

ANNUAL REPORT 2019



UNION BANK LTD
SHARIAH BASED BANK

Annual Report 2019

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LETTER OF TRANSMITTAL

All Shareholders
Registrar of Joint Stock Companies & Firms
Bangladesh Bank
Bangladesh Securities and Exchange Commission

Subject: Annual Report 2019 of Union Bank Limited.

Muhtaram

Assalamu Alaikum Wa Rahmatullah,

Reference to the above, we enclose herewith the copy of Annual Report of Union Bank Limited along with audited consolidated and solo Financial Statements as on 31st December 2019. The Report includes Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity and Liquidity Statement along with notes thereon, of Union Bank Limited for the period ended 31st December 2019.

This is for your kind information and record please.

Ma-Assalam
Yours truly



Ali Hossain Bhuiyan
FAVP & Company Secretary

NOTICE OF THE 7TH ANNUAL GENERAL MEETING

Notice is hereby given that the 7th Annual General Meeting of the Members of Union Bank Limited will be held on Tuesday, 29th December 2020 at 11.00 am at Union Bank Limited, Head Office, Bahela Tower, 72, Gulshan Avenue, Gulshan-01, Dhaka-1212 in Hybrid Platform (Physical & Virtual) to transact the following business:

ORDINARY BUSINESS:

1. To confirm the Minutes of the 6th Annual General Meeting.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2019 along with the Auditors' Report and the Directors' Report thereon.
3. To approve Dividend for the year ended 31st December 2019 as recommended by the Board of Directors.
4. To elect/re-elect Directors in place of the Directors' retirement.
5. To appoint Auditor of the Company for the period until the next Annual General Meeting and to fix their remuneration.
6. Any other agenda with the permission of the Chair.

All members are requested to attend the AGM on the date, time and place as mentioned above.

By order of the Board of Directors

Sd-

Ali Hossain Bhuiyan
FAVP & Company Secretary

Date: December 08, 2020
Dhaka

NOTES:

- a. The Members (Sponsors/Shareholders) whose names appear in the Register of the Company shall attend the AGM.
- b. Any Member (Sponsor/Shareholder) of the Company entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf.
- c. The Proxy Form duly filled in and signed by the Member (Sponsor/Shareholder) and stamped, must be submitted at the Registered Office of the Company at least 48 (Forty-Eight) hours before the meeting.
- d. Members (Sponsors/Shareholders) are requested to notify the change of address, if any, well in time.
- e. The Board of Directors recommended 5% Cash & 6% stock dividend for the year ended 31st December 2019.
- f. Election of Directors shall be dealt in accordance with the provisions of the Articles of Association of the Company and the relevant rules/circulars of the regulatory authorities.
- g. Auditor appointment (as per Bangladesh Bank & Bangladesh Securities Exchange Commission regulation), existing auditor K.M. Hasan & Co., Chartered Accountants is eligible for re-appointment.
- h. For virtual meeting, ID & Password will be provided by SMS/e-mail before meeting.

CORPORATE PROFILE



REGISTERED NAME OF THE COMPANY

Union Bank Limited

LEGAL FORM

A Schedule Commercial Bank incorporated on March 7, 2013 as a Public Limited Company under the Companies Act, 1994 and Bank Companies Act, 1991.

REGISTERED OFFICE

Bahela Tower, 72, Gulshan Avenue
Gulshan-1, Dhaka-1212, Bangladesh
E-mail : info@unionbank.com.bd
web : www.unionbank.com.bd
Telephone : +88-02-222297310
SWIFT : UBLDBDDH

HEAD OFFICE

Bahela Tower, 72, Gulshan Avenue
Gulshan-1, Dhaka-1212, Bangladesh
E-mail : info@unionbank.com.bd
web : www.unionbank.com.bd
Telephone : +88-02-222297310

CERTIFICATE OF INCORPORATION NUMBER

C-107837/13, Dated: March 7, 2013

CERTIFICATE OF COMMENCEMENT OF BUSINESS NUMBER

Issue No 34637-43, Dated: March 7, 2013

BANGLADESH BANK APPROVAL NUMBER

BRPD (P3) 745(60)/2013-1153 Dated: March 10, 2013

VAT REGISTRATION NUMBER

000875584-0101

TAX PAYER'S IDENTIFICATION NUMBER

796739852073

EXTERNAL AUDITOR

K. M. Hasan & Co.
Chartered Accountants
Corporate Office:
Hometown Apartments (8th & 9th Floor)
87, New Eskaton Road
Dhaka-1000, Bangladesh

TAX CONSULTANT

K. M. Hasan & Co.
Chartered Accountants
Corporate Office:
Hometown Apartments (8th & 9th Floor)
87, New Eskaton Road
Dhaka-1000, Bangladesh

A PREMISE OF UNION BANK

- Huge demand of Islamic Banking across the country.
- This high population country's economy is growing fast and creating demand to establish a quality service oriented global banking services to the doors of the people.
- The economy of Bangladesh continues to demonstrate satisfactory & steady growth performance maintaining macroeconomic stability.
- Unlock the potentials of missing middle of the country who are beyond the coverage of corporate banking service.
- Focus on rural & microeconomic developments.
- Bring the unbanked rural people under the umbrella of banking service.
- Modern Technology based banking as well as environmental banking.

VISION

To become socially committed world class financial institution.

MISSION

- Emancipate our poor people from abject poverty by empowering them with smooth banking service.
- Be the leading provider of Islamic Shari'ah compliant banking services in Bangladesh.
- Provide fast, accurate and satisfactory customer service by maintaining corporate & business ethics and transparency at all levels.
- Ensure technology based professional banking environment with strong capital base.
- Thrust on investment facilitating banking product.

FOCAL POINTS OF FIVE (05) YEARS' STRATEGIC PLAN

- Proactive Risk Management and Governance
- Corporate Governance
- Compliance with Laws and Regulations
- Strengthening Internal Control & Compliance & Review System
- Maintaining Stakeholders Loyalty
- Constant Monitoring of Customer Service
- Optimization of Operating Cost
- Reducing Non Performing Loans
- Increasing Bad Loan Recovery
- Deposit Growth with a View to Optimizing Cost of Fund
- Lending Growth with Industry Business Segment focuses i.e. Sustainable Financing, SME Financing, Green Financing, Agriculture Financing, Women Entrepreneurship Development etc.
- Increase Profitability Aligned with Environment Friendly Sustainable Development
- Maintaining Optimum Liquidity
- Risk Appetite Statement for all Material Risks
- Reducing Service Fee
- Increasing Customer Base for Addressing Financial Inclusion
- Efficient Communication with Stakeholders
- Automation and Effective Management Information System
- Corporate Social Responsibilities (CSR) Activities of Union Bank Limited
- Human Resource Development

FINANCIAL PERFORMANCE AT A GLANCE

(Amount in million Tk.)

SL No.	Particulars	2019	2018
1	Authorized capital	10,000.00	10,000.00
2	Paid - up capital	5,272.96	5,272.96
3	Shareholder's Equity	8,450.62	7,856.16
4	Total capital (Tier - 1 + Tier - 2)	14,045.62	9,228.06
5	Statutory Reserve	1,523.47	1,227.58
6	Total Assets	180,023.95	148,583.77
7	Total Liabilities	171,573.33	140,727.61
8	Deposits	150,219.92	124,898.50
9	Total Investment and Advance	146,459.57	119,934.39
10	Total contingent Liabilities	11,573.33	9,839.28
11	Total Risk Weighted Asset	114,773.06	90,145.37
12	Total Fixed Assets	3,717.79	1,122.69
13	Operating Income	5,207.89	4,439.57
14	Operating Expenditure	2,499.99	2,110.02
15	Profit before provision & Tax	2,707.91	2,329.55
16	Profit before Tax	1,479.47	1,753.69
17	Net profit after Tax	594.47	953.66
18	Foreign Exchange Business:		
	a) Import Business	17,082.00	19,852.00
	b) Export Business	50,715.00	45,120.00
	c) Remittance	1,923.00	1,640.00
19	No. of Foreign Correspondent	142	141
20	Profit Earning Assets	159,022.36	132,907.49
21	Non profit Earning Assets	21,001.59	15,676.28
SL No.	Particulars	2019	2018
22	Investment Deposit Ratio (in %)	92.48%	92.96%
23	Capital To Risk Weighted Assets Ratio (CRAR)	12.24%	10.24%
24	Dividend:		
	a) Cash		
	b) Bonus		
	c) Right Share		
25	Cost of Fund	11.08%	10.31%
26	Net asset value per share		
27	Earning per share (EPS)	1.13	1.81
28	Price Earnings Ratio (times)		
29	Return on Assets (ROA)	0.36%	0.68%
30	No. of shareholders		
31	Number of Employees	1,580	1,477
32	Number of Branches	87	77

SHAREHOLDERS' INFORMATION

Union Bank Limited
Details of Capital Fund
As on 31 December 2019

Tk. in Crore

Regulatory Capital Requirement in line with Basel-III	2019	2018
I. Tier - 1 Capital		
a. Common Equity Tier-1 Capital (CET-1)		
Paid up Capital	527.30	527.30
Statutory Reserve	152.35	122.76
Other Reserve	14.57	14.57
Retained Earnings	150.84	120.99
	845.06	785.62
b. Additional Tier –1 Capital (AT-1)	0.00	0.00
	0.00	0.00
Total Tier 1 Capital (a + b)	845.06	785.62
II. Tier –2 Capital		
General Provision	159.50	137.19
Mudaraba Subordinated Bond	400.00	0.00
	559.50	137.19
A. Total Regulatory Capital (I+II)	1404.56	922.81
B. Total Risk Weighted Assets	11477.31	9014.54
C. Minimum Capital Requirement	1147.73	901.45
D. Capital Surplus/(Shortfall)....(A - C)	256.83	21.35
Capital to Risk Weighted Assets Ratio (CRAR)	12.24%	10.24%
Capital to Risk Weighted Assets Ratio (CRAR):	Held	Held
a. Common Equity Tier-1 Capital to Risk Weighted Assets	7.36%	8.71%
b. Tier - 1 Capital to Risk Weighted Assets	7.36%	8.71%
c. Tier - 2 Capital to Risk Weighted Assets	4.88%	1.53%
Total (b+c)	12.24%	10.24%

***DIRECTORS
&
MANAGEMENT
INFORMATION***



BOARD OF DIRECTORS' PROFILE



Mr. 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 SS Power I Limited and 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.



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 of Board of Directors of First Security Islamic Bank Limited (FSIBL).

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 PhD 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.



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 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 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 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 Praktik 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.



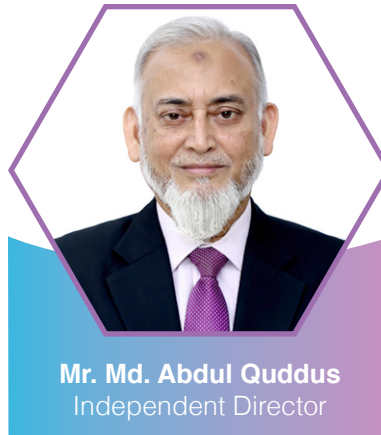
Mr. Mohammad Fazlay Morshed is a dynamic business person who hails from a renowned Muslim family. He completed B.Com. in his educational life. Mr. Morshed has an expertise in the field of trading specially importing commodities. He is the Managing Director of MRM Trading Limited, Chattogram Logistic 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 travelled 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 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.



Ms. Sarwar Jahan Maleque was born in Chattogram in a Muslim noble family. She has an experience of running business for the last 22 years. She is one of the Directors of JESCO Bangladesh Limited and the Vice-Chairman of JESCO Capital Management Limited. She has expertise in the field of Financing.



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.



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 Graduate, 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.

SPONSORS/SHAREHOLDERS

(As on November 30, 2020)

- | | |
|--|--|
| <p>1. Unique Investment & Securities Ltd.
Represented by Mr. Ahsanul Alam</p> <p>2. Reliable Entrepreneurs Ltd.
Represented by Mr. Mollah Fazle Akbar</p> <p>3. Mr. Shahidul Alam</p> <p>4. Mr. Hussain Muhammad Ershad</p> <p>5. Ms. Farzana Parveen</p> <p>6. Ms. Marzina Sharmin</p> <p>7. Mr. Belal Ahmed</p> <p>8. Mr. Mortuza Siddique Chowdhury</p> <p>9. Lion Securities & Investment Ltd.
Represented by Ms. Halima Begum</p> <p>10. Mr. Md. Arshed</p> <p>11. C&A Fabrics Ltd.
Represented by Mr. Mohammad Fazlay Morshed</p> | <p>12. Ms. Shahana Ferdous</p> <p>13. C&A Accessories Ltd.</p> <p>14. Mr. Morsalin Islam Shouradip</p> <p>15. Western Designer Ltd.
Represented by Mr. Md. Rashedul Alam</p> <p>16. Ocean Resorts Ltd.
Represented by Mr. Showkat Hossain, FCA</p> <p>17. Mr. Arif Ahmed</p> <p>18. Mr. Mohammad Mostan Billah Adil</p> <p>19. Ms. Sarwar Jahan Maleque</p> <p>20. Mr. Ashik Ahmed</p> <p>21. Ms. Farzana Begum</p> <p>22. Dr. Mehe Zebunnesa Rahman</p> <p>23. Mr. Ziauddin Ahmed</p> |
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COMMITTEES

(As on November 30, 2020)

EXECUTIVE COMMITTEE	
Mr. Ahsanul Alam	Chairman
Mr. Mollah Fazle Akbar	Member
Ms. Marzina Sharmin	Member
Mr. Md. Rashedul Alam	Member
AUDIT COMMITTEE	
Mr. Showkat Hossain, FCA	Chairman
Ms. Farzana Begum	Member
Mr. Mohammad Fazlay Morshed	Member
Mr. Md. Abdul Quddus	Member
RISK MANAGEMENT COMMITTEE	
Mr. Md. Abdul Quddus	Chairman
Mr. Md. Rashedul Alam	Member
Ms. Halima Begum	Member
SHARI'AH SUPERVISORY COMMITTEE	
Mr. Professor Md. Mozahidul Islam Chowdhury	Chairman
Mr. Mufti Mohammad Muhibbullahil Baqee	Member Secretary
Mr. Zubair Mohammad Ehsanul Hoque	Member
Mr. Aa. Kha. Ma Abu Bakar Siddiq	Member
Mr. Professor Dr. A. M. Kazi Mohammad Harun ur Rashid	Member
Mr. Dr. H.M. Shahidul Islam Barakaty	Member
Mr. Dr. Md. Ruhul Amin Rabbani	Member
Mr. Mohammed Shoaib Uddin	Member
Mr. Mohammad Harunar Rashid	Member
EMPLOYEE PROVIDENT FUND TRUSTY BOARD	
Mr. A.B.M Mokammel Hoque Chowdhury	Chairman
Mr. Md. Mainul Islam Chowdhury	Vice-Chairman
Mr. Md. Ruhul Amin	Member Secretary
Mr. Mohammad Kalam Hossain	Member
Members from Board of Directors	
Mr. Ahsanul Alam	Member
Mr. Showkat Hossain, FCA	Member
Mr. Md. Abdul Quddus	Member

TOP MANAGEMENT & DIVISIONAL HEADS





MANAGEMENT TEAM

(As on November 30, 2020)

Sl #	Employee Name	Designation	Place of Posting
1	Mr. A.B.M Mokammel Hoque Chowdhury	Managing Director	Head Office
2	Mr. Syed Abdullah Mohammed Saleh	Consultant	Head Office
3	Mr. Hasan Iqbal	DMD	Head Office
4	Mr. Md. Nazrul Islam	DMD	Head Office
5	Mr. Md. Golam Mostafa	SEVP	Head Office
6	Mr. Shah Md. Mahtubuddin Al-Mamun	SEVP	Manager, Gulshan Branch, Dhaka
7	Mr. Md. Mainul Islam Chowdhury	EVP	Head, HRD & GSD, Head Office
8	Mr. Md. Azadur Rahman	EVP	Head, Investment Division, Head Office
9	Mr. Md. Abdul Kader	EVP	Manager, Panthapath Branch, Dhaka
10	Mr. Md. Munirul Islam	SVP	Manager, Hatkhola Branch, Dhaka

Sl #	Employee Name	Designation	Place of Posting
11	Mr. Md. Idris Ali	SVP	Head, AML & CFT Division, Head Office
12	Mr. Md. Kabirul Hasan	SVP	Manager, Dhanmondi Branch, Dhaka
13	Mr. Saiful Momin	SVP	Head, ICT Division, Head Office
14	Mr. Gazi Mahmud Hassan	VP	Head, International Division, Head Office
15	Mr. Mansoor Ahmed	VP	In-Charge, IAD & BOCD, Head Office
16	Mr. Md. Arfan Ali	VP	Manager, O.R Nizam Road Branch, Chattogram
17	Mr. Abdus Samad Shaheen	VP	In-Charge, Compliance Unit, IC&CD, Head Office
18	Mr. Enamul Elahi	VP	Manager, Banani Branch, Dhaka
19	Mr. Md. Nasir Uddin Talukder	VP	In- Charge, IMRD, Head Office
20	Mr. Badiul Alam	VP	Head, Audit Unit, IC & CD, Head Office
21	Mr. Muhammed Didarul Alam	VP	In-Charge, Treasury Division, Head Office
22	Mr. Mohammad Sirajul Kabir	VP	Manager, Agrabad Branch, Chattogram
23	Mr. A. N. M. Sadan Jahan	VP	Manager, Mirpur Branch, Dhaka
24	Mr. Khaled Mahmud	VP	Manager, Islampur Branch, Dhaka
25	Mr. Md. Rofiqul Islam	VP	In-Charge, RMG & TFD, Head Office
26	Mr. Chowdhury S M Atiqur Rahman Hyder	VP	Manager, D.T. Road Eidgah Branch, Chattogram
27	Mr. Riyadh Mohammad Chowdhury	VP	Manager, Jubilee Road Branch, Chattogram
28	Mr. Md. Ahsanullah	SAVP	Manager, Talshahor Branch, B-Baria
29	Mr. Niaz Mohammed Khan	SAVP	Manager, Jamuna Future Park Branch, Dhaka
30	Mr. Mohammad Rubel Alam Khan	SAVP	Manager, Mymensingh Branch, Mymensingh
31	Mr. Humayun Kabir	SAVP	Manager, Zindabazar Branch, Sylhet
32	Mr. Khan Md. Abu Muhit	SAVP	Manager, Khulna Branch, Khulna
33	Mr. Syed Fazle Elahi	SAVP	Manager, Cumilla Branch, Cumilla
34	Mr. Mohammad Mafidul Haque	SAVP	HRD, Head Office
35	Mr. Md. Abul Kalam	SAVP	GSD, Head Office
36	Mr. Abdul Kayum	SAVP	Manager, Muradpur Branch, Chattogram
37	Mr. Md. Ruhul Amin	SAVP	CFO, Head Office
38	Mr. Iskandar Parvez	SAVP	International Division, Head Office
39	Mr. Sajjad Karim	SAVP	Manager, Laldighi Branch, Chattogram
40	Mr. M. Rezaul Karim	SAVP	Manager, Khatungonj Branch, Chattogram
41	Mr. Mohammad Farhad	SAVP	MD's Secretariat, Head Office
42	Mr. Shah Md. Mustafizur Rahman	SAVP	BACH, Treasury Division, Head Office
43	Mr. Mohammad Moniruzzaman	SAVP	Manager, Ashulia Branch, Dhaka
44	Mr. Md. Shahidul Islam	AVP	Manager, Bogura Branch, Bogura
45	Mr. Golam Sarwarul Hoque	AVP	Manager Operation, Agrabad Branch, Chattogram
46	Mr. Md. Hedayet Ullah	AVP	In-Charge, Training Institute, Head Office
47	Mr. M.Q.M Obaidullah	AVP	GSD, Head Office
48	Mr. Md. Shariful Alam Mondal	AVP	Investment Division, Head Office

Sl #	Employee Name	Designation	Place of Posting
49	Ms. Rubyat Ara	AVP	International Division, Head Office
50	Mr. Maheenuul Aziz	AVP	CTOU, ID, Head Office
51	Mr. Mohammad Abdul Aziz	AVP	Manager, Cox's Bazar Branch, Cox's Bazar
52	Mr. Mizanur Rahman	AVP	Manager, Shantirhat Branch, Chattogram
53	Mr. Md. Mamnur Rashid	AVP	BOCD, Head Office
54	Mr. Mohammad Khaled Hossain	AVP	Manager, Uttara Branch, Dhaka
55	Mr. Kayes Mahmud	AVP	IMRD, Head Office
56	Mr. Md. Nandit Rahman Tazvi	AVP	Manager, Hemayetpur Branch, Savar, Dhaka
57	Mr. Golam Sarowor	AVP	Manager Operation, Dhanmondi Branch, Dhaka
58	Mr. M M Mazharul Islam	AVP	Manager, Narayanganj Branch, Narayanganj
59	Mr. Mohammad Shamim Ahmed Akan	AVP	Manager, Panchaboti Branch, Narayanganj
60	Mr. Mohammad Nurul Amin	AVP	Manager, Feni Branch, Feni
61	Mr. Mohammad Manir Hossain	AVP	Manager, Lalmai Branch, Cumilla
62	Mr. Mohammad Salequr Rahman	AVP	Manager, Borodighirpar Branch, Chattogram
63	Mr. Md. Monsur Ahmed	AVP	Manager, Nawabpur Road Branch, Dhaka
64	Mr. Mohammed Zahirul Alam	AVP	Manager Operation, Khatungonj Branch, Chattogram
65	Mr. Md. Amiruzzaman	AVP	Manager, Dinajpur Branch, Dinajpur
66	Mr. Mohammad Nazrul Islam Moonce	AVP	Manager, Dilkusha Branch, Dhaka
67	Mr. Abdul Maleque	AVP	Manager Operation, Dilkusha Branch, Dhaka
68	Mr. Kabm Wahid Iqbal Sumi	AVP	Manager Operation, Banani Branch, Dhaka
69	Mr. Md. Golam Sarwar Jahan	AVP	Manager, Chapai Nawabganj Branch, Chapai Nawabganj
70	Mr. Anis Ahmed	AVP	Manager, Ashkona Bazar Branch, Dhaka
71	Mr. Mohammad Salah Uddin, ACS	AVP	In-Charge, RMD & Centralized MIS Cell, Head Office
72	Mr. Md. Mizanur Rahman	AVP	Manager, Tajmahal Road Branch, Mohammadpur, Dhaka
73	Mr. Mofazzal Haider	AVP	Investment Division, Head Office
74	Mr. Hafez Anwar Hossain	FAVP	Manager, Gazipur Chowrasta Branch, Gazipur
75	Mr. Abu Kawser	FAVP	Manager, Bazar Hasnabad Branch, Narsingdi
76	Mr. S. M. Fakhruddin Omar	FAVP	Manager, Keranigonj Branch, Dhaka
77	Mr. Mohammed Abdul Kader Bhuyan	FAVP	Manager, Ati Bazar Branch, Dhaka
78	Mr. A. K. M. Zahiruddin Iqbal Chowdhury	FAVP	In-Charge, PRD, Head Office
79	Mr. Md. Hafizur Rahman	FAVP	Manager, Pabna Branch, Pabna
80	Mr. Md. Shariful Islam	FAVP	Manager, Banskhal (Chandpur) Branch, Chattogram
81	Mr. Md. Hafigur Rahman	FAVP	Manager, Ataikula Branch, Pabna
82	Mr. Md. Shahriar Rauf	FAVP	In-Charge, Corporate Affairs & Branding Division, Head Office
83	Mr. Syed Abdullah Al Masum	FAVP	Manager, Raozan Branch, Chattogram
84	Mr. Kazi Reza Shahinoor Alam	FAVP	Manager, Rangpur Branch, Rangpur
85	Mr. Syed Mizanur Rahman	FAVP	Manager, Tangail Branch, Tangail
86	Mr. Mohammad Ali Hossain Bhuiyan	FAVP	Company Secretary, Head Office

Sl #	Employee Name	Designation	Place of Posting
87	Mr. Md. Nizam Uddin	FAVP	Manager, Madhabdi Branch, Narsingdi
88	Mr. Md. Alamgir Majumder	FAVP	Manager, Khilpara Branch, Chatkhil, Noakhali
89	Mr. Md. Kamrul Islam	FAVP	Manager, Patiya Branch, Chattogram
90	Mr. Md. Babor Ali	FAVP	Manager, Jashore Branch, Jashore
91	Mr. Mohammad Solayman	FAVP	Manager, Kanchan Branch, Narayangonj
92	Mr. A. B. M. Mokarram Mahmud	FAVP	Manager, Rajshahi Branch, Rajshahi
93	Mr. Md. Mizanur Rahman	FAVP	Manager, Barlekha Branch, Moulvibazar
94	Mr. Md. Rafiqul Islam Islamabadi	FAVP	Manager, Sarkarhat Branch, Chattogram
95	Mr. Mohammad Hossain	FAVP	Manager, Dewan Bazar Branch, Chattogram
96	Mr. Md. Shah Alam	FAVP	Manager, Mawna Branch, Gazipur
97	Mr. Chowdhury Md. Arfanul Hoque Hakkani	FAVP	Manager, Keranihat Branch, Chattogram
98	Mr. Md. Rafiqul Islam	FAVP	Manager, Bonpara Branch, Natore
99	Mr. Md. Alamgir Mian	FAVP	Manager, Miarbazar Branch, Chandpur
100	Mr. Mohammed Yakub Ali	FAVP	Manager, Bandartila Branch, Chattogram
101	Mr. Md. Salim Ahmed	FAVP	Manager, Moulvibazar Branch, Moulvibazar
102	Mr. Mohammad Akramul Hoque	FAVP	Manager, Fatikchari Branch, Chattogram
103	Mr. Tanvir Ahmed Chowdhury	FAVP	Manager, Kumira Branch, Chattogram
104	Mr. Md. Rezaul Karim	FAVP	Manager, Tongi Branch, Gazipur

মাননীয় চেয়ারম্যানের বাণী

“

স্বিতিশীল ও টেকসই অর্থনৈতিক প্রবৃদ্ধির লক্ষ্যে আর্থিক প্রতিষ্ঠানগুলোকে তৃষ্ণা করতে এবং বৈশ্বিক অর্থনীতির ঝুঁকিগুলো কমাতে জরুরী ও বাস্তবসম্মত নীতি গ্রহণ করতে হবে।

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বিস্মিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারবৃন্দ

আস্‌সালামু আলাইকুম ওয়া রাহ্‌মাতুল্লাহ্,

ইউনিয়ন ব্যাংক লিমিটেড এর ৭ম বার্ষিক সাধারণ সভায় আপনাদের স্বাগতম। আমি অত্যন্ত আনন্দিত ও রোমাঞ্চিত কারণ পরিচালনা পর্ষদের চেয়ারম্যান হিসেবে এটি আমার প্রথম বার্ষিক সাধারণ সভা। বছরব্যাপী অকুণ্ঠ সমর্থন প্রদানের জন্য আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দ, কর্মকর্তা, গ্রাহক ও শুভানুধ্যায়ীদের প্রতি আমার অশেষ কৃতজ্ঞতা জ্ঞাপন করছি। ২০১৩ সাল থেকে চতুর্থ প্রজন্মের ব্যাংকিং ব্রান্ড হিসেবে আরো একটি সফলতম বছর অতিবাহিত করা, ইউনিয়ন ব্যাংক লিমিটেড এর জন্য একটি বড় অর্জন। আমাদের গতিশীল দক্ষ মানব সম্পদ এবং তাদের কঠোর পরিশ্রমের মাধ্যমে চলমান ব্যবসায়িক অগ্রগতির এই ধারা বজায় রাখা সম্ভব হয়েছে। ৩১ ডিসেম্বর ২০১৯ সমাপ্ত বছরের ব্যাংকের পরিচালক মন্ডলীর প্রতিবেদন ও বার্ষিক প্রতিবেদনসহ ব্যাংকের সার্বিক কার্যক্রমের চিত্র আপনাদের সামনে উপস্থাপন করার সুযোগ পেয়ে আমি অত্যন্ত সম্মানিত বোধ করছি।

২০১৯ সালব্যাপী, বিশ্ব বাণিজ্য সংস্থার বিরোধ নিষ্পত্তি ব্যবস্থার অধীনে উত্থাপিত বিরোধের সংখ্যা ব্যাপক বৃদ্ধির সহিত বিশ্বের বৃহত্তম অর্থনৈতিক শক্তির মধ্যে বাণিজ্য উত্তেজনা উল্লেখযোগ্য হারে বৃদ্ধি পেয়েছিল। আমদানি শুল্ক বাড়ানোর জন্য মার্কিন যুক্তরাষ্ট্রের পদক্ষেপগুলি অস্থিতিশীল পরিস্থিতির সূত্রপাত করেছে। বিশ্ব বাণিজ্যের প্রবৃদ্ধি গতি হারিয়েছে, যদিও প্রণোদনার ব্যবস্থা এবং প্রত্যক্ষ ভর্তুকিগুলোর সাহায্যে এ পর্যন্ত চীন এবং মার্কিন যুক্তরাষ্ট্রের প্রত্যক্ষ নেতিবাচক প্রভাবগুলি অনেকটাই কাটিয়ে উঠেছে। বিশ্বের বৃহত্তম অর্থনীতিগুলির মধ্যে বর্ধিত উত্তেজনা এবং অতিরিক্ত শুল্কের দীর্ঘ প্রভাব বিশ্ব বাণিজ্যের গতি প্রকৃতিতে যথেষ্ট ঝুঁকি তৈরি করেছে। বিশ্ব অর্থনীতির উপর ইহার প্রভাব তাৎপর্যপূর্ণ হতে পারে: বিনিয়োগের মন্দা, অধিক খুচরা মূল্য এবং ব্যবসায়ের আস্থা হ্রাস দেখা দিতে পারে। এটি বিশ্বব্যাপী ভেলু চেইনে বিশেষত চীন এবং মার্কিন যুক্তরাষ্ট্রের মাঝে বাণিজ্যের সরবরাহ চেইনে গভীরভাবে সম্পৃক্ত থাকা পূর্ব এশিয়ার অর্থনীতিগুলোর রফতানিকারীদের জন্য মারাত্মক ব্যাঘাত ঘটবে। চীন এবং মার্কিন যুক্তরাষ্ট্রে ধীর প্রবৃদ্ধির কারণে পণ্যের চাহিদা হ্রাস পেতে পারে যার ফলে আফ্রিকা এবং লাতিন আমেরিকার পণ্য-রফতানিকারীদের সমস্যার সম্মুখীন হতে হবে। বিশেষভাবে কিছু উদীয়মান অর্থনীতিতে বাণিজ্যের বিরোধগুলি আর্থিক ভঙ্গুরতাকে তীব্রতর করে তুলতে পারে এমন একটি ঝুঁকি তৈরি হয়েছে। কঠোর আর্থিক শর্তারোপ এবং উচ্চ ঋণ সার্ভিসিং ব্যয়ের সাথে আমদানির ব্যয় বাড়ানো মুনাফাকে হ্রাস করতে পারে এবং নির্দিষ্ট কিছু শিল্পে ঋণ সংকটের কারণ হতে পারে।

বৈশ্বিক বাণিজ্য উত্তেজনার উৎফলন ও প্রশমন এর মাঝে পণ্য স্থানান্তরের সময় ও শুল্ক বৃদ্ধির কারণে নীতি প্রণয়নে অনিশ্চয়তা তৈরি হয়েছে, উল্লেখযোগ্যহারে বিনিয়োগের পরিমাণ কমে গিয়েছে এবং যার ফলে বৈশ্বিক বাণিজ্য প্রবৃদ্ধি ২০১৯ সালে এসে ০.৩০ শতাংশ কমে গিয়েছে যা গত এক দশকের মধ্যে সর্বনিম্ন। যুক্তরাষ্ট্র এবং চীনের মাঝে দ্বিপাক্ষিক বাণিজ্যে সংকট সৃষ্টির পাশাপাশি আন্তর্জাতিক সরবরাহ চেইন এ বেশ সমস্যার সৃষ্টি হয়েছে। বৈশ্বিক ইন্সট্রুমেন্ট এবং অটোমোবাইল খাতগুলো বিশেষ করে যাদের বিভিন্ন দেশে উৎপাদন কারখানা রয়েছে তাদেরকে বেশ কঠিন মন্ডার মুখোমুখি হতে হচ্ছে। অথচ যেসকল দেশ শুল্ক বৃদ্ধির কারণে সরাসরি প্রভাবিত হয়নি সেসব দেশ বিনিয়োগের মাধ্যমে বৈশ্বিক রপ্তানী বাজারে নিজেদের হিস্যা বৃদ্ধির দ্বারা কিছু দেশ লাভবান হয়েছে। এদিকে বেশিরভাগ স্বল্পোন্নত দেশগুলোর (এলডিসি) অনেকেই যাদের বৈশ্বিক বাণিজ্যের নেটওয়ার্ক সুসংহত নয় তারা বাণিজ্য বিরোধের কারণে অপেক্ষাকৃত অপরিবর্তিত রয়েছে। ঐসব দেশগুলোর জিডিপির হার ২০১৯ সালে বৃদ্ধি পায়।

স্থিতিশীল ও টেকসই অর্থনৈতিক প্রবৃদ্ধির লক্ষ্যে আর্থিক প্রতিষ্ঠানগুলোকে রক্ষা করতে এবং বৈশ্বিক অর্থনীতির ঝুঁকিগুলো কমাতে জরুরী ও বাস্তবসম্মত নীতি গ্রহণ করতে হবে। টেকসই উন্নয়নের জন্য ২০৩০ সালের সাসটেইনেবল ডেভলপমেন্ট এজেন্ডার উদ্দেশ্যগুলো পূরণের জন্য একটি গতিশীল বৈশ্বিক অর্থনীতি অনেক গুরুত্বপূর্ণ। আর্থিক ভঙ্গুরতা এবং বাণিজ্য বিরোধ বৃদ্ধি হতে উদ্ভূত স্বল্পমেয়াদী ঝুঁকিগুলো নিরসন করতে নীতি নির্ধারকদের কাজ করে যেতে হবে। এর পাশাপাশি আর্থিক, সামাজিক এবং পরিবেশগত লক্ষ্য অর্জনে দীর্ঘমেয়াদী উন্নয়নমূলক পরিকল্পনা প্রণয়নে কাজ করতে হবে। কার্যকর নীতি গ্রহণ করার সময় জলবায়ু পরিবর্তন মোকাবেলা, টেকসই অর্থায়ন, টেকসই উৎপাদন ও ব্যবহার এবং অসমতা নিরসনসহ মৌলিক ক্ষেত্রগুলোতে বহুপাক্ষিক, সহযোগিতামূলক ও বৈশ্বিক নীতিনির্ধারণে দীর্ঘমেয়াদী পদক্ষেপের উপর নজর দিতে হবে। এর জন্য একটি অধিক অংশগ্রহণমূলক, নমনীয় এবং ক্রিয়াশীল বহুপাক্ষিক ব্যবস্থার সমাবেশ ঘটতে হবে।

বাংলাদেশ টেকসই অর্থনৈতিক প্রবৃদ্ধি বজায় রাখতে সমর্থ হয়েছে এবং গত দশক ধরে গড়ে ৬ শতাংশ এর বেশি জিডিপি প্রবৃদ্ধি অর্জন করে আসছে। বাংলাদেশ পরিসংখ্যান ব্যুরোর প্রোভিশনাল তথ্যমতে ২০১৮-১৯ অর্থবছরে জিডিপি প্রবৃদ্ধি ছিল ৮.১৩ শতাংশ যা ২০১৭-১৮ অর্থবছরে ৭.৮৬ শতাংশ এর চেয়ে সন্তোষজনক। ২০১৮-২০১৯ অর্থবছরে জাতীয় মাথাপিছু আয় ১৫২ মার্কিন ডলার বেড়ে দাঁড়িয়েছে ১,৯০৯ মার্কিন ডলার। পূর্বের অর্থবছরের তুলনায় ২০১৮-২০১৯ অর্থবছরে জিডিপি ০.২৭ শতাংশ বেড়ে দাঁড়িয়েছে ২৫,৩৬,১৭৭ কোটি টাকা। ২০১৮-১৯ অর্থবছরে মাথাপিছু জিডিপি বৃদ্ধি পেয়ে দাঁড়িয়েছে ১,৫৩,১৯৭ টাকা যা পূর্বের অর্থবছরে ছিল ১,৩৭,৫১৮ টাকা। পূর্বের অর্থবছরের তুলনায় ২০১৮-১৯ অর্থবছরে সরকারী ও বেসরকারী বিনিয়োগ বৃদ্ধি পেয়েছে যা ছিল জিডিপির ৩১.৫৬ শতাংশ যেখানে সরকারী বিনিয়োগ ছিল জিডিপির ৮.১৭ শতাংশ এবং বেসরকারী বিনিয়োগ জিডিপির ২৩.৪০ শতাংশ।

