee plays a vital role in providing a bridge between the Board and Management. The Committee reviews the financial reporting process, audit process and the bank's process for compliance with laws, regulations and code of conduct.

2.12.6 Information & Communication Technology Risk

Integration of information and communication technologies helps banks to develop and maintain their competitive advantages which bring numerous benefits including faster business transactions, increasing automation, improved customer service through several innovative products in the ground-breaking new forms of internet banking, mobile banking, ATM facility etc. The importance of information security for the banks has gained much importance, and it is of the critical essence for us to ensure that the ICT risks are being properly identified measured and adequate mitigation strategies are in place. For this purpose, a risk management process consisting of assessing, controlling and monitoring risks should be in place.

Information assets are critical to the services provided by the Bank to its customers. Protection and maintenance of these assets are vital to its sustainability. In order to ensure protection of critical IT assets from unauthorized access modification, disclosure and destruction, the Bank has already taken initiatives, which safeguard the interest of customers. The basic functions regarding ICT risk management is safeguarding the interest of the bank, establishing, implementing, operating, monitoring, reviewing, exercising, maintaining and improving a documented Information and Communication Technology Assets within the context of managing the overall business risks. ICT Risk covers business disruption and system failures, execution, delivery and process management, data entry errors, vendor disputes, data security, physical security, network security and other potential risks; etc. The Bank has already developed its own ICT policies for various operation and services which are closely in line with the ICT guidelines of Bangladesh Bank and continuously conducting training sessions on sensitive IT tasks (i.e. operational procedure, Business Continuity Planning, Disaster Recovery Planning etc.) for relevant employees. The Bank is strictly following the Information Security Standard of Bangladesh Bank covering Password Control, User ID Maintenance, Input Control, Network Security, Data Encryption, Virus Protection and Access Control to Internet and Emailing. The bank is regularly conducting internal ICT audit to all its' branches and divisions at Head Office to ensure proper implementation of the ICT policies.

2.13 Internal audit

Internal Audit is used as an important element to ensure good governance within the bank. Internal Audit activity is effective and it provides senior management with a number of important services. These include detecting and preventing fraud, testing internal control, and monitoring compliance with own policies & procedures, applicable rules & regulations, instructions/guidelines of regulatory authority; etc.

During the year 2020, Audit & Inspection Unit conducted inspection a number of the branches/divisions of Head Office of the bank and submitted reports covering the findings of the audits/inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations provided in these reports. The reports or key points of the reports have also been discussed in the meetings of the Board Audit Committee and necessary steps have been taken according to the decision of the Committee to mitigate the risks in time.

2.14 Fraud and forgeries

Fraud means wrongful or criminal deception intended to result in financial or personal gain. UBL continuously pays attention to implement and improve the anti-fraud internal controls for prevention of frauds and forgeries. Moreover, UBL has developed own fraud detection and management process policy guideline and assesses/evaluates the effectiveness of its anti-fraud internal control measures. During the year 2020, no incident of fraud has been detected by the related organs.

2.15 Stress Testing

Stress testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement in a set of financial variables. It has become an essential and very prominent tool in the analysis to measures the shock absorbing capability of a bank. Stress testing framework is being used to assess risk absorbing capacity of the bank considering its impact on bank's capital adequacy by using minor, moderate & major level of shock in terms of investment risk, exchange rate risk, equity price risk, profit rate risk and liquidity risk on quarterly basis and communicate the results of stress test to the Senior Management and Board to ensure maintenance of adequate capital for absorbing any unforeseen losses.

2.16 Reporting Period

The accounting year is 01 January to 31 December. The reporting year of 2020 is from 01 January 2020 to 31 December 2020.

2.17 Regulatory and legal compliance

Among others, the Bank complied with the requirements of the following circular, rules and regulations:

- a) The Bank Company Act, 1991 as amended
- b) The Companies Act, 1994
- c) “Guidelines for Islamic Banking” and BRPD Circular No. 14 dated 25.06.2003 issued by Bangladesh Bank through BRPD Circular No. 15 dated 09.11.2009.
- d) Other circulars, rules and regulations issued by Bangladesh Bank from time to time.
- e) Income Tax Ordinance, 1984
- f) Income Tax Rules, 1984
- g) VAT Act, 1991
- h) Value Added Tax and Supplementary Duty Act, 2012 as passed 13 June 2019,
- i) Value Added Tax and Supplementary Duty Rules, 2016 as passed 13 June 2019,
- j) Standards issued by AAOIFI
- k) The Stamp Act, 1899
- l) The Customs Act, 1969
- m) The Money Laundering Prevention Act, 2012
- n) The Anti-Terrorism (Amendment) Act, 2012 etc.

2.18 Compliance with Financial Reporting Standards as applicable in Bangladesh subject to departure described in note-2.1, where we have followed Bangladesh Bank guideline:

Sl. No.	IFRS No.	IFRS Title	Compliance Status
01	1	First-time adoption of International Financial Reporting Standards	Not Applicable
02	2	Share-based Payment	Not Applicable
03	3	Business Combinations	Not Applicable
04	4	Insurance Contracts	Not Applicable
05	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
06	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
07	7	Financial Instruments: Disclosures	Complied
08	8	Operating Segments	Complied
09	9	Financial Instruments	Complied
10	10	Consolidated Financial Statements	Not Applicable
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in other Entities	Not Applicable
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	Complied
15	15	Revenue from Contract with Customers	Complied
16	16	Lease	Narrated in note 8.1
17	17	Insurance Contracts	Complied
Sl. No.	IAS No.	IAS Title	Compliance Status
01	1	Presentation of Financial Statements	Complied
02	2	Inventories	Not Applicable
03	7	Statement of Cash Flows	Complied
04	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
05	10	Events after the Reporting Period	Complied
06	12	Income Taxes	Complied
07	16	Property, Plant & Equipment	Complied
08	19	Employee Benefits	Complied
09	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
10	21	The Effects of Changes in Foreign Exchange Rates	Complied
11	23	Borrowing Costs	Not Applicable
12	24	Related Party Disclosures	Complied
13	26	Accounting and Reporting by Retirement Benefit Plans	Complied
14	27	Separate Financial Statements	Not Applicable
15	28	Investments in Associates and Joint Ventures	Not Applicable
16	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
17	32	Financial Instruments: Presentation	Complied
18	33	Earnings per Share	Complied
19	34	Interim Financial Reporting *	Complied
20	36	Impairment of Assets	Complied
21	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
22	38	Intangible Assets	Complied
23	39	Financial Instruments: Recognition and Measurement	Complied
24	40	Investment Property	Not Applicable
25	41	Agriculture	Not Applicable

(*) Complied while the quarterly and half-yearly interim financial reports were prepared during the year.

2.19 General

2.19.1 The figures have been rounded off to the nearest Taka.

2.19.2 Wherever considered necessary, previous year's figures have been rearranged for the purpose of comparison.

	2020 Taka	2019 Taka
3 CASH		
3.1 Cash in Hand		
In Local Currency	824,369,870	1,462,825,524
In Foreign Currencies	1,621,440	1,528,545
	825,991,310	1,464,354,069
3.2 Balance with Bangladesh Bank and its Agent Bank		
In Local Currency	6,032,719,018	7,323,912,428
In Foreign Currencies	337,181,107	55,384,139
	6,369,900,125	7,379,296,567
	7,195,891,435	8,843,650,636
3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)		
Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 25 & 33 of the Bank Companies Act, 1991 and subsequent BCD Circular No.13 dated May 24,1992; BRPD Circular No. 12 dated September 06, 1998, BRPD Circular No.12, dated September 20, 1999, BRPD Circular No. 22 dated November 06, 2003, BRPD Circular No. 03 dated 17 February 2005 and BRPD Circular No. 11 & 12 dated 25 August 2005, Bangladesh Bank Letter # DOS (SR) 1153/120-A/2009-46 dated 22 March 2009, MPD circular # 01 dated 04 May 2010, DOS Circular # 01 dated 19 January 2014, MPD circular # 04 & 05 dated 01 December 2010, MPD circular # 01 dated 23 June 2014, MPD circular # 01 dated 03 April 2018, DOS Circular # 26 dated 19 August 2019 and MPD Circular # 03 dated 09 April 2020.		
3.4 Cash Reserve Ratio (CRR): 4.00 % (Bi-Weekly) of Average Demand and Time Liabilities		
Required Reserve	5,659,936,811	6,267,689,835
Actual Reserve maintained	6,067,965,716	7,243,240,282
Surplus/(Shortfall)	408,028,905	975,550,447
3.5 Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities:		
Required Reserve	7,782,413,115	6,267,689,836
Actual Reserve	8,848,907,757	8,327,245,429
Surplus/(Shortfall)	1,066,494,642	2,059,555,593
4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS AND PLACEMENT		
4.1 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		
A. Inside Bangladesh		
Al-Wadiah Current Accounts		
Janata Bank Ltd.	18,431	10,560
Others Accounts:		
Mudaraba Short Notice Deposits		
First Security Islami Bank Ltd.	68,552,190	102,762,257
NRB Global Bank Ltd.	6,353,450	3,759,597
AB Bank Ltd.	673,323	1,250
Trust Bank Ltd.	16,746,185	2,934,495
Islami Bank Bangladesh Ltd.	1,527,003	2,650,474
	93,852,151	112,108,073
	93,870,582	112,118,633

B. Outside Bangladesh

Particulars	Currency	Amount	Rate	31.12.2020 Taka	31.12.2019 Taka
Current Account					
Banco De Sabadell S.A., Spain	EURO	215344.18	105.34	22,684,937	14,188,964
Sonali Bank (UK) Limited, UK	GBP	114.00	114.90	13,099	-
Sonali Bank (UK) Limited, UK	USD	12713.37	84.45	1,073,644	1,073,644
Sonali Bank (UK) Limited, UK	ACU	8628.34	84.45	728,663	-
Habib American Bank, New York, USA	USD	378622.95	84.45	31,974,708	63,540,977
Kookmin Bank, Korea	USD	548770.12	84.45	46,343,637	2,532,183
Axis Bank Limited, Kolkata	ACU	27521.36	84.45	2,324,179	8,692,229
Meezan Bank Limited, Karachi	ACU	145833.00	84.45	12,315,597	162,461
AB Bank Ltd., Mumbai, India	ACU	147074.54	84.45	12,420,445	1,831,575
United Bank of India, Kolkata, India	ACU	99648.38	84.45	8,415,306	1,565,779
Sonali Bank Limited, Kolkata	ACU	-	-	-	4,508,730
National Bank of Pakistan, Tokyo, Japan	JPY	77878.00	0.83	64,615	61,197
				138,358,830	98,157,739
Total (A+B)				232,229,412	210,276,372

4.1.1 Maturity-wise Grouping (Inside and Outside Bangladesh)		
Payable on Demand	232,229,412	210,276,372
Up to Three Months	-	-
Three Months to One Year	-	-
One Year to Five Years	-	-
Above Five Years	-	-
	232,229,412	210,276,372
4.2 Placement with banks & Other Financial Institutions		
Aviva Finance Limited	4,028,629,530	3,678,446,373
Phoenix Finance and Investments Ltd.	80,000,000	90,000,000
International Leasing and Financial Services Ltd.	110,182,000	1,100,000,000
Islamic Finance and Investment Ltd.	1,500,000,000	1,400,000,000
	5,718,811,530	6,268,446,373
4.2.1 Maturity-wise Grouping (Placement with banks & other FI)		
Payable on Demand	3,103,911,530	-
Up to Three Months	2,328,600,000	3,678,446,373
Three Months to One Year	286,300,000	2,500,000,000
One Year to Five Years	-	90,000,000
Above Five Years	-	-
	5,718,811,530	6,268,446,373
5 INVESTMENTS IN SHARES AND SECURITIES		
Government Securities		
Bangladesh Govt. Islamic Investment Bonds	7,200,000,000	5,800,000,000
Bangladesh Govt. Investment Sukuk (Ijarah Sukuk)	263,970,000	-
	7,463,970,000	5,800,000,000
Others		
Subordinated Bond	180,000,000	240,000,000
Quoted Shares (Note - 5.1)	44,081,408	44,062,132
	224,081,408	284,062,132
	7,688,051,408	6,084,062,132
5.1 Quoted Shares		
	Name of Companies	Acquisition cost
		Acquisition cost
	Al-Haj Textile Mills Limited	2,329,280
	Bengal Windsor Thermoplastics Ltd.	5,838,069
	Bashundhara Paper Mills Ltd.	5,285,540
	Miracle Industries Ltd.	12,678,319
	Navana CNG Ltd.	4,363,516
	Oimex Electrode Limited	-
	SAIF Powertec Ltd.	5,232,089
	Shasha Denims Limited	2,241,495
	Tallu Spinning Mills Ltd.	2,488,526
	Western Marine Shipyard Ltd.	1,473,931
	Zaheen Spinning Ltd.	2,150,643
		44,081,408
		44,062,132
5.2 Market Value of Quoted Shares		
		27,103,889
		22,306,860

5.3 Maturity Grouping of Investments in Shares and Securities

On Demand	900,000,000	-
One Month to three Months	2,530,000,000	2,400,000,000
Three Months to One Year	3,904,151,408	3,444,062,132
One Year to Five Years	353,900,000	240,000,000
More than Five Years	-	-
	7,688,051,408	6,084,062,132

6 INVESTMENTS (All Inside Bangladesh)

General Investments etc. (Note-6.A)	149,536,346,400	126,125,509,303
Bills Purchased and Discounted (Note - 6.B)	16,800,849,554	20,334,065,645
	166,337,195,954	146,459,574,948

6.A General Investment etc.

Inside Bangladesh

Bai Murabaha (Hypo)	621,371,231	675,193,549
Bai Murabaha against MTDR	31,372,695,654	33,557,561,122
Bai Murabaha TR (Non INST)	86,781,767,423	68,824,669,803
Bai Murabaha TR (INST)	2,191,442,816	2,079,280,217
Bai Murabaha (Post Import) TR	2,843,833,832	3,638,442,363
Bai Murabaha (TR) SME	5,179,936,620	3,897,621,701
Bai Murabaha Agriculture	838,384,733	810,782,944
Bai Murabaha (TR) Agriculture	109,042,535	102,476,394
Bai Murabaha (TR) Women Entrepreneur	13,400,965	12,679,399
Bai Murabaha Import Bill (MIB)	-	24,066,844
Bai Murabaha under Stimulus Package	1,746,522,524	-
Bai Muazzal Real Estate (Short Term)	683,864,432	613,015,800
Bai Muazzal (Guarantee)	65,332,868	57,586,003
Bai Muazzal TR	1,000,580,000	-
Bai Muazzal against BG (Bid Bond)	23,018,177	11,105,993
Bai Muazzal against Import Bill	3,490,020,825	1,965,390,571
Bai Muazzal Back to Back Bill	1,041,644,531	805,135,983
Mudaraba Investment	517,479,664	-
HPSM (Real Estate)	3,126,524,441	2,733,679,031
HPSM (Transport)	278,172,252	191,958,006
HPSM (SME)	50,720,701	744,593
HPSM House Building Staff	534,037,733	460,617,155
HPSM Rural Housing	1,391,970	1,758,785
HPSM House Building General	271,980,524	246,060,840
HPSM Industrial Term	1,336,754,375	1,024,965,159
HPSM Machinery	3,394,626,532	3,038,535,446
HPSM Machinery Women Entrepreneur	1,624,037	1,510,571
Quard Investment	165,265,150	164,925,150
Car Leasing Scheme Staff	46,275,319	59,500,338
Murabaha EDF Investment General	134,685,160	1,028,424,335
Murabaha EDF Investment	1,512,607,984	-
Bai Istisna	122,548,241	60,635,687
HPSM Consumer Durables (Scheme)	38,793,151	37,185,521
	149,536,346,400	126,125,509,303

Outside Bangladesh

	-	-
	149,536,346,400	126,125,509,303

6.B Bills Purchased and Discounted

Payable in Bangladesh	16,800,849,554	20,334,065,645
Payable outside Bangladesh	-	-
	16,800,849,554	20,334,065,645
	166,337,195,954	146,459,574,948

6.1 Maturity Grouping of Investments

Payable on Demand	46,718,700,000	21,992,900,000
Up to Three Months	34,431,300,000	41,070,900,000
Three Months to One Year	73,612,095,954	72,713,374,948
One Year to Five Years	4,452,900,000	3,041,700,000
Above Five Years	7,122,200,000	7,640,700,000
	166,337,195,954	146,459,574,948

6.2 Analysis to disclose the following Significant Concentration including Bills Purchased & Discounted

Investments to Directors of other Banks	11,757,160,334	10,090,159,479
Investments to Chief Executive and Other high Officials	-	-
Investments to Customers Group	111,267,351,721	103,309,896,504
Investments to Industry	42,707,641,517	32,512,992,138
Investment to staff	605,042,382	546,526,827
	166,337,195,954	146,459,574,948

6.3 Investments to Customers amounting to 10% or more of UBL's Total Regulatory Capital

Number of Clients	18	15
Amount of Outstanding Investments:		
Funded	15,146,400,000	9,621,400,000
Non-funded	3,281,100,000	3,285,200,000
	18,427,500,000	12,906,600,000

6.4 Sector wise Investments

Agriculture	992,644,446	915,030,656
Ready Made Garments (RMG)	3,086,122,456	2,525,887,246
Textile	10,153,069,584	7,714,889,107
Ship Building	5,560,981	155,838,143
Other Manufacturing industry	8,390,714,351	4,222,581,263
SME Investment	5,431,842,020	3,912,556,264
Construction	5,683,862,096	4,720,778,268
Power, Gas	1,657,709,174	1,407,672,118
Transport, Storage and Communication	373,375,444	148,086,450
Trade Service	115,861,118,631	104,397,570,539
Commercial real estate financing	7,132,275,007	4,472,203,666
Residential real estate financing	832,677,549	543,257,500
Consumer investment	100,801,246	5,051,827
Capital market	1,312,374,216	1,003,254,481
Non Banking Financial Institutions (NBFI)	132,822,500	-
Others	5,190,226,253	10,314,917,420
	166,337,195,954	146,459,574,948

6.5 Geographical Location-wise Investments

Urban

Dhaka	90,610,764,664	73,902,120,177
Chattogram	50,045,660,525	50,301,620,736
Barishal	72,110,724	73,088,742
Rajshahi	150,241,786	187,203,166
Khulna	125,956,232	113,750,882
Rangpur	98,466,722	12,686,990
Sylhet	50,275,115	45,607,577
Mymensingh	25,120,944	53,557,604
	141,178,596,712	124,689,635,874

Rural

Dhaka	412,178,183	471,822,827
Chattogram	24,451,154,150	21,008,893,348
Barishal	-	-
Rajshahi	72,495,845	81,742,829
Khulna	-	10,286,080
Rangpur	183,068,127	165,298,091
Sylhet	39,702,937	31,895,899
Mymensingh	-	-
	25,158,599,242	21,769,939,074
	166,337,195,954	146,459,574,948

6.6 Classification of Investments as per Bangladesh Bank (BRPD) Circular

Unclassified

Standard	161,055,882,690	139,413,230,421
Special Mention Account	1,079,959,401	1,709,518,524
	162,135,842,091	141,122,748,945

Classified

Sub-standard	834,049,751	1,727,767,884
Doubtful	2,335,340,842	2,165,332,032
Bad & Loss	1,031,963,270	1,443,726,087
	4,201,353,863	5,336,826,003
	166,337,195,954	146,459,574,948

6.7 Particulars of Required Provision for Investments and Off Balance Items

Classification status

Unclassified (a)

Standard	2,107,014,885	1,388,870,200
Special Mention Account	115,651,677	40,672,800
	2,222,666,562	1,429,543,000

Classified (b)

Sub - Standard	41,847,505	115,992,171
Doubtful	801,991,302	696,310,149
Bad and Loss	537,272,235	702,683,680
	1,381,111,042	1,514,986,000

Off Balance Items (c)

Special General provisions for Covid-19 (d)	73,954,461	101,777,205
	393,968,000	-
	4,071,700,065	3,046,306,205

Required Provision for Investments (a+b+c)	4,071,700,065	3,046,306,205
Total Provision Maintained	4,109,000,000	3,115,000,000
Provision Excess/ (Shortfall)	37,299,935	68,693,795

* Details of provision is shown in note 2.8.2

6.8 Particulars of Investments		
i) Investments considered good in respect of which the Bank Company is fully secured.	137,880,173,979	117,159,257,495
ii) Investments considered good for which the bank holds no Security other than the debtors personal security.	28,457,021,975	29,300,317,453
iii) Investment considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors.	-	-
iv) Investments considered bad or doubtful not provided for	-	-
Total	166,337,195,954	146,459,574,948
v) Investments due by directors or executives of the banking company or any of them taken either severally or jointly with any other person.	-	-
vi) Investments due by companies or firms in which the directors of the bank company are interested as directors partners or managing agents or in case of private companies, as members.	-	-
vii) Maximum total amount of investments, 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 separately or jointly with any other person.	-	-
viii) Maximum total amount of investments, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members.	-	-
ix) Investment due from other banking companies	-	-
x) Total amount of classified Investments on which profit is not credited to income	-	4,172,042,329
a. Movement of classified Investments		
Opening balance	5,336,826,004	1,164,783,675
Increase/ (Decrease) during the year	(1,135,472,141)	4,172,042,329
	4,201,353,863	5,336,826,004
b. Amount of provision kept against investment classified as 'bad/loss' on the reporting date of Balance Sheet	537,272,235	702,683,680
c. Profit credited to the profit/Rent/Compensation Suspense	995,350,547	396,930,595
xi) Amount of written off Investment:		
a. Cumulative amount	-	-
b. Amount written off during the period	-	-
c. Total amount of written off (a+b)	-	-
d. Amount recovered against such written- off up to this year	-	-
e. Amount of investment written- off against which suit has been filled to recover the same.	-	-
6.9 Security against Investments including bills purchased & discounted		
Collateral of movable/immovable assets	106,507,478,328	83,460,044,934
Local banks & financial institutions guarantee	-	-
Government Guarantee	-	-
Foreign Banks guarantee	-	-
Export documents	16,800,849,554	20,334,065,645
Fixed deposits receipts:		

Own MTDR	31,372,695,654	33,699,212,561
MTDR of other	-	-
Banks	-	-
Government Bonds	-	-
Personal guarantee	-	-
Other security	11,656,172,418	8,966,251,808
Unsecured	-	-
	166,337,195,954	146,459,574,948
6.10 Maturity Grouping of Bills Purchased and Discounted		
Payable within one month	14,225,349,554	40,965,645
Over one month but less than three months	154,000,000	2,959,800,000
Over three months but less than six months	2,421,500,000	17,333,300,000
Six Months and Above	-	-
	16,800,849,554	20,334,065,645
7 FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES AT COST LESS ACCUMULATED DEPRECIATION (ANNEXURE-A)		
Land	2,666,750,340	2,666,750,340
Furniture & Fixtures	983,051,823	847,899,813
Office Equipment	941,063,120	858,563,838
Vehicles	101,228,719	111,471,719
Books	426,567	352,807
	4,692,520,569	4,485,038,517
Less: Accumulated Depreciation	929,304,757	767,247,789
	3,763,215,812	3,717,790,728
8 OTHER ASSETS		
Inter - branch Transaction Account (Note - 8.a)	13,393,588,068	3,790,159,506
Accrued Income on	475,995,064	572,347,998
MTDR		
Advances, Deposits and Prepayment (Note - 8.1)	485,427,099	400,764,548
Advance Income Tax	4,506,637,715	3,430,969,038
Stock of Stationery	14,834,826	10,740,985
Suspense Account (Note - 8.2)	134,745,902	233,099,624
Deferred tax asset (Note - 8.3)	82,475,251	82,199,355
Stamps on Hand	2,476,960	2,063,539
	19,096,180,885	8,522,344,593
8.a Inter-branch transaction account represents outstanding Inter-branch and Head Office transaction (net) originated but yet to be responded at the balance sheet date.		
8.1 Advance, Deposits and Prepayment		
Advance against Rent - Office	183,420,751	232,488,602
Prepayment	302,006,348	168,275,946
	485,427,099	400,764,548

* According to the paragraph 47 of International Reporting Standards (IFRS) - 16 a lessee shall either present in the statement of financial position, or disclose in the notes and according to the paragraph 5 (b) a lessee may elect not to apply the requirements leases for which the underlying asset is low value. The amount of advance rent agreement of various landlord is immaterial of total assets as a result IFRS - 16 is not to applicable for us for the year 2020.