বিভিন্ন জাতীয় ও আন্তর্জাতিক বিরূপ পরিস্থিতি সত্ত্বেও রপ্তানি বৃদ্ধি ও সর্বাধিক রেমিটেন্স প্রবাহের কারণে ২০১৮-১৯ অর্থবছরে বাংলাদেশ তার অর্থনৈতিক উন্নয়ন এবং উচ্চ প্রবৃদ্ধির ধারা বজায় রাখতে সমর্থ হয়েছে। ২০১৮-১৯ অর্থবছরে রেমিটেন্স ৯.৮০ শতাংশ বৃদ্ধি পেয়ে সর্বাধিক ১৬.৪০ বিলিয়ন মার্কিন ডলারে পৌঁছেছে। চীন থেকে পোষাক রপ্তানি আদেশের পরিবর্তিত গতিপথ এবং আমদানি হ্রাসের কারণে মোট রপ্তানি প্রবৃদ্ধির অবদান ছিল ধনাত্মক। তৈরী পোষাক খাত বহির্ভূত রপ্তানি প্রবৃদ্ধিতে কৃষি ও ওষুধ এর অবদান অনস্বীকার্য। ২০১৮-২০১৯ অর্থবছরে রপ্তানী ১০.১০ শতাংশ বেড়ে দাঁড়িয়েছে ৩৯,৯৪৫ মিলিয়ন মার্কিন ডলার যা ২০১৭-১৮ অর্থবছরে ছিল ৩৬,২৮৫ মিলিয়ন মার্কিন ডলার। একই সময়ে আমদানির জন্য পরিশোধ করতে হয়েছে ৫৯,৯১৪.৭০ মিলিয়ন মার্কিন ডলার যা ২০১৭-১৮ অর্থবছরের চেয়ে ১.৮০ শতাংশ বেশি। ২০১৮-১৯ অর্থবছরে মোট বিদেশী বিনিয়োগ (এফডিআই) ৩৮.৬০ শতাংশ বৃদ্ধি পেয়ে দাঁড়িয়েছে ২৬,৩৫০ মিলিয়ন মার্কিন ডলার।

প্রবৃদ্ধির লক্ষ্য অর্জন করতে হলে বাংলাদেশের জন্য অধিক উৎপাদনশীল অর্থনীতি দরকার হবে। উচ্চ স্তরের দক্ষতার জন্য শ্রম বাজারের চাহিদা এবং দ্রুত বর্ধনশীল প্রযুক্তিগত অগ্রগতির সাথে সম্পর্কিত মানব সম্পদ উন্নয়ন গুরুত্বপূর্ণ ভূমিকা পালন করবে। প্রতি বছর প্রায় ২০ লক্ষ তরুণ-তরুণী শ্রম বাজারে প্রবেশ করছে তাদের জন্য মানসম্পন্ন চাকুরী বাজার তৈরী করা দরকার। বর্ধনশীল শ্রমের সুবিধা আদায় করতে হলে, মানব সম্পদ উন্নয়নে বিনিয়োগ করা আবশ্যিক। একটি প্রতিযোগিতামূলক কর্মীবাহিনী তৈরীর জন্য শিক্ষা এবং তথ্য প্রযুক্তিতে বিনিয়োগ করা দরকার। বর্ধনশীল অর্থনীতির দেশ হিসেবে নীতিনির্ধারকদের উচিত বেসরকারি বিনিয়োগকে উৎসাহিত করা। জমি, বিদ্যুৎ ও গ্যাসের প্রাচুর্যতা তৈরী হলে শিল্প স্থাপনে বাংলাদেশ একটি আকর্ষণীয় গন্তব্য হতে পারে কিন্তু এগুলোর প্রাচুর্যতা তৈরী করাও একটি জটিল কাজ। একবিংশ শতাব্দীর প্রথম দশকের মাঝামাঝি থেকে, মোট দেশজ উৎপাদন গড়ে প্রতি বছর ৪%-৬% হারে বৃদ্ধি পেয়েছে। বাংলাদেশ ২০২১ সালের মধ্যে উচ্চ মধ্যম আয়ের দেশের মর্যাদা অর্জনের লক্ষ্যে কাজ করে যাচ্ছে, ঐ একই বছরে বাংলাদেশ স্বাধীনতার ৫০তম বর্ষে পদার্পন করবে।

২০১৩ সালে যাত্রা শুরুর পর থেকে চতুর্থ প্রজন্মের ব্যাংকগুলোর মধ্যে ইউনিয়ন ব্যাংক লিমিটেড তার শীর্ষ অবস্থান বজায় রেখেছে। ব্যাংকের লক্ষ্য ও উদ্দেশ্য কে সামনে রেখে দীর্ঘমেয়াদী উন্নয়ন পরিকল্পনা গড়ে তোলার মাধ্যমে আমরা সফলতার অষ্টম বছরে পদার্পন করেছি। প্রবল প্রতিযোগিতা ও প্রতিকূলতা সত্ত্বেও, অন্যান্য বছরগুলোর মত ২০১৯ সালেও আমরা প্রবৃদ্ধির ধারা অব্যাহত রেখেছি। ২০১৯ সাল শেষে

মোট আমানতের পরিমাণ দাঁড়িয়েছে ১,৫০,২১৯.৯২ মিলিয়ন টাকা যা গত বছরের ১,২৪,৮৯৮.৫০ মিলিয়ন টাকার চেয়ে ২০.২৭ শতাংশ বেশি। অপরদিকে ২০১৯ সালে বিনিয়োগ ২২.১১ শতাংশ বৃদ্ধি পেয়ে ১,৪৬,৪৫৯.৫৭ মিলিয়ন দাঁড়িয়েছে যা গত বছর ছিল ১,১৯,৯৩৪.৩৯ মিলিয়ন টাকা। আমাদের ব্যাংক এই বছরে রপ্তানী ও আমদানির ক্ষেত্রে বেশ ভালো প্রবৃদ্ধি করেছে। ২০১৯ সালে ব্যাংকের মোট আমদানির পরিমাণ দাঁড়ায় ১৭,০৮২ মিলিয়ন টাকা এবং রপ্তানীর পরিমাণ ৫০,৭১৫ মিলিয়ন টাকা যাতে করে ব্যাংকের মোট আমদানি-রপ্তানি ব্যবসার প্রবৃদ্ধি এই বছরে ৪.০০% বৃদ্ধি পায়। এ বছর ইউনিয়ন ব্যাংক লিমিটেড ২,৭০৭.৯০ মিলিয়ন টাকা করপূর্ব মুনাফা অর্জন করেছে যা গত বছরের ২,৩২৯.৫৫ মিলিয়ন টাকার তুলনায় ২.৪৯ শতাংশ বেশি।

অত্যাধুনিক ব্যাংকিং প্রযুক্তি এবং নতুন নতুন শারী'আহ ভিত্তিক পণ্য অন্তর্ভুক্তির মাধ্যমে কর্পোরেট ও ব্যবসায়িক নীতি এবং স্বচ্ছতা বজায় রেখে উচ্চমানের গ্রাহক সেবা প্রদানের অভিপ্রায় নিয়ে ইউনিয়ন ব্যাংক লিমিটেড দেশের বিভিন্ন প্রান্তে বিশাল নেটওয়ার্ক তৈরী করেছে। ২০১৯ সালে শহর ও পল্লী অঞ্চলে মোট ১০ টি নতুন শাখা স্থাপন করার মাধ্যমে মোট শাখার সংখ্যা দাঁড়িয়েছে ৮৭টি যেগুলো ব্যাংকের লক্ষ্য বাস্তবায়নে সন্তোষজনক গ্রাহক সেবা প্রদান করেছে। আমরা দেশের বিভিন্ন গুরুত্বপূর্ণ জায়গায় নতুন নতুন এটিএম বুথ স্থাপন করছি। উন্নতমানের সেবা প্রদানের লক্ষ্যে ইউনিয়ন ব্যাংক লিমিটেড ABABIL নামক ব্যাংকিং সফটওয়্যার এর সহায়তায় ইহার প্রক্রিয়া এবং কার্যক্রমের উন্নতি ঘটিয়েছে। যা ব্যাংকের সার্বিক কার্যক্রমের সক্ষমতা বৃদ্ধি করবে, সময় কমিয়ে আনবে, গ্রাহক সেবা ত্বরান্বিত করবে এবং এর মাধ্যমে প্রতিষ্ঠানের খরচ হ্রাস পাবে। বিদেশে অবস্থানরত আমাদের বাংলাদেশী নাগরিকেরা তাদের কষ্টার্জিত অর্থ যেন সহজে তাদের পরিবারের নিকট প্রেরণ করতে পারে সে জন্য আমরা বিভিন্ন রেমিট্যান্স প্রেরণকারী নতুন নতুন মানি এক্সচেঞ্জ হাউজের সাথে চুক্তি করে যাচ্ছি। ব্যাংকের কর্মীদের দিক নির্দেশনা প্রদান করতে আচরণবিধি প্রবর্তন করা হয়েছে। আর্থিক প্রতিষ্ঠান হিসেবে সর্বোচ্চ মান যেমন নীতি, শিষ্টাচার, সততা, শৃঙ্খলা ও পেশাদারিত্ব বজায় রেখে কার্যক্রম পরিচালনা করতে ইউনিয়ন ব্যাংক লিমিটেড সর্বদা সচেষ্ট। এছাড়া ইউনিয়ন ব্যাংক লিমিটেড এর নিজস্ব ট্রেনিং ইনস্টিটিউট থাকায় ব্যাংকের কর্মীদের যথোপযুক্ত প্রশিক্ষণ প্রদানের বিষয়টি নিশ্চিত করে আসছে।

সামাজিক দায়বদ্ধতা কর্মসূচী (সিএসআর) পালনে ইউনিয়ন ব্যাংক লিমিটেড যথেষ্ট সক্রিয়। আমরা বিশ্বাস করি সমাজের অবহেলিত ও সুবিধাবঞ্চিতদের জীবনে টেকসই সামাজিক উন্নয়নে অবদান রাখা আমাদের নৈতিক দায়িত্ব। নিপীড়িতদের অর্থনৈতিক ও সামাজিক কল্যাণে আমাদের ব্যাংক সবসময়ই দায়বদ্ধ থাকে। বাংলাদেশ ব্যাংক সিএসআর কার্যক্রমের নীতি প্রবর্তন করেছে। নিশ্চিতভাবে আমরা এই নীতিগুলো অনুসরণ করে এগিয়ে যাচ্ছি। তাই ভবিষ্যৎ প্রজন্মের বৃহত্তর স্বার্থে শিক্ষা সহায়তা, স্বাস্থ্য সেবা, দারিদ্র বিমোচন ও পরিবেশবান্ধব সমাজ নিশ্চিতকরণের লক্ষ্যে ইউনিয়ন ব্যাংক লিমিটেড তার প্রতিষ্ঠালগ্ন থেকে সিএসআর কার্যক্রম চালিয়ে যাচ্ছে। ২০১৯ সালে ইউনিয়ন ব্যাংক লিমিটেড সিএসআর কার্যক্রমে ১১৮.৩৬ মিলিয়ন টাকা ব্যয় করেছে।

ইউনিয়ন ব্যাংক লিমিটেডকে সঠিক অবস্থানে ধরে রাখার লক্ষ্যে মূল্যবান দিক নির্দেশনা ও প্রচেষ্টার জন্য পরিচালনা পর্ষদকে আন্তরিক ধন্যবাদ জানাই এবং সেই সাথে কৃতজ্ঞতা জ্ঞাপন করছি। আমাদের শক্তি ও সামর্থ্যের উপর আস্থা বজায় রাখার জন্য আমি সকল শেয়ারহোল্ডার ও স্টেকহোল্ডারগণকে ধন্যবাদ জানাই। সীমাহীন সহযোগিতা, আস্থা ও অবদানের জন্য বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড একচেঞ্জ

কমিশন, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস, জাতীয় রাজস্ব বোর্ড এবং অন্যান্য সহযোগী রেগুলেটরী সংস্থাগুলোর প্রতি আমরা অনেক কৃতজ্ঞতা জ্ঞাপন করছি। সকল আমানতকারী ও গ্রাহকদেরকে বিশেষ ধন্যবাদ জানাই কারণ তারা ইউনিয়ন ব্যাংক লিমিটেড এর উপর আস্থা ও বিশ্বাস বজায় রেখেছেন।

ব্যাংকের উন্নতি ও অগ্রগতিতে দৃঢ় সহযোগিতা, পৃষ্ঠপোষকতা ও দিক নির্দেশনা প্রদানের জন্য আমাদের পরিচালনা পর্ষদের সদস্যবৃন্দ, শারী'আহ সুপারভাইজরি কমিটির সদস্যবৃন্দ এবং সকল ব্যাংক কর্মকর্তাদের প্রতি আন্তরিক কৃতজ্ঞতা জানাই।

সর্বশক্তিমান মহান আল্লাহর নিকট প্রার্থনা তিনি যেন আমাদের লক্ষ্য ও উদ্দেশ্য বাস্তবায়নে আমাদের সাহস ও শক্তি প্রদান করেন এবং আশা করি আগামী বছরগুলোতে আমরা আমাদের সাফল্যের ধারাবাহিকতা অব্যাহত রাখতে পারব, ইন্শাআল্লাহ।



আহসানুল আলম
চেয়ারম্যান

MESSAGE FROM THE CHAIRMAN



“Bangladesh has made substantial progress in growing its economy, lifting people out of poverty and improving the lives of its people.”

Bismillahir Rahmanir Rahim

Esteemed Shareholders

Assalamu Alaikum Wa Rahmatullah,

Welcome to the 7th Annual General Meeting of Union Bank Limited. I am very pleased and thrilled to be here today as this is my first AGM as Chairman of the Board of Directors. It is a great pleasure for me to express my whole-hearted gratefulness and profound acknowledgments to our respected shareholders, officials, customers and well-wishers for their continuous support throughout the year. As a fourth generation banking brand in Bangladesh since 2013, it is a great achievement for us to pass another successful year, 2019. This progress is the result of consistent strong business performance made by our dynamic skilled human resources and their hard work. I am grateful to you all for allowing me to share with you the highlights of our Bank's performance along with the Directors' Report and the Audited Financial Statements for the year ended 31st December 2019.

GLOBAL ECONOMY:

Over the course of 2019, there was a significant rise in trade tensions among the world's largest economies, with a steep rise in the number of disputes raised under the dispute settlement mechanism of the World Trade Organization. Moves by the United States to increase import tariffs have sparked retaliations and counter-retaliations. Global trade growth has lost momentum, although stimulus measures and direct subsidies have so far offset much of the direct negative impacts on China and in the United States. A prolonged episode of heightened tensions and spiral of additional tariffs among the world's largest economies poses considerable risk to the global trade outlook. The impact on the world economy could be significant: a slowdown in investment, higher consumer prices and a decline in business confidence. This would create severe disruptions to global value chains, particularly for exporters in East Asian economies that are deeply embedded into the supply chains of trade between China and the United States. Slower growth in China and the United States could also reduce demand for commodities, affecting commodity-exporters from Africa and Latin America. There is a risk that the trade disputes could aggravate financial fragilities, especially in some emerging economies. Rising import prices, coupled with tighter financial conditions and high debt-servicing costs, could squeeze profits and cause debt distress in certain industries.

Rising tariffs and months of shifting between the escalation and de-escalation of global trade tensions have fuelled policy uncertainty, significantly curtailed investment, and pushed global trade growth down to 0.30 percent in 2019 its lowest level in a decade. Bilateral trade between the United States of America and China has plummeted, with significant disruptions to international supply chains. The global electronics and automobile sectors, which have extensive cross-country production networks, have been hit particularly hard. Nonetheless, several countries have benefited from a rise in global export market share, as firms seek to source inputs from countries that are not directly affected by rising tariffs. Meanwhile, many of the Least Developed Countries (LDCs), which are generally not well integrated into global trading networks, have remained relatively unaffected by trade disputes. Unlike most of the rest of the world, the majority of LDCs saw GDP growth accelerate in 2019.

Urgent and concrete policy action is needed to reduce risks to the global economy and secure the foundations for stable and sustainable economic growth. A dynamic and inclusive global economy is central to delivering the ambitious targets of the 2030 Agenda for Sustainable Development. Policymakers must work to contain short-term risks from financial vulnerabilities and escalating trade disputes, while advancing a longer-term development strategy towards economic, social and environmental goals. Decisive policy actions rely on a multilateral, cooperative and long-term approach to global policymaking in key areas, including combatting climate change, sustainable finance, sustainable production and consumption, and redressing inequality. This also requires progress towards a more inclusive, flexible and responsive multilateral system.

BANGLADESH ECONOMY:

Bangladesh economy has maintained sustainable growth and achieved GDP growth at more than 6 percent on an average during the last decade. According to provisional estimate of Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 8.13 percent in FY2018-19 compared to 7.86 percent in FY2017-18. The per capita national income reached USD1,909 in FY2018-19, up by USD152 a year earlier. According to the provisional data of BBS, GDP at current market prices stood at Tk.25,36,177 crore in FY2018-19, up by 12.70 percent of the previous fiscal year. The per capita GDP increased to Tk.1,53,197 in FY2018-19 which was Tk.1,37,518 in previous fiscal year. Both public and private investment increased in FY2018-19 from previous fiscal year. The total investment rose to 31.56 percent in FY2018-19, which was 31.23 percent in FY2017-18. In FY2018-19, public sector investment is 8.17 percent and private sector investment is 23.40 percent of GDP.

In spite of various national and international adverse situations, Bangladesh has been able to continue her economic development and high growth trend in FY2018-19 led by rising exports and record remittances. Remittances grew by 9.80 percent, reaching a record USD16.40 billion in FY2018-19. The contribution of net export growth was positive, supported by a diversion of garment export orders from China and a decline in imports. Agricultural and pharmaceutical exports led non-RMG export growth. Export grew by 10.10 percent while growth of import was 1.8 percent. Exports stood at USD 39,945.00 million in FY2018-19 which was USD 36285.0 million in FY2017-18. During the same period the total import payments increased to USD 59914.7 million from USD 58865.30 million in FY2017-18. Net Foreign Direct Investment (FDI) increased by 38.60 percent to USD 26350 million in FY2018-19.

To achieve its growth vision, Bangladesh will need a high-productivity economy. Human capital development that is responsive to labor market demand for higher-level skills and to rapid technological advancements will be crucial. Bangladesh needs to create quality jobs for about two million young people entering the labor force every year. To harness the benefits of this growing labor supply, investments in human capital are required. The country needs to invest significantly in teaching, learning and ICT facilities, among other areas, to create a competitive workforce. As growing economy, the policymakers should encourage private sector investment in Bangladesh. For Bangladesh to be an attractive destination for industries, it is critical to make resources such as land, electricity and gas available. Since the mid-2000s, per capita gross domestic product has increased by 4.00 percent to 6.0 percent per year. Bangladesh is now working to reach upper-middle-income country status by 2021—the year that marks the 50th anniversary of Bangladesh's Independence.

AN OVERVIEW OF UNION BANK LIMITED

Among the fourth generation Banks, Union Bank Limited has been holding the topmost position since the beginning of its journey that started in 2013. Recently the Bank has crossed its seventh year journey successfully, by setting up a long-term development strategy towards our mission and

vision. Despite all the challenges and huge competition, it has been possible for hard working, competent and trained officials to retain a steady growth in the year of 2019 like the previous years. At the end of year 2019, total deposit of our Bank amounted BDT 1,50,219.92 million which is 20.27 percent growth compared to the previous year's total deposit BDT 1,24,898.50 million. On the other hand, total investment recorded BDT 1,46,459.57 million which is 22.11 percent increase against BDT 1,19,934.39 million of the previous year. Our Bank has done well in the area of Export and Import as well. Total import of the bank for the year 2019 is BDT 17,082.00 million (Eqvt. USD 207.00 million) and the figure for export stood for BDT 50,715.00 million (Eqvt. USD 615.00 million) indicating Export-Import business of our bank increases 4.00 percent by this one year. The Bank has attained an operating profit of BDT 2,707.90 million compared to the last year's operating profit BDT 2,329.55 million. The profit growth has increased 2.49 percent this year.

Union Bank Limited being a forward intellectual, has been building a large network of touch points and providing high quality customer services through the integration of the latest banking technologies and Shari'ah based products by maintaining corporate and business ethics and transparency at all levels. During this year 2019, we have been able to open 10 new branches both in rural and urban areas. At the end of 2019, we have total 87 branches which are ensuring convenience to the customers at all times to serve Bank's mission. We are establishing new ATM booths in different parts of the country. For providing better services, Union Bank Limited has upgraded its interface and functions with the help of the State-of-the-art Banking Software (ABABIL). This will increase operational efficiency, reduce lead time and speed up customer service and thereby save cost. We have made new agreements with various officialdoms so that our Bangladeshi citizens can send remittance to their family easily. In order to guide the employees of the Bank, the Code of Conduct is designed. As a business enterprise, UBL is committed to conducting its affairs to the highest standards of ethics, integrity, honesty, fairness and professionalism which will make quality manpower. Besides, Union Bank Limited having its own Training Institute can ensure proper training to its manpower.

Corporate Social Responsibility (CSR) is deeply ingrained in the culture of Union Bank Limited. We believe that it is our solemn duty to the less fortunate and underprivileged members of the society to make sustainable social change in their lives. The Bank is always committed towards the economic and social well being of the downtrodden. Bangladesh Bank has declared guidelines for CSR activities. Surely we are proceeding based on this direction. Thus, from the beginning of our Bank's journey we have been concentrating on value added CSR activities particularly supporting education, healthcare, reducing poverty and ensuring environment friendly society for the greater benefit of the future generations. During 2019, UBL has spent around BDT 118.35 million on CSR activities.

I would now like to express my heartfelt thanks and appreciation to the Board of Directors for their valuable direction and efforts to keep Union Bank Limited on the right track. I thank all our Shareholders and all other Stakeholders

for their continued faith in our strength and capabilities, customers for their valuable support and trust. We are very thankful to Bangladesh Bank, Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, National Board of Revenue and all other relevant entities for their tremendous support, trust and indispensable contributions. Special thanks to our depositors and customers for believing in Union Bank Limited.

My deepest gratitude to our fellow Board Members, members of the Shari'ah Supervisory Committee, all the Bank officials for their continuous and consistent support, encouragement, wisdom, input, guidance for development and progress.

In order to achieve our set vision and mission, let us pray to Almighty Allah (SWT) to give us courage and strength for being stronger and better in the upcoming years in all aspects of the business and hope that our sailing through success shall continue in the years to come In Sha Allah.



Ahsanul Alam
Chairman

ব্যবস্থাপনা পরিচালকের বক্তব্য



বিস্মিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম ওয়া রাহমাতুল্লাহ,

ইউনিয়ন ব্যাংক লিমিটেড এর ৭ম বার্ষিক সাধারণ সভায় ২০১৯ সালের ব্যাংকের আর্থিক ও পরিচালনাগত দিক থেকে আমরা যা অর্জন করেছি তা আপনাদের সকলের সামনে উপস্থাপন করতে পেরে আমি সম্মানিত বোধ করছি। মহান আল্লাহ তা'আলার অশেষ মেহেরবানীতে ইউনিয়ন ব্যাংক লিমিটেড ব্যাংকের অগ্রযাত্রার আরেকটি সফলতম বছর অতিক্রম করেছে। আমাদের এ অর্জন ধরে রাখা সম্ভব হয়েছে মূলত: ব্যাংকের সম্মানিত পরিচালনা পর্ষদের সার্বিক সমর্থন ও সহযোগিতা, ব্যাংক ব্যবস্থাপনা কর্তৃক কার্যকর কর্ম-কৌশল প্রণয়ন ও এর যথাযথ বাস্তবায়ন, বাংলাদেশ ব্যাংকের সমন্বয়যোগ্য নীতিমালা, ব্যাংকের নির্বাহী ও কর্মকর্তা-কর্মচারীদের অক্লান্ত পরিশ্রম এবং সর্বোপরি শাখা পর্যায়ে উন্নত ও দ্রুত গ্রাহক সেবা প্রদানের মাধ্যমে।

বৈশ্বিক ও বাংলাদেশের অর্থনীতি

বৈশ্বিক অর্থনীতির জন্য ২০১৯ সাল ছিল একটি চ্যালেঞ্জিং বছর। আন্তর্জাতিক পর্যায়ে বিভিন্ন রাষ্ট্রের মধ্যে স্বার্থ সংশ্লিষ্ট বিষয়ে সম্পর্কের অবনতি, ব্রেজিলিট ইস্যু, জ্বালানী তেলের মূল্যের অস্থিরতা, বাণিজ্য যুদ্ধ এবং কতিপয় অভ্যন্তরীণ ও আন্তর্জাতিক ইস্যু এর মূল নিয়ামক হিসেবে কাজ করেছে। চীন, যুক্তরাষ্ট্র, ইউরোপের উন্নত দেশগুলোর প্রবৃদ্ধিও আশানুরূপ ছিল না। এসব প্রতিবন্ধকতা থাকা স্বত্ত্বেও বাংলাদেশের অর্থনীতিতে প্রবৃদ্ধির ধারা ছিল ইতিবাচক। ২০১৮-১৯ অর্থ বছরে বাংলাদেশ ৮.১৫ শতাংশ অর্থনৈতিক প্রবৃদ্ধি অর্জন করেছে যা গত বছরে ছিল ৭.৮৬%। এই প্রবৃদ্ধি ধরে রাখতে দরকার অবকাঠামো খাতে অধিক বিনিয়োগ, নিরবিচ্ছিন্ন জ্বালানী সরবরাহ নিশ্চিত করা, পণ্যের বহুমুখীকরণ ও বাজার অনুসন্ধানের মাধ্যমে রপ্তানি বাণিজ্য বাড়ানো এবং নতুন শ্রম বাজার অনুসন্ধানের মাধ্যমে রেমিটেন্স আহরণ বৃদ্ধি করা।

ইউনিয়ন ব্যাংকের সফলতা

যথাযথ ব্যবস্থাপনা ও মানসম্মত ব্যাংকিং সেবা প্রদানের মাধ্যমে ২০১৯ সালে বেশীরভাগ ক্ষেত্রেই ব্যাংক সফলতা ধরে রাখতে পেরেছে। নানা প্রতিকূলতা থাকা স্বত্ত্বেও আমাদের ব্যাংক উল্লেখযোগ্য হারে ব্যবসা সম্প্রসারণ করেছে। ২০১৯ সালের আমাদের ব্যাংকের অর্জন সনূহের মধ্যে প্রধান প্রধান দিকগুলো আপনাদের সামনে উপস্থাপন করছি। দেশব্যাপি ৮৭টি শাখার মাধ্যমে ব্যাংকিং সেবা প্রদান করে চতুর্থ প্রজন্মের ব্যাংকগুলোর মধ্যে প্রায় সবগুলো আর্থিক সূচকে আমরা শীর্ষ স্থান ধরে রাখতে পেরেছি। বর্তমানে আমাদের ব্যাংকের মোট সম্পদের পরিমাণ দাঁড়িয়েছে ১,৮০,০২৪ মিলিয়ন টাকা যা গত বছরের তুলনায় ২১.১৬% বেশী এবং মূলধনের পরিমাণ ১৪,০৪৫ মিলিয়ন টাকা যা গত বছরের তুলনায় ৫২.২০% বেশী। দ্রুত ও সহজে গ্রাহককে রেমিটেন্স সুবিধা প্রদানের জন্য আমাদের সাথে ১০ (দশটি) মানি এক্সচেঞ্জ হাউজ অত্যন্ত আন্তরিকভাবে কাজ করছে যা ধারাবাহিকভাবে আমাদের ব্যাংকের রেমিটেন্স প্রবাহের গতি বৃদ্ধিতে সহায়ক ভূমিকা পালন করছে।

অর্জিত মুনাফা

২০১৯ সালে ব্যাংকের পরিচালনগত মুনাফা ২,৭০৮ মিলিয়ন টাকা এবং করপূর্ব মুনাফা দাঁড়িয়েছে ১,৪৭৯ মিলিয়ন টাকা। এই সফলতা অর্জন সম্ভব হয়েছে মূলত: কাজক্ষিত আমানত বৃদ্ধি, প্রত্যাশিত বিনিয়োগ, নিয়ন্ত্রণ ও আদায় কার্যক্রমে গতি আনয়ন, সহায়ক ব্যবসায়িক আয় বৃদ্ধি, মূলধন ব্যবস্থাপনায় কার্যকর উদ্যোগ গ্রহন ইত্যাদি পদক্ষেপের মাধ্যমে।

আমানত সংগ্রহ

২০১৯ সালে আমানতের পরিমাণ ছিল ১,৫০,২২০ মিলিয়ন টাকা, যা বিগত বছরের আমানতের (১,২৪,৮৯৯ মিলিয়ন টাকা) চেয়ে ২০.২৭% বেশী। অন্যদিকে মোট আমানত গ্রাহক সংখ্যাও এ বছর বৃদ্ধি পেয়েছে। ২০১৯ সালে মোট আমানত গ্রাহকের সংখ্যা দাঁড়িয়েছে ৩,৩৭,৯০৬ জন যা ২০১৮ সালে ছিল ২,৫৯,৭১৭ জন, অর্থাৎ গত বছরের তুলনায় তা ৩০.১১% বেশী।

বিনিয়োগ

জাতীয় পর্যায়ে দেশে ঋণ বৃদ্ধির সাথে সাথে কৌশলগত ব্যবসার অংশ হিসেবে ব্যাংকের প্রত্যাশিত বিনিয়োগেরও প্রবৃদ্ধি ঘটেছে যা দেশব্যাপী ব্যাপ্তিক এবং সমাপ্তিক অর্থনীতির উন্নয়নে গুরুত্বপূর্ণ ভূমিকা পালন করবে। ২০১৯ সালে ব্যাংকের বিনিয়োগের পরিমাণ ১,৪৬,৪৬০ মিলিয়ন টাকা যা গত বছরের বিনিয়োগের (১,১৯,৯৩৪ মিলিয়ন টাকা) তুলনায় ২২.১২% বেশী। বিনিয়োগ বহুমুখীকরণের জন্য ব্যাংক সময়োপযোগী কৌশলগত পদক্ষেপ নিয়েছে যার মাধ্যমে ক্ষুদ্র ও এসএমই, নারী উদ্যোক্তা এবং উৎপাদনশীল খাতে বিনিয়োগকে সম্প্রসারিত করা হচ্ছে। এ প্রক্রিয়ার অংশ হিসেবে ২০১৯ সালে এসএমই খাতে ৩,৯১৩ মিলিয়ন টাকা, কৃষি খাতে ৯১৫ মিলিয়ন টাকা, গ্রীণ ফাইন্যান্স খাতে ৩৫৮ মিলিয়ন টাকা বিনিয়োগ সহায়তা দেওয়া হয়েছে।

বৈদেশিক বাণিজ্য এবং রেমিটেন্স

অন্যান্য সূচকের ন্যায় বৈদেশিক বাণিজ্য খাতেও ইউনিয়ন ব্যাংক লিমিটেড সফলতা অর্জন করেছে। ২০১৯ সালে ব্যাংকের রপ্তানী এবং আমদানির পরিমাণ দাঁড়িয়েছে ৫০,৭১৫ মিলিয়ন এবং ১৭,০৮২ মিলিয়ন। এখানে উল্লেখযোগ্য যে, আমদানি এবং রপ্তানীকে ত্বরান্বিত করতে সেন্ট্রাল ট্রেড অপারেশন ইউনিট (সিটিওইউ) নামে ব্যাংকের একটি পৃথক ইউনিট চালু করা হয়েছে। অন্যদিকে, ২০১৯ সালে ব্যাংক ১,৯২৩ মিলিয়ন টাকা রেমিটেন্স আহরণ করেছে। বর্তমানে ইউনিয়ন ব্যাংক ওয়েস্টার্ন ইউনিয়ন, ওয়াল স্ট্রীট ফাইন্যান্স, এক্সপ্রেস মানি, রিয়া, ট্রান্সফাস্ট, আল-আনসারি, প্লাসিড এনকে কর্পোরেশন, ফাস্ট সিকিউরিটি ইসলামী এক্সচেঞ্জ ইটালী রেমিটেন্স হাউজ, আফতাভ কারেন্সি এবং স্মল ওয়ার্ল্ড সহ মোট ১০ টি মানি এক্সচেঞ্জ হাউজের সাথে চুক্তিবদ্ধ রয়েছে, যার মাধ্যমে অতি সহজে ও দ্রুততম উপায়ে গ্রাহক সেবা প্রদান করা সম্ভব হয়েছে।

শাখা ও এটিএম বুথ সম্প্রসারণ

দেশের অর্থনৈতিক প্রবৃদ্ধি তথা ব্যাংকিং সুবিধা শহর ও প্রত্যন্ত পল্লী অঞ্চলে জনগণের দৌরগৌড়ায় পৌঁছে দেয়ার জন্য ২০১৯ সালে ইউনিয়ন ব্যাংকের নতুন শাখা ও এটিএম বুথ স্থাপন কার্যক্রম সম্প্রসারণ করা হয়েছে। এ লক্ষ্যে ২০১৯ সালে আমরা ১০টি নতুন শাখা স্থাপন করেছি যেখানে ৪টি শহরে এবং ৬টি পল্লী অঞ্চলে। বছর শেষে মোট শাখার সংখ্যা দাঁড়িয়েছে ৮৭টি, যার মধ্যে ৪৩টি শহর অঞ্চলে এবং ৪৪টি পল্লী অঞ্চলে। এছাড়াও এবছরে আমরা ১২টি এটিএম বুথ স্থাপন করেছি যার ফলে ব্যাংকের মোট এটিএম বুথ এর সংখ্যা দাঁড়িয়েছে ৪৭টি।

ঝুঁকি ব্যবস্থাপনা ও নিয়ন্ত্রন কার্যক্রম

ব্যাংকের সার্বিক সূচকসমূহ সন্তোষজনক পর্যায়ে রাখার জন্য আমরা একটি সুদক্ষ ও কার্যকর ঝুঁকি ব্যবস্থাপনা কাঠামো তৈরি করেছি। ব্যাংকের টেকসই উন্নয়ন নিশ্চিত করার জন্য সম্পদ-দায় ব্যবস্থাপনা, মুখ্য ঝুঁকি ব্যবস্থাপনা, ঝুঁকি ভিত্তিক মূলধন ব্যবস্থাপনা এবং সর্বোপরি রিসোর্স ব্যবস্থাপনার উপর গুরুত্বারোপ করা হয়েছে। এখানে উল্লেখযোগ্য যে, ২০১৯ সালে ব্যাংকের রেটিং দীর্ঘমেয়াদে

A+ এবং স্বল্প মেয়াদে ST-2 যা ব্যাংকের শক্তিশালী আর্থিক ভিত্তি, উত্তম তারল্য অবস্থা ও কাঠামোগত স্থিরতারই বহিঃপ্রকাশ। ঝুঁকি ব্যবস্থাপনা সক্ষমতা বৃদ্ধিতে ঝুঁকি ব্যবস্থাপনা কমিটির পরিচালনা পর্ষদ ও ব্যবস্থাপনা পর্যায় উভয়ক্ষেত্রেই সজাগ দৃষ্টিভঙ্গি রয়েছে যাতে করে চিহ্নিত, বর্তমান এবং সম্ভাব্য ঝুঁকি সমূহ মোকাবেলা করা যায়।

২০১৯ সাল শেষ হওয়ার পরপরই, কোভিড-১৯ বিশ্বের অন্যান্য দেশের পাশাপাশি আমাদের ব্যক্তিগত, অর্থনৈতিক ও সামাজিক জীবনকে সর্বাঙ্গীনভাবে ঝুঁকিপূর্ণ করে তুলেছে। অর্থনৈতিক ও ব্যবসায়িক বিপর্যয় বিশ্বব্যাপী ব্যাংকিং শিল্পের উপর প্রভাব বিস্তার করতে শুরু করেছে। তবে আমাদের ব্যাংক সবসময়ই চলমান ও সম্ভাব্য ঝুঁকির উপর সজাগ দৃষ্টি রাখছে। কোভিড পরবর্তী অর্থনৈতিক উন্নয়নে ইউনিয়ন ব্যাংক বিশেষ প্রস্তুতিমূলক কার্যক্রম হাতে নিয়েছে। সার্বিক ঝুঁকি ও সম্ভাব্য চ্যালেঞ্জসমূহ চিহ্নিতকরণের পাশাপাশি এ সংক্রান্ত সময়ে সময়ে নিয়ন্ত্রক কর্তৃপক্ষের নির্দেশনাসমূহ ব্যাংকের সামর্থ্য অনুযায়ী যথাযথ পরিপালনের ব্যবস্থা নেওয়া হয়েছে।