8.2	Suspense Account		
	Sundry Debtors	130,969,017	233,099,624
	Advance against New Branch	3,776,885	-
		134,745,902	233,099,624
8.3	Deferred Tax Assets		
	Opening Balance	82,199,355	43,689,446
	Add: Addition during the year	275,896	38,509,909
		82,475,251	82,199,355
	Less: Adjustment during the year	-	-
	Closing Balance	82,475,251	82,199,355
8.3.1	Deferred tax income Recognised in Profit and Loss Account:		
		Accounting base	Tax base
			Deductible temporary difference
	As on 31 December 2020		
	Property, plant and equipment	3,763,215,812	3,919,086,522
	Deferred liability - Gratuity	50,317,415	-
			155,870,710
			50,317,415
			206,188,125
	Current tax rate		40.00%
	Deferred tax Asset at closing		82,475,250
	Deferred tax Asset at beginning		82,199,355
	Deferred tax income Recognised during the year		275,896
9	PLACEMENT FROM BANK AND OTHER FINANCIAL INSTITUTIONS		
	Inside Bangladesh		
	Bangladesh Bank (Refinance Scheme)	74,606,020	9,228,442
	Bangladesh Govt. Islami Investment Bond Funds	8,000,000,000	6,000,000,000
	Bangladesh Bank Cover Fund against QSF	547,512,000	-
	Bangladesh Bank Export Development Fund (EDF)	1,027,879,044	284,624,000
		9,649,997,064	6,293,852,442
	Outside Bangladesh	-	-
		9,649,997,064	6,293,852,442
A.	Security- wise grouping		
	Secured Placement	-	-
	Unsecured Placement	9,649,997,064	6,293,852,442
		9,649,997,064	6,293,852,442
B.	Repayment Nature wise Grouping		
	Repayable on demand	-	-
	Others	9,649,997,064	6,293,852,442
		9,649,997,064	6,293,852,442
C.	Maturity Analysis		
	Repayable on Demand	-	-
	Repayable within One Month	157,900,000	1,064,600,000
	One Month to Six Months	4,538,300,000	5,229,252,442
	Six Month to One Year	4,953,797,064	-
	One Year to Five Years	-	-
	Five Years to Ten Years	-	-
	Unclaimed Deposits Ten Years and Over	-	-
		9,649,997,064	6,293,852,442

10 DEPOSITS AND OTHER ACCOUNTS

Mudaraba Savings Deposits (Note-10.1)	7,245,509,172	5,358,117,905
Mudaraba Term Deposits (Note-10.2)	96,010,891,579	83,885,364,118
Other Mudaraba Term Deposits (Note-10.3)	42,707,178,422	35,894,498,634
Al-Wadia Current Accounts and Other Accounts (Note-10.4)	25,554,877,551	24,370,424,268
Bills Payable (Note-10.5)	1,192,051,227	711,515,929
	172,710,507,951	150,219,920,854
10.1 Mudaraba Savings Deposits		
As per BRPD Circular No. 06, dated 24 June 2007, total saving bank deposits amount is bifurcated into:		
9 % of total Mudaraba Savings Deposits	652,095,825	482,230,611
91% of total Mudaraba Savings Deposits	6,593,413,347	4,875,887,294
	7,245,509,172	5,358,117,905
10.2 Mudaraba Term Deposits- Maturity wise Grouping		
Payable on Demand	1,920,829,881	754,853,611
Up to Three Months	38,717,720,320	36,643,593,322
From Three Months to Six Months	26,381,525,025	22,939,854,811
Above Six Months to One Year	27,901,791,263	22,472,523,489
Above One Year to Two Years	1,062,380,732	1,060,411,221
Above Two Years	26,644,358	14,127,664
	96,010,891,579	83,885,364,118
10.3 Other Mudaraba term Deposits		
Mudaraba Monthly Savings Scheme	5,405,030,834	4,182,480,661
Mudaraba Double Benefit Deposits Scheme	9,910,201,039	10,521,497,493
Mudaraba Monthly Profit Scheme	24,975,912,375	19,245,071,523
Mudaraba Millionaire Savings Scheme	1,368,611,149	1,120,236,721
Mudaraba Kotipoti Deposit Scheme	67,408,273	88,329,867
Mudaraba Marriage Scheme	114,696,781	65,861,271
Mudaraba Pension Deposit Scheme	-	140,431
Mudaraba Hajj Deposit Scheme	37,936,642	29,832,262
Mudaraba Union Pension Prokolpa	127,730,530	125,495,866
Mudaraba Muhor Savings Scheme	50,551,311	25,798,474
Mudaraba Corepoty Sanchaya Scheme	602,520,034	452,648,073
Mudaraba Barakah Deposit Scheme	46,579,454	37,105,992
	42,707,178,422	35,894,498,634
10.4 Al-Wadiah Current Accounts & Other Deposit Accounts		
Al-wadiah Current Deposits	4,264,987,389	3,816,472,272
Mudaraba Short Notice Deposits	20,280,546,410	19,614,116,312
Sundry Deposits (Note-10.4.1)	1,009,343,752	939,835,684
	25,554,877,551	24,370,424,268
10.4.1 Sundry Deposits		
Security Deposit	416,021,194	395,686,439
Sundry Creditors	36,063,933	40,442,701
Income Tax Deduction at Source -Profit on Deposits	172,907,728	165,949,746
Income Tax on Profit Paid on Mudaraba Subordinated Bond	3,585,000	-
Income Tax on Local L/C	1,653,899	63,535
Income Tax on Export bill (Foreign)	452,982	474,263
Income Tax on Export bill (Local)	382,770	214,233
Income Tax on Local/Buying Agents Commission	218,436	156,559
Excise Duty on Deposits & Investments	186,024,318	105,064,617
Tax on Honorarium	-	11,700
VAT on Online Charge	37,734	39,585
VAT on Commission	43,311	49,600
TT/DD/PO/LG		
VAT on Service Charge and Others	3,751,046	3,219,641

VAT Deduction Bills Paid	717,449	336,934
VAT Deduction from advertisement Bill	83,393	17,850
VAT on Rent	1,995,598	1,652,608
VAT on Director's Fee	20,400	-
VAT on Indenting Commission	318,296	347,999
VAT on L/C	1,079,543	3,002,733
Commission		
VAT on Postage	23,348	24,889
VAT on Security Service	634,974	499,681
VAT on Swift Charge	59,701	62,429
VAT on L/C Advising Charge	262,893	219,343
VAT on Pally Bidyut bill	1,913,068	-
VAT on Acceptance Commission	1,594,943	3,279,553
VAT on Bank Guarantee	325,491	165,501
Commission		
VAT on Professional Fee	4,800	525
VAT on PO/DD/FDD Collection charge	56,619	68,665
VAT on commission on export bill	3,666	827,448
VAT on income from	-	26,067
ATM		
VAT on Processing Fee on Investment	502,535	-
VAT in Misc. Earnings	25,739	17,547
Income Tax Deduction at Source - Office	682,378	557,200
rent		
Income Tax Deduction at Source - Bills	427,108	248,659
Income Tax Deduction at Source - Advertising Bill	28,870	4,760
Income Tax Deduction at Source- Employee's	3,558,135	3,762,754
Income Tax on Directors' Fee	13,600	-
Income Tax on Indenting Commission	27,501	106,471
Income Tax on Professional Fee	3,050	-
Marginal Deposit Export	13,126,603	117,751,970
F.C. Held against B.B	36,462,277	42,197,870
L/C		
Sundry Deposit - Swift charge	14,436,108	11,989,108
Sundry Deposit LAC (Export)	6,024,969	6,303,097
S/D/A/C ATM Charge collection Account	2,095	224,402
D&B Credit report collection fee	1,263	1,247
ATM Charge (NPSB)	5,151	1,247,966
S/D/A/C VAT on Polli Bidyut	4,873,577	2,728,365
Samity		
Central Fund (RMG Sector)	21,507	73,948
NR. Taka A/C Small World Finance	13,090,840	673,907
Security Deposit A/C Small World Finance	844,500	813,000
NR. Taka A/C Wall street Finance	-	222,913
NR. USD A/C Wall street Finance	-	561,943
NR. Taka A/C Xpress Money Services	841,539	4,041,654
Security Deposit A/C Xpress Money Services	844,500	837,500
Security Deposit A/C Wall Street	-	744,000
Income Tax on Cash Subsidy against export	-	13,800
S/D Cash incentive against export	53,410	25,080
NR. Tk. A/C Transfast	2,963,366	1,248,848
Remittance		

Settlement A/C Cash Incentive on Foreign Remittance	76,658,494	20,797,081
Mobile Top up Settlement Account	2,637,748	-
Bkash Adjustment Account	13,600	-
Pre-Registration Fee-PVT.MGT. Pilgrim	92,256	-
SD. A/C Transfast Remittance, LLC	844,500	735,750
	1,009,343,752	939,835,684
10.5 Bills Payable		
Pay Order Issued	1,192,051,227	711,515,929
Demand Draft Issued	-	-
	1,192,051,227	711,515,929
10.6 Maturity wise Grouping of Deposits and Other Accounts		
Repayable within One Month	46,429,507,951	9,918,520,854
One Month to Three Months	39,185,200,000	47,480,200,000
Three Months to One Year	44,897,800,000	46,939,400,000
One Year to Five Years	37,519,800,000	37,243,300,000
Repayable over Five Years	4,678,200,000	8,638,500,000
	172,710,507,951	150,219,920,854
10. A Deposits received from Banks (Note A-1)	32,461,182,480	29,095,322,794
10.B Deposits received from other than Bank		
Payable on Demand (Note B-1)	7,118,478,193	5,950,054,496
Other Deposits (Note B-2)	133,130,847,278	115,174,543,564
	140,249,325,471	121,124,598,060
	172,710,507,951	150,219,920,854
10. A.1 Deposits Received from Banks		
AB Bank Limited	7,853,608	5,455,433
Bangladesh Development Bank Ltd.	200,000,000	400,000,000
Bangladesh Commerce Bank Ltd.	29,055	716,500
Janata Bank Ltd.	1,300,000,000	1,300,000,000
Islami Bank Bangladesh Ltd.	20,258,084,217	19,972,560,742
Al-arafah Islami Bank Ltd.	1,000,000,000	1,000,000,000
National Bank Ltd.	1,280,000,000	1,280,000,000
Agrani Bank Ltd.	1,530,000,000	2,000,000,000
Sonali Bank Ltd.	2,121,209,372	656,473,106
Social Islami Bank Ltd.	3,397,466,943	1,813,644,152
Probashi Kallayan Bank Ltd.	40,000,000	110,598,132
Rajshahi Krishi Unnayan Bank Ltd.	200,000,000	536,906,883
Rupali Bank Ltd.	1,000,000,000	-
Trust Bank Ltd.	5,912,977	5,704,548
NRB Commercial Bank Ltd.	70,000,000	-
South Bangla Agriculture and Commerce Bank Ltd.	101,393	95,815
Southeast Bank Ltd.	-	470,603
First Security Islami Bank Ltd.	2,238,050	1,752,606
Exim Bank Ltd.	1,808,538	710,258
NRB Global Bank Ltd.	46,478,327	10,234,016
	32,461,182,480	29,095,322,794
Maturity wise Grouping of Deposits Received from Banks		
Repayable on Demand	-	-
Repayable within One Month	12,929,973,109	11,011,344,673
Repayable over One Month but within Six Months	19,435,061,371	17,971,229,489
Repayable over Six Months but within one Year	96,148,000	112,748,632
Repayable over One Year but within Five Years	-	-
Repayable over Five Years but within Ten Years	-	-
Unclaimed Deposits for Ten Years and above	-	-
	32,461,182,480	29,095,322,794

B-1 Payable on Demand

Al-wadiah Current Deposits	4,264,987,389	3,816,472,272
Mudaraba Saving Deposits (9%) (Note-10.1)	652,095,825	482,230,611
Bills Payable (Note-10.5)	1,192,051,227	711,515,929
Sundry Deposits (Note-10.4.1)	1,009,343,752	939,835,684
	7,118,478,193	5,950,054,496

B-2 Other Deposits

Mudaraba Saving Deposits (91%) (Note-10.1)	6,593,413,347	4,875,887,294
Mudaraba Term Deposits	76,479,682,208	65,801,385,997
Mudaraba Short Notice Deposits	7,350,573,301	8,602,771,639
Other Mudaraba Term Deposits (Note-10.3)	42,707,178,422	35,894,498,634
	133,130,847,278	115,174,543,564

11 OTHER LIABILITIES

Inter - branch Transaction Account	-	-
Provision for Taxation (Note-11.1)	4,880,797,070	3,725,521,174
Accumulated Provision against Investments (Note-11.2)	4,109,000,000	3,115,000,000
Accrued Profit and Expenses Payable (Note-11.3)	3,114,604,108	3,005,316,850
Provision for Gratuity (Note-11.4)	50,317,415	85,067,446
Provisions for diminution in value of Investments in share (Note-11.5)	21,800,000	21,800,000
Provision for Zakat	44,000,000	36,000,000
Provision for Expenses on Mudaraba Subordinated Bond	63,709,545	126,198,476
Other provisions (Note-11.2.4)	12,140,349	10,678,017
Provident Fund	802,945	661,466
Benevolent Fund	168,879	76,324
Provision for Incentive Bonus	101,254,509	142,838,196
Provision for Audit fee	345,000	345,000
Clearing adjustment account	3,968,853	2,779,389
Compensation Realized	82,002,351	250,780,831
ATM Adjustment (NPSB)	6,414,790	3,755,960
Profit Rent Suspense	995,350,547	396,930,595
Compensation Receivable	621,603,357	187,687,776
Dividend Payable	263,648,000	-
Start-up Fund	9,884,000	-
CSR Fund	9,884,000	-
Others	123,755,501	30,314,235
	14,515,451,219	11,141,751,735

(*) Start-up Fund maintained during the period amount in Tk. 9,884,000 against BRPD circular no. 09 dated 26 April 2021

(*) CSR Fund maintained during the period amount in Tk. 9,884,000 against SMESPD circular no. 05 dated 26 April 2021

11.1 Provision for Taxation

Opening balance	3,725,521,174	2,802,011,265
Add : Provision made during the year	1,235,275,896	923,509,909
Less: Adjustment/settlement during the year	80,000,000	-
Closing balance	4,880,797,070	3,725,521,174

Assessment for the year 2013 has been settled. Assessment for the year 2014 is pending with Appellate Tribunal, 2015 & 2016 are pending with the commissioner of Taxes (Appeal). Assessment for the year 2017, 2018 & 2019 is not yet completed by Deputy Commissioner of Taxes and the submission of return for the year 2020 is not yet due. The Bank is confident that once these appeals are finally disposed of, there should not be any additional tax demand against the Bank and hence no further provision is required.

11.2 Accumulated Provision against Investments

Specific Provision for Classified Investments (Note -11.2.1)	1,392,000,000	1,520,000,000
General Provision for Unclassified Investment (Note -11.2.2)	2,246,000,000	1,493,000,000
General Provision for off- balance sheet exposure (Note -11.2.3)	77,000,000	102,000,000
Special General Provisions for Covid - 19	394,000,000	-
	4,109,000,000	3,115,000,000

11.2.1 Movement in Specific Provision for Classified Investments

Provision held at the beginning of the year	1,520,000,000	530,019,545
Fully Provided Debts written off	-	-
Recoveries of amounts previously written off	-	-
Transfer to Unclassified Investments	(128,000,000)	-
Specific Provision for the year (Note-11.2.a)	-	989,980,455
Recoveries and Provisions no longer required	-	-
Net Charge to Profit and Loss Account	-	-
Provision held at the end of the year	1,392,000,000	1,520,000,000

11.2.2 General Provision for Unclassified Investments

Provision held at the beginning of the year	1,493,000,000	1,274,900,000
Addition during the year	600,000,000	-
Transfer from Classified Investments	128,000,000	-
transfer from off-balance sheet exposure	25,000,000	218,100,000
Provision held at the end of the year	2,246,000,000	1,493,000,000

11.2.3 General Provision for off-balance sheet exposure

Provision held at the beginning of the year	102,000,000	97,000,000
Transfer to Unclassified Investments	(25,000,000)	5,000,000
Provision held at the end of the year	77,000,000	102,000,000

11.2.4 Other Provisions

Provision held at the beginning of the year	10,678,017	8,618,678
Addition/transfer during the year	1,462,332	2,059,339
Provision held at the end of the year	12,140,349	10,678,017

Other provisions consist of provision for Good Borrower, Climate Risk Fund and ICT Equipment Insurance Premium Fund.

11.2.4.1 Provision for Good Borrower

Provision held at the beginning of the year	8,500,000	7,500,000
Addition/transfer during the year	1,000,000	1,000,000
Provision held at the end of the year	9,500,000	8,500,000

To comply BRPD Circular no. 6 dated March 19 2015, BRPD letter no-16 dated 30 December 2015 and BRPD letter no-3 dated 16 February 2016 the Bank has been maintaining a provision of lump sum amount for incentive of good borrower.

11.2.a Provision for Investments during the year

Specific Provision for Classified Investments	-	989,980,455
General Provision for Unclassified Investments	600,000,000	218,100,000
General Provision for off- balance sheet exposure	-	5,000,000
Special General Provisions for Covid - 19	394,000,000	-
	994,000,000	1,213,080,455

11.3 Accrued Profit and Expenses Payable

Mudaraba Term Deposit Receipt	2,058,757,140	2,057,652,673
Mudaraba Monthly Benefit Savings Scheme	237,859,850	184,511,776
Mudaraba Double Benefit Savings Scheme	582,403,837	574,719,896
Mudaraba Monthly Profit Scheme	112,639,875	98,201,207
Mudaraba Pension Prokolpa	5,991,196	6,301,561
Mudaraba Marriage Deposit Scheme	4,738,923	2,498,801
Mudaraba Hajj Deposit Scheme	1,584,621	1,191,950
Mudaraba Millionaire Savings Scheme	76,840,665	54,167,756
Mudaraba Kotipoti Deposit Scheme	3,331,510	4,240,972
Mudaraba Pension deposit Scheme	-	15,356
Mudaraba Mohor Saving Scheme	1,836,258	870,284
Mudaraba Corepoty Sanchaya Prokalpa	26,486,098	19,380,999
Mudaraba Barakah Deposit Scheme	2,134,135	1,563,619
	3,114,604,108	3,005,316,850

11.4 Provision for Gratuity

Opening Balance	85,067,446	35,307,446
Add: Provision made during the year	50,000,000	85,000,000
	135,067,446	120,307,446
Less: Adjustment	84,750,031	35,240,000
Closing Balance	50,317,415	85,067,446

11.5 Provisions for diminution in value of Investments in share

Opening Balance	21,800,000	8,500,000
Add: Provision made during the year	-	13,300,000
	21,800,000	21,800,000
Less: Adjustment	-	-
Closing Balance	21,800,000	21,800,000

12 CAPITAL

AUTHORISED CAPITAL

1,000,000,000 Ordinary Shares of Taka 10 each.

10,000,000,000	10,000,000,000
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12.1 Issued, Subscribed and Paid-Up Capital

558,933,760 Ordinary Shares of Taka 10 each issued

5,589,337,600	5,272,960,000
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12.2 Category of shareholding as at 31 December 2020

<u>Name of Category</u>	<u>Percentage (%)</u>	<u>Percentage (%)</u>
Sponsors/Directors	100.00	100.00
Financial Institutes	-	-
Non-Resident Bangladeshi	-	-
General Public	-	-
	100.00	100.00

12.3 Classification of Shareholders by holding position as at 31 December 2020

<u>Shareholding Range</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
Less than 500 Shares	-	-
501 to 5000 Shares	-	-
5001 to 10,000 Shares	-	-
10,001 to 20,000 Shares	-	-
20,001 to 30,000 Shares	-	-
30,001 to 40,000 Shares	-	-
40,001 to 50,000 Shares	-	-
50,001 to 100,000 Shares	-	-
100,001 to 1,000,000 Shares	-	-
Over 1,000,001 Shares	-	-
	558,933,760	100.00
	558,933,760	100.00

12.4 Regulatory Capital Requirement in line with Basel-III

I. Tier - 1 Capital

a. Common Equity Tier-1 Capital (CET-1)

Paid up Capital	5,589,337,600	5,272,960,000
Statutory Reserve	1,968,151,671	1,523,468,581
Other Reserve	145,749,665	145,749,665
Retained Earnings	1,452,381,266	1,508,442,504
	9,155,620,202	8,450,620,750

b. Additional Tier -1 Capital (AT-1)

-	-
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Total Tier 1 Capital (a + b)

9,155,620,202	8,450,620,750
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II. Tier -2 Capital

General Provision	2,717,000,000	1,595,000,000
Mudaraba Subordinated Bond	4,000,000,000	4,000,000,000

	<u>6,717,000,000</u>	<u>5,595,000,000</u>
A. Total Regulatory Capital (I+II)	<u>15,872,620,202</u>	<u>14,045,620,750</u>
B. Total Risk Weighted Assets	141,548,705,882	114,773,056,597
C. Minimum Capital Requirement	<u>14,154,870,588</u>	<u>11,477,305,660</u>
D. Capital Surplus/(Shortfall); (A - C)	<u>1,717,749,614</u>	<u>2,568,315,090</u>
Capital to Risk Weighted Assets Ratio (CRAR)	<u>11.21%</u>	<u>12.24%</u>
Capital to Risk Weighted Assets Ratio (CRAR):	<u>Held</u>	<u>Held</u>
a. Common Equity Tier-1 Capital to Risk Weighted Assets	6.47%	7.36%
b. Tier - 1 Capital to Risk Weighted Assets	6.47%	7.36%
c. Tier - 2 Capital to Risk Weighted Assets	4.75%	4.88%
Total (b+c)	<u>11.21%</u>	<u>12.24%</u>
The Bank has maintained Capital to Risk Weighted Assets Ratio (CRAR) at 11.21% for the year ended 31 December 2020. Noted that according to the Basel-III implementation roadmap, banks were instructed to maintain CRAR at 12.50% consists of Minimum Capital at 10% plus Capital Conservation Buffer (CCB) at 2.50%.		
13 STATUTORY RESERVE		
Opening Balance	1,523,468,581	1,227,575,435
Transferred during the year from Profit & Loss A/C	444,683,090	295,893,146
Closing Balance	<u>1,968,151,671</u>	<u>1,523,468,581</u>
14 OTHER RESERVE	<u>145,749,665</u>	<u>145,749,665</u>
15 RETAINED EARNINGS		
Opening Balance	1,508,442,504	1,209,869,922
Add: Net Profit after tax for the year	988,415,452	594,465,728
Less: Transferred to Statutory Reserve	(444,683,090)	(295,893,146)
Less: Transfer to Start-up Fund	(9,884,000)	-
Less: Transfer to CSR Fund	(9,884,000)	-
Less: Transferred to Dividend Payable	(263,648,000)	-
Less: Transferred to Paid up Capital	(316,377,600)	-
Closing Balance	<u>1,452,381,266</u>	<u>1,508,442,504</u>
16 LETTER OF GUARANTEES		
Money for which the Bank is contingently liable in respect of guarantees are given favoring:		
Letters of Guarantee - Local	1,699,306,414	1,633,366,306
Letter of Guarantee - Foreign	-	-
	<u>1,699,306,414</u>	<u>1,633,366,306</u>
16.1 Money for Which the Bank is Contingently Liable in respect of Guarantees:		
Directors	-	-
Government	-	-
Banks and Other Financial Institutions	-	-
Others	1,699,306,414	1,633,366,306
	<u>1,699,306,414</u>	<u>1,633,366,306</u>
17 IRREVOCABLE LETTERS OF CREDIT		
Letters of Credit - Cash	1,294,346,905	2,568,111,806
Letter of Credit - Cash Inland	-	-
Back to Back Letters of Credit - Local	205,384,776	229,601,279
Back to Back Letters of Credit - Foreign	46,520,586	160,807,395
	<u>1,546,252,267</u>	<u>2,958,520,480</u>

18 BILLS FOR COLLECTION ISSUED BY THE BANK

Foreign Documentary Bills	254,901,580	228,694,018
Outward Bills	-	-
Inland Documentary Bills	2,919,969,104	1,166,915,574
	3,174,870,684	1,395,609,592

19 INVESTMENT INCOME
Profit Received from:

Deposit with Other Banks	554,363,831	559,786,607
Bai Murabaha - General	100,000	127,461,506
Bai Murabaha Hypothecation	39,802,291	12,374,016
Bai Murabaha against MTDR	4,691,098,108	4,262,505,755
Bai Murabaha - TR	9,981,711,337	8,047,415,712
Bai Murabaha - Agriculture	61,982,799	56,099,321
Bai Murabaha - Stimulus Package	31,417,969	-
Musharaka - MDB	2,780,757,597	2,410,679,717
Bai Muajjal Guarantee	5,756,772	3,160,061
Bai Muajjal Real Estate	66,488,353	76,544,074
Bai Muajjal General	11,909,966	-
Mudaraba Investment	3,662,489	-
Bai Murabaha Post Import Bill - TR	340,167,609	252,584,312
HPSM Transport	22,105,285	23,966,510
HPSM Industry	123,384,284	80,895,000
HPSM Real Estate	203,651,198	212,856,187
HPSM Employees House Building	22,219,647	18,753,232
HPSM Machinery	255,782,398	203,084,772
HPSM Consumer Durables	3,898,760	4,700,934
HPSM SME	617,408	90,388
HPSM Rural House Building	145,890	637,030
Quard against MTDR	598,011	3,750
Bill Purchased - Foreign	4,076,069	1,620,550
Bai Murabaha Import Bill (MIB)	124,406,496	157,664,060
Bai Murabaha EDF Investments	27,792,586	22,022,847
Back to Back Bill	70,488,885	79,510,619
Bai Muajjal against Import Bill	305,031,669	116,430,094
Bai Istisna	6,709,210	5,586,573
	19,740,126,917	16,736,433,627

20 PROFIT PAID ON DEPOSITS
Profit Paid on:

Mudaraba Term Deposit	7,674,997,588	7,447,779,066
Mudaraba Double Benefit Deposits Scheme	1,189,906,352	1,004,160,110
Mudaraba Monthly Savings Scheme	423,595,154	326,392,214
Mudaraba Monthly Benefit Savings Scheme	2,429,862,629	1,437,527,836
Bangladesh Government Islami Bond	391,974,439	404,619,391
Mudaraba Savings Deposits	178,905,785	134,114,879
Mudaraba Short Notice Deposits	1,461,155,365	1,179,190,270
Mudaraba no Frill Savings Deposits	525,980	330,068
Mudaraba Marriage Scheme	7,812,237	4,038,720
Mudaraba Union Pension Prokolpo	11,389,137	10,709,281
Mudaraba Pension Deposit Scheme	184	23,578
Mudaraba Millionaire Deposit Scheme	116,075,031	94,811,687
Mudaraba Hajj Deposit Scheme	2,780,283	2,014,555
Mudaraba Mohor Savings Scheme	3,112,347	1,377,715
Mudaraba Corepoty Savings Scheme	43,475,002	32,867,319
Mudaraba Kotipoti Deposit Scheme	9,114,441	8,702,192
Mudaraba Non Resident F.C. Deposits	17,321	-
Mudaraba Barakah Deposit Scheme	3,745,294	2,514,743
Mudaraba Subordinated Bond	343,536,069	221,998,476
	14,291,980,638	12,313,172,100

21 INCOME FROM INVESTMENT IN SHARES AND SECURITIES

Bangladesh Govt. Islamic Investment Bond	171,716,539	275,476,897
Other Bond	23,111,290	25,696,210
Profit/(Loss) on sale of shares	3,510	227,028
Dividend Income	235,153	223,954
	195,066,492	301,624,089

22 COMMISSION, EXCHANGE AND BROKERAGE		
Commission	126,288,377	197,047,325
Exchange Gain	65,855,038	119,905,377
Exchange Earning	65,882,821	126,149,479
Less: Exchange Loss	27,783	6,244,102
	192,143,415	316,952,702
23 OTHER OPERATING INCOME		
Account maintenance charge	26,793,330	27,767,643
Clearing cheque processing fee	149,816	160,518
Investment processing fee	51,566,856	100,006,155
Miscellaneous Earnings	45,247,816	38,118,987
	123,757,818	166,053,303
24 SALARY AND ALLOWANCES		
Basic Salary	557,855,085	459,142,026
Bonus	194,921,299	172,258,789
Bank's Contribution to Staff Provident Fund	52,075,763	41,314,560
Gratuity	50,000,000	85,000,000
House Rent Allowance	305,993,203	248,972,636
Conveyance Allowance	36,895,573	41,595,796
Leave Fare Allowance	30,625,370	79,801,278
Entertainment Allowance	16,020,770	17,493,968
Medical Allowance	78,951,409	62,621,485
Utility Services	28,376,693	39,011,636
House Maintenance Allowance	38,867,677	45,246,494
Bengali New Year Allowance	9,542,690	6,692,346
Other Allowances	7,111,367	6,111,576
	1,407,236,899	1,305,262,590
25 RENT, TAXES, INSURANCE, ELECTRICITY etc.		
Rent	298,337,618	276,336,229
Insurance	47,362,389	38,170,843
Rates and Taxes	33,153,555	10,156,606
Water Charges	1,051,305	1,068,428
Gas Charges	366,433	383,618
Electric Bills	41,502,019	40,158,240
	421,773,319	366,273,964
26 LEGAL EXPENSES		
Law Charges	213,475	344,355
Stamp	58,696	42,429
Other Professional Charges	6,817,521	18,938,964
	7,089,692	19,325,748
27 POSTAGE, STAMP AND TELECOMMUNICATION etc.		
Telephone - Office	4,413,700	4,342,913
Telegram, Telex, Internet, Fax and Email charge	9,871,061	9,891,132
Stamp	5,070	5,220
Telephone - Residence	400	1,900
Swift charge	5,368,768	5,832,489
Postage	3,696,181	4,243,001
	23,355,180	24,316,655
28 STATIONERY, PRINTING AND ADVERTISEMENT etc.		
Publicity and Advertisement	61,370,085	28,148,980
Printing and Stationery	21,117,541	20,409,033
	82,487,626	48,558,013

29 CHIEF EXECUTIVE'S SALARY & FEES		
Basic Pay	5,313,334	3,900,000
House Rent Allowances	1,985,833	1,500,000
Leave Fare Allowance	793,333	1,500,000
Bonus	2,455,000	1,650,000
Bengali New Year Allowance	77,000	65,000
House Maintenance Allowance	837,500	1,500,000
Other Allowance	785,950	-
	12,247,950	10,115,000
30 DIRECTORS' FEES & EXPENSES		
Fees	1,113,200	1,398,400
Travel	855,000	1,585,500
	1,968,200	2,983,900
31 SHARIA'H SUPERVISORY COMMITTEE'S FEES AND EXPENSES		
Fees	211,600	266,800
Travel	105,000	90,000
	316,600	356,800
32 DEPRECIATION AND REPAIRS TO FIXED ASSETS		
Depreciation on Fixed Assets (Annexure - A)	172,299,967	191,892,636
Repairs:	52,051,472	44,923,868
Office equipment	42,273,764	23,033,481
Renovation and Maintenance of Office Premises	523,874	69,730
Furniture and Fixtures	409,165	172,789
Repair & Maintenance of Vehicle	8,844,669	21,647,868
	224,351,439	236,816,504
33 OTHER EXPENSES		
Car Expense	48,997,708	49,246,833
Wages	154,690,251	153,523,645
Traveling	5,047,794	10,273,096
Donation and Subscription:		
Donation	203,522,705	139,112,870
Subscription	4,250,041	3,731,163
Newspaper and Periodicals	747,893	496,347
Entertainment	19,144,675	21,573,790
Conveyance	5,603,489	5,992,917
Bank charges	8,327,339	7,680,676
Holiday Banking allowances	12,964,512	1,621,911
Medical Expense	7,331,944	8,031,387
Training, Seminar and Workshop	1,855,802	4,458,729
Photocopy, Photograph & Toner	2,046,749	2,165,590
Generator Expenses	5,496,731	5,389,860
Washing and Cleaning	500,990	442,113
Online Expenses	2,056,298	2,294,257
Office Maintenance	12,835,990	11,187,242
Crockery Expense	393,868	277,475
Meeting Expenses	7,780,678	13,500,059
ATM Expenses	9,242,997	5,452,276
Miscellaneous Expenses	2,688,193	3,179,689
	515,526,647	449,631,925
34 EARNINGS PER SHARE (EPS)		
A. Net Profit after Tax	988,415,452	594,465,728
B. Weighted Average Number of Ordinary Shares	558,933,760	558,933,760
Earnings Per Share (A/B)*	1.77	1.06
35 RECEIPTS FROM OTHER OPERATING ACTIVITIES		

Account maintenance charge	26,793,330	27,767,643
Clearing cheque processing fee	149,816	160,518
Investment processing fee	51,566,856	100,006,155
Miscellaneous Earnings	45,247,816	38,118,987
	123,757,818	166,053,303
36 PAYMENTS FOR OTHER OPERATING ACTIVITIES		
Rent, Taxes, Insurances, Electricity etc.	421,773,319	366,273,964
Legal Expenses	7,089,692	19,325,748
Postage, Stamps, Telecommunications etc.	23,355,180	24,316,655
Directors' fees	1,968,200	2,983,900
Sharia'h Supervisory Committee's fees and expenses	316,600	356,800
Auditor's Fee	345,000	345,000
Repair of Fixed Assets	52,051,472	44,923,868
Zakat Expenses	44,000,000	36,000,000
Other Expenses	515,526,647	449,631,925
	1,066,426,110	944,157,860
37 INCREASE / DECREASE OF OTHER ASSETS		
Inter - branch Transaction Account	13,393,588,068	3,790,159,506
Advances, Deposits and Prepayment	485,427,099	400,764,648
Stock of Stationery	14,834,826	10,740,985
Suspense Account	134,745,902	233,099,624
Stamps on Hand	2,476,960	2,063,539
	14,031,072,855	4,436,828,302
(Increase)/Decrease during the year	(9,594,244,553)	(689,852,965)
38 INCREASE / DECREASE OF OTHER LIABILITIES		
Provision for Zakat	44,000,000	36,000,000
Benevolent Fund	168,879	76,324
Clearing Adjustment Account	3,968,853	2,779,389
Others	1,959,756,745	997,131,553
	2,007,894,477	1,035,987,266
Increase / (Decrease) during the year	971,907,211	761,674,164
39 NUMBER OF EMPLOYEES		
Executives and Officers	1,341	1,265
Members of Staff (Contractual)	317	315
	1,658	1,580

40 RELATED PARTY TRANSACTIONS

During the year, the Bank carried out some transaction with related party in the normal course of business and on an arm's length basis. The name of this related party, nature of this transaction and total value has been set out in accordance with provisions of International Accounting Standard # 24 (IAS# 24) Related Party disclosure and as defined in the BRPD Circular no. 14 issued by the Bangladesh Bank on June 25, 2003. The significant related party transactions during the year were as follows:

i) Significant Contracts where Bank is a Party and wherein Directors have Interest

<u>Name of the Party</u>	<u>Nature of Transaction</u>	<u>Nature of Relationship</u>	<u>Total Value (in Taka)</u>
Times Securities Ltd.	Trading of Share (Investment of Share)	Common Director	<u>44,081,408</u>
ii) Related Party Transactions			Nil
iii) Shares issued to Directors and Executives without consideration or exercisable at discount			Nil
iv) Lending to Related Parties is effected as per requirements of Section 27 (1) of the Bank Companies Act, 1991.			Nil
v) Business other than banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act, 1991			Nil
vi) Investment in the Securities of Directors and their related concern			Nil

41 DIRECTORS' INTEREST IN DIFFERENT BUSINESSES OR ENTITIES

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.
1	Ahsanul Alam	Chairman	Managing Director Genesis Textiles Accessories & Apparels Ltd. C&A Fabrics Ltd. Blythe Ltd. Affinity Assets Ltd. Wesco Ltd. Western Designers Ltd. Director Norinco Engineering Ltd. Hasan Abasan (Pvt) Ltd. Proprietor M/s. Genesis Enterprise
2	Mollah Fazle Akbar	Vice Chairman	Lt. General (Retd) Bangladesh Army
3	Ms. Marzina Sharmin	Director	Managing Director Unique Investment & Securities Ltd. Times Securities Limited Chairman Kingston Flour Mills Ltd. Proprietor M/s. Marzina Trading Shareholder Infinite CR Strips Industries Ltd.
4	Rashedul Alam	Director	Managing Director Ocean Resorts Ltd. Global Trading Corporation Ltd. Director Bangladesh Petro Chemical Ltd. S. Alam Hatchery Ltd. S. Alam Properties Ltd. Fatehabad Farm Ltd. Shareholder S.Alam Steels Ltd.

Sl. No	Name of the Directors	Status with the Bank	Names of firms/companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.
			Partner M/S. Rafi Enterprise M/S. Khorshed Paribahan Sangstha
5	Showkat Hossain, FCA	Director	Proprietor M/S. Rashed Enterprise Senior Partner M/S. Hoda Vasi Chowdhury & Co., Chartered Accountants
6	Ms. Farzana Begum	Director	Managing Director Lion Securities & Investment Ltd. Shah Amanat Prakritik Gas Co. Ltd. Director Global Trading Corporation Ltd. Infinite CR Strips Industries Ltd. Kingston Flour Mills Ltd. Proprietor M/S. Farzana Trading Enterprise
7	Mohammad Fazlay Morshed	Director	Managing Director M.R.M. Trading Ltd. Chittagong Logistics Ltd. Worth Avenue Steels Ltd. Adviser C&A Fabrics Ltd.
8	Ms. Halima Begum	Director	Proprietor M/S. Halima Trading Enterprise
9	Ms. Sarwar Jahan Maleque	Director	Director JESCO Bangladesh Ltd. Vice Chairman JESCO Capital Management Ltd.
10	Md. Abdul Quddus	Independent Director	EX- Managing Director NRB Global Bank Ltd. EX- Chief Executive Officer (CEO) First Security Islami Bank Foundation

42 AUDIT COMMITTEE

a) Constitution

Name	Status with the Bank	Status with the Committee	Educational Qualification
Showkat Hossain, FCA	Director	Chairman	B. Com, Fellow Chartered Accountant
Ms. Farzana Begum	Director	Member	B. A.
Mohammad Fazlay Morshed	Director	Member	B. Com.
Md. Abdul Quddus	Independent Director	Member	M. A. Economics

b) During the year under review, the Audit Committee of the Board conducted 06 (Six) meeting.

c) The following steps have been taken for implementation of an effective Internal Control Procedure of the Bank:

A strong powerful division formed for internal audit and inspection as well as compliance thereof.

The division is divided into three separate units i.e. Audit & Inspection, Compliance and Monitoring to implement effective internal control and compliances headed by highly experienced bankers.

Audit and Inspection unit is established with a view to carrying out comprehensive internal audit in the branch level and ensure the transparency and accountability in the banking operations in light of the guidelines of the regulatory authorities and policies set by the bank with regular intervals.

Monitoring Unit is established with a view to implementing proper banking practices in the branches. Day to day operations is the focusing area to implement the rules and procedures of the regulatory bodies, bank’s policies and other prudential guidelines.

Compliance unit is established to take effective measures for collection and timely submission of compliances of internal, external and Bangladesh Bank Inspection Reports.

The committee is placing its report regularly to the Board of Directors of the bank mentioning its review and recommendations on internal system, compliance of rules and regulations and establishment of good governance within the organization.

The board has given the responsibility to implement internal control system in the bank as per requirement of core risk management and framework provided by the Bangladesh Bank.

43 EVENTS AFTER BALANCE SHEET DATE

a) The Board of Directors of the Bank in its 76th Board meeting held on 29 April 2021 approved the financial statements of the Bank for the year ended 31 December 2020 and recommended 12% cash dividend for shareholders for the year 2020 subject to the approval of Bangladesh Bank and to be approved in the next Annual General Meeting an authorized the same for issue.

b) There is no other significant event that has occurred between the balance Sheet date and the date when the financial statements were authorized for issue by the Board of Director which require adjustment in the financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Place: Dhaka, Bangladesh

Dated: 29 April 2021

UNION BANK LIMITED
Schedule of fixed assets

As at 31 December 2020

Figure in Taka

Particulars	Cost				Depreciation				Written Down Value as on 31 December '20
	Balance as on 01 January '20	Addition during the period	Sales/Transfer during the period	Balance as on 31 December '20	Balance as on 01 January '20	Charged for the period	Adjustment on sale/transfer during the period	Balance as on 31 December '20	
Land	2,666,750,340	-		2,666,750,340	-	-	-	-	2,666,750,340
Furniture & Fixtures	847,899,813	135,152,010	-	983,051,823	265,157,161	63,214,252	-	328,371,413	654,680,410
Office Equipment	858,563,838	82,499,282	-	941,063,120	410,455,373	99,771,449	-	510,226,822	430,836,299
Vehicles	111,471,719	-	10,243,000	101,228,719	91,520,442	9,282,005	10,242,999	90,559,448	10,669,270
Books	352,807	73,760	-	426,567	114,813	32,261	-	147,074	279,493
Total Dec' 2020	4,485,038,517	217,725,052	10,243,000	4,692,520,569	767,247,789	172,299,967	10,242,999	929,304,757	3,763,215,812
Total Dec' 2019	1,698,043,930	2,786,994,587	-	4,485,038,517	575,355,153	191,892,636	-	767,247,789	3,717,790,728

UNION BANK LIMITED
FINANCIAL HIGHLIGHTS
 For the year ended 31 December 2020

Figure in Taka

SL #	Particulars	2020	2019
1	Paid-up Capital	5,589,337,600	5,272,960,000
2	Total Regulatory Capital	15,872,620,202	14,045,620,750
3	Total Regulatory Capital Surplus/(deficit)	1,717,749,614	2,568,315,090
4	Total Assets	210,031,576,436	180,106,145,782
5	Total Deposits	172,710,507,951	150,219,920,854
6	Total Investments	166,337,195,954	146,459,574,948
7	Total Contingent Liabilities and Commitments	10,570,316,251	11,573,330,051
8	Investment Deposit Ratio (in %)	90.22%	92.48%
9	Percentage of Classified Investments against total Investments (in %)	2.53%	3.64%
10	Profit after Provision and Tax	988,415,452	594,465,728
11	Amount of Classified Investments	4,201,353,863	5,336,826,003
12	Provision kept against Classified Investments	1,392,000,000	1,520,000,000
13	Investments Provision Surplus/(deficit)	37,299,935	68,693,795
14	Cost of Fund	10.55%	10.77%
15	Profit Earning Assets	179,976,288,304	159,022,359,825
16	Non-profit Earning Assets	30,055,288,132	21,083,785,957
17	Income from Investment in Shares & securities	195,066,492	301,624,089
18	Return on Investment in Shares & securities (ROI)(in %)	2.54%	4.96%
19	Return on Assets (ROA)(in %)	0.51%	0.36%
20	Earnings Per Share (Tk.)	1.77	1.06
21	Net Income Per Share (Tk.)	1.77	1.06
22	Price Earnings Ratio (Times)	N/A	N/A

b) Information as is required under section 186 of the Company Act 1994 relating to holding company;

Not applicable for Union Bank Limited since the company has no subsidiary.

c) Selected ratios as specified in Annexure –D

Auditor's certificate regarding calculation of EPS and Ratios

This is to certify that, the Union Bank limited has maintained the following Ratios as computed on the basis of the audited financial statements for the year ended December 31, 2016, 2017, 2018, 2019 and 2020:

Sl. No.	Name of the Ratio	Period				
		31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16
1	Times Interest earned Ratio	22.52%	21.99%	24.31%	32.91%	34.89%
2	Debt Equity Ratio (Times)	21.15	19.15	17.99	15.69	12.21
3	Net Investment Income Ratio	27.60%	26.43%	29.28%	34.78%	36.60%
4	Operating Profit Ratio	15.89%	15.46%	16.61%	20.82%	21.47%
5	Net Profit Ratio	4.88%	3.39%	6.80%	8.15%	10.28%
6	Return on Assets Ratio	0.51%	0.36%	0.68%	0.83%	1.16%
7	Return on Equity Ratio	11.23%	7.29%	12.92%	13.78%	15.27%
8	Earnings Per Share (Taka)	1.77	1.13	1.81	1.69	1.61
9	Debt to total asset ratio	95.64%	95.31%	94.71%	94.76%	92.84%
10	Net Operating Cash Flow Per Share (Taka)	(6.64)	2.77	(14.65)	14.36	(2.25)
11	Liquidity Coverage Ratio (LCR)	78.11%	74.65%	56.85%	103.41%	201.24%
12	Net Stable Funding Ratio (NSFR)	120.76%	124.13%	115.07%	122.33%	150.99%
13	Net Interest Margin(NIM)	3.03%	2.78%	2.98%	3.20%	3.95%
14	Efficiency Ratio	13.53%	14.27%	15.05%	15.92%	16.98%
15	Equity Multiplier (Times)	22.15	20.15	18.99	16.69	13.21
16	Burden Ratio	81.36%	68.61%	77.61%	81.08%	82.81%
17	Cost to Income Ratio	45.99%	48.00%	47.53%	43.34%	44.15%
18	Dividend Payout Ratio	0%	97.57%	0%	0.0%	66.50%
19	Net Asset Value Per Share (Taka)	16.38	16.03	14.90	13.09	12.77
20	Free Cash Flow Per Share (Taka)	(6.25)	(2.52)	(13.80)	14.07	(1.68)
21	Tier-I Capital Ratio	6.47%	7.36%	8.71%	10.05%	10.31%
22	Tier-II Capital Ratio	4.75%	4.88%	1.52%	1.68%	13.50%
23	Capital Adequacy Ratio (CRAR)	11.21%	12.24%	10.24%	11.72%	11.66%
24	Leverage Ratio	4.36%	4.69%	5.29%	5.24%	7.14%
25	Invest Deposit Ratio	90.22%	92.48%	96.03%	88.34%	90.44%

26	Investment to Total Assets Ratio	79.20%	81.36%	80.72%	76.52%	80.02%
27	Ratio of Non-Performing Loan	2.53%	3.64%	0.97%	0.57%	0.07%
28	Cost of Deposits	8.85%	8.95%	8.02%	7.33%	7.84%
29	Yield on Loan & Advances	12.62%	12.57%	12.28%	12.61%	14.24%
30	Cost of Administration	1.70%	1.82%	1.77%	1.85%	2.16%
31	Cost of Fund	10.49%	11.08%	10.31%	9.35%	9.53%
32	Spread (Cost of Deposit)	3.77%	3.62%	4.26%	5.28%	6.40%
33	Spread (Cost of Fund)	2.07%	1.80%	2.49%	3.43%	4.24%

Note: As per Annexure -D of Public Issue rules, 2015. There are some Ratios which is not required in banking sector such as, Current Ratio, Quick Ratio, Accounts Receivable Turnover Ratio, Inventory Turnover Ratio, Asset Turnover Ratio, EBITDA Margin and Debt Service Coverage Ratio.

Place: Dhaka

Date: 06 June 2021

Sd/-

Md. Shahidul Islam FCA

Engagement Partner

K. M. HASAN & CO.

Chartered Accountants

Ratio Compared with Industry Average:

We considered 7 (Seven) Shari'ah based banks for comparison of various ratios. The banks are Islami Bank Bangladesh Limited, Al-Arafah Islami Bank Limited, First Security Islami Bank Limited, Social Islami Bank Limited, Shahjalal Islami Bank Limited, EXIM Bank Limited and Union Bank Limited. The results are as follows:

Industry Average						
SL No.	Ratio	2020	2019	2018	2017	2016
1	Liquidity Coverage Ratio (LCR)	191.86%	160.39%	118.21%	111.82%	130.51%
2	Net Stable Funding Ratio (NSFR)	116.75%	119.66%	117.78%	112.25%	114.10%
3	Net Interest Margin (NIM)	2.66%	3.07%	3.18%	3.68%	4.00%
4	Operating Profit Margin	19.52%	21.95%	22.59%	24.80%	25.72%
5	Net Profit Margin	6.55%	6.26%	7.61%	8.59%	9.66%
6	Efficiency Ratio	30.25%	26.80%	27.52%	25.53%	25.10%
7	Return on Equity	10.26%	9.75%	11.22%	11.81%	14.87%
8	Return on Assets	0.58%	0.58%	0.70%	0.80%	1.24%
9	Equity Multiplier (Times)	18.37	17.30	16.55	15.22	13.76
10	Debt Equity Ratio (Times)	17.37	16.26	15.61	14.40	12.77
11	Burden Ratio	58.44%	49.22%	53.23%	51.02%	57.20%
12	Burden Coverage Ratio	41.56%	50.78%	46.77%	48.98%	42.80%
13	Interest Coverage Ratio	31.27%	36.80%	38.79%	45.88%	47.99%
14	Cost to Income Ratio	53.23%	47.31%	47.69%	47.50%	48.59%
15	Dividend Payout Ratio	48.77%	39.39%	61.25%	31.63%	39.99%
16	Earnings Per Share (Taka)	2.24	2.11	2.31	2.40	2.57
17	Net Asset Value Per Share (Taka)	22.86	21.94	21.03	20.52	20.11
18	Net Operating Cash Flow Per Share (Taka)	16.86	12.77	-6.23	6.13	3.08
19	Free Cash Flow Per Share (Taka)	12.85	10.04	-6.29	5.65	1.87
20	Tier-I Capital Ratio	8.03%	8.09%	8.25%	8.85%	9.48%
21	Tier-II Capital Ratio	5.08%	5.14%	4.24%	3.17%	2.51%
22	Capital Adequacy Ratio (CRAR)	12.24%	12.90%	11.97%	11.84%	11.87%
23	Leverage Ratio	4.57%	4.87%	5.32%	5.37%	6.59%
24	Credit Deposit Ratio	87.03%	90.47%	91.38%	88.09%	87.39%
25	Loans & Advances to Total Assets Ratio	76.78%	78.97%	80.14%	77.36%	76.36%
26	Ratio of Non-Performing Loan	3.27%	4.07%	2.46%	2.01%	1.83%
27	Cost of Deposits	6.27%	6.70%	6.23%	5.86%	6.41%
28	Yield on Loan & Advances	10.82%	11.17%	10.83%	11.02%	13.64%
29	Cost of Administration	1.99%	2.06%	2.07%	2.16%	2.37%
30	Cost of Fund	8.27%	8.76%	8.29%	7.93%	8.22%
31	Spread(Cost of Deposit)	4.06%	3.74%	4.15%	4.88%	6.50%
32	Spread (Cost of Fund)	2.15%	2.14%	2.13%	2.78%	3.92%

Union Bank Limited
Ratio Analysis-December-2016 to 2020

SL No	Particulars	Formula	Average	UBL	Remarks
			31-Dec-20	31-Dec-20	
1	Liquidity Coverage Ratio (LCR)	$[\text{Total Highly Liquid Asset} / \text{Total Net Cash Flow}] * 100$	191.86%	78.11%	Union Bank Ltd. meets short term obligations holding lesser amount of highly liquid assets than industry average. Banks is using its Highly Liquid Asset efficiently and effectively by assessing exposure to contingent liquidity events properly
2	Net Stable Funding Ration (NSFR)	$[\text{Available Amount of Stable Funding} / \text{Required Amount of Stable Funding}] * 100$	116.75%	120.76%	Union Bank Ltd. maintains a stable funding profile in relation to the composition of their assets and off-balance sheet activities. Union Bank's available amount of stable finding is higher than required amount of stable funding. Net Stable Funding Ration (NSFR) is higher than industry average
3	Net Investment Margin (NIM)	$[\text{Net Investment Income} / \text{Profit Earning Assets}] * 100$	2.66%	3.03%	Percentage of net Investment income to average Profit Earning Assets during a specified period is significantly higher than Industry. NIM Increases when Non-Performing Investment (NPI) is lower. Union Bank's asset quality and its revenue generating ability is better than that of industry
4	Operating Profit Margin	$[\text{Operating Profit} / (\text{Investment Income} + \text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income})] * 100$	19.52%	15.89%	Union Bank Ltd. is making 15.89 percent profit from its operations after covering operating and non-operating expenses of the bank which is lower than the industry average
5	Net Profit Margin	$[\text{Net Profit} / (\text{Investment Income} + \text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income})] * 100$	6.55%	4.88%	The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. Net Profit Margin is 4.88 percent which is inconsiderably lower than industry average. Union Bank Ltd. ended the year with higher Net Profit Margin
6	Efficiency Ratio	$[\text{Operating Expenses} / (\text{Investment Income} + \text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income})] * 100$	30.25%	13.53%	A bank has two main buckets of expenses: Profit paid on Deposit and Operating Expenses. Profit paid on Deposit is incurred from deposits. Union Bank Ltd. incurs 13.53 percent operating expenses of its total revenue, which is lower than industry average. Union Bank Ltd. incurs lower operating expenditure and more efficiently uses its resources.
7	Return on Equity	$[\text{Net Profit} / \text{Average Total-Shareholders' Equity}] * 100$	10.26%	11.23%	Union Bank Ltd. generates 11.23 percent profit from the money that investors have put into the business which is higher than Industry average. It reveals management's ability to generate more income from the equity available to it.