সামাজিক দায়বদ্ধতা

সামাজিক দায়বদ্ধতার আওতায় বিভিন্ন কর্মকাণ্ডে অংশগ্রহণের ক্ষেত্রে ব্যাংক সবসময়ই আন্তরিক ভূমিকা পালন করে আসছে। সামাজিক দায়বদ্ধতার অংশ হিসেবে ইউনিয়ন ব্যাংক লিঃ ২০১৯ সালে ১১৮ মিলিয়ন টাকা প্রদান করেছে, যা হা বছরে বরাদ্দকৃত অর্থের মধ্যে মাননীয় প্রধানমন্ত্রীর ত্রাণ তহবিলে অনুদান, দরিদ্র ও মেধাবী শিক্ষার্থীদের শিক্ষাবৃত্তি প্রদান, গরীব ও অসহায় মানুষের মাঝে শীত বস্ত্র বিতরণ ইত্যাদি কার্যক্রম উল্লেখযোগ্য। ব্যাংকের মোট অনুদানের, ৬৪.১৮% স্বাস্থ্য খাতে, ১৮.৬৩% দুর্যোগ ব্যবস্থাপনা খাতে, ৮.৫৩% সাংস্কৃতিক কর্মকাণ্ডে, ৩.২৭% শিক্ষা খাতে, ০.০৫% পরিবেশ খাতে এবং ৫.৩৪% অন্যান্য খাতে ব্যয় করা হয়েছে।

তথ্য ও যোগাযোগ প্রযুক্তি

একদিকে যেমন আর্থিক ব্যবস্থা স্বয়ংক্রিয়, আধুনিক এবং ডিজিটাল হচ্ছে অন্যদিকে উদ্দেশ্যমূলকভাবে আর্থিক ব্যবস্থায় সাইবার আক্রমণসহ তথ্য ও যোগাযোগ প্রযুক্তি সংক্রান্ত অন্যান্য ঝুঁকি সৃষ্টিতে তৎপরতাও বৃদ্ধি পাচ্ছে। এসব প্রেক্ষাপটে, প্রতিটি আর্থিক প্রতিষ্ঠানকে আন্তর্জাতিকভাবে অনুসৃত প্রতিরোধমূলক ব্যবস্থা গ্রহণের মাধ্যমে তা মোকাবেলা করতে হবে। এ লক্ষ্যে আমাদের ব্যাংক পরিপূর্ণ সাইবার নিরাপত্তা ঝুঁকি মূল্যায়ন, প্রযুক্তিগত দুর্বলতা মূল্যায়ন, আপদকালীন ব্যবস্থা কার্যক্রম প্রণয়ন, যে কোন সাইবার বা কারিগরি আক্রমণ মোকাবেলা, তৃতীয় পক্ষের মাধ্যমে গৃহীত সেবা সমূহের ঝুঁকি মোকাবেলা, সকল কর্মকর্তা-কর্মচারীর জন্য সাইবার নিরাপত্তা বিষয়ক সচেতনতা ও প্রশিক্ষণ কার্যক্রম গ্রহণ, তথ্য প্রযুক্তির মাধ্যমে লেনদেন বিষয়ক সচেতনতা বৃদ্ধি ইত্যাদি কার্যক্রম জোরদার করা হয়েছে, যাতে করে আমরা ভবিষ্যত সম্ভাব্য তথ্য প্রযুক্তি সংক্রান্ত ঝুঁকি সমূহ দক্ষতার সাথে মোকাবেলা করতে পারি। দৈনন্দিন কার্যক্রম সফলভাবে সম্পাদন করার জন্য ব্যাংক BACH,

BEFT, RTGS, ATM, POS, NPSB ও Q-cash সুবিধাসহ Debit Card, SMS banking, SWIFT ও Foreign Remittance সেবা প্রদান করে যাচ্ছে। এছাড়াও প্রতিটি লেনদেনের সুরক্ষা নিশ্চিতকল্পে উচ্চ ক্ষমতা সম্পন্ন ফায়ারওয়াল ডিভাইসের ব্যবহার এবং নিরবিচ্ছিন্ন ব্যাংকিং সেবা প্রদানের জন্য ডিএমজেড (ডিমিলিটারাইজড জোন) সিকিউরিটি জোন নিশ্চিত করা হয়েছে। এছাড়াও ইন্টারনেট ব্যাংকিং এর যথাযথ বাস্তবায়ন নিশ্চিত করণের বিশেষ পরিকল্পনা হাতে নেওয়া হয়েছে। যার মাধ্যমে ব্যাংকের গ্রাহকগণ ফান্ড ট্রান্সফার, চেক ব্যবস্থাপনা, ইউটিলিটি বিল প্রদানসহ রিয়েল টাইম ট্রানজেকশন সপ্তাহে ৭ দিন, ২৪ ঘণ্টা যে কোন জায়গা থেকেই খুব সহজেই সম্পাদন করতে সক্ষম হবে।

গ্রাহক সেবা ও প্রোডাক্ট উন্নয়ন

গ্রাহকের চাহিদা পূরনে ইউনিয়ন ব্যাংক লিঃ বিভিন্ন ধরনের আকর্ষণীয় আমানত ও বিনিয়োগ স্কীম এবং উন্নত সেবা প্রদানে অঙ্গীকারবদ্ধ। গ্রাহক সেবায় আমাদের রয়েছে বিভিন্ন ধরনের আমানত ও বিনিয়োগ স্কীম যা ইতিমধ্যেই প্রশংসিত হয়েছে। আমরা ইতিমধ্যেই সহায়ক আমানত সংমিশ্রণ নিশ্চিতকরণে এবং গ্রাহক চাহিদা পূরণকল্পে কিছু নতুন আমানত স্কীম চালু করার পরিকল্পনা নিয়েছি। আশা করি এসব আমানত স্কীমগুলো গ্রাহকদের কাছে গ্রহণযোগ্যতা পাবে এবং সার্বিকভাবে ব্যাংকের আমানত বৃদ্ধিতে সহায়ক হবে। ব্যাংক প্রতিষ্ঠান প্রথম থেকেই আমরা উন্নত সেবা প্রদান করার বিষয়টিকে সর্বোচ্চ গুরুত্ব দিয়ে আসছি। গ্রাহক সেবা মূল্যায়নে আমাদের রয়েছে গ্রাহকসেবা নিরীক্ষা ও মূল্যায়ন পদ্ধতি সম্পর্কিত স্বতন্ত্র পলিসি যার মাধ্যমে আমরা শাখা পর্যায়ে গ্রাহকসেবার মান সম্পর্কিত জবাবদিহিতা নিশ্চিত করেছি।

মানব সম্পদ উন্নয়ন

২০১৯ সালে ব্যাংকের মোট কর্মকর্তা ও কর্মচারীর সংখ্যা দাঁড়িয়েছে ১,৫৮০ জন যা বিগত বছরে ছিল ১,৪৭৭ জন। শুধুমাত্র নিয়োগ নয় তাদেরকে মানব সম্পদে পরিণত করতে ইউনিয়ন ব্যাংক বদ্ধপরিকর। মানব সম্পদ উন্নয়ন একটি ধারাবাহিক প্রক্রিয়া। সুষ্ঠুভাবে ব্যাংকিং কার্যক্রম পরিচালনা ও উন্নত গ্রাহক সেবার জন্য মানব সম্পদ উন্নয়নের বিকল্প নেই। সেই জন্য ব্যাংকের নিজস্ব ট্রেনিং ইনস্টিটিউটের মাধ্যমে সকল পর্যায়ের কর্মকর্তাদের বিভিন্ন ধরনের প্রশিক্ষণের ব্যবস্থা করা হয়ে থাকে। ব্যাংকের ট্রেনিং ইনস্টিটিউট ৬টি ফাউন্ডেশন কোর্সের মাধ্যমে ১৭৯ জনকে ফাউন্ডেশন ট্রেনিং প্রদান করেছে। এছাড়া ২ টি এ্যাডভান্সড ট্রেনিং কোর্স, ২০ টি ওয়ার্কশপের আওতায় ৭৬৯ জন কর্মকর্তা ও নির্বাহী প্রশিক্ষণের ব্যবস্থা করা হয়েছে। অধিকন্তু পেশাগত দক্ষতা ও যোগ্যতাসম্পন্ন মানব সম্পদ উন্নয়নে কর্মকর্তাদের প্রায়োগিক জ্ঞান প্রদানের জন্য ফাউন্ডেশন ও এ্যাডভান্সড কোর্সগুলো আরো আপডেট হচ্ছে। এছাড়া BIBM, BBTA ও অন্যান্য দেশীয় ও আন্তর্জাতিক ইনস্টিটিউটের মাধ্যমে মানব সম্পদ উন্নয়ন প্রক্রিয়া অব্যাহত আছে।

শারী'আহ্ পরিপালন

দৈনন্দিন ব্যাংকিং কার্যক্রমে ইসলামী শারী'আহ্ পরিপালনে ইউনিয়ন ব্যাংক সর্বদা সচেতন রয়েছে। বাংলাদেশ ব্যাংকের গাইডলাইন এবং দেশ বরেণ্য উলামায়ে কেরামের সমন্বয়ে গঠিত শারী'আহ্ সুপারভাইজরী কমিটির পরামর্শ আমাদের ব্যাংকিং কার্যক্রমে শারী'আহ্ পরিপালনে উৎসাহ যোগাচ্ছে। শারী'আহ্ সুপারভাইজরী কমিটির অধীনে কর্মরত মুরাক্বিবগণ বিভিন্ন ধরণের নিরীক্ষা ও অনুসন্ধানের মাধ্যমে বৈসাদৃশ্য (যদি থাকে) খুঁজে বের করছেন।

২০২০ সালের পরিকল্পনা

ইউনিয়ন ব্যাংক লিমিটেড আমানত সংগ্রহ, বিনিয়োগ হতে আদায়, বিভিন্ন সূচকের উন্নয়ন, সম্ভাব্য খাতে প্রত্যাশিত বিনিয়োগ, বৈদেশিক বাণিজ্যে প্রবৃদ্ধি, ব্যাংকের মূলধন পর্যা়প্ততা বৃদ্ধিতে বিশদ পরিকল্পনা গ্রহন করেছে। এছাড়াও, বিশ্বের সাথে তাল মিলিয়ে টেকসই উন্নয়ন লক্ষ্যমাত্রা অর্জন, নিয়ন্ত্রণকারী সংস্থার সকল বিধি-বিধান পরিপালন এবং সামাজিক, নৈতিক, পরিবেশবান্ধব, উৎপাদনশীল ও লাভজনক ব্যবসায় আরো অধিকতর বিনিয়োগের জন্য ব্যাংক বন্ধ পরিকর। আর্থিক খাতের সুবিধা বর্ধিত এবং স্বল্প সুবিধাপ্রাপ্ত প্রান্তিক জনগোষ্ঠী এবং অবহেলিত এলাকায় আর্থিক সেবাসমূহ পৌঁছে দিতে বিনিয়োগ বহুমুখীকরণ ও সর্বোপরি টেকসই সামাজিক উন্নয়নে ইউনিয়ন ব্যাংক লিমিটেড অঙ্গীকারবদ্ধ। ২০২০ সালেও এ ধারাবাহিক সাফল্য ধরে রাখতে গ্রাহক সেবার মান বাড়ানো, মূলধন কাঠামোর ভিত্তি সুদৃঢ় করা, পরিবেশবান্ধব খাতে বিনিয়োগ প্রদান, কর্পোরেট সেক্টরে সুশাসন নিশ্চিত করা এবং সর্বোপরি সম্পদের মান উন্নয়নে আমাদের নিরলস প্রচেষ্টা অব্যাহত থাকবে।

পরিশেষে, আমি ব্যবস্থাপনা কর্তৃপক্ষের পক্ষ থেকে আমাদের ব্যাংকের সম্মানিত পরিচালনা পর্ষদ, শেয়ার হোল্ডারবৃন্দ, বাংলাদেশ ব্যাংক ও অন্যান্য নিয়ন্ত্রক সংস্থা, গ্রাহক ও শুভানুধ্যায়ীদের অব্যাহত সমর্থন, পৃষ্ঠপোষকতা, সহযোগিতা ও মূল্যবান দিক-নির্দেশনার জন্য আন্তরিক কৃতজ্ঞতা প্রকাশ করছি। আমাদের সম্মানিত শেয়ারহোল্ডারদের আকাঙ্ক্ষার সাথে সংগতি রেখে আমরা ব্যাংকের গুরুত্বপূর্ণ সূচকসমূহের মান বৃদ্ধি এবং টেকসই উন্নয়নে প্রতিশ্রুতিবদ্ধ। আশা করি, অদূর ভবিষ্যতে ইউনিয়ন ব্যাংক লিমিটেড একটি আধুনিক শারী'আহ্ ভিত্তিক প্রগতিশীল ব্যাংক হিসেবে প্রতিষ্ঠা লাভ করবে, ইন্শাআল্লাহ্।

আল্লাহ হাফেজ।



এ.বি.এম মোকাম্মেল হক চৌধুরী
ব্যবস্থাপনা পরিচালক

FROM THE DESK OF MANAGING DIRECTOR



Bismillahir Rahmanir Rahim,

Respected Shareholders,

Assalamu-Alaikum Wa Rahmatullah,

It is a great pleasure and honor for me to present you the financial and operational performance of the Bank for the year 2019 in the 7th Annual General Meeting. By the grace of Almighty Allah, Union Bank Ltd. has successfully completed it's another year of journey with the stable growth and performance. In fact, it was possible through all-out support and co-operation of our Honorable Board of Directors & bank's stakeholders, undertaken strategic planning and its proper implementation by the management team, time based instructions and guidelines of regulators, hard work of bank's executives & officials and above all through our quality and prompt customer services at branch level.

GLOBAL AND BANGLADESH ECONOMY

The global economy has passed a challenging year during 2019 due to geopolitical instabilities, Brexit uncertainty, trade tensions, volatile price of crude oil and other domestic and international factors. Advanced economies like China, USA, Euro Zone also faced growth slowdown.

Despite of these difficulties, the Bangladesh economy has been able to maintain sustainable economic growth. The GDP growth rate has increased to 8.15% in FY2018-19 which was 7.86% in the last fiscal year. To retain this achievement, we need to invest more in infrastructural sector, uninterrupted supply chain, increase export by exploring new markets and diversifying of product and increase home bound remittance by providing some incentives.

SUCCESS OF UBL

The Bank has achieved its successive growth in the year 2019 through proactive management and above all expansion of quality banking services. Despite of various challenges, our bank has expanded business notably. Now, I would like to highlight some of the key achievements of our Bank in the year 2019. We have been maintaining leading position among the fourth generation banks in all financial indicators through wide network of 87 branches all over the country. At present, our total asset size is Tk. 1,80,024 million which is 21.16% higher than previous year and total capital stood at Tk. 14,045 million which is 52.20% higher than previous year. To provide fast and easy remittance facilities to our valued customers, 10 (Ten) money exchange houses are working with us closely that ultimately plays an important role to increase the flow of remittance through our bank.

PROFITABILITY

Operating Profit was Tk. 2,708 million and Profit Before Tax (PBT) was Tk. 1,479 million in the year 2019. Increasing deposit base, expected investment, expediting recovery and control over the classified investment, increasing auxiliary income and effective capital management initiatives were the key of this success.

DEPOSIT

Deposit has increased to Tk. 1,50,220 million in the year 2019 which is 20.27% higher than previous year's deposit amounting to Tk. 1,24,899 million. Meanwhile, the number of deposit accounts has increased during the year. In the year 2019, the number of deposit accounts were 3,37,906 whereas it was 2,59,717 in the year 2018, i.e. the growth of deposit was 30.11% in the last year.

INVESTMENT

As a part of business strategy, expected investment growth achieved in line with the national credit growth which will contribute in macro and micro economic development of the country. UBL's Investment stood at Tk. 1,46,460 million in the year 2019 which is 22.12% higher than previous year's Tk. 1,19,934 million. It is to mention here that Bank has taken time based strategy for diversifying its investment through financing to Micro & SME sector, Women Entrepreneur, above all increasing investment facility to productive sectors. As a part of the process, UBL financed Tk. 3,913 million in SME

sector, Tk. 915 million in Agriculture sector, Tk. 358 million in Green Finance during the last year.

FOREIGN TRADE AND REMITTANCE

Like other indexes, Union Bank has also achieved success in foreign trade during 2019. The size of Export and Import of the bank were Tk. 50,715 million and Tk. 17,082 million during the year 2019. Moreover, we have established a separate business unit namely "Central Trade Operation Unit (CTOU)" to expedite Import and Export business in the days ahead.

On the other hand, our foreign remittance was Tk. 1,923 million during the year 2019. At present, Union Bank has agreement with 10 (Ten) remittance houses like Western Union, Wall Street Finance, Express Money, RIA, Transfast, Al-Ansari, Placid NK Corporation, First Security Islami Exchange Italy Remittance House, Aftab Currency and Small World for providing fast and easy customer service.

EXPANSION OF BRANCHES AND ATM

The Bank has expanded new branches and ATM booth's in 2019 in line with rapid economic growth of the country by providing banking service at the door step of the people in both urban & rural areas. In this regard, we have established 10 new branches during the year 2019 out of which 4 (Four) branches in urban and 6 (Six) in rural area. Total number of branches were 87 (Eighty-Seven) at the end of 2019 out of which 43 (Forty-Three) situated in urban areas and 44 (Forty-Four) are in rural areas. During this period, we also have established 12 (Twelve) ATM booth's and at the end of the year, total ATMs were 47 (Forty-Seven).

RISK MANAGEMENT AND CONTROL FUNCTIONS

The Bank has established a prudent risk management framework upon which it was possible to maintain the bank's overall index at satisfactory level. Constant monitoring towards bank's Core risk management, asset-liability management, risk based capital management and other identified and potential risks mitigation systems are in place for ensuring sustainable growth of the bank. Our bank's credit rating secured 'A+' in long term and 'ST-2' in short term for the year 2019 which indicates that the bank operates its business with strong financial base, better liquidity position and organizational stability. Risk Management Committees both at Management and Board level are vigilant to strengthen risk management capacity so as to manage the risks of the bank.

Covid-19 has brought a comprehensive risk environment in our personal, economic and social lives just after ending of the year 2019. Economic and business disruptions have started to affect banking industry throughout the globe. However, our Bank is always vigilant towards the evolving and potential risks. Union Bank has taken due preparation for proper enterprise risk management to accelerate economic recovery in the post Covid-19 situation. Bank has also taken proper measures to identify challenges and vulnerabilities and be transparent with the regulatory authority for proper implementation of directives as issued from time to time.

CORPORATE SOCIAL RESPONSIBILITY

The Bank is always cordial to participate the activities under corporate social responsibility as well as benevolent activities for the society simultaneously as the Bank is a part of the society. To become a socially committed bank and attain social welfare, Union Bank as donated Tk. 118 million in 2019. Donation to Honorable Prime Minister Relief Fund, awarding of Scholarship to needy and meritorious students and distributing winter cloths among poor & helpless people are remarkable. UBL distributed 64.18% in Health sector, 18.63% in Disaster Management sector, 8.53% in Cultural welfare sector, 3.27% in Education sector, 0.05% in Environmental sector and 5.34% in other sectors from our total CSR Fund.

INFORMATION & COMMUNICATION TECHNOLOGY

Financial system is becoming more automated, modern and digitalized while on the other side, intentional cyber-attack along with promptness of ICT risk is constantly increasing. In this circumstances, each and every financial institution have to adopt internationally accepted preventive measures to tackle those risks. In this context, our bank has strengthened the evaluation of proper cyber security risk and technological weaknesses, established activity system during crisis period, tackled with any kind of cyber or technical attack and risk of third parties adopted services, introduced awareness and training programs regarding cyber security for all employees, build-up awareness regarding transaction related with information technology etc. so that we can efficiently tackle with probable ICT risk in future. To operate the day to day banking activities successfully, our bank uses BACH, BEFT, RTGS, ATM, POS, Debit Card with Q-Cash and NPSB facility, SMS Banking, SWIFT and foreign remittance services. In every banking service, our bank is complying all international standards and protocols through using DMZ (Demilitarized Security Zone) and high capacity firewall devices. Moreover, we have a comprehensive plan to implement internet banking through which bank customer may perform real time transaction i.e. fund transfer, cheque management, utility bill payment etc. directly from home or anywhere, 24 hours a day, 7 days a week.

SERVICE QUALITY AND PRODUCT DEVELOPMENT

Union Bank Ltd. is committed to respond the needs of customer through innovative products and quality banking services. We have introduced a number of customer-friendly Deposit and Investment Products which has already been acclaimed by all. However, we have already taken plan to introduce some new products for maintaining favorable deposit mix and fulfilling the customer demand. Hopefully, these products will attain customer satisfaction and as well as increase our bank's deposit base. I would like to mention here that we emphasize on quality customer service since inception of our bank. Moreover, we have introduced separate policy for assessing customer service and evaluation whereby we have ensured accountability in customer service evaluation at branch level.

HUMAN RESOURCES DEVELOPMENT

Total number of employees have increased to 1,580 in 2019 which was 1,477 in 2018. The bank is determined not only to recruit employees but also desired to turn them into human resources. Human resources development is a continuous

process and such there is no alternative of human resources development for sound banking operation and quality customer services. Hence, different types of training are arranged for all employees through the bank's own training institute. The training institute has provided foundation training to 179 officials through 6 (Six) foundation courses. Apart from that the institute organized 2 (Two) advanced Training Course, 20 (Twenty) workshops which trained up 769 bank officials and executives. To provide more practical knowledge, the syllabus of foundation and advanced training is updating on regular basis towards developing competent and skilled professionals. Moreover, the effort of human resources development through BIBM, BBTA and other domestic & international institute are in place to enrich the bank's performance in different areas.

SHARI'AH COMPLIANCE

Bank is constantly aware to become Shari'ah compliant in its day to day banking operations. Relevant guidelines of Bangladesh Bank and instructions of Bank's Shari'ah Supervisory Committee comprised of national recognized Islamic scholars' inspired us to comply with Shari'ah principles. Muraqib's under Shari'ah Supervisory Committee are conducting Shari'ah Audits and Inspections from time to time to find out the expectation gaps (if any).

PLANNING FOR 2020

Union Bank has taken comprehensive plan for deposit mobilization, recovery from overdue investments, investment in the potential sectors, increasing foreign trade, strengthening comprehensive risk management systems along with prudent core risk management and mentionable development in ICT based Banking services. We are committed to invest more on social, ethical, environment friendly, productive and profitable business in light with sustainable development and complying all rules & regulations of the country. Moreover, we are also committed to deliver best financial services to deprived and less privilege marginal communities by providing CMSME investment to ensure overall social development. Our endeavor will be continued to increase the quality of customer services, retaining the strong capital base, ensuring good corporate governance, maintaining better asset quality and trustworthiness of the customers in the year 2020 for retaining the bank's persistent growth in the days ahead.

Finally, I, on behalf of Management, would like to express my profound gratitude to the Honorable Board of Directors, Stakeholders, Bangladesh Bank and other regulatory authorities, valued clients and well-wishers for their continuous support and patronization. We are committed to improve our key performance indicators for ensuring overall progress and sustainable growth in line with aspirations of our respected shareholders. Hopefully, with all of your continuous support, Union Bank Ltd. will able to establish as a modern shari'ah based progressive bank in the banking sector, InshaAllah.

Allah Hafez.



A.B.M Mokammel Hoque Chowdhury
Managing Director

REPORTS



DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamu Alaikum,

The Board of Directors of Union Bank Limited feel thrilled to welcome you all to the 7th Annual General Meeting of the Bank. It gives us immense pleasure to place the highlights of the Bank's performance of the year ended 31st December 2019. The report and Financial Statements of the Bank have been prepared in accordance with the regulations, standards & relevant sections mentioned in the Company Act 1994, the Bank Company Act 1991, Bangladesh Bank Circulars & guidelines and other applicable rules & regulations of the respective Regulatory Authorities. On this occasion, I would like to thank each one of you for your continued support and loyalty. Before I proceed to present the performance highlights of our Bank, let us briefly dwell upon the domestic and international macro-economic scenario.

GLOBAL ECONOMY

The year 2019 has been punctuated by escalating global trade disputes and episodes of financial stress and volatility, amid prolonged trade disputes and wide-ranging policy uncertainties. The world economy has seen a significant and broad-based deterioration over the past year. This threatens to impede efforts to reduce poverty, create decent jobs, broaden access to affordable and clean energy, and achieve many other Sustainable Development Goals. World gross product growth slipped to 2.30 percent in 2019 the lowest rate since the global financial crisis of 2008-2009. This slowdown is occurring alongside growing discontent with the social and environmental quality of economic growth, amid pervasive inequalities and the deepening climate crisis. Economic growth has failed often to reach the people who need it most. The essential transition towards environmentally sustainable production and consumption is not happening fast enough, and the impacts of climate change are growing more widespread and severe.

The world economy is plagued by risks that threaten financial stability. Amid prolonged loose monetary conditions in developed economies and rapid credit growth in some emerging economies, high levels of debt are pervasive. Elevated debt levels not only pose financial risks themselves but also reduce an economy's resilience to shocks, creating a source of fragility in cases of further deterioration in economic activity. An escalation of trade tensions could become intertwined with these fragilities if it were to trigger a "flight to safety" among investors, driving an appreciation of the United States dollar and an implicit tightening of monetary conditions in developing countries. As households and firms struggle to roll over debt, rising bankruptcies and tighter credit conditions could trigger a disorderly deleveraging process and large asset price corrections.

The modest rebound in global growth foreseen for 2020 is contingent on the assumption that numerous risks lurking on the horizon do not materialize; that trade tensions and tariffs do not intensify further; that Brexit is concluded with a transparent framework for the future relationship between the United Kingdom and the European Union; that geopolitical frictions do not escalate; that risks to financial stability remain contained; and that catastrophic climate shocks remain at bay. Even a small deviation from any of these stipulations could deliver a further slowdown in global growth in 2020. For example, a flareup of trade tensions that prompted firms in developed economies and in East Asia to postpone just 1.00 percent of investment could see world trade growth slow to 0.60 percent and world gross product growth to just 1.80 percent in 2020. This compares to baseline projections of 2.30 and 2.50 percent, respectively.

A wide gap remains between today's world and a world in which the energy system is compatible with global goals for climate protection, universal access to energy and clean air. Strategies for the delivery of accessible, reliable and decarbonized energy are available but require political prioritization and public support. Achieving the necessary decline in emission levels will require a combination of technology change to enhance energy efficiency; behavioral change to promote energy conservation and the expansion of carbon sinks; investment in the infrastructure and technology required to change the composition of the energy mix; and the development and deployment of carbon capture and sequestration technologies.

A dynamic and inclusive global economy is essential to meet the ambitious targets of the 2030 Agenda for Sustainable Development. While it is important to address the short-term challenges of today, policymakers must remain steadfast in advancing a long-term development strategy to meet the economic, social and environmental goals of tomorrow. Decisive policy action relies on multilateral, cooperative

approaches in key areas such as pursuing climate action, mobilizing sustainable finance and redressing inequality. The window of opportunity to act is narrowing. Any delay in decisive action will significantly increase the ultimate costs. Member States of the United Nations have declared this a decade of action to deliver the Sustainable Development Goals by 2030, and rapid progress towards achieving the energy transition must feature high on this agenda.

BANGLADESH ECONOMY

Bangladesh economy has shown its resilience to achieve GDP growth on an average by 7.00 percent over the last five years. Bangladesh Bank projects that the existing growth momentum in the country will continue through 2024. Bangladesh is able to maintain the continuity and stability of the economic growth by tackling the adverse effect of the global and domestic front. According to the Bangladesh Bureau of Statistics (BBS), real GDP recorded a growth of 8.15 percent in FY19, which was higher than 7.86 percent growth recorded in FY18. This robust growth was mainly propelled by the industry and service sectors' growth. As the key sectors, industry, services and agriculture grew by 12.70, 6.80, and 3.90 percent respectively. The data of Bangladesh Bureau of Statistics (BBS) showed that GDP at current market price was BDT 25,424.80 billion for FY19 which is 13.00 percent higher compared to the preceding year. In FY19, per capita real GDP and GNI were estimated at BDT 66,795.10 and BDT 69,779.90 respectively. During the same period, per capita nominal GDP and GNI were estimated at BDT 1,53,578.00 (USD 1828) and BDT 1,60,440.00 (USD 1909) respectively. Bangladesh Bank maintained stability in retaining foreign exchange reserves. At the end of 30 December 2019, the gross foreign exchange reserves stood at USD 32.69 billion. Satisfactory growth of gross imports along with strong export growth led to a lower trade deficit during FY19 compared with FY18. Therefore, the overall balance gained a surplus. Export earnings increased by 10.50 percent to USD 40535.00 million in FY19 from USD 36668.20 million in FY18 (Table 11.10). Readymade Garments (woven garments and knitwear products) continued to occupy a lion share (above four fifths) of the total export.

However, Bangladesh has to maintain sustainable inclusive growth in order to obtain the upper middle income country status by 2030. To achieve the desired growth, the country needs to increase FDI, mobilize adequate financing in private sector, development in financial market, infrastructural development, export diversification, increase revenue collection and reduce cost of doing business.

BANKING SECTOR

After a rally of growth over the past few years, the banking sector of Bangladesh has passed the FY19 as a period of internal consolidation to sustain the achievements. Bangladesh Bank (BB) has also amended and adopted some prudential policies and regulatory measures to help the banking sector in its quest to attain sustainability. The major prudential policies and regulatory measures taken, but not limited to, were as follows: adaptation of Guidelines for Internal Credit Risk Rating System, re-fixation of educational qualification of CEO, policy for Off-shore banking operation of banks, policy for investment in long term infrastructure projects and policy for investment in non-listed securities

by banks, amendments of loan/investment write-off policy, loan classification and provisioning policy, policy to provide incentive to good borrowers, Risk Management Guidelines for Banks and regulation regarding investment in capital market by banks. It is expected that amendments and adaptation of these policies and regulatory measures will help to overcome the limitations and enhance the strive towards the stability of the banking sector. The performance of the Risk Management Committee at the board level of banks is being evaluated regularly by BB. As a part of supervisory activities, regular and special on-site inspections have been conducted throughout the year. Moreover, special monitoring has been conducted by BB to oversee the liquidity level of the banking sector which results in a sufficient level of aggregate excess liquidity at the end of the FY19. Besides, as a part of continual effort, steps have been taken to reduce the overall NPL of the sector. At the end of the FY19, the overall Capital to Risk weighted Asset Ratio (CRAR) stood at satisfactory level which indicates a more resilient banking sector.

It has been observed that both Deposit and Advance have increased at the end of 2019. It is a good sign for socio-economic development of the country. At the end of the year of 2019, the overall Bank Deposit in Bangladesh stands at BDT 1,13,78,522 million (Demand and time deposits, Excluding Inter Bank) which is 12.58 percent growth compared to the previous year's total Deposit amounting BDT 1,01,06,816 million. On the other hand, the total Credit of the Banks to private sector reaches BDT 1,05,01,515.00 million on December 2019 which is 9.83 percent increase against the amount BDT 95,88,512.00 million of the year 2018. The country's Foreign Exchange Reserve kept a little increase. It was USD 32,688.48 million on December 30, 2019 whereas it amounted USD 32,016.25 million on December 27, 2018.

In the coming days, the banking industry will have to achieve the ability to absorb shocks arising from financial and economic stress, improve risk management and governance, and strengthen banks' transparency and disclosures. The goal of strengthening banking industry will be realised if the implementation of prudent fiscal management, application of cautious and effective monetary policy, appropriate management of expenditure, sound implementation of the reform activities can be done properly.

AN OVERVIEW OF THE BANK

Union Bank Limited is a fourth generation Bank and it is just on its seventh year journey. Despite all the challenges and huge competition, we have been able to retain a steady growth in the year of 2019 like the previous years. At the end of year 2019, total deposit of our Bank stood at BDT 1,50,219.92 million which is 9.51 percent growth compared to the previous year's total deposit at BDT 1,24,898.50 million. On the other hand, total investment recorded BDT 1,46,459.57 million which is 22.11 percent increase against BDT 1,19,934.39 million of the previous year. The Bank has achieved an operating profit of BDT 2,707.91 million compared to the last year's operating profit BDT 2,329.55 million. The profit growth has increased 2.49 percent this year. Our Bank has done well in the area of Export and Import as well. The volume of Import Business of the Bank was BDT 17,082.00 Million (Eqvt. USD 207.00 million) in 2019 while Export of the Bank was BDT 50,715.00 million (Eqvt. USD 615.00 million) in 2019, indicating Export-Import business of our Bank increased 4.00 percent by this one year.

For providing best services to the customers, Union Bank Limited has improved its interface and functions with the help of the State-of-the-art Banking Software (ABABIL). This will increase operational efficiency, reduce lead time and speed up customer service and thereby save cost. We are always trying to apply new technology in its different areas to get the best output from updated technology and to ease the users and finally satisfy the valuable customers of the Bank and during this year 2019, 12 ATM Booths were established whereas at this moment total ATMs are 47. To execute the daily banking activities, our Bank uses BACH, BEFT, RTGS, POS, Debit Card with Q-Cash and NPSB facility, SMS Banking, SWIFT and Foreign Remittance Services. We have planned to implement Internet Banking for the customers so that they can perform their daily banking activities sitting at home or work or anywhere and make any kind of Utility bill payment. Our key motto is to make life easier than before through our Bank.

As a business enterprise, UBL is committed to conducting its affairs to the highest standards of ethics, integrity, honesty, fairness and professionalism which will make quality manpower. In order to guide the employees of the Bank, the Code of Conduct is designed. To Perform best, we are training our employees through UBL Training Institute and make them fully ready to play a great contribution in our Banking Industry.

BANK'S PERFORMANCE IN 2019

UBL's personal banking strategy with Shari'ah based product and services have enabled the bank to diversify its customer base and increase market share. At the same time the Bank continued to stay close to its corporate and commercial clients particularly the family owned businesses which contribute to agricultural industry to ensure that UBL remains their preferred banking partner in the coming years. Bank was able to make an operating profit of BDT 2,707.91 million as on 31st December 2019 that is 2.49 percent increases against BDT 2,329.55 million of the previous year. At the same time, total deposits of the Bank are BDT 1,50,219.92 million and total investments are BDT 1,46,459.57 million. Total Assets of the bank are BDT 180,023.95 million as on 31st December 2019 against BDT 148,583.77 million of the previous year.

FINANCIAL PRODUCTS & SERVICES

Union Bank Limited has been operating 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:

- Al-Wadiah Current Deposit Account
- Mudaraba Savings Deposit Account
- Mudaraba Savings Deposit Account (Staff)
- Mudaraba School Banking Savings Account
- Mudaraba Savings Salary Account
- Mudaraba Student Saving (Udvas)
- Mudaraba Short Notice Deposit Account
- Mudaraba No-Frill Savings Account
- Mudaraba Term Deposit Account
 - 01 Month
 - 03 Months
 - 06 Months
 - 12 Months
 - 24 Months
 - 36 Months

Present Scheme Products of the Bank are:

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

Investment Products:

- Bai- Murabaha
- Bai- Muajjal
- Hire Purchase under Shirkatul Melk
- Mudaraba
- Musharaka
- Bai- Salam/Bai-Istisna
- 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

Services:

- ATM Banking (Debit Card)
- Online Banking
- SMS Banking
- Remittance
- Electronic Fund Transfer (EFT)
- Real Time Gross Settlement (RTGS)
- SWIFT
- Automated Clearing
- E-Gp
- Centralized Trade Processing Services
- SMS Notification
- Alternate Delivery Channel (ADC)
- Locker

INFORMATION & COMMUNICATION TECHNOLOGY DIVISION

Information and Communication Technologies (ICTs) have great promise to reduce poverty, increase productivity, boost economic growth, and improve accountability and governance. However, new age business environment is very dynamic and under goes rapid changes as a result of technological innovation, increased awareness and demands from customers. Union Bank has been adopting the benefit of Technology from the very inception.

The Technology is changing rapidly and today Business organizations, especially the banking industry of operates in a complex and competitive environment characterized by these 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.

Now, Bank is able to serve its customers from anywhere

anytime with its centralized online banking solution. 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.

Recently full fledged Internet Banking & Mobile Apps introduced with number of remarkable features like – Fund Transfer to any bank any account, Any Credit Card bill payment, Any Mobile Recharge, Transfer money to bKash. Transfer Fund to Nagad & Rocket, e-Commerce Transaction are also in pipeline. Customers are excitedly accepted UBL Internet & Mobile Apps service.

Union Bank has taken Project on VISA membership for Card payment and will be capable of issuing & acquiring VISA Debit/Credit/Prepaid card of Union Bank at the first quarter of 2021. A lot of discount facility is attaching with UBL Card service and customers are informed through SMS regularly. The Bank is expanding its own ATM network through branches and even joining with different merchants & corporates through agreement.

Considering better customer support and service at any time, Union Bank initiated 24/7 Call Center Service and all preliminary works has completed. A sophisticated Call Center solution with enough Hotline and Service Agent will be deployed to ensure a comfortable customer interaction at anytime from anywhere.

The Bank also implemented Remittance Software RemitBook 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.