8	Return on Assets	$[\text{Net Profit} / \text{Average Total Asset}] * 100$	0.58%	0.51%	Return on Assets (ROA) indicates how well a company utilizes its assets, by determining how profitable a company is relative to its total assets. Bank generates a return of 0.51 percent of its average total asset which is inconsiderably lower than industry average
9	Equity Multiplier	$\text{Average-Total Asset} / \text{Average-Total- Shareholders' Equity}$	18.37 (Times)	22.16	Equity Multiplier measures a company's financial leverage, which is the amount of money the company has borrowed to finance the purchase of assets. Union Bank's Equity Multiplier is 22.16 times which is considerably higher than industry average Asset to Equity ratio means Bank Incurs Less amount of debt to finance its assets
10	Debt Equity Ratio	$\text{Average-Total Liabilities} / \text{Average-Total- Shareholders' Equity}$	17.37 (Times)	21.16 (Times)	Debt Equity Ratio measures the degree to which a company is financing its operations through debt versus wholly-owned funds. Debt use by Union Bank Ltd. is higher than industry average
11	Burden Ratio	$[1 - (\text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income} / \text{Operating Expenses})] * 100$	58.44%	81.36%	Burden ratio measure how much of operating expenses is not covered by Other Operating Income. In other words, what portion of operating expenses is covered by Investment Income. Union Bank Ltd.'s Burden Coverage ratio is 81.36 percent, which is higher than industry average.
12	Burden Coverage Ratio	$[\text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income} / \text{Operating Expenses}] * 100$	41.56%	18.64%	Burden Coverage ratio measures portion of operating expenses is covered by Other Operating Income. Union Bank's Burden ratio is 18.64 percent which is lower than industry average.
13	Interest Coverage Ratio	$[\text{Operating Profit} / \text{Profit Paid on Deposits}] * 100$	31.27%	22.52%	Interest Coverage ratio, broadly, is a measure of a Bank's ability to meet its financial obligations. Union Bank's Interest Coverage Ratio is 22.52 percent which is lower than industry average
14	Cost to Income Ratio	$[\text{Operating Expenses} / \text{Operating Income}] * 100$	53.23%	45.99%	Cost Income ratio shows a company's costs in relation to its income. Cost Income Ratio is inconsiderably lower than industry average which means that the Bank incurred relatively less operating expenses than that of other banks in industry.
15	Dividend Payout Ratio	$[\text{Total Dividend Payment} / \text{Net Profit After Tax}] * 100$	48.77%	-	N/A

16	Earnings Per Share (Taka)	Net Profit After Tax/ Number of Share Outstanding's	2.24/ Share	1.77/Share	EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profits. Union Bank's Earning Per Share (EPS) is 1.77 which is somewhat lower than Industry average. Union Bank makes BDT 1.77 for each share of its stock
17	Net Asset Value Per Share (Taka)	[(Total Asset- Total Liabilities)/Number of Share Outstanding's]	22.86/ Share	16.38/ Share	Net Asset Value Per Share measures the net worth of the bank against its each share of stock. Union Bank's Net Asset Value is 16.38 per Share which is lower than Industry average but higher than that of preceding year.
18	Net Operating Cash flow per share(Taka)	[Net Cash Flow from Operating Activities/ Number of Share Outstanding's]	16.86/ Share	(6.64)/ Share	Cash flow per share is a financial ratio that measures the operating cash flows attributable to each share of common stock. Union Bank's operating Cash flow per share is lower than industry average.
19	Free Cash Flow per share (Taka)	[(Net cash from operating activities+/-Sale or Purchase of property, plant and equipment)/Number of Share Outstanding's]	12.85/ Share	(7.03)/ Share	Free cash flow per share can be defined as a measure of financial performance calculated as operating cash flow minus capital expenditures, expressed on a per share basis. Union Bank's Free Cash flow per share is below of industry average.
20	Tier – I Capital Ratio	[Core Capital (Tier I)/Risk Weighted Assets]*100	8.03%	6.47%	The tier 1 capital ratio measures a bank's core equity capital against its total risk-weighted assets which include all the assets the bank holds that are systematically weighted for investment risk. The tier 1 capital ratio has to be at least 6%. Union Bank's Tier-I Capital ratio is 6.47 percent indicates the Bank's ability of absorbing reasonable amount of losses without risk of failure.
21	Tier – II Capital Ratio	[Supplementary Capital (Tier II)/Risk Weighted Assets] *100	5.08%	4.75%	Tier-2 capital comprises General Provision, Mudaraba Subordinated Bond. It is used to absorb losses if a bank loses all its Tier-1 capital. Tier – II Capital Ratio is 4.75 percent which measures supplementary Capital against its Risk Weighted Assets (RWA). Tier – II Capital is somewhat lower than industry average.
22	Capital Adequacy Ratio (CRAR)	[Total Capital /Risk Weighted Assets]*100	12.24%	11.21%	Capital adequacy ratio (CAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk-weighted Assets. Union Bank's Capital Adequacy ratio is 11.21 percent which is inconsiderably lower than industry average, which shows bank's ability to protect depositors and promote the stability and efficiency of financial systems

23	Leverage ratio	[Tier-I Capital)/Total Exposure]*100	4.57%	4.34%	Basel III introduced a minimum leverage ratio—with tier 1 capital, it must be at least 3% of total Exposure. Union Bank’s Leverage ratio is somewhat lower than industry average
24	Investment Deposit Ratio	[Investments excluding EDF and Refinance/Sum of total Demand and Time Liabilities, Inter-Bank Surplus and Bond Surplus]*100	87.03%	90.22%	The Investment-to-Deposit ratio (IDR) is used to assess a bank’s liquidity by comparing a bank’s total Investments to its total Deposits for the same period. Union Bank’s IDR is just 90.22 percent which is inconsiderably higher than industry average
25	Investments to Total Asset Ratio	(Investments/Total Assets)*100	76.78%	79.20%	Investments to Total Asset Ratio measure the portion of Investments in the total Asset of Bank. Union Bank’s Investments to Total Asset Ratio is 79.20 Percent which is somewhat higher than industry average
26	Ratio of Non-Performing Investments	(Classified Investments /Total Investments)*100	3.27%	2.54%	Ratio of Non- Performing Investments measures the portion of bad loans (SS, DF, BL) of its total Investments Portfolio. Non Performing Investments (NPI) of Union Bank is 2.54 percent which is lower than industry average
27	Cost of Deposits	[Profit paid on Deposit/ Average Deposits]*100	6.27%	8.85%	Average interest rate paid by Union Bank Limited for the funds that they use in their business is just 1.00 percent higher than industry average. Bank is focusing low cost CASA Deposit to bring the average cost of deposit below industry average and increase the spread between lending and borrowing rate
28	Yield on Investments	[Investment Income/Average Investments]*100	10.82%	12.62%	Rate at which investment Income generated from investments is the Yield on Loans/Investments. Union Bank Limited’s Yield on Loans/Investments is 14.24 percent, which is higher than industry average
29	Cost of Administration	[Operating Expenditure/ Average Deposit]*100	1.99%	1.70%	Administrative Expenses Include salary & Allowances, Rental Expenditure, stationary, Postage, Stamp, and Telecommunications, Depreciation and Repair of Bank’s Assets etc. Union Bank’s Administrative Expenses are 1.70 Percent which is lower than industry average
30	Cost of Fund	[(Profit paid on Deposit/Average Deposit)*100]+[(Operating Expenditure/Average Deposit)*100]	8.27%	10.55%	Cost of Fund (CoF) is the Summation of Cost of Deposit (CoD) and Cost of Administration (CoA). Union Bank’s Cost of Fund (CoF) is 10.00 percent which is higher than industry average
31	Spread (Cost of Deposit)	[(Income from Investments/Average Investments)*100]- [(Profit paid on Deposit/ Average Deposit)*100]	4.06%	3.77%	Spread is the difference between Yield on investments and Cost of Deposit. Union Bank’s Spread is 3.77 percent which is lower than industry average due to higher Cost of Deposit

32	Spread(Cost of fund)	$[(\text{Income from Investments}/\text{Average Investments}) \times 100] - [(\text{Profit paid on deposit}/\text{Average Deposit}) \times 100] - [(\text{Operating Expenditure}/\text{Average Deposit}) \times 100]$	2.15%	2.07%	Spread is the difference between Yield on investments and Cost of Fund. Union Bank's spread is 2.07 percent which is lower than industry average .
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SL No	Particulars	Formula	Average	UBL	Remarks
			31-Dec-2019	31-Dec-2019	
1	Liquidity Coverage Ratio (LCR)	$[\text{Total Highly Liquid Asset}/\text{Total Net Cash Flow}] \times 100$	160.39%	74.65%	Union Bank Ltd. meets short term obligations holding lesser amount of highly liquid assets than industry average. Bank are using its Highly Liquid Asset efficiently and effectively by assessing exposure to contingent liquidity events properly
2	Net Stable Funding Ration (NSFR)	$[\text{Available Amount of Stable Funding}/\text{Required Amount of Stable Funding}] \times 100$	119.66%	124.13%	Union Bank Ltd. maintains a stable funding profile in relation to the composition of their assets and off-balance sheet activities. Union Bank's available amount of stable finding is higher than required amount of stable funding. Net Stable Funding Ration (NSFR) is higher than industry average
3	Net Investment Margin (NIM)	$[\text{Net Investment Income}/\text{Profit Earning Assets}] \times 100$	3.07%	2.78%	Percentage of Net Investment Income to average Profit Earning Assets during a specified period is significantly higher than Industry. NIM Increases when Non-Performing Investment (NPI) is lower. Union Bank's asset quality and its revenue generating ability is better than that of industry
4	Operating Profit Margin	$[\text{Operating Profit}/(\text{Investment Income} + \text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income})] \times 100$	21.95%	15.46%	Union Bank Ltd. is making 15.46 percent profit from its operations after covering operating and non-operating expenses of the bank which is lower than the industry average
5	Net Profit Margin	$[\text{Net Profit}/(\text{Investment Income} + \text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income})] \times 100$	6.26%	3.39%	The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. Net Profit Margin is 3.39 percent which is lower than industry average. Union Bank Ltd. also ended the year with higher Net Profit Margin
6	Efficiency Ratio	$[\text{Operating Expenses}/(\text{Investment Income} + \text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income})] \times 100$	26.80%	14.27%	A bank has two main buckets of expenses: Profit paid on Deposit and Operating Expenses. Profit paid on Deposit is incurred from deposits. Union Bank incurs 14.27 percent operating expenses of its total revenue which is lower than industry average. Union Bank incurs lower operating expenditure and more efficiently uses its resources

7	Return on Equity	$[\text{Net Profit} / \text{Average Total-Shareholders' Equity}] * 100$	9.75%	7.29%	Union Bank generates 7.29 percent profit from the money that investors have put into the business which is lower than industry average. It reveals management's ability to generate more income from the equity available to it.
8	Return on Assets	$[\text{Net Profit} / \text{Average Total Asset}] * 100$	0.58%	0.36%	Return on Assets (ROA) indicates how well a company utilizes its assets, by determining how profitable a company is relative to its total assets. Bank generates a return of 0.36 percent of its average total asset which is lower than industry average
9	Equity Multiplier	$\text{Average-Total Asset} / \text{Average-Total-Shareholders' Equity}$	17.30 (Times)	20.16 (times)	Equity Multiplier measures a company's financial leverage, which is the amount of money the company has borrowed to finance the purchase of assets. Union Bank's Equity Multiplier is 20.16 times which is considerably higher than industry average Asset to Equity ratio means Bank Incurs Less amount of debt to finance its assets
10	Debt Equity Ratio	$\text{Average-Total Liabilities} / \text{Average-Total-Shareholders' Equity}$	16.26 (Times)	19.16 (Times)	Debt Equity Ratio measures the degree to which a company is financing its operations through debt versus wholly-owned funds. Debt use by Union Bank is higher than industry average
11	Burden Ratio	$[1 - (\text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income} / \text{Operating Expenses})] * 100$	49.22%	68.61%	Burden ratio measure how much of operating expenses is not covered by Other Operating Income. In other words, what portion of operating expenses is covered by Investment Income. Union Bank Ltd.'s Burden Coverage ratio is 68.61 percent, which is higher than industry average.
12	Burden Coverage Ratio	$[\text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income} / \text{Operating Expenses}] * 100$	50.78%	31.39%	Burden Coverage ratio measures portion of operating expenses is covered by Other Operating Income. Union Bank's Burden Coverage ratio is 31.39 percent, which is lower than industry average.
13	Interest Coverage Ratio	$[\text{Operating Profit} / \text{Profit Paid on Deposits}] * 100$	36.80%	21.99%	Interest Coverage ratio, broadly, is a measure of a Bank's ability to meet its financial obligations. Union Bank's Interest Coverage Ratio is 21.99 percent which is lower than industry average
14	Cost to Income Ratio	$[\text{Operating Expenses} / \text{Operating Income}] * 100$	47.31%	48.00%	Cost Income ratio shows a company's costs in relation to its income. Cost Income Ratio is inconsiderably higher than industry average

15	Dividend Payout Ratio	$[\text{Total Dividend Payment} / \text{Net Profit After Tax}] * 100$	39.39%	97.57%	Dividend payout ratio gives investors an idea of how much money it returns to its shareholders. Union Bank's Dividend Payout ratio is 97.57 Percent means Bank distributes 97.57 percent of its net income after tax and indicates sound Financial Health of the Bank.
16	Earnings Per Share (Taka)	Net Profit After Tax/ Number of Share Outstanding's	2.11/ Share	1.13/Share	EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profits. Union Bank's Earning Per Share (EPS) is 1.13, slightly lower than industry average since lower profit earned than previous year due to higher expenses incurred in the year.
17	Net Asset Value Per Share (Taka)	$[(\text{Total Asset} - \text{Total Liabilities}) / \text{Number of Share Outstanding's}]$	21.94/ Share	16.03/ Share	Net Asset Value Per Share measures the net worth of the bank against its each share of stock. Union Bank's Net Asset Value is 16.03 per Share which is lower than industry average but considerably higher than that of preceding year.
18	Net Operating Cash flow per share(Taka)	$[\text{Net Cash Flow from Operating Activities} / \text{Number of Share Outstanding's}]$	12.77/ Share	2.77/ Share	Cash flow per share is a financial ratio that measures the operating cash flows attributable to each share of common stock. Union Bank's operating Cash flow per share is lower than industry average but considerably higher than that of preceding year.
19	Free Cash Flow per share (Taka)	$[(\text{Net cash from operating activities} + / - \text{Sale or Purchase of property, plant and equipment}) / \text{Number of Share Outstanding's}]$	10.04/ Share	(2.52)/ Share	Free cash flow per share can be defined as a measure of financial performance calculated as operating cash flow minus capital expenditures, expressed on a per share basis. Union Bank's Free Cash flow per share is below of industry average.
20	Tier – I Capital Ratio	$[\text{Core Capital (Tier I)} / \text{Risk Weighted Assets}] * 100$	8.09%	7.36%	The tier 1 capital ratio measures a bank's core equity capital against its total risk-weighted assets which include all the assets the bank holds that are systematically weighted for investment risk. The tier 1 capital ratio has to be at least 6%. Union Bank's Tier-I Capital ratio is 7.36 percent indicates the Bank's ability of absorbing reasonable amount of losses without risk of failure.
21	Tier – II Capital Ratio	$[\text{Supplementary Capital (Tier II)} / \text{Risk Weighted Assets}] * 100$	5.14%	4.87%	Tier-2 capital comprises General Provision, Mudaraba Subordinated Bond. It is used to absorb losses if a bank loses all its Tier-1 capital. Tier – II Capital Ratio is 4.87 percent which measures supplementary Capital against its Risk Weighted Assets (RWA). Tier – II Capital is somewhat lower than industry average.

22	Capital Adequacy Ratio (CRAR)	$[\text{Total Capital /Risk Weighted Assets}] * 100$	12.90%	12.24%	Capital adequacy ratio (CAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk-weighted Assets. Union Bank's Capital Adequacy ratio is 12.24 percent which is inconsiderably lower than industry average, which shows bank's ability to protect depositors and promote the stability and efficiency of financial systems.
23	Leverage ratio	$[\text{Tier-I Capital}]/\text{Total Exposure}] * 100$	4.87%	4.34%	Basel III introduced a minimum leverage ratio—with tier 1 capital, it must be at least 3% of total Exposure. Union Bank's Leverage ratio is somewhat lower than industry average.
24	Investment Deposit Ratio	$[\text{Investments excluding EDF and Refinance/Sum of total Demand and Time Liabilities, Inter-Bank Surplus and Bond Surplus}] * 100$	90.47%	92.48%	The Investment-to-Deposit ratio (IDR) is used to assess a bank's liquidity by comparing a bank's total Investments to its total Deposits for the same period. Union Bank's IDR is just 92.48 percent which is inconsiderably higher than industry average.
25	Investments to Total Asset Ratio	$(\text{Investments}/\text{Total Assets}) * 100$	78.97%	81.32%	Investments to Total Asset Ratio measure the portion of Investments in the total Asset of Bank. Union Bank's Investments to Total Asset Ratio is 81.32 Percent which is somewhat higher than industry average.
26	Ratio of Non-Performing Investments	$(\text{Classified Investments} / \text{Total Investments}) * 100$	4.07%	3.64%	Ratio of Non- Performing Investments measures the portion of bad loans (SS, DF, BL) of its total Investments Portfolio. Non Performing Investments (NPI) of Union Bank is 3.64 percent which is lower than industry average.
27	Cost of Deposits	$[\text{Profit paid on Deposit}/\text{Average Deposits}] * 100$	6.70%	8.95%	Average profit paid by Union Bank Limited for the funds that they use in their business is just 2.25 percent higher than industry average. Bank is focusing on low cost Deposit to bring the average cost of deposit below the industry average.
28	Yield on Investments	$[\text{Investment Income}/\text{Average Investments}] * 100$	11.17%	12.57%	Rate at which investment Income generated from investment is the Yield on Investments. Union Bank's Yield on investments is 12.57 percent, which is higher than industry average.
29	Cost of Administration	$[\text{Operating Expenditure}/\text{Average Deposit}] * 100$	2.06%	1.82%	Administrative Expenses Include salary & Allowances, Rental Expenditure, stationary, Postage, Stamp, and Telecommunications, Depreciation and Repair of Bank's Assets etc. Union Bank's Administrative Expenses are 1.82 Percent which is lower than industry average.

30	Cost of Fund	$[(\text{Profit paid on Deposit}/\text{Average Deposit}) \times 100] + [(\text{Operating Expenditure}/\text{Average Deposit}) \times 100]$	8.76%	10.77%	Cost of Fund (CoF) is the Summation of Cost of Deposit (CoD) and Cost of Administration (CoA). Cost of Fund (CoF) is higher than Industry average.
31	Spread (Cost of Deposit)	$[(\text{Income from Investments}/\text{Average Loans or Investments}) \times 100] - [(\text{Profit paid on Deposit}/\text{Average Deposit}) \times 100]$	3.74%	3.62%	Spread is the difference between investment Income from investment and Cost of Deposit. Since Cost of Deposit is higher so Spread is lower than industry average.
32	Spread(Cost of fund)	$[(\text{Income from Investments}/\text{Average Investments}) \times 100] - [(\text{Profit paid on deposit}/\text{Average Deposit}) \times 100] - [(\text{Operating Expenditure}/\text{Average Deposit}) \times 100]$	2.14%	1.80%	Spread is the difference between investment Income from investment and Cost of Fund. Since Cost of Fund is higher so Spread is lower than industry average.

SL No	Particulars	Formula	Average	UBL	Remarks
			31-Dec-2018	31-Dec-2018	
1	Liquidity Coverage Ratio (LCR)	$[\text{Total Highly Liquid Asset}/\text{Total Net Cash Flow}] \times 100$	118.21%	56.85%	Union Bank Ltd. meets short term obligations holding lesser amount of highly liquid assets than industry. Banks is using its Highly Liquid Asset efficiently and effectively by assessing exposure to contingent liquidity events properly.
2	Net Stable Funding Ratio (NSFR)	$[\text{Available Amount of Stable Funding}/\text{Required Amount of Stable Funding}] \times 100$	117.78%	115.07%	Union Bank Ltd. maintains a stable funding profile in relation to the composition of their assets and off-balance sheet activities. Union Bank's available amount of stable finding is higher than required amount of stable funding. Net Stable Funding Ratio (NSFR) is somewhat lower than industry average.
3	Net Investment Margin (NIM)	$[\text{Net Investment Income}/\text{Profit Earning Assets}] \times 100$	3.18%	2.98%	Percentage of Net Investment income to average Profit Earning Assets during a specified period is insignificantly lower than Industry. NIM Increases when Non-Performing Investments (NPI) is lower.
4	Operating Profit Margin	$[\text{Operating Profit}/(\text{Investment Income} + \text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income})] \times 100$	22.59%	16.61%	Union Bank Ltd. is making 16.61 percent profit from its operations after covering operating and non-operating expenses of the bank which is lower than the industry average.
5	Net Profit Margin	$[\text{Net Profit}/(\text{Investment Income} + \text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income})] \times 100$	7.61%	6.80%	The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. Net Profit Margin is 6.80 percent which is inconsiderably lower than industry average.

6	Efficiency Ratio	[Operating Expenses/ (Investment Income+Income from Investment in Shares & Securities+Commission based Income+Other Operating Income)]*100	27.52%	15.05%	A bank has two main buckets of expenses: Profit paid on Deposit and Operating Expenses. Profit paid on Deposit is incurred from Deposits. Union Bank Ltd. incurs 15.05 percent operating expenses of its total revenue, which is lower than Industry average. Union Bank Ltd. incurs lower operating expenditure and more efficiently uses its resources
7	Return on Equity	[Net Profit / Average Total-Shareholders' Equity] *100	11.22%	12.92%	Union Bank generates 12.92 percent profit from the money that investors have put into the business which is higher than industry average. It reveals management's ability to generate more income from the equity available to it
8	Return on Assets	[Net Profit / Average Total Asset] *100	0.70%	0.68%	Return on Assets (ROA) indicates how well a company utilizes its assets, by determining how profitable a company is relative to its total assets. Bank generates a return of 0.68 percent of its average total Assets which is somewhat lower than industry
9	Equity Multiplier	Average-Total Asset/ Average-Total- Shareholders' Equity	16.55 (Times)	18.99 (Times)	Equity Multiplier measures a company's financial leverage, which is the amount of money the company has borrowed to finance the purchase of assets. Union Bank's Equity Multiplier is 18.99 times which is considerably higher than industry average Asset to Equity ratio means Bank Incurs Less amount of debt to finance its assets
10	Debt Equity Ratio	Average-Total Liabilities/ Average-Total- Shareholders' Equity	15.61 (Times)	17.99 (Times)	Debt Equity Ratio measures the degree to which a company is financing its operations through debt versus wholly-owned funds. Debt use by Union Bank Ltd. is higher than industry average
11	Burden Ratio	[1-(Income from Investment in Shares & Securities+Commission based Income+Other Operating Income / Operating Expenses)]*100	53.23%	77.61%	Burden ratio measure how much of operating expenses is not covered by Other Operating Income. In other words, what portion of operating expenses is covered by investment income. Union Bank's Burden ratio is 77.61 percent, which is higher than industry average.
12	Burden Coverage Ratio	[Income from Investment in Shares & Securities+Commission based Income+Other Operating Income / Operating Expenses]*100	46.77%	22.39%	Burden Coverage ratio measures portion of operating expenses is covered by Other Operating Income. Union Bank's Burden Coverage ratio is 22.39 percent which is lower than industry average .
13	Interest Coverage Ratio	[Operating Profit/ Profit Paid on Deposits]*100	38.79%	24.31%	Interest Coverage ratio, broadly, is a measure of a Bank's ability to meet its financial obligations. Union Bank's Interest Coverage Ratio is 24.31 percent which is lower than industry average

14	Cost to Income Ratio	[Operating Expenses/ Operating Income]*100	47.69%	47.53%	Cost Income ratio shows a company's costs in relation to its income. Cost Income Ratio is inconsiderably lower than industry average which means that the Bank incurred relatively less operating expenses than that of other Banks in industry.
15	Dividend Payout Ratio	[Total Dividend Payment/ Net Profit After Tax]*100	61.25%	-	N/A
16	Earnings Per Share (Taka)	Net Profit After Tax/ Number of Share Outstanding's	2.31/ Share	1.81/share	EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profits. Union Bank's Earning Per Share (EPS) is 1.81, which is inconsiderably lower than Industry average
17	Net Asset Value Per Share (Taka)	[(Total Asset- Total Liabilities)/Number of Share Outstanding's]	21.03/ Share	14.90/ Share	Net Asset Value Per Share measures the net worth of the bank against its each share of stock. Union Bank's Net Asset Value is 14.90 per Share which is lower than Industry average but higher than that of preceding year.
18	Net Operating Cash flow per share(Taka)	[Net Cash Flow from Operating Activities/ Number of Share Outstanding's]	(6.23)/ Share	(14.65)/ Share	Cash flow per share is a financial ratio that measures the operating cash flows attributable to each share of common stock. Union Bank's operating Cash flow per share is lower than industry average.
19	Free Cash Flow per share (Taka)	[(Net cash from operating activities+/-Sale or Purchase of property, plant and equipment)/Number of Share Outstanding's]	(6.29)/ Share	(15.49)/ Share	Free cash flow per share can be defined as a measure of financial performance calculated as operating cash flow minus capital expenditures, expressed on a per share basis. Union Bank's Free Cash flow per share is below of industry average.
20	Tier – I Capital Ratio	[Core Capital (Tier I)/Risk Weighted Assets]*100	8.25%	8.71%	The tier 1 capital ratio measures a bank's core equity capital against its total risk-weighted assets which include all the assets the bank holds that are systematically weighted for investment risk. The tier 1 capital ratio has to be at least 6%. Union Bank's Tier-I Capital ratio is 8.71 percent indicates the Bank's ability of absorbing reasonable amount of losses without risk of failure.
21	Tier – II Capital Ratio	[Supplementary Capital (Tier II)/Risk Weighted Assets] *100	4.24%	1.52%	Tier-2 capital comprises General Provision. It is used to absorb losses if a bank loses all its Tier-1 capital. Tier – II Capital Ratio is 1.52 percent which is lower than Industry average.
22	Capital Adequacy Ratio (CRAR)	[Total Capital /Risk Weighted Assets]*100	11.97%	10.24%	Capital adequacy ratio (CAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk-weighted Assets. Union Bank's Capital Adequacy ratio is 10.24 percent which is inconsiderably lower than Industry average.

23	Leverage ratio	[Tier-I Capital)/Total Exposure]*100	5.32%	4.34%	Basel III introduced a minimum leverage ratio—with tier 1 capital, it must be at least 3% of total Exposure. Union Bank’s Leverage ratio is somewhat lower than industry average.
24	Investment Deposit Ratio	[Investments excluding EDF and Refinance/Sum of total Demand and Time Liabilities, Inter-Bank Surplus and Bond Surplus]*100	91.38%	92.96%	The Investment-to-Deposit ratio (IDR) is used to assess a bank’s liquidity by comparing a bank’s total Investments to its total Deposits for the same period. Union Bank’s IDR is just 92.96 percent which is inconsiderably higher than Industry average.
25	Investments to Total Asset Ratio	(Investments/Total Assets)*100	80.14%	80.72%	Investments to Total Asset Ratio measure the portion of Investments in the total Asset of Bank. Union Bank’s Investments to Total Asset Ratio is 80.72 Percent which is somewhat higher than industry average.
26	Ratio of Non-Performing Investments	(Classified Investments /Total Investments)*100	2.46%	0.97%	Ratio of Non- Performing Investments measures the portion of bad loans (SS, DF, BL) of its total Investments Portfolio. Non Performing Investments (NPI) of Union Bank is 0.97 percent which is considerably lower than industry average.
27	Cost of Deposits	[Profit paid on Deposit/ Average Deposits]*100	6.23%	8.02%	Average profit paid by Union Bank Limited for the funds that they use in their business is just 1.79 percent higher than industry average. Bank is focusing on low cost/no cost Deposits to bring the average cost of Deposits below the industry average.
28	Yield on Investments	[Investment Income/Average Investments]*100	10.83%	12.28%	Rate at which investment Income generated from investment is the Yield on Investments. Union Bank’s Yield on investments is 12.28 percent, which is higher than industry average.
29	Cost of Administration	[Operating Expenditure/ Average Deposit]*100	2.07%	1.77%	Administrative Expenses Include salary & Allowances, Rental Expenditure, stationary, Postage, Stamp, and Telecommunications, Depreciation and Repair of Bank’s Assets etc. Union Bank’s Administrative Expenses are 1.77 Percent which is lower than industry average.
30	Cost of Fund	[(Profit paid on Deposit/ Average Deposit)*100]+[(Operating Expenditure/ Average Deposit)*100]	8.29%	9.79%	Cost of Fund (CoF) is the Summation of Cost of Deposit (CoD) and Cost of Administration (CoA). Cost of Fund (CoF) is higher than Industry average.
31	Spread (Cost of Deposit)	[(Income from Investments/ Average Loans or Investments)*100]- [(Profit paid on Deposit/ Average Deposit)*100]	4.15%	4.26%	Spread is the difference between investment Income from investment and Cost of Deposit. Spread is higher than industry average due to higher yield on Investments.

32	Spread(Cost of fund)	$[(\text{Income from Investments/Average Investments}) \times 100] - [(\text{Profit paid on deposit/Average Deposit}) \times 100] - [(\text{Operating Expenditure/Average Deposit}) \times 100]$	2.13%	2.49%	Spread is the difference between investment Income from investments and Cost of Fund. Since Yield on Investments is higher so Spread is higher than industry average.
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SL No	Particulars	Formula	Average	UBL	Remarks
			31-Dec-2017	31-Dec-2017	
1	Liquidity Coverage Ratio (LCR)	$[\text{Total Highly Liquid Asset/Total Net Cash Flow}] \times 100$	111.82%	103.41%	Union Bank Ltd. meets short term obligations holding inconsiderably lesser amount of highly liquid assets than industry. Banks is using its Highly Liquid Asset efficiently and effectively by assessing exposure to contingent liquidity events properly
2	Net Stable Funding Ration (NSFR)	$[\text{Available Amount of Stable Funding/Required Amount of Stable Funding}] \times 100$	112.25%	122.33%	Union Bank Ltd. maintains a stable funding profile in relation to the composition of their assets and off-balance sheet activities. Union Bank's available amount of stable finding is higher than required amount of stable funding. Net Stable Funding Ration (NSFR) is just 10.08 percent higher than industry average
3	Net Investment Margin (NIM)	$[\text{Net Investment Income/Profit Earning Assets}] \times 100$	3.68%	3.20%	Percentage of Net Investment Income to average Profit Earning Assets is 3.20 percent which is insignificantly lower than industry average
4	Operating Profit Margin	$[\text{Operating Profit / (Investment Income+Income from Investment in Shares & Securities+Commission based Income+Other Operating Income)}] \times 100$	24.80%	20.82%	Union Bank Ltd. is making 20.82 percent profit from its operations after covering operating and non-operating expenses of the bank which is lower than the industry average
5	Net Profit Margin	$[\text{Net Profit / (Investment Income+Income from Investment in Shares & Securities+Commission based Income+Other Operating Income)}] \times 100$	8.59%	8.15%	The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. Net Profit Margin is 8.15 percent which is inconsiderably lower than industry average.
6	Efficiency Ratio	$[\text{Operating Expenses/ (Investment Income+Income from Investment in Shares & Securities+Commission based Income+Other Operating Income)}] \times 100$	25.53%	15.92%	A bank has two main buckets of expenses: Profit paid on Deposit and Operating Expenses. Profit paid on Deposit is incurred from deposits. Union Bank Ltd. incurs 15.92 percent operating expenses of its total revenue, which is lower than Industry average. Union Bank Ltd. incurs lower operating expenditure and more efficiently uses its resources

7	Return on Equity	$[\text{Net Profit} / \text{Average Total-Shareholders' Equity}] * 100$	11.81%	13.78%	Union Bank generates 13.78 percent profit from the money that investors have put into the business which is higher than industry average. It reveals management's ability to generate more income from the equity available to it.
8	Return on Assets	$[\text{Net Profit} / \text{Average Total Asset}] * 100$	0.80%	0.83%	Return on Assets (ROA) indicates how well a company utilizes its assets, by determining how profitable a company is relative to its total Assets. Bank generates a return of 0.83 percent of its average total asset which is higher than industry
9	Equity Multiplier	$\text{Average-Total Asset} / \text{Average-Total- Shareholders' Equity}$	15.22 (Times)	16.69 (Times)	Equity Multiplier measures a company's financial leverage, which is the amount of money the company has borrowed to finance the purchase of assets. Union Bank's Equity Multiplier is 16.69 times which is higher than Industry average. Asset to Equity ratio means Bank Incurs Less amount of debt to finance its assets
10	Debt Equity Ratio	$\text{Average-Total Liabilities} / \text{Average-Total- Shareholders' Equity}$	14.40 (Times)	15.69 (Times)	Debt Equity Ratio measures the degree to which a company is financing its operations through debt versus wholly-owned funds. Debt use by Union Bank Ltd. is higher than Industry average
11	Burden Ratio	$[1 - (\text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income} / \text{Operating Expenses})] * 100$	51.02%	81.08%	Burden ratio measure how much of operating expenses is not covered by Other Operating Income. In other words, what portion of operating expenses is covered by investment income. Union Bank's Burden ratio is 81.08 percent, which is higher than industry average.
12	Burden Coverage Ratio	$[\text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income} / \text{Operating Expenses}] * 100$	48.98%	18.92%	Burden Coverage ratio measures portion of operating expenses is covered by Other Operating Income. Union Bank's Burden Coverage ratio is 18.64 percent which is lower than industry average.
13	Interest Coverage Ratio	$[\text{Operating Profit} / \text{Profit Paid on Deposits}] * 100$	45.88%	32.91%	Interest Coverage ratio, broadly, is a measure of a Bank's ability to meet its financial obligations. Union Bank's Interest Coverage Ratio is 32.91 percent which is lower than industry average.
14	Cost to Income Ratio	$[\text{Operating Expenses} / \text{Operating Income}] * 100$	47.50%	43.34%	Cost to Income ratio shows a company's costs in relation to its income. Cost to Income Ratio is considerably lower than industry average which means that the Bank incurred relatively less operating expenses than that of other banks in industry.
15	Dividend Payout Ratio	$[\text{Total Dividend Payment} / \text{Net Profit After Tax}] * 100$	31.63%	-	N/A

16	Earnings Per Share (Taka)	Net Profit After Tax/ Number of Share Outstanding's	2.40/ Share	1.69/ Share	EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profits. Union Bank's Earning Per Share (EPS) is 1.69, which is lower than industry average.
17	Net Asset Value Per Share (Taka)	[(Total Asset- Total Liabilities)/Number of Share Outstanding's]	20.52/ Share	13.09/ Share	Net Asset Value Per Share measures the net worth of the Bank against its each share of stock. Union Bank's Net Asset Value is 13.09 per Share which is lower than industry average but higher than that of preceding year.
18	Net Operating Cash flow per share(Taka)	[Net Cash Flow from Operating Activities/ Number of Share Outstanding's]	6.13/ Share	14.36/ Share	Cash flow per share is a financial ratio that measures the operating cash flows attributable to each share of common stock. Union Bank's Net Operating Cash flow per share is considerably higher than industry average.
19	Free Cash Flow per share (Taka)	[(Net cash from operating activities+/-Sale or Purchase of property, plant and equipment)/Number of Share Outstanding's]	5.65/ Share	14.07/ Share	Free cash flow per share can be defined as a measure of financial performance calculated as operating cash flow minus capital expenditures, expressed on a per share basis. Union Bank's Free Cash flow per share is considerably higher than industry average
20	Tier – I Capital Ratio	[Core Capital (Tier I)/Risk Weighted Assets]*100	8.85%	10.05%	The tier 1 capital ratio measures a bank's core equity capital against its total risk-weighted assets which include all the assets the bank holds that are systematically weighted for investment risk. The tier 1 capital ratio has to be at least 6%. Union Bank's Tier-I Capital ratio is 10.05 percent indicates the Bank's ability of absorbing reasonable amount of losses without risk of failure.
21	Tier – II Capital Ratio	[Supplementary Capital (Tier II)/Risk Weighted Assets] *100	3.17%	1.68%	Tier-2 capital comprises General Provision. It is used to absorb losses if a bank loses all its Tier-1 capital. Tier – II Capital Ratio is 1.68 percent which measures supplementary Capital against its Risk Weighted Assets (RWA). Tier – II Capital is lower than industry average.
22	Capital Adequacy Ratio (CRAR)	[Total Capital /Risk Weighted Assets]*100	11.84%	11.72%	Capital adequacy ratio (CAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk-weighted Assets. Union Bank's Capital Adequacy ratio is 11.72 percent which is inconsiderably lower than industry average.
23	Leverage ratio	[Tier-I Capital)/Total Exposure]*100	5.37%	4.34%	Basel III introduced a minimum leverage ratio—with tier 1 capital, it must be at least 3% of the total Exposure. Union Bank Ltd. Leverage ratio is somewhat lower than industry average.

24	Investment Deposit Ratio	[Investments excluding EDF and Refinance/Sum of total Demand and Time Liabilities, Inter-Bank Surplus and Bond Surplus]*100	88.09%	88.34%	The Investment-to-Deposit Ratio (IDR) is used to assess a bank's liquidity by comparing a bank's total Investments to its total Deposits for the same period. Union Bank's IDR is just 88.34 percent which is inconsiderably higher than industry average.
25	Investments to Total Asset Ratio	(Investments/Total Assets)*100	77.36%	76.52%	Investments to Total Asset Ratio measure the portion of Investments in the total Asset of Bank. Union Bank's Investments to Total Asset Ratio is 76.52 Percent which is lower than industry average.
26	Ratio of Non-Performing Investments	(Classified Investments /Total Investments)*100	2.01%	0.57%	Ratio of Non- Performing Investments measures the portion of bad loans (SS, DF, BL) of its total Investments Portfolio. Non Performing Investments (NPI) of Union Bank is 0.57 percent only which is considerably lower than Industry average.
27	Cost of Deposits	[Profit paid on Deposit/ Average Deposits]*100	5.86%	7.33%	Average profit paid by Union Bank Limited for the funds that they use in their business is just 1.47 percent higher than industry average. Bank is focusing on low cost/no cost Deposits to bring the average cost of deposits below the industry average.
28	Yield on Investments	[Investment Income/Average Investments]*100	11.02%	12.61%	Rate at which investment Income generated from investment is the Yield on Investments. Union Bank's Yield on investments is 12.61 percent, which is higher than industry average.
29	Cost of Administration	[Operating Expenditure/ Average Deposit]*100	2.16%	1.85%	Administrative Expenses Include salary & Allowances, Rental Expenditure, stationary, Postage, Stamp, and Telecommunications, Depreciation and Repair of Bank's Assets etc. Union Bank's Administrative Expenses are 1.85 Percent which is lower than industry average.
30	Cost of Fund	[(Profit paid on Deposit/Average Deposit)*100]+[(Operating Expenditure/Average Deposit)*100]	7.93%	9.18%	Cost of Fund (CoF) is the Summation of Cost of Deposit (CoD) and Cost of Administration (CoA). Cost of Fund (CoF) is higher than industry average.
31	Spread (Cost of Deposit)	[(Income from Investments/Average Loans or Investments)*100]- [(Profit paid on Deposit/ Average Deposit)*100]	4.88%	5.28%	Spread is the difference between investment Income from investment and Cost of Deposit. Spread is higher than industry average due to higher yield on Investments.
32	Spread(Cost of fund)	[(Income from Investments/Average Investments)*100]- [(Profit paid on deposit/Average Deposit)*100]-[(Operating Expenditure/Average Deposit)*100]	2.78%	3.43%	Spread is the difference between investment Income from investment and Cost of Fund. Spread is higher than industry average.

SL No	Particulars	Formula	Average	UBL	Remarks
			31-Dec-2016	31-Dec-2016	
1	Liquidity Coverage Ratio (LCR)	$[\text{Total Highly Liquid Asset} / \text{Total Net Cash Flow}] * 100$	130.51%	201.24%	Union Bank Ltd. meets short term obligations holding higher amount of highly liquid assets than industry. Banks is using its Highly Liquid Asset efficiently and effectively by assessing exposure to contingent liquidity events properly
2	Net Stable Funding Ration (NSFR)	$[\text{Available Amount of Stable Funding} / \text{Required Amount of Stable Funding}] * 100$	114.10%	150.99%	Union Bank Ltd. maintains a stable funding profile in relation to the composition of their assets and off-balance sheet activities. Union Bank's available amount of stable finding is higher than required amount of stable funding. Net Stable Funding Ration (NSFR) is higher than industry average.
3	Net Investment Margin (NIM)	$[\text{Net Investment Income} / \text{Profit Earning Assets}] * 100$	4.00%	3.95%	Percentage of Net Investment Income to average Profit Earning Assets is lower than Industry. NIM Increases when Non-Performing Investments (NPI) is lower.
4	Operating Profit Margin	$[\text{Operating Profit} / (\text{Investment Income} + \text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income})] * 100$	25.72%	21.47%	Union Bank Ltd. is making 21.47 percent profit from its operations after covering operating and non-operating expenses of the bank which is lower than the industry average.
5	Net Profit Margin	$[\text{Net Profit} / (\text{Investment Income} + \text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income})] * 100$	9.66%	10.28%	The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. Net Profit Margin is 10.28 percent which is considerably lower than industry average. Union Bank Ltd. ended the year with higher Net Profit Margin.
6	Efficiency Ratio	$[\text{Operating Expenses} / (\text{Investment Income} + \text{Income from Investment in Shares \& Securities} + \text{Commission based Income} + \text{Other Operating Income})] * 100$	25.10%	16.98%	A bank has two main buckets of expenses: Profit paid on Deposit and Operating Expenses. Profit paid on Deposit is incurred from deposits. Union Bank Ltd. incurs 16.98 percent operating expenses of its total revenue, which is lower than Industry average. Union Bank Ltd. incurs lower operating expenditure and more efficiently uses its resources.
7	Return on Equity	$[\text{Net Profit} / \text{Average Total-Shareholders' Equity}] * 100$	14.87%	15.27%	Union Bank generates 15.27 percent profit from the money that investors have put into the business which is higher than industry average. It reveals management's ability to generate more income from the equity available to it.
8	Return on Assets	$[\text{Net Profit} / \text{Average Total Asset}] * 100$	1.24%	1.16%	Return on Assets (ROA) indicates how well a company utilizes its assets, by determining how profitable a company is relative to its total assets. Bank generates a return of 1.16 percent of its average total Assets which is lower than industry average.

9	Equity Multiplier	Average-Total Asset/ Average-Total- Shareholders' Equity	13.76 (Times)	13.21 (Times)	Equity Multiplier measures a company's financial leverage, which is the amount of money the company has borrowed to finance the purchase of assets. Union Bank's Equity Multiplier is 13.21 times which is somewhat lower than industry average Asset to Equity ratio means Bank Incurs Less amount of debt to finance its assets.
10	Debt Equity Ratio	Average-Total Liabilities/ Average-Total- Shareholders' Equity	12.77 (Times)	12.21 (Times)	Debt Equity Ratio measures the degree to which a company is financing its operations through debt versus wholly-owned funds. Debt use by Union Bank Ltd. is lower than industry average.
11	Burden Ratio	[1-(Income from Investment in Shares & Securities+Commission based Income+Other Operating Income / Operating Expenses)]*100	57.20%	82.81%	Burden ratio measure how much of operating expenses is not covered by Other Operating Income. In other words, what portion of operating expenses is covered by Investment Income. Union Bank's Burden ratio is 82.81 percent, which is higher than industry average.
12	Burden Coverage Ratio	[Income from Investment in Shares & Securities+Commission based Income+Other Operating Income / Operating Expenses]*100	42.80%	17.19%	Burden Coverage ratio measures portion of operating expenses is covered by Other Operating Income. Union Bank's Burden Coverage Ratio is 17.19 percent which is lower than industry average.
13	Interest Coverage Ratio	[Operating Profit/ Profit Paid on Deposits]*100	47.99%	34.89%	Interest Coverage ratio, broadly, is a measure of a Bank's ability to meet its financial obligations. Union Bank's Interest Coverage Ratio is 34.89 percent which is lower than industry average.
14	Cost to Income Ratio	[Operating Expenses/ Operating Income]*100	48.59%	44.15%	Cost to Income ratio shows a company's costs in relation to its income. Cost to Income Ratio is lower than industry average which means that the Bank incurred relatively less operating expenses than that of other Banks in industry.
15	Dividend Payout Ratio	[Total Dividend Payment/ Net Profit After Tax]*100	39.99%	66.50%	Dividend payout ratio gives investors an idea of how much money it returns to its shareholders. Union Bank's Dividend Payout ratio is 66.50 percent means Bank distributes 66.50 percent of its net income after tax and indicates sound Financial Health of the Bank.
16	Earnings Per Share (Taka)	Net Profit After Tax/ Number of Share Outstanding's	2.57/ Share	1.80/ Share	EPS indicates how much money a company makes for each share of its stock and is a widely used metric for corporate profits. Union Bank's Earning Per Share (EPS) is 1.80, which is lower than industry average.

17	Net Asset Value Per Share (Taka)	[(Total Asset- Total Liabilities)/Number of Share Outstanding's]	20.11/ Share	12.77/ Share	Net Asset Value Per Share measures the net worth of the bank against its each share of stock. Union Bank's Net Asset Value is 12.77 per Share which is lower than industry average.
18	Net Operating Cash flow per share(Taka)	[Net Cash Flow from Operating Activities/ Number of Share Outstanding's]	3.08/ Share	(2.25)/ Share	Cash flow per share is a financial ratio that measures the operating cash flows attributable to each share of common stock. Union Bank's operating Cash flow per share is lower than industry average.
19	Free Cash Flow per share (Taka)	[(Net cash from operating activities+/-Sale or Purchase of property, plant and equipment)/Number of Share Outstanding's]	1.87/ Share	(2.81)/ Share	Free cash flow per share can be defined as a measure of financial performance calculated as operating cash flow minus capital expenditures, expressed on a per share basis. Union Bank's Free Cash flow per share is below of industry average.
20	Tier – I Capital Ratio	[Core Capital (Tier I)/Risk Weighted Assets]*100	9.48%	10.27%	The tier 1 capital ratio measures a bank's core equity capital against its total risk-weighted assets which include all the assets the bank holds that are systematically weighted for investment risk. The tier 1 capital ratio has to be at least 6%. Union Bank's Tier-I Capital ratio is 10.27 percent, which is higher than industry average.
21	Tier – II Capital Ratio	[Supplementary Capital (Tier II)/Risk Weighted Assets] *100	2.51%	1.35%	Tier-2 capital comprises General Provision. Tier – II Capital Ratio is 1.35 percent which measures supplementary Capital against its Risk Weighted Assets (RWA). Tier – II Capital is lower than industry average.
22	Capital Adequacy Ratio (CRAR)	[Total Capital /Risk Weighted Assets]*100	11.87%	11.62%	Capital adequacy ratio (CAR) is a measurement of a bank's available capital expressed as a percentage of a bank's risk-weighted Assets. Union Bank's Capital Adequacy ratio is 11.62 percent which is inconsiderably lower than industry average , which shows bank's ability to protect depositors and promote the stability and efficiency of financial systems.
23	Leverage ratio	[Tier- I Capital/Total Exposure]*100	6.59%	7.02%	Basel III introduced a minimum leverage ratio with Tier-I capital; it must be at least 3% of the total Exposure. Union Bank's Leverage ratio is 7.02 percent means Core Capital of Union Bank Ltd. is 7.02 percent of total Assets, and It is somewhat higher than industry average.
24	Investment Deposit Ratio	[Investments excluding EDF and Refinance/Sum of total Demand and Time Liabilities, Inter-Bank Surplus and Bond Surplus]*100	87.39%	90.44%	The Investment Deposit Ratio is used to assess a bank's liquidity by comparing a bank's total Investments to its total deposits for the same period. Union Bank Limited's IDR is just 90.44 percent, which is higher than industry average.

25	Investments to Total Asset Ratio	$(\text{Investments}/\text{Total Assets}) \times 100$	76.36%	80.02%	Investments to Total Asset Ratio measure the portion of Investments in the total Asset of Bank. Union Bank Limited's Investments to Total Asset ratio is 80.02 percent and Bank has more income generating asset than that of industry.
26	Ratio of Non-Performing Investments	$(\text{Classified Investments}/\text{Total Investments}) \times 100$	1.83%	0.07%	Ratio of Non Performing Investments measures the portion of Bad loans (SS, DF, BL) of its total Investments Portfolio. Non Performing Investments (NPI) of Union Bank Ltd. is 0.07 percent, which is considerably lower than industry average.
27	Cost of Deposits	$[\text{Profit paid on Deposit}/\text{Average Deposits}] \times 100$	6.41%	7.84%	Average Profit rate paid by Union Bank Ltd. for the funds that they use in their business is higher than industry average. Union Bank Limited's Cost of Deposit (CoD) is 7.84 percent, which is higher than industry average.
28	Yield on Loans/Investments	$[\text{Investment Income}/\text{Average Investments}] \times 100$	13.64%	14.24%	Rate at which investment Income generated from investments is the Yield on Loans/Investments. Union Bank Limited's Yield on Loans/Investments is 14.24 percent, which is higher than industry average.
29	Cost of Administration	$[\text{Operating Expenditure}/\text{Average Deposit}] \times 100$	2.37%	2.16%	Administrative Expenses Include salary & Allowance, Rental Expenditure, Stationary, Postage, Stamp, and Telecommunications etc. Union Bank's Administrative Expenses are 2.16 Percent which is lower than industry average.
30	Cost of Fund	$[(\text{Profit paid on Deposit}/\text{Average Deposit}) \times 100] + [(\text{Operating Expenditure}/\text{Average Deposit}) \times 100]$	8.22%	10.00%	Cost of Fund (CoF) is the Summation of Cost of Deposit (CoD) and Cost of Administration (CoA). Union Bank's Cost of Fund (CoF) is 10.00 percent, which is higher than industry average.
31	Spread (Cost of Deposit)	$[(\text{Income from Investments}/\text{Average Loans or Investments}) \times 100] - [(\text{Profit paid on Deposit}/\text{Average Deposit}) \times 100]$	6.50%	6.40%	Spread is the difference between Yield on investments and Cost of Deposit. Union Bank's Spread is 6.40 percent which is somewhat lower than industry average.
32	Spread (Cost of fund)	$[(\text{Income from Investments}/\text{Average Investments}) \times 100] - [(\text{Profit paid on deposit}/\text{Average Deposit}) \times 100] - [(\text{Operating Expenditure}/\text{Average Deposit}) \times 100]$	3.92%	4.24%	Spread is the difference between Yield on investments and Cost of Fund. Union Bank's spread is 4.24 which is higher than industry average.

d) Auditor’s report under section 135 (1) Para 24 (1) of Part II of Schedule III of the Company Act, 1994;

We have examined the Audited financial statements of Union Bank Limited for the year ended December 31, 2020, 2019, 2018, 2017 and 2016. In pursuance of Section-135(1) and Para-24(1) of Part-II of Schedule-III of the Companies Act, 1994. Our report is as under:

A) Balance Sheet of the bank is as follows:

Particulars	Amount in Taka				
	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
PROPERTY AND ASSETS					
	7,195,891,435	8,843,650,636	7,724,798,234	11,257,005,478	6,120,557,231
Cash	825,991,310	1,464,354,069	1,319,429,525	801,321,303	583,472,797
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	6,369,900,125	7,379,296,567	6,405,368,709	10,455,684,175	5,537,084,434
Balance with other Banks and Financial Institutions	232,229,412	210,276,372	195,754,444	244,582,063	263,739,285
In Bangladesh	93,870,582	112,118,633	143,623,615	38,074,756	116,876,875
Outside Bangladesh	138,358,830	98,157,739	52,130,829	206,507,307	146,862,410
Placement with banks & Other Financial Institutions	5,718,811,530	6,268,446,373	7,663,887,421	9,263,887,421	3,078,517,919
Investments in Shares & Securities	7,688,051,408	6,084,062,132	5,113,459,441	4,984,525,024	3,868,479,214
Government	7,463,970,000	5,800,000,000	4,800,000,000	4,650,000,000	3,550,000,000
Others	224,081,408	284,062,132	313,459,441	334,525,024	318,479,214
Investments	166,337,195,954	146,459,574,948	119,934,385,113	100,753,547,130	67,150,190,750
General Investments etc.	149,536,346,400	126,125,509,303	100,053,401,658	84,268,614,957	52,351,997,718
Bills Purchased and Discounted	16,800,849,554	20,334,065,645	19,880,983,455	16,484,932,173	14,798,193,032
Fixed assets including premises, furniture and fixtures	3,763,215,812	3,717,790,728	1,122,688,777	849,999,808	829,422,106
Other assets	19,096,180,885	8,522,344,593	6,828,791,770	4,324,019,497	2,606,332,421
Non - banking assets	-	-	-	-	-
Total assets	210,031,576,436	180,106,145,782	148,583,765,200	131,677,566,421	83,917,238,926

Particulars	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
LIABILITIES AND CAPITAL					
Liabilities					
Placement from Banks & other Financial Institutions	9,649,997,064	6,293,852,442	8,257,531,702	5,141,390,322	140,719,643
Deposits and other accounts	172,710,507,951	150,219,920,854	124,898,503,882	114,049,889,571	74,250,559,036
Mudaraba Savings Deposits	7,245,509,172	5,358,117,905	4,177,209,904	2,876,904,725	1,688,892,795
Mudaraba Term Deposits	96,010,891,579	83,885,364,118	81,458,894,473	80,432,924,516	54,741,355,944
Other Mudaraba Term Deposits	42,707,178,422	35,894,498,634	21,094,533,811	16,035,274,892	11,861,935,948
Al-Wadia Current Accounts and Other Accounts	25,554,877,551	24,370,424,268	17,464,009,063	14,185,117,907	5,569,007,885
Bills Payable	1,192,051,227	711,515,929	703,856,631	519,667,531	389,366,464
Mudaraba Subordinated Bond	4,000,000,000	4,000,000,000	-	-	-
Other liabilities	14,515,451,219	11,141,751,735	7,615,264,040	5,611,985,916	3,536,716,856
Deferred Tax Liabilities/(Assets)	-	-	(43,689,446)	(28,199,024)	(23,174,045)
Total liabilities :	200,875,956,234	171,655,525,032	140,727,610,178	124,775,066,785	77,904,821,490
Capital/Shareholders' Equity					
Paid -up capital	5,589,337,600	5,272,960,000	5,272,960,000	5,272,960,000	4,708,000,000
Statutory reserve	1,968,151,671	1,523,468,581	1,227,575,435	876,837,431	527,663,554
Other reserve	145,749,665	145,749,665	145,749,665	145,749,665	145,749,665
Retained earnings	1,452,381,266	1,508,442,504	1,209,869,922	606,952,540	631,004,217
Total Shareholders' Equity	9,155,620,202	8,450,620,750	7,856,155,022	6,902,499,636	6,012,417,436
Total Liabilities and Shareholders' Equity	210,031,576,436	180,106,145,782	148,583,765,200	131,677,566,421	83,917,238,926

Particulars	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
OFF - BALANCE SHEET EXPOSURES					
Contingent liabilities					
Acceptances and endorsements	4,149,886,886	5,585,833,673	5,868,736,973	3,079,016,917	2,755,510,113
Letters of guarantee	1,699,306,414	1,633,366,306	605,602,026	315,956,779	365,851,995
Irrevocable letters of credit	1,546,252,267	2,958,520,480	2,117,730,306	2,465,280,671	2,909,424,278
Bills for collection	3,174,870,684	1,395,609,592	1,247,212,368	1,532,780,000	434,599,000
Other Contingent liabilities	-	-	-	-	-
Total	10,570,316,251	11,573,330,051	9,839,281,673	7,393,034,367	6,465,385,386
Other commitments					
Documentary credits and short term trade related transactions	-	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-	-
Claims against the bank not acknowledged as debt	-	-	-	-	-
Other Commitments	-	-	-	-	-
Total	-	-	-	-	-
Total Off-Balance Sheet items including contingent liabilities	10,570,316,251	11,573,330,051	9,839,281,673	7,393,034,367	6,465,385,386

B) The Profit and Loss Account of the bank is as follows:

Amount in Taka

Particulars	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
OPERATING INCOME					
Investments Income	19,740,126,917	16,736,433,627	13,550,870,061	10,587,605,824	8,027,089,936
Profit Paid on Deposits	(14,291,980,638)	(12,313,172,100)	(9,583,740,019)	(6,905,419,048)	(5,088,956,590)
Net Investment Income	5,448,146,279	4,423,261,527	3,967,130,042	3,682,186,776	2,938,133,346
Income from Investment in Shares and Securities	195,066,492	301,624,089	137,873,199	61,680,973	31,906,497
Commission, Exchange and Brokerage	192,143,415	316,952,702	254,839,009	233,620,013	189,705,866
Other Operating Income	123,757,818	166,053,303	79,729,133	33,587,630	19,703,651
	510,967,725	784,630,094	472,441,341	328,888,616	241,316,014
Total Operating Income	5,959,114,004	5,207,891,621	4,439,571,383	4,011,075,392	3,179,449,360
Operating Expenses					
Salary and Allowances	1,407,236,899	1,305,262,590	1,118,798,277	849,834,207	643,466,245
Rent, Taxes, Insurances, Electricity etc.	421,773,319	366,273,964	335,738,366	303,826,381	213,330,618
Legal Expenses	7,089,692	19,325,748	735,948	1,010,223	600,600
Postage, Stamps, Telecommunication etc.	23,355,180	24,316,655	21,961,232	18,699,907	17,637,289
Stationery, Printings, Advertisements etc.	82,487,626	48,558,013	47,395,168	42,946,375	58,627,774
Chief Executives Salary and Fees	12,247,950	10,115,000	10,115,000	8,013,979	9,408,548
Auditors' Fees	345,000	345,000	690,000	345,000	330,000
Directors' Fees & Expenses	1,968,200	2,983,900	2,691,400	2,037,500	3,410,900
Shariah Supervisory Committee's Fees & Expenses	316,600	356,800	234,800	188,398	312,800
Depreciation and Repair of Bank's Assets	224,351,439	236,816,504	228,256,863	179,296,411	151,783,618
Zakat Expenses	44,000,000	36,000,000	26,500,000	20,000,000	15,000,000
Other Expenses	515,526,647	449,631,925	316,904,967	312,107,628	289,931,389
Total Operating Expenses	2,740,698,552	2,499,986,099	2,110,022,021	1,738,306,009	1,403,839,782
Profit/(Loss) before Provision and tax	3,218,415,452	2,707,905,522	2,329,549,362	2,272,769,383	1,775,609,578

Particulars	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
Provision for clacified Investments	-	989,980,455	346,800,000	157,000,000	42,000,000
Provision for unclacified Investments	600,000,000	218,100,000	199,000,000	360,900,000	233,000,000
Provision for off balance Sheet Item	-	5,000,000	22,000,000	5,000,000	23,500,000
Special General Provisions for Covid - 19	394,000,000	-	-	-	-
Other provisions	1,000,000	2,059,339	2,059,339	1,500,000	5,000,000
Provision for diminution in value of investments	-	13,300,000	6,000,000	2,500,000	-
Total provision	995,000,000	1,228,439,794	575,859,339	526,900,000	303,500,000
Total Profit/(Loss) before Tax	2,223,415,452	1,479,465,728	1,753,690,023	1,745,869,383	1,472,109,578
Provision for Income Tax					
Current Tax	1,235,275,896	923,509,909	815,525,058	860,812,162	634,474,533
Deferred Tax Income	(275,896)	(38,509,909)	(15,490,422)	(5,024,979)	(11,974,533)
	1,235,000,000	885,000,000	800,034,636	855,787,183	622,500,000
Net Profit/(Loss) after Tax	988,415,452	594,465,728	953,655,387	890,082,200	849,609,578
Retained Earnings from Previous Year	1,508,442,504	1,209,869,922	606,952,540	66,044,217	75,816,555
Add: Net Profit/(Loss) after Tax	988,415,452	594,465,728	953,655,387	890,082,200	849,609,578
Profit available for Appropriation	2,496,857,956	1,804,335,650	1,560,607,927	956,126,417	925,426,133
Appropriations:					
Statutory Reserve	444,683,090	295,893,146	350,738,005	349,173,877	294,421,916
Start-up Fund	9,884,000	-	-	-	-
CSR Fund	9,884,000	-	-	-	-
Stock Dividend	316,377,600	-	-	-	-
Cash Dividend	263,648,000	-	-	-	-
Retained earnings	1,452,381,266	1,508,442,504	1,209,869,923	606,952,540	631,004,217
Retained surplus	2,496,857,956	1,804,335,650	1,560,607,927	956,126,417	925,426,133
Earnings Per Share (EPS)	1.77	1.13	1.81	1.69	1.80

C) Dividend declared:

Particulars	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
Cash	12% (Proposed)	5%	0%	0%	0%
Stock	0%	6%	0%	0%	12%
Dividend in from of Stock & Cash in Million	671 (Proposed)	580.03	-	-	564.96

D) Union Bank Limited was incorporated in Bangladesh as a Public Limited Company with the issuance of Certificate of incorporation bearing Reg. No. C-107837/13, dated on March 07, 2013 by the Registrar of Joint Stock Companies & Firms.

E) The Bank started its commercial operation in March 7, 2013.

F) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business

G) Figures related to previous years have been re-arranged whenever considered necessary.

Sd/-

Place: Dhaka

Dated: 06 June 2021

Md. Ruhul Amin

Chief Financial Officer

Sd/-

A.B.M Mokammel Hoque Chowdhury

Managing Director

Sd/-

Md. Shahidul Islam FCA

Engagement Partner

K. M. HASAN & CO.

Chartered Accountants

e) Financial spreadsheet analysis for the latest audited financial statements;

A. Statement of Financial Position

Particulars	31.12.2020		31.12.2019	
	BDT	% of Total Asset	BDT	% of Total Asset
PROPERTY AND ASSETS				
Cash	7,195,891,435	3.43%	8,843,650,636	4.91%
In hand (Including foreign currency)	825,991,310	0.39%	1,464,354,069	0.81%
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	6,369,900,125	3.03%	7,379,296,567	4.10%
Balance with other Banks and Financial Institutions	232,229,412	0.11%	210,276,372	0.12%
In Bangladesh	93,870,582	0.04%	112,118,633	0.062%
Outside Bangladesh	138,358,830	0.07%	98,157,739	0.054%
Placement with banks & Other Financial Institutions	5,718,811,530	2.72%	6,268,446,373	3.48%
Investments in Shares & Securities	7,688,051,408	3.66%	6,084,062,132	3.38%
Government	7,463,970,000	3.55%	5,800,000,000	3.22%
Others	224,081,408	0.11%	284,062,132	0.16%
Investments	166,337,195,954	79.20%	146,459,574,948	81%
General Investments etc.	149,536,346,400	71.20%	126,125,509,303	70.02%
Bills Purchased and Discounted	16,800,849,554	8.00%	20,334,065,645	11.29%
Fixed Assets Including Premises, Furniture and Fixtures	3,763,215,812	1.79%	3,717,790,728	2.06%
Other Assets	19,096,180,885	9.09%	8,552,344,593	4.75%
Total Assets	210,031,576,436	100%	180,106,145,782	100%
LIABILITIES AND CAPITAL				
Liabilities				
Placement from Banks & other Financial Institutions	9,649,997,064	4.59%	6,293,852,442	3.49%
Deposits and Other Accounts	172,710,507,951	82.23%	150,219,920,854	83.41%
Mudaraba Savings Deposits	7,245,509,172	3.45%	5,358,117,905	2.97%
Mudaraba Term Deposits	96,010,891,579	45.71%	83,885,364,118	46.58%
Other Mudaraba Term Deposits	42,707,178,422	20.33%	35,894,498,634	19.93%
Al-Wadia Current Accounts and Other Accounts	25,554,877,551	12.17%	24,370,424,268	13.53%
Bills Payable	1,192,051,227	0.57%	711,515,929	0.40%
Mudaraba Subordinated Bond	4,000,000,000	1.90%	4,000,000,000	2.22%
Other Liabilities	14,515,451,219	6.91%	11,141,751,735	6.19%
Total Liabilities	200,875,956,234	95.64%	171,655,525,032	95.31%
Capital/Shareholders' Equity				
Paid-up Capital	5,589,337,600	2.66%	5,272,960,000	2.93%
Statutory Reserve	1,968,151,671	0.94%	1,523,468,581	0.85%
Other Reserve	145,749,665	0.07%	145,749,665	0.08%
Retained Earnings	1,452,381,266	0.69%	1,508,442,504	0.84%
Total Shareholders' Equity	9,155,620,202	4.36%	8,450,620,750	4.69%
Total Liabilities and Shareholders' equity	210,031,576,436	100%	180,106,145,782	100%

Particulars	31.12.2020		31.12.2019	
	BDT	% of Revenue	BDT	% of Revenue
Investments Income	19,740,126,917	97.5%	16,736,433,627	95.52%
Profit Paid on Deposits	(14,291,980,638)	(74.20)%	(12,313,172,100)	(72.74)%
Net Investment Income	5,448,146,279		4,423,261,527	
Income from Investment in Shares and Securities	195,066,492	0.96%	301,624,089	1.72%
Commission, Exchange and Brokerage	192,143,415	0.95%	316,952,702	1.81%
Other Operating Income	123,757,818	0.61%	166,053,303	0.95%
	510,967,725		784,630,094	
Total Operating Income	5,959,114,004		5,207,891,621	
Operating Expenses				
Salary and Allowances	1,407,236,899	7.31%	1,305,262,590	7.71%
Rent, Taxes, Insurances, Electricity etc.	421,773,319	2.19%	366,273,964	2.16%
Legal Expenses	7,089,692	0.04%	19,325,748	0.11%
Postage, Stamps, Telecommunication etc.	23,355,180	0.12%	24,316,655	0.14%
Stationery, Printings, Advertisements etc.	82,487,626	0.43%	48,558,013	0.29%
Chief Executives Salary and Fees	12,247,950	0.06%	10,115,000	0.06%
Auditors' Fees	345,000	0.00%	345,000	0.00%
Directors' Fees & Expenses	1,968,200	0.01%	2,983,900	0.02%
Shariah Supervisory Committee's Fees & Expenses	316,600	0.00%	356,800	0.00%
Depreciation and Repair of Bank's Assets	224,351,439	1.16%	236,816,504	1.40%
Zakat Expenses	44,000,000	0.23%	36,000,000	0.21%
Other Expenses	515,526,647	2.68%	449,631,925	2.66%
Total Operating Expenses	2,740,698,552	14.23%	2,499,986,099	14.77%
Profit/(Loss) before Provision and Tax	3,218,415,452		2,707,905,522	
Provisions for Classified Investments	-	-	989,980,455	5.85%
Provisions for Unclassified Investments	600,000,000	3.11%	218,100,000	1.29%
Provisions for Off Balance Sheet items	-	-	5,000,000	0.03%
Special General Provisions for Covid - 19	394,000,000	2.05%	-	-
Other Provisions	1,000,000	0.01%	2,059,339	0.01%
Provisions for diminution in value of investment in share	-	-	13,300,000	0.08%
Total Provisions	995,000,000	5.17%	1,228,439,794	7.26%
Total Profit/(Loss) before Tax	2,223,415,452	11.54%	1,479,465,728	8.74%

Provision for Income Tax

Current Tax

1,235,275,896	6.41%	923,509,909	5.46%
(275,896)	(0.001)%	(38,509,909)	(0.23)%

Deferred Tax Income

1,235,000,000	6.41%	885,000,000	5.23%
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Net Profit/(Loss) after Tax

988,415,452	594,465,728
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Retained Earnings from Previous Year

1,508,442,504		1,209,869,922	
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Add: Net Profit/((Loss) after Tax

988,415,452		594,465,728	
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Profit available for Appropriation

2,496,857,956	1,804,335,650
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Appropriations:

Statutory Reserve

444,683,090		295,893,146	
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Start-up Fund

9,884,000		-	
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CSR Fund

9,884,000		-	
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Stock Dividend

316,377,600		-	
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Cash Dividend

263,648,000		-	
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Retained earnings

1,452,381,266		1,508,442,504	
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2,496,857,956	1,804,335,650
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Earnings Per Share (EPS)
1.77
1.13

- f) **Earnings per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;**

As per audited financial statement for the period ended December 31, 2020

Particulars	Amount in Taka
Net Profit After Tax	988,415,452
Total number of Share	558,933,760
Earnings per Share (EPS)-Fully Diluted Basis	1.77
Weighted average number of Share	543,114,880
Earnings per Share (EPS)-Weighted average no. of Share basis	1.82

- g) **All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;**

According to Section 7 (Part II) read with Section 5(p) of the Banking Company Act 1991 define the area of Banking Business wherein sub clause a to z specified scope of Banking Business range from collecting deposit from public and invest to prospective investors, discounting, buying selling, collecting and dealing in bills of exchange, promissory notes etc., the granting and issuing of Letter of Credit regarding commission based income, buying and selling of foreign exchange including foreign bank notes, investment in govt. Securities etc. as well as any other form of business specified by notification in the official gazette by the Government and Bangladesh Bank. As such no other income is beyond the scope of Banking Business.

Therefore, Earnings per Share (EPS) is the same as the mentioned in the preceding clause (f).

- h) **Quarterly of Half yearly EPS should not be annualized while calculating EPS;**

Union Bank has not annualized its quarterly or half-yearly EPS.

- i) **Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.**

The Union Bank has not revalued any of its assets.

Sl.	Particulars	Amount (in Tk.)
a)	Paid-up capital	5,589,337,600
b)	Statutory reserve	1,968,151,671
c)	Other reserve	145,749,665
d)	Retained earnings	1,452,381,266
	Total Shareholders' Equity (A)	9,155,620,202
	Number of Share Outstanding as on December 31, 2020 (B)	558,933,760
	Net Asset Value per share (without revaluation reserve) as per Audit Report as on December 31, 2020 (A/B)	16.38

- j) The commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such case, cost of audit should be borne by the concerned issuer;

There is no such request received from the commission yet; but Union Bank understand and agree that the the commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In that case, Union Bank has no obligation for bearing the cost of such audit.

- k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors: -

- i. Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued;

Certification on Statement of Long Term and Short Term Borrowings Including Borrowing from Related Party or Connected Persons with rate of Interest paid/accrued

After due verification, we certify that the Union Bank Limited did not engage any long term and short term borrowing including borrowing from its related Party or Connected Person except below transactions for the year ended December 31, 2016, 2017, 2018, 2019 and 2020.

For the year ended 2016

Representing Director	Nature of interest of Director of the organization/property	Terms and Condition	Nature of relationship	Total value Taka
Reliance Finance Ltd.	Mudaraba Term Deposits	Interest rate- 11%	Common Director	2,988,517,919
Times Securities Ltd.	Trading of share (Investment of share)	Not Applicable	Common Director	32,456,809

For the year ended 2017

Representing Director	Nature of interest of Director of the organization/property	Terms and Condition	Nature of relationship	Total value Taka
Reliance Finance Ltd.	Mudaraba Term Deposits	Interest rate- 10%	Common Director	3,273,887,421
Times Securities Ltd.	Trading of share (Investment of share)	Not Applicable	Common Director	34,525,024

For the year ended 2018

Representing Director	Nature of interest of Director of the organization/ property	Terms and Condition	Nature of relationship	Total value Taka
Times Securities Ltd.	Trading of share (Investment of share)	Not Applicable	Common Director	43,903,913

For the year ended 2019

Representing Director	Nature of interest of Director of the organization/ property	Terms and Condition	Nature of relationship	Total value Taka
Times Securities Ltd.	Trading of share (Investment of share)	Not Applicable	Common Director	44,062,131

For the year ended 2020

Representing Director	Nature of interest of Director of the organization/ property	Terms and Condition	Nature of relationship	Total value Taka
Times Securities Ltd.	Trading of share (Investment of share)	Not Applicable	Common Director	44,081,408

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

- ii. Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;

Certification on Statement of Principal Terms of Secured Loans and Assets on which Charge have been Created Against Those Loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, repayment schedule and status of Union Bank Limited.

After due verification, we certify that the Union Bank Limited did not Enter into secured loan facilities wherein any charge has been created or being collateralized with any lenders.

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

iii. Statement of unsecured loans with terms & conditions;

Certificate on Statement of unsecured loans with terms and conditions

Upon due examination of the Auditor’s Report along with Financial Statements of the Union Bank Limited, we certify that the Union Bank Limited has taken unsecured loan which disclosed to us and according to the financial statements from 1 January 2016 to 31 December 2020 are as follows:

For the year ended 31 December 2016

SL. No.	Type of Unsecured Loan	Taka
1	Placement from Bank and other Financial Institutions	140,719,643
Total		<u>140,719,643</u>

Break up:

SL. No.	Name of the institution	Terms and Condition	Nature of Borrowing	Balance as at 31 December 2016, Taka
1	Bangladesh Bank (Refinance Scheme)	Yearly, Interest rate-5%	Other	3,052,985
2	Bangladesh Bank Export development fund (EDF)	Yearly, Interest rate-2.28%	Other	137,666,658
Total				<u>140,719,643</u>

For the year ended 31 December 2017

SL. No.	Type of Unsecured Loan	Taka
1	Placement from Bank and other Financial Institutions	5,141,390,322
Total		<u>5,141,390,322</u>

Break up:

SL. No.	Name of the institution	Terms and Condition	Nature of Borrowing	Balance as at 31 December 2017, Taka
1	Bangladesh Bank (Refinance Scheme)	Yearly, Interest rate-5%	Other	16,665,586
2	Bangladesh Govt. Islamic Investment Bond Funds	Yearly, Interest rate-1-2.5%	Other	5,000,000,000
3	Bangladesh Bank Export development fund (EDF)	Yearly, Interest rate-2.77%	Other	124,724,736
Total				<u>5,141,390,322</u>

For the year ended 31 December 2018

SL. No.	Type of Unsecured Loan	Taka
1	Placement from Bank and other Financial Institutions	8,257,531,702
Total		<u>8,257,531,702</u>

Break up:

SL. No.	Name of the institution	Terms and Condition	Nature of Borrowing	Balance as at 31 December 2018, Taka
1	Bangladesh Bank (Refinance Scheme)	Quarterly, Interest rate-4%	Other	6,410,000
2	Bangladesh Govt. Islamic Investment Bond Funds	Yearly Interest rate-1-2.5%	Other	7,000,000,000
3	Bangladesh Bank Export development fund (EDF)	Yearly, Interest rate-3.89%	Other	1,251,121,702
Total				<u>8,257,531,702</u>

For the year ended 31 December 2019

SL. No.	Type of Unsecured Loan	Taka
1	Placement from Bank and other Financial Institutions	6,293,852,442
Total		<u>6,293,852,442</u>

Break up:

SL. No.	Name of the institution	Terms and Condition	Nature of Borrowing	Balance as at 31 December 2019, Taka
1	Bangladesh Bank (Refinance Scheme)	Quarterly, Interest rate-4%	Other	9,228,442
2	Bangladesh Govt. Islamic Investment Bond Funds	Yearly Interest rate-1-2.5%	Other	6,000,000,000
3	Bangladesh Bank Export development fund (EDF)	Yearly, Interest Rate-2.39%	Other	284,624,000
Total				<u>6,293,852,442</u>

For the year ended 31 December 2020

SL. No.	Type of Unsecured Loan	Taka
1	Placement from Bank and other Financial Institutions	9,649,997,064
Total		<u>9,649,997,064</u>

Break up:

SL. No.	Name of the institution	Terms and Condition	Nature of Borrowing	Balance as at 31 December 2020, Taka
1	Bangladesh Bank (Refinance Scheme)	Quarterly, Interest rate-4%	Other	74,606,020
2	Bangladesh Govt. Islamic Investment Bond Funds	Yearly Interest rate-1-2.5%	Other	8,000,000,000
3	Bangladesh Bank Cover Fund against QSF	Yearly, Interest rate-4%	Other	547,512,000
4	Bangladesh Bank Export development fund (EDF)	Interest rate-1% (January to September) and 0.75% (October to December)	Other	1,027,879,044
Total				<u>9,649,997,064</u>

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

iv. Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;

Certification on Statement of Inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc. of Union Bank Limited.

After due verification, we certify that the Union Bank Limited is treated as service sector deal with principal activities of Investments to the prospective clients by mobilizing deposit resulting spread is the outcome for the company rather than converting raw material to the finished goods. Therefore, the Bank did not hold any Inventories raw material, packing material, stock-in-process and finished goods, consumable items, store & spare parts, inventory of trading goods etc.

Place: Dhaka

Date: 06 June 2021

Sd/-

Md. Shahidul Islam FCA

Engagement Partner

K. M. HASAN & CO.

Chartered Accountants

v. Statement of trade receivables showing receivable from related party and connected persons;

Certification on Statement of Trade Receivables showing receivable from related party and connected persons of Union Bank Limited.

After due verification, we certify that the Union Bank Limited has no receivables including trade receivables for the year ended December 31, 2016, 2017, 2018, 2019, 2020 from Related Party and connected persons.

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

- vi. **Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued;**

Certificate on statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued.

Union Bank Limited exists in banking sector build its operations is Shariah based under the Compliance of Bangladesh Bank by its nature of business its offers different types of investments to different parties. Upon due examination of the Auditor’s Report along with Audited Financial Statements of Union Bank Limited for the period from 1 January 2016 to 31 December 2020, we certify that the bank did not give any loan to related party or connected person with rate of interest and interest realized or accrued.

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

vii. Statement of other income showing interest income, dividend income, discount received, other non-operating income;

Certification on Statement of Other Income showing investments income, income from investment in shares and securities, commission, exchange and brokerage and other operating income of Union Bank Limited

After due verification, we certify that Union Bank Limited has been operating its Business in line with Banking Company Act, 1991 and Bangladesh Securities and Exchange Rules, 1987 respectively where in investments income, income from investment in shares and securities, commission, exchange and brokerage and other operating income are core activities of the companies whose mentioned in the Audited Financial Statements.

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

viii. Statement of turnover showing separately in cash and through banking channel;

Certification on Statement of Turnover showing separately in cash and through banking channel of Union Bank Limited

After due verification, we certify that the Union Bank Limited itself is engaged in providing Banking services. Therefore, all proceeds of Investment income and fees base income channeled through Banking System.

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

ix. Statement of related party transaction;

Certification on Statement of Related Party Transactions of Union Bank Limited

After due verification, we certify that the transactions with line the related Party of Union Bank Limited for the year ended December 31, 2016, 2017, 2018, 2019 and 2020 of

- d) Any director or sponsor or executive officer of the issuer;
- e) Any person holding 5% or more of the outstanding share of the issuer;
- f) Any related party or connected person of any of the above persons;

Except the transaction described in the following table:

For the year ended 2016

Representing Director	Nature of interest of Director of the organization/property	Terms and Condition	Nature of relationship	Total value Taka
Reliance Finance Ltd.	Mudaraba Term Deposits	Interest rate-11%	Common Director	2,988,517,919
Times Securities Ltd.	Trading of share (Investment of share)	Not Applicable	Common Director	32,456,809

For the year ended 2017

Representing Director	Nature of interest of Director of the organization/property	Terms and Condition	Nature of relationship	Total value Taka
Reliance Finance Ltd.	Mudaraba Term Deposits	Interest rate-10%	Common Director	3,273,887,421
Times Securities Ltd.	Trading of share (Investment of share)	Not Applicable	Common Director	34,525,024

For the year ended 2018

Representing Director	Nature of interest of Director of the organization/property	Terms and Condition	Nature of relationship	Total value Taka
Times Securities Ltd.	Trading of share (Investment of share)	Not Applicable	Common Director	43,903,913

For the year ended 2019

Representing Director	Nature of interest of Director of the organization/ property	Terms and Condition	Nature of relationship	Total value Taka
Times Securities Ltd.	Trading of share (Investment of share)	Not Applicable	Common Director	44,062,131

For the year ended 2020

Representing Director	Nature of interest of Director of the organization/ property	Terms and Condition	Nature of relationship	Total value Taka
Times Securities Ltd.	Trading of share (Investment of share)	Not Applicable	Common Director	44,081,408

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

x. Reconciliation of business income shown in tax return with net income shown in audited financial statements;

Certification regarding reconciliation of business income shown in tax return with net income shown in audited financial statements of the Union Bank Limited for last five years

Particulars	Amount in BDT				
	For the year ended 31 December 2020	For the year ended 31 December 2019	For the year ended 31 December 2018	For the year ended 31 December 2017	For the year ended 31 December 2016
Net profit before provision and tax as per audited Financial Statements	Return yet to submit for Assessment Year 2021-22	2,707,905,522	2,329,549,362	2,272,769,383	1,775,609,578
Add: Expenses Charge to profit and loss Account		356,310,459	243,913,269	238,477,224	239,892,215
Deduct: Income Incorporated in profit and Loss Account		(450,982)	(4,972,963)	(6,833,784)	(7,668,997)
Add: Excess Perquisite		-	-	-	-
Deduct: Expenses admissible as per income tax Ordinance 1984		(301,516,117)	(232,415,764)	(209,722,222)	(226,955,884)
Add: Summing up Other income		450,982	4,972,963	6,833,784	7,668,997
Total Income shown in Tax Return			<u>2,762,699,864</u>	<u>2,341,046,867</u>	<u>2,301,524,385</u>

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

- xi. Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;**

Certificate on confirmation that all receipts and payments of the issuer above Tk. 5,00,000/- (Five lac) were made through banking channel.

Upon due examination of the Audited Financial Statements along with the relevant documents of Union Bank Limited for the period from 1 January 2016 to 31 December 2020, we certify that all receipts and payments of the bank above Tk. 5,00,000/- (five lac) were made through banking channel.

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

xii. Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

Certificate on confirmation that all Bank Statements of the issuer are in conformity with its books of accounts

Upon due examination of the Auditor’s Report along with Audited Financial Statements of the Union Bank Limited, we hereby, certify that all Bank Statements of Bank are in conformity with its books of accounts from 1 January 2016 to 31 December 2020.

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

xiii. Statement of payment status of TAX, VAT and other taxes or duties; and

Certification on Status of Payment of Tax, VAT and Others Taxes/ Duties of Union Bank Limited.