To address the challenges with its aging messaging infrastructure, the Union Bank has already deployed Microsoft Exchange Server 2010 for corporate mailing system to manage its mailing system efficiently including customer communication which ultimately increase service, reduces the time, manual handling and use of papers.

Disaster Recovery (DR) Site has been established at Mouchak, Gazipur, 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 is planning on Far data Center possibly in Jashore.

In line of Digital Transformation, 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. Also any eligible person will be capable of opening account from Home through mobile application or Internet. Only NID or logical authorized document will be the key authentication.

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 eWork-Flow for approval processing will replace existing manual file processing and final document will be preserve & Achieve digitally in a IT DMS Platform. This will heavily improve Green application, reduce cost & space including productivity.

Union Bank has increased its strength on Cyber security areas and updated all security platform as standard procedures. Technology refreshment and innovative inclusion is a regular event in case of ICT areas. Regular Training and awareness programs continued with on premises and through remote technical way.

Union Bank also planning on Financial Inclusion' and devising low cost delivery channel like Mobile Banking through sharing concept. Bank also planning to review Core Banking Solution for more automation, efficient processing, reduce cost and more green environment. To design & place world class processing steps, Union Bank is focusing on outperform in all areas and targeting to take place among 2nd generation banks.

Union Bank has strategically formulated Year 2020 as Technology Acquisition and Infrastructure Placement for ensure efficient Operation and better Customer Service with proper compliance and control. The effort will significantly reflect in next year- Honorable Shareholders and Customers will be proud more to be with Union Bank.

MANAGEMENT INFORMATION SYSTEM (MIS)

Management Information System (MIS) is basically concerned with the process of collecting, processing, storing and transmitting relevant information to support the management operations in any organizations. MIS provides information that banks require to manage themselves efficiently and effectively. Management information systems are distinct from other information systems because it is used to analyze and facilitate strategic and operational activities.

Union Bank Ltd. established MIS Division from its inception. All the branches of the bank are running its operation with installation of a modern computerized system. With the support of this system, MIS Division usually provides both financial and non-financial information to the Management for analysis, coordination, control and decision making in a prudent manner. On the other hand, MIS Division keeps all updated data/information of the bank to meet the requirement of the different divisions and regulators from time to time.

Most significantly, Bangladesh Bank (BB) introduced a web based regulatory tools namely "Integrated Supervision System (ISS)". Through ISS reports, BB can easily evaluate overall performance of all scheduled commercial banks both global and branch position simultaneously based on the information in different intervals. As a part of the process, MIS Division developed "ISS Reporting & Validation Tools" with the collaboration of ICT Division. These reporting and validation tools ensure summarize, accurate and validated ISS reports.

According to the requirement of bank specific Strategic Plan under section 2.8 of latest Risk Management Guidelines-2018, Banks are instructed to implement the automation and effective Management Information System (MIS). In this regard, Bank Management has taken a plan to establish a "Centralized MIS Cell" that will prepare a data bank for MIS and ensure accuracy of regulatory and internal reports in collaboration of related divisions. The Cell will also support other divisions and Senior Management through providing validated information to take proper strategic decisions towards expectation gaps in different areas of the bank.

BRANCH EXPANSION

All Branches of Union Bank Limited up to December 03, 2020

SL.	Branch Name	Opening Date	Urban/Rural
2013			
	Head Office	01.04.13	
01.	Gulshan Branch	20.05.13	Urban
02.	Dilkusha Branch	08.07.13	Urban
03.	Hatkhola Branch	04.08.13	Urban
04.	Lichubagan Branch	01.10.13	Rural
05.	Shathibari Branch	06.10.13	Rural
06.	Mouchak Branch	14.11.13	Rural
07.	Shantirhat Branch	16.11.13	Rural
08.	Khatungonj Branch	07.12.13	Urban
09.	Bogabari Branch	14.12.13	Rural
10.	Zindabazar Branch	21.12.13	Urban
11.	Ashkona Bazar Branch	28.12.13	Urban
2014			
12.	Panthapath Branch	10.03.14	Urban
13.	Sebarhat Branch	30.03.14	Rural
14.	Badarkhali Branch	26.05.14	Rural
15.	Islampur Branch	29.05.14	Rural
16.	Pahartoli Branch	10.06.14	Rural
17.	Bogura Branch	19.06.14	Urban
18.	Khulna Branch	26.06.14	Urban
19.	Sarkarhat Branch	09.07.14	Rural
20.	Agrabad Branch	10.07.14	Urban
21.	Lalmai Branch	18.10.14	Rural
22.	Cumilla Branch	19.10.14	Urban
23.	Talshahor Branch	21.10.14	Rural
24.	Cox's Bazar Branch	26.10.14	Urban
25.	Hnila Branch	27.10.14	Rural
26.	Uttara Branch	06.11.14	Urban
27.	Muradpur Branch	18.12.14	Urban
2015			
28.	Banani Branch	14.05.15	Urban
29.	Mawna Branch	18.05.15	Rural
30.	Rajshahi Branch	28.05.15	Urban
31.	DT Road Eidgah Branch	01.06.15	Urban
32.	Bahubal Branch	04.06.15	Rural
33.	Munshirhat Branch	08.06.15	Rural
34.	Patiya Branch	10.06.15	Urban
35.	Pabna Branch	14.06.15	Urban
36.	Joksin Bazar Branch	17.06.15	Rural
37.	Panchaboti Branch	12.08.15	Rural
38.	Narayangonj Branch	16.11.15	Urban

SL.	Branch Name	Opening Date	Urban/Rural
39.	Miar Bazar Branch	29.11.15	Rural
40.	Bazar Hasnabad Branch	06.12.15	Rural
41.	Nanupur Branch	13.12.15	Rural
42.	Mirpur Branch	17.12.15	Urban
43.	Feni Branch	23.12.15	Urban
44.	Bonpara Branch	26.12.15	Urban
2016			
45.	Dewan Bazar Branch	08.05.2016	Urban
46.	Ataikula Branch	15.05.2016	Rural
47.	Barishal Branch	19.05.2016	Urban
48.	Keranihat Branch	02.06.2016	Rural
49.	Mymensingh Branch	16.06.2016	Urban
50.	Nawabpur Road Branch	20.07.2016	Urban
51.	Ati Bazar Branch	28.07.2016	Rural
52.	Khilpara Branch	17.08.2016	Rural
53.	Eidgaon Branch	21.08.2016	Rural
54.	Jashore Branch	01.09.2016	Urban
55.	Kalukhali Bazar Branch	04.12.2016	Rural
56.	Banshkhali (Chandpur) Branch	08.12.2016	Rural
57.	Jamuna Future Park Branch	27.12.2016	Urban
2017			
58.	Kumira Branch	29.03.2017	Rural
59.	Jotpukuria Bazar Branch	24.05.2017	Rural
60.	Laldighi Branch	25.05.2017	Urban
61.	Dhanmondi Branch	20.08.2017	Urban
62.	Rangpur Branch	22.08.2017	Urban
63.	Tangail Branch	05.10.2017	Urban
64.	Shakpura Chowmuhony Branch	19.10.2017	Rural
65.	Madhobdi Branch	26.10.2017	Rural
66.	Lohagara Branch	07.12.2017	Rural
67.	Keranigonj Branch	19.12.2017	Rural
68.	Gazipur Chowrasta Branch	21.12.2017	Urban
2018			
69.	Kushtia Branch	09.05.2018	Urban
70.	Jubilee Road Branch	13.05.2018	Urban
71.	Raozan Branch	14.05.2018	Rural
72.	Dinajpur Branch	08.10.2018	Urban
73.	Islampur Branch, Dhaka	24.10.2018	Urban
74.	Moulvibazar Branch	18.11.2018	Urban
75.	Bhulta Branch	20.11.2018	Rural
76.	Jorargonj Branch	27.11.2018	Rural
77.	Hemayatpur Branch	20.12.2018	Rural

SL.	Branch Name	Opening Date	Urban/Rural
2019			
78.	Chapainawabganj Branch	01.08.2019	Urban
79.	Barlekha Branch	05.08.2019	Rural
80.	Bandartila Branch	13.11.2019	Urban
81.	Fatikchhari Branch	14.11.2019	Rural
82.	Ukhiya Branch	24.11.2019	Rural
83.	Link Road Branch	24.11.2019	Rural
84.	Rajabari Bazar Branch	05.12.2019	Rural
85.	Tajmahal Road Branch	12.12.2019	Urban
86.	Ambarkhana Branch	19.12.2019	Urban
87.	Kanchan Branch	24.12.2019	Rural
2020			
88.	O R Nizam Road Branch	11.06.2020	Urban
89.	Tongi Branch	07.07.2020	Urban
90.	Borodighir Par Branch	29.07.2020	Rural
91.	Chambol Branch	03.12.2020	Rural

List of Sub-Branches as on December 3, 2020

Sl. No	Sub-Branch Name	Controlling Branch	Opening Date
01.	Jaldi	Banskhali (Chandpur) Branch	29.07.2020
02.	Bazalia	Keranihat Branch	26.08.2020
03.	Adhunagar	Lohagara Branch	21.09.2020
04.	Kadoir Bazar	Munshirhat Branch	28.09.2020
05.	Mirpur Bazar	Bahubal Branch	28.09.2020
06.	Nachol	Chapainawabganj Branch	02.11.2020
07.	Fazilpur	Feni Branch	03.12.2020

SUB-COMMITTEES OF THE BOARD

The Board has delegated specific responsibilities to committees as shown below. Each committee has a formal charter. The Board and its committees are supplied with full and timely information to enable them to discharge their responsibilities. In this respect, the Board, its committees and all the Directors have access to Senior Management, External Consultants and Advisors.

a) EXECUTIVE COMMITTEE

The Executive Committee is comprised of 04 (Four) members of the Board of Directors. The Committee takes decision on emergency matter as and when required and assists the Board of Directors to fulfill their responsibilities such as to set objectives, strategies, investment proposal and overall business plans for effective functioning of the Bank.

b) AUDIT COMMITTEE

The Audit Committee is comprised of 04 (Four) members of the Board of Directors. The Committee assists the Board of Directors in ensuring and maintaining oversight

of the Bank's financial reporting system, internal control and risk management framework, audit functions, legal and regulatory requirements. During the year 2019, the committee has conducted 05 (Five) meetings.

c) RISK MANAGEMENT COMMITTEE

A High Power Committee named "Risk Management Committee" has been formed since 2014 which consists of 03 (Three) members of the Board of Directors as per BRPD circular No. 11 dated 27 October, 2013 issued by the Central Bank. The Committee has conducted 04 (Four) meetings during this year.

SHARI'AH SUPERVISORY COMMITTEE

The Shari'ah Supervisory Committee is comprised of 09 (Nine) members. The Committee is ensuring and maintaining the Shari'ah rules and regulations in all banking activities. The Committee has conducted 05 (Five) meetings.

OTHER COMMITTEES

To assist the Managing Director for smooth operation of the Banking activities, several other committees were formed with competent members from Management. The main committees are Management Committee (MANCOM), Asset Liability Management Committee (ALCO), Investment Committee, Purchase Committee, All Risk Committee, Ethics Committee, Senior Management Committee, Branch Selection Committee etc. All the committees are constituted and headed by the Managing Director along with Additional Managing Director, Deputy Managing Directors, SEVP, EVP, SVP, VP and other Executives of different levels.

The Management Committee scrutinizes all the cases thoroughly before referring to Executive Committee/Board for due approval/decision. The ALCO is entrusted with the responsibility of managing short-term liquidity and ensuring adequate liquidity at optimal funding cost. The Investment Committee is involved with detailed review and scrutiny of the investment proposal for onward submission to the Board for decision. All other committees help the Management Team to make concrete decisions regarding day to day activities of the bank.

INTERNAL CONTROL & COMPLIANCE DIVISION

Internal Control and Compliance Division has been established since the very beginning of the Bank. Now Internal Control and Compliance Division consists of three following wings:

- i. Compliance Wing
- ii. Monitoring Wing and
- iii. Audit/Inspection Wing

Internal Control refers to the mechanism in place on a permanent basis to control the activities in an organization. In absence of it, risks resulting in unexpected losses caused by faulty internal processes, human errors, frauds & forgery, technology failure and documentary lapses may surface.

Operational risk may arise from error and fraud due to lack of proper internal control & compliance. Good controls gear up

professional competence, compliance of legal requirements, sound reporting system and resistance to fraud & forgery.

Internal Control & Compliance is not only for getting things done but also to ensure that those are done properly. Internal Control & Compliance plays a pivotal role in building up culture of transparency & accountability.

Modern bank management and supervision mainly focus on risk factors in banking. UBL has taken all-out efforts to mitigate all sorts of risks as per guidelines issued by the Central Bank.

As a part of robust risk management policy, the Bank has formulated a comprehensive Investment Risk Management policy to address investment risks. To mitigate operational risk, money laundering and terrorist financing risk, circumvention or over-riding the internal control procedures, Internal Audit, Board Audit committee and ICC Division are carrying out regular audit & inspection of the functions of the branches and divisions of Head Office.

The bank has set up Internal Control & Compliance (IC&C) Division at Head Office to ensure that the internal control processes are in place. As per instruction of Bangladesh Bank, the Audit Committee of the Board has been constituted to assist the board in fulfilling the objectives, strategies and overall business plans set by the board for effective functioning of the bank. The committee reviews the financial reporting process, financial risks, the audit process, health report of the bank and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct. In the year 2018, 04 meetings of the Audit Committee were held. 'Risk Based Internal Audit (RBIA)' has been introduced by the Bank to assess the business risk as well as control risk associated with the branches, and determines how much follow up, monitoring & periodicity of internal audit would be required to bring a particular branch back to normalcy, if it is found that the performance of the branch is not satisfactory, and which may pose a potential threat for the bank.

Each year the IC&C Division sets out an Audit Plan (Internal) for the year, which is approved by the Managing Director and placed before the Audit Committee of the Board for concurrence. In the year 2019, IC&C Division conducted Comprehensive Audit in 77 Branches and 11 Divisions at Head Office, Special Audit in 03 Branch and Online Foreign Exchange Transaction Monitoring System Audit in 07 AD Branches and 01 division at Head Office of the Bank.

The Bank has already prepared the Risk Assessment Matrix of various banking functions and trying to incorporate the same in the Department Control Function Checklist (DCFCL) and Quarterly Operation Report (QOR). The branches and divisions will follow these attaching due importance to high risk and medium risk functions. The Bank also prepared internal Control & Compliance manual to strengthen internal control functions.

Internal Control & Compliance Division of UBL is an Integral part of Bank Management and a foundation for safe & sound operation. IC&CD is thoroughly guided by the motto "Prevention is better than cure". The array of IC&CD activities can be categorized as per following order:

Performance Objective: To accelerate compliance and effectiveness of involvements.

Information Objective: To ensure dependability, efficiency and time worthiness of financial and management information.

Compliance Objective: To adhere to regularity framework including applicable laws and regulations.

It, intensively, follows-up compliance of audit/ inspections reports conducted by the IC&C Division, Bangladesh Bank and External Auditors. The Division monitors the banking activities, specially the sensitive areas of Foreign Exchange, Finance & Accounts and Investments.

The IC&C Division submits summary report (Quarter Basis) on Audit findings and corrective action taken is placed in a meeting of the Audit Committee of the Board for reviewing and necessary suggestion.

BRANCHES OPERATION AND CONTROL DIVISION (BOCD)

Branches operation and control division (BOCD) has been formed to facilitate the smooth banking operation at branch level as well as customer satisfaction. The main objective of this division is to oversee the operation activities of branches and provide solution of operation bottlenecks. The division works like a bridge between branch and head office. The main activity of BOCD is categorized in 3 (three) major areas:

- **Core Banking Operation solutions through ICT including cash management:**

Branches seek solutions of all types of operation related problem and guideline towards BOCD. Subsequently BOCD obtains necessary approval, if necessary, from competent authority to resolve the issues. Besides, up-gradation of all policy and procedure related to operation have been taken care as per Bangladesh Bank guideline.

- **Customer service and Complaint management:**

Customer satisfaction is the key to business growth. BOCD take care of all service related issues as received from branches and from the clients. Besides, all customer complaint is being received by the division through phone call, email, complaint box or by Bangladesh Bank. Subsequently all complaint is managed by providing a solution following the guide line of Bangladesh Bank.

- **Business budget preparation and its monitoring:**

Branches business budget and target is the bottom line objective of banking business. BOCD plays the pivotal role in preparation of this budget by the approval of Board. Also monitor this budget on monthly basis and report to the management. In this context, BOCD arrange monthly, quarterly and yearly business conference and take effective measures and suggestions to branches to achieve their goal.

Moreover, in implementation of Government agenda of Inclusive banking, BOCD plays role to execute those banking like No frill account, School Banking. Also maintains account for Haji for collection of Pilgrim fees. And smooth lines the collection of varies type of collection account like WASA, PDB, DESCO etc.

Recently, we have introduced the 2 pages account opening form for easy account opening for the clients as directed by Bangladesh Bank as well EKYC is under process as ICT level. Also formation of a standard call center is under process, as managed by ICT, for better customer care.

Here we hear and care for better customer and banking service.

INTERNATIONAL DIVISION

Foreign Trade is one of the pioneer business activities of the Bank conducted by and routed through the International Division of the Bank. International Division is playing a vital role for smooth and dynamic operation of foreign trade transactions from time to time and maintains a coordination and continuous correspondence between foreign Banks and authorized dealer branches of the Bank. The main functions of International Division are:

- a. Establishment of Correspondent banking and remittance agency arrangement,
- b. Opening Nostro Accounts, maintenance and Fund management,
- c. Acting as a Gateway between AD branches and foreign/ Local correspondents,
- d. Foreign Trade payment/received settlement,
- e. Maintaining compliance and provide time to time guidance of foreign exchange transactions to AD branches to ensure and minimize foreign exchange risks,
- f. Supervising of foreign trade related transaction issues,
- g. Operating as assistant, advisor, guide and supervisor of the branches regarding their different issues related to foreign remittance and foreign exchange business,
- h. Mitigating of various risks related to foreign exchange issues,
- i. Maintaining and improving of correspondent relations locally and internationally,
- j. SWIFT support,
- k. Performing Credit line /Confirmation arrangement,
- l. Diversification of foreign exchange business products,
- m. m) Generating new mechanisms in foreign trade,
- n. n) Supervising of Central Trade Operations Unit (CTOU) for FX business of Non-AD Branches,
- o. Maintaining liaison with Bangladesh Bank for AD License and required approval as and when required.

From the very beginning of the journey of the Bank, International Division has been playing an outstanding role promoting the Bank's business and reputation. Mainly the Financial Institution Unit/Correspondent Banking Relationship and the Foreign Remittance Unit are the business developing wings of International Division.

Correspondent Banking Relationship: UBL has a wide range of correspondent network across the world to facilitate smooth foreign trade transactions. The Bank maintains 13 Standard Settlement Instructions (Nostro Account) involving 4 major currencies e.g. USD, GBP, EURO & JPY and also

USD & EURO under ACU mechanism at important financial centers. Total correspondents of UBL stand at 142 (Home and abroad) as on 31 December 2019.

Foreign Trade Service: UBL provides sustained support to facilitate international trade success so that it's clients can meet the demands of a global business environment. The periphery as well as volume of trade finance business of the Bank is increasing notably day by day. Total import of the Bank for the year 2019 is BDT 17,082.00 million (Eqvt. USD 207.00 million) and the figure for export stood for BDT 50,715.00 million (Eqvt. USD 615.00 million) indicating Export-Import business of our Bank increases 4% by this one year.

Central Trade Operations Unit (CTOU): In 1st March 2018 established Central Trade Operations Unit (CTOU) is a vital part of International Division with skilled workforce to boost up as well as to facilitate Trade Service Operations exclusively for the Non-AD branches effectively, smoothly and promptly under the purview of prioritized banking abilities. In 2019 CTOU performed Import business amounting BDT 1,041.00 million (Eqvt. \$12.37 million) and Export business amounting BDT 339.00 million (Eqvt. \$4.46 million) which is very significant.

Union Bank focuses on encouraging the overseas remittance to generate the wage earners revenue, increase the remittance through banking channel, quick settlement remittance and immediate response of queries as well as to equally participate with the government's decision against Money Laundering. Union Bank is in a remarkable position of disbursing foreign remittance among the 4th generation banks.

Foreign Remittance: UBL handles both inward & outward foreign remittance products. The outward remittance includes FC Cash/FDD & Wire transfer by SWIFT. The Bank's inward remittance covers Cash Payout Service, Account Credit Service and Electronic Fund Transfer (EFT) arrangement for other banks account holders. The inward foreign remittance business amounted in BDT1,640.00 million (Eqvt. USD 20.00 million) was in 2018 and the figure stood for the year 2019 is BDT 1,923.00 million (Eqvt. USD 23.00 million) which indicates a 17percent increase of foreign remittance business by this one year.

At present UBL is disbursing remittance being affiliated with 11 remittance houses i.e. 1. Western Union Money Services, 2. Xpress Money Services, 3. Tran-Fast Remittance Co. LLC, 4. Small World Financial services, UK, 5. RIA Financial Services, 6. Wall Street Finance LLC, 7. Placid NK Corporation, USA, 8. First Security Islami Exchange Italy, Srl, 9. AL-Ansari Exchange, 10. Aftab Currency Exchange Ltd, UK, and 11. Merchantrade Asia, Malaysia.

International Division strives for promoting Export, Import & Foreign Remittance of the Bank with endless effort.

The Bank is committed to provide quality global banking service to its clients and unlock the sleeping potentials of missing middle of the country who are beyond the coverage of corporate banking service, focus on rural & micro economic developments, bring the unbanked rural people under the umbrella of banking service with state-of-the-art technology.

CORPORATE AFFAIRS & BRANDING DIVISION

The Corporate Affairs & Branding Division (Former Marketing & Development Division) of Union Bank Limited implies a set of strategies for establishing a strong Brand in the competitive market place which is also considered as one of the most valuable driving forces of the Bank.

The core activities of Corporate Affairs & Branding Division are to formulate Branding and business promotion policies. Side by side, Corporate Affairs & Branding Division is also involved in performing several functions which are enlisted below:

Functional Area	Function Details
Branding	<ul style="list-style-type: none"> • Make proper arrangement of full fledged branding and other support to head office as well as branches for celebrating the anniversary of bank and other occasions. • Design brochure, banner and other branding materials for arranging business conference, promotional campaign and other branding related issues of head office and branches as well. • Facilitate pavilion in fairs/exhibition in different occasion for the bank. • Ensure proper arrangement of the distribution of gift items for valued clients. • Maintain the expenses of branches regarding School Banking Conference, Business Fair and any other business development purpose.
Product & Business Development	<ul style="list-style-type: none"> • Introduce new products & services. • Development of existing products under current product lines. • Identify new business opportunities.
Digital Marketing	<ul style="list-style-type: none"> • Introduce new products & services. • Development of existing products under current product lines. • Identify new business opportunities.
Corporate Affairs and Value Added Service	<ul style="list-style-type: none"> • Take proper initiatives for providing value added service to customers. • Arrange all necessary initiatives for making corporate agreement with prominent organizations with the aim of ensuring exclusive privileges for the employees and all the Debit Cardholders of the bank. • Support to enhance the source of ancillary income (Such as, Collection of DPDC Bill, WASA Bill, DESCO Bill, Pre-registration and registration fees of Hajj Pilgrims)

From the very beginning of the operation of the bank, Corporate Affairs & Branding Division is doing well to establish a strong brand in the competitive market. It has completed 58 successful corporate agreements with renowned organizations of the country for ensuring the exclusive privileges for employees and debit Cardholders of the bank and as well as to build a strong brand image in the competitive marketplace. Apart from this, as per

directives of the management of the bank, Corporate Affairs & Branding division has introduced customer service policy for the employees of the bank to enhance the service quality standard and to provide supreme customer service to our clients.

Corporate Affairs & Branding Division is committed to do best for achieving the goals of the bank.

RISK MANAGEMENT & CONTROL ENVIRONMENT

Introduction

Risk Management is the procedure to minimize the adverse effect of a possible financial loss by identifying potential sources of loss, measuring the financial consequences of a loss occurring and using control tools to minimize actual losses or their financial consequences. To perform the same, necessary directions have been provided by Bangladesh Bank through various letters/circulars/ guidelines from time to time. Bangladesh Bank issued guidelines formed the basic framework of risk management that need to be followed by the banks in Bangladesh. Union Bank Limited has established a prudent and well-structured risk management framework for managing various risks in the light of BB guideline and instruction in order to minimize the risks and thus ensuring sustainable growth of the bank in the long run and also increase employee awareness on risk management so that bank can evaluate its performance towards all banking operations. In this regard, the bank is committed to pay all out effort to identify and reduce the risk of business operations constantly in a constructive manner.

Objectives of Risk Management

Risk management is a discipline at the core of every bank and encompasses all the activities that affect its risk profile from time to time. The ultimate objectives of risk management functions are;

- To promote better risk management culture at all levels.
- To improve financial soundness and stability.
- To adopt and implement a sound risk management framework.
- To introduce dynamic and time based risk management tools and techniques for assessment and treatment of various risks; etc.

Elements of a sound risk management system

The key elements of a sound risk management system are as follows:

- a. Active involvement of board and senior management;
- b. Adequate organization, policies and procedures;
- c. Appropriate management information systems; and
- d. Comprehensive internal controls and limits.

Risk Management Process

Understanding of risk management process can contribute progressively to organizational improvement by providing special attention insight into the identified and potential risks and their impact. It is a series of multi-steps that, when undertaken in sequence, enable continual improvement in strategic decision-making. However, steps of risk management process are as follows:

- Step 1 – Communicate and Consult
- Step 2 – Establish the context
- Step 3 – Identify the risks
- Step 4 – Analyze the risks
- Step 5 – Evaluate the risks
- Step 6 – Treat the risks
- Step 7 – Monitor the risks

Risk Management Regulations for Banks

Practicing sound risk management is crucial for banking sector. For effective risk management within the banks, necessary directions have been provided by Bangladesh Bank through various letters/circulars/ guidelines from time to time most of which are as follows:

- Risk Based Capital Adequacy (RBCA) Guidelines-2014.
- Core Risk Management Guidelines issued by Bangladesh Bank (2015 & 2016);
- Comprehensive Risk Management Guidelines-2018;
- Stress Testing Guideline;
- BRPD Circular No.11 (Section-5.3), dated 27 October 2013 regarding responsibilities of Board of Directors and Board Risk Management Committee (BRMC);

- Guidelines on Environmental & Social Risk Management (ESRM) for Banks, dated 08 February 2017.
- Guidelines on Internal Credit Risk Rating System for Banks-2018
- Other related instructions/circulars/letters as issued by regulators from time to time; etc.

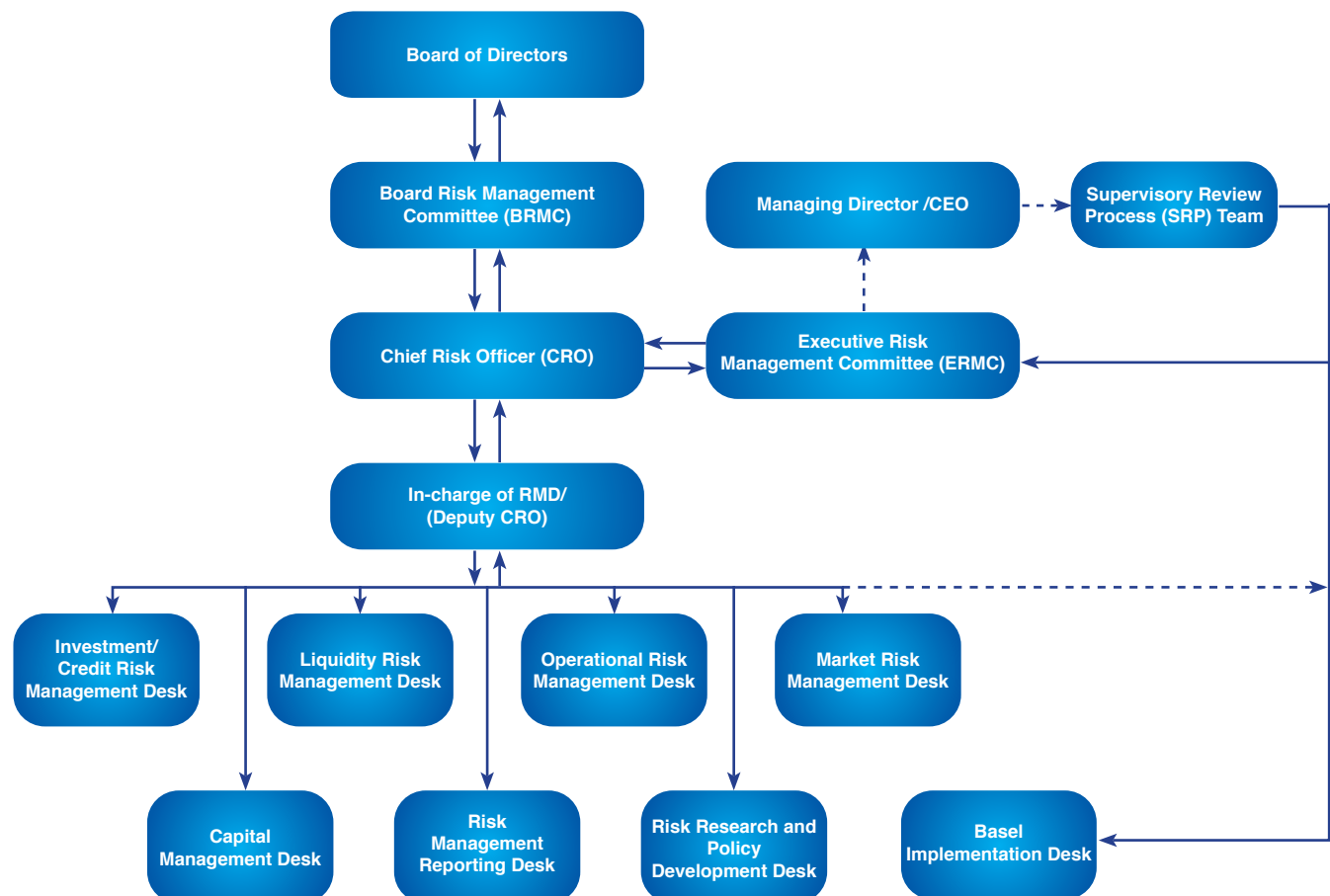
Risk Appetite Statement

Risk appetite is the level and type of risk a bank is able and willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders (depositors, creditors, shareholders, borrowers, regulators). Risk appetite is generally expressed through both quantitative and qualitative means and should consider extreme conditions, events, and outcomes. It should be stated in terms of the potential impact on profitability, capital and liquidity.

Bank prepares risk appetite statement covering all regulatory requirements related to risks, components of pillar-II under Basel III, strategic planning and all other probable risks exist in the bank. The bank sets risk appetite, tolerance and limit for all the probable areas of risks.

Risk Management framework of the bank

Risk management framework is fundamental element for establishing proper authorities of risk management in banks. As such, the bank's risk management framework has been outlined according to the Bangladesh Bank latest Risk Management guidelines-2018 which is as follows:



Risk Management Authorities of the bank

Board of Directors

The key risk management reports/issues are placed before the board of directors on quarterly basis for review and perusal. Board provides guidance against the identified/mentionable risks and the same are communicated to responsible organs for taking corrective actions. Board of Directors will take every possible initiative to keep various risks (Investment, market, liquidity, operational risks etc.) within tolerable level. For this purpose, the board will play the following role:

- Establishing organizational structure for enterprise risk management within the bank and ensuring that top management as well as staffs responsible for risk management possess sound expertise and knowledge to accomplish the risk management function properly;
- Assigning sufficient authority and responsibility to risk management related officials;
- Ensuring uninterrupted information flow to RMD for sound risk management;
- Continuously monitoring the bank's performance and overall risk profile through reviewing various reports;
- Ensuring the formulation, review (at least annually) and implementation of appropriate policies, plans and procedures for risk management;
- Defining and reviewing the risk appetite, risk tolerance, limit etc. in line with strategic planning;
- Making sure maintenance of adequate capital and provision to absorb losses resulting from risk;
- Ensuring that internal audit reviews the Investment operations, foreign exchange operations and securities portfolio management functions etc. to assess the effectiveness of internal control system
- Monitoring the function of Board Risk Management Committee; etc.

Board Risk Management Committee (BRMC)

Board Risk Management Committee (BRMC) reviews the material risks related to investment, foreign exchange, internal control & compliance, money laundering & terrorist financing, information & communication technology, operation, profit rate, liquidity, capital management functions and provisioning (required & maintained); etc. on quarterly basis. The BRMC provides guidance against the identified risks for taking corrective actions by the management. However, 4 (four) meetings of the BRMC were held during the year 2019. Board Risk management Committee (BRMC) of the bank will provide utmost importance on sound risk management practices. For this purpose the BRMC will play the following role:

- Formulating and reviewing (at least annually) risk management policies and strategies for sound risk management;
- Monitoring implementation of risk management policies & process to ensure effective prevention and control measures;
- Ensuring construction of adequate organizational structure for managing risks within the bank;
- Supervising the activities of Executive Risk Management Committee (ERMC)
- Ensuring compliance of BB instructions regarding implementation of core risk management;
- Ensuring formulation and review of risk appetite, limits and recommending these to Board of Directors for their review and approval;

- Approving adequate record keeping & reporting system and ensuring its proper use;
- Holding at least 4 meetings in a year (preferably one meeting in every quarter) and more if deemed necessary;
- Analyzing all existing and probable risk issues in the meeting, taking appropriate decisions for risk mitigation, incorporating the same in the meeting minutes and ensuring follow up of the decisions for proper implementation;
- Submitting proposal, suggestions & summary of BRMC meetings to board of directors at least on quarterly basis;
- Complying with instructions issued from time to time by the regulatory body;
- Ensuring appropriate knowledge, experience, and expertise of lower-level managers and staff involved in risk management;
- Ensuring sufficient & efficient staff resources for RMD;
- Establishing standards of ethics and integrity for staff and enforcing these standards;
- Assessing overall effectiveness of risk management functions on yearly basis.

Executive Risk Management Committee (ERMC)

Bank has formed ERMC comprising of Heads concerned divisions and Executives from other division related to risk as deemed necessary. RMD act as secretariat of the committee. The ERMC, from time to time, invite top management (CEO, AMD, DMD or senior most executives), to attend the meetings so that they are well aware of risk management process.

The responsibilities/Terms of Reference of ERMC are as follows:

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

Supervisory Review Process (SRP) Team

Supervisory Review Process (SRP) includes regulations of bank's own supervisory review of capital positions, aiming to reveal whether a bank has prudent risk management and sufficient capital to manage the risks. In respect of SRP, bank has a defined process for assessing overall capital adequacy and a strategy for maintaining capital at an adequate level. In this regard, the bank has formed an exclusive body called SRP Team with the defined Terms of Reference (TORs) and a process document called Internal Capital Adequacy Assessment Process (ICAAP) for assessing the bank's overall risk profile in addition to minimum capital requirement. The SRP team is headed by the Managing Director of the bank. The Team sits on bi-monthly basis.

RISK MANAGEMENT DIVISION (RMD)

UBL has an independent full-fledged risk management division where CRO is responsible for overall supervision of the division. According to Latest Risk management Guideline 2018, UBL has established 8 (eight) separate desks and functions of particular desks. The responsibilities of RMD & 8 (eight) separate desks are ensured by the In-charge/Deputy CRO. The defined separate desks within the risk management division will oversee each key risk areas. The main functions of the division include, but not limited to, the following:

- Managing the process for developing risk policies and procedures;
- Coordinating with business users/units to prepare functional specifications;
- Preparing and forwarding risk reports; and
- Assisting in the implementation of all aspects of the risk function.

Desk wise function of RMD

For smooth functioning of risk management activities, the desks of RMD should commonly do the defined tasks. All the desks are individually responsible for collecting the related data/ information, progress report of the previously taken decisions of ERM and BRMC from concerned divisions for proper risk analysis and identification of risks, making appropriate recommendations, preparing memo on related issues, monitoring and following up of implementation status of the decisions of meeting minutes, ensuring regulatory compliance on related issues, assisting in formulation and review of risk appetite and risk related policies/guidelines. The desks are also responsible for monitoring the associated risks through concerned department/divisions. However, RMD is performing its specific tasks with the 8(eight) desks are as follows:

- Desk-1: Investment/Credit Risk Management Desk
- Desk-2: Capital Management Desk
- Desk-3: Liquidity Risk Management Desk
- Desk-4: Risk Management Reporting Desk
- Desk-5: Operational Risk Management Desk
- Desk-6: Risk Research and Policy Development desk
- Desk-7: Market Risk Management Desk
- Desk-8: Basel Implementation Desk

Risk Management Reporting

The bank adheres to the applicable rules, regulations and relevant policy guidelines related to risk management reporting as amended up to date. In these contexts, RMD has been preparing and submitting the following reports, summary of which are as under:

Sl. No.	Name of report	Reporting Frequency	Status	Remarks
1.	Statement of Capital Adequacy	4	Complied	Quarterly reporting to BB, BRMC & Board of Directors
2.	Statement of ICAAP under Supervisory Review Process	1	Complied	Yearly reporting to BB, BRMC & Board of Directors.
3.	Stress Testing Report	4	Complied	Quarterly reporting to BB and Board of Directors.
4.	Comprehensive Risk Management Report (CRMR)	2	Complied	Half yearly reporting to BB for determination of risk management rating.
5.	Monthly Risk Management Report (MRMR)	10	Complied	<ul style="list-style-type: none"> • Monthly reporting to ERM & BB. • Quarterly reporting to BB, BRMC & Board of Directors.
6.	Statement of Market Discipline	1	Complied	Yearly reporting to BB & Board of Directors and disclose the same in the Bank's Website.
7.	Statement of Risk Appetite	1	Complied	Yearly reporting to BB & Board of Directors for approval.
8.	Review Report on Risk Management Policies and Effectiveness of Risk Management Functions	1	Complied	Yearly reporting to BB & Board of Directors for approval.
9.	Bank's Credit Rating	1	Complied	Yearly reporting to BB, Board of directors, bank's website, daily newspapers.
10.	Compliance Report	As and when required.	Complied	Reporting to the respective departments of BB from time to time.

Core Risk Management

Bangladesh Bank issued core risk management guidelines for banks which provided the benchmark that needs to be followed by the banks as minimum standard apart from the bank specific internal core risk management guidelines. Bank's core risk management compliance issues are monitored by the Executive Risk Management Committee (ERMC) in its monthly meeting through RMD. The recommendations/ suggestions are communicated to the concerned divisions for ensuring timely compliance of the particular risk factors. In managing the core risks, banks follows the latest core risk management guidelines, such as:

1. Investment/Credit Risk
2. Foreign Exchange Risk
3. Asset-Liability Risk
4. Internal Control & Compliance (ICC) Risk
5. Information & Communication Technology (ICT) Risk
6. Money laundering and terrorist financing (ML & TF) Risk

Key initiatives in the year-2019

- Established and maintained prudent risk management framework.
- Review the risk management guidelines in line with latest risk management guidelines of BB.
- Effective risk management functioning with 08 (eight) separate desks as per latest Risk management Guideline.
- Initiatives to arrange Annual Risk management Conference with the participation of all the branch managers including officials related to risk issues.
- Mudaraba subordinated bond has been included in bank's capital under Tier-2 for strengthening capital base of the bank.
- Expedited credit rating process to reduce risk weighted assets and thus improving bank's capital adequacy.
- Formulated Individual Investment Risk Assessment & Evaluation Checklist and assessed the risk originating from Top investment clients accordingly.
- Address key risk areas and action plan for the year 2019 and communicated the same to the Board of Directors and Senior Management for necessary guidance as against.
- Developed bank's risk profile considering the risks under Basel-III accord.
- Streamlining risk management reporting to the Regulator, Management, BRMC & Board.
- Developed a comprehensive "documentation checklist" for investment.
- Review of "Management Action Trigger".
- Review of "Methodology of assessing Customer Services & Evaluation Report".
- Developing Operational Risk Management Framework for taking necessary measures to identify and mitigate the operational risk issues properly.

- Developing a comprehensive "Risk Register" for assessing ML & TF risk considering customers, products, delivery channels and geographical positions..
- Introducing robust employees' awareness programs on risk management in the bank's training need assessment; etc.

Action Plan for the year-2020

Ensuring all applicable regulatory compliances related to capital adequacy & risk management.

- Developing risk profile of the bank and determining appropriate risk management strategies based on the periodic capital adequacy as well as identified and potential risks.
- Strengthen capital base and expediting Credit rating of eligible client to reduce Risk Weighted Assets (RWA) of the bank.
- Ensuring the defined activities under Basel Unit.
- Reviewing the ICAAP Policy document.
- Implementation of Key Risk Indicators (KRIs) for addressing the risks on timely basis.
- Updating the required risk management policies and procedures of the bank through Management, BRMC & Board Approval.
- Improving bank's core risk segments.
- Ensuring automation of bank's Management Information Systems (MIS) through the Centralized MIS Cell and its supporting team.
- Regular review of board approved risk appetites/limits.
- Monitoring the national and global risk issues in line with bank's exposure.
- Communicating the key risk issues to the Senior Management, BRMC and Board; etc.

Concluding Remarks

The bank risk management organs are working together for minimizing the identified and future potential risks with a view to sustainable growth of the bank in the long run. It is high time to take forward looking initiatives by the all responsible authorities of the bank considering the changing circumstances from time to time.

TREASURY OPERATIONS AND FUND MANAGEMENT

Treasury Division maintains liquidity, based on historical requirements, anticipated funding requirements from operation, current liquidity position and collection of financing available sources of funds, risks and returns. Union Bank Limited's Treasury is fully concentrated on fund management and maintaining adequate cash to meet day-to-day requirements. Treasury Division is responsible for maintaining Cash Reserve Requirement (CRR), Statutory Liquidity Requirement (SLR), Liquidity Coverage Ratio

(LCR), Net Stable Funding Ratio (NSFR) and Maximum Cumulative Outflow (MCO). Treasury deals with funding operation for managing the liquidity positions in local and foreign currency & Inter-Bank Market dealings etc. Treasury Division also ensures Balance Sheet Risk Management and oversees the asset-liability mismatch gap position and implements appropriate measures to mitigate liquidity risk. Thus the Treasury Division of UBL essentially deals with liquidity management and as a service center.

ASSET LIABILITY COMMITTEE (ALCO)

The Asset Liability Committee (ALCO) is constituted with the senior management of the bank headed by the Managing Director. Treasury Mid office 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 at least once in a month to review economic, market status, outlook and liquidity position of the bank. ALCO also assesses pricing of assets and liabilities, maturity wise grouping of assets and liabilities, liquidity contingency funding plan in order to manage the Balance Sheet Risk in a prudent way. The Committee also reviews transfer pricing, other liquidity ratios and sensitivity of asset-liabilities.

The Asset Liability Committee of the Bank monitors balance sheet risk, liquidity risk, investment deposit ratio (IDR), deposit mix, investment mix, gap analysis etc. The primary objectives of the ALCO are liquidity management, fund management and assets liability matching. The committee monitors and averts significant volatility in net investment income (NII), investment value and exchange earnings. In every ALCO meeting, the committee reviews the action taken in previous ALCO meeting, economic and market status and outlook, liquidity risk related to Balance Sheet, profit rate structure etc. Special ALCO meeting is arranged as and when any contingent situation arises.

SUSTAINABLE FINANCE UNIT

Bangladesh Bank has been integrating sustainability into Core banking practices through green banking, corporate social responsibility (CSR), financial inclusion and financial education. Sustainable banking mainly focuses on three broad categories- green banking, corporate social responsibility and financial inclusion.

Being a part of financial corporate house of the country, Union Bank Ltd. is well concerned about the enormous loss of biodiversity, climate change and damage occurred in environment. We would focus on environmental issues at the center of banking activities.

The bank has formed a strong Sustainable Finance Committee comprising 12 (twelve) members and Sustainable Finance Unit comprising 8 (eight) members as per guideline of Bangladesh Bank to look after the activities related to sustainable finance and working to formulate its own ESRM guideline. Apart, the bank has been following guideline on Environmental and Social Risk Management (ESRM) guideline issued by Bangladesh Bank. Union Bank Ltd. has introduced green financing products through which we are able to finance various projects which are

environmental friendly. For example, we are financing in ETP (Effluent Treatment Plant) at manufacturing unit, Auto Bricks, solar panel under sustainable finance for safeguarding the environment from Industrial pollution.

In addition, we are working in opening A/c. of students and low income people under the umbrella of Banking service which also a part of sustainable Finance. Keeping the growth in sustaining manner, we also finance in SME (Women Entrepreneur) because we believe without the development of half of countries citizen our Nation's ultimate goal will not be accomplished. At large we may say that, Union Bank is highly focusing on vision 2020 goals of the government.

ANTI-MONEY LAUNDERING AND COMBATING FINANCING OF TERRORISM ACTIVITIES

Money laundering activities have become vital issue globally in recent years especially in the field of financial institutions. Money laundering and measures to combat it have become the focus of intense international efforts. In absence of adequate Anti-Money laundering policy in financial institutions can lead to serious customers and counterparty risks. The effects of money laundering on economic development are difficult to measure but it is clear that such activity damages the moral strength of financial institution(s), reduces productivity in economy by encouraging crime and corruption.

Under the legal framework of the "Money Laundering Prevention Act, 2012 (MLPA, amended in 2015)" and Anti-Terrorism Act, 2009 (ATA, amended in 2012 & 2013), Union Bank has been pursuing the policy of strict compliance with all regulatory directives and culture of good governance in all aspects of its services & operations.

In accordance with the instruction of BFIU, the Bank has formed Central Compliance Committee(CCC) comprising ten (10) members headed by a Deputy Managing Director as Chief Anti- Money Laundering Compliance Officer (CAMLCO) to oversee the AML/CFT issues of the bank. The Deputy CAMLCO, being the operational Head, looks after the day to day AML & CFT functions and is devising AML & CFT strategies, policy and programs. On the other hand, Branch Anti Money Laundering Compliance Officer (BAMLCO) ensures AML/CFT related compliance in operations at branch level.

According to the guideline of Bangladesh Bank, Union Bank has formulated "AML & CFT Policy" vetted by the higher authorities of the bank. Circulars and circular letters from Bangladesh Bank are circulated to all branches. Our Bank also initiated necessary steps to prevent money laundering & terrorist financing like UN & Local Sanction automated screening mechanism, Client Awareness Program, introduction of training program on Trade Based Money Laundering and Risk Register etc. to comply Bangladesh Financial Intelligence Unit. All the branches have been advised to follow meticulously the orders and instructions mentioned in the circulars and circular letters. For constant vigilance against money laundering and terrorist financing, AML & CFT Division of the bank used to conduct periodic visit to branches for looking after the activities relating to Anti-Money Laundering & Combating Financing of Terrorism.

Moreover, the Managing Director of the Bank regularly circulates his yearly statement of commitment conveying the messages to the concerned officials in identifying the 'Beneficial Owner', KYC and Transaction Profile properly, to be careful in ascertaining and recognizing suspicious/unusual transactions, contact point verification and complete record keeping requirements etc. Our bank also arranges program to aware the members of the Board of Directors on AML & CFT issues. For successful compliance of all activities, our bank achieved "Fair" status from BFIU.

GREEN BANKING FOR SAFE ENVIRONMENT

Green finance as a part of Green Banking that makes great contribution to the transition to resource-efficient and low carbon industries. Green Banking is a component of the global initiative by a group of stakeholders to save environment. Environmental changes in Bangladesh is rapidly deteriorating day by day specially air pollution, water pollution and scarcity, encroachment of rivers, improper disposal of industrial, medical and house-hold waste, deforestation, loss of biodiversity etc.

Bangladesh Bank (BB) is aware of the environmental degradation and has already given time to time directions to all scheduled banks. Commercial Banks have been advised to facilitate their clients with utmost care for installation of Effluent Treatment Plant (ETP) in manufacturing unit and also advised to finance in Solar Energy, Bio-gas, ETP and Hybrid Hoffman Kiln (HHK) in brick field under refinance program of BB. Commercial Bank is advised to follow the guideline of Green Banking Policy of BB as well as of its own while making finance in the field of industrial and agricultural sector.

Union Bank has already formulated Green Banking policy and come forward with measuring environmental risk rating, green financing etc. Moreover, CSR activities for green events and green projects, in house environment management etc. are being considered actively. The bank has formed a strong Green Banking unit to look after the activities related to green banking and formulated a green office guide.

UBL has been financing in various projects of Green financing products which are environment friendly. During 2019, the Bank has extended green finance in the different green projects like Auto Bricks, ETP and Solar power. We also working on Carbon Footprint Measurement, Green Marketing and organizing workshop on green Banking of our Bank officials for developing awareness of green banking.

HUMAN RESOURCES MANAGEMENT

Human Resources plays a strategic role in managing people, the workplace culture, environment and to build & accomplish a successful Business strategy, Human Resources always play a prime role for an organization. Human Resources is a function within an organization concentrated basically on recruiting, managing and directing people who work in it. Besides, it deals with issues

related to compensation, performance management, organization development, safety, wellness, benefits, employee motivation, training and others. If effective, it can contribute greatly to the overall company direction and success of its goals and objectives. Successful organizations realize the importance of well-trained and motivated employees to achieve the company's financial goals. Successful HR divisions realize the importance of keeping employees' focus on the company's financial goals while providing opportunities for employee growth and advancement. Thus, employees and management must both realize that a cooperative, not adversarial, relationship is vital to a company's success.

Union Bank Ltd. is an Islami Shari'ah based 4th generation Bank with an advanced and service oriented disclosure. With a view to ensure best of the service to its clients and compete with other organizations in the same business line, thousands of employees are dedicatedly working for stirring its improvement. A service based financial institute always give emphasis on the growth & development of its manpower to provide quality services to its clients and UBL is not an exception to this. It believes that the factors which help the Bank to survive and differentiate it from other banks are closely interlinked with the quality of services and satisfaction of the clients and those entirely depends on the qualification of the employees, efficiency & effectiveness of their works. The Bank distinguishes the value and contribution of its human resources in its achievements. As the Bank identifies that the human resources give the organization a significant competitive edge, it continues the policy of recruiting the best possible professionals making equal opportunity for new talents in its process of recruitment & selection. The Bank, thereby, simultaneously adopts & implements different programs which includes training, workshops, seminar at home & abroad to develop its human resources with a view to make it a human capital for the organization and to retain high quality professionals to face the challenges of the 21st Century. Union Bank Ltd. as one of the employee responsive organizations always recognizes and responses to the necessity & prospects of its members and thus implements & embraces various policies to ensure their job security as well as social security even after retirement.

VEHICLE EXPENSES

Total number of the vehicles of the bank is 20 (Twenty) as on 31st December 2019. These vehicles are generally used for carrying cash between branches and provide transport facilities to higher officials of the bank for performing official duties. The total expenditure for repair and maintenance of vehicles was BDT 21.65 million in the year 2019.

UNION BANK TRAINING INSTITUTE

Performance Report

In 2019, Union Bank Training Institute has conducted and facilitated training, workshops, discussion for meeting the banking challenges. In-Sha-Allah this effort will be continued in upcoming days to enrich knowledge, improve skills and build positive attitudes.

Synopsis of the activities of the Union Bank Training Institute are as follows:

a) Foundation Training Courses conducted during 2019:

S.L	Name of the Course	Period	Duration	No. of Participants
01	Foundation Training Course (Phase- I)	10.01.19 to 24.01.19	15 Days	29
		06.02.19 to 20.02.19	15 Days	29
		28.03.19 to 11.04.19	15 Days	27
		21.07.19 to 04.08.19	15 Days	32
		24.10.19 to 07.11.19	15 Days	29
02	Foundation Training Course (Phase-I)	11.09.19 to 24.09.19	15 Days	33
Sub Total				179

b) Advanced Training Course conducted during 2019:

S.L	Name of the Course	Period	Duration	No. of Participants
01	Computer Lab Based Training on 'General Banking Module'	16.06.19 to 18.06.19	03 Days	14
		07.07.19 to 09.07.19	03 Days	14
Sub Total				28

c) Workshops conducted during 2019:

S.L	Name of the Course	Period	Duration	No. of Participants
01	Workshop on " UN Sanction List screening Solutions/ Automated Screening Mechanism Of UNSCRs"	08.01.19	1 Day	32
		28.04.19	1 Day	25
		29.04.19	1 Day	23
02	Workshop on "Shariah compliance in Investment Operations"	27.04.19	1 Day	30
		06.07.19	1 Day	28
		24.08.19	1 Day	21
		05.10.19	1 Day	26
		26.10.19	1 Day	34
		07.12.19	1 Day	32
03	Workshop on "Prevention of Money Laundering & Combating Terrorist Financing	16.02.19	1 Day	31
04	Workshop on "Combating Trade Based Money Laundering"	05.05.19	1 Day	29
05	Workshop on "Prevention of Money Laundering & Combating Terrorist Financing	15.06.19	1 Day	30
		31.08.19	1 Day	30
		16.10.19	1 Day	35
06	Workshop on "Integrated Supervision System (ISS) Reporting: New format-2019"	22.03.19	1 Day	26
		23.03.19	1 Day	26
		29.03.19	1 Day	26
		30.03.19	1 Day	28
07	Workshop on "Internal Credit Risk Rating System"	03.09.19	1 Day	30
08	Workshop on "Financial Education for Youth"	14.12.19	1 Day	20
Sub Total				562
Total (a+b+c)				769

DIVIDEND

The Board of Directors has recommended 5% Cash Dividend and 6% Stock Dividend for the year ended December 31, 2019.

RETIREMENT & RE-ELECTION OF DIRECTORS

As per the Companies Act, Bank Companies Act and Articles of Association of the Company, each year one-third of the Directors retire from the office of Directors and depending on eligibility, may offer themselves for re-election by shareholders at the Annual General Meeting. Therefore, by rotation, every Director is required to submit themselves for retirement and re-election by shareholders at regular intervals.

APPOINTMENT OF AUDITORS

The present Auditor K. M. Hasan & Co., Chartered Accounts appointed by the Shareholders has completed the last (2019) year as Auditor. And Board of Directors has recommended their name for reappointment as Auditor for the year 2020.

FUTURE OUTLOOK OF THE BANK

It is very difficult to predict the future growth for any financial institution but we are expecting a balanced execution of UBL Management in order to strengthen the quality of the Bank's assets in the next year through complying with Basel III requirements and following core risk management guidelines. Union Bank Limited is trying to apply new technology such as Internet Banking & Mobile Apps, e-KYC implementation, VISA membership for card payment, 24/7 Call Center service, Disaster recovery site and others with a view to taking out the benefits of the new updated technology. Proper implementation of such technology will satisfy the present valuable customers and make their day to day life easier than any period of before. It will increase the customers and hold the topmost position among the 4th generation banks in the next years. We have a nurtured and superb quality of human capital along with a prudent management to lead us towards our goal.

APPRECIATION

Thanks to Almighty Allah for the Business success of the Bank in 2019. I would like to thank my Board colleagues for their continued support and on their behalf to express my thanks to Managing Director, officials and also all staffs of Union Bank Limited.

The Board of Directors and the bank management are confident that the Bank is well-positioned to continue its growth journey in the coming years. This can be achieved through an unwavering focus on enhancing the Bank's customer service and product proposition, adopting sound asset and liability management, embracing market best practices and practicing prudent risk management and good governance.

I would like to take this opportunity to extend my sincerest gratitude and appreciation to UBL shareholders and clients for their trust and support. And I would also like to thank Bangladesh Bank, Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission and all other concerned regulatory authorities who have supported us and extended to us their valuable co-operation.

May Almighty Allah grant his infinite mercy upon us.

Ameen.

On behalf of the Board of Directors



Ahsanul Alam
Chairman

REPORT OF THE AUDIT COMMITTEE

FOR THE PERIOD FROM JANUARY-2019 TO DECEMBER-2019

The Audit Committee of the Board of Directors of Union Bank Limited has been constituted to act as a watchdog on behalf of the Board of Directors and carries oversight responsibilities. The Board of Directors sets out the overall business plan and formulates policies and the Management plans into effect. The Audit Committee, on behalf of the Board, strives to ensure effective implementation of the process/ procedures set out in the Business Plans and Policies.

THE MEMBERS OF THE AUDIT COMMITTEE:

Sl.	Name	Status in the Board	Status in the Audit Committee
1	Mr. Showkat Hossain, FCA	Director	Chairman
2	Ms. Farzana Begum	Director	Member
3	Mr. Mohammad Fazlay Morshed	Director	Member
4	Mr. Md. Enayet Ullah, FCA	Independent Director	Member
5	Mr. Md. Abdul Quddus	Independent Director	Member

ROLES AND RESPONSIBILITIES OF AUDIT COMMITTEE:

The Audit Committee is responsible for exercising the full powers and authority of the Board in accounting and financial reporting matters and any activity within its terms of reference. The committee reports to Board of Directors as per terms of reference, on the activities assigned. The role and responsibilities of the committee includes:

I) Activities Related to Internal Control

- Review compliance status of the commercial audit report, comprehensive inspection report conducted by Bangladesh Bank and statutory audit report and advise the Management to ensure full compliance.
- Discuss the decisions of the compliance report of internal audit conducted on different branches on quarterly basis.
- Evaluate whether Management is setting the appropriate compliance culture by communicating the importance of internal control and the Management risk and ensuring that all employees have understanding of their roles and responsibilities.
- Review the corrective measures taken by the Management as regards the reports relating to fraud-forgery, deficiencies in internal control by the inspectors of the regulatory authority and inform the Board on a regular basis.
- Review Management Letter/Letters regarding weakness of Internal Control issued by statutory auditors.

II) Activities Related to Financial Reporting

- Review along with the Management, the annual, half yearly and quarterly financial statement submission to the Board for approval with the determination whether they are complete and consistent with the accounting standards set by the regulatory authority.

- Check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to the existing rules and regulations and standards enforced in the country as per relevant prescribed accounting standards set by Bangladesh Bank and other regulators.
- Meet with Management and the external auditors to review the financial statements before their finalization.

III) Activities Related to Internal Audit

- Discuss the internal audit report on different branches and instructed Management to take necessary disciplinary action against fraud forgery committed by the employees;
- Review responsibility fixation report of internal audit for irregularities in routine works in different branches and recommendation(s) for taking necessary disciplinary action against responsible person;
- Review the efficiency and effectiveness of internal audit plan.
- Review the efficiency and effectiveness of internal audit functions.
- Review the findings and recommendations made by internal auditors for removing the irregularities and ensure compliance by the Management in running the affairs of the Bank.

IV) Activities Related to External Audit

- Review the auditing performance of the external auditors and audit report.
- Review the findings and recommendations made by the external auditors for removing the detected irregularities in running the affairs of the Bank are duly considered by the Management.

- Make recommendations to the Board regarding the appointment of the external auditors for conducting audit works of the Bank.

V) Compliance with existing laws and regulations

- Review whether the laws and regulations framed by the regulatory authorities (Bangladesh Bank, BSEC and other bodies) and internal regulations approved by the Board are being complied with.

OTHER RESPONSIBILITIES

- Place compliance report before the Board on quarterly basis regarding regularization of the errors, fraud and forgeries and other irregularities detected by the internal & external auditors and inspectors of regulatory authorities;
- Perform other oversight functions as requested by the Board and evaluate the committee's own performance on a regular basis.

MEETING OF THE AUDIT COMMITTEE

The Audit Committee of the Bank held Five (05) meetings during the year 2019 and had detail discussions and review sessions with Head of Internal Control & Compliance, External Auditors etc., regarding their findings, observations and remedial suggestions on issue of the bank affairs that need improvement.

The Audit Committee instructed Management to follow those remedial suggestions and monitored those accordingly.

Dates of Audit Meetings held during the year 2019 are:

Meeting	Date of Meeting Held
27 th Audit Committee Meeting	31-01-2019
28 th Audit Committee Meeting	28-03-2019
29 th Audit Committee Meeting	23-06-2019
30 th Audit Committee Meeting	30-10-2019
31 st Audit Committee Meeting	08-12-2019

ACTIVITIES IN 2019:

- Reviewed Financial Statements of 4th quarter of 2018 prepared on 31-12-2018 and recommended those to place before the Board of Directors for consideration.
- Reviewed Internal Audit Plan-2019 prepared by Internal Control & Compliance Division, Head Office and recommended to submit it to the Board of Directors.
- Reviewed summary report on audit report of (68) Branches submitted by Internal Audit from 01-01-2018 to 30-12-2018 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed summary report on non-complied vital issues of Compliance report of (68) Branches submitted by Internal Audit from 01-01-2018 to 30-12-2018 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed and approved audited statement (Auditor's Report) of the year ended on 31 December, 2018 and

recommended those to place before the Board of Directors for consideration.

- Reviewed surprise inspection report of Ashkona Bazar Branch conducted by Bangladesh Bank and advised to the Bank Management to regularize the irregularities.
- Reviewed Financial Report of the Bank as on 31 March, 2019 and recommended to place it to the Board of Directors.
- Reviewed summary of Comprehensive Report and report on non-complied vital issues of Compliance report of (19) Branches submitted by Internal Audit from 01-01-2019 to 31-03-2019 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed and Approved "Report of the Audit Committee" to be attached with "Annual Report 2018".
- Reviewed Annual Health Report-2018 and recommended to submit it to the Board of Directors.
- Reviewed Overall Performance of Internal Control and Compliance Division and Issuance of Certificate on the Effectiveness of the Internal Control System of the Bank for the year 2018 by MANCOM and recommended to submit it to the Board of Directors.
- Reviewed Comprehensive Audit Report on Head Office conducted by Bangladesh Bank based on 31-12-2018 and recommended to submit it to the Board of Directors.
- Reviewed summary of Comprehensive Report and report on non-complied vital issues of Compliance report of (37) Branches submitted by Internal Audit from 01-01-2019 to 30-06-2019 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed summary of Comprehensive Report and report on non-complied vital issues of Compliance report of (58) Branches submitted by Internal Audit from 01-01-2019 to 30-09-2019 and recommended to Bank Management for taking proper initiative to regularize non-complied issues.
- Reviewed and approved proposal of hiring K. M. Hasan and Co., Chartered Accounts as an external auditor form 6th Annual General Meeting to 7th Annual General Meeting and recommended to submit it to the Board of Directors.
- Reviewed Internal Control & Compliance Policy/ Manual of Union Bank Ltd. and recommended to submit it to the Board of Directors.

ACKNOWLEDGEMENT

The Audit Committee expresses its sincere thanks to the Members of the Board, Management and the Auditors for their excellent support while carrying out and discharging their duties and responsibilities effectively and smoothly.



Showkat Hossain, FCA
 Chairman
 Audit Committee

শারী'আহ সুপারভাইজরি কমিটির প্রতিবেদন

(৩১ ডিসেম্বর, ২০১৯ ইসাহী তারিখে সমাপ্ত বছরের জন্য)

বিস্মিল্লাহির রাহমানির রাহিম,

আলহামদু লিল্লাহি রাব্বিল আলামীন, ওয়াসসালাতু ওয়াসসালামু আলা সাইয়িদিল আশ্বিয়া-ই ওয়াল মুরসালীন ওয়া'আলা আলিহি ওয়া আসহাবিহি আজমাইন।

ইউনিয়ন ব্যাংক ৪র্থ প্রজন্মের একমাত্র ইসলামী ব্যাংক। যাবতীয় কার্যক্রম শারী'আহ অনুযায়ী পরিচালনার অঙ্গীকার নিয়ে ব্যাংকটি ২০১৩ সালে যাত্রা শুরু করে। ব্যাংকটির কার্যক্রমে শারী'আহ পরিপালনে প্রয়োজনীয় দিক নির্দেশনা প্রদানের লক্ষ্যে প্রখ্যাত ও অভিজ্ঞ উলামায়ে কেলাম ও ইসলামী ব্যাংকারের সমন্বয়ে একটি শারী'আহ সুপারভাইজরি কমিটি দায়িত্ব পালন করছে।

ইউনিয়ন ব্যাংক শারী'আহ সুপারভাইজরি কমিটি ব্যাংকের কার্যাবলী পর্যবেক্ষণ ও পর্যালোচনাপূর্বক মতামত ও শারী'আহ সংক্রান্ত প্রয়োজনীয় দিক-নির্দেশনা প্রদান করে আর ব্যাংক কর্তৃপক্ষ উক্ত কমিটি প্রদত্ত মতামত ও দিকনির্দেশনা মোতাবেক ব্যাংকের যাবতীয় কার্যক্রম পরিচালনা করে থাকে।

শারী'আহ সুপারভাইজরি কমিটি ২০১৯ সালে মোট ৫ টি সভায় মিলিত হয়েছে। এ সময় কমিটি ২০১৮ সালের স্থিতিপত্র (ব্যালেন্সশীট) ও লাভ-ক্ষতি হিসাব শারী'আহর আলোকে বিস্তারিত পর্যালোচনা পূর্বক অনুমোদন করেছে। এছাড়া মুদারাবা আমানতকারীদের মধ্যে বিতরণের জন্য মুনাফার হার সহ শারী'আহ সংক্রান্ত ব্যাংকের বিভিন্ন কার্যক্রম অনুমোদন করে।

ব্যাংকের সকল লেনদেন নিরীক্ষা ও পরিদর্শন পূর্বক শারী'আহ পরিপালনের বিষয়টি পুঙ্খানুপুঙ্খ বিশ্লেষণের লক্ষ্যে শারী'আহ সুপারভাইজরি কমিটি সচিবালয়ে কর্মরত মুরাক্বিবগণ শারী'আহ পরিদর্শন কার্যক্রম পরিচালনা করে থাকেন।

ইউনিয়ন ব্যাংকের যাবতীয় কার্যক্রম শারী'আহর আলোকে পরিচালনার জন্য ব্যবস্থাপনা কর্তৃপক্ষকে শারী'আহ সুপারভাইজরি কমিটি উহার সচিবালয়ের মাধ্যমে প্রয়োজনীয় পরামর্শ এবং দিকনির্দেশনা দিয়ে যাচ্ছে।

পরিশেষে আল্লাহ রাব্বুল আলামীনের দরবারে প্রার্থনা, ইসলামী ব্যাংকিং কার্যক্রমে এবং আমাদের জীবনের প্রতিটি ক্ষেত্রে যথাযথভাবে শারী'আহ পরিপালনের তাওফিক দিন। আমীন।



(মুহাম্মদ আবদুল হাই নদভী)
সদস্য-সচিব
শারী'আহ সুপারভাইজরি কমিটি



(সৈয়দ আব্দুল্লাহ মোহাম্মদ ছালেহ)
চেয়ারম্যান
শারী'আহ সুপারভাইজরি কমিটি

REPORT OF SHARI'AH SUPERVISORY COMMITTEE

(For the year ended 31 December, 2019)

Bismillahir Rahmanir Rahim

Alhamdu Lillahi Rabbil Alamin, Wassalatu Wassalamu Ala Syedil Ambia-E Wal Mursaleen Wa'Ala Alihi Wa Ashabihi Ajmaeen.

Union Bank is one and only 4th generation Islamic Bank. It has started its journey in 2013 with the commitment of operating all its activities according to Shari'ah principles. A Shari'ah Supervisory Committee, consisting of renowned Islamic Scholars and Islamic Bankers is providing necessary directions so that Bank's activities are conducted in accordance with Shari'ah principles.

Union Bank Shari'ah Supervisory Committee observes the operations of the Bank, evaluation of the operations and provides necessary directions relating to Shari'ah and Bank Management Conduct Banking operations according to the directions of the committee.

In 2019, Shari'ah Supervisory Committee has conducted 5 (Five) meetings. In these meeting the Committee approved the Balance Sheet and Profit and Loss accounts for the financial year 2018 after thorough discussion. The Committee has also approved various activities of the bank related to Shari'ah, including profit rate for distribution among Mudaraba depositors.

Muraqibs of Shari'ah Supervisory Committee Secretariat have been conducting Shariah inspection rigorously to ensure that each and every transactions of the bank conform to the Shari'ah principle.

To conduct Union Bank's entire activities in accordance to Shari'ah, the Shari'ah Supervisory Committee continues its supervision and provides necessary directions through Shari'ah Secretariat.

May Allah give us tafiqe to achieve His satisfaction through the implementation of Shari'ah in every where of our life including those to Islamic Banking.



Mohammad Abdul Hai Nadvi
Member Secretary
Shari'ah Supervisory Committee



Syed Abdullah Mohammed Saleh
Chairman
Shari'ah Supervisory Committee

MEMORIES in FRAME





6th Annual General Meeting-2018.



Annual Business Conference-2019



Half Yearly Business Conference-2019.



Inaugural ceremony of Chapainawabganj Branch, Chapainawabganj.



Inaugural ceremony of Barlekha Branch, Moulvibazar.



Inaugural ceremony of Bandartila Branch, Chattogram.



Inaugural ceremony of Fatikchari Branch, Chattogram.



Inaugural ceremony of Ukhiya Branch, Cox's Bazar.



Inaugural ceremony of Link Road Branch, Cox's Bazar.



Inaugural ceremony of Rajabari Bazar Branch, Gazipur.



Inaugural ceremony of Tajmahal Road Branch, Dhaka.



Inaugural ceremony of Amborkhana Branch, Sylhet.



Inaugural ceremony of Kanchan Branch, Rupganj, Narayanganj.

UNION BANK TRAINING INSTITUTE -2019



Hon'ble Additional Managing Director is addressing at the Closing Ceremony of Foundation Training Course (Phase-II).



Participant of Foundation Training Course (Phase-II) is receiving certificate from Hon'ble Additional Managing Director.



Participant of Foundation Training Course (Phase-II) is receiving certificate from Hon'ble Additional Managing Director.



Participant of Foundation Training Course (Phase-II) is receiving gift from Hon'ble Additional Managing Director & Deputy Managing Directors.



Participants with the Chief Guest & Special Guest are seen at the Closing Ceremony of Foundation Training Course (Phase-II)

AGRO PROJECT FINANCED BY UNION BANK LIMITED



SME PROJECT FINANCED BY UNION BANK LIMITED



CSR ACTIVITIES OF UNION BANK LIMITED-2019

The modern concept of Corporate Social Responsibility (CSR) is evolving gradually despite several hindrances. Driving forces behind this evolution is pressure from various stakeholders (Importers, Environmentalists) while slow progress is attributed to lack of Good Governance, absence of strong labor unions, consumer forums and above all lack of understanding by business houses, specifically non-exporting ones, that CSR is not charity but is rather an instrumental PR investment. Corporate Social Responsibility (CSR) is gaining fast global acceptance as a standard to assume environmentally sustainable and socially equitable business practices. The role of business world-wide and specifically in the developed economies has evolved from classical 'profit maximizing' approach to a 'social responsibly' approach, where businesses are not only responsible to its stockholders but also to all of its stakeholders in a broader inclusive sense. With increased globalization, local businesses are being integrated with the global economy than ever hence pressure is mounting on local businesses to converge on international standards of socially responsible business. As a member of the global economy, Bangladesh is also aware of the need to take positive initiative to establish an image of environmentally and socially responsible businesses. CSR as a concept is being gradually interwoven into the psyche of local business, however, the process is slow and only in its infancy. In most of the cases, CSR practices are not particularly framed in the context of seeing to it that the money being given as corporate donations had been part of a sustaining community development effort.

The banking sector of Bangladesh has been actively participating in various social activities. However, these efforts were hardly recognized and labeled as CSR activities since most of the financial institutions have not integrated CSR in their routine operation, rather these were in the form of occasional charity or promotional activities. Bangladesh Bank has taken initiatives in respect of formalizing CSR in the banking sector of Bangladesh and issued a directive to the banks and financial institutions on June 01, 2008 in this regard. It defined the strategic objective for CSR engagement, provided some priority areas with a suggestion to foster CSR in their client businesses, and suggested a first time CSR program indicating some likely action plans. Bangladesh Bank will monitor CSR adoption and CSR performance of banks and financial institutions, as an additional dimension of their management performance. Bangladesh Bank also had the opportunity to provide a sense of direction to the CSR agenda of the banking sector when it suggested that, banks which are taking measures for rehabilitating, agriculture, fisheries, livestock, and protecting environment, will be considered as more compliant of Corporate Social Responsibility besides providing relief to the people affected in natural calamities like 'Sidr', 'Aila' and 'Amphan'. The banking community has responded sensibly to the call for CSR and sustainable social development. We are also observing a gradual but qualitative change in the CSR action programs undertaken by banks. For example:

- Disaster relief and rehabilitation became the segment where the highest number of banks participated to help ease the sufferings of the affected people. In the current context, there is a desired move from the traditionally popular fields of education or health.
- Several banks introduced micro-finance for the target groups, such as poor farmers, landless peasants, women entrepreneurs, rootless slum people, handicapped people etc.
- More and more banks have taken long-term or renewable scholarship programs for under-privileged but meritorious students for the persuasion of their studies, instead of providing one-time recognition awards to good performers.
- Some banks choose to provide continued financial support for maintaining operating costs of health care organizations.

Without a ‘governance framework’, businesses may face substantial difficulties in finding and maintaining appropriate boundaries for their CSR interventions, and they may find themselves pressured into activities that are beyond their core competence and represent a financial drain on business rather than a sensible CSR investment. The initiative of Management and Resources Development Initiative (MRDI) aiming at proper utilization of CSR funds by means of seeking commitment from the leaders of trade and industry to undertaken target-oriented actions for sustainable social development is appreciable.

MRDI has rightly pointed out that as an alternative development funds, CSR can contribute to poverty reduction and supplement government’s efforts towards achieving the millennium development goals. In a developing country like ours with modest resources, it is important that we deploy our resources most usefully, and hence, we should make an effort to have an overall national policy on CSR that starts from building understanding of CSR incentives and pressure points and improving strategic interactions and alignment between public policy goals and the CSR-related activities of business.