After due verification, we certify that the Status of Tax, VAT and Others Taxes/ Duties Payments of Union Bank Limited for the year ended December 31, 2016, 2017, 2018, 2019 and 2020 are as follows:

Particulars	<u>Amount in Taka</u>				
	For the year ended 31 December, 2020	For the year ended 31 December, 2019	For the year ended 31 December, 2018	For the year ended 31 December, 2017	For the year ended 31 December, 2016
Tax Paid	1,070,780,689	1,104,967,047	877,600,215	861,219,918	713,145,035
VAT Paid on Banking Service, Assets & Expenses	98,540,095	94,745,428	85,981,099	72,293,853	71,205,425
Excise Duty Paid	185,956,400	105,062,500	90,350,000	76,561,700	51,107,600
VAT Payable	13,454,547	13,858,598	14,383,506	12,614,107	4,356,763
Total	1,368,731,731	1,318,633,573	1,068,314,820	1,022,689,578	839,814,823

Place: Dhaka
Date: 06 June 2021

Sd/-
Md. Shahidul Islam FCA
Engagement Partner
K. M. HASAN & CO.
Chartered Accountants

SECTION - XXVII

CREDIT RATING REPORT

AlphaRating

UNION BANK LIMITED

(Bahel Tower, 72, Gulshan Avenue, Gulshan-1, Dhaka-1212, Bangladesh)

2021

Union Bank Limited **Rating Action** *Surveillance* **A+** Long Term Rating **ST-2** Short Term Rating

Stable Outlook

Date of Declaration 17 June, 2021

Valid Till 16 June, 2022

Business Risk Moderate	Solvency Score Moderate	Asset Quality Good	Profitability Moderate	Management Quality High	Capital Adequacy Adequate
Industry Group Financial Institution					

As an Islami Shariah based Bank, Union Bank Limited has been growing smoothly with a positive attitude to compete with other Banks and FI

Previous Rating

Long Term Rating: **A+**

Short Term Rating: **ST-2**

Outlook: **Stable**

Date of Declaration: **18 June, 2020**

Valid Till: **17 June, 2021**

Contact Analysts

Imtiaz Ahammad

imtiaz@alpharating.com.bd

Tanmoy Saha

tanmoy@alpharating.com.bd

Rationale

AlphaRating re-affirms long-term rating of **A+** (pronounced as single A plus) and short-term rating of **ST-2** in favor of Union Bank Limited (herein after referred to as “UBL” or “the bank”). The outlook of the rating is **Stable**. This rating has been assigned by considering the financial performance for the last four years of the bank till 31st December, 2020 and other qualitative information till rating declaration date which has both favorable and unfavorable impact.

The rating has considered improvement in assets base marked by noticeable growth in investment, well diversified investment portfolio, increasing deposits from customers, adequate provision against all investment, decreasing non performing investment, increasing average earning asset, increase in net profit after taxation, quality of management team etc. In addition to the financial performances, UBL has also performed well in non-financial sectors such as placing experienced and well qualified management team, undertaking corporate social activities and geographic & business line diversification, which further boosted the qualitative aspects of UBL. Along with this, good internal control, investment, import, export positively impacted the rating.

Despite having this good contributor there are some issues that restrained the rating process. Such as lower CRAR than the regulatory requirement of 12.50% (including Capital Conversion Buffer), increasing rescheduled amount, low investment to deposit ratio compared to the regulatory requirement, single party investment risk exposure, negative liquidity gap in 1 to 3 months & 1 to 5 years, lower ROA & ROE than industry average etc.

Asset Quality & Operating Summary (BDT in Millions if applicable)

	2020	2019	2018
Total Assets	210,03.58	180,106.15	148,583.77
Gross Investment	166,337.20	146,459.57	119,934.39
Investment Growth (%)	13.57	22.12	19.04
Pre Tax Profit	2,223.42	1,479.47	1,753.69
Net Investment Income	5,448.15	4,423.26	3,967.13
Non-Investment Income	510.97	784.63	472.44
Cost Income ratio (%)	45.99	48.00	47.53
Profit Spread (%)	3.77	3.62	3.78
Investment / Customer deposits (%)	90.22	92.48	96.03
Gross NPI Ratio (%)	2.53	3.64	0.97
CRAR (%)	11.21	12.24	10.24
Cost of Fund (%)	10.55	11.08	10.31
Post Tax ROA (%)	0.47	0.36	0.68
Post Tax ROE (%)	10.80	7.29	12.92

Contents

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Date of Incorporation: March 07 2013

Chairman:

Mr. Ahsanul Alam

Managing Director:

Mr. A. B. M. Mokammel Hoque Chowdhury

Authorized Capital: BDT 10,000.00 million

Paid Up Capital: BDT 5,589.34 million (As on 31 December, 2020)

Total Asset: BDT 209,949.10 million (As on 31 December, 2020)

Total Liabilities: BDT 200,793.48 million (As on 31 December, 2020)

Total shareholder equity: BDT 9,155.62 million (As on 31 December, 2020)

Company Profile

Union Bank Limited is fourth generation Shari’ah based bank running its eight year of operation. The bank was incorporated in 7 March 2013 and started its operation in the private sector on 20 May, 2013 by opening its Gulshan Branch. It has authorized share capital of BDT 10,000 million and paid-up share capital of BDT 5,589.34 million. It renders all types of commercial banking services within the Bank Companies Act, 1991 and 2013 (Amendment).

The bank provides high quality customer services through the integration of the latest banking technology and also Shari’ah based products. The bank emphasizes to bring the unbanked people under the banking services. To increase the growth of the bank and provide banking services at the door step of the people in line with consistent economic growth of the country, rapid branches and ATM booth expansion is a strategic initiative of UBL.

Products and Services

Union Bank Ltd. has been operating and reshaping a number of popular and innovative financial products from time to time considering the benefit of depositors, clients and bank.

Principal Deposit Products of the bank are as follows:

Deposit Products

- Al-Wadiah Current Deposit Account
- Mudaraba Saving Deposit Account
- Mudaraba Short Notice Deposit Account
- Mudaraba Term Deposit Account
- Mudaraba No Frill Saving Account

Deposit Scheme

- Mudaraba Pension Prokalpa
- Mudaraba Millionaire Saving Scheme (Lackpoti)
- Mudaraba Monthly Saving Scheme
- Mudaraba Marriage Saving Scheme (Sohozatri)
- Mudaraba Hajj Saving Scheme (Hajj)
- Mudaraba Muhor Saving Scheme (Denmohor)
- Mudaraba CrorepotySanchayaProkalpa
- Mudaraba Monthly Profit Scheme (Prerona)
- Mudaraba Double Benefit Deposit Scheme (Somridhi)
- Mudaraba Barakah Deposit Scheme

Ownership

The paid-up capital stood at BDT 5,589.34 million as on 31 December, 2020. All the shares are owned by the sponsors and directors of the bank.

Branch Network

The registered office of UBL is located Bahel Tower, 72, Gulshan Avenue, Gulshan-1, Dhaka-1212, Bangladesh. At present UBL has its banking services in 96 branches in different important place of Bangladesh.

Investment Products

- Bai-Murabaha
- Bai-Istisna
- Bai -Salam
- Bai-Muajjal
- Quard
- HPSM

Other Services

- Foreign Remittance
- Utility Bill Payment
- Locker Service
- Internet Banking
- ATM Banking
- SMS Banking
- e-GP

Industry Analysis

The financial system of Bangladesh consists of scheduled and non-scheduled banks, non-bank financial institutions, microfinance institutions, insurance companies, co-operative banks, credit rating companies, merchant banks, brokerage houses and stock exchanges. Broadly, the Bangladesh financial system is bank-based financed via financial intermediaries and remains dominated by the banking sector. At the end of 2020, the total number of scheduled banks increased to 60 due to opening of new domestic private commercial banks (PCBs) during the year. Bangladesh Bank (BB) implemented a number of policy measures to emphasize risk management and corporate governance in the banks, periodic review of stability of the individual bank as well as the whole banking system, stress testing, monitoring of large borrowers, fraud-forgeries and strengthening internal control and compliance through self-assessment of anti-fraud internal controls etc. Throughout the period the balance sheet size grew to a notable extent. All of the portions of asset composition have increased other than Govt. Bill and Bond. Total assets of the banking industry increased by 11.84% and stood at BDT 16,298.40 billion. During the same period, the banking sector indicators showed some improvements compared to that of the preceding year led by the good performance of Private Commercial Banks (PCBs). Asset quality, measured by non-performing investments to aggregate investment portfolio, & NPL to regulatory capital showed mixed performance over the preceding year. The ratio of gross NPL to the total outstanding investments of the banking sector has been decreased to 9.20% in Q2FY2020 compared to 9.30% at the end of December 2019. Moreover, the ratio of net NPL to the total outstanding investments of the banking sector reduced to 0.20 percent from 1.00 percent during the same period. Capital to Risk Weighted Assets Ratio (CRAR) remained same as that of December 2019 & stood at 11.60 percent in Q2FY2020. The provision shortfall shortened moderately. Decreased in NPL, shortened shortfall in provision and stable CRAR shows that position of the banking sector has improved in Q2FY2020.

The provision maintenance ratio at end of Q2FY2020, reached 93.10% as opposed to 89.20% recorded at end December 2019.

Key profitability indicators i.e. ROA & ROE decreased moderately in last quarter. Return on Asset (ROA) fallen up at 0.42 percent at the end of Q2FY2020 from 0.43 percent at the end of December 2019. In addition, Return on Equity (ROE) also decreased to 6.68 percent at the end of Q2FY2020 from 6.83 percent at the end of December 2019. In June 2020, banking sector has been able to maintain a significant leverage ratio compared to the maintained satisfactory liquidity position throughout the year. In Q2FY2020, banking sector as a whole has been able to maintain a leverage ratio of 4.58% on solo basis; 49 out of 60 banks have successfully maintained leverage ratio of 3.00%. At the end of December 2019, the growth rate (year-on-year) of deposits was higher than that of advances (less than 1 percentage point). The Advance-Deposit Ratio (ADR) stood at 76.20 percent at the end-Q2FY2020. The prudential limits of ADR for Conventional and Islamic Shariah based banks were 87.0 percent and 92.0 percent respectively. The liquidity position in the banking sector as a whole was comfortable at the end of Q2FY2020; leading to a further easing of money market conditions. Net Interest Margin (NIM) of the banking industry stood at 2.70 percent in Q2FY2020, which was 3.12 percent in FY 2019. The NIM for the PCBs remained stable whereas for other sectors, it decreased in Q2FY2020 compared to FY 2019. Analysis of the indicator reveals that NIM for PCBs and PCBs was higher than the industry average. Furthermore, banking sector, as a whole, had no shortfall in Cash Reserve Ratio (CRR). Along with this, the banking sector was found to be fairly resilient in the face of various market risk shocks. Moreover, the individual banks & the banking system as a whole were found to be well resilient against various liquidity stress scenarios as of end Q2FY2020.

According to Bangladesh Bank’s quarterly stability reports State-owned commercial banks are facing difficulty to continue business. The problems are poor capitalization, weak asset quality and substandard management quality etc. However, government has taken several steps to reform the sector, according to a recent analysis. The report (Source BMI Research a London based research firm) said Bangladesh's banking sector is one of the weakest in emerging Asia, as factors, such as low capital adequacy and poor asset and management quality, continue to challenge solvency and profitability. But in recent days this situation is changing. Under the Basel III framework, Bangladeshi banks are legally required to maintain a capital to risk-weighted asset ratio (CRAR) of at least 10 percent and a tier 1 capital ratio of at least 5.5 percent. The banking sector as a whole was able to maintain its CRAR above the minimum requisite. However, it is observed that the CRAR of SCBs, PCBs and FCBs were 6.93, 13.31 and 24.35 percent respectively as on 30 June 2020. Both the SBs failed to maintain MCR on risk weighted assets basis. Besides, 4 SCBs and 3 PCBs could not maintain the minimum required CRAR. The CRAR of the banking industry as a whole was 11.63 percent at the end of June 2020.

Bank types	(In percent)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	End June 2020
SCBs	11.7	8.1	10.8	8.3	6.4	5.9	7.0	10.3	5.0	6.9
SBs	-4.5	-7.8	-9.7	-17.3	-32.0	-33.7	-32.8	-31.7	-32.0	-36.5
PCBs	11.5	11.4	12.6	12.5	12.4	12.4	12.2	12.8	13.6	13.3
FCBs	21.0	20.6	20.2	22.6	25.6	25.4	23.3	25.9	24.5	24.4
Total	11.4	10.5	11.5	11.3	10.8	10.8	10.8	12.1	11.6	11.6

Source: DOS, BB.

Fig: Capital to Risk Weighted Assets Ratio by Type of Banks

However, Bangladesh Bank has taken a number of initiatives throughout 2020 having implications for financial stability. For instance Bangladesh bank has amended guidelines on internal control & compliance risk management, credit risk management etc. Besides Bangladesh Bank has issued integrated risk management guidelines for financial institutions to strengthen the overall risk management framework & introduces techniques of managing all possible risk under formal organizational set up with standard policies & procedure.

Risk management by banks in post-Covid-19 situation

Banks in Bangladesh are facing huge uncertainties about repayments of investments by their clients when their business is in disarray during this Covid-19 situation. The current situation might bring huge burden of non-performing investments for the banking industry if the growing credit risk in this Covid-19 environment is not addressed effectively. There are claims that some banks in different countries are identifying spurious discrepancies in the LCs to escape payment liabilities which might be the source of fraud and reputational risks for banks. If not handled properly, back-to-back LC might be a source of credit risk for the country's banks in the coming months. With the advent of the defaulted investment in the post-covid-19 stage, banks with inadequate capital might be in huge trouble. (Source: FE 29.04.2020)

Business Risk Analysis

Internal Control and Compliance Risk

Banks should have proper internal control systems that integrate compliance risk management into their overall risk management process. The audit of compliance risk management should be incorporated into the annual plan of the Internal Audit function. The Board of Directors of UBL is responsible to establish and maintain appropriate system of Internal Control. The bank's ICCD has started its operation from inception. ICCD is operating to ensure the overall safeguard of asset and liabilities of the organization and ensuring the internal controls to make the institution more compliant. ICCD is working for improvement of internal control system and control mechanism. ICCD is working together with a well-defined organizational structure for detecting frauds, suspicious a/c, compliance issues, policy or rules breaking etc., while conducting audits/inspections to the branches and divisions at HO. Status of the compliance issues and its updates are monitored by the bank's Audit Committee of the board and Executive Risk Management Committee (ERMC) in its monthly meetings and the same is also reported to Bangladesh Bank respectively.

Foreign Exchange Risk

Foreign exchange risk is defined as the potential change in earning due to change in exchange rate. The foreign exchange risks of UBL are identified, measured, monitored and controlled by Treasury and International Division as applicable. They independently conducts the transaction and the Back Office is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Market to Market rate as determined by Bangladesh Bank at the month end. All Nostro accounts are reconciled on daily basis and outstanding entries beyond 30 days are reviewed by the Management for their settlement. UBL has developed a foreign exchange manual for mitigating foreign exchange risk in compliance with the guidelines of Bangladesh Bank regarding risk management. UBL has also developed a check list for risks management.

Credit Risk

Credit risk refers to the risk that a borrower may not repay a loan and that the lender may lose the principal of the investment or the profit associated with it. The risk is primarily that of the lender and includes loss of principal and profit, disruption of cash flows and increased collection costs. Credit risk management, meanwhile, is the practice of mitigating those losses by understanding the adequacy of both an institution's capital and loan loss reserves at any given time – a process that has long been a challenge for the Bank. In order to manage this risk, UBL has a standard and structural credit approval policy which includes a well-established procedure of comprehensive credit approval. Bank has framed Investment Policy, Investment (Credit) Assessment & Risk Grading, Approval Authority, Internal Audit Approval Process, Investment (Credit) Administration, Investment (Credit) Monitoring, and Investment (Credit) Recovery etc. which forms integral part in monitoring of Investment (Credit) Risk in the Bank. Status of investments is regularly reported to the Board /Executive Committee of the Bank.

Asset Liability Management

Asset Liability Management (ALM) focuses on risk management by covering the widest range of day-to-day banking operation. UBL has formed an Asset Liability Committee (ALCO) in accordance with the guideline of Bangladesh Bank. ALCO of the bank monitors balance sheet risk, liquidity risk, investment deposit ratio (IDR), deposit mix, investment mix, gap analysis etc. Treasury Mid Office is responsible for balance sheet planning from risk return perspective including the strategic management of profit rate risk and liquidity risk being within the limits. ALCO meets once in a month to review economic, market status, outlook and liquidity position of the bank. It is the responsibility of the ALCO to assess pricing of the assets and liabilities, liquidity contingency funding plan in order to manage the balance sheet risk in a prudent way.

Risk of Being Money Laundered

Money Laundering & Terrorist Financing risks arise from non-compliance of the related instructions/guidelines stipulated by the regulatory authorities of the country. To mitigate/avoid these risks, UBL has a full-fledged division named Anti Money Laundering Division (AMLDD), formed under close supervision of higher authorities. The bank has formulated “Anti Money Laundering Policy” vetted by the higher authorities of the bank. Circulars and circular letters from BB are circulated to all branches. All the branches are advised to strictly follow the orders and instruction mentioned in the circular and circular letters. For constant vigilance against money laundering, every branch has a “Branch Anti Money Laundering Compliance Officer (BAMLCO)” and AMLDD initiated periodic branch visit for looking after the activities relating to Anti Money Laundering. Moreover, the bank has formulated Anti Money Laundering Risk Assessment guideline.

Information Technology Risk

Information technology risk, or IT risk, IT-related risk, is any risk related to information technology. IT risk management is the application of risk management methods to information technology in order to manage IT risk, i.e. The business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise or organization. Financial information of Banks is mostly processed and delivered through technological platform. Continuity of company’s operation and service completely depends on strong, reliable and secured technology.

UBL started its journey through a fully-fledged centralized online banking system based on the principle of Islamic ‘Shariah’. Under the single ICT platform, UBL is presently providing all types of technology based banking facilities to all its customers through 96 branches & countrywide ATM service which is increasing rapidly with the expansion of branch network & business volumes of the bank. Since the inception of banking operation, UBL is running successfully with Core Banking Solution (CBS) software ‘Ababil’ with the features of General Banking Module, online transactions, Foreign Trade Module, ATM, BACH, EFT, RTGS, Remittance, Investment, CIB along with other necessary modules.

Environmental Risk

Over last few decades Environment Risk has become an alarming issue across all industry where Banks/FIs are also part of it. Adoption of Environmental Risk Management (ERM) techniques has become an important area for all banks. Environmental Risks mainly arises from the probability of non-compliance to national environmental and social regulation or unexpected changes in environmental and social condition. To limit this risk at a certain level the bank implemented ERM policy which includes initiating In-House Environment Risk Management, Disclosure and Reporting on Green Banking, Provide Training to employees on Green Banking and so on.

Operational Risk

Operational risk arises due to failure in internal process, people and system or from external events. Due to rising customer expectations, increasing regulatory requirements, uprising technological innovation and mounting competition, banks and financial institutions are undergoing changes. This has increased the probability of failure or mistakes from the operational point of view that can result in increased focus on managing operational risks. To mitigate the risk, ICCD of the bank is conducting Audits/Inspections where the compliance in the defined areas are included to be checked and verified. The compliance issues of the bank are also communicated with the concerned divisions. Regulators are also overseeing the compliance related to the operations, book maintenance and other related issues from time to time. The bank has its own Operational Risk Management Framework which encompasses clearly defined organizational structure, with defined roles and responsibilities for all aspects of operational risk management.

Financial Risk Analysis

The financial analysis is done based on UBL’s asset quality, composition and trend, fund management, capital adequacy, liquidity management, risk management and ultimate financial goals of the firms based on both quantitative and qualitative aspects of the institution. Detailed analysis is presented below:

Asset Composition

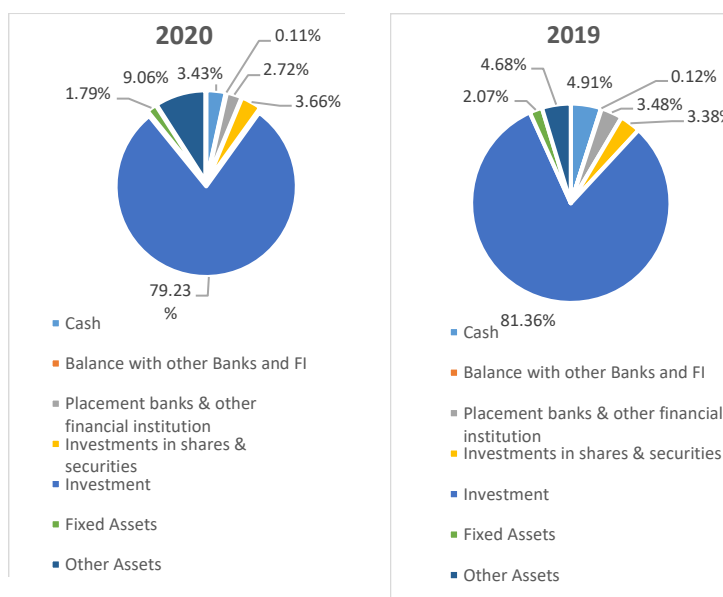
UBL’s asset base is reported to rise from BDT 180,023.95 million in FY 2019 to BDT 209,949.10 million in FY 2020, which is 16.62% higher from previous year. UBL’s asset base was comprised of 3.43% cash, 0.11% balance with other banks and FIs, 2.72% placement of bank & FI, 3.66% investment in share & securities, 79.23% investment, 1.79% fixed assets and 9.06% other assets.

While analyzing the asset composition of UBL, it was revealed that investments has increased by 13.57% in FY 2020 from that of FY 2019, which represents the most significant portion of total asset base. However, among the last four consecutive years, UBL has experienced highest growth of investment in 2019. Asset growth in FY 2020 is mainly attributable to investment which increased by BDT 29,925.15 Million from 2019 representing a growth of 16.62%.

Analysis reveals that the overall asset was mostly funded by deposit and other accounts and placement from banks & other FIs and other liabilities. Deposit was the source of 82.26% of the total assets. Further scrutiny reveals that deposit was comprised of mudaraba saving deposit, mudaraba term deposit, other mudaraba term deposits, al-wadia current account & bills payable. Among the deposits, 75.57% will be matured within one year and rest 24.43% will be matured after one year. UBL was also funded by placement from other banks & FIs, capital/shareholders equity, mudaraba subordinated bond and other liabilities. It has been observed that, placement from other bank & FIs has been increased by 53.32% in FY 2020 compared to previous year and this indicate that UBL has increased its dependency on external sources. Moreover, placement from other bank & FIs comprised of Bangladesh govt. Islamic investment bond fund, Bangladesh Bank (Refinance Scheme) & Bangladesh Bank Export Development Fund (EDF). However, 48.67% of the fund was repayable within six month and rest 51.33% was repayable in six to one years.

FYE 31 December	2020	2019	2018	2017
Total Asset (Million)	210,031.58	180,106.15	148,583.77	131,677.57
Asset Growth (%)	16.62	21.16	12.84	56.91
Gross Investments (Million)	166,337.20	146,459.57	119,934.39	100,753.55
Investment Growth (%)	13.57	22.12	19.04	50.04
Gross NPI (Million)	4,201.35	5,336.83	1,164.78	572.07
Gross NPI Ratio (%)	2.53	3.64	0.97	0.57
Net NPI (Million)	1,814.00	3,816.83	634.76	372.07
(without Considering Net NPI Ratio (%))	1.09	2.61	0.53	0.37
(without Considering Net NPI (Million)	(825.99)	1,824.90	(869.21)	(843.96)
(Considering General Net NPI Ratio (%)	(0.50)	1.25		(0.84)
(Considering General Investment Loss reserves/Gross NPIS (%)	97.80	56.46	(0.72)	223.03
Investment in Shares & Securities (Millions)	7,688.05	6,084.06	5,113.46	4,984.53

Data obtained from audited financial statements of 2017 to 2020

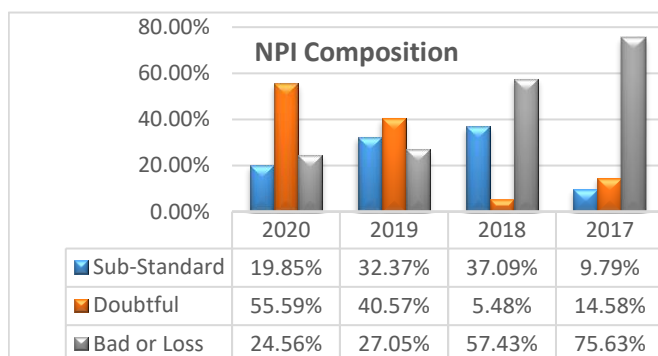
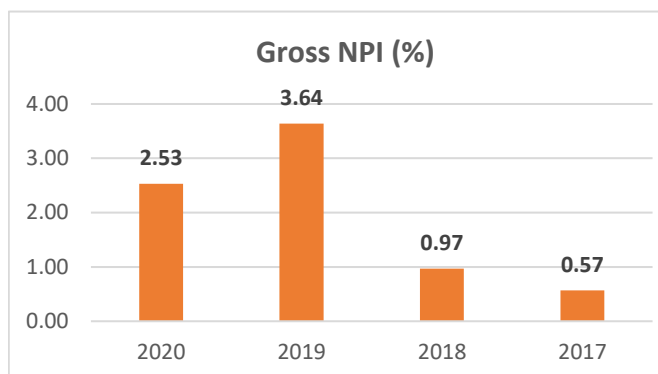


Asset Quality

Quality & performance of a financial institution’s assets mainly depends on extent of nonperforming investment as investments provided to clients comprises most significant portion of these companies’ asset base. A nonperforming investment (NPI) is the sum of borrowed money upon which the debtor has not made his scheduled payments for at least 90 days. UBL has continuously focused on its core business area as reflected in the investment growth rate of 13.57% and 22.12% in FY 2020 and FY 2019 respectively. The bank is focusing on expanding the core operational activities but the growth rate has declined slightly in this period compared to previous period. Total investment portfolio comprises of general investments & bills purchased & discounted.

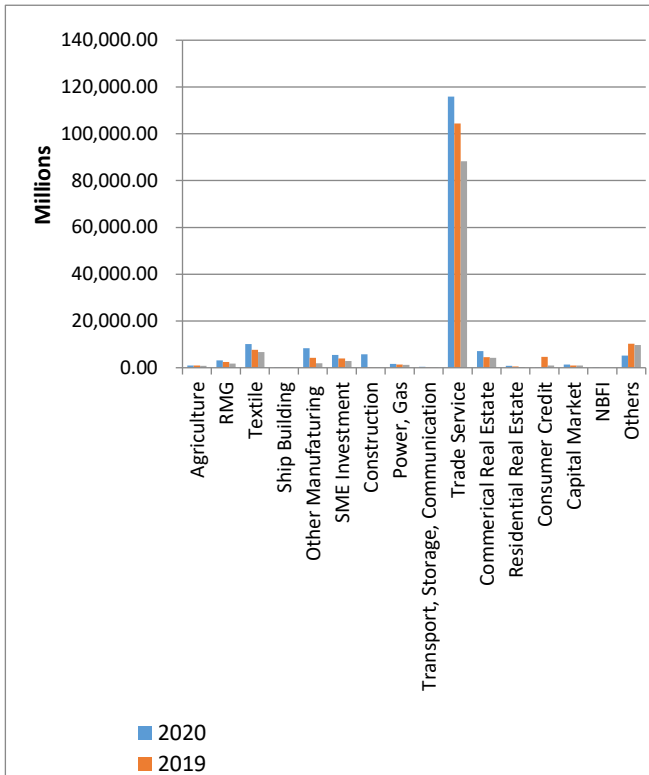
The total asset of UBL’s in FY 2020 mainly comprise of investments amounting to BDT 166,337.20 million which is 79.23% of the total asset base. Asset is highly concentrated on investment which is usual in terms of bank business. As such, this high concentration of investment may not indicate vulnerability of assets if managed properly. However, compared to increased investments, gross non-performing investments (NPI) has been decreased by BDT 1,135.48 million and stood at 4,201.35 million. As per industry trend, it is very usual that NPI increases with the growth of investment. But in respect of UBL, gross NPI have decreased, which reflect superior lending policy and credit risk management. Consequently, Gross NPI ratio decreased by 1.11 percentile points from FY 2019 and stood at 2.53% in FY 2020. Whereas the industry average NPI ratio of PCBs was 5.90% at the year ended June, FY 2020.