As a fourth generation Scheduled Commercial Bank we are intensively focusing on CSR activities. Expenditure on CSR activities gradually increasing each and every year of our Bank. Bangladesh Bank has declared guidelines for CSR activities. We are proceeding based on this direction.

In 2019 we have spent an amount of TK.11,83,59,430.00 (Taka Eleven Crore Eighty Three Lac Fifty Nine Thousand Four Hundred Thirty) only in different sectors. CSR expenditure on different sectors is given below :

Description	Amount in TK.
Education	38,70,000.00
Health	7,59,65,000.00
Disaster Management	2,20,50,000.00
Environment	50,000.00
Cultural Welfare	1,01,00,000.00
Others	63,24,430.00
Total Amount	11,83,59,430.00

We are also adding here some photographs on CSR activities of Union Bank Limited for the year 2019 with captions.



Mr. Shahidul Alam, Chairman, Union Bank Limited handing over a Cheque to Hon'ble Prime Minister Sheikh Hasina for Prime Minister's Relief and Welfare Fund as a part of CSR Activities.



Mr. Shahidul Alam, Chairman, Union Bank Limited in the group picture with Hon'ble Prime Minister Sheikh Hasina in the blankets handing over program to Prime Minister's Relief Fund as a part of CSR Activities.



Mr. Omar Farooque, Managing Director and Mr. A.B.M Mokammel Hoque Chowdhury, Additional Managing Director of Union Bank Limited distributing blankets (at mid-night) to the helpless cold affected people during last winter as a part of CSR Activities.



Mr. Omar Farooque, Managing Director and Mr. A.B.M Mokammel Hoque Chowdhury, Additional Managing Director of Union Bank Limited distributing Ifter Boxes among Helpless, Poor and Orphans in the Dhaka city as a part of CSR Activities.



Mr. Omar Farooque, Managing Director, Union Bank Limited handing over a cheque to the authority of Begum Khorsheda Kalu Mia High School as a part of CSR Activities.



Mr. A.B.M Mokammel Hoque Chowdhury, Additional Managing Director of Union Bank Limited handing over a Cheque for BAS-Young Scientist Program as a part of CSR Activities.

**Disclosures on
Risk Based Capital (BASEL III)
for the year ended 31 December 2019**



BACKGROUND

These disclosures have been made in accordance with the Bangladesh Bank circular no. 18 dated 21st December 2014 as guideline on “Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework)” for Banks in line with Basel-III. The said guideline helps the banking sector cope with the international best practice and to make the Bank’s capital more risk sensitive and shock resilient.

Basel-III guideline apply to all scheduled bank’s on ‘Solo’ basis as well as on ‘Consolidated’ basis where;

Solo basis refers to all position of the bank and its local & overseas branches/offices; and

Consolidated basis refers to all position of the bank (including its local & overseas branches/offices) and its subsidiary companies engaged in financial (excluding insurance) activities like merchant banks, brokerage firms, discount houses etc. [If any].

OBJECTIVE

The objective of Market discipline in the revised framework is to establish a more transparent and disciplined financial market, so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets. The following detailed qualitative and quantitative disclosures are provided in accordance with Guidelines on Risk Based Capital Adequacy by Bangladesh Bank.

VALIDATION & CONSISTENCY

The disclosures (qualitative and quantitative) under the revised Risk Based Capital Adequacy (RBCA) framework as advised by Bangladesh Bank, is based on the audited financial position of the bank as of 31 December 2019.

SCOPE OF APPLICATION

This disclosure builds on the directive on Disclosure of information by banking institutions, to provide detailed guidance on the public disclosures of information by banks under Pillar 3 of Basel III requirements.

DISCLOSURE FRAMEWORK

According to the revised Risk Based Capital Adequacy Guidelines’ the Bank requires general qualitative disclosure for each separate risk area (e.g. Investment, market, operational, banking book interest rate risk, equity). The Bank must describe their risk management objectives and policies, including:

- Strategies and processes;
- The structure and organization of the relevant risk management function;
- The scope and nature of risk reporting and/or measurement systems;
- Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigations.

The following components set out in tabular form are the disclosure requirements:

- A. Scope of Application
- B. Capital Structure
- C. Capital Adequacy
- D. Credit Risk
- E. Equities: Disclosures for Banking Book Positions
- F. Interest (Profit) Rate Risk in Banking Book (IRRBB)
- G. Market Risk
- H. Operational risk
- I. Liquidity Ratio
- J. Leverage Ratio
- K. Remuneration

A. SCOPE OF APPLICATION:

QUALITATIVE DISCLOSURE		
a)	The name of the top corporate entity in the group to which this guidelines applies.	Union Bank Limited
b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk weighted).	<p>Union Bank Limited (UBL) was incorporated on 07.03.2013 as a 4th generation private commercial bank and started its banking business under the license issued by Bangladesh Bank. At present, the Bank has 87 (Eighty-Seven) branches with fully online facility. Considering huge demand of Shariah 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 our product & service in line with this. Modern Technology as well as environmental issues was also considered.</p> <p>At present we are following the accounting on solo basis with no deduction as we have no subsidiaries.</p>
c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	No major impediments found.

QUANTITATIVE DISCLOSURE		
d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Not Applicable

B. CAPITAL STRUCTURE

QUALITATIVE DISCLOSURE		
a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET -1, Additional Tier 1 or Tier 2.	<p>The capital of bank shall be classified into two tiers. The total regulatory capital will consist of sum of the following categories:</p> <ol style="list-style-type: none"> 1. Tier 1 Capital (going-concern capital) <ol style="list-style-type: none"> a. Common Equity Tier 1 b. Additional Tier 1 2. Tier 2 Capital (gone-concern capital) <p>Common Equity Tier 1 (CET-1) Capital:</p> <ol style="list-style-type: none"> a. Paid up share capital, b. Non-repayable share premium account, c. Statutory Reserve, d. General Reserve, e. Dividend equalization reserve, f. Retained earnings g. Minority interest in subsidiaries. <p>Additional Tier 1 (AT 1) Capital:</p> <ol style="list-style-type: none"> a. Instruments issued by the banks that meet the qualifying criteria for AT1; b. Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only); <p>Tier-2 Capital:</p> <ol style="list-style-type: none"> a. General Provisions; b. Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital; c. Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties.

QUANTITATIVE DISCLOSURE: AS ON 31.12.2019			
b)	The amount of regulatory capital, with separate disclosure of:	BDT in Crore	
		Solo	Consolidated
	CET-1 Capital:		
	I. Paid up capital	527.30	-
	II. Non repayable share premium account	0	-
	III. Statutory reserve	152.35	-
	IV. General reserve	14.57	-
	V. Retained earnings	150.84	-
	VI. Dividend equalization reserve	0	-
	VIII. Minority interest in subsidiaries	0	-
	Sub-Total:	845.06	-
	Additional Tier 1 Capital:	0	
	Total Tier-1 Capital:	845.06	
	The total amount of Tier 2 Capital:		
	General Provision	159.50	
	Subordinated debt	400.00	
	Sub-Total:	559.50	
c)	Regulatory Adjustments/Deductions from capital	0	-
d)	Total eligible capital	1404.56	-

C. CAPITAL ADEQUACY

QUALITATIVE DISCLOSURE		
a)	A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	<p>To implement Basel-III, Bangladesh Bank has published a Roadmap through BRPD circular no- 07 dated March 31, 2014; subsequently, issued a guideline. However, Union Bank has maintained 12.24% CRAR for the year ended December 2019 where the minimum requirement CRAR is 10% excluding Capital Conservation Buffer 2.50%. In addition, the necessary initiatives have already been taken for maintaining Capital Conservation Buffer (CCB) at 2.50% by the end of 31 December 2019.</p> <p>Union Bank is maintaining Capital to Risk Weighted Assets Ratio (CRAR) at 12.24% on SOLO basis against the regulatory minimum level of 12.50%. Tier-I capital adequacy ratio under "Solo" basis is 7.36% against the minimum regulatory requirement of 6%.</p>

QUANTITATIVE DISCLOSURE			
	Particulars	BDT in Crore	
		Solo	Consolidated
b)	Capital requirement for credit risk	1,074.95	-
c)	Capital requirement for market risk	1.52	-
d)	Capital requirement for operational risk	71.26	-
e)	Total Capital	1404.56	-
	CET 1 capital	845.06	-
	Total Tier 1 capital	845.06	-
	Tier 2 capital	559.50	-
	Total Risk Weighted Assets (RWA)	11,477.31	-
	Minimum capital requirement	1,147.73	-
	Total CRAR	12.24%	-
	Total and Tier-1 Capital Ratio:		-
	Tier-1 Capital to RWA	7.36%	-
	Tier-2 Capital to RWA	4.87%	-
f)	Capital Conservation Buffer (CCB-2.50%)	1.36%	-
g)	Available Capital under Pillar 2 Requirement	BDT 115.81 Crore	N/A

D. INVESTMENT (CREDIT) RISK

QUALITATIVE DISCLOSURE		
a) The General Qualitative disclosure requirement with respect to investment (credit) risk, including:		
i)	Definitions of past due and impaired (for accounting purposes):	<p>As per BRPD Circular No. 03 dated 21 April 2019, any Investment if not repaid within the fixed expiry date will be treated as Past Due/Overdue.</p> <p>Any Continuous Investment if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date;</p> <p>Any Demand Investment if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date.</p> <p>In case of any installment(s) or part of installment(s) of a Fixed Term Investment is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date.</p> <p>The investments are classified as follows:</p> <p>A Continuous Investment, Demand Investment, Fixed Term Investment or any installment(s)/ part of installment(s) of a Fixed Term Investment which will remain past due/overdue for a period of 03 (three) months or beyond but less than 09 (nine) months, the entire Investment will be put into the "Sub-standard (SS)".</p> <p>A Continuous Investment, Demand Investment, Fixed Term Investment or any installment(s)/ part of installment(s) of a Fixed Term Investment which will remain past due/overdue for a period of 09 (nine) months or beyond but less than 12 (twelve) months, the entire Investment will be put into the "Doubtful (DF)".</p> <p>A Continuous Investment, Demand Investment, Fixed Term Investment or any installment(s)/ part of installment(s) of a Fixed Term Investment which will remain past due/overdue for a period of 12 (twelve) months or beyond, the entire Investment will be put into the "Bad/Loss (B/L)".</p> <p>Short-term Agricultural and Micro Credit are classified as:</p> <p>Sub-standard - if the irregular status continues after a period of 12 (twelve) months; Doubtful - if the irregular status continues after a period of 36 (thirty-six) months; Bad/Loss - if the irregular status continues after a period of 60 (sixty) months.</p> <p>A continuous investment, demand investment or term investment which remains overdue for a period of 60 days or more is classified as a "Special Mention Account (SMA)"</p>

Specific provisions for classified loans and general provisions for unclassified investment and contingent assets are measured following BB prescribed provisioning rates as mentioned below:

General provision on:	Rate
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) Loans to BHs/MBs/SDs against shares etc.	2%
Unclassified (including SMA) loans for housing finance	1%
Unclassified consumer financing other than housing finance, credit card and loans for professionals	5%
Unclassified (including SMA) loans for credit card and loans for professionals	2%
Short term Agri credit and micro credit	1%
Unclassified (including SMA) other loans and advances	1%
Off-balance sheet exposures (excluding bills for collection)	1%
Off-balance sheet exposures (Bills for collection)	0%

Specific provision on:	Rate
"Sub-Standard" investment other than short term agri credit and micro credit	20%
"Doubtful" investment other than short term agri credit and micro credit	50%
"Bad/Loss" investments	100%
"Sub-Standard" & "Doubtful" short term agri credit and micro credit	5%
"Bad/Loss" short term agri credit and micro credit	100%

ii)	Decision of the Bank's Investment (Credit) Risk Management Policy;	Risk is inherent in all aspects of a commercial operation; however, for Banks and financial institutions, investment (credit) risk is an essential factor that needs to be managed. Investment (credit) risk is the possibility that a borrower or counter party will fail to meet its obligations in accordance with agreed terms. Investment (Credit) risk, therefore, arises from the bank's dealings with or lending to corporate, individuals, and other banks or financial institutions. To manage investment (credit) risk Union Bank follows "Bangladesh Bank's Circulated Credit Risk Management guidelines". The Board approved the Investment Risk Management (IRM) policy keeping in view relevant Bangladesh Bank guidelines to ensure best practice in investment risk management and maintain quality of assets.
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QUANTITATIVE DISCLOSURE:

b. Total gross credit risk exposures broken down by major types of credit exposure:

		(BDT in Crore)
Particulars		Amount
Continuous loan (CL-2)		
a)	Small & Medium Enterprise Financing (SME)	366.21
b)	Consumer Financing (CF)	54.32
c)	Loans to BHs/MBs/SDs against Shares	10.88
d)	Other than SMEF, CF, BHs/MBs/SDs	10,203.77
		10,635.18
Demand loan (CL-3)		
a)	Small & Medium Enterprise Financing (SME)	-
b)	Consumer Financing (CF)	-
c)	Loans to BHs/MBs/SDs against Shares	-
d)	Other than SMEF, CF, BHs/MBs/SDs	2,788.80
		2,788.80
Term loan (CL-4)		
a)	Small & Medium Enterprise Financing	25.36
b)	Consumer Financing (Other than HF & LP)	2.04
c)	Housing Financing (HF)	359.28
d)	Other than SMEF, CF, BHs/MBs/SDs	699.57
		1,086.25
Short term Agri credit and microcredit (CL-5)		
a)	Short term Agri credit	81.08
b)	Microcredit	
		81.08
Staff Loan		54.65
Total		14,645.96

c. Geographical distribution of exposures, broken down in significant areas by major types of credit exposure:

(BDT in crore)

Sl.	Division-wise investment	Exposure
1	Dhaka	7,437.39
2	Chittagong	7,131.05
3	Rajshahi	26.89
4	Sylhet	7.75
5	Khulna	12.41
6	Rangpur	17.80
7	Barisal	7.31
8	Mymensingh	5.36
	Total	14,645.96

d. Industry or counterparty type distribution of exposures, broken down by major types of investment exposure:

(BDT in crore)

Sl.	Industry-wise Investments	Exposure
	Agriculture	91.50
	RMG	252.59
	Textile	771.49
	Ship Building	15.58
	Ship Breaking	0.00
	Other Manufacturing Industry	422.26
	SME Investment	391.26
	Construction	0.51
	Power, Gas	140.77
	Transport, Storage and Communication	14.81
	Trade Service	10,439.76
	Commercial real estate	447.22
	Residential real estate	54.33
	Consumer Credit	472.08
	Capital Market	100.33
	Non-bank financial institutions	0.00
	Others	1,031.49
	Total	14,645.96

e. Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure:

(BDT in crore)

SL. No.	Particulars	Exposure
	Payable on Demand	2,199.29
	Up to Three months	4,107.09
	Three months to One year	7,271.34
	One year to Five years	304.17
	Above five years	764.07
	Total	14,645.96

f. By major industry or counterparty type:																
i) Amount of impaired investment (Investment s) and if available, past due investment/ Investments, provided separately;	<p>The amount of classified investment of the bank is as under: (BDT in crore)</p> <table border="1"> <thead> <tr> <th>SI. No.</th> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>SS</td> <td>172.78</td> </tr> <tr> <td>2.</td> <td>DF</td> <td>216.53</td> </tr> <tr> <td>3.</td> <td>B/L</td> <td>144.37</td> </tr> <tr> <td colspan="2">Total</td> <td>533.68</td> </tr> </tbody> </table>	SI. No.	Particulars	Amount	1.	SS	172.78	2.	DF	216.53	3.	B/L	144.37	Total		533.68
SI. No.	Particulars	Amount														
1.	SS	172.78														
2.	DF	216.53														
3.	B/L	144.37														
Total		533.68														
ii) Specific and general provisions;	<p>Specific and general provisions were made on the amount of classified and unclassified investments, off-balance sheet exposures and off-shore banking, interest on receivable, diminution in value of investment and other assets (suspense) of the Bank according to the Bangladesh Bank guidelines. (BDT in Crore)</p> <table border="1"> <thead> <tr> <th>Provision maintained against requirement of provision:</th> <th>Provision as on 31.12.2019</th> </tr> </thead> <tbody> <tr> <td>Unclassified Investments</td> <td>149.30</td> </tr> <tr> <td>Classified Investment</td> <td>152.00</td> </tr> <tr> <td>Off-balance sheet</td> <td>10.20</td> </tr> <tr> <td>Total</td> <td>311.50</td> </tr> </tbody> </table>	Provision maintained against requirement of provision:	Provision as on 31.12.2019	Unclassified Investments	149.30	Classified Investment	152.00	Off-balance sheet	10.20	Total	311.50					
Provision maintained against requirement of provision:	Provision as on 31.12.2019															
Unclassified Investments	149.30															
Classified Investment	152.00															
Off-balance sheet	10.20															
Total	311.50															

g. Gross Non-Performing Assets (NPAs): Non-Performing Assets (NPAs) to outstanding Loans & Advances;	
• Movement of Non-Performing Assets (NPAs):	
(BDT in crore)	
Particulars	Particulars
Opening Balance	116.48
Addition during the year	417.20
Reduction during the year	0.00
Closing Balance	533.68

• Movement of specific provisions for (NPAs):	
(BDT in crore)	
Particulars	Particulars
Opening Balance	53.00
Provisions made during the period	99.00
Written off	0.00
Write-back of excess provisions	0.00
Closing Balance	152.00

E. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

QUALITATIVE DISCLOSURES:		
a)	The general qualitative disclosures requirement with respect to equity risk, including	
	Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons;	Investment in equity securities are broadly categorized into two parts: i) Quoted Securities (common or preference share & mutual fund) that are traded in the secondary market; ii) Unquoted securities are categorized as banking book equity exposures which are further sub-divided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future i.e. held to maturity (HTM). And securities those are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities.
	Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices;	<p>The primary objective is to investment in equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received and right to receive when established. Both Quoted and Un-Quoted equity securities are valued at cost and necessary provisions are maintained if the prices fall below the cost price.</p> <p>As per Bangladesh Bank guidelines, the HFT (Held for Trading) equity securities are revaluated once in each week using marking to market concept and HTM equity securities are amortized once a year according to Bangladesh bank guideline.</p> <p>The HTM equity securities are also revaluated if any, are reclassified to HFT category with the approval of Board of Directors.</p> <p>The Management of Union Bank has constituted an Investment Committee / team comprising of members from the senior executives of the bank who have sound experiences and knowledge on Capital Market activities.</p>

QUANTITATIVE DISCLOSURES:			
(BDT in crore)			
		At Cost	At Market Value
b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	4.41	2.23
c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting (31 December 2019) period.	-	
d)	Total unrealized gains (losses)	(2.18)	
	• Total latent revaluation gains(losses)	Not applicable	
	• Any amounts of the above included in Tier 2 capital.	Not applicable	
e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements	Not applicable	

F. INTEREST (PROFIT) RATE RISK IN BANKING BOOK (IRRBB)

QUALITATIVE DISCLOSURE:

a)	The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding Investment prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	Profit rate risk is the risk which affects the Bank's financial condition due to change in the market profit rates. The changes in profit rates may affect both the current earnings considering earnings perspective, traditional approach to profit rate risk assessment as well as the net worth of the Bank considering economic value perspective. To evaluate the impact of profit rate risk on the net profit margin, the bank monitors the size of the gap between rate sensitive assets & rate sensitive liabilities in terms of remaining time of re-pricing. Re-pricing risk is often the most obvious source of profit rate risk for a bank and is frequently measured by comparing the volume of a bank's assets that mature or re-price within a given time period with the volume of liabilities. The short term impact of changes in profit rates is on the bank's Net Investment Income (NII). In a longer term, changes in profit rates impact the cash flows on the assets, liabilities and off-balance sheet items that may rise to a risk to the net worth of the bank.
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QUANTITATIVE DISCLOSURE:

b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).

(BDT in crore)

Particulars	1 month	3 months	6 months	1 year	Above 1 year
Rate Sensitive Asset	2,411.22	1,589.30	2,100.16	6,728.29	3,073.27
Rate Sensitive liabilities	5,236.79	4,224.58	1,995.65	1,847.18	2,276.03
Net gap	(2,825.57)	(2,635.28)	104.51	4,881.11	797.24
Cumulative gap	(2,825.57)	(5,460.85)	(5,356.34)	(475.24)	322.00

(BDT in crore)

Profit Rate Stress	Minor	Moderate	Major
Assumed change in Profit Rate	1%	2%	3%
Net investment income impact			
<12 months	-0.02	-0.04	-0.05
Capital after-shock	1404.54	1404.52	1404.51
CRAR after-shock (%)	12.24	12.24	12.24
Change in CRAR after-shock (%)	0.00	0.00	0.00

G. MARKET RISK:

QUALITATIVE DISCLOSURE		
i)	Views of Board of Directors (BOD) on trading/investment activities.	<p>Banks may be exposed to market risk in variety of ways. Market risk exposure:</p> <ul style="list-style-type: none"> • May be explicit in portfolios of securities/equities and instruments that are actively traded; • May be explicit such as interest rate risk due to mismatch of assets and liabilities; • May arise from activities categorized as off-balance sheet items. <p>Effective board and senior management oversight of the bank's overall market risk exposure is a foundation of risk management process. For its part, the board is responsible to:</p> <ol style="list-style-type: none"> a. Define bank's overall risk appetite in relation to market risk; b. Ensure that bank's overall market risk exposure is maintained at prudent levels and consistent with the available capital; c. Ensure that senior management as well as individuals responsible for market risk management possesses sound expertise and knowledge to accomplish the risk management function; d. Ensure that the bank implements sound fundamental principles that facilitate the identification, measurement, monitoring and control of market risk; e. Ensure that adequate resources (technical as well as human) are devoted to market risk management; f. Review and approve market risk policies based on recommendations by the bank's senior management; g. Review periodically, but at least once a year, the market risk management program, policy, techniques, procedures and information systems referred to in that policy; h. Outline the content and frequency of management market risk (for each type of risk) reports to the Board; i. Ensure that an independent inspection/audit function reviews the credit operations, foreign exchange operations and securities portfolio management functions to ensure that the bank's market risk management policies and procedures are appropriate and are being adhered to; and j. Review specially the trends in securities portfolio quality and value.
ii)	Methods used to measure Market risk.	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk' under Basel-III.
iii)	Market Risk Management system.	The Treasury Division manages market risk covering Liquidity, profit rate and foreign exchange risk with oversight from Assets Liability Management Committee (ALCO) comprising Senior Executives of the Bank. ALCO is chaired by the Managing Director & CEO of the Bank. ALCO meets at least once in a month.
iv)	Policies and processes for mitigating market risk.	<p>The bank has put its Asset Liability Management policy by setting various risk limits for effective management of market risk and ensuring that the operations are in line with bank's expectation of return to market risk through proper Asset Liability Management. The policies also deal with the reporting framework for effective monitoring of market risk.</p> <p>The ALM Policy specifically deals with liquidity risk management and profit rate risk management framework. Liquidity risk is managed through Gap & Duration analysis, based on residual maturity/behavioral pattern of assets and liabilities, as prescribed by the Bangladesh Bank. The Bank has put in place mechanism of Liquidity Contingency Plan. Prudential (Tolerance) limits are prescribed for different residual maturity time buckets for efficient Asset Liability Management. Liquidity profile of the Bank is evaluated through various liquidity ratios/indicators.</p>
QUANTITATIVE DISCLOSURE:		
b)	The capital requirements for:	Solo
	Particulars	BDT in Crore
	Profit rate risk	0.00
	Equity position risk	0.45
	Foreign exchange risk	1.07
	Commodity risk	0.00
	Total Capital Requirement	1.52
		Consolidated
		-
		-
		-
		-
		-

H. OPERATIONAL RISK:

QUALITATIVE DISCLOSURES:		
a)	View of BOD on system to reduce Operational Risk	<p>Operational Risk is defined as the risk of unexpected losses due to physical catastrophe, technical failure and human error in in the operation of a bank, including fraud, failure of management.</p> <ol style="list-style-type: none"> a. Establish tolerance level and set strategic direction in relation to operational risk. Such a strategy should be based on the requirements and obligation to the stakeholders of the bank; b. Approve the implementation of a bank-wide framework to explicitly manage operational risk as a distinct risk to the bank's safety and soundness; c. Provide senior management clear guidance and direction regarding the principles underlying the framework and approve the corresponding policies developed by senior management; d. Establish a management structure capable of implementing the bank's operational risk management framework specifying clear lines of management responsibility, accountability and reporting; and e. Review the operational risk management framework regularly to ensure that the bank is managing the operational risks. This review process should also aim to assess industry best practice in operational risk management appropriate for the bank's activities, systems and processes.
	Performance gap of executives and staffs	Bank has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. Bank's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.
	Potential external events	<p>The potential external events that may pose the bank in to operational risks are as follows.</p> <ol style="list-style-type: none"> 1. External Fraud: Acts by a third party, of a type intended to defraud, misappropriate property or circumvent the law. Examples include robbery, forgery, and damage from computer hacking. 2. Taxation Risk: Sudden changes in tax laws and regulation that hamper the profitability of a bank. 3. Legal Risk: Legal risk is the risk of the Bank's losses in cases of: <ul style="list-style-type: none"> • Incompliance of the Bank with the requirements of the legal regulations; • Making legal mistakes in carrying out activities; • Imperfection of the legal system • Violation of legal regulations, terms and conditions of concluded agreements by the counterparties. 4. Damage of physical asset: Loss or damage to physical assets from natural disaster or other events. Example includes terrorism, vandalism, earthquakes, fires, floods etc. 5. Business disruption and system failures: Disruption of business or system failures. Examples include telecommunication problems, utility outages etc. 6. Execution, delivery and process management: Failed transaction processing or process management, and relations with trade counterparties and vendors. Examples include, non-client counterparty mis-performance, vendor disputes etc.
	Policies and processes for mitigating operational risk	<p>The bank should put in place an operational risk management policy. The policy at minimum, include:</p> <ul style="list-style-type: none"> • The strategy given by the board of the bank; • The systems and procedures to institute effective operational risk management framework; • The structure of operational risk management function and the roles and responsibilities of individuals involved.

<p>Approach for calculating capital charge for operational risk</p>	<p>The capital charge for operational risk is a fixed percentage, denoted by (alpha) of average positive annual gross income of the bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average. The capital charge may be expressed as follows:</p> $K = [(GI_1 + GI_2 + GI_3) \times \alpha] / n$ <p>Where-</p> <p>K = the capital charge under the Basic Indicator Approach GI = only positive annual gross income over the previous three years (i.e., negative or zero gross income if any shall be excluded) =15 percent n= number of the previous three years for which gross income is positive.</p> <p>Gross Income (GI) is defined as “Net Investment Income” plus “Net non-Investment Income”. It is intended that this measures hold:</p> <ol style="list-style-type: none"> i. Be gross of any provisions; ii. Be gross of operating expenses, including fees paid to out sourcing service providers iii. Exclude realized profits/ losses from the sale of securities held to maturity in the banking book; iv. Exclude extra ordinary or irregular items; v. Exclude income derived from insurance.
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QUANTITATIVE DISCLOSURE:

(BDT in crore)

b)	The capital requirements for operational risk	71.26	
Capital Charge for Operational Risk-Basic Indicator Approach			
Year	Gross Income (GI)	Average Gross Income (AGI)	Capital Charge = 15% of AGI
2017	407.62	475.09	71.26
2018	457.16		
2019	560.48		

I. LIQUIDITY RATIO:

A) QUALITATIVE DISCLOSURE	
Views of Board of Directors (BOD) on system to reduce liquidity Risk	<p>The BOD should have the overall responsibility for management of liquidity risk. Generally, the responsibilities of the board include:</p> <ol style="list-style-type: none"> a. Providing guidance on the level of appetite for liquidity risk; b. Appointing senior managers who have ability to manage liquidity risk and delegate to them the required authority to accomplish the job; c. Continuously monitoring the bank's performance and overall liquidity risk profile through reviewing various reports; and d. Ensuring that senior management takes the steps necessary to identify measure, monitor and control liquidity risk.
Method used to measure Liquidity risk	<p>The liquidity risk strategy defined by Board should enunciate specific policies on particular aspects of liquidity risk management, such as:</p> <ol style="list-style-type: none"> a. Composition of assets and liabilities: The strategy should outline the mix of assets and liabilities to maintain liquidity. Liquidity risk management and asset/liability management should be integrated to avoid high costs associated with having to rapidly reconfigure the asset liability profile from maximum profitability to increased liquidity. b. Diversification and stability of liabilities: A funding concentration exists when a single decision or a single factor has the potential to result in a significant and sudden withdrawal of funds. Since such a situation could lead to an increased risk, the Board and senior management should specify guidance relating to funding sources and ensure that the bank has diversified sources of funding day-to-day liquidity requirements. c. Managing liquidity in different currencies: The bank should have a strategy on how to manage liquidity in different currencies. d. Dealing with liquidity disruptions: The bank should put in place a strategy on how to deal with the potential for both temporary and long-term liquidity disruptions. The interbank market can be important source of liquidity. However, the strategy should take into account the fact that in crisis situations access to interbank market could be difficult as well as costly.
Liquidity risk management system	<p>In Union Bank, at the management level, the liquidity risk is primarily managed by the Treasury Division under oversight of ALCO which is headed by the Managing Director along with other senior management.</p> <p>Treasury Division upon reviewing the overall funding requirements on daily basis sets their strategy to maintain a comfortable/adequate liquidity position taking into consideration of Bank's approved credit deposit ratio, liquid assets to total assets ratio, asset-liability maturity profile, Bank's earning/profitability as well as overall market behavior and sentiment etc. Apart from Risk Management Division also monitors & measures the liquidity risk in line with the Basel III liquidity measurement tools, namely, LCR, NSFR, and Leverage Ratio. RMD addresses the key issues and strategies to maintain the Basel III liquidity ratios to the respective division (s) on regular interval.</p>

Policies and process for mitigating risk	<p>The bank should include in liquidity risk management policy;</p> <ol style="list-style-type: none"> Develop and implement procedures and practices that translate the Board's goals, objectives, and risk appetite into operating standards that are well understood by bank personnel and consistent with the board's intent; Adhere to the lines of authority and responsibility that the Board has approved for managing liquidity risk; Oversee the implementation and maintenance of management information and other systems that identify, measure, monitor, and control the bank's liquidity risk; Develop and recommend liquidity and funding policies for approval by the Board and implement the liquidity and funding policies; Develop lines of communication to ensure the timely dissemination of the liquidity and funding policies and procedures to all individuals involved in the liquidity management and funding risk management process; Ensure that liquidity is managed and controlled within the liquidity management and funding management programs; Ensure the development and implementation of appropriate reporting systems with respect to the content, format and frequency of information concerning the bank's liquidity position, in order to permit the effective analysis, sound and prudent management and control of existing and potential liquidity needs. 														
b) Quantitative Disclosure															
<table border="1"> <thead> <tr> <th data-bbox="142 1018 690 1060">Components</th> <th data-bbox="690 1018 1476 1060">Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="142 1060 690 1102">Liquidity Coverage Ratio (LCR)</td> <td data-bbox="690 1060 1476 1102">74.65%</td> </tr> <tr> <td data-bbox="142 1102 690 1144">Net Stable Funding Ratio (NSFR)</td> <td data-bbox="690 1102 1476 1144">123.24%</td> </tr> <tr> <td data-bbox="142 1144 690 1186">Stocks of high quality liquid assets</td> <td data-bbox="690 1144 1476 1186">1,456.30</td> </tr> <tr> <td data-bbox="142 1186 690 1249">Total net cash outflows over the next 30 calendar days</td> <td data-bbox="690 1186 1476 1249">1,950.84</td> </tr> <tr> <td data-bbox="142 1249 690 1291">Available amount of stable funding</td> <td data-bbox="690 1249 1476 1291">13,066.66</td> </tr> <tr> <td data-bbox="142 1291 690 1316">Required amount of stable funding</td> <td data-bbox="690 1291 1476 1316">10,602.72</td> </tr> </tbody> </table>	Components	Amount	Liquidity Coverage Ratio (LCR)	74.65%	Net Stable Funding Ratio (NSFR)	123.24%	Stocks of high quality liquid assets	1,456.30	Total net cash outflows over the next 30 calendar days	1,950.84	Available amount of stable funding	13,066.66	Required amount of stable funding	10,602.72	
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Required amount of stable funding	10,602.72														

J. LEVERAGE RATIO:

QUALITATIVE DISCLOSURE	
Views of BOD on system to reduce excessive leverage	The BOD should have the overall responsibility is to monitor overall activities of the bank. The Board should decide the strategy, policies and procedures of the bank to manage leverage ratio in accordance with the risk tolerance/limits as per the guidelines. The risk tolerance should be clearly understood at all levels of management. The Board should also ensure that it understands the nature of the leverage ratio. BOD must periodically review information necessary to maintain this understanding, establishes executive-level lines of authority and responsibility for managing the bank's leverage ratio. Bank's top management should be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the risk management strategy of the bank in line with bank's decided risk management objectives and risk tolerance.
Policies and processes for managing excessive on and off-balance sheet leverage	The Leverage Ratio (LR) playing a key role in avoiding such adverse developments in the future. The LR is a non-risk-based capital measure and is defined as Tier 1 capital over a bank's total exposure measure, which consists of both on and off-balance-sheet items. It is widely expected that the LR will become a Pillar 1 requirement for banks under Basel III.
Approach for calculating exposure	At its highest level, the leverage ratio can be summarized as a measure of capital as a proportion of total adjusted assets. More specifically, it has been defined as the average of the monthly leverage ratio over the quarter based on Tier 1 capital (the capital measure) and total exposure (the exposure measure). The minimum ratio is currently calibrated at 3%.
	(BDT in Crore/Percentage)
QUANTITATIVE DISCLOSURE	
Components	Amount
$\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$	
Bangladesh Bank Requirement	>3%
Leverage Ratio	4.66%
Tier 1 Capital	845.06
On balance sheet exposure	17,850.90
Off balance sheet exposure	272.65
Total exposure	18,123.55

K. REMUNERATION:

QUALITATIVE DISCLOSURE	
a)	<p>Information relating to the bodies that oversee remuneration. Disclosures should include: Name, composition and mandate of the main body overseeing remuneration. External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process. A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches. A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.</p>

Union Bank's remuneration policies are in place to provide assurance that remuneration decisions:

- Are aligned to the Bank's strategy.
- Aid the attraction and retention of talent.
- Are market-relevant and affordable.
- Are internally equitable, consistent and transparent.
- Encourage behavior that supports Bank's long term financial soundness and risk management objectives.
- Ensure the independence of risk and control personnel in the performance of their functions is not compromised.
- Are compliant with corporate governance requirements.

Union Bank's Remuneration Committee comprises of the Board of Directors and the Management Committee who oversees the remuneration for all employees. The Management Committee of the Bank makes recommendations to the Board of Directors on the remuneration policy of the Bank.

The functions of the Remuneration Committee include general governance matters which include:

- Conducting regular reviews and making recommendations to the Board on the Bank's Remuneration Policy. This must include an assessment of the Remuneration Policy's effectiveness and compliance.
- Making annual recommendations to the Board on the remuneration of Directors of the Board and the CEO.

At present there are no External consultants whose advice has been sought for the remuneration process.
 Union Bank Ltd. Remuneration Committee oversees remuneration for Senior Managements and all other employees. For the purposes of this remuneration disclosure, a Senior Management includes:

- Managing Director.
- Additional Managing Director.
- Deputy Managing Director.
- Senior Executive Vice President.
- Board Secretary.
- Head of HRD.
- Risk & Compliance Manager.

The Bank has 02 (Two) group of material Risk Takers at present i.e., Senior Management and concerned Divisional Heads & Branch Managers. The total no. of Senior Management is 06, the total no. of Divisional Heads is 17 and the total no. of Branch Managers is 87.