In FY 2019, 32.37% of total NPI composed of Sub Standard, 40.58% was doubtful and rest 27.05% was Bad or Loss. However, in FY 2020 Sub Standard and Bad/Loss has decreased to 19.85% and 24.56% respectively whereas Doubtful has increased to 55.59%. So if UBL does not become more careful while extending investment facilities, it would be really difficult to maintain quality of asset. Moreover, compared to the industry data, UBL holds PCB’s 0.90% of total NPI in FY 2020 which was 1.21% in FY 2019.



UBL has significant investment on government security i.e. Bangladesh Govt. Islamic Investment Bonds and Bangladesh Govt. Investment Sukuk. A total of BDT 7,463.97 million has been invested in government security in FY 2020, which bears low risk as well as low return than any other corporate bonds in the market. On the other hand, the bank has also invested on subordinated bond and quoted shares. It has been observed that, market value of quoted shares is lower than the cost price mainly due to volatility in capital market. To address this, UBL has made sufficient provision as per guideline from Bangladesh Bank.

To comply with Central Bank’s regulation, UBL was required to maintain BDT 4,071.70 million of provision against total investments (including provision for Off balance sheet item). It has been observed that, UBL has maintained total provision of BDT 4,109.00 million giving the surplus provision of BDT 37.30 million in FY 2020, which state that the bank is in quite comfortable position to cover up the NPI. Moreover, the bank has also maintained special general provision for COVID-19 of BDT 393.97 million as per Bangladesh Bank Circular.



Investment Diversification & Concentration

AlphaRating scrutinizes the investment portfolio of the bank by considering Sector-Wise Investment Concentration and Geographical Area Wise Investment Concentration. UBL has reported BDT 166,337.20 million of Investments at the end of FY 2020. While analyzing the industry wise investment portfolio, it has been observed that, the bank has maintained a well-diversified investment portfolio and thus unsystematic risk, related to industry, seems lower.

However, the investment portfolio is heavily concentrated on trade service, textile, other manufacturing industry, commercial real estate financing, SME investment & constructions. The aggregated investment in trade service is 69.65%, textile is 6.10%, manufacturing industry is 5.04%, commercial real estate is 4.29%, SME investment is 3.27% and construction is 3.42% of the total investment portfolio. Other than these, UBL has also invested in RMG, power & gas, agriculture, ship building, capital market etc. It has been observed that, during FY 2020 UBL has increased their investment in all sectors except ship building & others. During the course of analysis, it has been observed that Trade Service, Textile & Manufacturing industries are most saturated sector in Bangladesh & all private commercial bank & FIs invested maximum of portfolio in those sector. UBL is nothing different of this trend.

Performance of Rescheduled Investment

Top 50 rescheduled investment accounts of UBL was BDT 7,444.06 million, which is 4.59% of the bank’s total investment. Out of this 50 accounts, 4 accounts are classified as Bad Loss (BL) and 05 accounts are SMA & rest of them are STD which is not categories of classification. It has been observed that, out of 50 accounts, 15 accounts have the highest amount of rescheduled investment. 85.18% of total rescheduled investment amount is covered by these 15 accounts. Further analysis revealed that, if the rescheduled investment which are classified as SMA, are not being recovered within the scheduled time then non performing investment will increase which will affect the bank in future years.

The region wise investment concentration of the bank reflects that, the bank spread its concentration almost in all regions of the country i.e. Dhaka, Chattogram, Khulna, Barisal, Rajshahi, Rangpur, Mymensingh and Sylhet. However, Dhaka region alone grabbed almost 54.72% of total investment portfolio but it is within the risk appetite limit (75% for Dhaka Region) of the bank. Though concentration of investment portfolio in Dhaka region is high, it is compatible with the economic activities of the Country as country’s economic activities are also highly concentrated to this region. Following to this, Chittagong in second position capturing 44.79% of total loan portfolio. Further analysis reflects that, the bank mainly concentrated in urban areas, which grabbed 84.87% of total investment portfolios.

Large Investment Exposure

As per Bangladesh Bank circular BRPD 4 dated 29th January, 2015, large investment is defined as the investment sanctioned to any individual, enterprise or any organization of a group exceeding 10% of the particular commercial bank's total capital.

Particulars	2020	2019
Total Outstanding Amount to customers at the year end	18,427.50	12,906.60
Number of such types of customers	18	15

As per the management representation, the bank has eighteen (18) accounts having large investment exposure in FY 2020 and previously the bank had fifteen (15) accounts large investment exposure. The total funded outstanding against large investment accounts was BDT 15,146.40 million and non-funded outstanding liability was BDT 3,281.10 million and all the accounts are unclassified indicating efficient credit risk management of UBL against Large Investment. In 2020 large investment exposure has been increased by 42.78% than that of 2019. Though performance of the investees has been good till now, increase in large investment also increases the credit risk of the bank.

The breakdown of funded outstanding showed that, Bashundhara Multi Food Products Ltd., JB Traders, Bashundhara Multi Papers Industries Limited & S Alam & Company held the major portion that represents 10.72%, 10.56%, 8.57% and 8.36% of the total funded outstanding respectively. The breakdown of Non-funded outstanding showed that, Jaj Bhuiyan Textile Mills, Bashundhara Multi papers Industries Ltd. & S Alam Cold Rolled Steels Ltd. held the major portion that represents 28.55%, 22.39% & 19.99% of total non-funded outstanding. So, keen observation must be executed on such accounts to prevent any liquidity crisis in the future. While financing such large loans UBL must ensure proper monitoring and control over credit exposure.

Capital Adequacy

Overall shareholders' equity of UBL was BDT 9,155.62 million in FY 2020, which has been increased by 8.34% from that of the previous year. This increase in equity is mainly attributable to increase in statutory reserve & paid up capital.

FY	2020	2019	2018
Total Tier-I Capital (in million)	9,155.62	8,450.62	7,856.16
Total Tire-II Capital (in million)	6,717.00	5,595.00	1,371.90
Total Capital (in million)	15,872.62	14,045.62	9,228.06
Total Risk Weighted Average Asset (in million)	141,548.71	114,773.06	90,145.37
Required Capital (in million)	14,154.87	11,477.31	9,014.54
Capital Surplus (in million)	1,717.75	2,568.31	213.52
Minimum Total Capital Ratio (Required)	10%	10%	10%
Minimum Total Capital plus Capital Conversion Buffer (CCB)	12.50	12.50	11.88
Capital to Risk Weighted Asset Ratio (CRAR)	11.21%	12.24%	10.24%
Tier-I capital to RWA	6.47%	7.36%	8.71%
Tier-2 capital to RWA	4.75%	4.87%	1.52%

Every commercial bank needs to fulfill or satisfy the requirement of Basel III guidelines regarding risk based capital adequacy. UBL has not maintaining its capital adequacy above the required level. Tier 1 capital for UBL in 2020, was BDT 9,155.62 million, which included paid up capital, statutory and other reserve and retained earnings. Moreover, the bank has considered BDT 6,717.00 million as Tier II or Supplementary capital which is solely consists of general provision and mudaraba subordinated bond. In FY 2020, UBL's reported risk based capital surplus of BDT 1,717.75 million.

Capital to Risk Weighted Asset Ratio (CRAR) of UBL in FY 2020 is 11.21%, which is slightly lower than the regulatory

Funding & Liquidity

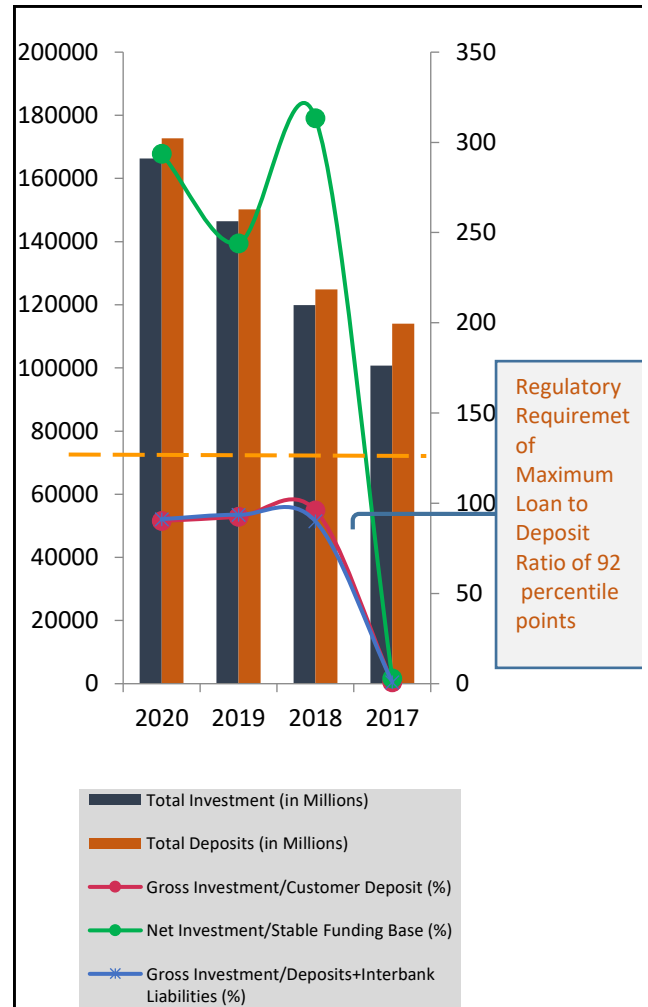
Fund Management

FYE 31 December	2020	2019	2018	2017
Investments / Deposits (%)	90.22%	92.48%	96.03%	88.34%
Total Deposit Growth (%)	14.97	20.27	9.51	53.60
Net Investment / Stable Funding Base (%)	293.65	244.03	313.42	300.35
Deposit / Total Liability & Equity (%)	82.26	83.44	84.06	86.61
Interbank Liabilities/Total Funding Base (%)	5.04	3.82	5.86	4.08
Gross Investment /Deposit+Interbank Liabilities	91.21	93.58	90.07	84.53

Data obtained from audited financial statements of 2017 to 2020

Deposit from customers is found to be the major source of fund. While analyzing the fund and liquidity management of the bank, it has been observed that, UBL is mainly depending on deposit for funding purpose and almost 82.26% of total assets have been financed by deposit in FY 2020 which has been decreased by 1.18% from that of last year. At the end of 2020, UBL reported total customer deposit of BDT 172,710.51 million, which was 14.97% higher than that of prior years. Liquidity wise analysis reveals that 75.57% of the deposits will be matured within one year which indicates that the bank is likely to face funding crisis if it fails to ensure substantial amount of new deposit in upcoming year. The nominal percentage of interbank liabilities to total funding base indicates that the bank has the scope to generate additional fund through placement from other bank or FIs. However, this could increase the cost of fund of the bank.

According to Bangladesh Bank, all Islami Shariah based banks were supposed to maintain their investments-deposit ratio at 92% of the deposit fund. It has been observed that, UBL has maintained lower ADR ratio in FY 2020 of operation under consideration than the maximum requirement of 92.00% to be maintained as per BB circular, which states that UBL is exposed to minimum liquidity risk. The investments-deposit ratio has also more than regulatory requirement in FY 2019 and FY 2018 and exceeded the ceiling of 92.00%, which reflects rapid investment growth. It helped the bank to earn more investment income and exposed the bank to higher liquidity risk, which is the prime concern in the overall banking industry in the current period. Now, UBL needs to increase its investment portfolio base to bring the investments-deposit ratio increased to the regulatory requirement of 92.00% as instructed by the Bangladesh Bank.



UBL's Net investment to Stable Funding Base has been increased in FY 2020 from that of FY 2019 and stood at 293.65%. The ratio suggests that the company is more reliant on short term funding than stable funding base. So UBL should concentrate more on constant monitoring & effective management to improve this ratio.

Liquidity Management

Liquidity Profile of 2019

(BDT in Million)	Up to 1 Month	Up to 1-3 Months	Up to 3-12 Months	1-5 Years	Above 5 Years	Total
Assets	28,980.13	46,552.25	83,258.74	4,163.20	17,069.64	180,023.95
Liabilities	11,267.32	53,655.20	51,972.75	41,589.55	12,638.50	171,123.33
Net Excess/ (Shortage)	17,712.81	(7,102.95)	31,285.98	(37,426.35)	4,431.14	8,900.62

Liquidity Profile of 2020

(BDT in Million)	Up to 1 Month	Up to 1-3 Months	Up to 3-12 Months	1-5 Years	Above 5 Years	Total
Assets	65,680.33	40,134.00	82,439.75	5,289.59	16,405.43	209,949.10
Liabilities	47,403.81	44,807.90	56,015.20	43,970.85	8,678.20	200,875.96
Net Excess/ (Shortage)	18,276.52	(4,673.90)	26,424.55	(38,681.26)	7,727.23	9,073.14

To stand against liquidity pressure banks hold liquid assets as buffer. The overall liquidity management of FY 2020 has been improved with Positive Liquidity gap of BDT 9,073.14 million, which has been increased by 1.94% compared to prior year. Maturity analysis of Assets and Liabilities reveals that the bank has struggled to maintain a positive balance in 2nd and 4th buckets which are ‘up to 1-3 months’ and ‘up to 1-5 years’ maturity time due to its high deposit accounts against the liquid asset base. Analysis reveals that there is a shortage of asset amounting BDT 4,673.90 million in the second bucket which can be met by BDT 18,276.52 million net excess of asset in the first bucket. The bank also recorded a BDT 38,681.26 million shortfall of asset in the fourth bucket against the liability. Though, there is a surplus of asset in the third quarter amounting BDT 26,424 million, potential increase in finance cost can high the cost of fund 10.55% for the sourcing of finance against the matured liabilities in the long term. Nonetheless, the bank has recorded a total net excess asset of BDT 9,073.14 million.

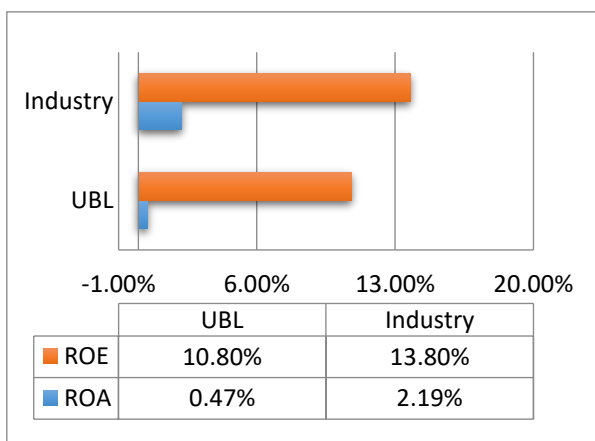
The bank’s Statutory Liquidity Ratio (SLR) is at present 5.50% of average demand and time liabilities, and 4% Cash Reserve Requirement (CRR) (bi-weekly) of average demand and time liabilities. The CRR is to be kept with Bangladesh Bank and the remainder as qualifying unencumbered assets, either in cash or in government securities. As per SLR and CRR statement, UBL had cash well in excess of regulatory requirement in every case. In 2020, the bank has kept sufficient cash and liquidity against the statutory requirement. Its CRR and SLR show

Earning Trend & Profitability

Net Investment Income of UBL was growing with positive growth since FY 2017. Expanding operation as well as retaining existing customer base has supported this increase. The bank has generated BDT 19,740.13 million investments income mainly attributable to profit received from deposit with other bank, Bai-Murabaha, Mushraka, Bai-Muajjal, HPSM, Bai-Istisna etc. On the other hand UBL paid BDT 14,291.98 million profits on deposits. Net investment income stood at BDT 5,448.15 million in FY 2020, which has been increased by BDT 1,024.89 million from prior year. Contribution of non-investment income to the total operating income has been increased significantly by BDT 751.22 million during FY 2020. Non-investment income comprises income from investment in share & securities, income from commission, exchange & brokerage and other operating income. Analysis revealed that, the bank was able to generate higher income from investment income which is the main reason for higher operating income.

Operating expense of UBL has increased by 9.63% in recent year, where total operating income has also increased by 14.42%. However, total operating income has increased at a higher rate than operating expenses, which has influenced the cost to income ratio positively. The ratio has decreased to 45.99% in FY 2020 compared to 48.00% in FY 2019 and still reported below than industry data of 82.60% June, 2020.

The cost of fund is regarded as the profit paid to the depositors added with administrative cost on the financial products offered by UBL. The cost of fund has decreased which marks as a positive movement as it refers that the bank is incurring lower costs to gather the fund from prior year. Profit spread of UBL has been increased slightly from last year & stood at 3.77%, which means that the profit charged on investment has been higher than the profit paid to the depositor in the FY 2020.



FYE 31 December	2020	2019	2018	2017
Net Investment Income (BDT Million)	5,448.15	4,423.26	3,967.13	3,682.19
Non-Investment Income (BDT Million)	510.97	784.63	472.44	328.89
Pre-Tax Profit (BDT Million)	2,223.42	1,479.47	1,753.69	1,745.87
Post Tax ROA (%)	0.47	0.36	0.68	0.83
Post Tax ROE (%)	10.80	11.70	12.92	13.78
Net Investment Margin (%)	3.21	3.03	3.20	3.91
Cost Income Ratio (%)	45.99	48.00	47.53	43.34

Return on assets is a measure used for evaluating the ability of an entity to generate profit by utilizing its assets. This also measures the efficiency level of the company in utilizing its invested assets. Average Earning Asset (BDT in Millions) of UBL has increased in FY 2020 compared to previous year. This was due to increase in profitability of the bank by 66.27%, while the Cost of Fund and shareholder's equity of the bank has been increased by 16.62% and 8.34% respectively. Compare to industry data both ROA & ROE is showing below the industry average of 2.19% & 13.80% in at the end of June, 2020 respectively. 5.03

The average earning asset of UBL is increasing over the years. However, the net investment margin, which is known as net yield on profit-earning assets, has increased to 3.21% in FY 2020 compared to last year as the net investment income is showing higher growth than growth of average earning asset. However, compared to industry data NIM is showing high of industry average of 2.70% at the end June, 2020.

During FY 2020, UBL has kept higher provision for classified & unclassified investment, diminution in value of investment in share as well as provision for taxation. UBL's net profit after tax has reported to BDT 988.42 million, which has increased by BDT 393.95 million in FY 2020. Considering the way of asset quality management, the financial performance of the bank is quite satisfactory.

Management & Other Qualitative Factors

Corporate Governance

Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed. Corporate governance includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies, practices, and decisions of corporations, their agents, and affected stakeholders. Corporate governance practices are affected by attempts to align the interests of stakeholders. UBL operates the legal framework of the Companies Act-1994 and as a banking company, complies with the provisions of the Bank Company (Amendment) Act-2013. It also complies with the directives and guidelines issued from time to time by Bangladesh Bank and Bangladesh Securities and Exchange Commission. Corporate Governance principles of the bank serves the goal of strengthening and consolidating company position with sustained growth objectives in materializing the trust placed in the company by shareholders, clients, employees and the general public. Fair practice, accountability, transparency, compliance, value creation and corporate social responsibility are the pillars of the corporate governance of the Bank.

Board of Directors

The board consists of 11 (Eleven) members including the Managing Director. The number of board members is within the limit compiled with the persisting Bank Company Act. The Chairman of the Board and the Managing Director are different individuals. Appointment of new director is made with the consent of all senior directors. The Board handles bank's affairs and helps ensuring smooth operation. Three Statutory Committees namely Executive Committee, Audit Committee and Risk Management Committee of the Board extend co-operation and help the Board to discharge its responsibility. During FY 2020, 7 board meetings were held.

Independent Director

To comply with the circular of Bangladesh Bank and Bangladesh Securities and Exchange Commission guidelines UBL's board of directors appointed one independent directors.

Executive Committee

Executive Committee is comprised of 04 members and Chaired by Mr. Ahsanul Alam. The Executive Committee exercises all the powers of the board including formulating policy, planning strategies and taking important decisions excluding those specifically given to the Board by the Bank Company Act, 2013 (Amended) and other laws and regulations.

Audit Committee

The Audit Committee of UBL is consisted of 04 members. The committee is responsible to assist the board in fulfilling its oversight responsibilities including scrutinizing the information to be disclosed, and to ensure accuracy, adequacy, transparency and completeness of the disclosed information set by the Board of Directors for effective functioning of the board. Along with this, Audit Committee assists the Board in fulfilling oversight responsibilities. The Audit Committee also assists the Board in ensuring the financial statements reflect true affairs and ensures a good oversight of internal control practices within the bank. The Audit Committee is responsible to the Board of Directors.

Risk Management Committee of the Board

The Risk Management Committee is comprised of 03 members. The committee is playing an effective role to cover the core risk areas of banking such as Credit Risk, Liquidity Risk and Market Risk to mitigate exposure in all banking operational areas. The prime objective of the Risk Management Committee is to formulate and implement appropriate strategies.

The Shari'ah Supervisory Committee

The bank is constantly vigilant to become Shari'ah compliant in its banking operations. Guidelines of Bangladesh Bank and instructions of Bank's Shari'ah Supervisory Committee comprised with national famous Islamic thinkers inspired UBL to comply with Shari'ah compliance. UBL conducts Shari'ah audit in their branches.

Management Committee (MANCOM)

This highest level policy making Committee of the senior members of the management team is headed by the Managing Director. Management Committee (MANCOM), the apex management body of the Bank, is comprised of 22 (twenty-two) top-level executives having long experiences and sound knowledge in Islamic banking. The Committee exerts powers as delegated by the Board and is responsible for implementation of the policies and guidelines approved by the Board.

Asset Liability Committee (ALCO)

The Assets Liability Committee (ALCO) evaluates and approves various aspects relating to the risk due to imbalances in the capital structure. The Asset & Liability Committee (ALCO) is constituted with the senior management of the bank and headed by the Managing Director. ALCO is entrusted with the responsibility of managing short term liquidity and ensuring adequate liquidity at optimal funding cost. During FY 2020, 12 ALCO meetings were held.

Executive Risk Management Committee (ERMC)

A Management Level ERMC is in place in the bank headed by Chief Risk Officer (CRO) comprising the Heads of all core risks and other related areas. Regular meetings are arranged and organized by the Risk Management Division (RMD). The committee sits at least once in a month or more when necessary. In the meeting of ERMC, all the existing/identified and foreseeable/potential risks issues are discussed and recommendations are provided to the concerned risk taking organs to take corrective actions to mitigate the risk factors. After detailed review by the ERMC, the Monthly Risk Management Reports are submitted to Bangladesh Bank within the stipulated time.

Human Resources Management

Human Capital is the set of skills which an employee acquires on the job through training and experience, and which increase the employee's value in the marketplace. Being a value driven organization, UBL considers its employees as the most precious capital that play the vital role in materializing the mission, vision, goals and objectives of the bank. UBL has taken several initiatives to enhance the level of employee motivation, commitment and productivity. UBL has been arranged various training programs under different institutions. Future plan of Human Resource Development Program includes making compensation package competitive time to time, implementing medical benefits for officials of the bank, Honorarium for JAIBB & DAIBB qualified officials, Employee House Building Investment Scheme, Implementation of Death Risk Coverage Scheme etc.

Corporate Social Responsibility

Sustainable development is a state of development that meets the needs of the present without compromising the ability of future generation to meet their own need. Corporate Social Responsibility (CSR) is an integral part of UBL culture. UBL through its various CSR programs is contributing significantly to develop socio-economic condition of Bangladesh. The Bank spent more amount as CSR expenditure in various sectors such as donation to the honorable Prime Minister's relief fund, awarding of scholarship to the needy and meritorious students and distributing winter cloth among helpless people etc. UBL spent an amount of BDT 123.48 million in education, health, disaster management, cultural welfare and others. The Management Committee critically evaluates the performance of the Bank and adopts strategic action plan to achieve various targets set by the Board of Directors.

Information Technology

UBL, as a fourth generation bank, has adopted state of the art technology to provide full-fledged centralized and secured online banking services since its inception. To operate the day to day banking activities successfully, bank uses BACH, EFT, RTGS, ATM, POS, Debit Card with Q Cash and NPSB facility, SMS banking, SWIFT and foreign remittance services along with centralized core banking software 'Ababil'. The bank has complied with all the international standards and protocols through using Demilitarized security zone and high capacity firewall devices.

Green Banking

The Bank used to emphasize on social, ethical and environmentally responsible approaches to business activities. There is a high possibility of playing significant role of Green Banking in global warming issues. Green Banking indicates endorsing environmental friendly practices and reducing carbon footprint from banking activities. The bank has already come forward for policy formulation, environmental risk rating, green financing etc. CSR activities for green events and green projects, in house environment management etc. are being considered actively. The bank has formed a strong sustainable finance unit to look after the activities related to green banking and formulated a green office guide. UBL has Green Financing products through which they are able to finance various projects which are environment friendly.

END OF THE REPORT

SECTION - XXVIII

PUBLIC ISSUE APPLICATION PROCEDURE

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account **and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their/his/her application.** No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the applications/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of **next working day** of the cut-off date;
 - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft (FDD) information against the respective applicant’s particulars.

6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde ‘~’ separator) format, the certificate(s) issued by its banker, the drafts (FDD) **and certificates** received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft (FDD) information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts (FDD) **and certificates** submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft (FDD) information. Exchanges shall verify and preserve the bankers’ certificates in their custody.
8. The applications/buy instructions shall be preserved by the Stockbrokers/Merchant Bankers up to 6 months from listing of the securities with the exchanges.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants’ BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents’ Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if they do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde ‘~’ separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde ‘~’ separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.

- c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to the respective Exchange in electronic form.
- d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, the Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer’s respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants, who are subject to penal provisions, to the Issuer’s respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign), who are subject to penal provisions, to the respective ‘Escrow’ accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer’s ‘Escrow’ account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts, inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective ‘Escrow’ accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts (FDD) submitted by NRB or Foreign applicants shall be deposited in the Issuer’s respective ‘Escrow’ accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant’s bank account (**FC account which has been debited to apply by NRB or foreign applicants**) through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers, Merchant Bankers and the exchanges shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

22. Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk. 2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

Others:

The IPO subscription money collected from investors will be remitted in following bank accounts with Union Bank Limited, Gulshan Branch, Dhaka.

SL.	Account number	Account title	Currency
For Resident Bangladeshis			
01	0021210000747	Union Bank Limited	BDT (SND)
For Non-resident Bangladeshis			
02	0029920000036	Union Bank Limited	USD
03	0029950000028	Union Bank Limited	EUR
04	0029960000029	Union Bank Limited	GBP

Application Form

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”।

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:																					
Client Code	:																					
BO ID No.	:	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				
Category of applicant	:																					
Name of the Company	:																					
Number of Shares	:																					
Total amount in Tk.	:																					
Amount in word	:																					

Signature of Applicant(s)

Signature of Authorized Officer