<p>b)</p>	<p>Information relating to the design and structure of remuneration processes. Disclosures should include: An overview of the key features and objectives of remuneration policy. Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made. A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.</p>	<p>The key features and objectives of the Remuneration policy are as follows:</p> <ul style="list-style-type: none"> • Attract and retain capable, motivated Employees. • Attract Senior Executives with appropriate knowledge and experience, with ability to drive growth while maintaining stability and financial soundness. • Encourage behavior that supports long term financial soundness and the risk management framework. • Ensure Remuneration arrangements are, and remain, compliant with Corporate Governance requirements. <p>In determining Remuneration, the Remuneration Committee uses the following information supplied through the Remuneration surveys:</p> <ul style="list-style-type: none"> • Industry comparative remuneration data across all positions, including Directors. • Remuneration benchmarking for organizations of similar Asset Size.
<p>c)</p>	<p>Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures should include: An overview of the key risks that the bank takes into account when implementing remuneration measures. An overview of the nature and type of the key measures used to take account of these risks; including risks difficult to measure (values need not be disclosed).</p>	<p>The strategic planning process identifies all key strategic risks and examines the Board's risk in each area. Part of each Executive Manager's Key Performance Areas include reference to ensuring risks of this nature that impact on their operations are kept within Board tolerance levels at all times. If risks fall outside nominated Board risk tolerance levels the Executive Manager must design an action plan that successfully implements controls aimed at mitigating risk to acceptable levels.</p> <p>Current and future risks relating to operational risks follow the same approach as above. Executive Managers are responsible for ensuring key operational risks remain within Board approved tolerance levels.</p> <p>Whilst this is a key performance area for Executive Manager, achievement of satisfactory results is linked to financial incentives/ bonuses in some cases.</p>
<p>d)</p>	<p>Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include: An overview of main performance metrics for bank, top-level business lines and individuals. A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance. A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak</p>	<p>The Board sets the Key Performance Indicators (KPIs) while approving the business target/budget for each year for the Bank and business lines/ segments. The management sets the appropriate tools, techniques and strategic planning (with due concurrence/approval of the Board) towards achieving those targets. The most common KPIs are the achievement of loan, deposit and profit target with the threshold of NPL ratio, cost-income ratio, cost of fund, yield on loans, provision coverage ratio, capital to risk weighted asset ratio (CRAR), ROE, ROA, liquidity position (maintenance of CRR and SLR) etc.</p> <p>The remuneration of each employee is paid based on her/ his individual performance evaluated as per set criteria. And, accordingly, the aggregate amount of remuneration of the Bank as a whole is linked/ impacted to the same extent.</p> <p>The Bank follows remuneration process as per set criteria with no in general adjustment in the event of weak performance metrics/scorecard.</p>

e)	<p>Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance. Disclosures should include:</p> <p>A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.</p> <p>A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.</p>	<p>The Bank pays variable remuneration i.e. annual increment based on the yearly performance rating on cash basis with the monthly pay. While the value of longer term variable part of remuneration i.e. the amount of provident fund, gratuity fund are made provision on aggregate/individual employee basis; actual payment is made upon retirement, resignation etc. as the case may be, as per rule.</p>
f)	<p>Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. Disclosures should include:</p> <p>An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms</p> <p>A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.</p>	<p>Variable pay means the compensation as fixed by the Board on recommendation of the Management, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as:</p> <ul style="list-style-type: none"> • Performance Linked Incentives to those employees who are eligible for incentives. • Ex-gratia for other employees who are not eligible for Performance linked Incentives. • Different awards based on extra-ordinary performance & achievement. • Employee/Manager of the Month/Quarter award. • Reimbursement/award for brilliant academic/professional achievement. • Leave Fare Assistance (LFA)

QUANTITATIVE DISCLOSURE

g)	<p>Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.</p>	<p>Not Applicable</p>
h)	<p>Number of employees having received a variable remuneration award during the financial year.</p> <p>Number and total amount of guaranteed bonuses awarded during the financial year.</p> <p>Number and total amount of sign-on awards made during the financial year.</p> <p>Number and total amount of severance payments made during the financial year</p>	<p>Total No. of 84 employees have received a variable remuneration award during the 2018/2019 Financial Year.</p> <p>Total no. & amount of 1579 guaranteed bonuses awarded during the 2018/2019 Financial Year.</p> <p>There were no sign-on awards made during the financial year.</p> <p>There was no severance payment made during the 2018/2019 Financial Year.</p>
i)	<p>Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.</p> <p>Total amount of deferred remuneration paid out in the financial year.</p>	<p>There was no outstanding deferred remuneration, split into cash, shares, share-linked Instruments and other forms.</p>

j)	<p>Breakdown of amount of remuneration awards for the financial year to show:</p> <ul style="list-style-type: none"> - Fixed and variable. - Deferred and non-deferred. - Different forms used (cash, shares and share linked instruments, other forms). 	Not Applicable
k)	<p>Quantitative information about employees' exposure to implicit (eg fluctuations in the value of shares or performance units) and explicit adjustments (eg claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:</p> <p>Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post explicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post implicit adjustments.</p>	Not Applicable

FINANCIAL INFORMATION



INDEPENDENT AUDITOR'S REPORT To the Shareholders of Union Bank Ltd. 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 2019, 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.

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 2019, 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 Act, 1991, the Rules and Regulations issued by the Bangladesh Bank, the Companies Act, 1994 and other applicable Laws and Regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements and internal controls

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note-2 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 Financial Institutions Act, 1993 and the Bangladesh Bank guidelines 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.

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

Report on other legal and regulatory requirements

In accordance with the Bank Company Act, 1991, 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. 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;
- iii. 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;
- iv. the expenditures incurred were for the purpose of the Bank's business for the year;
- v. the financial statements of the Bank have been drawn up in conformity with the Bank Company Act, 1991 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Bank;
- vi. adequate provisions have been made for Investments, advances, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- vii. 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;
- viii. the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- 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 3,780 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 18 June 2020.
- 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
 Date: 25 June 2020



K. M. HASAN & CO.
 Chartered Accountants

UNION BANK LIMITED
BALANCE SHEET
As at 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
PROPERTY AND ASSETS			
Cash	3	8,843,650,636	7,724,798,234
In hand (Including foreign currency)	3.1	1,464,354,069	1,319,429,525
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currency)	3.2	7,379,296,567	6,405,368,709
Balance with other Banks and Financial Institutions	4.1	210,276,372	195,754,444
In Bangladesh		112,118,633	143,623,615
Outside Bangladesh		98,157,739	52,130,829
Placement with banks & Other Financial Institutions	4.2	6,268,446,373	7,663,887,421
Investments in Shares & Securities	5	6,084,062,132	5,113,459,441
Government		5,800,000,000	4,800,000,000
Others		284,062,132	313,459,441
Investments	6	146,459,574,948	119,934,385,113
General Investments etc.	6.A	126,125,509,303	100,053,401,658
Bills Purchased and Discounted	6.B	20,334,065,645	19,880,983,455
Fixed Assets Including Premises, Furniture and Fixtures	7	3,717,790,728	1,122,688,777
Other Assets	8	8,440,145,238	6,828,791,770
Non Banking Assets		-	-
Total Assets		180,023,946,427	148,583,765,200
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & other Financial Institutions	9	6,293,852,442	8,257,531,702
Deposits and Other Accounts	10	150,219,920,854	124,898,503,882
Mudaraba Savings Deposits	10.1	5,358,117,905	4,177,209,904
Mudaraba Term Deposits	10.2	83,885,364,118	81,458,894,473
Other Mudaraba Term Deposits	10.3	35,894,498,634	21,094,533,811
Al-Wadia Current Accounts and Other Accounts	10.4	24,370,424,268	17,464,009,063
Bills Payable	10.5	711,515,929	703,856,631
Mudaraba Subordinated Bond		4,000,000,000	-
Other Liabilities	11	11,141,751,735	7,615,264,040
Deferred Tax Liabilities/(Assets)	11.a	(82,199,355)	(43,689,446)
Total Liabilities		171,573,325,677	140,727,610,178
Capital/Shareholders' Equity			
Paid-up Capital	12	5,272,960,000	5,272,960,000
Statutory Reserve	13	1,523,468,581	1,227,575,435
Other Reserve	14	145,749,665	145,749,665
Retained Earnings	15	1,508,442,504	1,209,869,922
Total Shareholders' Equity		8,450,620,750	7,856,155,022
Total Liabilities and Shareholders' equity		180,023,946,427	148,583,765,200

UNION BANK LIMITED
BALANCE SHEET
As at 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
OFF- BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		5,585,833,673	5,868,736,973
Letter of Guarantees	16	1,633,366,306	605,602,026
Irrecoverable Letters of Credit	17	2,958,520,480	2,117,730,306
Bills for Collection	18	1,395,609,592	1,247,212,368
Other Contingent Liabilities		-	-
Total		11,573,330,051	9,839,281,673
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		11,573,330,051	9,839,281,673

The annexed notes form an integral part of these financial statements.


Managing Director

Director

Director

Chairman

See annexed auditor's report of even date

Dhaka
25 June 2020


K. M. HASAN & CO.
Chartered Accountants

UNION BANK LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
Investments Income	19	16,736,433,627	13,550,870,061
Profit Paid on Deposits	20	(12,313,172,100)	(9,583,740,019)
Net Investment Income		4,423,261,527	3,967,130,042
Income from Investment in Shares and Securities	21	301,624,089	137,873,199
Commission, Exchange and Brokerage	22	316,952,702	254,839,009
Other Operating Income	23	166,053,303	79,729,133
		784,630,094	472,441,341
Total Operating Income		5,207,891,621	4,439,571,383
Operating Expenses			
Salary and Allowances	24	1,305,262,590	1,118,798,277
Rent, Taxes, Insurances, Electricity etc.	25	366,273,964	335,738,366
Legal Expenses	26	19,325,748	735,948
Postage, Stamps, Telecommunication etc.	27	24,316,655	21,961,232
Stationery, Printings, Advertisements etc.	28	48,558,013	47,395,168
Chief Executives Salary and Fees	29	10,115,000	10,115,000
Auditors' Fees		345,000	690,000
Directors' Fees & Expenses	30	2,983,900	2,691,400
Shariah Supervisory Committee's Fees & Expenses	31	356,800	234,800
Depreciation and Repair of Bank's Assets	32	236,816,504	228,256,863
Zakat Expenses		36,000,000	26,500,000
Other Expenses	33	449,631,925	316,904,967
Total Operating Expenses		2,499,986,099	2,110,022,021
Profit/(Loss) before Provision and Tax		2,707,905,522	2,329,549,362
Provisions for Classified Investments	11.2.a	989,980,455	346,800,000
Provisions for Unclassified Investments	11.2.a	218,100,000	199,000,000
Provisions for Off Balance Sheet items	11.2.a	5,000,000	22,000,000
Other Provisions	11.2.4	2,059,339	2,059,339
Provisions for diminution in value of investment in share	11.5	13,300,000	6,000,000
Total Provisions		1,228,439,794	575,859,339
Total Profit/(Loss) before Tax		1,479,465,728	1,753,690,023
Provision for Income Tax			
Current Tax	11.1	923,509,909	815,525,058
Deferred Tax	11.a	(38,509,909)	(15,490,422)
		885,000,000	800,034,636
Net Profit/(Loss) after Tax		594,465,728	953,655,387
Retained Earnings from Previous Year		1,209,869,922	606,952,540
Add: Net Profit/(Loss) after Tax		594,465,728	953,655,387
Profit available for Appropriation		1,804,335,650	1,560,607,927
Appropriations:			
Statutory Reserve		295,893,146	350,738,005
General Reserve		-	-
Dividend		-	-
Retained earnings		1,508,442,504	1,209,869,922
		1,804,335,650	1,560,607,927
Earnings Per Share (EPS)	34	1.13	1.81

The annexed notes form an integral part of these financial statements.


Managing Director


Director


Director


Chairman

See annexed auditor's report of even date

Dhaka
25 June 2020


K. M. HASAN & CO.
Chartered Accountants

UNION BANK LIMITED
CASH FLOW STATEMENT
For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
A. Cash Flow from Operating Activities			
Investments income receipts		17,000,391,906	13,222,782,940
Profit paid on deposits		(11,751,391,921)	(9,118,796,036)
Fee and Commission receipts		316,952,702	254,839,009
Dividend receipts		223,954	135,000
Payments to employees		(1,264,293,941)	(1,085,758,737)
Payments to suppliers		(48,558,013)	(47,395,168)
Income tax paid		(884,058,746)	(935,901,748)
Receipts from other operating activities	35	166,053,303	79,729,133
Payments for other operating activities	36	(944,157,860)	(760,587,039)
Operating Profit before changes in Operating Assets & Liabilities		2,591,161,384	1,609,047,354
Changes in Operating Assets & Liabilities			
(Increase)/ Decrease Investments to Customers		(26,525,189,835)	(19,180,837,983)
(Increase)/ Decrease of Other Assets	37	(689,852,965)	(1,115,885,000)
Increase/ (Decrease) Deposits from Customers		25,321,416,972	10,848,614,311
Increase/ (Decrease) of Other Liabilities	38	761,674,164	116,634,998
Cash Flow from Operating Assets and Liabilities		(1,131,951,664)	(9,331,473,674)
Net Cash Flow from Operating Activities		1,459,209,720	(7,722,426,320)
B. Cash Flow from Investing Activities			
Payments to Investment in Shares and Securities		(970,602,591)	(128,934,417)
Purchases of Property, Plant and Equipment		(2,786,994,587)	(445,815,506)
Net Cash Used in Investing Activities		(3,757,597,178)	(574,749,923)
C. Cash Flow from Financing Activities			
Receipts from issuance of Mudaraba Subordinated Bond		4,000,000,000	-
Increase/(Decrease) in Share Capital		-	-
Increase/(Decrease) in Other reserve		-	-
Increase/(Decrease) in Placement from Banks & other Financial Institutions		(1,963,679,260)	3,116,141,380
Net Cash Flow from Financing Activities		2,036,320,740	3,116,141,380
D. Net Increase/(Decrease) of Cash & Cash Equivalents (A+B+C)		(262,066,718)	(5,181,034,863)
E. Add/(Less): Effect of Exchange Rate on Cash & Cash Equivalents		-	-
F. Beginning Cash & Cash Equivalents		15,584,440,099	20,765,474,962
G. Ending Cash & Cash Equivalents (D+E+F)		15,322,373,381	15,584,440,099
The above closing Cash and Cash Equivalents include:			
In hand (Including foreign currency)	3.1	1,464,354,069	1,319,429,525
Balance with Bangladesh Bank and its agent bank(s)	3.2	7,379,296,567	6,405,368,709
Balance with other Banks and Financial Institutions	4.1	210,276,372	195,754,444
Placement with banks & Other Financial Institutions	4.2	6,268,446,373	7,663,887,421
		15,322,373,381	15,584,440,099

The annexed notes form an integral part of these financial statements.


Managing Director


Director


Director


Chairman

See annexed auditor's report of even date

Dhaka
25 June 2020


K. M. HASAN & CO.
Chartered Accountants

UNION BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

Particulars	Paid-up Capital		Statutory Reserve		Other Reserve		Retained Earnings		Total	
	Taka		Taka		Taka		Taka		Taka	
Balance as on 01 January 2019	5,272,960,000		1,227,575,435		145,749,665		1,209,869,922		7,856,155,022	
Changes in Accounting Policy	-		-		-		-		-	
Restated Balance	5,272,960,000		1,227,575,435		145,749,665		1,209,869,922		7,856,155,022	
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 Income Statement	-		-		-		-		-	
Net Profit for the year	-		-		-		594,465,728		594,465,728	
Dividends										
Stock	-		-		-		-		-	
Cash	-		-		-		-		-	
Transfer to Statutory Reserve	-		295,893,146		-		(295,893,146)		-	
Transfer to Retained Earnings	-		-		-		-		-	
Issue of Share Capital during the year	-		-		-		-		-	
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	
Balance as on 31 December 2018	5,272,960,000		1,227,575,435		145,749,665		1,209,869,922		7,856,155,022	



Managing Director



Director



Chairman

Dhaka
25 June 2020

UNION BANK LIMITED

LIQUIDITY STATEMENT (ASSETS AND LIABILITY MATURITY ANALYSIS)

As at 31 December 2019

Particulars	Up to 01	01-03	03-12	01-05	More than	Total
	Month	Months	Months	Years	05 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets						
Cash	2,439,950,636	-	-	-	6,403,700,000	8,843,650,636
Balance with banks & Other Financial Institutions	210,276,372	-	-	-	-	210,276,372
Placement with banks & Other Financial Institutions	-	2,830,846,373	3,437,600,000	-	-	6,268,446,373
Investments in Shares and Securities	450,000,000	1,950,000,000	3,444,062,132	240,000,000	-	6,084,062,132
Investments	21,992,900,000	41,070,900,000	72,713,374,948	3,041,700,000	7,640,700,000	146,459,574,948
Fixed Assets including Premises, Furniture & Fixtures	-	-	-	692,553,616	3,025,237,112	3,717,790,728
Other Assets	3,887,000,000	700,500,000	3,663,700,000	188,945,238	-	8,440,145,238
Non-banking Assets	-	-	-	-	-	-
Total Assets	28,980,127,008	46,552,246,373	83,258,737,080	4,163,198,854	17,069,637,112	180,023,946,427
Liabilities						
Placement from Banks & Other Financial Institutions	1,064,600,000	5,136,500,000	92,752,442	-	-	6,293,852,442
Deposits and Other Accounts	9,918,520,854	47,480,200,000	46,939,400,000	37,243,300,000	8,638,500,000	150,219,920,854
Mudaraba Subordinated Bond	-	-	-	-	4,000,000,000	4,000,000,000
Other Liabilities	284,200,000	1,038,500,000	4,940,600,000	4,346,252,381	-	10,609,552,381
Total Liabilities	11,267,320,854	53,655,200,000	51,972,752,442	41,589,552,381	12,638,500,000	171,123,325,677
Net Liquidity Gap	17,712,806,154	(7,102,953,627)	31,285,984,638	(37,426,353,527)	4,431,137,112	8,900,620,750



Managing Director



Director



Director



Chairman

Dhaka
25 June 2020

UNION BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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)/2013-1153). Presently the Bank carries banking activities through its 87 (eighty seven) branches operating as per Islamic Shariah prevailing in the country. The Bank has no overseas branches as at 31 December 2019.

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 2019 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", 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 25 March 2020.

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 (IFRSs) during the year that are effective for the first time for the financial year 2019 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 Customer.

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 Customer” 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 2019 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 2019 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 2019 have been shown in the Balance Sheet under Off-Balance Sheet items.

Exchange rates with major foreign currencies as on 31 December 2019 were as:

Currency Name	Exchange Rate (Taka)
US \$	84.4500
Euro	96.1629
Yen	0.7858
ACU	84.4500
GBP	113.8534
CHF	89.3342
SGD	63.7892
AUD	59.3595
CAD	65.9611

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

- Investments are stated in the balance Sheet at the net amount excluding unearned income and profit receivable.
- Provision for Investments Impairment:

As per instructions contained in Bangladesh Bank BCD circular no 34, dated November 16, 1989, BCD circular no. 20, dated 27 December 1994, BCD circular no. 12, dated September 04, 1995, 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 letter 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. 05 dated March 16, 2019 and BRPD circular no. 06 dated May 19, 2019 respectively specific provisions are made against non performing investments are at the following rates:

Provision on Substandard Investments	20%
Provision on Doubtful Investments	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, 05 and 06 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, May 16, 2019 and May 19, 2019 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:

• 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)	5.00%
• Unclassified Investment to Housing Finance and 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:

• 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 (BGIB) 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 land, 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 @ 37.50% as prescribed in the Finance Act 2019 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. 11.a.

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 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 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.

2.10.2.4 Social Security Benevolent Fund

The Bank operates a social security benevolent fund by all employees' contribution for the sake of death and disability of employees.

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 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 2019, Audit & Inspection Unit conducted inspection on most 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 2019, 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 measure 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 2019 is from 01 January 2019 to 31 December 2019.

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	Complied
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 Hyper-inflationary 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

2.18.1 The figures have been rounded off to the nearest Taka.

2.18.2 Wherever considered necessary, previous year's figures have been rearranged for the purpose of comparison.

		2019 Taka	2018 Taka
3	CASH		
3.1	Cash in Hand		
	In Local Currency	1,462,825,524	1,317,296,155
	In Foreign Currencies	1,528,545	2,133,370
		1,464,354,069	1,319,429,525
3.2	Balance with Bangladesh Bank and its Agent Bank		
	In Local Currency	7,323,912,428	6,298,032,266
	In Foreign Currencies	55,384,139	107,336,443
		7,379,296,567	6,405,368,709
		8,843,650,636	7,724,798,234
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, MPD circular # 04 & 05 dated 01 December 2010, MPD circular # 01 dated 23 June 2014 and MPD circular # 01 dated 03 April 2018.		
3.4	Cash Reserve Ratio (CRR): 5.50% of Average Demand and Time Liabilities		
	Required Reserve	6,267,689,835	5,134,551,462
	Actual Reserve maintained	7,243,240,282	6,266,961,887
	Surplus/(Shortfall)	975,550,447	1,132,410,425
3.5	Statutory Liquidity Ratio (SLR): 5.50% of Average Demand and Time Liabilities:		
	Required Reserve	6,267,689,836	5,134,551,462
	Actual Reserve held	8,327,245,429	7,294,883,235
	Surplus/(Shortfall)	2,059,555,593	2,160,331,773
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.	10,560	13,320
	Others Accounts:		
	Mudaraba Short Notice Deposits		
	First Security Islami Bank Ltd.	102,762,257	67,927,289
	Prime Bank Ltd.	-	20,052
	NRB Global Bank Ltd.	3,759,597	2,549,425
	AB Bank Ltd.	1,250	70,000,000
	Trust Bank Ltd.	2,934,495	3,015,097
	Islami Bank Bangladesh Ltd.	2,650,474	98,432
		112,108,073	143,610,295
		112,118,633	143,623,615

B. Outside Bangladesh

Particulars	Currency	Amount	Rate	31.12.2019 Taka	31.12.2018 Taka
Current Account					
Banco De Sabadell S.A., Spain	EURO	147,551.33	96.1629	14,188,964	6,529,518
Sonali Bank (UK) Limited, UK	USD	12,713.37	84.4500	1,073,644	4,197,500
Habib American Bank, New York, USA	USD	752,409.44	84.4500	63,540,977	34,811,071
Kookmin Bank, Korea	USD	29,984.41	84.4500	2,532,183	4,556,123
Axis Bank Limited, Kolkata	ACU	102,927.52	84.4500	8,692,229	388,318
Meezan Bank Limited, Karachi	ACU	1,923.75	84.4500	162,461	450,665
AB Bank Ltd., Mumbai, India	ACU	21,688.28	84.4500	1,831,575	401,869
United Bank of India, Kolkata, India	ACU	18,540.90	84.4500	1,565,779	450,764
Sonali Bank Limited, Kolkata	ACU	53,389.34	84.4500	4,508,730	283,360
National Bank of Pakistan, Tokyo, Japan	JPY	77,878.00	0.7858	61,197	61,640
				98,157,739	52,130,829
Total (A+B)				210,276,372	195,754,444

		2019 Taka	2018 Taka
4.1.1 Maturity-wise Grouping (Inside and Outside Bangladesh)			
Payable on Demand		210,276,372	195,754,444
Up to Three Months		-	-
Three Months to One Year		-	-
One Year to Five Years		-	-
Above Five Years		-	-
		210,276,372	195,754,444
4.2 Placement with banks & Other Financial Institutions			
Reliance Finance Limited		3,678,446,373	3,273,887,421
Phoenix Finance and Investments Ltd.		90,000,000	90,000,000
Union Capital Ltd.		-	1,100,000,000
International Leasing and Financial Services Ltd.		1,100,000,000	1,100,000,000
Islamic Finance and Investment Ltd.		1,400,000,000	1,100,000,000
First Finance Ltd.		-	1,000,000,000
		6,268,446,373	7,663,887,421
4.2.1 Maturity-wise Grouping (Placement with banks & other FI)			
Payable on Demand		-	-
Up to Three Months		3,678,446,373	3,273,887,421
Three Months to One Year		2,500,000,000	4,300,000,000
One Year to Five Years		90,000,000	90,000,000
Above Five Years		-	-
		6,268,446,373	7,663,887,421

	2019 Taka	2018 Taka
5 INVESTMENTS IN SHARES AND SECURITIES		
Government Securities		
Bangladesh Govt. Islamic Investment Bonds	5,800,000,000	4,800,000,000
Others		
Subordinated Bond	240,000,000	270,000,000
Quoted Shares (Note - 5.1)	44,062,132	43,459,441
	284,062,132	313,459,441
	6,084,062,132	5,113,459,441
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	5,838,069
Bangladesh Submarine Cable Company Ltd.	-	1,221,032
Bashundhara Paper Mills Ltd.	5,285,540	5,285,540
IDLC Finance Ltd.	-	8,705,220
IPDC Finance Ltd.	-	4,463,952
Miracle Industries Ltd.	12,678,319	8,205,877
Navana CNG Ltd.	4,363,517	1,729,693
Oimex Electrode Limited	227,707	-
SAIF Powertec Ltd.	4,985,105	2,754,694
Shasha Denims Limited	2,241,495	-
Tallu Spinning Mills Ltd.	2,488,526	2,488,526
Western Marine Shipyard Ltd.	1,473,931	616,195
Zaheen Spinning Ltd.	2,150,643	2,150,643
	44,062,132	43,459,441
5.2 Market Value of Quoted Shares	22,306,860	35,020,563
5.3 Maturity Grouping of Investments in Shares and Securities		
On Demand	-	-
One Month to three Months	2,400,000,000	2,180,000,000
Three Months to One Year	3,444,062,132	2,663,459,441
One Year to Five Years	240,000,000	270,000,000
More than Five Years	-	-
	6,084,062,132	5,113,459,441
6 INVESTMENTS (All Inside Bangladesh)		
General Investments etc. (Note-6.A)	126,125,509,303	100,053,401,658
Bills Purchased and Discounted (Note - 6.B)	20,334,065,645	19,880,983,455
	146,459,574,948	119,934,385,113

	2019 Taka	2018 Taka
6.A General Investment etc.		
Inside Bangladesh		
Bai Murabaha (Hypo)	675,193,549	537,128,006
Bai Murabaha against MTDR	33,557,561,122	28,450,913,530
Bai Murabaha TR (Non INST)	68,824,669,803	53,903,624,566
Bai Murabaha TR (INST)	2,079,280,217	1,682,856,513
Bai Murabaha (Post Import) TR	3,638,442,363	2,368,999,398
Bai Murabaha (TR) SME	3,897,621,701	2,832,098,043
Bai Murabaha Agriculture	810,782,944	695,718,016
Bai Murabaha (TR) Agriculture	102,476,394	134,282,930
Bai Murabaha (TR) Women Entrepreneur	12,679,399	12,044,095
Bai Murabaha General	-	1,153,452,333
Bai Murabaha Import Bill (MIB)	24,066,844	-
Bai Muazzal Real Estate (Short Term)	613,015,800	732,864,486
Bai Muazzal (Guarantee)	57,586,003	4,251,451
Bai Muazzal against BG (Bid Bond)	11,105,993	-
Bai Muazzal against Import Bill	1,965,390,571	-
Bai Muazzal Back to Back Bill	805,135,983	-
HPSM (Real Estate)	2,733,679,031	1,944,218,402
HPSM (Transport)	191,958,006	230,713,774
HPSM (SME)	744,593	502,286
HPSM House Building Staff	460,617,155	345,684,500
HPSM Rural Housing	1,758,785	2,148,837
HPSM House Building General	246,060,840	207,441,320
HPSM Industrial Term	1,024,965,159	815,181,642
HPSM Machinery	3,038,535,446	2,546,636,639
HPSM Machinery Women Entrepreneur	1,510,571	1,421,806
Quard Investment	164,925,150	-
Car Leasing Scheme Staff	59,500,338	59,638,656
Murabaha EDF Investment	1,028,424,335	1,255,717,488
Bai Istisna	60,635,687	93,555,604
HPSM Consumer Durables (Scheme)	37,185,521	42,307,337
	126,125,509,303	100,053,401,658
Outside Bangladesh	-	-
	126,125,509,303	100,053,401,658
6.B Bills Purchased and Discounted		
Payable in Bangladesh	20,334,065,645	19,880,983,455
Payable outside Bangladesh	-	-
	20,334,065,645	19,880,983,455
	146,459,574,948	119,934,385,113
6.1 Maturity Grouping of Investments		
Payable on Demand	21,992,900,000	10,523,000,000
Up to Three Months	41,070,900,000	33,619,600,000
Three Months to One Year	72,713,374,948	65,483,800,613
One Year to Five Years	3,041,700,000	7,462,300,000
Above Five Years	7,640,700,000	2,845,684,500
	146,459,574,948	119,934,385,113

	2019 Taka	2018 Taka
6.2 Analysis to disclose the following Significant Concentration including Bills Purchased & Discounted		
Investments to Directors of other Banks	10,090,159,479	6,599,175,588
Investments to Chief Executive and Other high Officials	-	-
Investments to Customers Group	103,309,896,504	87,774,576,922
Investments to Industry	32,512,992,138	25,121,883,108
Investment to staff	546,526,827	438,749,495
	146,459,574,948	119,934,385,113
6.3 Investments to Customers amounting to 10% or more of UBL's Total Regulatory Capital		
Number of Clients	15	23
Amount of Outstanding Investments:		
Funded	9,621,400,000	11,614,200,000
Non-funded	3,285,200,000	1,555,900,000
	12,906,600,000	13,170,100,000
6.4 Sector wise Investments		
Agriculture	915,030,656	831,801,620
Ready Made Garments (RMG)	2,525,887,246	1,766,576,605
Textile	7,714,889,107	6,733,555,113
Ship Building	155,838,143	136,016,664
Ship Breaking	-	-
Other Manufacturing industry	4,222,581,263	1,888,683,613
SME Investment	3,912,556,264	2,844,265,557
Construction	5,051,827	2,785,211
Power, Gas	1,407,672,118	1,262,328,316
Transport, Storage and Communication	148,086,450	184,258,225
Trade Service	104,397,570,539	88,206,664,285
Commercial real estate financing	4,472,203,666	4,186,881,130
Residential real estate financing	543,257,500	248,327,268
Consumer investment	4,720,778,268	970,314,626
Capital market	1,003,254,481	892,842,996
Non Banking Financial Institutions (NBFI)	-	-
Others	10,314,917,420	9,779,083,884
	146,459,574,948	119,934,385,113
6.5 Geographical Location-wise Investments		
Urban		
Dhaka	73,902,120,177	61,512,269,511
Chattogram	50,301,620,736	43,640,951,301
Barishal	73,088,742	50,620,523
Rajshahi	187,203,166	181,066,591
Khulna	113,750,882	68,937,384
Rangpur	12,686,990	9,725,831
Sylhet	45,607,577	38,889,762
Mymensingh	53,557,604	43,167,774
	124,689,635,874	105,545,628,677

	2019 Taka	2018 Taka
Rural		
Dhaka	471,822,827	407,722,341
Chattogram	21,008,893,348	13,764,829,982
Barishal	-	-
Rajshahi	81,742,829	16,254,131
Khulna	10,286,080	-
Rangpur	165,298,091	162,748,510
Sylhet	31,895,899	37,201,472
Mymensingh	-	-
	21,769,939,074	14,388,756,436
	146,459,574,948	119,934,385,113
6.6 Classification of Investments as per Bangladesh Bank (BRPD) Circular		
Unclassified		
Standard	139,413,230,421	117,633,908,413
Special Mention Account	1,709,518,524	1,135,693,027
	141,122,748,945	118,769,601,440
Classified		
Sub-standard	1,727,767,884	432,029,023
Doubtful	2,165,332,032	63,823,722
Bad & Loss	1,443,726,087	668,930,930
	5,336,826,003	1,164,783,674
	146,459,574,948	119,934,385,113
6.7 Particulars of Required Provision for Investments and Off Balance Items		
<u>Classification status</u>		
<u>Unclassified (a)</u>		
Standard	1,388,870,200	1,163,169,460
Special Mention Account	40,672,800	11,369,540
	1,429,543,000	1,174,539,000
<u>Classified (b)</u>		
Sub - Standard	115,992,171	15,937,954
Doubtful	696,310,149	5,877,679
Bad and Loss	702,683,680	503,645,367
	1,514,986,000	525,461,000
Off Balance Items (c)	101,777,205	96,000,000
	3,046,306,205	1,796,000,000
Required Provision for Investments (a+b+c)	3,046,306,205	1,796,000,000
Total Provision Maintained	3,115,000,000	1,901,919,545
Provision Excess/ (Shortfall)	68,693,795	105,919,545

* Details of provision is shown in note 2.8.2

		2019 Taka	2018 Taka
6.8	Particulars of Investments		
i)	Investments considered good in respect of which the Bank Company is fully secured	117,159,257,495	68,584,300,000
ii)	Investments considered good for which the bank holds no Security other than the debtors personal security	29,300,317,453	51,350,085,113
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	146,459,574,948	119,934,385,113
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	592,711,337
a.	Movement of classified Investments		
	Opening balance	1,164,783,675	572,072,338
	Increase/ (Decrease) during the year	4,172,042,329	592,711,337
		5,336,826,004	1,164,783,675
b.	Amount of provision kept against investment classified as 'bad/loss' on the reporting date of Balance Sheet	702,683,680	503,645,367
c.	Profit credited to the profit/Rent/Compensation Suspense	396,930,595	132,069,802
xi)	Amount of written off Investment:		
a.	Cumulative amount	-	-
b.	Amount written off during the period	-	22,770,123
c.	Total amount of written off (a+b)	-	22,770,123
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.	-	-

	2019 Taka	2018 Taka
6.9 Security against Investments including bills purchased & discounted		
Collateral of movable/immovable assets	83,460,044,934	68,584,300,000
Local banks & financial institutions guarantee	-	-
Government Guarantee	-	-
Foreign Banks guarantee	-	-
Export documents	20,334,065,645	18,987,123,102
Fixed deposits receipts:	-	-
Own MTDR	33,699,212,561	28,450,913,529
MTDR of other Banks	-	-
Government Bonds	-	-
Personal guarantee	-	-
Other security	8,966,251,808	3,912,048,482
Unsecured	-	-
	146,459,574,948	119,934,385,113
6.10 Maturity Grouping of Bills Purchased and Discounted		
Payable within one month	40,965,645	1,000,783,455
Over one month but less than three months	2,959,800,000	2,490,400,000
Over three months but less than six months	17,333,300,000	16,389,800,000
Six Months and Above	-	-
	20,334,065,645	19,880,983,455
7 FIXED ASSETS INCLUDING PREMISES, FURNITURE & FIXTURES AT COST LESS ACCUMULATED DEPRECIATION (ANNEXURE-A)		
Furniture & Fixtures	847,899,813	781,344,464
Office Equipment	858,563,838	814,988,443
Vehicles	111,471,719	101,456,719
Books	352,807	254,304
Land	2,666,750,340	-
	4,485,038,517	1,698,043,930
Less: Accumulated Depreciation	767,247,789	575,355,153
	3,717,790,728	1,122,688,777
8 OTHER ASSETS		
Inter - branch Transaction Account (Note - 8.a)	3,790,159,506	389,599,438
Accrued Income on MTDR	572,347,998	534,906,142
Advances, Deposits and Prepayment (Note - 8.1)	400,764,548	3,130,565,482
Advance Income Tax	3,430,969,038	2,546,910,291
Stock of Stationery	10,740,985	8,457,934
Suspense Account (Note - 8.2)	233,099,624	216,790,009
Stamps on Hand	2,063,539	1,562,474
	8,440,145,238	6,828,791,770
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.		

	2019 Taka	2018 Taka
8.1 Advance, Deposits and Prepayment		
Advance against Rent - Office	232,488,602	312,076,192
Prepayment	168,275,946	2,818,489,290
	400,764,548	3,130,565,482
8.2 Suspense Account		
Sundry Debtors	233,099,624	216,790,009
Advance against TA/DA	-	-
Advance against New Branch	-	-
	233,099,624	216,790,009
9 PLACEMENT FROM BANK AND OTHER FINANCIAL INSTITUTIONS		
Inside Bangladesh		
Bangladesh Bank (Refinance Scheme)	9,228,442	6,410,000
Bangladesh Govt. Islami Investment Bond Funds	6,000,000,000	7,000,000,000
Bangladesh Bank Export Development Fund (EDF)	284,624,000	1,251,121,702
	6,293,852,442	8,257,531,702
Outside Bangladesh	-	-
	6,293,852,442	8,257,531,702
A. Security- wise grouping		
Secured Placement	-	-
Unsecured Placement	6,293,852,442	8,257,531,702
	6,293,852,442	8,257,531,702
B. Repayment Nature wise Grouping		
Repayable on demand	-	-
Others	6,293,852,442	8,257,531,702
	6,293,852,442	8,257,531,702
C. Maturity Analysis		
Repayable on Demand	-	-
Repayable within One Month	1,064,600,000	1,279,000,000
One Month to Six Months	5,229,252,442	6,978,531,702
Six Month to One Year	-	-
One Year to Five Years	-	-
Five Years to Ten Years	-	-
Unclaimed Deposits Ten Years and Over	-	-
	6,293,852,442	8,257,531,702
10 DEPOSITS AND OTHER ACCOUNTS		
Mudaraba Savings Deposits (Note-10.1)	5,358,117,905	4,177,209,904
Mudaraba Term Deposits (Note-10.2)	83,885,364,118	81,458,894,473
Other Mudaraba Term Deposits (Note-10.3)	35,894,498,634	21,094,533,811
Al-Wadia Current Accounts and Other Accounts (Note-10.4)	24,370,424,268	17,464,009,063
Bills Payable (Note-10.5)	711,515,929	703,856,631
	150,219,920,854	124,898,503,882

	2019 Taka	2018 Taka
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	482,230,611	375,948,891
91% of total Mudaraba Savings Deposits	4,875,887,294	3,801,261,013
	5,358,117,905	4,177,209,904
10.2 Mudaraba Term Deposits- Maturity wise Grouping		
Payable on Demand	754,853,611	1,128,342,893
Up to Three Months	36,643,593,322	39,132,918,697
From Three Months to Six Months	22,939,854,811	22,051,288,798
Above Six Months to One Year	22,472,523,489	17,602,509,737
Above One Year to Two Years	1,060,411,221	1,532,531,459
Above Two Years	14,127,664	11,302,889
	83,885,364,118	81,458,894,473
10.3 Other Mudaraba term Deposits		
Mudaraba Monthly Savings Scheme	4,182,480,661	2,991,947,972
Mudaraba Double Benefit Deposits Scheme	10,521,497,493	7,603,036,073
Mudaraba Monthly Profit Scheme	19,245,071,523	9,053,249,381
Mudaraba Millionaire Savings Scheme	1,120,236,721	880,954,629
Mudaraba Kotipoti Deposit Scheme	88,329,867	70,138,729
Mudaraba Marriage Scheme	65,861,271	30,110,186
Mudaraba Pension Deposit Scheme	140,431	527,627
Mudaraba Hajj Deposit Scheme	29,832,262	18,979,143
Mudaraba Union Pension Prokolpa	125,495,866	96,915,615
Mudaraba Muhor Savings Scheme	25,798,474	10,123,928
Mudaraba Corepoty Sanchaya Scheme	452,648,073	315,347,118
Mudaraba Barakah Deposit Scheme	37,105,992	23,203,410
	35,894,498,634	21,094,533,811
10.4 Al-Wadiah Current Accounts & Other Deposit Accounts		
Al-wadiah Current Deposits	3,816,472,272	4,473,047,451
Mudaraba Short Notice Deposits	19,614,116,312	12,306,491,146
Sundry Deposits (Note-10.4.1)	939,835,684	684,470,466
	24,370,424,268	17,464,009,063

		2019 Taka	2018 Taka
10.4.1	Sundry Deposits		
	Security Deposit	395,686,439	294,867,293
	Sundry Creditors	40,442,701	42,217,410
	Income Tax Deduction at Source -Profit on Deposits	165,949,746	114,010,660
	Income Tax on Local L/C	63,535	118,100
	Income Tax on Export bill (Foreign)	474,263	3,803,389
	Income Tax on Export bill (Local)	214,233	11,865,490
	Income Tax on Local/Buying Agents Commission	156,559	154,118
	Excise Duty on Deposits & Investments	105,064,617	90,405,128
	Tax on Honorarium	11,700	12,500
	VAT on Online Charge	39,585	34,343
	VAT on Commission TT/DD/PO/LG	49,600	39,693
	VAT on Service Charge and Others	3,219,641	3,172,301
	VAT Deduction Bills Paid	336,934	1,760,961
	VAT Deduction from advertisement Bill	17,850	21,009
	VAT on Rent and Others	1,652,608	1,631,006
	VAT on Indenting Commission	347,999	-
	VAT on L/C Commission	3,002,733	2,079,334
	VAT on Postage	24,889	22,989
	VAT on Security Service	499,681	12,326
	VAT on Swift Charge	62,429	139,509
	VAT on L/C Advising Charge	219,343	137,017
	VAT on EXP Issue Charge	-	7,890
	VAT on Acceptance Commission	3,279,553	4,368,916
	VAT on Bank Guarantee Commission	165,501	133,473
	VAT on Professional Fee	525	3,900
	VAT on FDD Collection charge	68,665	64,411
	VAT on commission on export bill	827,448	683,033
	VAT on income from ATM	26,067	32,391
	VAT in Misc. Earnings	17,547	39,004
	Income Tax Deduction at Source - Office rent	557,200	550,273
	Income Tax Deduction at Source - Bills	248,659	1,796,182
	Income Tax Deduction at Source - Advertising Bill	4,760	3,140
	Income Tax Deduction at Source-Employee's	3,762,754	2,933,089
	Income Tax on Directors' Fee	-	17,600
	Income Tax on Indenting Commission	106,471	268,409
	Income Tax on Professional Fee	-	3,435
	Marginal Deposit Export	117,751,970	45,037,804
	F.C. Held against B.B L/C	42,197,870	33,850,306
	Sundry Deposit - Swift charge	11,989,108	8,438,208
	Sundry Deposit LAC (Export)	6,303,097	5,641,723
	S/D/A/C ATM Charge collection Account	224,402	41,564
	D&B Credit report collection fee	1,247	2,178
	ATM Charge (NPSB)	1,247,966	447,261
	S/D/A/C VAT on Polli Bidyut Samity	2,728,365	4,120,004
	Central Fund (RMG Sector)	73,948	141,172
	NR. Taka A/C Small World Finance	673,907	2,096,415
	Security Deposit A/C Small World Finance	813,000	813,000
	NR. Taka A/C Wall street Finance	222,913	214,578
	NR. USD A/C Wall street Finance	561,943	505,493
	NR. Taka A/C Xpress Money Services	4,041,654	1,447,582
	Security Deposit A/C Xpress Money Services	837,500	837,500
	Security Deposit A/C Wall Street	744,000	744,000
	Income Tax on Cash Subsidy against export	13,800	29,565
	S/D Cash incentive against export	25,080	53,970
	NR. Tk. A/C Transfast Remittance	1,248,848	1,862,671
	Settlement A/C Cash Incentive on Foreign Remittance	20,797,081	-
	SD. A/C Transfast Remittance, LLC	735,750	735,750
		939,835,684	684,470,466

		2019 Taka	2018 Taka
10.5	Bills Payable		
	Pay Order Issued	711,515,929	703,856,631
	Demand Draft Issued	-	-
		711,515,929	703,856,631
10.6	Maturity wise Grouping of Deposits and Other Accounts		
	Repayable within One Month	9,918,520,854	8,625,303,882
	One Month to Three Months	47,480,200,000	43,544,600,000
	Three Months to One Year	46,939,400,000	42,894,100,000
	One Year to Five Years	37,243,300,000	24,114,500,000
	Repayable over Five Years	8,638,500,000	5,720,000,000
		150,219,920,854	124,898,503,882
10. A	Deposits received from Banks (Note A-1)	29,095,322,794	29,572,235,414
10.B	Deposits received from other than Bank		
	Payable on Demand (Note B-1)	5,950,054,496	6,237,323,439
	Other Deposits (Note B-2)	115,174,543,564	89,088,945,029
		121,124,598,060	95,326,268,468
		150,219,920,854	124,898,503,882
10. A.1	Deposits Received from Banks		
	AB Bank Limited	5,455,433	205,985,086
	Bangladesh Development Bank Ltd.	400,000,000	250,000,000
	Bangladesh Commerce Bank Ltd.	716,500	1,000,000,000
	Janata Bank Ltd.	1,300,000,000	1,800,000,000
	Islami Bank Bangladesh Ltd.	19,972,560,742	15,276,683,783
	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.	2,000,000,000	4,000,000,000
	Sonali Bank Ltd.	656,473,106	1,128,543,750
	Social Islami Bank Ltd.	1,813,644,152	710,916,150
	Probashi Kallayan Bank Ltd.	110,598,132	155,604,395
	Rajshahi Krishi Unnayan Bank Ltd.	536,906,883	-
	Rupali Bank Ltd.	-	2,250,000,000
	Trust Bank Ltd.	5,704,548	5,506,507
	Uttara Bank Ltd.	-	500,000,000
	South Bangla Agriculture and Commerce Bank Ltd.	95,815	89,432
	Southeast Bank Ltd.	470,603	-
	First Security Islami Bank Ltd.	1,752,606	6,785,274
	Exim Bank Ltd.	710,258	-
	NRB Global Bank Ltd.	10,234,016	2,121,037
		29,095,322,794	29,572,235,414

	2019 Taka	2018 Taka
Maturity wise Grouping of Deposits Received from Banks		
Repayable on Demand	-	-
Repayable within One Month	11,011,344,673	10,208,087,269
Repayable over One Month but within Six Months	17,971,229,489	19,208,543,750
Repayable over Six Months but within one Year	112,748,632	155,604,395
Repayable over One Year but within Five Years	-	-
Repayable over Five Years but within Ten Years	-	-
Unclaimed Deposits for Ten Years and above	-	-
	29,095,322,794	29,572,235,414
B-1 Payable on Demand		
Al-wadiah Current Deposits	3,816,472,272	4,473,047,451
Mudaraba Saving Deposits (9%) (Note-10.1)	482,230,611	375,948,891
Bills Payable (Note-10.5)	711,515,929	703,856,631
Sundry Deposits (Note-10.4.1)	939,835,684	684,470,466
	5,950,054,496	6,237,323,439
B-2 Other Deposits		
Mudaraba Saving Deposits (91%) (Note-10.1)	4,875,887,294	3,801,261,013
Mudaraba Term Deposits	65,801,385,997	62,094,746,328
Mudaraba Short Notice Deposits	8,602,771,639	2,098,403,877
Other Mudaraba Term Deposits (Note-10.3)	35,894,498,634	21,094,533,811
	115,174,543,564	89,088,945,029
11 OTHER LIABILITIES		
Inter - branch Transaction Account	-	-
Provision for Taxation (Note-11.1)	3,725,521,174	2,802,011,265
Accumulated Provision against Investments (Note-11.2)	3,115,000,000	1,901,919,545
Accrued Profit and Expenses Payable (Note-11.3)	3,005,316,850	2,443,536,670
Provision for Gratuity (Note-11.4)	85,067,446	35,307,446
Provisions for diminution in value of Investments in share (Note-11.5)	21,800,000	8,500,000
Provision for Zakat	36,000,000	26,500,000
Provision for Expenses on Mudaraba Subordinated Bond	126,198,476	-
Other provisions (11.2.4)	10,678,017	8,618,678
Provident Fund	661,466	325,108
Benevolent Fund	76,324	161,395
Provision for Incentive Bonus	142,838,196	141,850,904
Provision for Audit fee	345,000	345,000
Clearing adjustment account	2,779,389	3,008,619
Compensation Realized	250,780,831	20,803,930
ATM Adjustment (NPSB)	3,755,960	2,671,289
Profit Rent Suspense	396,930,595	132,069,802
Compensation Receivable	187,687,776	46,610,547
Others	30,314,235	41,023,842
	11,141,751,735	7,615,264,040

	2019 Taka	2018 Taka
11.1 Provision for Taxation		
Opening balance	2,802,011,265	1,986,486,207
Add : Provision made during the year	923,509,909	815,525,058
Less: Adjustment/settlement during the year	-	-
Closing balance	3,725,521,174	2,802,011,265

Tribunal order has been completed and waiting for the notice of the demand for the assessment year 2014-2015 and assessment year 2015-2016 at Appellate stage. Assessment year 2016-2017, 2017-2018 and 2018-2019 return have been submitted u/s 82BB of Income Tax Ordinance 1984 but not yet completed and assessment for the year 2019-2020 not yet due.

11.2 Accumulated Provision against Investments		
Specific Provision for Classified Investments (Note -11.2.1)	1,520,000,000	530,019,545
General Provision for Unclassified Investment (Note -11.2.2)	1,493,000,000	1,274,900,000
General Provision for off- balance sheet exposure (Note -11.2.3)	102,000,000	97,000,000
	3,115,000,000	1,901,919,545
11.2.1 Movement in Specific Provision for Classified Investments		
Provision held at the beginning of the year	530,019,545	200,000,000
Fully Provided Debts written off	-	(16,780,455)
Recoveries of amounts previously written off	-	-
Specific Provision for the year (Note-11.2.a)	989,980,455	346,800,000
Recoveries and Provisions no longer required	-	-
Net Charge to Profit and Loss Account	-	-
Provision held at the end of the year	1,520,000,000	530,019,545
11.2.2 General Provision for Unclassified Investments		
Provision held at the beginning of the year	1,274,900,000	1,075,900,000
Addition/transfer during the year (Note-11.2.a)	218,100,000	199,000,000
Provision held at the end of the year	1,493,000,000	1,274,900,000
11.2.3 General Provision for off-balance sheet exposure		
Provision held at the beginning of the year	97,000,000	75,000,000
Addition/transfer during the year (Note-11.2.a)	5,000,000	22,000,000
Provision held at the end of the year	102,000,000	97,000,000
11.2.4 Other Provisions		
Provision held at the beginning of the year	8,618,678	6,559,339
Addition/transfer during the year	2,059,339	2,059,339
Provision held at the end of the year	10,678,017	8,618,678

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	7,500,000	6,500,000
Addition/transfer during the year	1,000,000	1,000,000
Provision held at the end of the year	8,500,000	7,500,000

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.

	2019 Taka	2018 Taka
11.2.a Provision for Investments during the year		
Specific Provision for Classified Investments	989,980,455	346,800,000
General Provision for Unclassified Investments	218,100,000	199,000,000
General Provision for off- balance sheet exposure	5,000,000	22,000,000
	1,213,080,455	567,800,000
11.3 Accrued Profit and Expenses Payable		
Mudaraba Term Deposit Receipt	2,057,652,673	1,722,604,796
Mudaraba Monthly Benefit Savings Scheme	184,511,776	134,811,440
Mudaraba Double Benefit Savings Scheme	574,719,896	468,478,103
Mudaraba Monthly Profit Scheme	98,201,207	47,983,727
Mudaraba Pension Prokolpa	6,301,561	5,181,982
Mudaraba Marriage Deposit Scheme	2,498,801	1,133,363
Mudaraba Hajj Deposit Scheme	1,191,950	763,743
Mudaraba Millionaire Savings Scheme	54,167,756	44,717,199
Mudaraba Kotipoti Deposit Scheme	4,240,972	3,293,467
Mudaraba Pension deposit Scheme	15,356	50,832
Mudaraba Mohor Saving Scheme	870,284	328,752
Mudaraba Corepoty Sanchaya Prokalpa	19,380,999	13,341,344
Mudaraba Barakah Deposit Scheme	1,563,619	847,922
	3,005,316,850	2,443,536,670
11.4 Provision for Gratuity		
Opening Balance	35,307,446	23,567,446
Add: Provision made during the year	85,000,000	35,240,000
	120,307,446	58,807,446
Less: Adjustment	35,240,000	23,500,000
Closing Balance	85,067,446	35,307,446
11.5 Provisions for diminution in value of Investments in share		
Opening Balance	8,500,000	2,500,000
Add: Provision made during the year	13,300,000	6,000,000
	21,800,000	8,500,000
Less: Adjustment	-	-
Closing Balance	21,800,000	8,500,000
11.a Deferred Tax Liabilities/(Assets)		
Opening Balance	(43,689,446)	(28,199,024)
Add: Addition during the year	(38,509,909)	(15,490,422)
	(82,199,355)	(43,689,446)
Less: Adjustment	-	-
Closing Balance	(82,199,355)	(43,689,446)
12 CAPITAL		
AUTHORISED CAPITAL		
1,000,000,000 Ordinary Shares of Taka 10 each.	10,000,000,000	10,000,000,000

	2019 Taka	2018 Taka
12.1 Issued, Subscribed and Paid-Up Capital		
527,296,000 Ordinary Shares of Taka 10 each issued	5,272,960,000	5,272,960,000
12.2 Category of shareholding as at 31 December 2019		
<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 2019		
<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	-	-
	527,296,000	100.00
	527,296,000	100.00
12.4 Regulatory Capital Requirement in line with Basel-III		
<u>I. Tier - 1 Capital</u>		
<u>a. Common Equity Tier-1 Capital (CET-1)</u>		
Paid up Capital	5,272,960,000	5,272,960,000
Statutory Reserve	1,523,468,581	1,227,575,435
Other Reserve	145,749,665	145,749,665
Retained Earnings	1,508,442,504	1,209,869,922
	8,450,620,750	7,856,155,022
<u>b. Additional Tier –1 Capital (AT-1)</u>	-	-
Total Tier 1 Capital (a + b)	8,450,620,750	7,856,155,022
<u>II. Tier –2 Capital</u>		
General Provision	1,595,000,000	1,371,900,000
Mudaraba Subordinated Bond	4,000,000,000	-
	5,595,000,000	1,371,900,000
A. Total Regulatory Capital (I+II)	14,045,620,750	9,228,055,022
B. Total Risk Weighted Assets	114,773,056,597	90,145,366,888
C. Minimum Capital Requirement	11,477,305,660	9,014,536,689
D. Capital Surplus/(Shortfall); (A - C)	2,568,315,090	213,518,333
Capital to Risk Weighted Assets Ratio (CRAR)	12.24%	10.24%
Capital to Risk Weighted Assets Ratio (CRAR):	<u>Held</u>	<u>Held</u>
a. Common Equity Tier-1 Capital to Risk Weighted Assets	7.36%	8.71%
b. Tier - 1 Capital to Risk Weighted Assets	7.36%	8.71%
c. Tier - 2 Capital to Risk Weighted Assets	4.88%	1.53%
Total (b+c)	12.24%	10.24%

The Bank has maintained Capital to Risk Weighted Assets Ratio (CRAR) at 12.24% for the year ended 31 December 2019. Noted that according to the Basel - III implementation roadmap, Banks were instructed to maintain CRAR at 12.50% consist of Minimum Capital at 10% plus Capital Conservation Buffer (CCB) at 2.50% by December 2019.

	2019 Taka	2018 Taka
13 STATUTORY RESERVE		
Opening Balance	1,227,575,435	876,837,431
Transferred during the year from Profit & Loss A/C	295,893,146	350,738,005
Closing Balance	1,523,468,581	1,227,575,435
14 OTHER RESERVE	145,749,665	145,749,665
15 RETAINED EARNINGS		
Opening Balance	1,209,869,922	606,952,540
Add: Net Profit after tax for the year	594,465,728	953,655,387
Less: Transferred to Statutory Reserve	295,893,146	350,738,005
Less: Transferred to Paid up Capital	-	-
Closing Balance	1,508,442,504	1,209,869,922
16 LETTER OF GUARANTEES		
Money for which the Bank is contingently liable in respect of guarantees are given favoring:		
Letters of Guarantee - Local	1,633,366,306	605,602,026
Letter of Guarantee - Foreign	-	-
	1,633,366,306	605,602,026
16.1 Money for Which the Bank is Contingently Liable in respect of Guarantees:		
Directors	-	-
Government	-	-
Banks and Other Financial Institutions	-	-
Others	1,633,366,306	605,602,026
	1,633,366,306	605,602,026
17 IRREVOCABLE LETTERS OF CREDIT		
Letters of Credit - Cash	2,568,111,806	1,653,071,250
Letter of Credit - Cash Inland	-	-
Back to Back Letters of Credit - Local	229,601,279	306,633,285
Back to Back Letters of Credit - Foreign	160,807,395	158,025,771
	2,958,520,480	2,117,730,306
18 BILLS FOR COLLECTION ISSUED BY THE BANK		
Foreign Documentary Bills	228,694,018	356,897,050
Outward Bills	-	-
Inland Documentary Bills	1,166,915,574	890,315,318
	1,395,609,592	1,247,212,368

		2019 Taka	2018 Taka
19	INVESTMENT INCOME		
	Profit Received from:		
	Deposit with Other Banks	559,786,607	603,383,674
	Bai Murabaha - General	127,461,506	249,479,396
	Bai Murabaha Hypothecation	12,374,016	25,845,131
	Bai Murabaha against MTDR	4,262,505,755	3,642,300,850
	Bai Murabaha - TR	8,047,415,712	5,717,927,200
	Bai Murabaha - Agriculture	56,099,321	56,423,317
	Musharaka - MDB	2,410,679,717	2,033,126,218
	Bai Muajjal Guarantee	3,160,061	166,887
	Bai Muajjal Real Estate	76,544,074	80,402,785
	Bai Murabaha Post Import Bill - TR	252,584,312	336,916,170
	HPSM Transport	23,966,510	20,090,473
	HPSM Industry	80,895,000	84,885,398
	HPSM Real Estate	212,856,187	183,765,906
	HPSM Employees House Building	18,753,232	13,072,625
	HPSM Machinery	203,084,772	220,926,071
	HPSM Consumer Durables	4,700,934	5,311,220
	HPSM SME	90,388	1,986
	HPSM Rural House Building	637,030	1,752,757
	Quard against MTDR	3,750	-
	Bill Purchased - Foreign	1,620,550	410,561
	Bai Murabaha Import Bill (MIB)	157,664,060	86,856,825
	Bai Murabaha EDF Investments	22,022,847	13,015,683
	Back to Back Bill	79,510,619	103,245,178
	Bai Muajjal against Import Bill	116,430,094	63,978,682
	Bai Istisna	5,586,573	7,585,068
		16,736,433,627	13,550,870,061
20	PROFIT PAID ON DEPOSITS		
	Profit Paid on:		
	Mudaraba Term Deposit	7,447,779,066	6,476,253,366
	Mudaraba Double Benefit Deposits Scheme	1,004,160,110	847,030,567
	Mudaraba Monthly Savings Scheme	326,392,214	225,499,205
	Mudaraba Monthly Benefit Savings Scheme	1,437,527,836	800,707,436
	Bangladesh Government Islami Bond	404,619,391	380,694,904
	Mudaraba Savings Deposits	134,114,879	110,941,282
	Mudaraba Short Notice Deposits	1,179,190,270	624,222,057
	Mudaraba no Frill Savings Deposits	330,068	189,496
	Mudaraba Marriage Scheme	4,038,720	1,972,113
	Mudaraba Union Pension Prokolpo	10,709,281	8,547,200
	Mudaraba Pension Deposit Scheme	23,578	57,045
	Mudaraba Millionaire Deposit Scheme	94,811,687	75,886,650
	Mudaraba Hajj Deposit Scheme	2,014,555	1,215,397
	Mudaraba Mohor Savings Scheme	1,377,715	503,959
	Mudaraba Corepoty Savings Scheme	32,867,319	21,979,238
	Mudaraba Kotipoti Deposit Scheme	8,702,192	6,596,360
	Mudaraba Barakah Deposit Scheme	2,514,743	1,443,744
	Mudaraba Subordinated Bond	221,998,476	-
		12,313,172,100	9,583,740,019

	2019 Taka	2018 Taka
21 INCOME FROM INVESTMENT IN SHARES AND SECURITIES		
Bangladesh Govt. Islamic Investment Bond	275,476,897	102,257,736
Other Bond	25,696,210	30,642,500
Profit/(Loss) on sale of shares	227,028	4,837,963
Dividend Income	223,954	135,000
	301,624,089	137,873,199
22 COMMISSION, EXCHANGE AND BROKERAGE		
Commission	197,047,325	198,575,476
Exchange Gain	119,905,377	56,263,533
Exchange Earning	126,149,479	66,403,826
Less: Exchange Loss	6,244,102	10,140,293
	316,952,702	254,839,009
23 OTHER OPERATING INCOME		
Account maintenance charge	27,767,643	27,966,212
Clearing cheque processing fee	160,518	152,061
Investment processing fee	100,006,155	24,952,184
Miscellaneous Earnings	38,118,987	26,658,676
	166,053,303	79,729,133
24 SALARY AND ALLOWANCES		
Basic Salary	459,142,026	359,669,739
Bonus	172,258,789	183,691,602
Bank's Contribution to Staff Provident Fund	41,314,560	30,104,473
Gratuity	85,000,000	35,240,000
House Rent Allowance	248,972,636	184,650,202
Conveyance Allowance	41,595,796	30,670,150
Leave Fare Allowance	79,801,278	114,970,403
Entertainment Allowance	17,493,968	29,844,339
Medical Allowance	62,621,485	45,576,176
Utility Services	39,011,636	45,358,525
House Maintenance Allowance	45,246,494	47,536,542
Bengali New Year Allowance	6,692,346	6,003,131
Other Allowances	6,111,576	5,482,995
	1,305,262,590	1,118,798,277
25 RENT, TAXES, INSURANCE, ELECTRICITY etc.		
Rent	276,336,229	239,348,432
Insurance	38,170,843	57,287,408
Rates and Taxes	10,156,606	3,497,357
Water Charges	1,068,428	791,697
Gas Charges	383,618	354,636
Electric Bills	40,158,240	34,458,836
	366,273,964	335,738,366

	2019 Taka	2018 Taka
26 LEGAL EXPENSES		
Law Charges	344,355	91,750
Stamp	42,429	41,163
Other Professional Charges	18,938,964	603,035
	19,325,748	735,948
27 POSTAGE, STAMP AND TELECOMMUNICATION etc.		
Telephone - Office	4,342,913	4,521,402
Telegram, Telex, Internet, Fax and Email charge	9,891,132	8,952,038
Stamp	5,220	38,970
Telephone - Residence	1,900	5,682
Swift charge	5,832,489	4,418,676
Postage	4,243,001	4,024,464
	24,316,655	21,961,232
28 STATIONERY, PRINTING AND ADVERTISEMENT etc.		
Publicity and Advertisement	28,148,980	19,698,651
Printing and Stationery	20,409,033	27,696,517
	48,558,013	47,395,168
29 CHIEF EXECUTIVE'S SALARY & FEES		
Basic Pay	3,900,000	3,900,000
House Rent Allowances	1,500,000	1,500,000
Leave Fare Allowance	1,500,000	1,500,000
Bonus	1,650,000	1,650,000
Bengali New Year Allowance	65,000	65,000
House Maintenance Allowance	1,500,000	1,500,000
	10,115,000	10,115,000
30 DIRECTORS' FEES & EXPENSES		
Fees	1,398,400	1,536,400
Travel	1,585,500	1,155,000
	2,983,900	2,691,400
31 SHARIA'H SUPERVISORY COMMITTEE'S FEES AND EXPENSES		
Fees	266,800	174,800
Travel	90,000	60,000
	356,800	234,800
32 DEPRECIATION AND REPAIRS TO FIXED ASSETS		
Depreciation on Fixed Assets (Annexure - A)	191,892,636	173,126,537
Repairs:	44,923,868	55,130,326
Office equipment	23,033,481	24,710,972
Renovation and Maintenance of Office Premises	69,730	32,757
Furniture and Fixtures	172,789	216,140
Repair & Maintenance of Vehicle	21,647,868	30,170,457
	236,816,504	228,256,863

	2019 Taka	2018 Taka
33 OTHER EXPENSES		
Car Expense	49,246,833	48,792,149
Wages	153,523,645	126,720,977
Traveling	10,273,096	10,418,149
Donation and Subscription:		
Donation	139,112,870	43,869,570
Subscription	3,731,163	8,182,467
Newspaper and Periodicals	496,347	412,878
Entertainment	21,573,790	18,734,695
Conveyance	5,992,917	5,546,011
Bank charges	7,680,676	4,226,999
Holiday Banking allowances	1,621,911	1,033,505
Medical Expense	8,031,387	6,739,072
Training, Seminar and Workshop	4,458,729	3,311,553
Photocopy, Photograph & Toner	2,165,590	2,172,512
Generator Expenses	5,389,860	5,272,906
Washing and Cleaning	442,113	424,620
Online Expenses	2,294,257	2,632,599
Office Maintenance	11,187,242	8,683,989
Crockery Expense	277,475	244,921
Meeting Expenses	13,500,059	14,064,233
ATM Expenses	5,452,276	2,997,731
Miscellaneous Expenses	3,179,689	2,423,431
	449,631,925	316,904,967
34 EARNINGS PER SHARE (EPS)		
A. Net Profit after Tax	594,465,728	953,655,387
B. Weighted Average Number of Ordinary Shares	527,296,000	527,296,000
Earnings Per Share (A/B)*	1.13	1.81
35 RECEIPTS FROM OTHER OPERATING ACTIVITIES		
Account maintenance charge	27,767,643	27,966,212
Clearing cheque processing fee	160,518	152,061
Investment processing fee	100,006,155	24,952,184
Miscellaneous Earnings	38,118,987	26,658,676
	166,053,303	79,729,133
36 PAYMENTS FOR OTHER OPERATING ACTIVITIES		
Rent, Taxes, Insurances, Electricity etc.	366,273,964	335,738,366
Legal Expenses	19,325,748	735,948
Postage, Stamps, Telecommunications etc.	24,316,655	21,961,232
Directors' fees	2,983,900	2,691,400
Sharia'h Supervisory Committee's fees and expenses	356,800	234,800
Auditor's Fee	345,000	690,000
Repair of Fixed Assets	44,923,868	55,130,326
Zakat Expenses	36,000,000	26,500,000
Other Expenses	449,631,925	316,904,967
	944,157,860	760,587,039

	2019 Taka	2018 Taka
37 INCREASE / DECREASE OF OTHER ASSETS		
Inter - branch Transaction Account	3,790,159,506	389,599,438
Advances, Deposits and Prepayment	400,764,648	3,130,565,482
Stock of Stationery	10,740,985	8,457,934
Suspense Account	233,099,624	216,790,009
Stamps on Hand	2,063,539	1,562,474
	4,436,828,302	3,746,975,337
(Increase)/Decrease during the year	(689,852,965)	(1,115,885,000)
38 INCREASE / DECREASE OF OTHER LIABILITIES		
Provision for Zakat	36,000,000	26,500,000
Benevolent Fund	76,324	161,395
Clearing Adjustment Account	2,779,389	3,008,619
Others	997,131,553	244,643,088
	1,035,987,266	274,313,102
Increase /(Decrease) during the year	761,674,164	116,634,998
39 NUMBER OF EMPLOYEES		
Executives and Officers	1,265	1,188
Members of Staff (Contractual)	315	289
	1,580	1,477

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

Name of the Party	Nature of Transaction	Nature of Relationship	Total Value (in Taka)
Times Securities Ltd.	Trading of Share (Investment of Share)	Common Director	44,062,131

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	Shahidul Alam	Chairman	Managing Director Galco Steel (Bangladesh) Ltd. Prasad Paradise Resorts Ltd. S. Alam Vegetable Oil Ltd. Norinco Engineering Ltd. Director Reliance Brokerage Services Ltd. Proprietor M/s. Tazin Enterprise Sonali Traders
2	Ahsanul Alam	Vice-Chairman	Managing Director Genesis Textiles Accessories & Apparels Ltd. Western Designers Ltd. Chairman Hasan Abasan (Pvt) Ltd. Director Norinco Engineering Ltd. Proprietor Genesis Enterprise Chief Executive S. Alam & Co.

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.
3	Ms. Marzina Sharmin	Director	Managing Director Unique Investment & Securities Limited Times Securities Limited Director Infinite CR Strips Industries Ltd. Kingston Flour Mills Ltd. Proprietor M/s. Marzina Trading
4	Rashedul Alam	Director	Managing Director Global Trading Corporation Ltd. Director S. Alam Steels Ltd. Bangladesh Petro Chemical Ltd. S. Alam Hatchery Ltd. Ocean Resorts Ltd. S. Alam Properties Ltd. Fatehabad Farm Ltd. Proprietor Rafe Enterprise Khurshed Poribohon Sangstha
5	Showkat Hossain, FCA	Director	Senior Partner Hoda Vasi Chowdhury & Co. Director Chattogram WASA
6	Ms. Farzana Begum	Director	Managing Director Shah Amanat Praktik Gas Co. Ltd. Lion Securities & Investment 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 MRM Trading Ltd. Chattogram Logistic Ltd. Worth Avenue Steels Ltd. Adviser C&A Fabrics Ltd.
8	Ms. Halima Begum	Director	Proprietor Brothers Syndicate 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
11	Md. Enayet Ullah, FCA	Independent Director	Partner Shafiq Basak & Co., Chartered Accountants Ex-Adviser Shafiq Basak & Co., Chartered Accountants Ex-Partner Khan Wahab Shafique Rahman & Co. Chartered Accountants

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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
Md. Enayet Ullah, FCA	Independent Director	Member	B. Com, Fellow Chartered Accountant

(b) During the year under review, the Audit Committee of the Board conducted 05 (Five) 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.

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EVENTS AFTER BALANCE SHEET DATE

a) The Board of Directors of the Bank in it's 67th Board meeting held on 25 June 2020 approved the financial statements of the Bank for the year ended 31 December 2019 and recommended 5% cash dividend and 6% stock dividend for shareholders for the year 2019 to be approved in the next Annual General Meeting and authorized the same for issue.

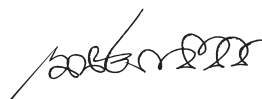
b) There is no other significant event that has occurred between the balance Sheet date and the date when the financial statements were authorized for issue by the Board of Director which require adjustment in the financial statements.



Managing Director



Director



Director



Chairman

Dhaka
25 June 2020

UNION BANK LIMITED
SCHEDULE OF FIXED ASSETS
As at 31 December 2019

Figure in Taka

Particulars	C O S T			D E P R E C I A T I O N					Written down value as on 31 December '19
	Balance as on 01 January '19	Addition during the period	Sales/Transfer during the period	Balance as on 31 December '19	Charged for the period	Adjustment on sale/transfer during the period	Balance as on 31 December '19		
Land	-	2,666,750,340	-	2,666,750,340	-	-	-	-	2,666,750,340
Furniture & Fixtures	781,344,464	66,555,349	-	847,899,813	65,169,403	-	265,157,161	-	582,742,652
Office Equipment	814,988,443	43,575,395	-	858,563,838	113,604,528	-	410,455,373	-	448,108,465
Vehicles	101,456,719	10,015,000	-	111,471,719	13,092,261	-	91,520,442	-	19,951,277
Books	254,304	98,503	-	352,807	26,444	-	114,813	-	237,994
Total Dec' 2019	1,698,043,930	2,786,994,587	-	4,485,038,517	191,892,636	-	767,247,789	-	3,717,790,728
Total Dec' 2018	1,252,228,424	445,815,506	-	1,698,043,930	173,126,537	-	575,355,153	-	1,122,688,777

UNION BANK LIMITED
FINANCIAL HIGHLIGHTS
For the year ended 31 December 2019

Amount in Taka

SL #	Particulars	2019	2018
1	Paid-up Capital	5,272,960,000	5,272,960,000
2	Total Regulatory Capital	14,045,620,750	9,228,055,022
3	Total Regulatory Capital Surplus/(deficit)	2,568,315,090	213,518,333
4	Total Assets	180,023,946,427	148,583,765,200
5	Total Deposits	150,219,920,854	124,898,503,882
6	Total Investments	146,459,574,948	119,934,385,113
7	Total Contingent Liabilities and Commitments	11,573,330,051	9,839,281,673
8	Investment Deposit Ratio (in %)	92.48%	92.96%
9	Percentage of Classified Investments against total Investments (in %)	3.64%	0.97%
10	Profit before Provision and Tax	2,707,905,522	2,329,549,362
11	Amount of Classified Investments	5,336,826,003	1,164,783,674
12	Provision kept against Classified Investments	1,520,000,000	525,461,000
13	Investments Provision Surplus/(deficit)	68,693,795	105,919,545
14	Cost of Fund	11.08%	10.31%
15	Profit Earning Assets	159,022,359,825	132,907,486,419
16	Non-profit Earning Assets	21,001,586,602	15,676,278,781
17	Income from Investments	16,736,433,627	13,550,870,061
18	Return on Investment (ROI)(in %)	11.43%	11.30%
19	Income from Investment in Shares & securities	301,624,089	137,873,199
20	Return on Investment in Shares & securities (ROI)(in %)	4.96%	2.70%
21	Return on Assets (ROA)(in %)	0.36%	0.68%
22	Earnings Per Share (Tk.)	1.13	1.81
23	Net Income Per Share (Tk.)	1.13	1.81
24	Price Earnings Ratio (Times)	N/A	N/A


Head Office

Bahela Tower, 72, Gulshan Avenue
 Gulshan-1, Dhaka-1212, Bangladesh
 E-mail : info@unionbank.com.bd
 web : www.unionbank.com.bd
 Telephone : +88-02-222297310



Proxy Form

I/we

of

being a member of Union Bank Limited, do hereby appoint Mr./Ms.

of

as my/our proxy to attend and vote for me/us, and on my/our behalf at the 7th Annual General Meeting of the Members of Union Bank Limited will be held on Tuesday, 29th December 2020 at 11.00 am at Union Bank Limited, Head Office, Bahela Tower, 72, Gulshan Avenue, Gulshan-01, Dhaka-1212.

Signed this day of, 2020.

 (Signature of Shareholders)

Membership No. :

No. of Share Held :

Notes:

This proxy Form duly completed and stamped must be deposited at least 48 hours before the meeting at the company's Registered Office. Proxy is invalid if not signed and stamp as explained above.


Head Office

Bahela Tower, 72, Gulshan Avenue
 Gulshan-1, Dhaka-1212, Bangladesh
 E-mail : info@unionbank.com.bd
 web : www.unionbank.com.bd
 Telephone : +88-02-222297310

Attendance Slip

I/we hereby record my attendance at the 7th Annual General Meeting of the Members of Union Bank Limited will be held on Tuesday, 29th December 2020 at 11.00 am at Union Bank Limited, Head Office, Bahela Tower, 72, Gulshan Avenue, Gulshan-01, Dhaka-1212.

Name of the Member/Proxy :

Membership No. :

Signature of Member/Proxy and Date

NOTES

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